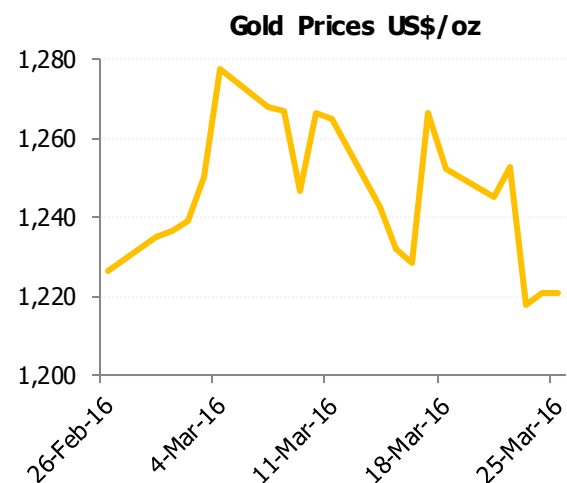


## WEEKLY ECONOMIC REVIEW

### Commodity 30-Day Price Chart

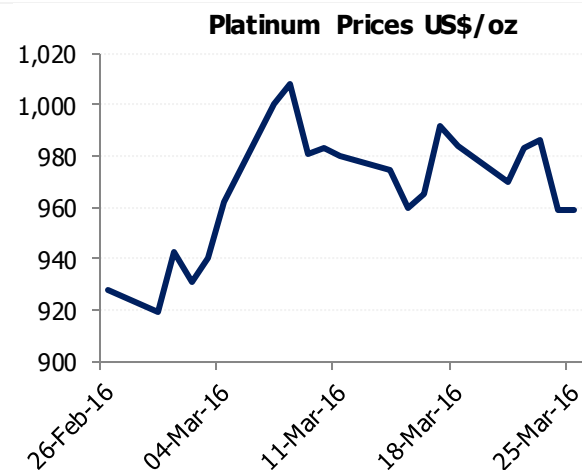


### Commodity Prices

Daily	US\$/oz	WoW %Δ
18-Mar-16	1,252	
21-Mar-16	1,245	
22-Mar-16	1,253	
23-Mar-16	1,218	
24-Mar-16	1,221	
25-Mar-16	****	
		<b>-2.5</b>

### Commodity Developments

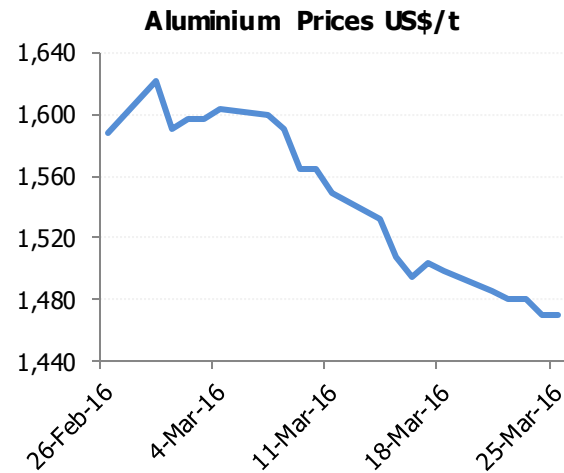
- Gold prices fell to end the short week lower, as a US dollar recovery reduced the metal's safe haven appeal.
- Comments from several US Fed Reserve over the week raised expectations of at least two rates increases this year, with the 1<sup>st</sup> potentially as soon as Apr-16. This triggered a widespread correction across commodities priced in dollars.
- Zim's largest gold mining group, Metallon Gold Corporation will commission its Mazowe Sands Retreatment plant in Jul-16 as the gold miner eyes a rebound from the slump in annual production last year.
- Metallon's annual gold production in 2015 was 2.4% down to 96,530oz from 98,863oz. The slump in gold production has pushed the mining group to bring all new projects into line in 2016 to orchestrate a rebound.
- Gold Fields a major gold reached an agreement with the Gvt of Ghana on reduction in the corporate tax rate from 35.0% to 32.5%, and a change in the royalty rate from a flat 5% of revenue to a sliding scale royalty based on the gold price.



Daily	US\$/oz	WoW %Δ
18-Mar-16	984	
21-Mar-16	970	
22-Mar-16	983	
23-Mar-16	986	
24-Mar-16	959	
25-Mar-16	***	
		<b>-2.5</b>

- Platinum mining companies in SA, world's largest platinum producer, are heading for wage talks burdened by the low dollar prices of their basket of platinum-group metals (PGMs).
- SA has been struggling with labour issues, particularly in its platinum sector. The industry is on the verge of cutting some 32 000-plus jobs and the Association of Mineworkers and Construction Union (AMCU) vowed to fight the mass job cuts resulting from companies trimming costs.
- AMCU said it had celebrated job-saving successes to date, following a reduction in the number of retrenchments at Lonmin and Implats Platinum (Implats).
- Lonmin had planned to retrench 4,500 of its full-time employees and 1,500 contractors whilst Implats had planned to layoff 1,600, a number both firms have significantly reduced through various measures.

