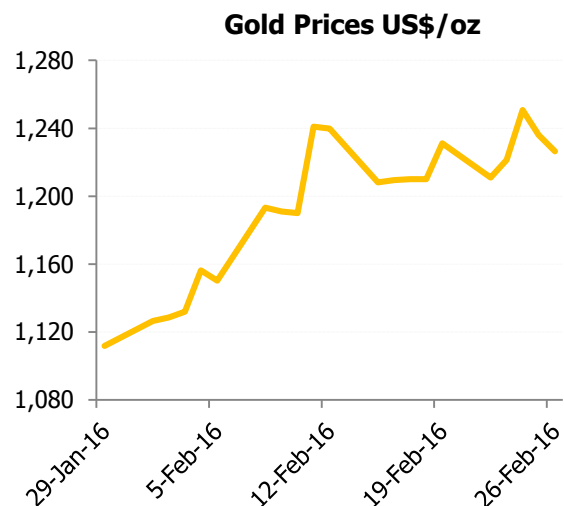


## WEEKLY ECONOMIC REVIEW

### Commodity 30-Day Price Chart



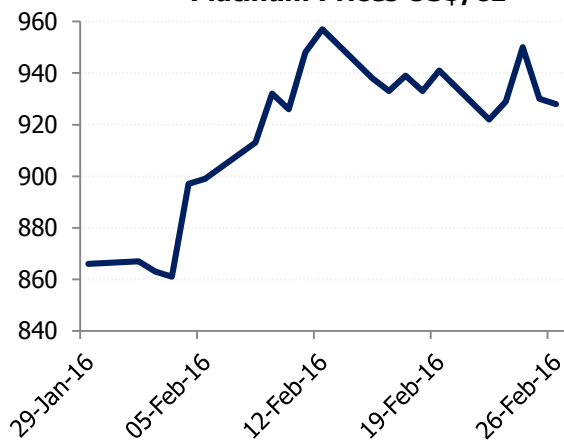
### Commodity Prices

Daily	US\$/oz	WoW %Δ
19-Feb-16	1,231	
22-Feb-16	1,211	
23-Feb-16	1,221	
24-Feb-16	1,251	
25-Feb-16	1,236	
26-Feb-16	1,227	
		<b>-0.38</b>

### Commodity Developments

- Gold prices fell following strong data that rekindled speculation that the Federal Reserve could hike interest rates this year.
- So far this year, gold has gained 15% as turmoil in equity markets and concerns over the global economy triggered speculation that the Fed will not raise interest rates any further this year.
- The US central bank hiked rates for the first time in nearly a decade in Dec-15.
- In Mozambique, Xtract Resources received approval from the mining authorities to complete the acquisition of 100% of the Manica gold project, from Auroch Minerals.
- Extract Resources is currently building a plant at Manica and is targeting its 1<sup>st</sup> production in Apr-16. The miner is expecting to produce 32,000oz per annum at a cash cost of US\$120/oz.

### Platinum Prices US\$/oz



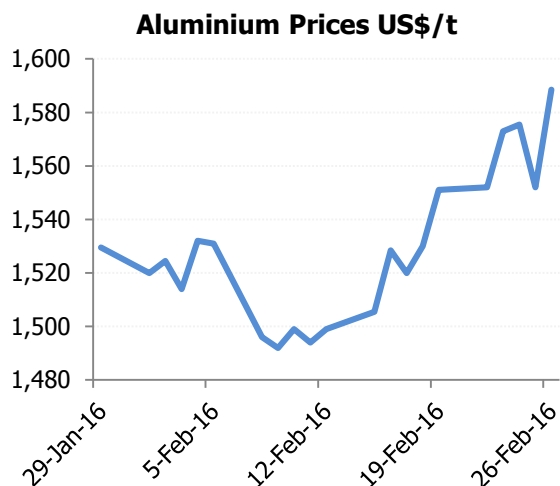
Daily	US\$/oz	WoW %Δ
19-Feb-16	941	
22-Feb-16	922	
23-Feb-16	929	
24-Feb-16	950	
25-Feb-16	930	
26-Feb-16	928	
		<b>-1.38</b>

