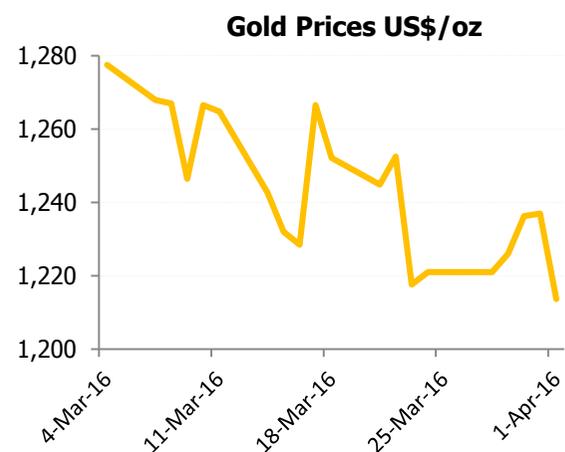


## WEEKLY ECONOMIC REVIEW

### Commodity 30-Day Price Chart

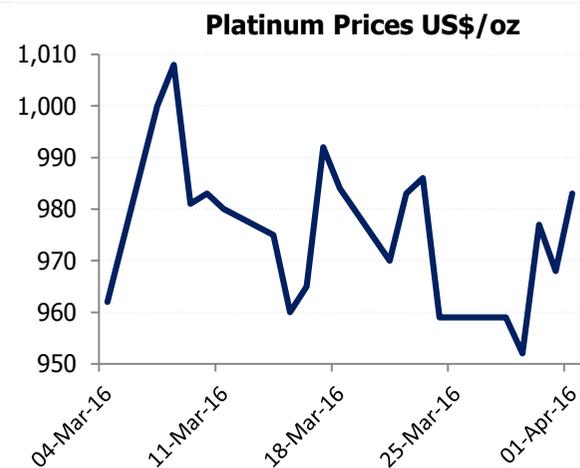


### Commodity Prices

Daily	US\$/oz	WoW %Δ
25-Mar-16	***	
28-Mar-16	***	
29-Mar-16	1,226	
30-Mar-16	1,236	
31-Mar-16	1,237	
1-Apr-16	1,214	
		<b>-0.6</b>

### Commodity Developments

- Gold fell on the 1<sup>st</sup> of Apr-16 after US Mar-16 payrolls data beat expectations, allaying some fears about the US economy and fuelling speculation about the timing of likely interest rate hikes by the Fed Reserve this year.
- Gold had risen earlier during week after Fed Chair Janet Yellen said the US central bank should proceed only cautiously with further interest rate increases.
- The metal is sensitive to moves in US rates, as a rise would lift the opportunity cost of holding non-yielding assets such as bullion, while boosting the dollar and equities.
- According to Annual Survey of Mining Companies 2015 by the Fraser Institute, of Canada, Morocco is ranked the most attractive mining investment destination, followed by Burkina Faso and Ghana whilst Zimbabwe is the 3<sup>rd</sup> least attractive after Guinea and Kenya.



Daily	US\$/oz	WoW %Δ
25-Mar-16	***	
28-Mar-16	***	
29-Mar-16	952	
30-Mar-16	977	
31-Mar-16	968	
1-Apr-16	983	
		<b>2.5</b>

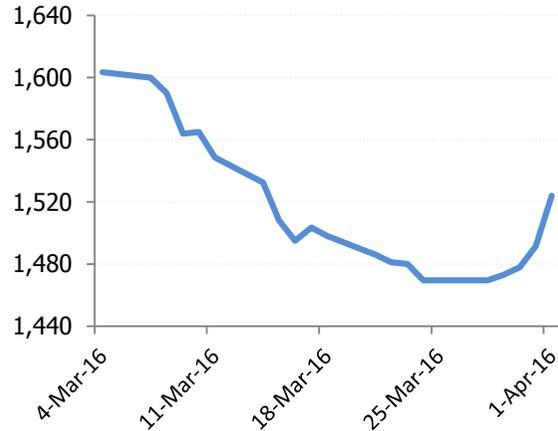
- Although platinum prices went up during the past week, the metal remain impacted by subdued Chinese and European purchases and an increase in buying from these regions might help a bottoming out.
- Monetary policy differentials which are set to increase, accompanied stronger greenback and a passive inflation globally will pose further headwinds to investment metals' prices.
- In a move to boost demand for platinum, world's 2<sup>nd</sup> largest platinum miner Implats is taking firm strides to help establish fuel cells on a commercial footing that would place new demands on the platinum company mines.
- Fuel cells, which provide electricity cleanly and quietly, will improve ventilation in underground mines as well as reduce heat, noise levels, and toxic emissions.
- South Africa and Zimbabwe host more than 80% of the world's known platinum resources and are able to provide the platinum needed for fuel cells.