**Commodity 30-Day Price Chart**



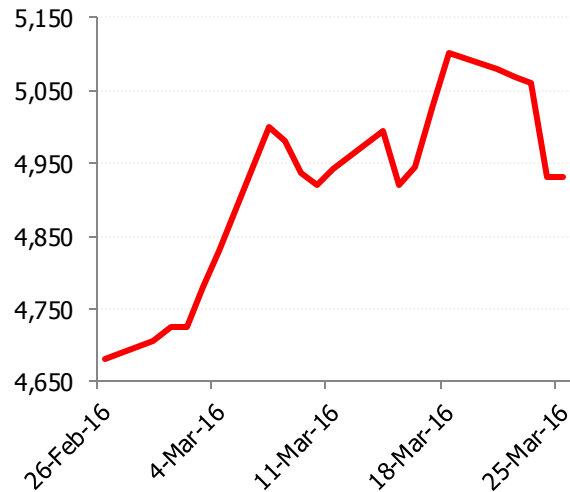
**Commodity Prices**

Daily	US\$/t	WoW %Δ
18-Mar-16	1,498	
21-Mar-16	1,486	
22-Mar-16	1,481	
23-Mar-16	1,480	
24-Mar-16	1,470	
25-Mar-16	****	
		<b>-1.9</b>

**Commodity Developments**

- In a move that may turn around the aluminium market, the US Aluminium Association (AA) has accused Chinese companies of misclassifying certain products to avoid duties on primary aluminium and has insisted that China steps up to its responsibilities to level the playing field.
- Chinese companies are accused of relabelling products to circumvent antidumping duties and taking advantage of value-added tax rebates on semi-fabricated products.
- The US has had to close down some aluminium smelters and retrench employees, because of the oversupply of aluminium from China, which contributes 55% of the world's supply.
- The US and Chinese Gvts are expected to hold bilateral meetings later this year to discuss aluminium capacity issues, a move that may reshape the sector.

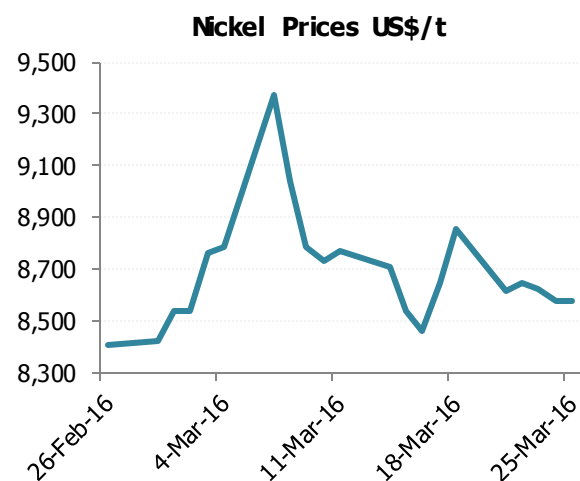
**Copper Price US\$/t**



Daily	US\$/t	WoW %Δ
18-Mar-16	5,103	
21-Mar-16	5,080	
22-Mar-16	5,070	
23-Mar-16	5,061	
24-Mar-16	4,931	
25-Mar-16	****	
		<b>-3.4</b>

- Glencore plans to invest over US\$1.1bn at its Mopani Copper Mine in Zambia to sink three shafts with new technology that will extend mine life by over 25yrs.
- The investments would be made between now and 2018 and it is expected to turn Mopani Copper Mine into a world-class mining operation by 2023
- Zambia is Africa's 2<sup>nd</sup> largest copper producer but an electricity shortage and weaker prices have put pressure on the mining industry, threatening output, jobs and economic growth.

