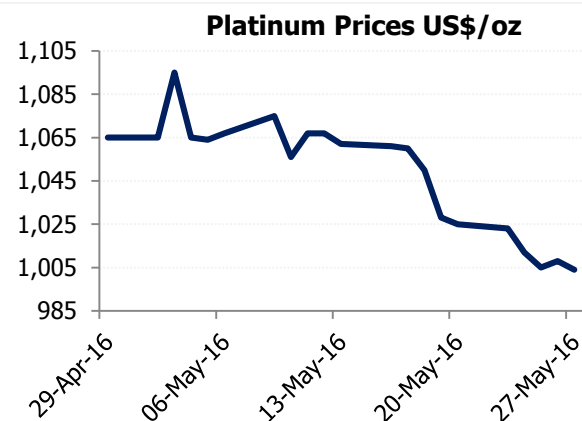
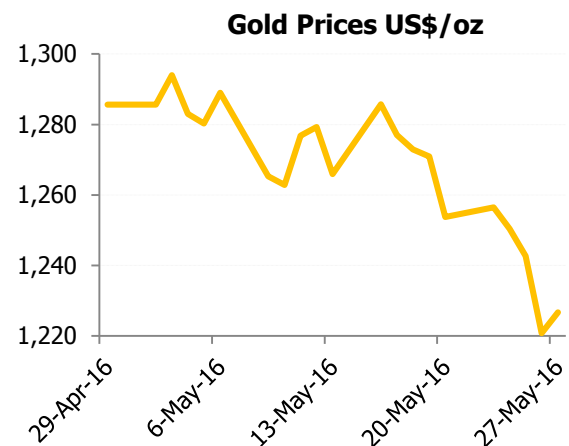


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart



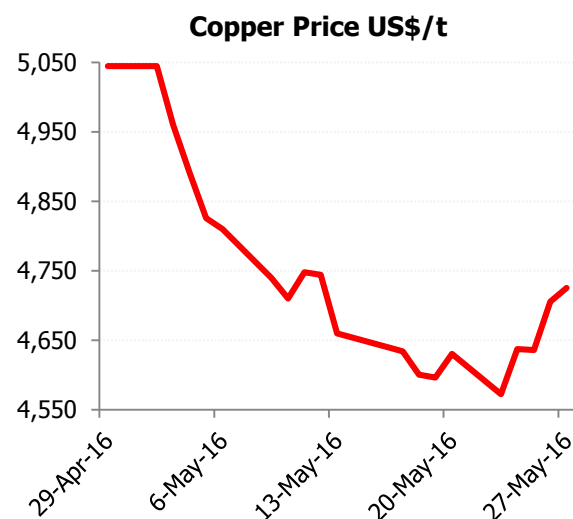
Commodity Prices

Daily	US\$/oz	WoW %Δ
20-May-16	1,254	
23-May-16	1,257	
24-May-16	1,250	
25-May-16	1,243	
26-May-16	1,221	
27-May-16	1,227	
		-2.2

Commodity Developments

- Gold slid, touching a 2-month low, after Federal Reserve Chair Janet Yellen indicated that the US central bank could raise interest rates within months if the economy continues to improve.
- Higher interest rates increase the opportunity cost of holding non-yielding bullion.
- In Zim, gold output is envisaged to increase to 50t by 2020, generating about US\$1,8bn annually.
- The presence of extensive gold deposits, coupled with idle capacity in the southern African country, present an opportunity for Zim's gold sector to increase output to 50t by 2020.
- However, according to Zim's Gold Producers Association, the industry requires US\$600m in the next 5yrs to optimise production, of which US\$410m relates to ramp up capital, while US\$190m is for sustenance of operations.
- Platinum followed the gold trend hampered by a stronger dollar after Fed Reserve's Chair statement.
- In SA, world's no.1 producer of the metal, Rustenburg has not fully recovered from the 2014 protracted strike in the platinum mines. Prior to the strike, Rustenburg had the 3rd fastest growing economy out of 8 metropolitans and in 2012 contributed 4.9% of SA's GDP.
- Sibanye Gold, SA's largest gold miner, is planning to buy more platinum assets as it seeks to turn itself into one of the world's top 3 producers of the precious metal used in jewellery and diesel car engines.
- Sibanye started diversifying into platinum in 2014, during the commodities slump. The gold miner agreed to purchase Anglo American's loss-making platinum operations at Rustenburg and also completed a deal in April to purchase Aquarius, a smaller SA platinum miner.
- These two transactions should turn Sibanye into the world's 5th-largest miner of platinum group metals.

