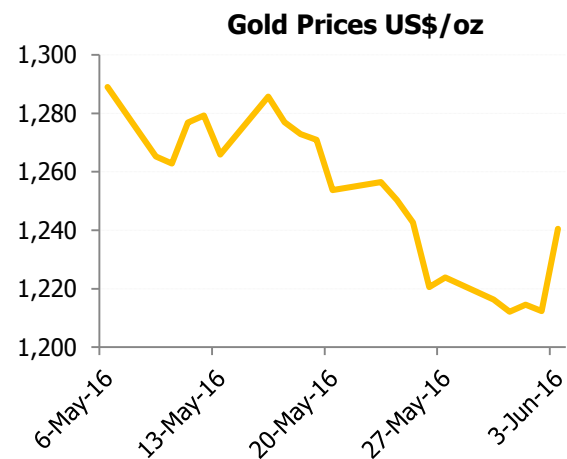


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

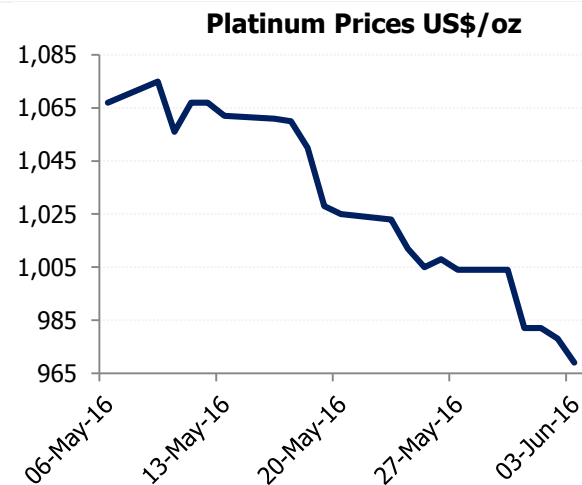


Commodity Prices

Daily	US\$/oz	WoW %Δ
27-May-16	1,224	
30-May-16	1,216	
31-May-16	1,212	
1-Jun-16	1,215	
2-Jun-16	1,212	
3-Jun-16	1,241	
		1.4

Commodity Developments

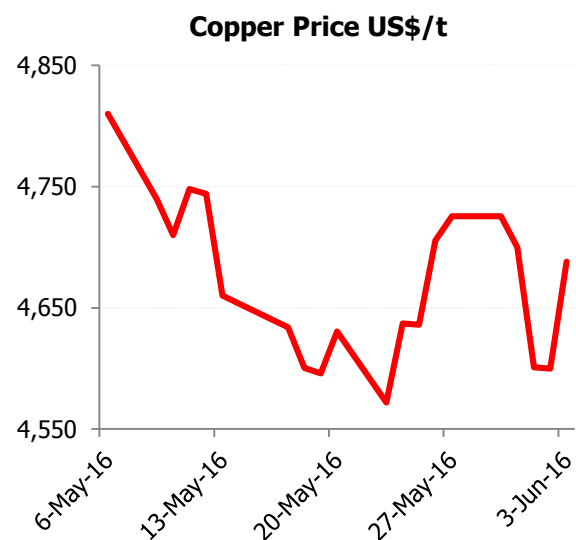
- Gold rallied to a 2-week high after a surprisingly weak US jobs data dampened expectations of rate hikes from the Fed.
- However, gains were capped as Federal Reserve chair Janet Yellen said that interest rate hikes were likely because "positive economic forces have outweighed the negative" for the US, though the weak jobs report bears watching.
- Rising rates lift the opportunity cost of holding the non-yielding metal, while boosting the dollar, in which gold is priced.
- In Tanzania, Kibo Mining signed an outline agreement with Lake Victoria Gold to merge their Imweru and Imwelo gold projects, respectively.
- The merger could create a golden opportunity in Tanzania. The merger plan is to be producing 50,000oz of gold a year within a year to 18 months of forming the new joint company and further raising production to 100,000oz in 24-30 months.



