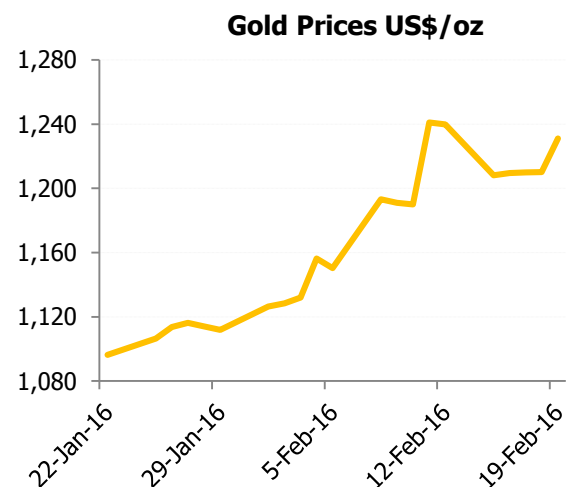


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart



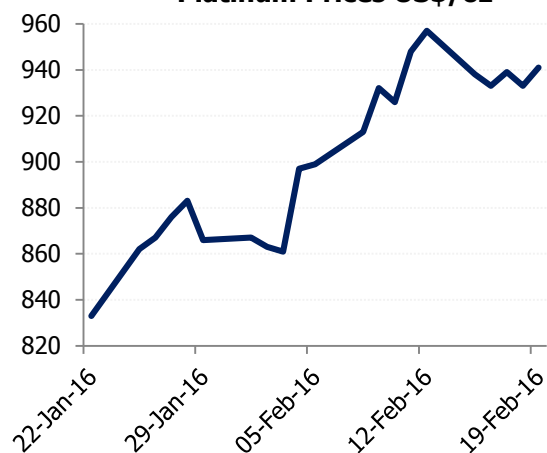
Commodity Prices

| Daily | US\$/oz | WoW %Δ |
|-----------|---------|--------------|
| 12-Feb-16 | 1,240 | |
| 15-Feb-16 | 1,208 | |
| 16-Feb-16 | 1,210 | |
| 17-Feb-16 | 1,210 | |
| 18-Feb-16 | 1,210 | |
| 19-Feb-16 | 1,231 | |
| | | -0.69 |

Commodity Developments

- Gold prices rose during the week although they failed to register weekly positive gains, as US equities resumed their downward spiral, renewing bullion's safe-haven appeal that has spurred the market's biggest rally in years.
- Financial market volatility has increased expectations that the US Federal Reserve may hold off hiking interest rates further this year.
- Gold is working as a safe haven trade in this era of negative or very low interest rates, particularly in Europe, Japan, Sweden and Denmark.
- In production, Gold mining company AngloGold Ashanti is working with police to prevent the expansion of illegal mining beyond the northern extremity of its lease tenement at the Obuasi gold mine in Ghana.
- Generally, illegal mining activities have derailed investment in the mining sector in many African mining jurisdictions.

Platinum Prices US\$/oz



| Daily | US\$/oz | WoW % |
|-----------|---------|--------------|
| 12-Feb-16 | 957 | |
| 15-Feb-16 | 938 | |
| 16-Feb-16 | 933 | |
| 17-Feb-16 | 939 | |
| 18-Feb-16 | 933 | |
| 19-Feb-16 | 941 | |
| | | -1.67 |

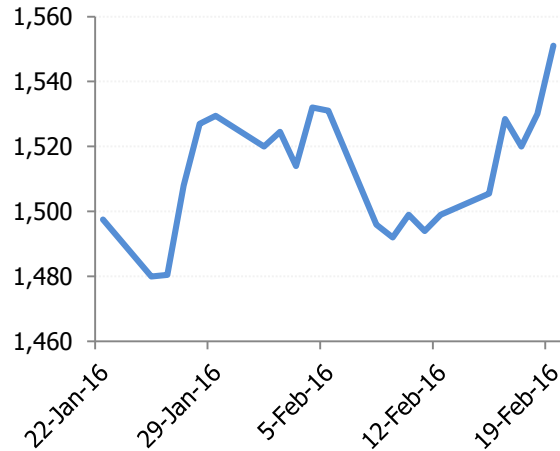
- With over 80% of platinum miners incurring losses owing to low platinum prices and rising operating costs, there is a call for all industry stakeholders to come together to find sustainable solutions to the challenging operating climate.
- The Zimbabwe Revenue Authority (Zimra) announced that it repaid Impala Platinum's unit in the country about US\$100m in overpaid royalties, dragging down earnings from the mineral royalties segment by 110%. The Authority said this had contributed to a 7% shortfall in 2015 revenue targets.
- The country with world's 2nd largest known platinum reserves is battling a severe economic downturn that has been worsened by increased uncertainty in the operating environment, drought conditions and suppressed commodity prices.

