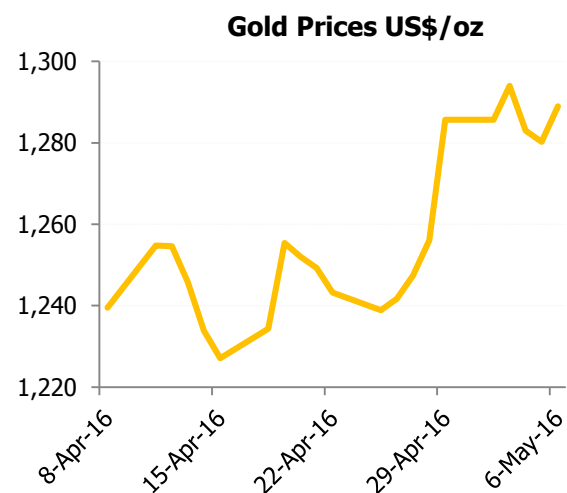


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

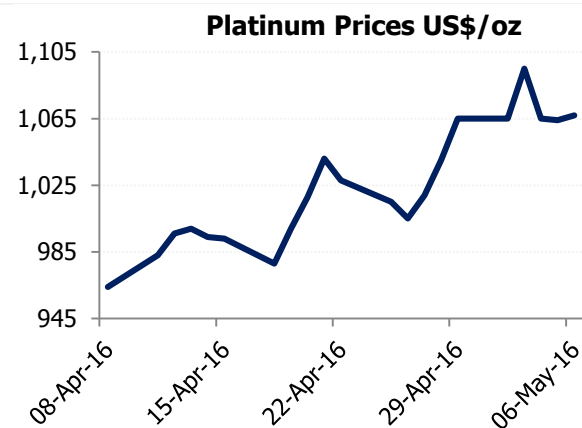


Commodity Prices

Daily	US\$/oz	WoW %Δ
29-Apr-16	1,286	
2-May-16	***	
3-May-16	1,294	
4-May-16	1,283	
5-May-16	1,280	
6-May-16	1,289	
0.3		

Commodity Developments

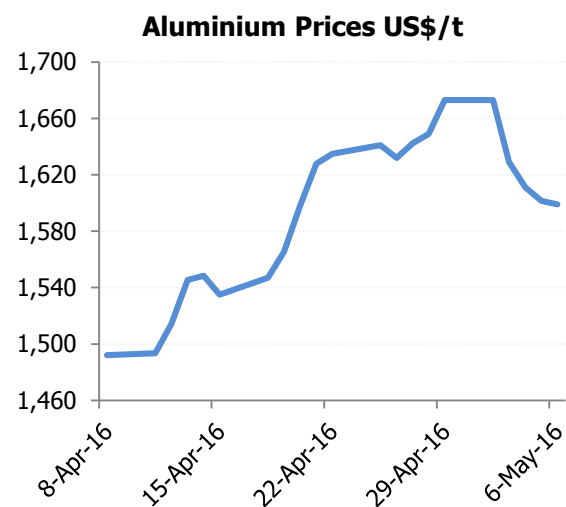
- Gold prices rose on the 6th of May after US non-farm payrolls data for Apr-16 came in weaker than expected, boosting expectations that the Fed Reserve will delay further interest rate increases.
- However, gains were capped as the USD strengthened after New York Fed President William Dudley told the New York Times that two rate hikes in 2016 remain a reasonable expectation.
- In production, Zimbabwe has discovered new gold and platinum deposits at the mouth of Gatshe Gatshe River at Kariba dam and is working on modalities on how mining can be conducted.
- In Tanzania, State Mining Corporation (STAMICO) has dismissed claims that the suspension of mining operations at Geita-based Buckreef Gold Mine was due to forceful occupation by illegal miners.
- Instead, STAMICO has ordered the Tanzania American International Development Corporation 2000 (TANZAM 2000) to unconditionally resume operations with immediate effect, blaming the suspension on major technical challenges and serious financial hitches troubling the company.



Daily	US\$/oz	WoW %Δ
29-Apr-16	1,065	
2-May-16	***	
3-May-16	1,095	
4-May-16	1,065	
5-May-16	1,064	
6-May-16	1,067	
0.2		

- According to a report from Bloomberg, the rise of the electric vehicle market over the next decade or two will impact the platinum market significantly.
- The auto industry is the largest user of platinum worldwide, owing to its inclusion in vehicle exhaust systems. The move towards electric vehicles and away from vehicles that feature exhaust systems at all, will presumably put a big dent in demand.
- In production, World's largest producer, Anglo American Platinum recorded an overall 7% increase in platinum production to 381,000oz in the 1st quarter ended 31 Mar-16 due to an increase in output at its three mines including Zimbabwean based Unki.