- The global platinum market ended 2015 in a 380,000oz deficit, according to the World Platinum Investment Council (WPIC).
- However, during 2015, prices have been on a downward trend despite the metal being in short supply.
- The WPIC estimates that about 2-million ounces of platinum stock had been sold from private vaults between 2011 and 2015, which has had an impact on the platinum price.
- Due to low prices, SA's Anglo American Platinum (Amplats) announced plans to cut up to 2,000 jobs at its Union and Twickenham mines.
- Another major producer, Impala Platinum (Implats) registered a 99% decline in half year profits due to low PGM prices.

**Commodity 30-Day Price Chart**

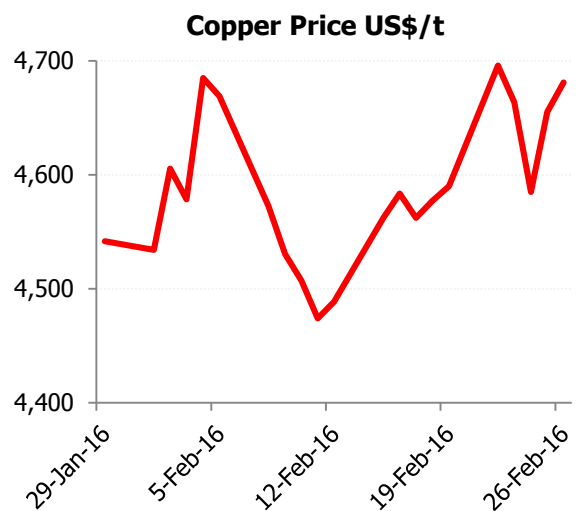
**Commodity Prices**

**Commodity Developments**



Daily	US\$/t	WoW %Δ
19-Feb-16	1,551	
22-Feb-16	1,552	
23-Feb-16	1,573	
24-Feb-16	1,576	
25-Feb-16	1,552	
26-Feb-16	1,589	
		<b>2.42</b>

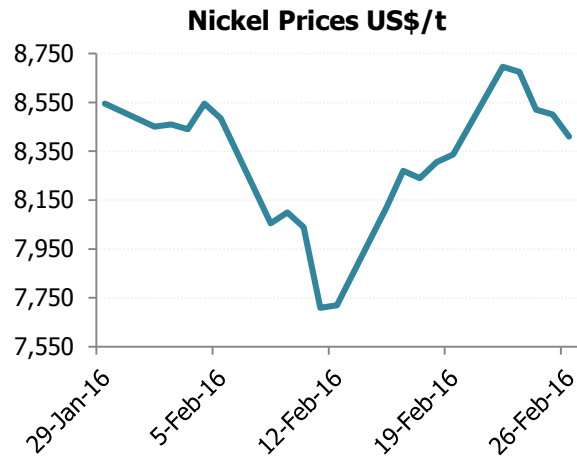
- Aluminium prices hit their highest levels in several months on the 26<sup>th</sup> of Feb, bolstered by optimism that global growth will pick up.
- Global aluminium production also fell by 1.6% in Jan-16. This is the 1<sup>st</sup> YoY decline since Oct-09.
- China production also fell for the 2<sup>nd</sup> consecutive month with the YoY decline accelerating to 4.5%
- China accounts for over half the world's output of the light metal and has been pumping out surplus units in the form of semi-manufactured product exports.
- The developments are good for the market that has for years been struggling with chronic over-production and low prices.



Daily	US\$/t	WoW %Δ
19-Feb-16	4,590	
22-Feb-16	4,696	
23-Feb-16	4,664	
24-Feb-16	4,585	
25-Feb-16	4,655	
26-Feb-16	4,681	
		<b>1.98</b>

- Copper prices surged as investors hoped for a recovery in metals demand following stronger than expected US economic data and a G20 policymakers meeting.
- However, investors are still wary, due to concern about growth in top metals consumer China.
- Copper demand growth in China slowed last year to about 2% and is not expected to improve significantly this year. China accounts for about half of global demand estimated at around 22m tonnes.
- Escalating input costs, labour and various taxation measures, together with the rising energy deficit, have taken their toll in Zambia copper mining industry.
- The industry is collaborating with other stakeholders to find a long-term strategic solution to promote the growth of the sector.