Commodity 30-Day Price Chart

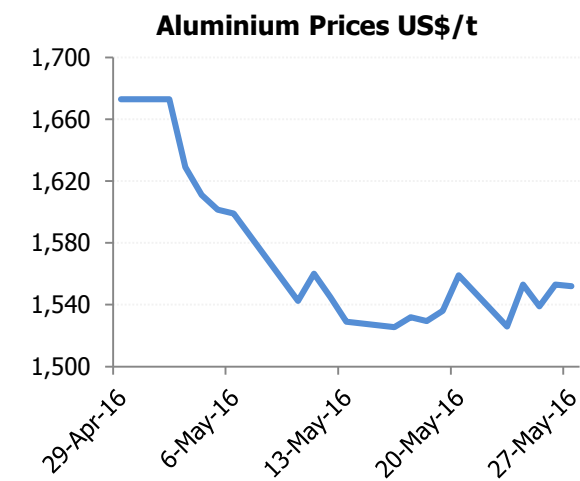


Commodity Prices

Daily	US\$/t	WoW %Δ
20-May-16	4,631	
23-May-16	4,572	
24-May-16	4,637	
25-May-16	4,636	
26-May-16	4,706	
27-May-16	4,726	
		2.1

Commodity Developments

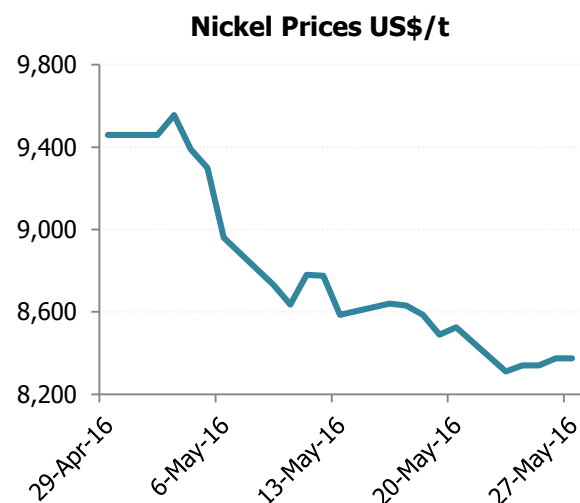
- Copper prices hit two-week highs as stronger oil prices triggered short term fund buying, but the rally is expected to fade on a poor outlook for demand growth in top consumer China.
- Reflecting the weak demand outlook in China are falling premiums for copper shipments to Shanghai on a cost, insurance and freight basis, which have fallen to US\$55/t, the lowest since Feb-13.
- In DRC, fallen copper prices have lowered the country's foreign exchange reserves and put pressure on the currency.
- DRC has in turn proposed cutting operating costs of cabinet and other public services by 30%, warning of a risk of rising inflation in its revised budget statement.
- DRC is the world's largest source of cobalt and Africa's biggest miner of copper and tin.



Daily	US\$/t	WoW %Δ
20-May-16	1,559	
23-May-16	1,526	
24-May-16	1,553	
25-May-16	1,539	
26-May-16	1,553	
27-May-16	1,552	
		-0.4

- The aluminium market is reeling under supply overflow although it is believed that the world outside China is in deficit.
- The latest figures from the International Aluminium Institute (IAI) showed a collective annualised run-rate outside of China of 25.1m tonnes in Apr-16, the lowest since Aug-15. This reflects the ramp-down of capacity in the US, where producer Alcoa shuttered its Warrick and Wenatchee smelters.
- China, on the other hand, is widely believed to be still in production surplus, the resulting imbalance generating continued flows of semi-manufactured products into international markets.
- Prices are expected to stay low for longer unless China curtails its production and flows of semi-manufactured aluminium products.