Daily	US\$/oz	WoW %Δ
27-May-16	1,004	
30-May-16	***	
31-May-16	982	
1-Jun-16	982	
2-Jun-16	978	
3-Jun-16	969	
		-3.5

- Platinum prices seem to be on free fall hampered by Chinese demand.
- Platinum, as a precious metal, has a unique link to demand in the private market such as jewellery and auto industry. This is true for silver and gold, of course, but for platinum, the effect sometimes seems to be multiplied.
- Although China and India have extensive gold markets for jewellery, China is clearly the number 1 consumer of platinum jewellery across the world and as such changes in Chinese demand have a material effect on the price of platinum.
- In Zimbabwe, according to the industry association, the platinum mining sector could double annual production to more than 900,000oz in the next decade and become the nation's top export earner.
- However, current producers need about US\$2.8bn in new investment to ramp up and sustain operations.

Commodity 30-Day Price Chart

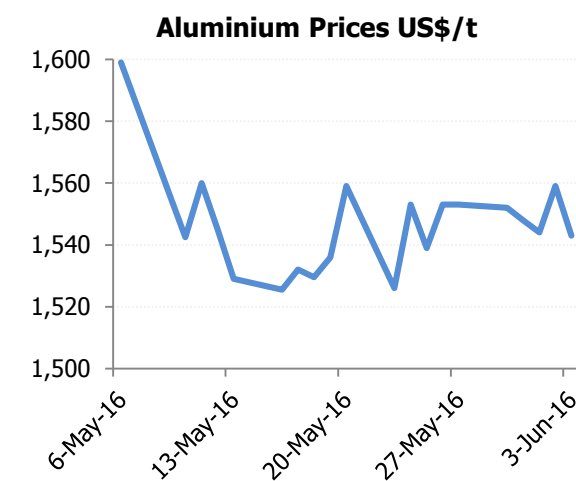


Commodity Prices

Daily	US\$/t	WoW %Δ
27-May-16	4,726	
30-May-16	4,726	
31-May-16	4,700	
1-Jun-16	4,601	
2-Jun-16	4,600	
3-Jun-16	4,688	
		-0.8

Commodity Developments

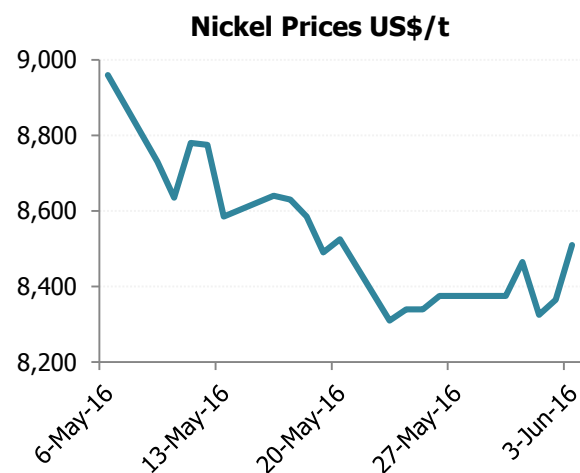
- Copper production in DRC, Africa's top miner of the metal, dropped by 20% in Q1:16, while cobalt and gold output also slumped amid low prices and production cutbacks.
- The declines are hammering DRC's economy, which derives 98% of its export earnings from extractive industries.
- In Zambia, the Gvt of Canada, through its High Commission in Zambia, has commended Africa's largest copper producer First Quantum Minerals (FQM), for its US\$4bn Kansanshi mine investment.
- Kansanshi Mine is expected to produce 235,000t of copper and 150,000oz of gold in 2016.
- FQM is the largest taxpayer in Zambia and has committed to support the Gvt in its quest to ensure full transparency and accountability in the production of mineral resources.
- FQM was among the 1st miners to adopt the Ministry of Mines new EU-supported reporting mechanism introduced at the beginning of this year under the Mineral Production Monitoring Support Project.



