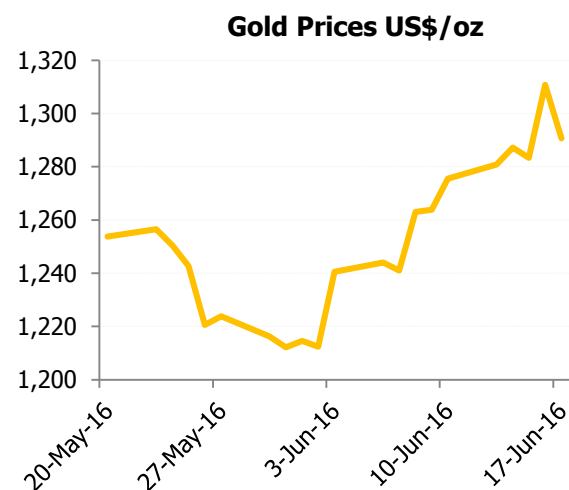


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

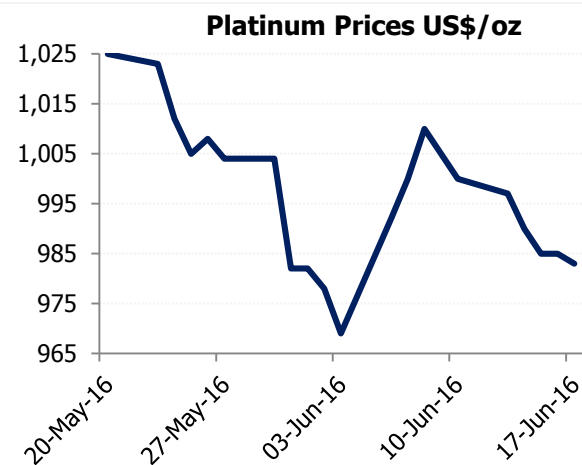


Commodity Prices

Daily	US\$/oz	WoW %Δ
10-Jun-16	1,276	
13-Jun-16	1,281	
14-Jun-16	1,287	
15-Jun-16	1,283	
16-Jun-16	1,311	
17-Jun-16	1,291	
		1.2

Commodity Developments

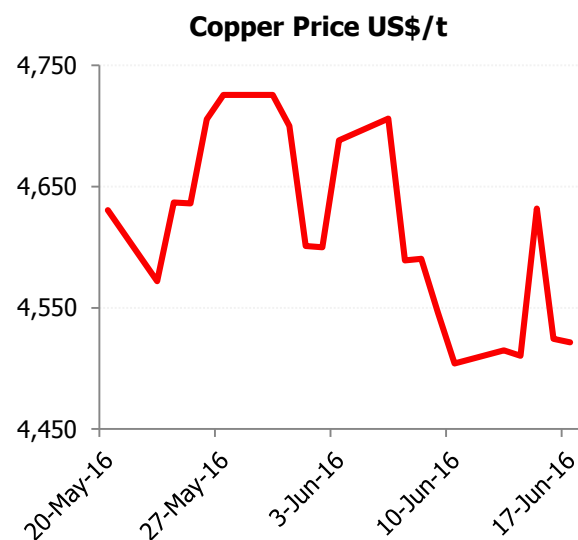
- Gold prices rose supported by a softer US dollar and cautious interest rate comments by a voting US Fed Reserve policy member.
- The US dollar made its biggest drop against a basket of major currencies in two weeks, making dollar-denominated assets such as gold cheaper for holders of other currencies.
- Bullion prices were also 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.
- In Tanzania, Tanga Resources Ltd is preparing to reveal drilling results from its Winston gold project which is likely to boost output. Tanzania is Africa's 3rd largest gold producer.



Daily	US\$/oz	WoW %Δ
10-Jun-16	1,000	
13-Jun-16	997	
14-Jun-16	990	
15-Jun-16	985	
16-Jun-16	985	
17-Jun-16	983	
		-1.7

- Platinum prices have remained low despite rising global risks. Global number 1 producer Anglo American Platinum (Amplats) expects its half-year profit to fall by at least 20% due to weaker metal prices.
- Amplats is focusing on newer and more mechanised mines and removing unprofitable ounces following a record five-month strike in 2014.
- Amplats, along with rivals Impala Platinum and Lonmin, is due to start wage talks with unions at the end of Jun-16, when the current wage deal expires.
- Platinum prices have generally been hurt by growth concerns in China and oversupply worries which have forced firms to abandon projects and sell mines.