### Commodity 30-Day Price Chart

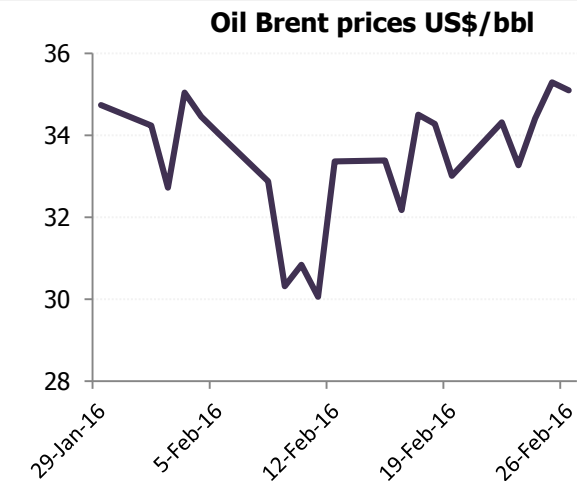


### Commodity Prices

Daily	US\$/t	WoW %Δ
19-Feb-16	8,337	
22-Feb-16	8,695	
23-Feb-16	8,675	
24-Feb-16	8,520	
25-Feb-16	8,500	
26-Feb-16	8,410	
		<b>0.88</b>

### Commodity Developments

- Although prices were lower, Brazilian miner Vale produced record amounts of iron-ore, nickel, copper, cobalt and gold as it battled a slump in global metals prices by boosting output in search of greater market share.
- However, the miner reported a US\$8.6bn Q4:15 net loss, it's worst ever as a private company, as lower prices for the steelmaking ingredient prompted asset write-downs, mostly on its coal and nickel assets totalling US\$9.37bn.
- Vale had been selling noncore assets, such as its fertiliser operations and its giant iron-ore ships, to make up cash shortfalls.
- The miner spent US\$8.4-bn in 2015 despite depressed prices, to forge ahead with construction of its massive US\$14.5bn SD11 iron-ore project, in Brazil's Amazon, and the Moatize II and Nakala Logistics Corridor, in Mozambique, which were reported to be 99% and 97% physically complete.



Daily	US\$/bbl	WoW %Δ
19-Feb-16	33.01	
22-Feb-16	34.32	
23-Feb-16	33.27	
24-Feb-16	34.41	
25-Feb-16	35.29	
26-Feb-16	35.10	
		<b>6.33</b>

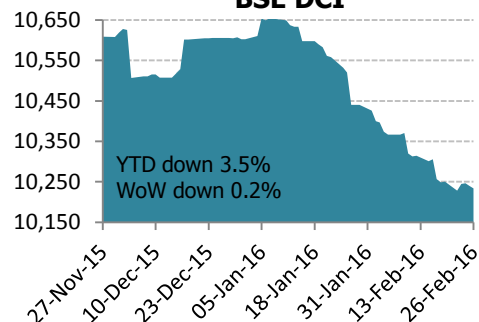
- Oil price went up from the start of the week after data showing a slide in shale crude output and strong gasoline demand in the US.
- Also bolstering prices was a meeting scheduled for mid-March by at least four major oil producers, including Saudi Arabia, to discuss a production freeze at Jan's highs.
- Prices stayed strong on news that pipeline outages in Iraq and Nigeria will remove more than 800,000bbl of crude per day from global supply for at least two weeks.
- The disruptions would offset recent increases to supply from Iran.