Commodity 30-Day Price Chart

Commodity Prices

Commodity Developments

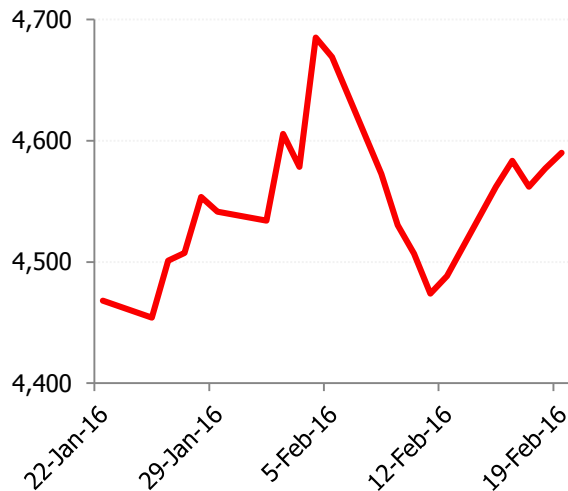
Aluminium Prices US\$/t



| Daily | US\$/t | WoW %Δ |
|-----------|--------|-------------|
| 12-Feb-16 | 1,499 | |
| 15-Feb-16 | 1,506 | |
| 16-Feb-16 | 1,529 | |
| 17-Feb-16 | 1,520 | |
| 18-Feb-16 | 1,530 | |
| 19-Feb-16 | 1,551 | |
| | | 3.47 |

- A massive overhang of aluminium stocks, mostly due to rising Chinese production, is set to cap a tentative price recovery triggered by large output cuts.
- Last year plummeting prices and squeezed margins led to production cuts of around 5.5m tonnes with the bulk, about 4m tonnes, in China.
- Prices of the metal used in transport and packaging have since recovered to above US\$1,500/t from a low of US\$1,424 touched in Nov-15. However, a stronger rally may only encourage producers to restart idled output capacity.

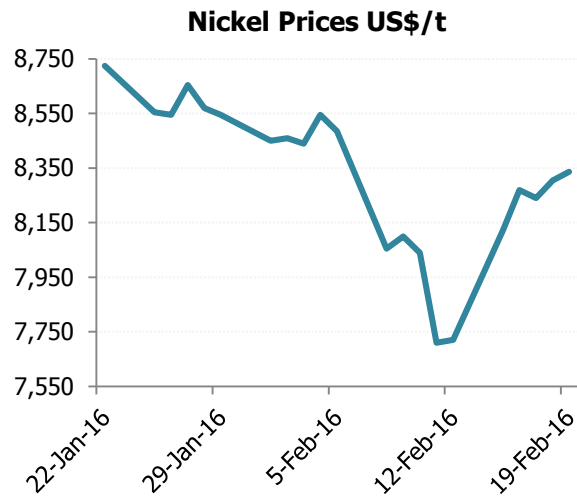
Copper Price US\$/t



| Daily | US\$/t | WoW %Δ |
|-----------|--------|-------------|
| 12-Feb-16 | 4,489 | |
| 15-Feb-16 | 4,562 | |
| 16-Feb-16 | 4,584 | |
| 17-Feb-16 | 4,562 | |
| 18-Feb-16 | 4,577 | |
| 19-Feb-16 | 4,590 | |
| | | 2.26 |

- Copper, zinc, aluminium and nickel prices hit their highest levels in about two weeks on the 19th of Feb-16 on brighter prospects for Chinese demand and concern about the potential for looming shortages.
- Some signs have emerged to suggest China's infrastructure spending drive is feeding through into the real economy such as a pick-up in electrical wire fabrication and rising grid spend.
- Zambia will next month start implementing its new royalty system that varies depending on the copper price. The royalty level will be 4% when the price of copper is below US\$4,500/t, 5% when between US\$4,500 and US\$6,000 and 6% when above US\$6,000/t, as Authorities seek to keep struggling mines open and limit job losses.
- The new price-based copper royalty is likely to boost investment in new projects in Africa's 2nd-biggest copper producer.

