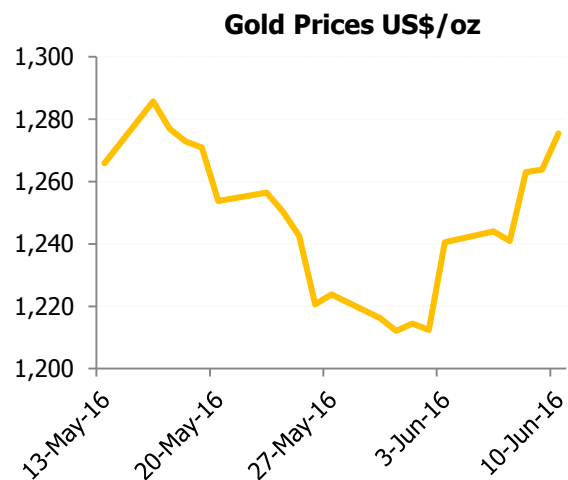


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

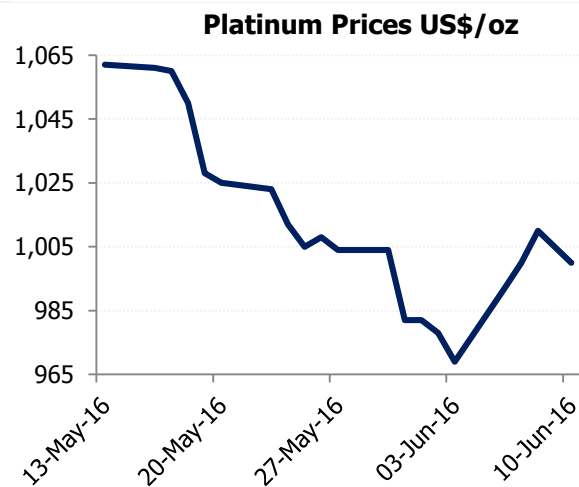


Commodity Prices

Daily	US\$/oz	WoW %Δ
3-Jun-16	1,241	
6-Jun-16	1,244	
7-Jun-16	1,241	
8-Jun-16	1,263	
9-Jun-16	1,264	
10-Jun-16	1,276	
		2.8

Commodity Developments

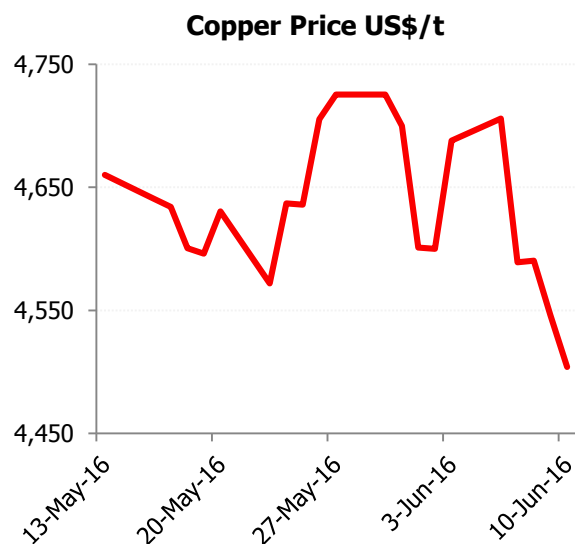
- Gold prices rose to a 3-week high as investor risk aversion lifted appetite for the metal.
- The metal often perceived as an insurance against economic and financial concerns rose after weaker than expected US payrolls data dented expectations of an imminent US interest rates rise.
- Bullion prices are likely to be further bolstered by nervousness over Britain's Jun 23 referendum on its EU membership. Already, the uncertainty regarding Brexit has sparked market-wide volatility across the Globe.



Daily	US\$/oz	WoW %Δ
3-Jun-16	969	
6-Jun-16	992	
7-Jun-16	1,000	
8-Jun-16	1,010	
9-Jun-16	1,005	
10-Jun-16	1,000	
		3.2

- Platinum followed the gold trend supported by investment demand.
- In SA, labour issues in the platinum sector led to the 1st mine shutdown of the year. Zondereinde platinum mine in Limpopo province, operated by Northam Platinum was forced to halt underground production after a clash between two rival mineworkers unions.
- SA mining sector is often hit by labour unrests on a yearly basis. In 2014, a 5-month strike in the platinum sector took Africa's most advanced economy on the brink of recession and forced producers to cut jobs and sell mines to survive.