**Commodity 30-Day Price Chart**

**Commodity Prices**

**Commodity Developments**

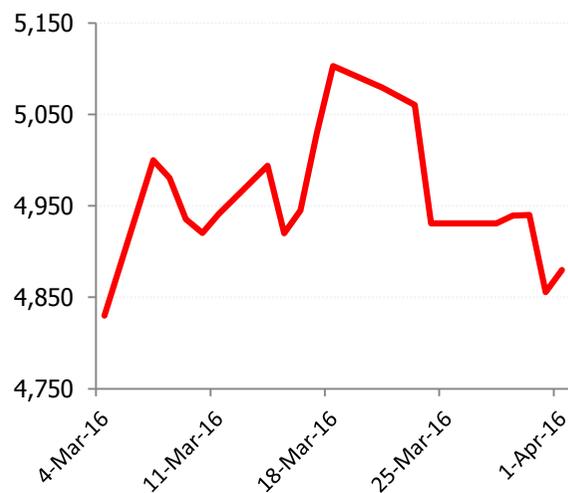
**Aluminium Prices US\$/t**



Daily	US\$/t	WoW %Δ
25-Mar-16	***	
28-Mar-16	***	
29-Mar-16	1,473	
30-Mar-16	1,478	
31-Mar-16	1,492	
1-Apr-16	1,524	
		<b>3.7</b>

- Aluminium price climbed to its highest in nearly three weeks after data showed China's factory sector grew for the 1<sup>st</sup> time in 9 months but gains were capped by strong US jobs data which raised the prospect of further interest rates increases.
- Data from Japan where business sentiment among big manufacturers deteriorated to the lowest in nearly 3 years, and weak factory growth in the euro zone also weighed down on base metals' prices.
- However, aluminium is expected to remain challenged unless Chinese smelters curtail output.

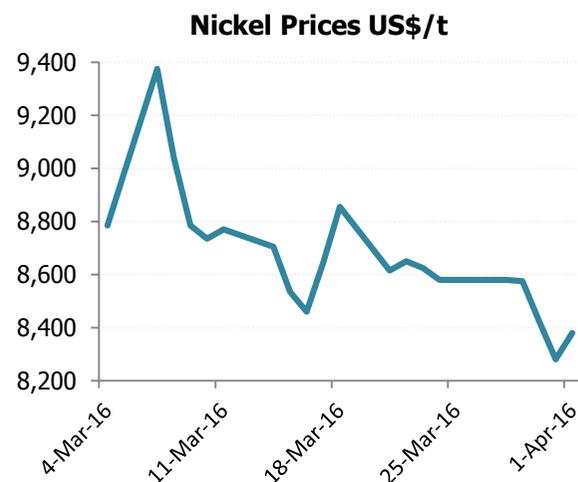
**Copper Price US\$/t**



Daily	US\$/t	WoW %Δ
25-Mar-16	***	
28-Mar-16	***	
29-Mar-16	4,940	
30-Mar-16	4,940	
31-Mar-16	4,856	
1-Apr-16	4,880	
		<b>-1.0</b>

- Chinese investors seem to be taking a negative view of copper's prospects given the huge build in Shanghai Futures Exchange (SHFE) stocks this year.
- Despite a sharp drop in prices over the last 3 weeks, stocks on SHFE have more than doubled to 368,725t.
- London Metal Exchange (LME) stocks, by contrast, are low and falling. Open tonnage is hovering around 2-year lows and front-month spreads are tightening.
- China is the world's largest consumer of copper accounting for more than 40% of global demand.

### Commodity 30-Day Price Chart



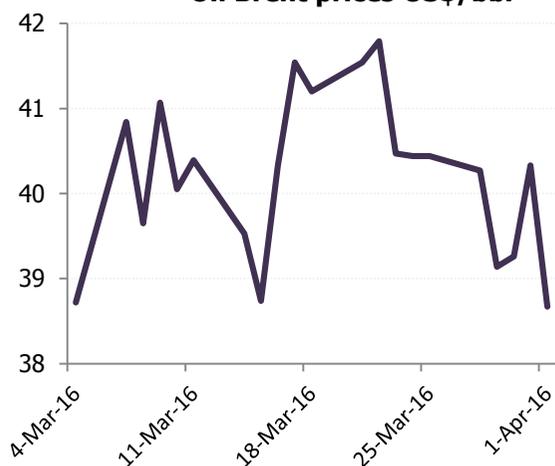
### Commodity Prices

Daily	US\$/t	WoW %Δ
25-Mar-16	***	
28-Mar-16	***	
29-Mar-16	8,575	
30-Mar-16	8,425	
31-Mar-16	8,280	
1-Apr-16	8,380	
		<b>-2.3</b>

### Commodity Developments

- Nickel's supply side has proved inelastic to low prices with most producers hanging on in there in the hope that Chinese nickel pig iron (NPI) producers will close first.
- China's NPI sector is being squeezed by low prices and low availability of the nickel ore it uses as a raw feed and there is mounting evidence that run-rates are now steadily declining.
- The problem with the nickel market is that supply everywhere else is running too strong and stocks are still building up, particularly in Shanghai.
- Even if the global market does move into deficit, it will take a long time to translate into tangible tightness. Such considerations explains why the LME nickel price is doing no more than tread water at its current bombed-out levels. It ended the quarter flat on where it started at \$8,500.

