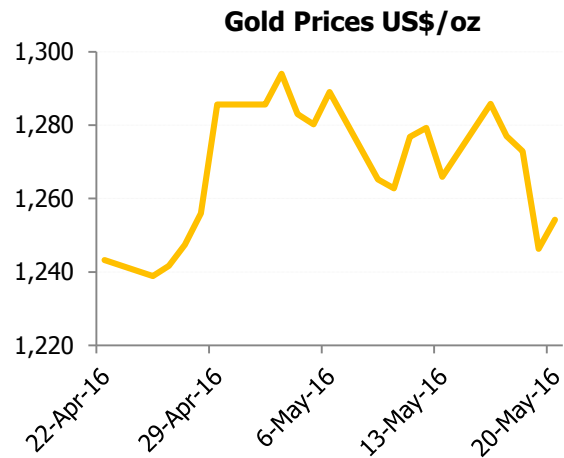


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

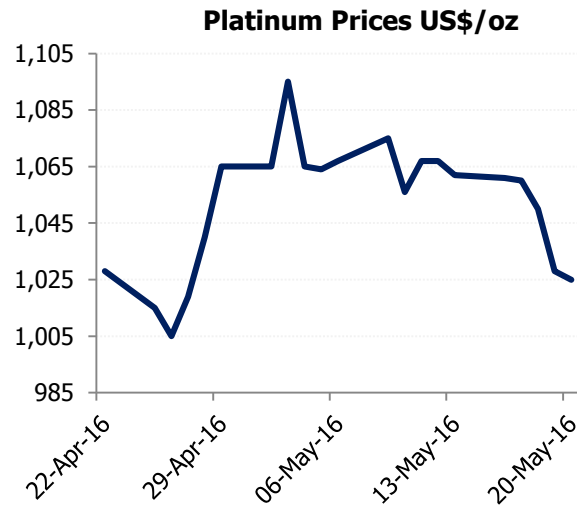


Commodity Prices

Daily	US\$/oz	WoW %Δ
13-May-16	1,266	
16-May-16	1,286	
17-May-16	1,277	
18-May-16	1,273	
19-May-16	1,246	
20-May-16	1,254	
		-0.9

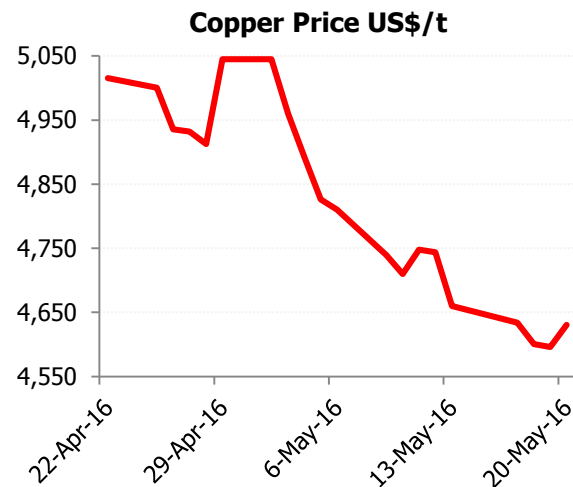
Commodity Developments

- Gold has been under pressure for the whole week after the Fed released the minutes of its Apr-16 meeting, which showed that the US economy could be ready for another rate increase as early as Jun-16.
- Higher interest rates increase the opportunity cost of holding non-yielding bullion.
- In Zim, according to Gold Producers Association, the presence of extensive gold deposits coupled with idle capacity, present an opportunity for the sector to increase output to over 50t by 2020.
- In terms of gold productivity per square kilometre, Zim is ranked above traditional big producers such as the US, Canada, Australia and Brazil.
- However, Zim remains largely underexplored, impacting negatively on grades due to limited new discoveries.
- According to the Zim Platinum Producers Association, Zim may double annual platinum production to more than 900,000oz in the next decade, making the metal the nation's top export earner.
- However, more than US\$2.8 billion in new investment is needed for current miners to ramp up production to that level.
- Zim holds the 2nd largest known reserves of platinum after SA, but mines have struggled with low prices, a black empowerment law forcing mines to sell more than 50% of the business to locals, and power shortages. More recently, the requirement for platinum miners to surrender 50% of their export proceeds to RBZ may not be viewed favourably by the miners.