Commodity 30-Day Price Chart

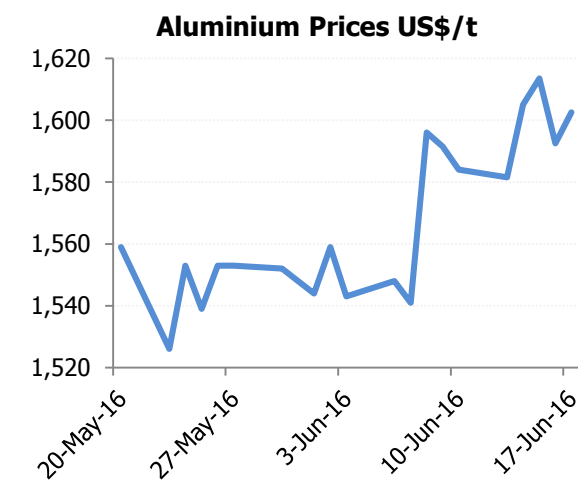


Commodity Prices

Daily	US\$/t	WoW %Δ
10-Jun-16	4,504	
13-Jun-16	4,515	
14-Jun-16	4,511	
15-Jun-16	4,632	
16-Jun-16	4,525	
17-Jun-16	4,522	
		0.4

Commodity Developments

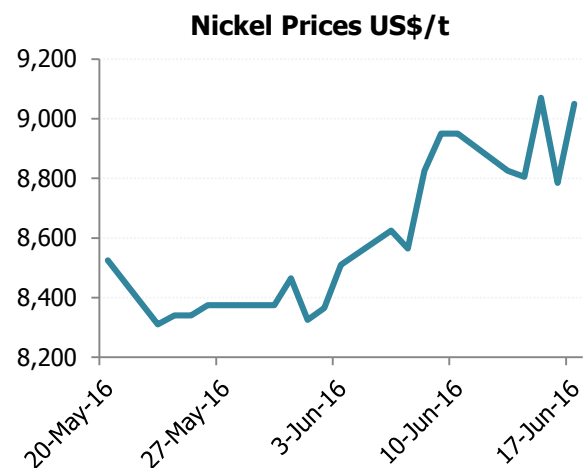
- Copper prices remained low and trade remain volatile fuelled by worries about the British referendum on EU membership. However, a weaker dollar helped provide some support.
- Weighing on the metal is weak demand from top consumer China and a surge in amount of metal delivered into LME approved warehouses. 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.



Daily	US\$/t	WoW %Δ
10-Jun-16	1,584	
13-Jun-16	1,582	
14-Jun-16	1,605	
15-Jun-16	1,614	
16-Jun-16	1,593	
17-Jun-16	1,603	
		1.2

- Aluminium hit its highest level in nearly six weeks as the dollar dipped and investors bought more risky assets ahead of a Federal Reserve meeting.
- The dollar was under pressure pending a Fed statement due on the 22nd of Jun-16 at the end of a two-day policy meeting, where interest rates are not expected to rise following a recent batch of weak US data.
- However, the rally in prices is expected to be short lived as the market is oversupplied.