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



Daily	US\$/bbl	WoW %Δ
25-Mar-16	***	
28-Mar-16	40.27	
29-Mar-16	39.14	
30-Mar-16	39.26	
31-Mar-16	40.33	
1-Apr-16	38.67	
		<b>-4.4</b>

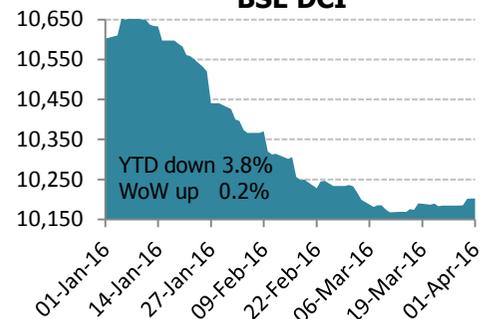
- Oil tumbled on the 1<sup>st</sup> of Apr, after a Saudi prince reportedly said the kingdom will not freeze output without Iran and other major producers following suit.
- Oil had rebounded over the past 2 months from 12-year lows after major producers within and outside the Organization of the Petroleum Exporting Countries (OPEC) accepted the idea of freezing output at Jan-16's highs.
- However, Saudi Deputy Crown Prince Mohammed bin Salman said on the 31<sup>st</sup> of Mar that the OPEC leader will not join the program without the participation of Iran and other major producers.
- Iran has maintained that it will not contribute to any freeze until its crude exports return to pre-sanction levels.

## Equities 90-Day Index Charts

### Botswana



#### BSE DCI

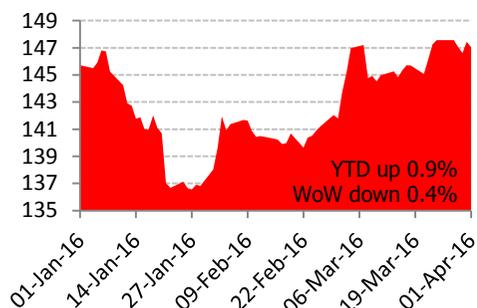


- Economy grew 4.9% QoQ in the 3 months to Dec-15 versus a revised 3.5% contraction in the 3<sup>rd</sup> quarter of 2015.

### Kenya



#### NSE All Share Index

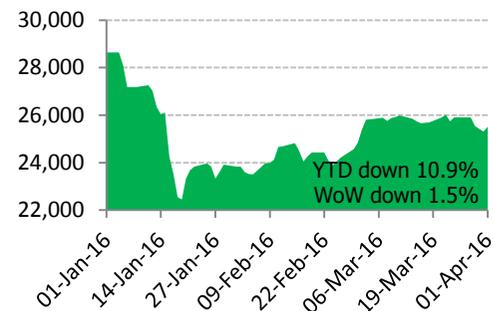


- Kenya could become the 1<sup>st</sup> African country to tap global debt markets this year as it begins a bond roadshow this week.

### Nigeria



#### NGSE All Share Index

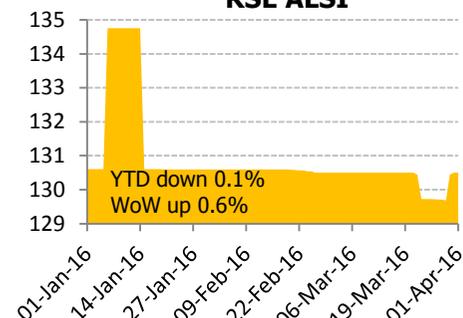


- Nigeria's Access Bank plans to seek shareholder approval this month to raise up to NGN100bn (US\$505m) in debt capital via a public offering or a private placement.

### Rwanda



#### RSE ALSI

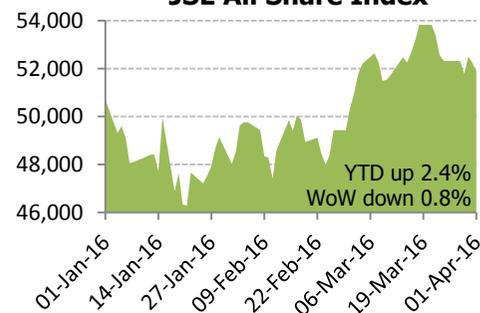


- The slight decline in food prices of most commodities that make up the food basket has eased the inflation levels, providing a relief from the pressures that were mounting on the economy.