Commodity 30-Day Price Chart



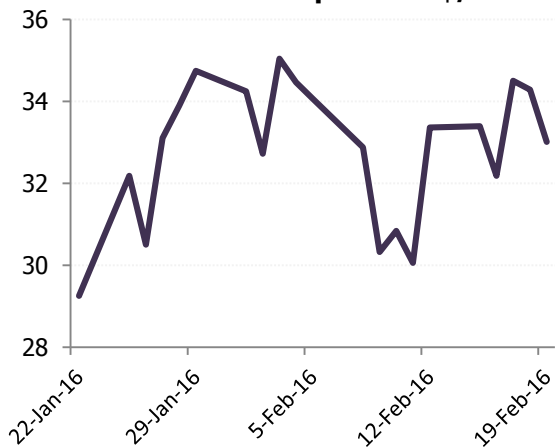
Commodity Prices

| Daily | US\$/t | WoW %Δ |
|-----------|--------|-------------|
| 12-Feb-16 | 7,720 | |
| 15-Feb-16 | 8,120 | |
| 16-Feb-16 | 8,270 | |
| 17-Feb-16 | 8,240 | |
| 18-Feb-16 | 8,305 | |
| 19-Feb-16 | 8,337 | |
| | | 7.99 |

Commodity Developments

- Nickel was the top performer in base metals space during the week under review.
- The metal gained support as Chinese buyers sought to import more metal to put on financing deals after prices were heavily sold over the Lunar New Year.
- It was nickel's biggest weekly gain since May 2014.
- However abundant supply may limit the recovery. Brazilian miner Vale, the 2nd largest nickel producer, produced record amounts of nickel and other metals as it battled a slump in global metals prices by boosting output in search of greater market share.
- Vale is betting on its lower costs and higher volumes pushing out smaller rivals and stabilising prices even as demand slows in China.

Oil Brent prices US\$/bbl

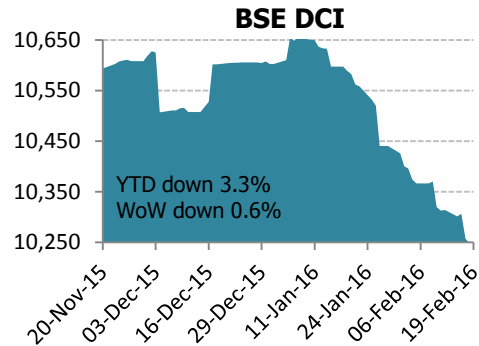


| Daily | US\$/bbl | WoW %Δ |
|-----------|----------|--------------|
| 12-Feb-16 | 33.36 | |
| 15-Feb-16 | 33.39 | |
| 16-Feb-16 | 32.18 | |
| 17-Feb-16 | 34.50 | |
| 18-Feb-16 | 34.28 | |
| 19-Feb-16 | 33.01 | |
| | | -1.05 |

- Brent recorded a 3rd straight weekly loss, as record high US crude stockpiles intensified worries that a plan to freeze world output will do little or nothing to reduce massive oil supplies already in the market.
- During the week, Saudi Arabia, the lynchpin of the Organization of the Petroleum Exporting Countries (OPEC), along with Qatar and Venezuela, and non-OPEC member Russia, proposed to freeze output at Jan-15's highs.
- Iran, the main stumbling block to any production control due to its zeal to recapture market share lost to sanctions, welcomed the plan without commitment. Iraq was also non-committal.
- However, US Gvt data showed that crude inventories rose 2.1m barrels to a new peak of 504.1m during the week under review, overshadowing the output freeze proposed by the producers.

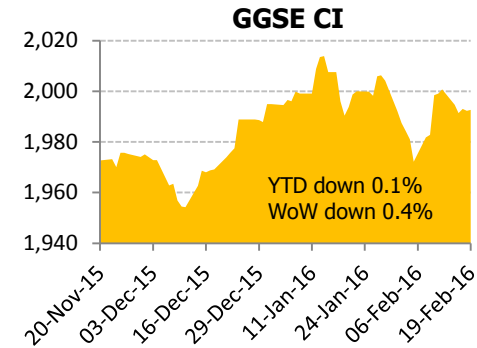
Equities 90-Day Index Charts

Botswana



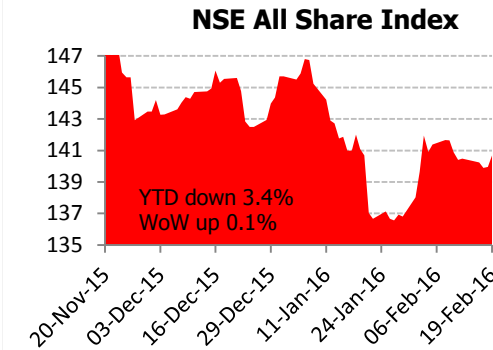
- The BSE will in Mar-16 hold an inaugural listings conference that is aimed at sensitising privately held firms on the benefits of going public.