Commodity 30-Day Price Chart



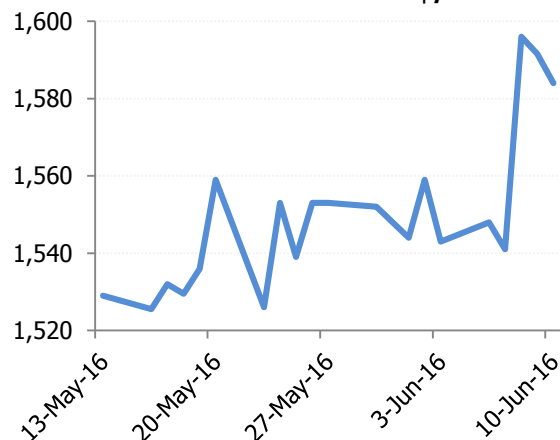
Commodity Prices

Daily	US\$/t	WoW %Δ
3-Jun-16	4,688	
6-Jun-16	4,706	
7-Jun-16	4,589	
8-Jun-16	4,591	
9-Jun-16	4,546	
10-Jun-16	4,504	
		-3.9

Commodity Developments

- Copper prices on the London Metal Exchange (LME) slumped to their lowest since Feb-16. The metal now challenging out-of-favour lead as the worst performing base metal so far this year.
- Weighing on the metal was weak demand from top consumer China and a surge in amount of metal delivered into LME approved warehouses. Stocks were up more than 18%, at all LME approved warehouses.
- Longer term, however, weak Chinese demand growth and an oversupplied market are expected to limit attempts to push up prices significantly.
- DRC, Africa's largest copper producer's mining sector has lost at least 3,000 direct and 10,000 subcontractor jobs since commodity prices began to tumble last year.
- DRC is heavily dependent on the mining sector, which together with its smaller oil industry accounts for 98% of export earnings and lower prices are affecting both Gvt revenues and economic growth prospects.

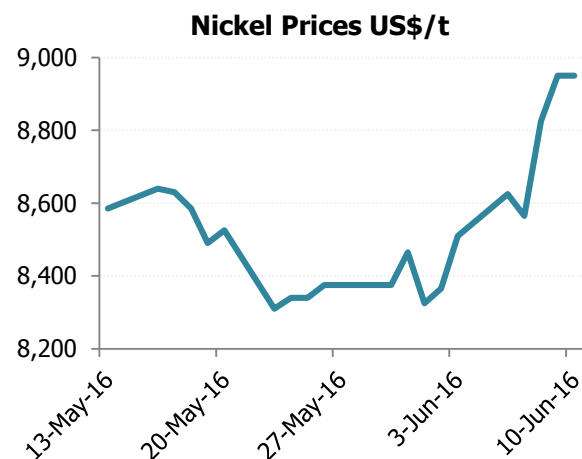
Aluminium Prices US\$/t



Daily	US\$/t	WoW %Δ
3-Jun-16	1,543	
6-Jun-16	1,548	
7-Jun-16	1,541	
8-Jun-16	1,596	
9-Jun-16	1,592	
10-Jun-16	1,584	
		2.7

- Aluminium climbed to the highest level in a month on the 8th of Jun, bolstered by buying from industrial consumers, a weaker dollar and strong Chinese imports.
- Aluminium hit a nine-month peak of US\$1,686/t in late Apr-16, but then slid nearly 10% by mid-May-16, partly on reports that Chinese smelters were restarting and adding to an already oversupplied market.
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Commodity 30-Day Price Chart

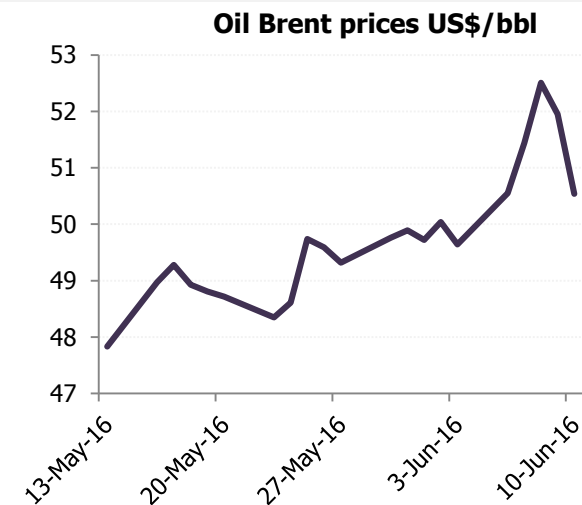


Commodity Prices

Daily	US\$/t	WoW %Δ
3-Jun-16	8,510	
6-Jun-16	8,625	
7-Jun-16	8,565	
8-Jun-16	8,825	
9-Jun-16	8,950	
10-Jun-16	8,950	
		5.2