## Equities 90-Day Index Charts

### Botswana



#### BSE DCI

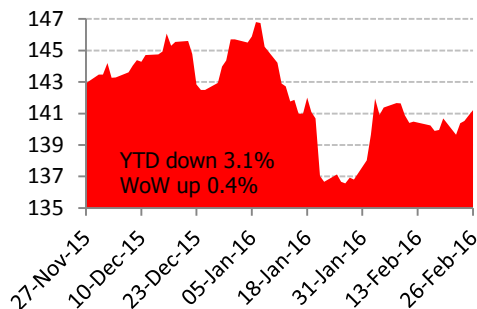


- Gvt could sell its troubled 600MW Chinese-built power station, after it suffered constant technical hitches since its launch in 2012.

### Kenya



#### NSE All Share Index

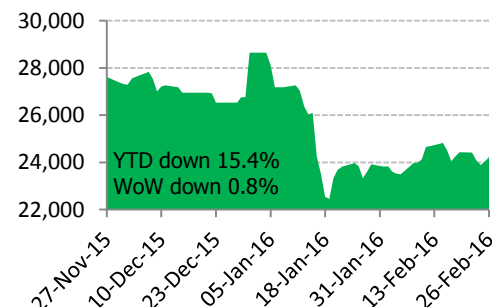


- YoY inflation rate slowed to 6.84% in Feb-16. This may allow the central bank to start easing rates gradually.

### Nigeria



#### NGSE All Share Index

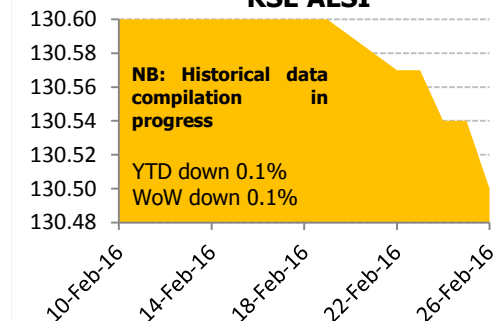


- Gvt has removed more than 20,000 non-existent workers from its payroll following an audit, leading to savings of NGN2.29bn naira (US\$11.53m) from its monthly wage bill.

### Rwanda



#### RSE ALSI

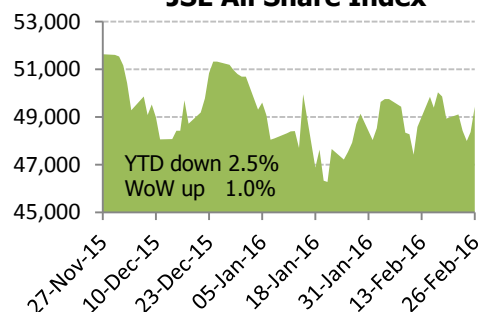


- According to the World Bank economic growth rate will ease to 6.8% in 2016 from 7.1% in 2015 due to slow implementation of the country's budget.

### South Africa



#### JSE All Share Index

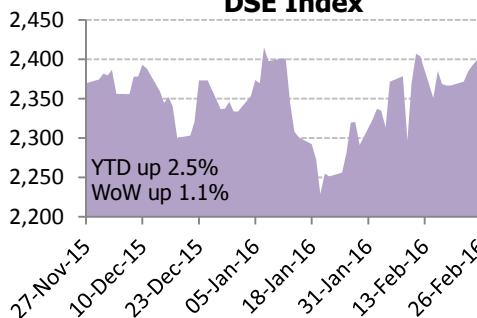


- Private sector activity as measured by Purchasing Managers' Index (PMI) contracted for a 9<sup>th</sup> consecutive month in Feb as output and new orders fell on the back of sluggish economic growth.

### Tanzania



#### DSE Index

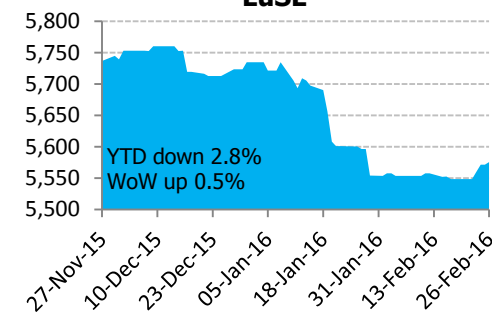


- Faster growth in the communications, mining and financial services sectors boosted economic growth at the end of 2015 to register 7.1% growth.