### Commodity 30-Day Price Chart

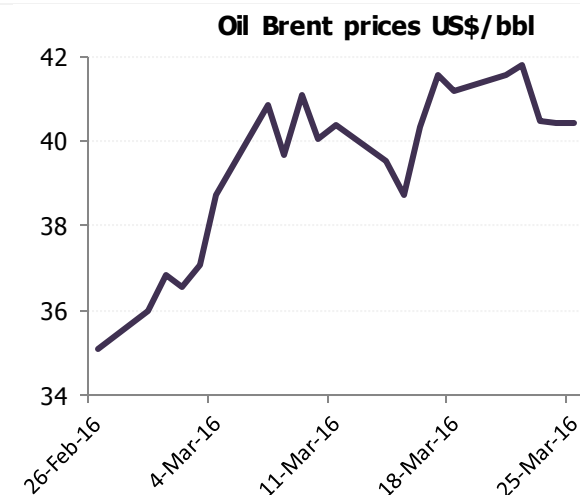


### Commodity Prices

Daily	US\$/t	WoW %Δ
18-Mar-16	8,855	
21-Mar-16	8,615	
22-Mar-16	8,650	
23-Mar-16	8,625	
24-Mar-16	8,580	
25-Mar-16	****	
		<b>-3.1</b>

### Commodity Developments

- Nickel's freefall may have halted as output cuts move the chronically oversupplied market towards deficit, but prices are unlikely to recover sharply unless more loss-making mines close.
- Closure of mines such as Glencore's Koniambo and Murrin Murrin projects and First Quantum Minerals' Ravensthorpe plant in Australia will assist in ending the vicious circle.
- The market is expected to swing into a 31,000t deficit this year and a 34,000t deficit in 2017, according to a Reuter's survey of metals analysts.
- In Botswana, nickel producer Bamangwato Concession Limited (BCL) has announced plans to retrench thousands of workers and dispose of non-core assets in order to survive a crippling internal liquidity crunch that has been aggravated by the slump in the demand and price of nickel on the global commodity market.



Daily	US\$/bbl	WoW %Δ
18-Mar-16	41.20	
21-Mar-16	41.54	
22-Mar-16	41.79	
23-Mar-16	40.47	
24-Mar-16	40.44	
25-Mar-16	****	
		<b>-1.8</b>

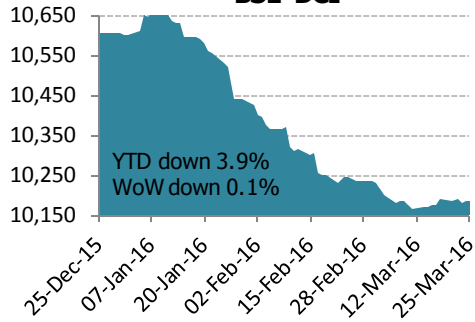
- A Reuters Survey has found that oil output from Organization of the Petroleum Exporting Countries (OPEC) oil output is rising as higher supply from Iran after the lifting of sanctions and near-record exports from southern Iraq offset maintenance and outages in smaller producers.
- The survey also found no major change in production in Saudi Arabia, a sign that the global top exporter is serious about freezing output to support prices.
- The biggest rise came from Iran following the lifting of Western sanctions in Jan-16. Tehran, which wants to recover market share it lost under sanctions is will not taking part in the production freeze.
- Angolan exports also rose. In countries where output has fallen, the drop was the result of outages and maintenance rather than voluntary restraint.
- The extra OPEC crude added to a global glut, and this year's output freeze agreement represents the 1<sup>st</sup> cooperation on supply policy between OPEC and non-OPEC since 2001. Increased supply will keep prices depressed for long.

**Equities 90-Day Index Charts**

**Botswana**



**BSE DCI**

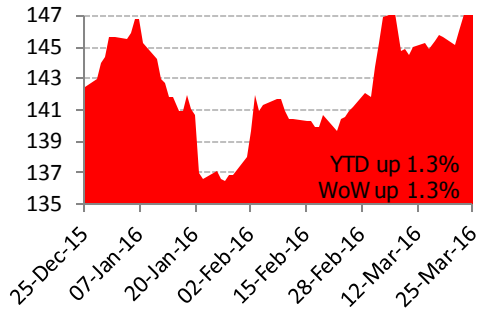


- According to the IMF, the economy is projected to grow by 3.7% this year after an estimated contraction of 0.3% in 2015.

**Kenya**



**NSE All Share Index**

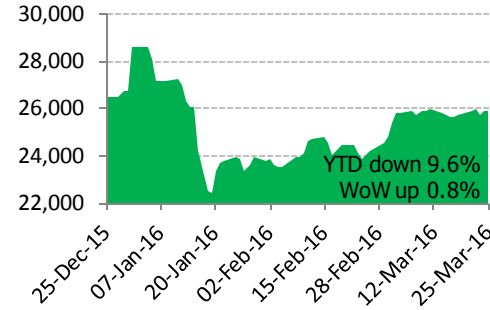


- Gvt signed a multi-billion dollar agreement with China Communications Construction Company (CCCC) to extend the country's rail network.