Commodity Developments

- Nickel, just like aluminium surged on weak USD, strong buying by consumers and strong Chinese imports.
- However, just like any other base metal, the market is reeling from excess supply and weak Chinese demand.



Daily	US\$/bbl	WoW %Δ
3-Jun-16	49.64	
6-Jun-16	50.55	
7-Jun-16	51.44	
8-Jun-16	52.51	
9-Jun-16	51.95	
10-Jun-16	50.54	
		1.8

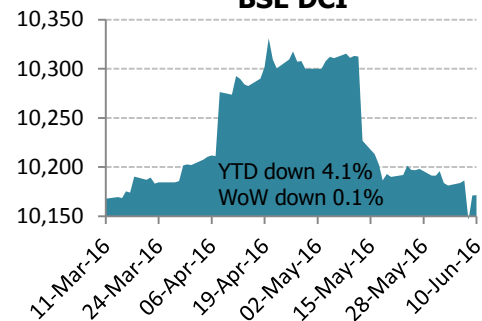
- Oil prices settled down on the 10th of Jun-16 after data showing the US oil drilling rig count rising for a 2nd week in row.
- However, prices are still high, lifted by supply disruptions from Nigeria, Canada, Libya and Venezuela that combined with lower US production.
- Worries about a global crude glut drove prices down from above US\$100/bbl to below US\$30/bbl between mid-2014 and Q1:16.
- The rise in US oil rig count implies an increased supply which may in turn suppress prices.

Equities 90-Day Index Charts

Botswana



BSE DCI

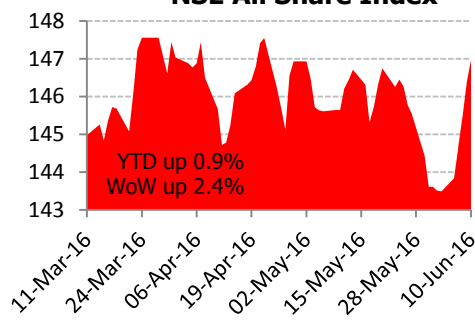


- The EU signed a trade deal with Botswana, Lesotho, Mozambique, Namibia, Swaziland and SA giving them unlimited access to the economic bloc.

Kenya



NSE All Share Index

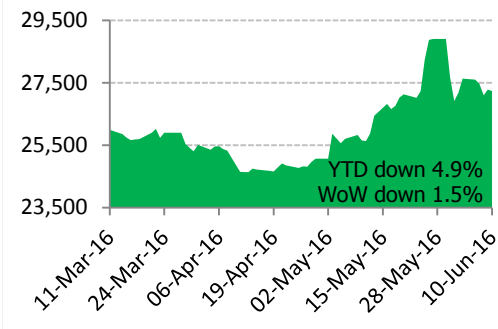


- Kenya will get a World Bank loan of US\$1.1bn for infrastructure projects in the country's arid northern region.

Nigeria



NGSE All Share Index

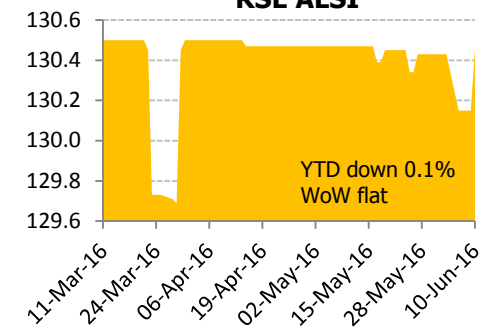


- Annual inflation accelerated to 15.6% in May-16, its highest since Feb-10, as the crisis in Africa's biggest economy deepens.