Commodity 30-Day Price Chart

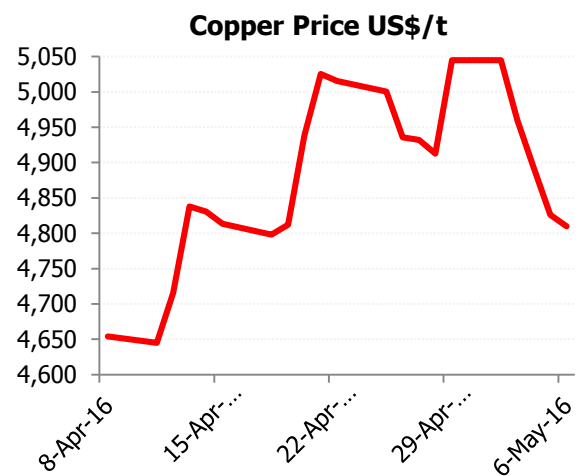


Commodity Prices

Daily	US\$/t	WoW %Δ
29-Apr-16	1,673	
2-May-16	***	
3-May-16	1,629	
4-May-16	1,611	
5-May-16	1,602	
6-May-16	1,599	
		-4.4

Commodity Developments

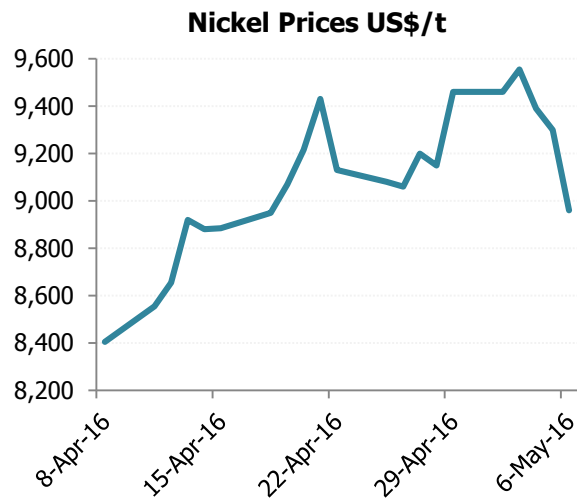
- China is considering setting up a fund to cope with the closure of aluminium producers and combat volatility in the market. China's aluminium producers have previously pledged to cut production amid plunging prices for the metal. China is the world's top consumer and producer of aluminium.
- In Mozambique, the Gvt is concerned at the lack of a market for the bauxite mined in the central province of Manica.
- Bauxite is the world's main source of aluminium. To produce aluminium, bauxite is first refined into alumina (aluminium oxide). The alumina is then converted into aluminium in a smelter, at high temperatures and using large amounts of electricity.
- Mozambique has a large, modern aluminium smelter, MOZAL, on the outskirts of Maputo, but it skips the bauxite refinement stage, and uses alumina imported from Australia as its raw material.



Daily	US\$/t	WoW %Δ
29-Apr-16	5,045	
2-May-16	***	
3-May-16	4,960	
4-May-16	4,892	
5-May-16	4,826	
6-May-16	4,810	
		-4.7

- Copper and all other base metals fell as weak trade data from top consumer China highlighted poor demand growth prospects. The metals were also affected by a stronger dollar.
- China's exports and imports fell more than expected in Apr-16 underlining weak demand in China and abroad.
- The US added the fewest number of jobs in seven months in Apr-16, with the employment slowdown coming against the backdrop of weak economic growth, subdued productivity and corporate profits.
- The news prompted some financial institutions to lower interest rate expectations for this year to a single increase rather than two. However, that was offset by New York Fed President William Dudley saying it is reasonable to expect the US central bank will raise rates twice in 2016.

Commodity 30-Day Price Chart

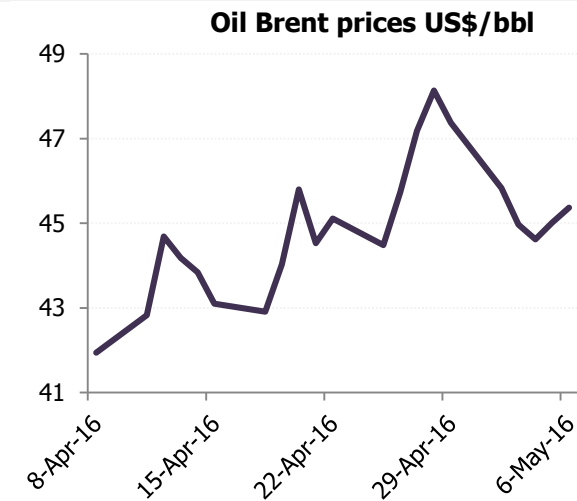


Commodity Prices

Daily	US\$/t	WoW %Δ
29-Apr-16	9,460	
2-May-16	***	
3-May-16	9,555	
4-May-16	9,390	
5-May-16	9,300	
6-May-16	8,960	
		-5.3

Commodity Developments

- Nickel prices fell in line with other base metals but the market is braced for another sell-off as expectations of an oversupplied market add to the pressure.
- In Botswana, the country's top nickel producer Bamangwato Concession Limited (BCL) has started issuing workers with retrenchment notices in an exercise that is aimed at cutting operational and salary costs to save the company from collapse.
- The retrenchment process however comes just two weeks after Gvt approved a US\$100m loan to recapitalize the company and partially offset a huge debt overhang as a result of weaker prices. The retrenchment process is expected to be concluded in Jun-16 and affect up to 2,000 workers.



