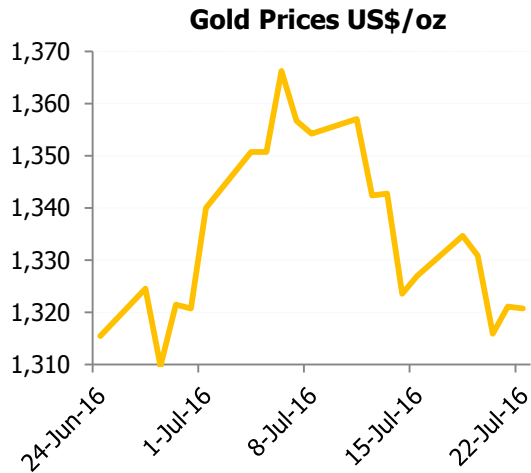


## WEEKLY ECONOMIC REVIEW

### Commodity 30-Day Price Chart



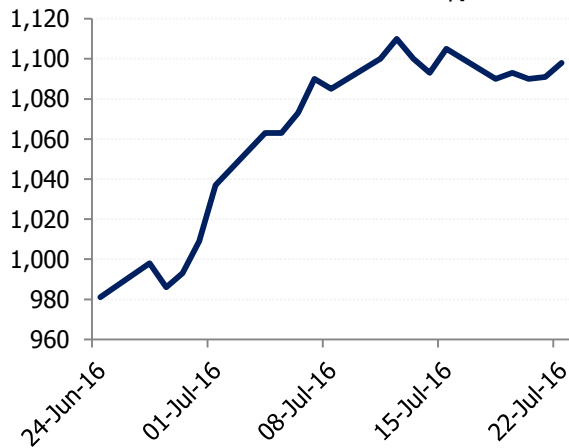
### Commodity Prices

Daily	US\$/oz	WoW %Δ
15-Jul-16	1,327	
18-Jul-16	1,335	
19-Jul-16	1,331	
20-Jul-16	1,316	
21-Jul-16	1,321	
22-Jul-16	1,321	
		<b>-0.47</b>

### Commodity Developments

- Gold has been under pressure for the whole week as investors wait for the Fed to release minutes of its policy meeting which might suggest a rate hike.
- 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.

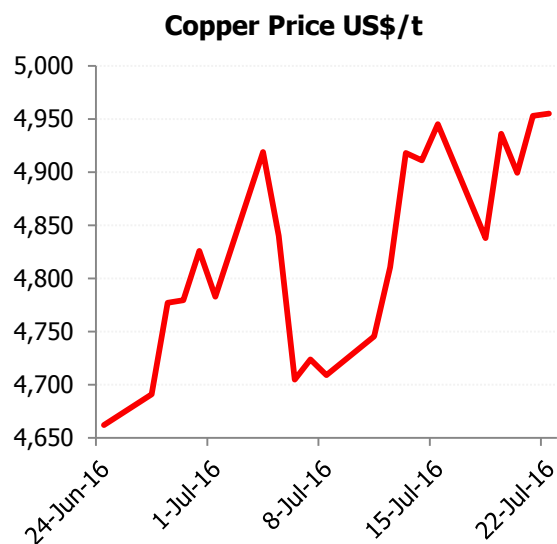
### Platinum Prices US\$/oz



Daily	US\$/oz	WoW %Δ
15-Jul-16	1,105	
18-Jul-16	1,090	
19-Jul-16	1,093	
20-Jul-16	1,090	
21-Jul-16	1,091	
22-Jul-16	1,098	
		<b>-0.63</b>

- 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 2<sup>nd</sup> 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.

### Commodity 30-Day Price Chart



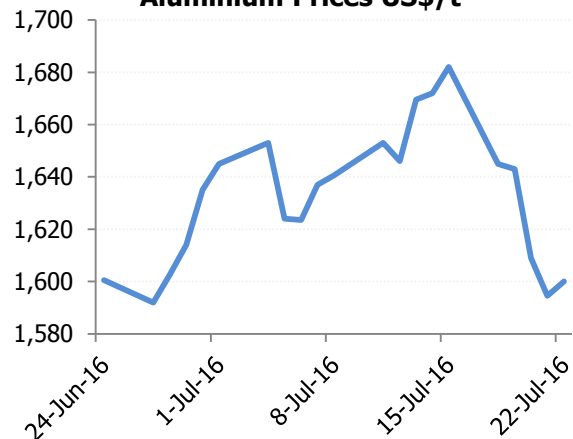
### Commodity Prices

Daily	US\$/t	WoW %Δ
15-Jul-16	4,945	
18-Jul-16	4,838	
19-Jul-16	4,936	
20-Jul-16	4,900	
21-Jul-16	4,953	
22-Jul-16	4,955	
		<b>0.20</b>