Daily	US\$/t	WoW %Δ
27-May-16	1,553	
30-May-16	1,552	
31-May-16	1,548	
1-Jun-16	1,544	
2-Jun-16	1,559	
3-Jun-16	1,543	
		-0.6

- 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



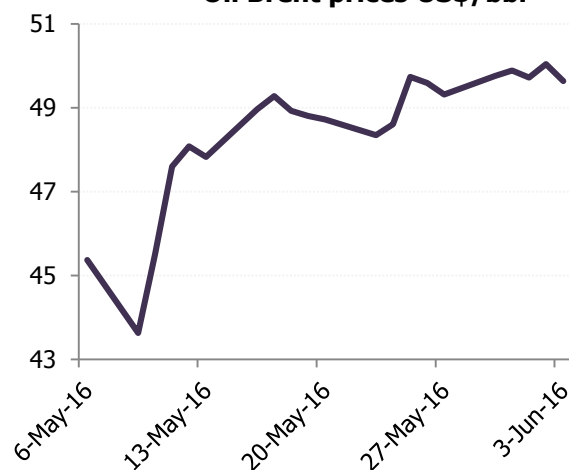
Commodity Prices

Daily	US\$/t	WoW %Δ
27-May-16	8,375	
30-May-16	8,375	
31-May-16	8,465	
1-Jun-16	8,325	
2-Jun-16	8,365	
3-Jun-16	8,510	
		1.6

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.

Oil Brent prices US\$/bbl



Daily	US\$/bbl	WoW %Δ
27-May-16	49.32	
30-May-16	49.76	
31-May-16	49.89	
1-Jun-16	49.72	
2-Jun-16	50.04	
3-Jun-16	49.64	
		0.6

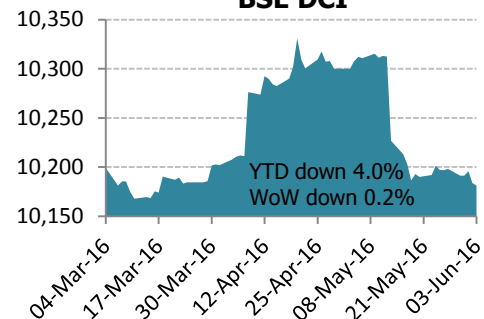
- Brent crude held close to US\$50/bbl supported by a relatively weaker dollar and relief that most OPEC members do not plan to flood the market with excess crude.
- Weaker-than-expected US non-farm payroll data sent the dollar index to its lowest since mid-May, which also supported crude prices. A weaker dollar makes oil cheaper for holders of other currencies.
- Oil prices have rallied from all-time lows due largely to supply disruptions, particularly in Nigeria, Venezuela, Libya and Canada.
- On the 3rd of Jun-16 militants in the restive Niger Delta region that produces more than half of Nigeria's oil claimed three new attacks on oil infrastructure, promising to bring the country's oil production to zero.

Equities 90-Day Index Charts

Botswana



BSE DCI

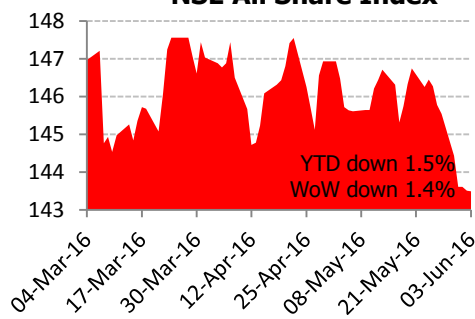


- KFC will shut its 12 outlets in Botswana in the coming week, closing its doors after operating in the southern African nation for 20yrs.

Kenya



NSE All Share Index

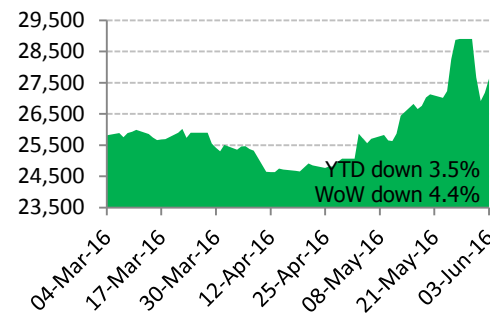


- Kenya's inflation fell to 5% year-on-year in May from 5.27% a month earlier.