**Nigeria**



**NGSE All Share Index**

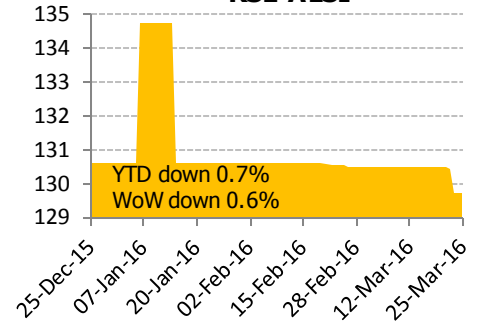


- Nigeria is in talks with oil majors Chevron, France's Total and Italy's ENI to get help revamping the ailing refineries in Africa's top crude producer.

**Rwanda**



**RSE ALSI**

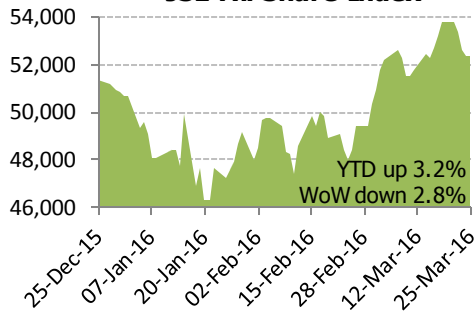


- Central bank left its key repo rate unchanged at 6.5% after a policy meeting, adding that its current monetary stance was yielding the desired results.

**South Africa**



**JSE All Share Index**

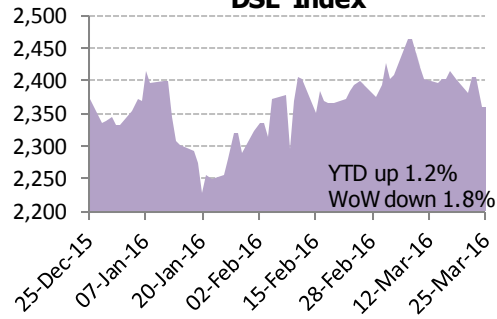


- Gvt issued its 1<sup>st</sup> stock exchange operating licence to ZAR X Stock Exchange, paving way for the local company to compete with the JSE.

**Tanzania**



**DSE Index**

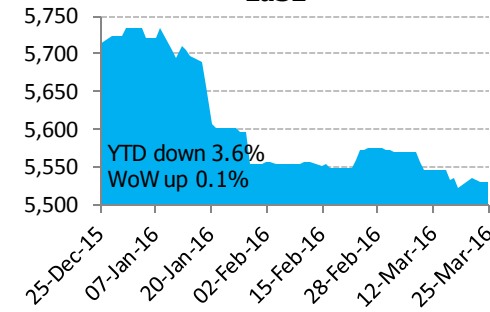


- The IMF estimates the economy to have expanded by 7% last year and forecast growth to be close to 7% again in 2016.

**Zambia**



**LuSE**

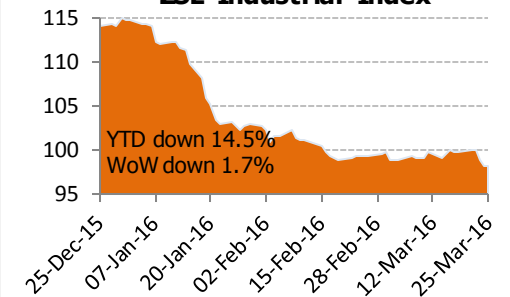


- The AfDB has agreed to lend Gvt USD\$125m on concessional terms for the improvement of sanitation, food security and support to women entrepreneurs.

**Zimbabwe**



**ZSE Industrial Index**



- Production of tobacco, Zim's biggest export earner, is expected to fall by 15% to 160m kgs this season following a drought that has left millions facing hunger.

## Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/RWF	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
<b>Wk Ending</b>								
18-Mar-16	11.01	49.32	767	2,190	11.36	15.30	1.129	1.445
<b>Daily</b>								
21-Mar-16	11.09	49.46	767	2,190	11.35	***	1.125	1.438
22-Mar-16	11.04	49.52	767	2,190	11.33	15.27	1.121	1.429
23-Mar-16	11.07	49.62	767	2,190	11.33	15.26	1.120	1.419
24-Mar-16	11.15	49.78	767	2,190	11.32	15.41	1.115	1.408
25-Mar-16	***	***	***	***	***	***	***	***
<b>WoW %Δ</b>	<b>1.23</b>	<b>0.93</b>	<b>0.09</b>	<b>-0.01</b>	<b>-0.34</b>	<b>0.66</b>	<b>-1.18</b>	<b>-2.58</b>
<b>YTD %Δ</b>	<b>-0.78</b>	<b>10.75</b>	<b>2.69</b>	<b>1.42</b>	<b>3.08</b>	<b>-1.09</b>	<b>2.14</b>	<b>-5.15</b>