### South Africa



#### JSE All Share Index

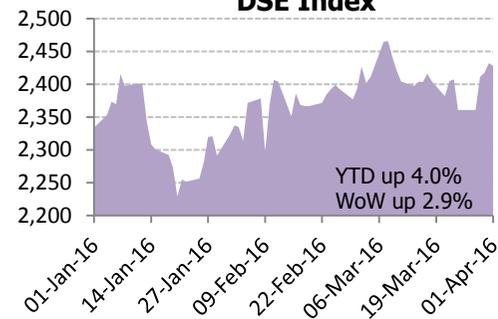


- Central bank would keep raising interest rates to hold back inflation despite the costs to the economy, the bank said at its monetary policy forum.

### Tanzania



#### DSE Index



- President John Magufuli has cancelled this year's Union Day celebrations and directed that the TZ\$2bn set aside for the event be spent on expanding a road in Mwanza.

### Zambia



#### LuSE

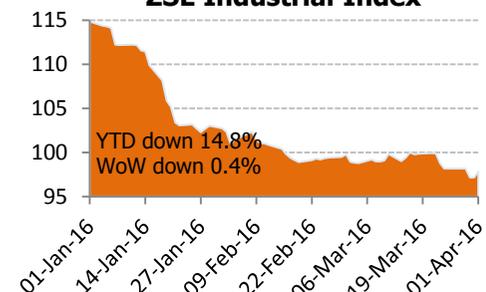


- Zambia has introduced equipment which will enable its revenue authority and other Gvt agencies to independently verify the quality of mineral exports.

### Zimbabwe



#### ZSE Industrial Index



- According Finance Minister, foreign banks have submitted credible plans on how they intend to transfer majority shares to locals, reducing the chances the Gvt could cancel their licences.

## Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/RWF	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
<b>Wk Ending</b>								
24-Mar-16	11.15	49.78	767	2,190	11.32	15.41	1.115	1.408
<b>Daily</b>								
28-Mar-16	***	***	768	***	***	***	***	***
29-Mar-16	11.16	51.01	768	2,190	11.29	15.49	1.118	1.424
30-Mar-16	11.01	50.38	768	2,190	11.24	15.08	1.133	1.443
31-Mar-16	10.93	50.55	768	2,190	11.14	14.88	1.135	1.437
1-Apr-16	10.85	50.45	769	2,189	10.98	14.75	1.139	1.436
<b>WoW %Δ</b>	<b>-2.71</b>	<b>1.35</b>	<b>0.14</b>	<b>-0.03</b>	<b>-3.04</b>	<b>-4.27</b>	<b>2.15</b>	<b>2.01</b>
<b>YTD %Δ</b>	<b>-3.47</b>	<b>12.24</b>	<b>2.83</b>	<b>1.39</b>	<b>-0.05</b>	<b>-5.30</b>	<b>4.34</b>	<b>-3.25</b>

## Exchange Rate Developments

- SA's rand traded at its firmest levels in 3 months against the dollar on the 1<sup>st</sup> of Apr as an emerging market rally and political events helped the unit shrug off worrying local data.
- The BWP and ZMW followed the ZAR lead and ended the week stronger.
- The RWF and TZS were little changed, whilst the MZN continued on its losing streak.
- All Atlas Mara markets' currencies depreciated against the rallying ZAR.
- Zim was advised by an American investor to take advantage of its mineral resources and introduce a gold-backed currency together with a gold bank.
- Zim abandoned its dollar in 2009 after it had been rendered worthless by record inflation levels and adopted multiple foreign currencies as official currencies.
- The use of Gold backed currency has been debated before and was found not to be feasible, and will not address the country's liquidity challenges.
- Currently, the general consensus is that Zim is not ready to introduce its own currency.

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
<b>Wk Ending</b>					
24-Mar-16	0.723	3.22	0.731	50.0	143
<b>Daily</b>					
28-Mar-16	***	***	***	49.7	***
29-Mar-16	0.721	3.31	0.731	49.7	141
30-Mar-16	0.727	3.38	0.753	50.6	141
31-Mar-16	0.732	3.44	0.756	51.4	146
01-Apr-16	0.736	3.40	0.738	52.0	148
<b>WoW %Δ</b>	<b>1.83</b>	<b>5.59</b>	<b>1.03</b>	<b>4.13</b>	<b>3.50</b>
<b>YTD %Δ</b>	<b>1.80</b>	<b>18.06</b>	<b>4.67</b>	<b>8.28</b>	<b>6.47</b>

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