Commodity 30-Day Price Chart

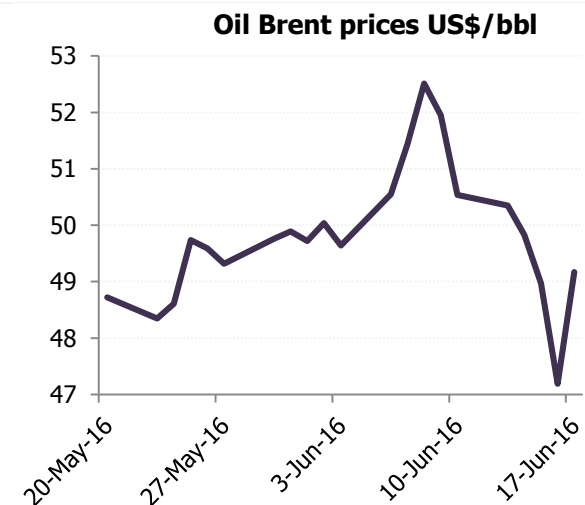


Commodity Prices

Daily	US\$/t	WoW %Δ
10-Jun-16	8,950	
13-Jun-16	8,825	
14-Jun-16	8,805	
15-Jun-16	9,070	
16-Jun-16	8,785	
17-Jun-16	9,050	
		1.1

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
10-Jun-16	50.54	
13-Jun-16	50.35	
14-Jun-16	49.83	
15-Jun-16	48.97	
16-Jun-16	47.19	
17-Jun-16	49.17	
		-2.7

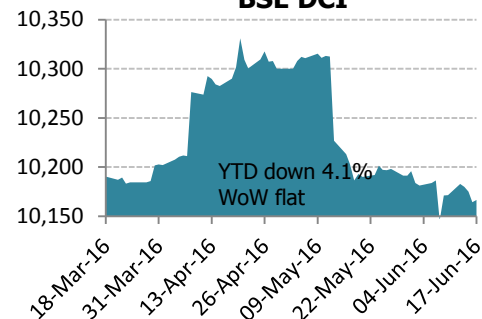
- Oil prices jumped on the 17th of Jun-16, as a weaker dollar and less anxiety about Britain's possible exit from the EU encouraged investors to buy riskier assets.
- However gains were capped by data showing US energy firms adding oil rigs for a third week in a row, suggesting higher production to come.
- Oil services firm Baker Hughes reported 9 rig additions this week, the same as the week before and after the 3 rigs in the previous week.

Equities 90-Day Index Charts

Botswana



BSE DCI

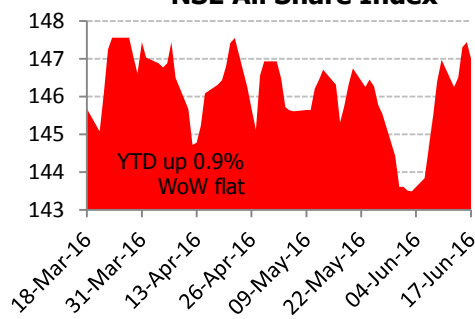


- Central Bank kept its benchmark lending rate unchanged at 6% as the outlook for price stability remained positive, and inflation remain within target in the medium term.

Kenya



NSE All Share Index

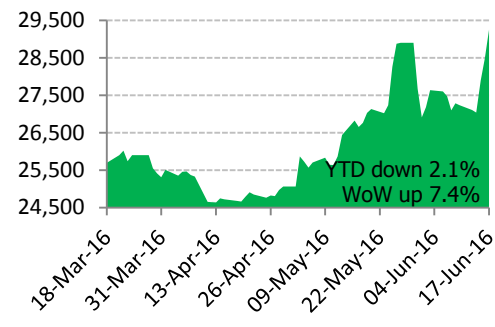


- Central Bank says it has enough foreign exchange reserves and funds available from an IMF standby facility to weather any fallout from a British referendum on whether to leave the EU.

Nigeria



NGSE All Share Index

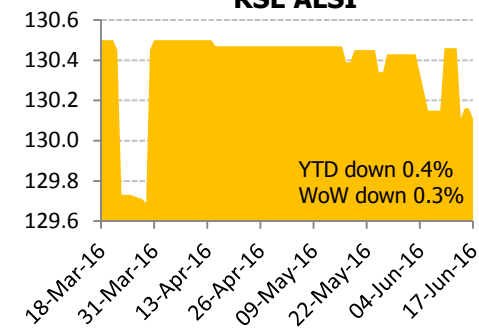


- Ecobank is reviewing its expansion strategy following a decline in profits and may pull out of some African countries to focus on its most promising markets.