### Zambia



#### LuSE

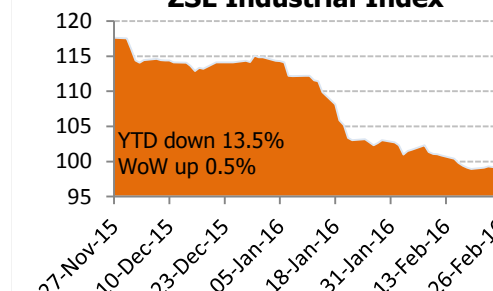


- Budget deficit widened to 8.1% of GDP in 2015 compared to a target of 6.9%, underscoring the impact of a plunge in the price of copper.

### Zimbabwe



#### ZSE Industrial Index



- Some banks are struggling to provide cash and are limiting amounts to individuals and companies due to tight liquidity conditions in the economy.

## Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/RWF	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
<b>Wk Ending</b>								
19-Feb-16	11.15	48.38	760	2,190	11.36	15.43	1.113	1.432
<b>Daily</b>								
22-Feb-16	11.14	48.18	761	2,190	11.36	15.37	1.109	1.420
23-Feb-16	11.10	48.50	761	2,190	11.37	15.25	1.104	1.412
24-Feb-16	11.12	---	761	2,191	11.38	15.23	1.101	1.398
25-Feb-16	11.25	48.29	762	2,191	11.38	15.64	1.102	1.395
26-Feb-16	11.24	47.26	762	2,191	11.38	15.54	1.103	1.399
<b>WoW %Δ</b>	<b>0.79</b>	<b>-2.32</b>	<b>0.23</b>	<b>0.01</b>	<b>0.15</b>	<b>0.75</b>	<b>-0.94</b>	<b>-2.29</b>
<b>YTD %Δ</b>	<b>0.00</b>	<b>5.14</b>	<b>1.95</b>	<b>1.46</b>	<b>3.61</b>	<b>-0.20</b>	<b>0.96</b>	<b>-5.71</b>

*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
<b>Wk Ending</b>					
19-Feb-16	0.723	3.13	0.734	49.3	142
<b>Daily</b>					
22-Feb-16	0.724	3.15	0.743	49.4	142
23-Feb-16	0.729	3.20	0.753	50.1	145
24-Feb-16	0.729	---	0.731	50.0	145
25-Feb-16	0.721	3.11	0.731	48.8	144
26-Feb-16	0.721	3.01	0.726	48.9	140
<b>WoW %Δ</b>	<b>-0.31</b>	<b>-3.83</b>	<b>-1.10</b>	<b>-0.87</b>	<b>-1.41</b>
<b>YTD %Δ</b>	<b>-0.27</b>	<b>4.51</b>	<b>2.99</b>	<b>1.76</b>	<b>0.72</b>

## Exchange Rate Developments

- Comments from China's Central Bank Governor, Zhou Xiaochuan, at the G20 Summit that Beijing still had the room and tools to support the world's 2<sup>nd</sup> largest economy brought in some positive sentiments and supported African commodity linked currencies.
- As such Mozambique's meticals appreciated against the USD whilst the RWF, TZS and ZMW were fairly stable.
- The ZAR slid again as most investors feel that SA through its budget unveiled last week has not done enough to avoid a credit rating downgrade.
- The BWP also slid against the USD in line with the ZAR.
- All Atlas Mara Markets' currencies appreciated against Africa's most advanced economy's currency.
- The MZN was the biggest benefactor as effects of 14<sup>th</sup> Feb monetary policy tightening supported the currency.
- The Bank of Mozambique increased the rate by 100 basis points to 10.75% to curb inflation that had accelerated to 11.3% in Jan-16 from 10.6% in Dec-15.

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Contact telephone numbers: 369701-16; 752383-5