Commodity 30-Day Price Chart

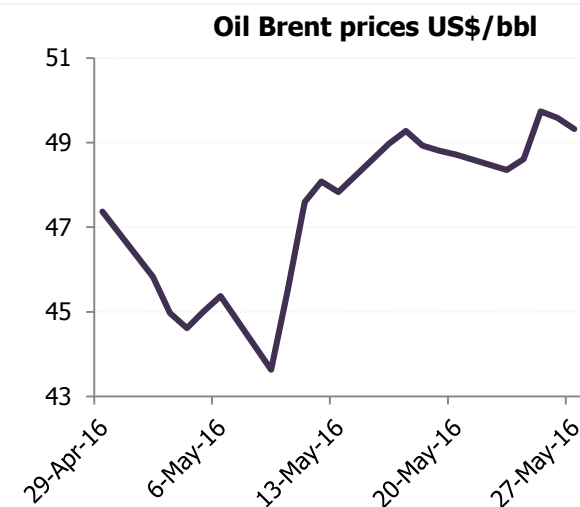


Commodity Prices

Daily	US\$/t	WoW %Δ
20-May-16	8,525	
23-May-16	8,310	
24-May-16	8,340	
25-May-16	8,340	
26-May-16	8,375	
27-May-16	8,375	
		-1.8

Commodity Developments

- Nickel prices fell despite some positive data coming out of 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, representing 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
20-May-16	48.72	
23-May-16	48.35	
24-May-16	48.61	
25-May-16	49.74	
26-May-16	49.59	
27-May-16	49.32	
		1.2

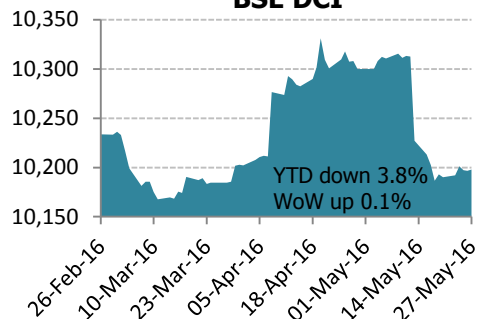
- Oil prices slightly dipped on the 27th of May as some investors took profit on a surge to seven-month highs while others worried about higher production with the market hovering near US\$50/bbl.
- A stronger dollar also weighed on demand for dollar-denominated oil from holders of other currencies. The dollar spiked after Fed Reserve Chair Janet Yellen said a US rate hike was probably appropriate in coming months.
- Overall, oil pushed towards US\$50/bbl after supply disruptions from Canadian wildfires and militant attacks in Nigeria helped cut global daily output by 4 million barrels.

Equities 90-Day Index Charts

Botswana



BSE DCI

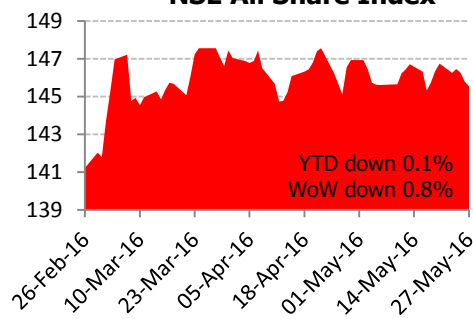


- Botswana's economy is expected to return to growth this year after marginally contracting in 2015 as water and electricity supply stabilise.

Kenya



NSE All Share Index

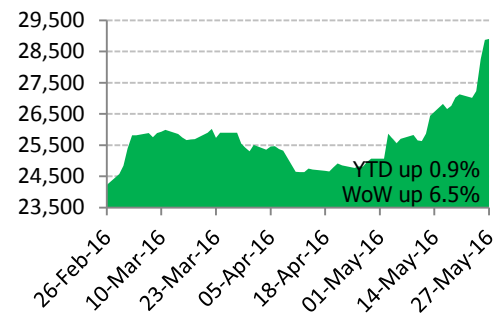


- Kenya's inflation fell to 5% year-on-year in May from 5.27% a month earlier.

Nigeria



NGSE All Share Index

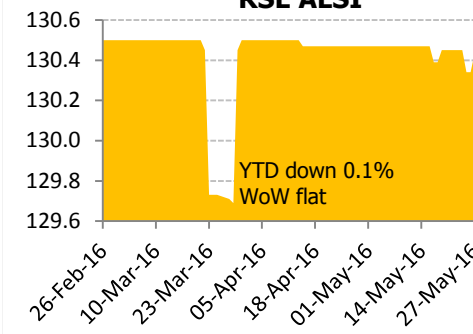


- Trade account turned negative in Q1:16 after exports fell by almost half, as lower prices for crude oil slashed Gvt revenues and caused the economy to contract.

