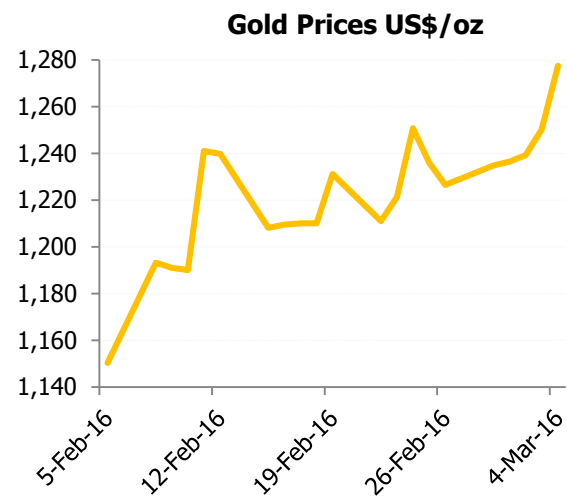


## WEEKLY ECONOMIC REVIEW

### Commodity 30-Day Price Chart



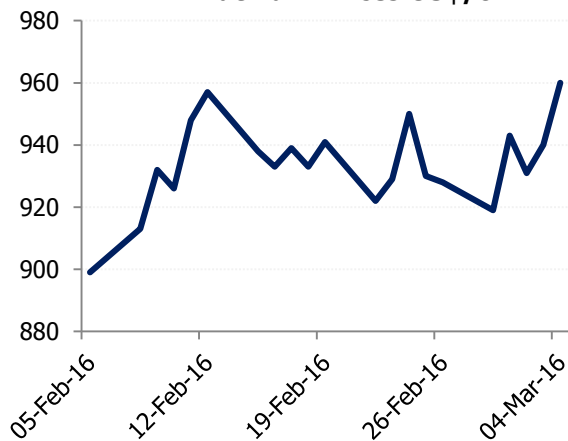
### Commodity Prices

Daily	US\$/oz	WoW %Δ
26-Feb-16	1,227	
29-Feb-16	1,235	
1-Mar-16	1,237	
2-Mar-16	1,239	
3-Mar-16	1,250	
4-Mar-16	1,278	
		<b>4.16</b>

### Commodity Developments

- Gold prices rose sharply over the week after data which showed that the US economy's service sector expanded in Feb-16 at a slower pace than the prior month fuelled worries over the global economic growth.
- A strong US data reading may revive expectations that the Federal Reserve will press ahead with more US interest rate hikes this year, which would weigh on non-yielding gold.
- In Mozambique, gold miner Xtract Resources has completed an in-house update on the economic metrics of the Manica project.
- The life-of-mine (LoM) is estimated at 12yrs and Xtract plans to start production in Q4:17. The miners expects start-up capital costs to reach US\$35m with cash costs at US\$549/oz. Generally, the economic metrics of the Manica gold project is robust and the project falls at the lower end of the cost scale.

### Platinum Prices US\$/oz



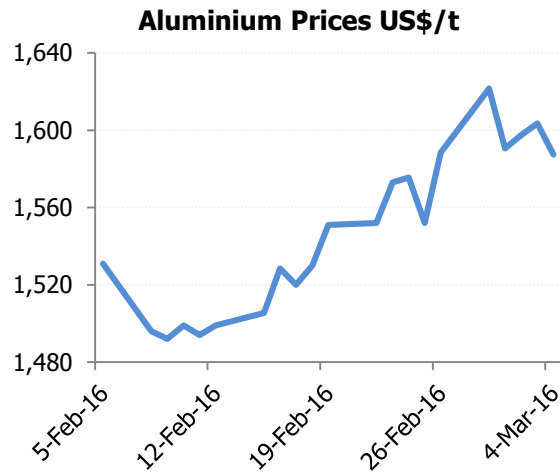
Daily	US\$/oz	WoW %Δ
26-Feb-16	928	
29-Feb-16	919	
1-Mar-16	943	
2-Mar-16	931	
3-Mar-16	940	
4-Mar-16	960	
		<b>3.45</b>