Rwanda



RSE ALSI

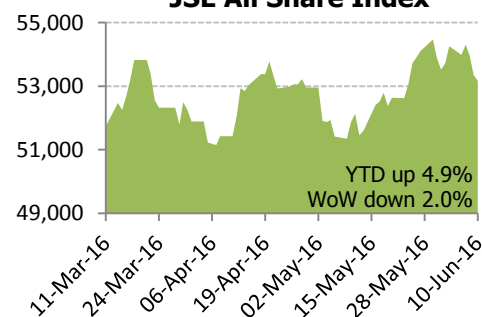


- Economy grew by 7.3% in Q1:16, slowing slightly from 7.6% growth in the same period last year.

South Africa



JSE All Share Index

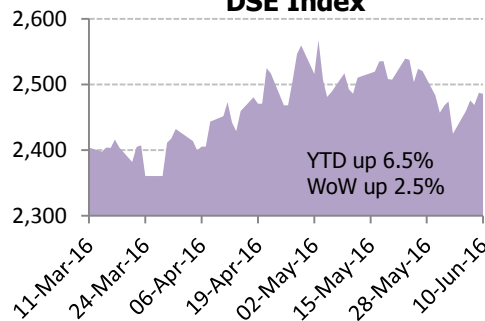


- Current account deficit widened in the Q1:16 as exports of platinum and coal slumped as miners cut production after global commodities prices tumbled.

Tanzania



DSE Index

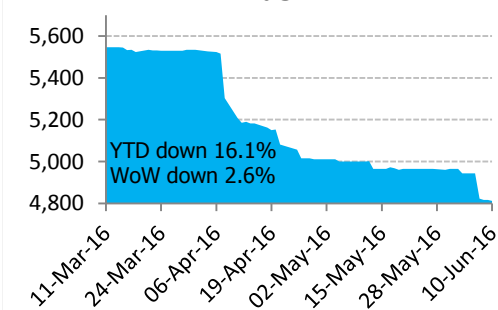


- YoY headline inflation rate accelerated to 5.2% in May-16 from 5.1% in Apr-16, driven by a surge in non-food inflation which climbed to 3.8% from 3.5% in the same period.

Zambia



LuSE

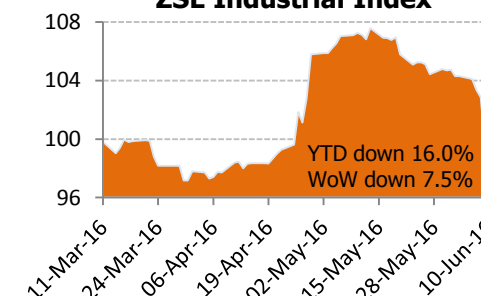


- Inflation slowed to 21.3% in May from 21.8% year-on-year in Apr, driven by decreases in food prices.

Zimbabwe



ZSE Industrial Index



- RBZ will start circulating bond notes in Oct-16, continue to use the USD and other foreign 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								
03-Jun-16	11.16	57.88	779	2,194	10.54	15.59	1.116	1.443
Daily								
06-Jun-16	10.98	58.55	779	2,195	10.56	15.07	1.136	1.446
07-Jun-16	10.89	59.21	779	2,193	10.58	14.86	1.137	1.458
08-Jun-16	10.88	59.15	779	2,194	10.63	14.93	1.137	1.458
09-Jun-16	10.82	59.86	779	2,194	10.70	14.85	1.136	1.447
10-Jun-16	10.87	59.60	780	2,195	10.74	14.91	1.131	1.444
WoW %Δ	-2.61	2.97	0.16	0.05	1.97	-4.41	1.37	0.10
YTD %Δ	-3.26	32.59	4.33	1.65	-2.15	-4.29	3.55	-2.70

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
Wk Ending					
03-Jun-16	0.717	3.77	0.685	50.0	140
Daily					
06-Jun-16	0.724	3.92	0.706	51.1	142
07-Jun-16	0.729	3.99	0.712	52.0	146
08-Jun-16	0.729	4.02	0.723	52.4	146
09-Jun-16	0.733	4.04	0.720	53.0	149
10-Jun-16	0.732	3.97	0.714	52.6	147
WoW %Δ	2.04	5.31	4.27	5.04	5.00
YTD %Δ	1.21	37.85	1.22	9.37	5.76