Rwanda



RSE ALSI

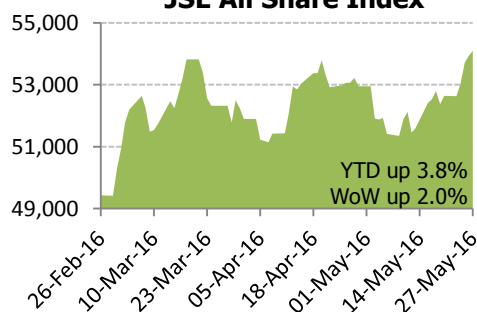


- Rwanda issued a maiden 15-year Treasury bond worth 10bn francs (US\$13.5m) whose proceeds used to fund infrastructure projects and deepen its capital markets.

South Africa



JSE All Share Index

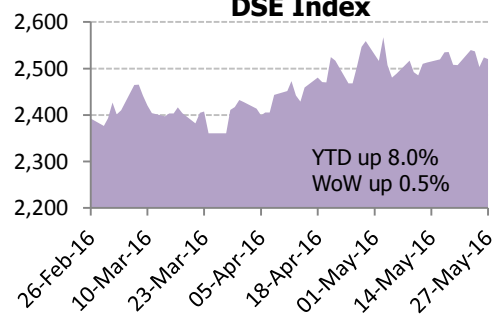


- World's largest brewer AB InBev gained conditional approval for its US\$100bn acquisition of SABMiller from SA anti-trust regulators, bringing the deal closer to fruition.

Tanzania



DSE Index

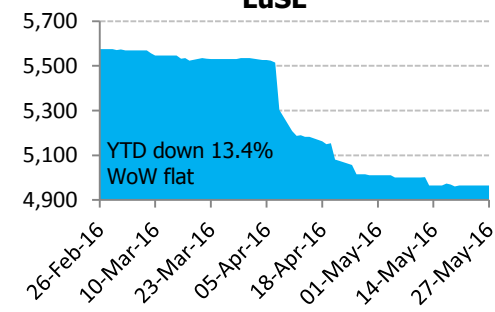


- Tanzania plans to invest US\$1.9bn each year up to 2025 in energy projects in a bid to end power shortages and boost industrial growth in East Africa's 2nd-biggest economy.

Zambia



LuSE

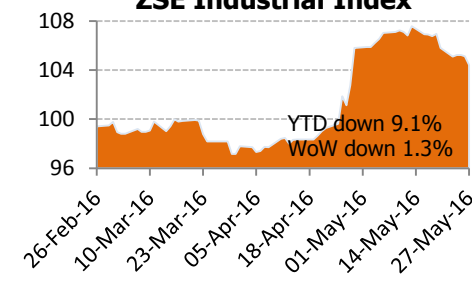


- President Edgar Lungu said that the drought-induced power generation problems that have hit Zambia will only be resolved in 3 years.

Zimbabwe



ZSE Industrial Index



- RBZ will start circulating bond notes in Oct-16 but the country will continue to use the USD and other currencies and will not be returning to a domestic currency abandoned in 2009.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/RWF	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending								
20-May-16	11.24	55.64	777	2,193	10.21	15.76	1.122	1.457
Daily								
23-May-16	11.17	55.98	777	2,194	10.26	15.57	1.120	1.454
24-May-16	11.24	56.28	778	2,194	10.29	15.81	1.118	1.454
25-May-16	11.16	57.37	778	2,194	0.00	15.65	1.114	1.465
26-May-16	11.19	58.15	778	2,193	10.32	15.59	1.117	1.473
27-May-16	11.15	58.57	778	2,193	10.35	15.54	1.118	1.466
WoW %Δ	-0.78	5.27	0.10	0.00	1.32	-1.41	-0.37	0.60
YTD %Δ	-0.78	30.30	4.08	1.57	-5.77	-0.21	2.37	-1.25