Daily	US\$/bbl	WoW %Δ
29-Apr-16	47.37	
2-May-16	45.83	
3-May-16	44.97	
4-May-16	44.62	
5-May-16	45.01	
6-May-16	45.37	
		-4.2

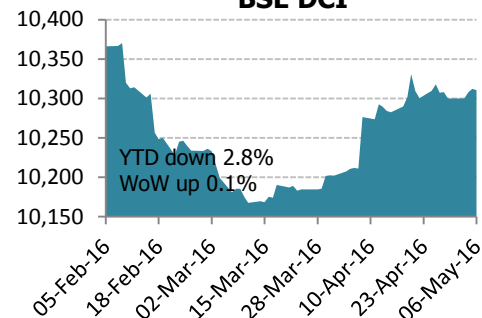
- Brent suffered its sharpest weekly drop in 4 months as investors cashed out of Apr-16's big rally despite wildfire that shrank Canadian oil sands.
- Reports of a militant attack on a Chevron platform in Nigeria's oil-rich Niger Delta region and a drop in the number of US oil drilling rigs also failed to lift Brent prices.
- Generally, the global surplus still exists and there is still a possibility that oil prices could retreat further.

Equities 90-Day Index Charts

Botswana



BSE DCI

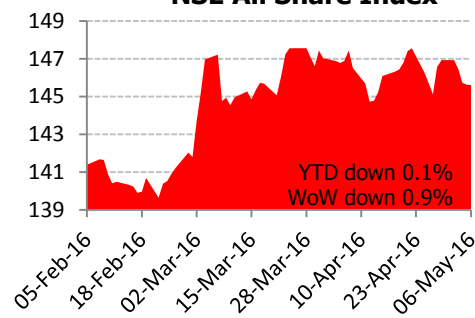


- Botswana will target an average economic growth rate of 4.4% in the next 6yrs under a medium-term socio economic framework from the current 3.8%.

Kenya



NSE All Share Index

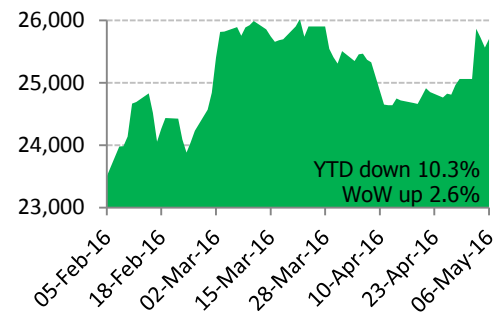


- The election commission rejected opposition calls to resign, saying it is implementing reforms to avoid repeating the failures of the 2013 vote ahead of next year's elections.

Nigeria



NGSE All Share Index

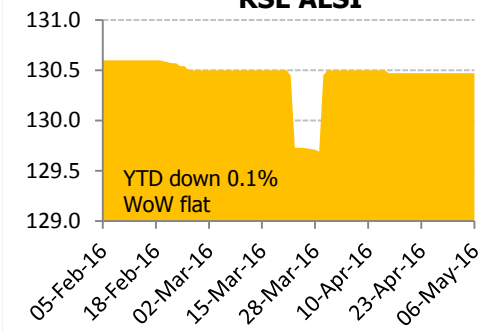


- President Muhammadu Buhari signed the delayed 2016 budget into law which pursues an expansionary fiscal policy despite the huge decline in Gvt revenues from crude oil exports.

Rwanda



RSE ALSI

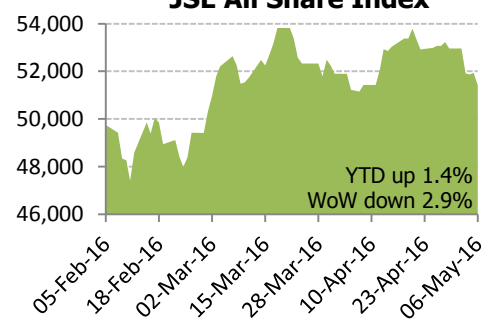


- Landslides caused by heavy rains due to the El Nino weather pattern killed at least 49 people and destroyed hundreds of buildings over the weekend.