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

## Exchange Rate Developments

- SA's rand retreated against the dollar, mainly reflecting the greenback's gains spurred by expectations of higher US interest rates this year.
- The ZAR took its cue from emerging Asian currencies, which slid as Fed Reserve officials fanned expectations of more US interest rate hikes later this year and a weaker Chinese yuan.
- Despite an earlier ratings downgrade by Moody's from B2 to B3, Mozambique's long-term foreign and local currency issuer default ratings were affirmed at 'B' by Fitch.
- Nonetheless, the risk of possible future downgrades remains high, amidst currency weakness, rising inflationary pressures, anticipated high debt servicing costs and lower commodity prices.
- The TZS and ZMW appreciated against the USD whilst all other Atlas Mara markets' currencies depreciated.
- Against the ZAR, all Atlas Mara markets' currencies appreciated except for the TZS and MZN.

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
<b>Wk Ending</b>					
18-Mar-16	0.726	3.05	0.745	50.6	141
<b>Daily</b>					
21-Mar-16	0.723	3.23	0.741	50.3	143
22-Mar-16	0.726	3.23	0.740	50.4	143
23-Mar-16	0.726	3.22	0.740	50.4	143
24-Mar-16	0.723	3.22	0.731	50.0	143
25-Mar-16	***	***	***	***	***
<b>WoW %Δ</b>	<b>-0.38</b>	<b>5.57</b>	<b>-1.96</b>	<b>-1.14</b>	<b>1.42</b>
<b>YTD %Δ</b>	<b>-0.02</b>	<b>11.81</b>	<b>3.60</b>	<b>3.98</b>	<b>2.88</b>

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Contact telephone numbers: 369701-16; 752383-5

## GOVERNANCE, MINING LEGISLATION AND TAX LAW

Country	Mineral	2010	2011	2012	2013	2014	2015
<b>Botswana</b>	Diamonds	10	10	10	10**	10**	10**
	Gold/Precious Metals	5	5	5	5**	5**	5**
	Copper/Nickel	3	3	3	3**	3**	3**
<b>DRC</b>	Ferrous	0.5	0.5	0.5	0.5	0.5	0.5
	Non-ferrous	2	2	2	2	2	2
	Precious	2.5	2.5	2.5	2.5	2.5	2.5
<b>Ghana</b>	Copper	5	5	5	5	5	5
	Gold	5	5	5	5	5	5
	Iron Ore	5	5	5	5	5	5
	Coal	5	5	5	5	5	5
<b>Kenya</b>	Titanium	3	3	3	10**	10**	10**
	Gold	3	3	5	5**	5**	5**
	Coal	3	3	8	8**	8**	8**
	Diamonds	3	3	10	12**	12**	12**
<b>Mozambique</b>	Coal	3	3	3	3	3	3
	Precious Metals / Stones	5	5	5	5	5	5
	Semi-precious stones	6	6	6	6	6	6
	Diamonds	10	10	10	10	10	10
<b>Namibia</b>	Diamonds / Precious Stones	10	10	10	10	10**	10*
	Uranium	6	6	6	6	6**	6**
	Dimension Stone	5	5	5	5	5	5
	Gold(Copper) / Base Metals	3	3	3	3	3	3
	Others	2	2	2	2	2	2
<b>South Africa</b>	Copper	0.5-7	0.5-7	0.5-7	0.5-7	0.5-7	0.5-7
	Gold	0.5-5	0.5-5	0.5-5	0.5-5	0.5-5	0.5-5
	Coal	0.5-7	0.5-7	0.5-7	0.5-7	0.5-7	0.5-7
	Iron Ore	0.5-7	0.5-7	0.5-7	0.5-7	0.5-7	0.5-7
<b>Tanzania</b>	Copper	4	4	4	4	4	4
	Gold	3	4	4	4	4	4
	Iron Ore	3	3	3	3	3	3
	Coal	3	3	3	3	3	3
<b>Zambia</b>	All	3	3	6	6	6	NA
	Underground Mines (all)	3	3	6	6	6	8
	Open Pit Mines (all)	3	3	6	6	6	20
<b>Zimbabwe</b>	Diamonds	15	15	15	15	15	15
	Platinum	4	5	10	10	10	10
	Gold	4	4.5	7	7	5	5

\* for small scale miners

\*\* of gross sales revenue

Source: Deloitte, State of Mining in Africa Report