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
Wk Ending					
20-May-16	0.711	3.54	0.648	48.8	138
Daily					
23-May-16	0.715	3.56	0.652	49.7	138
24-May-16	0.711	3.61	0.658	49.3	138
25-May-16	0.717	3.66	***	49.7	139
26-May-16	0.714	3.71	0.663	49.6	140
27-May-16	0.716	3.75	0.661	50.0	141
WoW %Δ	0.74	5.93	2.01	2.45	2.03
YTD %Δ	-0.93	30.21	-6.23	3.99	1.29

Exchange Rate Developments

- The USD strengthened against major currencies after Fed Reserve Chair Janet Yellen said a US rate hike was probably appropriate in coming months.
- On a WoW basis, the ZAR and BWP strengthened against the dollar despite credit ratings downgrade fears in SA and subdued risk appetite globally as investors prepared for a likely hike in US interest rates.
- In Zambia, The kwacha is expected to remain on the back foot as reduced foreign exchange flows into Africa's 2nd-largest copper producer restrict supply.
- In Tanzania, the shilling will remain stable, helped by month-end inflows from mining companies and non-Governmental organisations.
- Undisclosed loans debacle and anticipation of debt default could continue to put pressure on MZN.
- In Rwanda, balance of payments pressures have led to a structural depreciation of the RWF, exacerbated by the strengthening USD and slowing capital flows to frontier emerging market economies.
- All Atlas Mara trading markets' currencies depreciated against the ZAR.

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Contact telephone numbers: 369701-16; 752383-5

SOVEREIGN CREDIT RATINGS – AFRICA

	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
	MOODY'S	S&P	FITCH	MOODY'S	S&P	FITCH
Angola	B1	B	B+	NR	B	B
Benin	NR	NR	WD	NR	NR	WD
Botswana	A2	A-	NR	NR	A-2	NR
Burkina Faso	NR	B-	NR	NR	B	NR
Cameroon	NR	B	B	NR	B	NR
Cape Verde	NR	B	B	NR	B	B
DRC	B2	B-	B	NR	B	B
Egypt	B3	B-	B	NR	B	B
Ethiopia	B1	B	B	NR	B	B
Gabon	B1	NR	B+	NR	NR	B
Ghana	B3	B-	B	NR	B	B
Kenya	B1	B+	B+	NR	B	B
Lesotho	NR	NR	B+	NR	NR	B
Libya	NR	NR	WD	NR	NR	WD
Mali	NR	NR	WD	NR	NR	NR
Mauritius	Baa1	NR	NR	NR	NR	NR
Morocco	Ba1	BBB-	BBB-	NR	A-3	F3
Mozambique	Caa1*-	B-	CCC	NR	B	C
Namibia	Baa3	NR	BBB-	NR	NR	F3
Nigeria	B1	B+	BB-	NR	B	B
Rwanda	NR	B+	B+	NR	B	B
Senegal	B1	B+	NR	NR	B	NR
Seychelles	NR	NR	BB-	NR	NR	B
South Africa	Baa2	BBB-	BBB-	P-2	A-3	F3
Tunisia	Ba3	NR	BB-	NR	NR	B
Uganda	B1	B	B+	NR	B	B
Zambia	B3	B	B	NR	B	B

Key on Ratings

Moody's		S&P		Fitch		Comment
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime
Aa1		AA+		AA+		High grade
Aa2		AA		AA		
Aa3		AA-	AA-			
A1		A+	A-1	A+	F1	Upper medium grade
A2	A	A-2	A	F2		
A3	A-		A-			
Baa1	BBB+		BBB+			
Baa2	P-3	BBB	A-3	BBB	F3	Lower medium grade
Baa3		BBB-		BBB-		
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade
Ba2		BB		BB		speculative
Ba3		BB-		BB-		
B1		B+		B+		
B2		B		B		
B3		B-	B-			
Caa1		CCC+	C	C	C	Substantial risks
Caa2		CCC				Extremely speculative
Caa3		CCC-				In default with little
Ca		CC				prospect for recovery
C	C	/	/	/	In default	
/	CCC					
/	DD					
/	D	/	/	/	/	

NR: Not Rated

AAA' and 'AA' (high credit quality) and 'A' and 'BBB' (medium credit quality) are considered investment grade. Credit ratings below these designations ('BB', 'B', 'CCC', etc.) are considered low credit quality, and are commonly referred to as "junk bonds".