- The global platinum market ended 2015 in a 380,000oz deficit, according to the World Platinum Investment Council (WPIC).
- However, since 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**

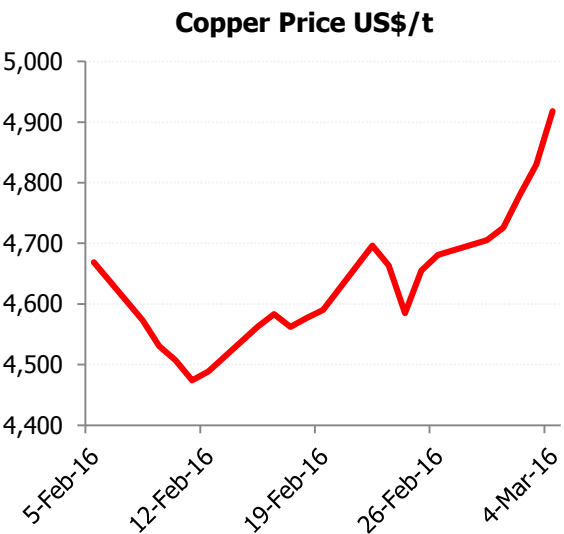
**Commodity Prices**

**Commodity Developments**



Daily	US\$/t	WoW %Δ
26-Feb-16	1,589	
29-Feb-16	1,622	
1-Mar-16	1,591	
2-Mar-16	1,598	
3-Mar-16	1,604	
4-Mar-16	1,588	
		<b>-0.06</b>

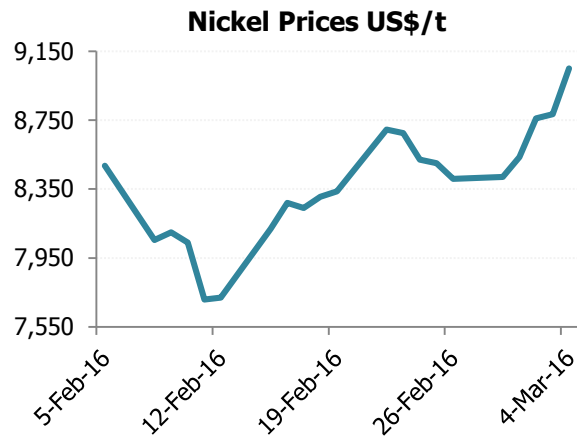
- Aluminium hit its highest levels in several months on the 3<sup>rd</sup> of Mar, bolstered by optimism that global growth will pick up.
- Announcements from China this week of a cut in bank reserve requirements and structural reforms that have helped real estate prices climb helped underpin sentiment.
- However, structural oversupply of the metal will continue to weigh down on prices.



Daily	US\$/t	WoW %Δ
26-Feb-16	4,681	
29-Feb-16	4,705	
1-Mar-16	4,726	
2-Mar-16	4,780	
3-Mar-16	4,830	
4-Mar-16	4,918	
		<b>5.06</b>

- Copper prices climbed to their highest in 4 months on the 4<sup>th</sup> of Mar after US data showed strong jobs growth combined with low wages, lessening the threat of an early interest rate rise.
- Industrial metals have been bolstered by stronger equity markets around the world, firmer oil prices and a softer US currency.
- In Zambia, Africa's 2<sup>nd</sup> largest copper producer, Chibuluma Mines Plc has reduced the number of employees it will lay off as it grapples with lower copper prices, opting to reduce output instead of outsourcing.
- The mining firm, majority-owned by SA's Metorex, a unit of China's Jinchuan, said in Dec-15 that it planned to lay off 263 of its 514 employees in Q1:16. However the number has been reduced to 167.
- Electricity shortage and weaker copper prices due to slower growth in China have put pressure on Zambia's mining industry, economy and currency.