Daily	US\$/oz	WoW %Δ
13-May-16	1,062	
16-May-16	1,061	
17-May-16	1,060	
18-May-16	1,050	
19-May-16	1,028	
20-May-16	1,025	
		-3.5

Commodity 30-Day Price Chart

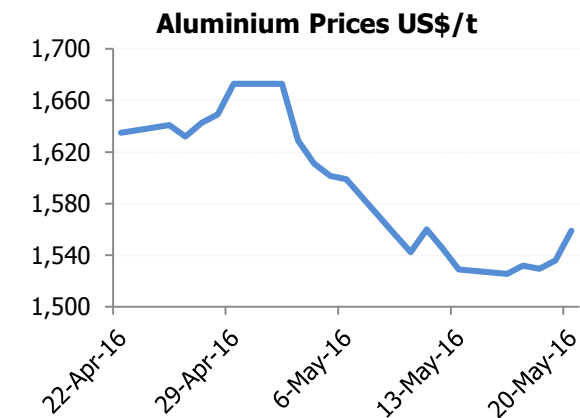


Commodity Prices

Daily	US\$/t	WoW %Δ
13-May-16	4,660	
16-May-16	4,641	
17-May-16	4,634	
18-May-16	4,601	
19-May-16	4,596	
20-May-16	4,631	
		-0.6

Commodity Developments

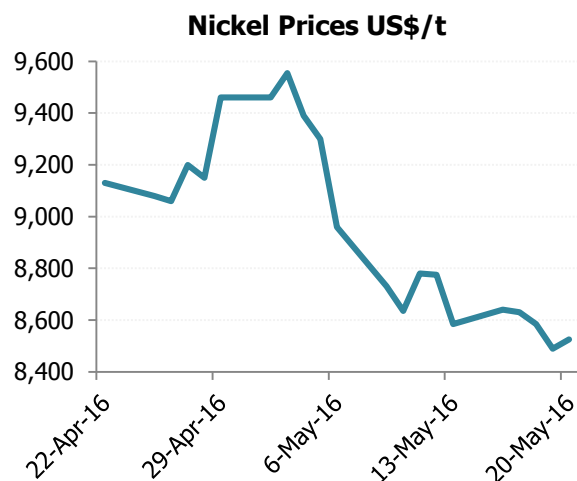
- Copper prices fell during the week under review as expectations that the US Fed Reserve will raise interest rates in Jun-16 reinforced worries about weak demand growth in top consumer China.
- In Zambia, the Parliament has approved a new royalty regime of 4%, 5% and 6% that vary depending on the international copper price. The regime seeks to boost the Gvt profits when prices are high while supporting the flow of activities in the copper industry when the prices are lower.
- Zambia is one of the main copper producers in the world with 711,515t produced in 2015. The Sub Saharan country ranks 2nd in Africa behind the DRC which produced 905,000t in 2015.
- According to the Zambia Chamber of Mines (ZCM), since 2000 the copper industry has helped Zambia to keep GDP growth rates from 7% to 10% and the industry received more than US\$14bn in Foreign Direct Investment (FDI) in the last ten years.



Daily	US\$/t	WoW %Δ
13-May-16	1,529	
16-May-16	1,526	
17-May-16	1,532	
18-May-16	1,530	
19-May-16	1,536	
20-May-16	1,559	
		2.0

- Aluminium hit its highest in a week on the 20th of May as speculators closed out bearish positions before the weekend, but it pared gains as other metals dipped as the dollar rebounded.
- Dollar-denominated commodity prices tend to drop when the greenback gains since it makes purchasing them more expensive for buyers paying with other currencies.