Nigeria



NGSE All Share Index

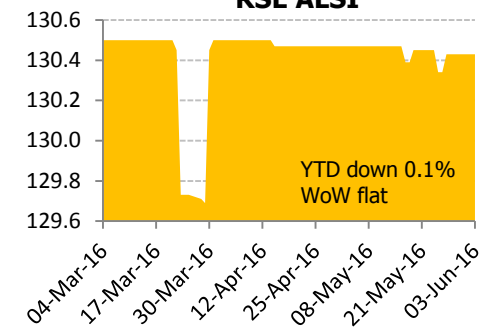


- Trade account turned negative in Q1:16 after exports fell by almost half, as lower prices for crude oil slashed Gvt revenues and caused the economy to contract.

Rwanda



RSE ALSI

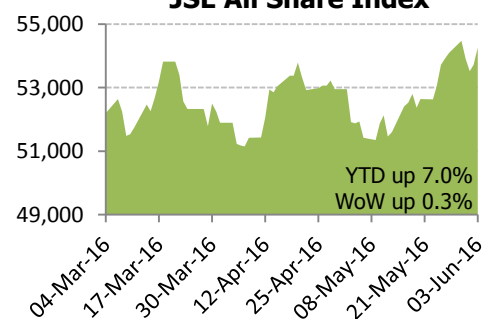


- Gvt faces the twin challenge of dealing with a depreciating currency and import bill that is growing faster than export receipts ahead of the upcoming 2016-17 national budget.

South Africa



JSE All Share Index

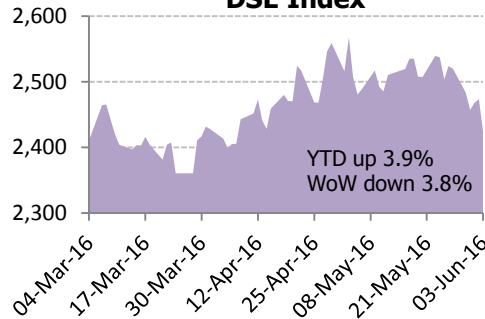


- S&P said that political upheaval might derail SA's economy and that it expected the risk to intensify ahead of local Gvt elections on 3 Aug-16.

Tanzania



DSE Index

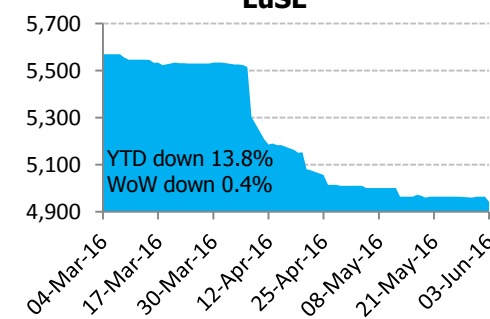


- Tanzania plans to invest US\$1.9bn each year up to 2025 in energy projects in a bid to end power shortages and boost industrial growth in East Africa's 2nd-biggest economy.

Zambia



LuSE

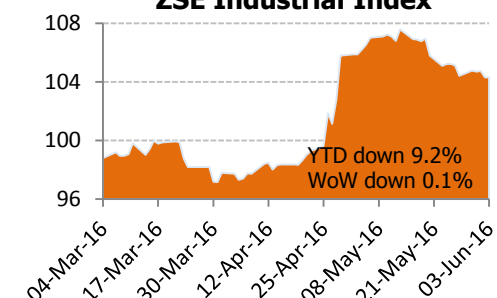


- Inflation slowed to 21.3% in May from 21.8% year-on-year in Apr, driven by decreases in food prices.