**Commodity 30-Day Price Chart**



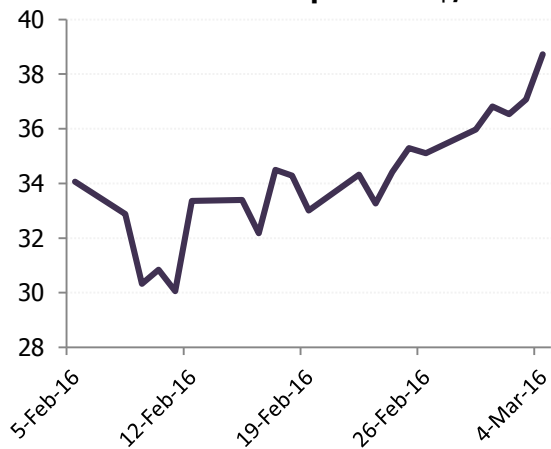
**Commodity Prices**

Daily	US\$/t	WoW %Δ
26-Feb-16	8,410	
29-Feb-16	8,420	
1-Mar-16	8,535	
2-Mar-16	8,760	
3-Mar-16	8,785	
4-Mar-16	9,050	
		<b>7.61</b>

**Commodity Developments**

- Nickel prices rose in line with copper and other industrial metals, supported by weak dollar, firmer oil prices and prospects of growth stimulus from China.
- In production, New Caledonia is weighing lifting restrictions on the sale of nickel ore to China as world prices for the metal remain depressed and the future of a key Australian customer is in doubt.
- Depressed nickel prices have mounted pressure on New Caledonia's three smelters, owned by Glencore, Vale and Eramet, cutting export revenue for the Gvt. Combined the three smelters supply about 10% of world demand. New Caledonia is awash with nickel ore, holding as much as a quarter of the world's known reserves, and the metal dominates the economy.
- In Indonesia, the Gvt announced plans to relax its ban on partially processed minerals exports, including copper, nickel, zinc and bauxite ore in order to prop up its economy, a further setback to prices.

**Oil Brent prices US\$/bbl**



Daily	US\$/bbl	WoW %Δ
26-Feb-16	35.10	
29-Feb-16	35.97	
1-Mar-16	36.81	
2-Mar-16	36.53	
3-Mar-16	37.07	
4-Mar-16	38.72	
		<b>10.31</b>

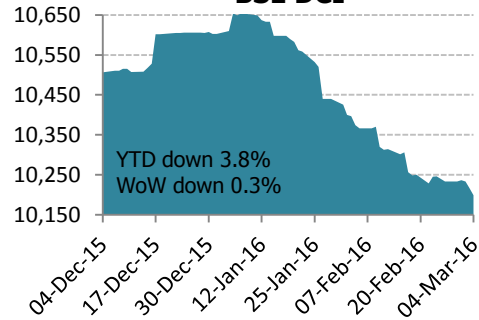
- Oil jumped, 10% over the week, as strong US jobs data and other technical factors encouraged buying.
- Plans by some members of Organization of the Petroleum Exporting Countries (OPEC) to meet other oil producers in Russia around the 20<sup>th</sup> of Mar-16 for new talks on an oil output freeze also sparked the dramatic reaction in crude prices.
- Africa's largest oil producer, Nigeria, has been pushing OPEC for action as the slump in oil revenue has undercut its public finances and currency, leaving the Gvt struggling to pay civil servants.
- OPEC leader Saudi Arabia and non-OPEC Russia, the world's 2 largest oil exporters, agreed last month to freeze output at Jan-16 levels to prop up prices if other nations agreed to join the 1<sup>st</sup> global oil pact in 15 years.
- However, the accord has so far failed to have a dramatic impact on crude prices, partly because OPEC's 3<sup>rd</sup>-largest producer Iran plans to steeply raise production after the lifting of international sanctions on the Islamic Republic in Jan-16.