Commodity 30-Day Price Chart

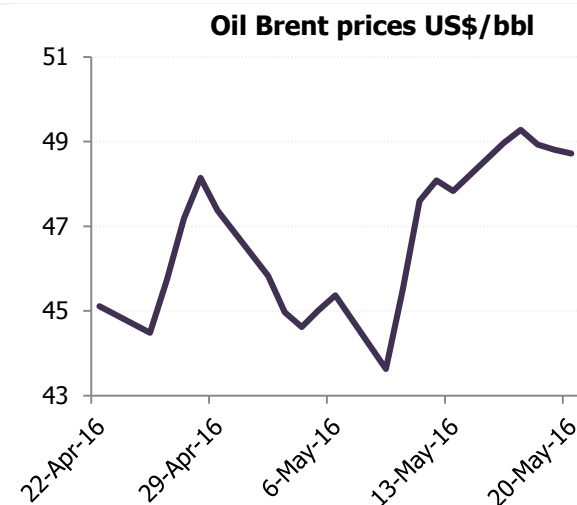


Commodity Prices

Daily	US\$/t	WoW %Δ
13-May-16	8,585	
16-May-16	8,640	
17-May-16	8,630	
18-May-16	8,585	
19-May-16	8,490	
20-May-16	8,525	
		-0.7

Commodity Developments

- In China, latest data shows that the number 1 global consumer of base metals is importing more nickel than ever before.
- Headline imports of refined metal hit a new all-time record high of 49,012t in Apr-16. The cumulative tally of 157,600t over the 1st four months of the year represents a 115,000t increase over the same period of last year.
- Imports of ferronickel have also surged to 294,700t so far this year, which is already more than any previous calendar year with the exception of 2015.
- The import numbers suggest either a falling of Chinese production or a resurgent demand which may both have a positive impact on price.



Daily	US\$/bbl	WoW %Δ
13-May-16	47.83	
16-May-16	48.97	
17-May-16	49.28	
18-May-16	48.93	
19-May-16	48.81	
20-May-16	48.72	
		1.9

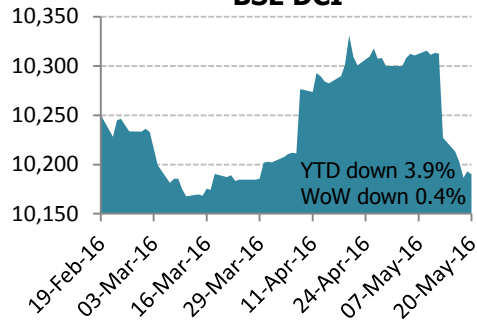
- Oil prices rose as turmoil in Nigeria, shale bankruptcies in the US and a crisis in Venezuela all contributed to tightening supplies.
- Nigeria's oil production showed further signs of strain as intruders blocked access to Exxon Mobil's terminal exporting Qua Iboe, the country's largest crude stream.
- This means that the militant activity has cut Nigeria's oil output to a more than 22-year low of under 1.4m bpd.
- In the US crude oil output has fell to 8.79m bpd, down from a peak of more than 9.6m bpd last year, as a wave of bankruptcies hit producers.
- In South America, output from OPEC-member Venezuela is also stalling as its state-owned oil company PDVSA struggles with a cash squeeze amid a deep political and economic crisis.

Equities 90-Day Index Charts

Botswana



BSE DCI

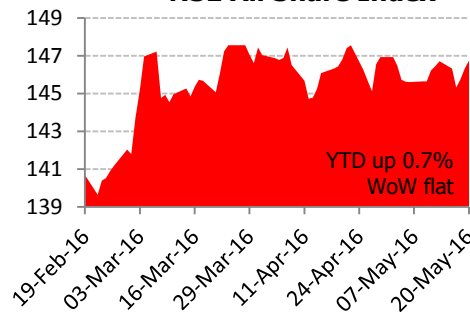


- Botswana will target an average economic growth rate of 4.4% in the next 6yrs under a medium-term socio economic framework from the current 3.8%.