Rwanda



RSE ALSI

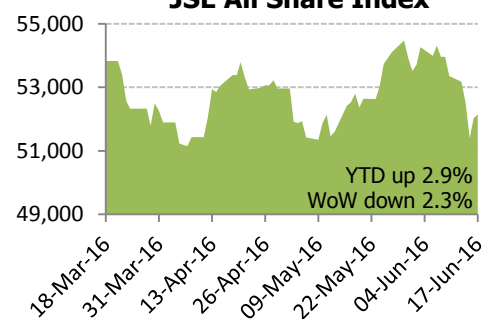


- Official foreign exchange reserves, hit by falls in the prices of its mineral exports are expected to fall to 2.5 months of import cover in 2017 from an estimated 3.2 months in 2016.

South Africa



JSE All Share Index

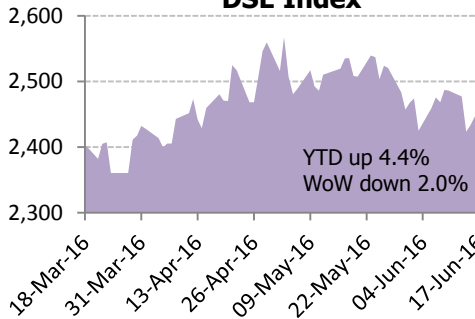


- Headline consumer inflation unexpectedly slowed in May, adding to recent data that could prompt the central bank to keep interest rates on hold at its policy meeting next month.

Tanzania



DSE Index

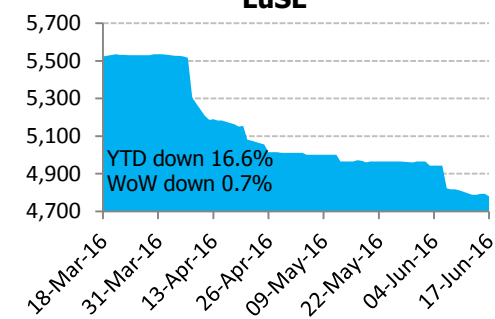


- The stock exchange's IPO was oversubscribed nearly five times. The DSE received bids worth TZS35.77bn (US\$16.4m) for the 15 million shares on offer worth a total TZS7.5bn.

Zambia



LuSE

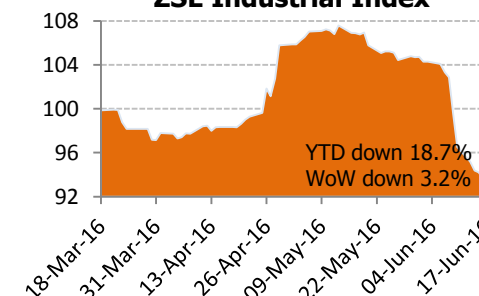


- Electoral commission has threatened to bar campaigning ahead of elections on the 11th Aug-16 due to growing cases of violence.

Zimbabwe



ZSE Industrial Index



- New state-owned diamond miner has produced 513,000 carats since Mar-16 when it started operations after the Gvt ordered all mining companies to halt work in the Marange fields.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/RWF	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending								
10-Jun-16	10.87	59.60	780	2,195	10.74	14.91	1.131	1.444
Daily								
13-Jun-16	11.03	60.33	788	2,194	10.79	15.14	1.127	1.418
14-Jun-16	11.01	60.33	788	2,194	10.83	15.36	1.124	1.414
15-Jun-16	11.05	60.85	788	2,195	10.85	15.29	1.121	1.419
16-Jun-16	11.05	60.85	788	2,195	10.89	***	***	***
17-Jun-16	11.05	62.58	789	***	10.92	15.20	1.126	1.429
WoW %Δ	1.66	5.00	1.13	0.01	1.64	1.96	-0.45	-1.05
YTD %Δ	-1.66	39.22	5.51	1.66	-0.55	-2.42	3.08	-3.72

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
Wk Ending					
10-Jun-16	0.732	3.97	0.714	52.6	147
Daily					
13-Jun-16	0.723	3.98	0.710	52.1	145
14-Jun-16	0.724	3.98	0.708	51.9	145
15-Jun-16	0.723	4.00	0.712	51.4	143
16-Jun-16	0.721	4.00	0.704	51.8	142
17-Jun-16	0.721	4.01	0.717	51.1	141
WoW %Δ	-1.46	1.01	0.43	-2.81	-4.08
YTD %Δ	-0.27	39.24	1.66	6.29	1.44