### Commodity Developments

- A strong dollar capped base metals gains, that had gained momentum from economic growth data from top metals consumer China, which boosted confidence and left the door open for more stimulus.
- China's economy expanded slightly faster than expected iQ2:16 but private investment growth shrank to a record low, suggesting future weakness which could pressure the Gvt to roll out more support measures.
- The GDP numbers in China were supportive and the market ignored the build-up of Shanghai copper inventory.

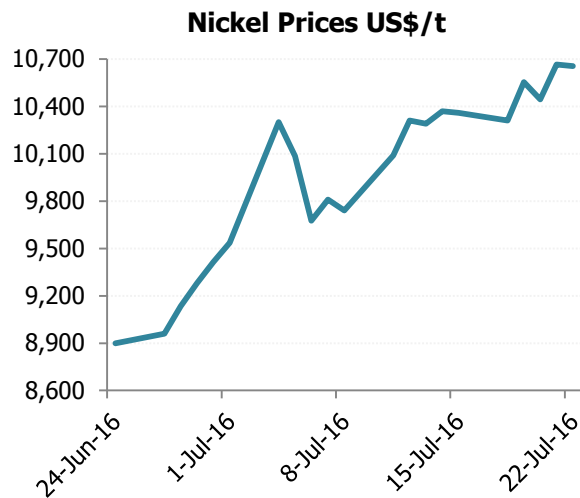
### Aluminium Prices US\$/t



Daily	US\$/t	WoW %Δ
15-Jul-16	1,682	
18-Jul-16	1,645	
19-Jul-16	1,643	
20-Jul-16	1,609	
21-Jul-16	1,595	
22-Jul-16	1,600	
		<b>-4.88</b>

- Aluminium hit its weakest in closer to a month as weak demand in China and oversupply weigh down on the metal. The strong USD also affected the metal.
- 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



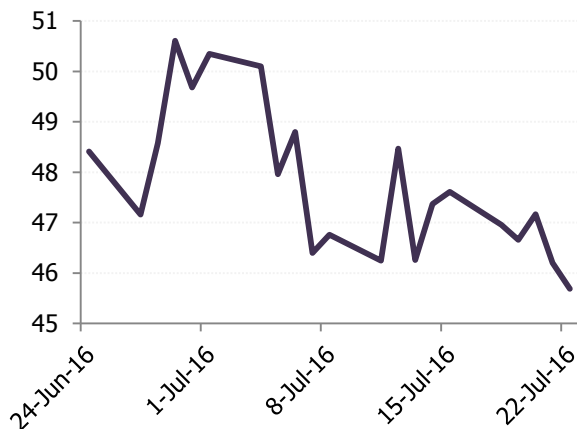
### Commodity Prices

Daily	US\$/t	WoW %Δ
15-Jul-16	10,360	
18-Jul-16	10,310	
19-Jul-16	10,555	
20-Jul-16	10,445	
21-Jul-16	10,665	
22-Jul-16	10,655	
		<b>2.85</b>

### 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 51,012t in Jun-16. The cumulative tally of 198,600t over the 1<sup>st</sup> 6 months of the year represents a 125,000t increase over the same period of last year.
- 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
15-Jul-16	47.61	
18-Jul-16	46.96	
19-Jul-16	46.66	
20-Jul-16	47.17	
21-Jul-16	46.20	
22-Jul-16	45.69	
		<b>-4.03</b>

- Oil prices fell on rising concerns that a global glut of crude and refined products would pressure markets, delaying a long-anticipated rebalance in the market.
- The USD's rally to a more than 4-month high also hurt demand for greenback-denominated oil among holders of the Euro and other currencies.
- Iraq's oil exports were expected to rise in Jul-16, according to loading data and an industry source. If confirmed, it would put OPEC's number 2 producer back on track for supply growth after a 2-month lag.
- Africa-focused Tullow Oil returned to profit in H1:16 despite weaker oil prices and lower production, as its stringent cost cuts and forward hedging strategy started to pay off.