Exchange Rate Developments

- The ZAR rallied against major currencies spurred by ratings agencies' decision to uphold SA's investment grade status despite concerns about its lethargic economic growth.
- In Rwanda, the Gvt is implementing policies to deal with the depreciation of the RWF vs USD. Reduced export receipts have put pressure on the franc exchange rate and foreign reserves.
- The policies are being supplemented by an 18-month, U\$204m standby credit facility from the IMF to bolster Rwanda's foreign exchange reserves.
- The RWF is expected to benefit from such interventions and reverse some of its losses against the USD and other currencies.
- In Zambia, tight liquidity conditions are having negative effects to the economy. Lending rates continue to soar higher due to increased statutory reserve ratio, high inflation rate and high monetary policy rate.
- The MZN has remained on a free fall following the undisclosed debt scandal.
- The BWP, which comprises of a basket of currencies in which the ZAR has a 50% weighting, appreciated against USD in line with the ZAR.
- However, all Atlas Mara trading markets' currencies depreciated against the ZAR.

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Contact telephone numbers: 369701-16; 752383-5

BRITAIN EXITING THE EURO (BREXIT)

Argument for and Against Britain Exit

Stay In



Britain avoids exporter tariffs & red tape as 51% of British exports go to EU. As a member, Britain can obtain better trade terms because of EU's size.

TRADE



Britain will negotiate a new EU relationship without being bound by EU laws. It can secure trade deals with other countries such as China, India and US.

Leave



EU BUDGET

Britain pays €340 a year per household, compared to a £3,000 yearly benefit of membership. In or out, payment is needed to access single mkt.



Britain can stop spending £350m, equivalent to 50% of England's schools budget, to Brussels every week. The saved money could be spent on research.

REGULATION

EU regulations collapses 28 national standards into one EU standard, reducing red tape and benefitting businesses. Britain can fight for better regulation.



Leaving will return control over areas such as employment law and health and safety measures that a recent Business for Britain poll found businesses favoured.

IMMIGRATION

Leaving does not mean reduced immigration. Countries that trade with EU have higher rates of immigration, including from EU countries, than Britain.



Britain can change the expensive and out of control system that offers an open door to the EU and blocks non-EU immigrants who could contribute to the UK.

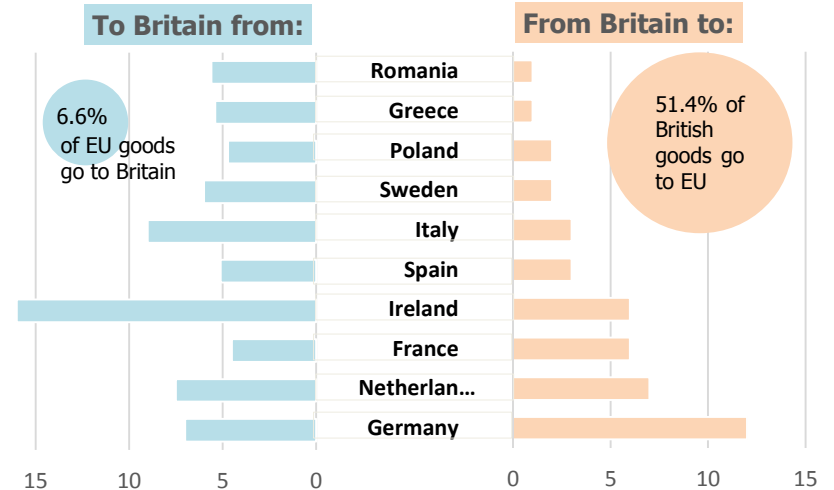
INFLUENCE

At international summits, Britain is represented twice, by foreign secretary and the EU high representative. Co-operation has helped fight Ebola and piracy in Africa.



Britain has little influence within the EU. From outside, it can retake seats on international institutions and be a stronger influence for free trade and co-operation.

Trade



- Britain's uneasy relationship with the EU has a long history. In 1950 only 10% of Britain's exports went to the six countries that formed the European Coal and Steel Community (ECSC).
- Concerns about the Commonwealth, the welfare state and sovereignty led it to miss the boat at the Messina conference in 1955, when the ECSC countries decided to form the European Economic Community, the precursor of today's EU.
- British trade with other EU countries has risen rapidly since 1973. The EU now imports over 51% of British goods, and in turn exports 6.6% of its total goods to Britain.
- For non-members such as Norway or Switzerland, trade with the EU makes up a bigger share of the total than it does for Britain.
- The effects of EU membership on trade patterns are difficult to measure. Both countries seem to need each other more and there are more political and economic benefits from the union than being in isolation.