Ghana



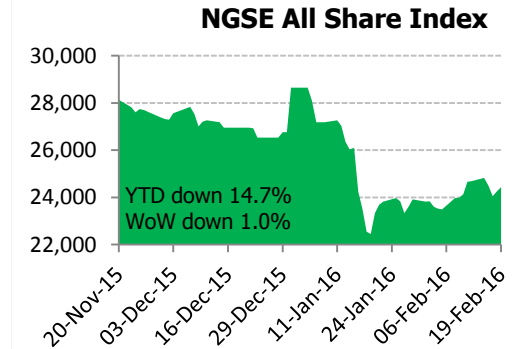
- FDI into Ghana declined by 31% from US\$4bn recorded in 2014 to US\$2.3bn in 2015.

Kenya



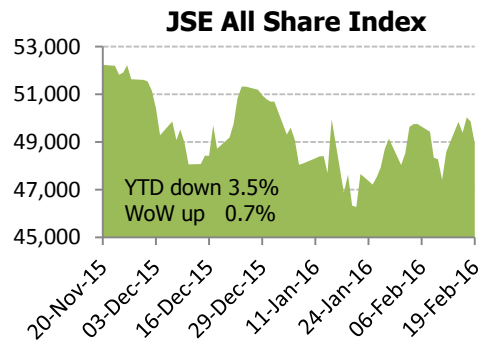
- Liberty Kenya Holdings Ltd has become the 18th publicly listed company to issue a profit warning, citing a tough 2015 operating environment.

Nigeria



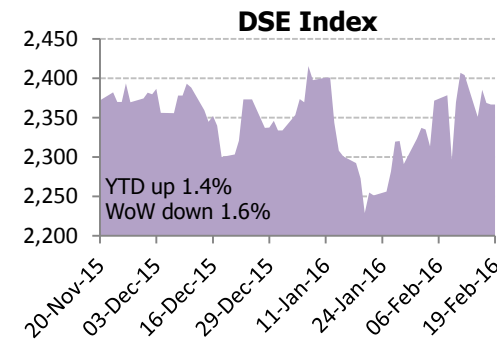
- SA retailer Truworths has pulled out of its Nigerian business citing import restrictions, a sign that Gvt's attempts to boost local industry are hurting foreign investment.

South Africa



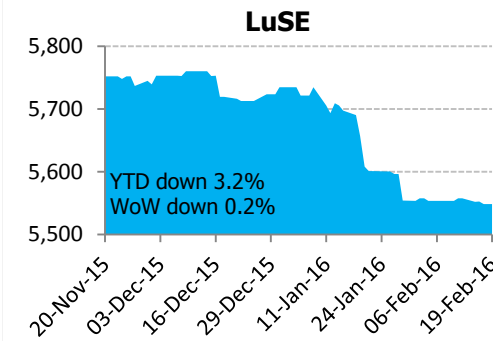
- Aggressive monetary policy action is required in a short space of time to bring inflation back into target range, said Kuben Naidoo, South Africa Reserve Bank Deputy Governor.

Tanzania



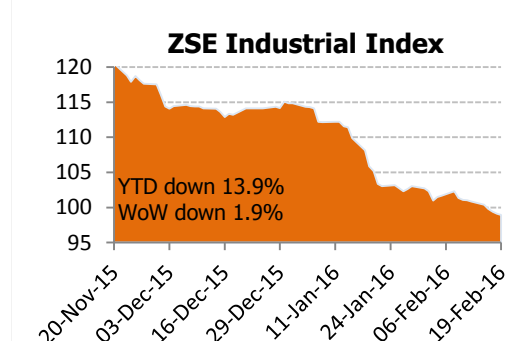
- GDP grew 7.1% YoY in Q4:15 compared with 4.1% a year earlier boosted by faster growth in the communications, mining and financial services sectors.

Zambia



- Zambia shut its sole 24,000 barrel per day Indeni refinery after finding the crude oil supplying the plant was too acidic to process.

Zimbabwe



- The ZSE traded through its worst period in 5yrs during 2015. It shed US\$1,5bn in value amid weak investor sentiment triggered by declining earnings and conflicting signals over key policies.