## Foreign Exchange Markets

Wk Ending	USD to:							EUR/USD	GBP/USD
	BWP	NGN	MZN	RWF	TZS	ZMW	ZAR		
15-Jul-16	10.73	290	65.72	795	2,191	10.10	14.31	1.115	1.341
<b>Daily</b>									
18-Jul-16	***	292	66.25	796	2,192	9.96	14.33	1.105	1.325
19-Jul-16	***	292	66.88	797	2,191	9.78	14.31	1.107	1.321
20-Jul-16	10.75	292	66.50	797	2,191	9.66	14.29	1.100	1.311
21-Jul-16	10.75	292	66.60	798	2,191	9.45	14.27	1.103	1.322
22-Jul-16	10.71	300	67.50	799	2,190	9.32	14.22	1.103	1.322
<b>WoW %Δ</b>	<b>-0.21</b>	<b>3.45</b>	<b>2.71</b>	<b>0.47</b>	<b>-0.01</b>	<b>-7.73</b>	<b>-0.65</b>	<b>-1.04</b>	<b>-1.45</b>

Wk Ending	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
	15-Jul-16	0.750	4.60	0.705	55
<b>Daily</b>					
18-Jul-16	***	4.65	0.696	54	153
19-Jul-16	***	4.62	0.687	55	152
20-Jul-16	0.754	4.71	0.676	55	153
21-Jul-16	0.753	4.72	0.663	55	153
22-Jul-16	0.756	4.75	0.652	55	153
<b>WoW %Δ</b>	<b>0.73</b>	<b>3.26</b>	<b>-7.56</b>	<b>-0.62</b>	<b>0.00</b>

## Exchange Rate Developments

- The USD strengthened against major currencies as investors wait for the Fed to release its policy meeting minutes, which might suggest a rate hike.
- In Nigeria, the currency which fell to its weakest ever touching the 300 for the 1<sup>st</sup> time after the central bank lifted its peg on the currency is expected to continue weakening.
- On the parallel market, the currency eased to 375 NGN to the USD, weaker than 365 per USD the previous week.
- The kwacha is likely to remain firm supported by foreign currency conversions by companies paying salaries and other month-end obligation.
- The Tanzanian shilling is expected to continue trading in a stable range, underpinned by inflows from the agriculture sector and a slowdown in demand for foreign currency.
- The BWP and MZN depreciated against the ZAR whilst the ZMW and RWF appreciated. The TZS was stable at 153.
- The MZN has been affected by donor pull-out, and depressed FDI inflows after the undisclosed debt scandal.