Kenya



NSE All Share Index

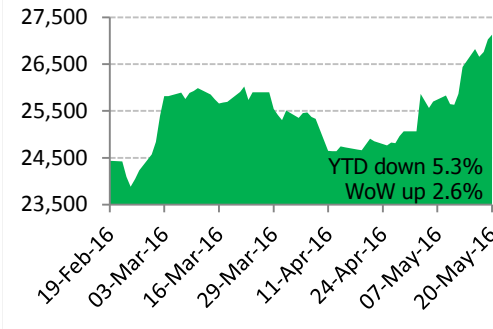


- The election commission rejected opposition calls to resign, saying it is implementing reforms to avoid repeating the failures of the 2013 vote ahead of next year's elections.

Nigeria



NGSE All Share Index

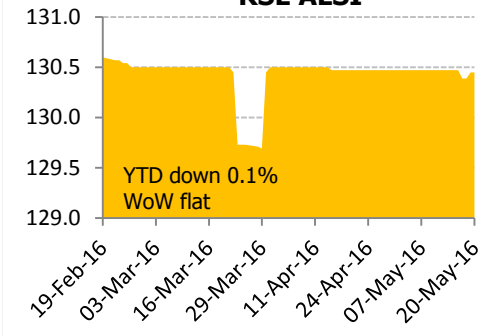


- Nigeria's central bank should impose restrictions on short-term portfolio investment flows to prevent damage caused to Africa's biggest economy if investors exit at short notice, according a member of Nigeria's MPC.

Rwanda



RSE ALSI

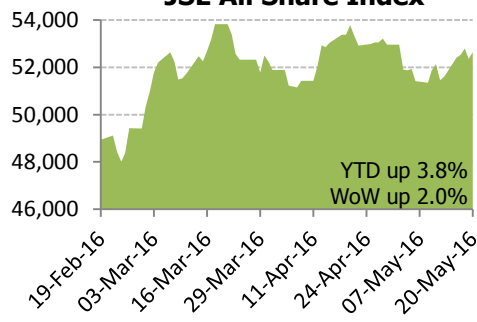


- Rwanda to inaugurate a power plant on which uses methane gas from Lake Kivu, adding 26MW to the grid. Currently, only a quarter of the population is connected to the grid.

South Africa



JSE All Share Index

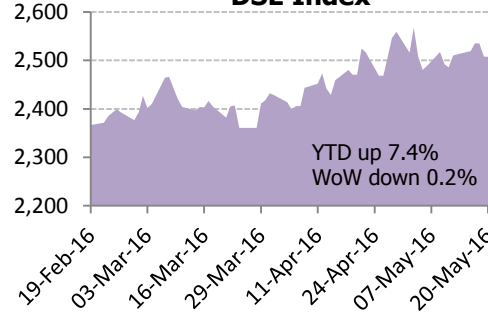


- SA's debt service costs stood at ZAR907.9m (US\$58m) at the end of Mar-16, higher than previously projected, according to Treasury Director-General Lungisa Fuzile.

Tanzania



DSE Index

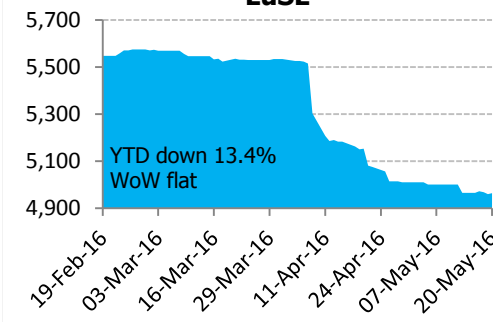


- Tanzania has removed more than 10,000 "ghost workers" from its public sector payroll after a nationwide audit reviewed that they costed Gvt over US\$2m a month.