Foreign Exchange Markets

| | USD/BWP | USD/MZN | USD/RWF | USD/TZS | USD/ZMW | USD/ZAR | EUR/USD | GBP/USD |
|------------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Wk Ending | | | | | | | | |
| 12-Feb-16 | 11.27 | 47.44 | 759 | 2,189 | 11.34 | 15.79 | 1.128 | 1.448 |
| Daily | | | | | | | | |
| 15-Feb-16 | 11.26 | 47.61 | 759 | 2,191 | 11.35 | 15.81 | 1.120 | 1.450 |
| 16-Feb-16 | 11.26 | 47.69 | 759 | 2,191 | 11.35 | 15.76 | 1.117 | 1.450 |
| 17-Feb-16 | 11.29 | 48.60 | 760 | 2,190 | 11.35 | 15.83 | 1.116 | 1.427 |
| 18-Feb-16 | 11.17 | --- | 760 | 2,190 | 11.36 | 15.49 | 1.114 | 1.428 |
| 19-Feb-16 | 11.15 | 48.38 | 760 | 2,190 | 11.36 | 15.43 | 1.113 | 1.432 |
| WoW %Δ | -1.11 | 1.98 | 0.21 | 0.06 | 0.16 | -2.28 | -1.31 | -1.08 |
| YTD %Δ | -0.78 | 7.63 | 1.72 | 1.45 | 3.45 | -0.94 | 1.91 | -3.50 |

RWF - Rwandan Franc is the currency of Rwanda, which is now part of Atlas Mara (ATMA) market currencies.

| | ZAR/BWP | ZAR/MZN | ZAR/ZMW | ZAR/RWF | ZAR/TZS |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Wk Ending | | | | | |
| 12-Feb-16 | 0.710 | 3.00 | 0.716 | 47.8 | 137 |
| Daily | | | | | |
| 15-Feb-16 | 0.713 | 3.03 | 0.719 | 47.8 | 137 |
| 16-Feb-16 | 0.716 | 3.03 | 0.721 | 48.4 | 138 |
| 17-Feb-16 | 0.714 | 3.11 | 0.702 | 48.1 | 139 |
| 18-Feb-16 | 0.722 | --- | 0.737 | 49.1 | 139 |
| 19-Feb-16 | 0.723 | 3.13 | 0.734 | 49.3 | 142 |
| WoW %Δ | 1.90 | 4.33 | 2.53 | 3.28 | 3.65 |
| YTD %Δ | 0.04 | 8.68 | 4.14 | 2.65 | 2.16 |

Exchange Rate Developments

- The rand climbed to its highest level on the 19th of Feb as dwindling fears of a global economic downturn boosted risk appetite.
- In SA, most investors are waiting for Finance Minister Pravin Gordhan's key budget speech scheduled for this week to rest assure about a prudent fiscal policy.
- The BWP which has the ZAR in its basket of currencies' peg, also appreciated against the USD in line with the ZAR.
- Atlas Mara East African markets' currencies, the RWF and the TZS were fairly stable against the USD over the week.
- The continued weaknesses in the commodities space, have affected the currencies of Zambia and Mozambique which have depreciated by 3.4% and 7.63% YTD, respectively.
- So far this year, the MZN is among the worst performing African currencies due to low prices of Mozambique's key exports of natural gas, coal, cotton and aluminium.
- Mozambique's current account gap, the broadest measure of trade in goods and services, forecasted at 45.3% of GDP this year, the highest in the world after Libya and Tuvalu, according to IMF data, is also pressuring down the MZN.