South Africa



JSE All Share Index

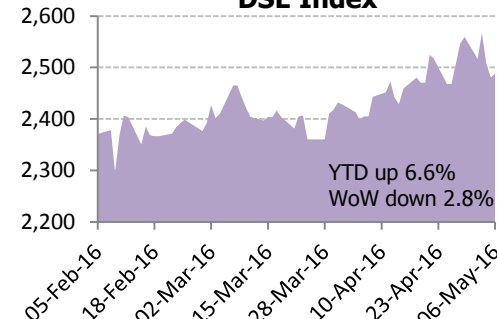


- Unemployment hit its highest level on record in Q1:16, clouding the country's efforts to convince the major ratings agencies not to downgrade its credit rating.

Tanzania



DSE Index

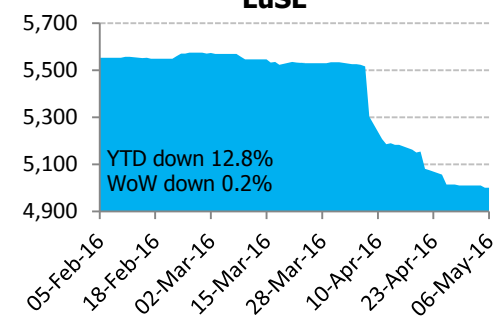


- The monthly headline inflation rate for the month of Apr-16 stagnated at 0.5% as movement of prices remained relatively stable.

Zambia



LuSE

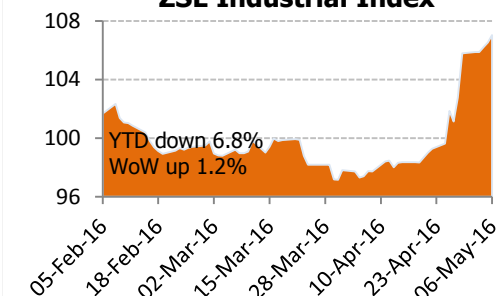


- The fiscal deficit in Africa's 2nd-biggest copper producer is seen reducing slightly in 2016 to below last year's level of 8.1% and then decline further in 2017 to around 4% of GDP.

Zimbabwe



ZSE Industrial Index



- Zimbabwe will limit daily cash withdrawals from banks to US\$1,000 and also slash the amount of cash individuals can take out of the country to ease acute cash shortages.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/RWF	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending								
29-Apr-16	10.64	53.20	774	2,191	9.60	14.22	1.138	1.461
Daily								
2-May-16	***	***	774	2,192	***	***	***	***
3-May-16	10.59	53.72	774	2,192	9.63	14.28	1.160	1.474
4-May-16	10.76	53.79	774	2,192	9.68	14.79	1.148	1.450
5-May-16	***	53.95	775	2,191	9.72	14.90	1.144	1.447
6-May-16	10.91	53.60	775	2,191	9.77	15.01	1.142	1.449
WoW %Δ	2.51	0.75	0.15	-0.01	1.85	5.57	0.35	-0.80
YTD %Δ	-2.94	19.24	3.68	1.46	-10.99	-3.62	4.58	-2.33

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
Wk Ending					
29-Apr-16	0.746	3.76	0.679	54.2	151
Daily					
02-May-16	***	***	***	54.2	154
03-May-16	0.744	3.71	0.665	54.2	153
04-May-16	0.735	3.63	0.653	52.9	151
05-May-16	0.000	3.62	0.652	51.7	147
06-May-16	0.728	3.56	0.650	51.8	146
WoW %Δ	-2.51	-5.32	-4.16	-4.47	-3.31
YTD %Δ	0.62	23.61	-7.77	7.72	5.04

Exchange Rate Developments

- The USD rose against a basket of currencies on the 5th of May-16 as traders closed out profitable bets ahead of US payrolls report which signals Fed Reserve's path on interest rate hike.
- The ZAR weakened as a result of stronger USD and weaker domestic economic fundamentals.
- Africa's most developed, but stuttering economy faces the danger of ratings cuts from agencies worried that Pretoria might not stay on a thrifty fiscal path, after President Jacob Zuma inexplicably shuffled finance ministers twice in 4 days in Dec-15.
- The ZAR is expected to continue weakening unless Pretoria implements structural reforms to reduce policy uncertainty, boost confidence, tackle structural impediments and lower vulnerabilities.
- Zambia's kwacha depreciated against the USD as the supply of greenbacks dried up and its major export earner copper, registered its largest weekly loss since early 2015.
- In Mozambique, foreign reserves are dwindling, the fiscal deficit is yawning and devaluation of the metical could drive debt to GDP ratios to unsustainable levels.
- The TZS was fairly stable and is expected to hold firm against the USD in the coming weeks, supported by Apr-16 dollar inflows from companies seeking to meet tax obligations and to pay salaries.
- All Atlas Mara markets' currencies appreciated against the weaker ZAR.

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