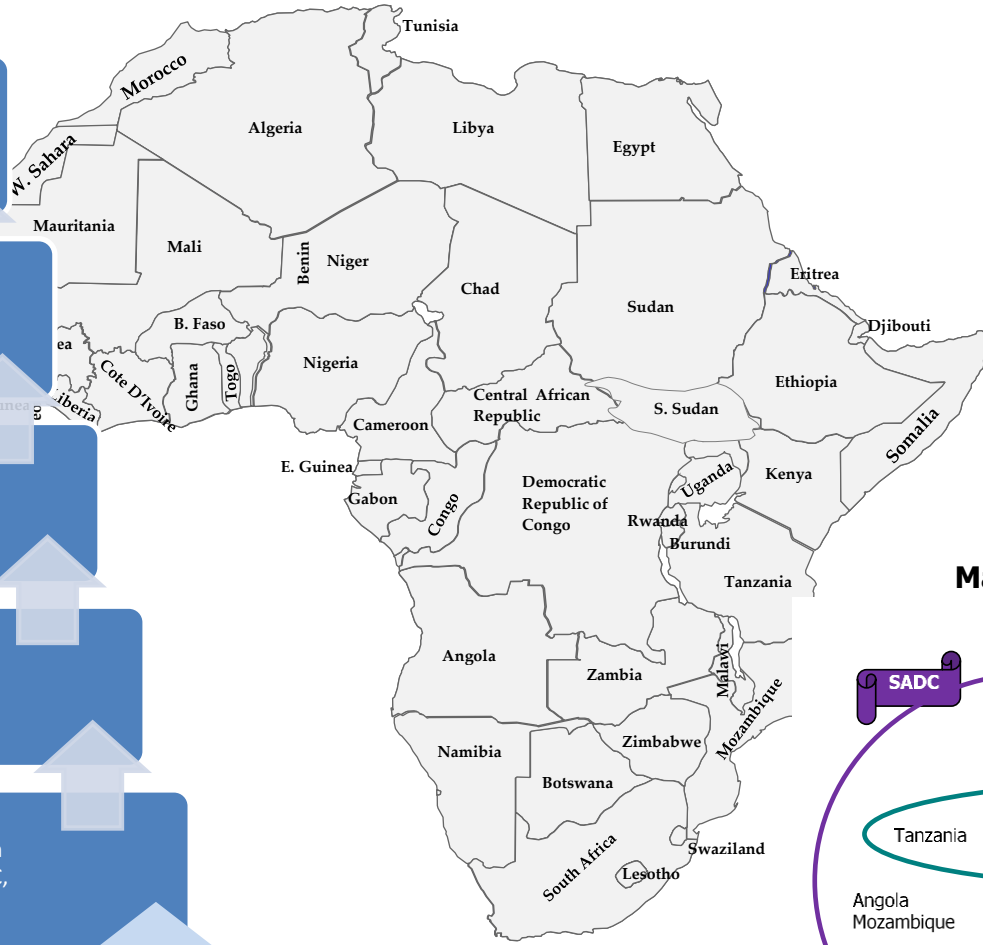
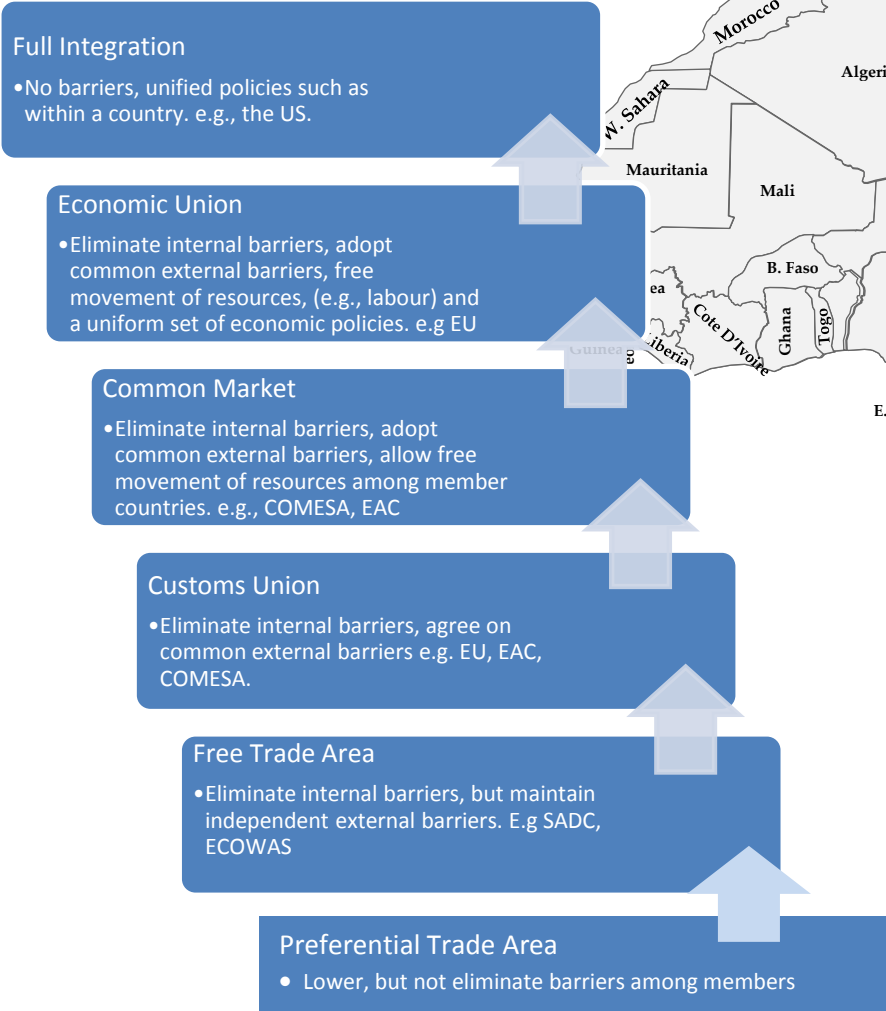
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## REGIONAL ECONOMIC INTEGRATION

### Stages in Economic Integration



- Africa is 1 continental union with 8 Regional Economic Communities (RECs).
- 28 countries belong to 3 or more regional communities or groupings.
- Only COMESA & EAC have established regional customs unions.
- Only 5 out of the 54 African countries offer visa-free access or visas on arrival to other African citizens.
- 14 African countries have a common currency, the CFA franc.
- EAC is the most advanced REC in the integration stages, having launched its common market in 2010.

### Major Integration Blocs & Members