Zambia



LuSE

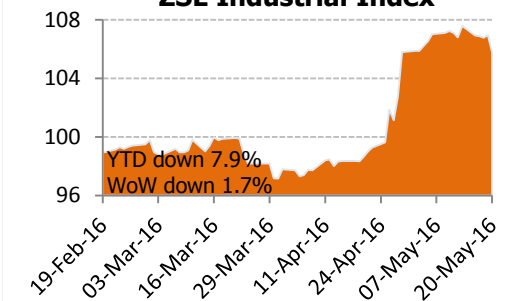


- President Edgar Lungu said on Friday that he expected inflation in Africa's 2nd-biggest copper producer, currently running at almost 22%, to slow to single digits within few months.

Zimbabwe



ZSE Industrial Index



- Zimbabwe cut its economic growth forecast to 1.4% in 2016 from an initial forecast of 2.7%, the ministry of finance said, following a devastating drought and weak commodity prices.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/RWF	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending								
13-May-16	10.96	54.30	776	2,192	9.99	15.12	1.135	1.441
Daily								
16-May-16	11.12	54.56	776	2,193	10.04	15.45	1.133	1.438
17-May-16	11.14	54.85	777	2,193	10.08	15.57	1.133	1.450
18-May-16	11.21	54.65	777	2,193	10.12	15.84	1.127	1.445
19-May-16	11.26	55.21	777	2,194	10.17	15.84	1.121	1.465
20-May-16	11.24	55.64	777	2,193	10.21	15.76	1.122	1.457
WoW %Δ	2.47	2.47	0.14	0.04	2.19	4.29	-1.13	1.06
YTD %Δ	0.00	23.78	3.97	1.56	-7.00	1.22	2.75	-1.84

Exchange Rate Developments

- The USD strengthened against major currencies after the Fed released the minutes of its Apr-16 meeting, which showed that the US economy could be ready for another rate increase in Jun-16.
- The ZAR weakened against the dollar in line with major currencies and emerging markets currencies.
- Zambia's kwacha fell against the greenback touching a 6-week low as exporters hold on to their dollars anticipating further currency fall.
- However, the ZMW may gain against the greenback due to dollar conversions by exporters preparing to pay salaries and other month-end obligations.
- The Tanzanian shilling which was fairly stable over the week could come under pressure in the days ahead, weighed down by a slowdown in dollar inflows and demand for the US currency from oil and manufacturing sectors.
- Undisclosed loans debacle and anticipation of debt default could continue to put pressure on MZN.
- All Atlas Mara trading markets' currencies depreciated against the USD and appreciated against the ZAR.