Exchange Rate Developments

- The USD depreciated against major currencies on the 17th of Jun-16, following cautious interest rate comments by a voting US Fed Reserve policy member.
- The ZAR reversed some of its earlier against the USD on the 17th of Jun as cautious optimism that Britons would vote to stay in the EU kept global risk appetite intact.
- In Nigeria, Africa's largest economy, the naira is expected to fall as the country switches to a flexible, market driven exchange rate policy.
- All Atlas Mara trading markets' currencies depreciated against the USD.
- The RWF, BWP and TZS appreciated against the ZAR whilst the MZN and ZMW depreciated.
- The ZMW is expected to remain under pressure as the country prepares for Aug-16 elections.
- The MZN has been grossly affected by Mozambique's external debt issues.
- Increased violent attacks by opposition armed forces is further eroding investor confidence and increasing the cost of doing business in the coal rich Mozambique.

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Contact telephone numbers: 369701-16; 752383-5

NIGERIA NEW EXCHANGE RATE REGIME

The Central Bank of Nigeria (CBN), formally unveiled the much-awaited flexible foreign exchange policy that allows the foreign exchange interbank trading window to be driven purely by market forces.

Exchange Rate Modalities

I. The market shall operate as a single market structure through the inter-bank or autonomous window.

II. The Exchange Rate will be purely market-driven using the Thomson-Reuters Order Matching System as well as the Conversational Dealing Book.

III. The CBN will participate in the Market through periodic interventions to either buy or sell FX as the need arises.

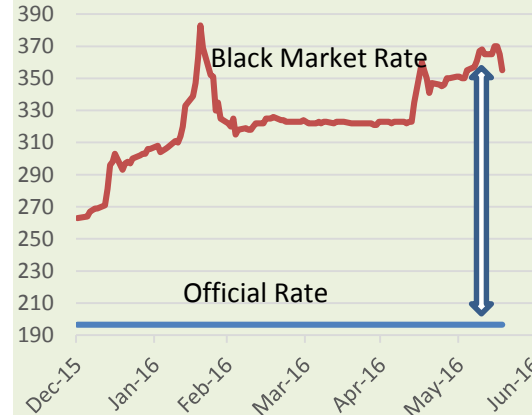
IV. To improve the dynamics of the market, CBN will introduce FX Primary Dealers (FXPD) who would be registered by the CBN to deal directly with the Bank for large trade sizes on a two-way quotes basis.

V. These Primary Dealers shall operate with other dealers in the Inter-bank market, amongst other obligations that will be stipulated in the FXPD Guidelines.

VI. There shall be no predetermined spread on FX spot transactions executed through the CBN intervention with Primary Dealers, while all FX Spot purchased by Authorized Dealers are transferable in the inter-bank FX Market.

Highlights of the Framework

Rising Imbalance US\$/NGN



Foreign exchange reserves declined from about US\$42.8bn in Jan-14 to about US\$26.7bn as of 10 Jun-16.

The new policy effectively removes controls on the naira, allowing increased dollar supply that would help strengthen the economy.

Implications

I. After CBN removed its currency peg to ease chronic FX shortages the naira depreciated by about 27% to 254 per US\$.

II. Demand for foreign currency has reportedly built up to about US\$3bn since capital controls were imposed 15 months ago to defend the currency's peg of 197-199 per dollar. So a flexible exchange rate should help address these imbalances.

III. The Moody's recommended the new exchange rate regime highlighting that although the central bank "is likely to continue to intervene," the new system will "gradually eliminate any gap between official and unofficial exchange rates" and help boost oil exporters' income.

IV. In the short term, given Nigeria's dependent on imports on most basic items, a floating currency - which is expected to lead to a devaluation - is likely to further increase prices.

V. There is increased payment burden for Banks and businesses with foreign loans due to the official depreciation of the naira. Servicing a foreign loan or debt becomes more expensive given the weaker currency.