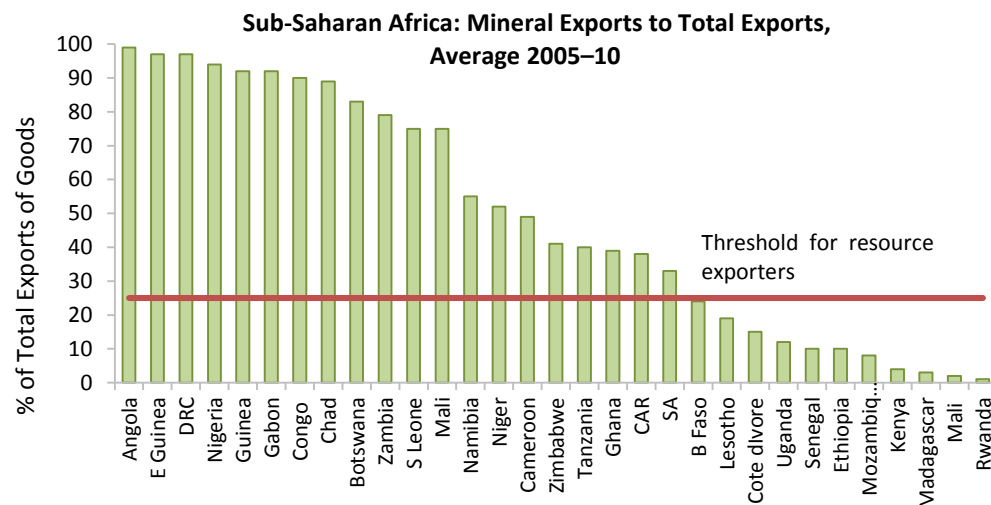
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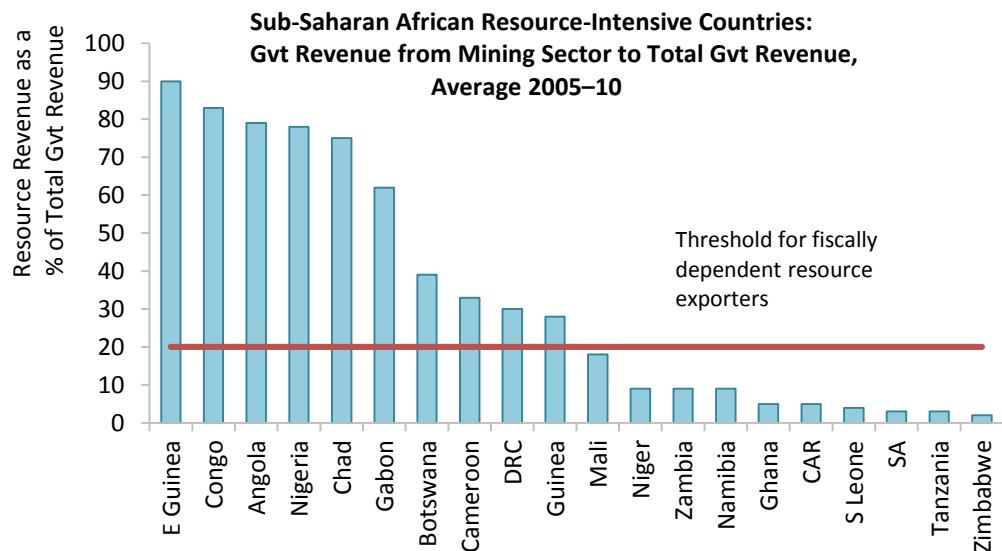
Contact telephone numbers: 369701-16; 752383-5

MINERAL COMMODITIES CONTRIBUTION TO THE ECONOMY BY COUNTRY

| Mining Sector Contribution to Economy 2013 -2015 | | | | | |
|--|---------------------|----------------------------|--------------------------------|---|------------------------------------|
| Country | Key Minerals | Mining contribution to GDP | Mining contribution to Exports | No. of people directly employed in Mining | Mining contribution to Gvt Revenue |
| Zimbabwe | Gold; PGMs; Diamond | 9% | 55% | 35,000 | 13% |
| Zambia | Copper; Iron Ore | 7.0% | 80% | 55,000 | 9% |
| Tanzania | Gold; Diamond; | 3.7% | 30% | 150,000 | |
| Mozambique | Coal; Aluminium | 4.7% | 70% | 45,000 | |
| Botswana | Diamond; Copper | 23% | 80% | 12,500 | 35.4% |



Source: IMF, African Department database.



Source: IMF, African Department database.

- An estimated 10% of the annual output of SSA countries and 50% of their exports come from mineral resources.
- Gold, diamonds, and other precious stones are the major commodity exports of most of the region's non-oil resource-rich economies.
- A few, however, depend heavily on base metals and uranium (Niger, Mozambique and Zambia) or benefit from a broad mixture of products (DRC, Guinea, Namibia, and Sierra Leone).
- Given wide variations in the costs of exploiting different mineral resources and in the ability of tax regimes to harness the associated rents, Gvt revenue from natural resource exploitation differs substantially among countries.
- Based on recently discovered resources, several countries (Ghana, Liberia, Mozambique, Niger, Tanzania, and Uganda) can anticipate sizable revenue inflows in the future, provided that appropriately structured tax policy frameworks are in place.