Zimbabwe



ZSE Industrial Index



- Cement producers want the Gvt to impose tariffs on imports, including from Nigeria's Dangote Cement, saying this would prevent the collapse of the local industry and save jobs.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/RWF	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending								
27-May-16	11.15	58.57	778	2,193	10.35	15.54	1.118	1.466
Daily								
30-May-16	11.25	58.60	778	2,193	10.40	15.79	1.113	1.461
31-May-16	11.25	58.70	778	2,193	10.43	15.82	1.113	1.459
01-Jun-16	11.21	58.70	778	2,193	10.48	15.65	1.115	1.448
02-Jun-16	11.16	58.78	779	2,193	10.51	15.60	1.121	1.445
03-Jun-16	11.16	57.88	779	2,194	10.54	15.59	1.116	1.443
WoW %Δ	0.11	-1.18	0.08	0.03	1.83	0.33	-0.21	-1.57
YTD %Δ	-0.67	28.77	4.16	1.60	-4.05	0.12	2.15	-2.80

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
Wk Ending					
27-May-16	0.716	3.75	0.661	50.0	140
Daily					
30-May-16	0.713	3.75	0.658	49.7	139
31-May-16	0.712	3.75	0.662	49.2	138
01-Jun-16	0.715	3.75	0.667	49.5	139
02-Jun-16	0.717	3.76	0.672	49.9	139
03-Jun-16	0.717	3.77	0.685	50.0	140
WoW %Δ	0.11	0.53	3.52	0.12	0.00
YTD %Δ	-0.82	30.90	-2.92	4.12	0.72

Exchange Rate Developments

- Although unexpected weak US jobs data had some negative effects on the USD during trades on the 2nd and 3rd of Jun-16, the greenback managed to end the week stronger supported by Fed Chair's announcement that the US will continue to gradually raise rates.
- In Zambia, the ZMW depreciation against major currencies has continued as pressure on the local unit has remained despite improved USD inflows.
- The ZMW is expected to remain under pressure in the coming weeks due to strong dollar demand in Africa's 2nd-largest copper producer
- In Tanzania, the TZS was fairly stable is expected to trade in a stable range, underpinned by a slowdown in demand for USD ahead of the Gvt's 2016-17 budget due on 8 Jun-16.
- In Nigeria, the naira is expected to trade within a range in the coming weeks as uncertainty over the implementation of the Nigerian Central Bank's planned new flexible exchange rate policy persists.
- 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.
- In Mozambique, the undisclosed debt issue has grossly affected the MZN. The country owes foreign creditors as much as US\$9.85bn. So far, the currency has dropped 29% against the dollar this year, adding to a 42% drop in 2015.