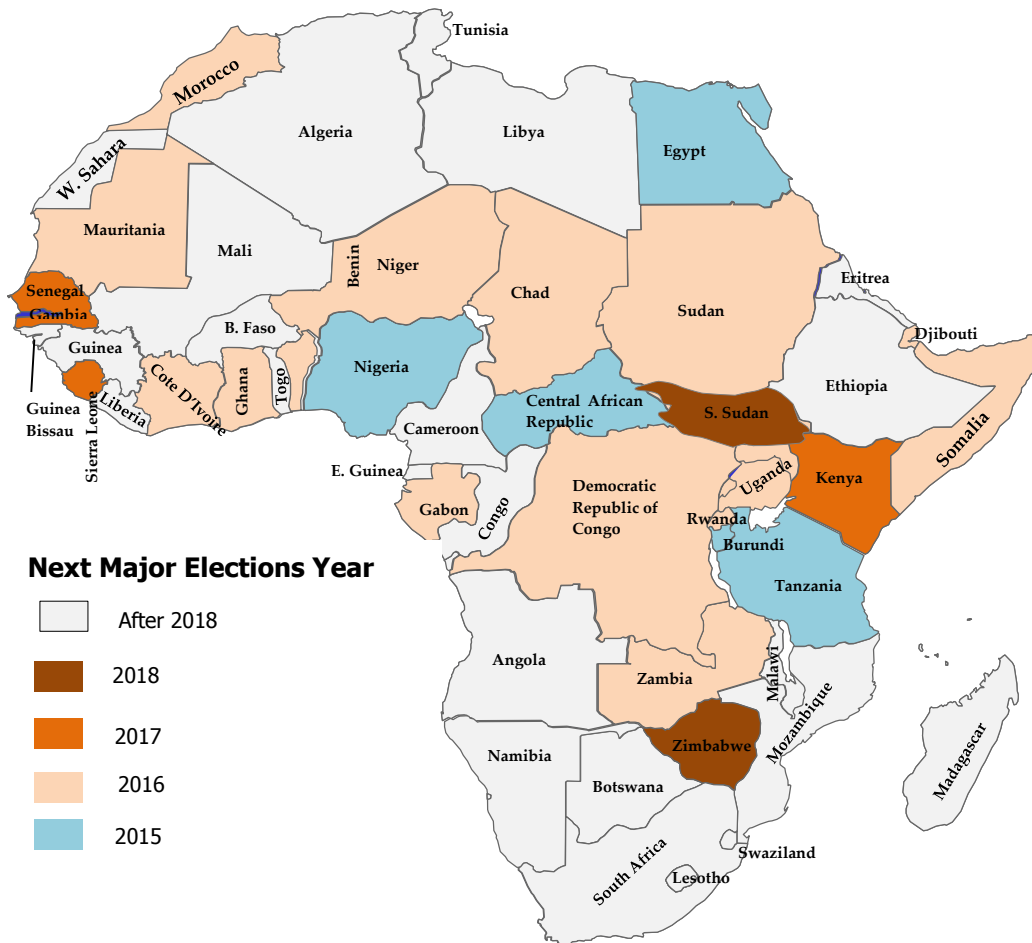
	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
Wk Ending					
13-May-16	0.726	3.58	0.660	51.5	146
Daily					
16-May-16	0.717	3.48	0.645	50.6	144
17-May-16	0.715	3.51	0.644	50.6	139
18-May-16	0.712	3.44	0.638	49.7	139
19-May-16	0.710	3.48	0.641	49.0	138
20-May-16	0.711	3.54	0.648	48.8	138
WoW %Δ	-2.07	-1.12	-1.74	-5.33	-5.48
YTD %Δ	-1.66	22.92	-8.07	1.51	-0.72

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ELECTIONS MAP - AFRICA



Ruling Botswana Democratic Party (BDP) in power since Botswana's independence in 1966.

4 different presidents, all from BDP since independence.



Kenya attained independence in 1964 and the current ruling party Jubilee Alliance has been in power since 2013.

4 different presidents from 3 different political parties.



The Mozambique Liberation Front (FRELIMO) has been in power since independence in 1975.

Struggled with civil war between 1976-1992. 4 different presidents since 1975, all from FRELIMO.



Nigeria gained independence in 1960 and Nnamdi Azikiwe was the 1st president.

Went under military rule between 1966-1979, 1983-1993 and 1993-1999, showing how conflict prone is the political landscape.



Gained independence in 1961 and a total of 4 people have served as presidents in Rwanda from 3 different political parties.

1994 genocide is a major political event in Rwanda's history.



Gained independence in 1994 and the ANC has been in power since then.

3 different presidents all from ANC to date but there is a rise in number of opposition parties



5 presidents from the ruling Chama Cha Mapinduzi have ruled Tanzania since its independence in 1964.

Holds elections after every 5yrs and presidential term in office is limited to 10yrs.



Zambia is considered one of the few African countries with a matured multi-party democracy. and conducts elections after every 5yrs.

6 different presidents from 3 different political parties have ruled Zambia since independence and has 2 term presidential limit.



Ruling party (ZANU-PF) in power since Zim's independence in 1980

2009 to 2013 coalition Govt after disputed election results