**Equities 90-Day Index Charts**

**Botswana**



**BSE DCI**

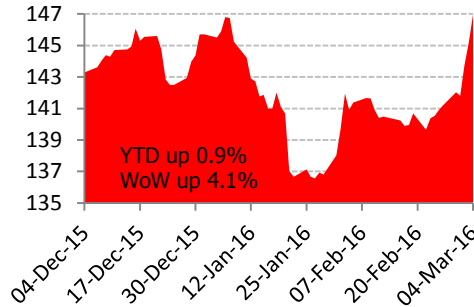


- Mining industry faces further job losses as it reels from the global slump in commodities, with BCL set to shed off up to a third of its workforce.

**Kenya**



**NSE All Share Index**

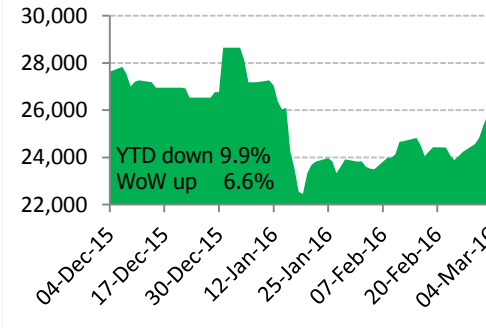


- Remittances rose 20% YoY in Jan to US\$137.5m. The cash is a leading source of foreign exchange alongside tea, horticulture and tourism.

**Nigeria**



**NGSE All Share Index**

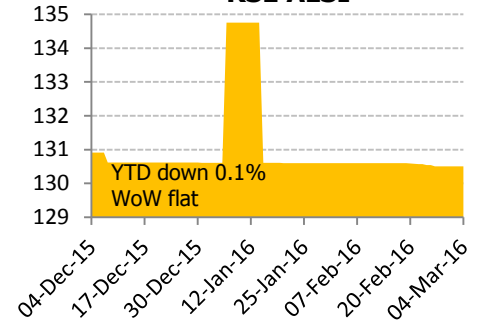


- Economy slowed in the final quarter of 2015 from the previous three months and annual growth remained far weaker than the previous year after the plunge in crude prices.

**Rwanda**



**RSE ALSI**

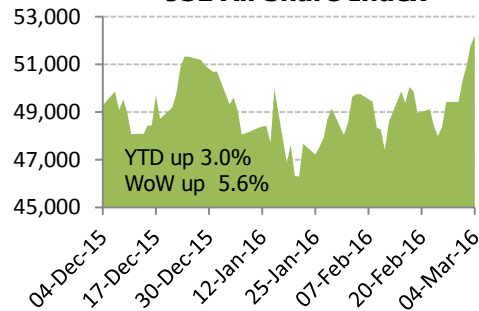


- Rwf1bn poultry farm to be commissioned in Bugesera this month. The facility is expected to accommodate more than 25,000 chicks per season.

**South Africa**



**JSE All Share Index**

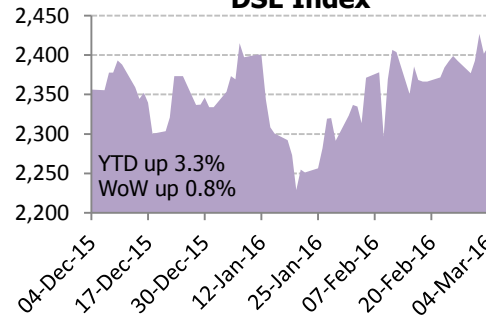


- SA's biggest lender by market value FirstRand Ltd is looking for growth in developed economies prompted by slowing growth and rising risks in Africa.