Disclaimer

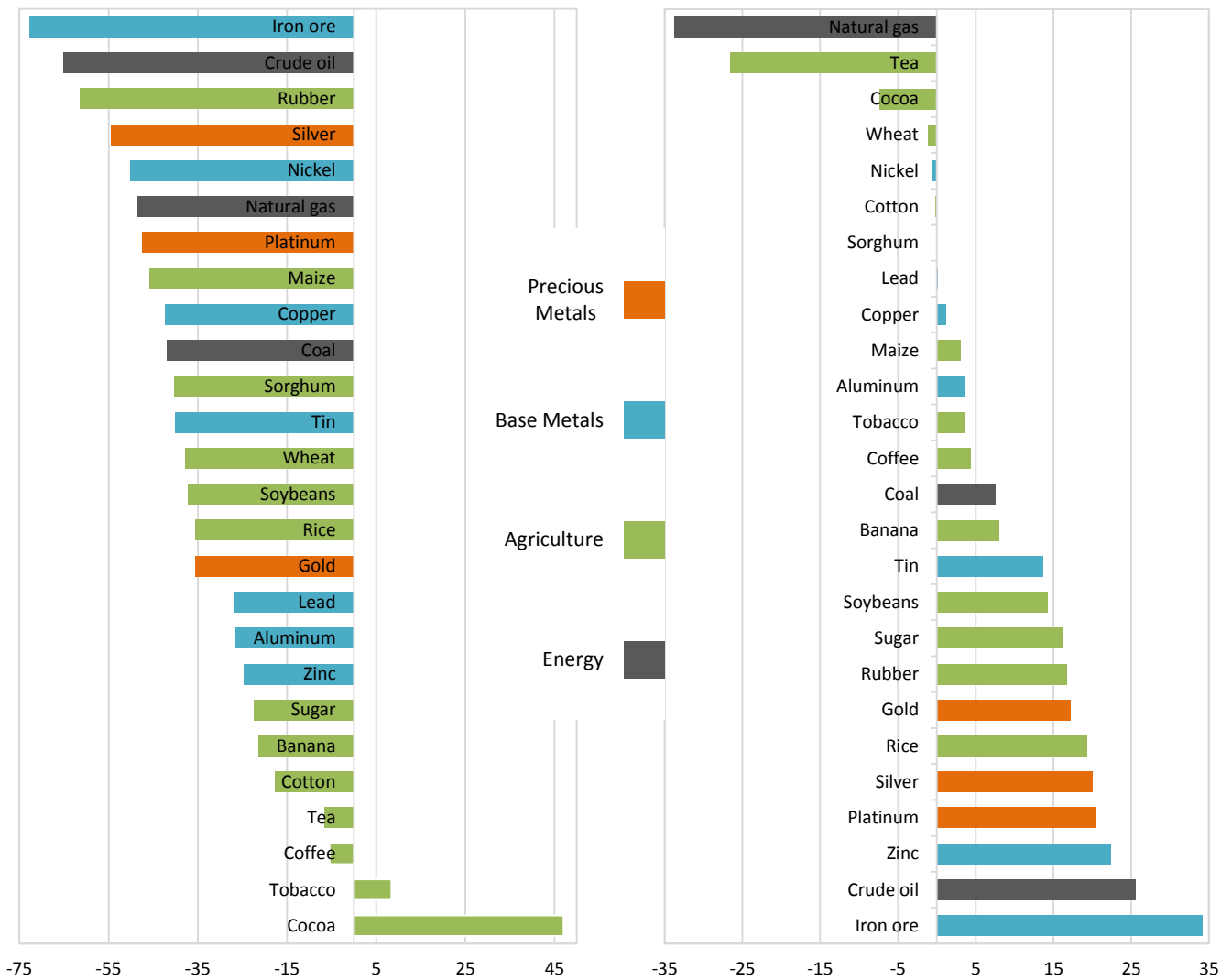
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Contact telephone numbers: 369701-16; 752383-5

COMMODITY PRICES MOVEMENT

2013-2015 Percentage Change

Year to Date Percentage Change



Selected Commodities' Major Producers in Africa

Energy		Precious Metals		Agriculture		Base Metals	
Coal	<ul style="list-style-type: none"> Mozambique S. Africa 	Gold	<ul style="list-style-type: none"> S. Africa Ghana Mali Tanzania Zimbabwe Burkina Faso 	Tea & Coffee	<ul style="list-style-type: none"> Kenya Uganda Tanzania Rwanda Malawi Zimbabwe 	Copper	<ul style="list-style-type: none"> DRC Zambia S. Africa Botswana Mauritania Namibia
Natural Gas	<ul style="list-style-type: none"> Mozambique Tanzania Ghana 	Platinum	<ul style="list-style-type: none"> S. Africa Zimbabwe 	Tobacco	<ul style="list-style-type: none"> Malawi Zimbabwe Zambia Tanzania Nigeria Mozambique Kenya 	Nickel	<ul style="list-style-type: none"> S. Africa Zimbabwe Botswana
Oil	<ul style="list-style-type: none"> Nigeria Angola Libya Algeria 	Palladium	<ul style="list-style-type: none"> S. Africa Zimbabwe 			Iron Ore	<ul style="list-style-type: none"> S. Africa Mauritania Algeria