**Tanzania**



**DSE Index**

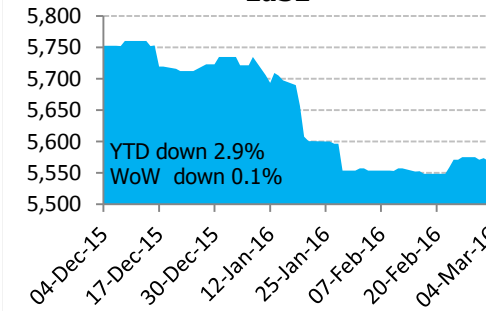


- Uganda's central bank sold a majority stake in Imperial Bank to a Tanzanian financial institution, almost 4 months after taking it over due to concerns about its Kenyan parent company.

**Zambia**



**LuSE**

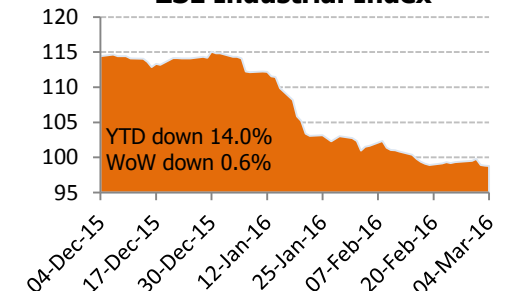


- German chemical and pharmaceutical company, Bayer, opened an office in Zambia to focus on the local agricultural sector through its Crop Science Division.

**Zimbabwe**



**ZSE Industrial Index**



- Gvt reassures the visiting delegation from the IMF to sharply reduce its public sector wage bill and improve fiscal discipline.

## Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/RWF	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
<b>Wk Ending</b>								
26-Feb-16	11.24	47.26	762	2,191	11.38	15.54	1.103	1.399
<b>Daily</b>								
29-Feb-16	11.47	47.28	762	2,190	11.37	16.14	1.093	1.388
1-Mar-16	11.36	48.50	763	2,192	11.38	15.68	1.087	1.395
2-Mar-16	11.26	---	763	2,190	11.38	15.67	1.087	1.396
3-Mar-16	11.26	46.60	763	2,191	11.38	15.63	1.087	1.407
4-Mar-16	11.26	49.13	763	2,190	11.38	15.65	1.093	1.413
<b>WoW %Δ</b>	<b>0.23</b>	<b>3.96</b>	<b>0.19</b>	<b>-0.01</b>	<b>0.02</b>	<b>0.70</b>	<b>-0.82</b>	<b>1.01</b>
<b>YTD %Δ</b>	<b>0.23</b>	<b>9.30</b>	<b>2.15</b>	<b>1.44</b>	<b>3.63</b>	<b>0.49</b>	<b>0.13</b>	<b>-4.76</b>

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

## Exchange Rate Developments

- The Sterling (GBP) rose against the USD, showing resilience in spite of British industrial output growing by less than expected in Jan-16.
- The GBP has been recently under pressure as investors were reluctant to hold sterling-denominated asset amid the EU exit talk.
- Most African currencies depreciated slightly against the USD gaining support from investors return to riskier assets and a bounce in commodity prices.

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
<b>Wk Ending</b>					
26-Feb-16	0.721	3.01	0.726	48.9	140
<b>Daily</b>					
29-Feb-16	0.709	2.95	0.708	47.1	139
01-Mar-16	0.717	3.08	0.721	48.1	136
02-Mar-16	0.724	---	0.725	48.9	138
03-Mar-16	0.724	2.97	0.726	49.1	139
04-Mar-16	0.721	3.15	0.729	48.8	139
<b>WoW %Δ</b>	<b>-0.01</b>	<b>4.65</b>	<b>0.37</b>	<b>-0.29</b>	<b>-0.71</b>
<b>YTD %Δ</b>	<b>-0.27</b>	<b>9.38</b>	<b>3.37</b>	<b>1.46</b>	<b>0.00</b>

- However, the MZN has continued on its downward trajectory trading closer to its all-time low. So far this year, the MZN is among the worst performing African currencies.
- The MZN and ZMW depreciated against the ZAR whilst all other Atlas Mara markets' currencies appreciated.

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**AFRICAN STOCK MARKETS**

