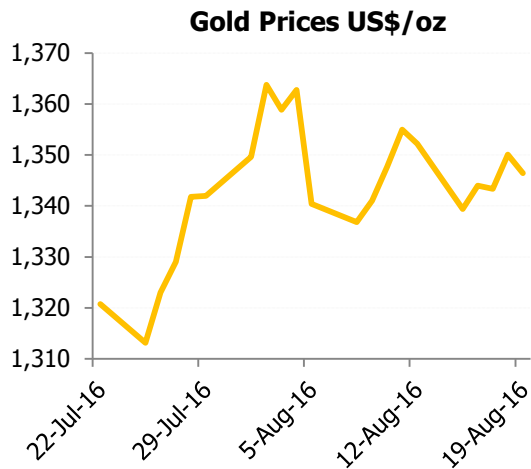


## WEEKLY ECONOMIC REVIEW

### Commodity 30-Day Price Chart



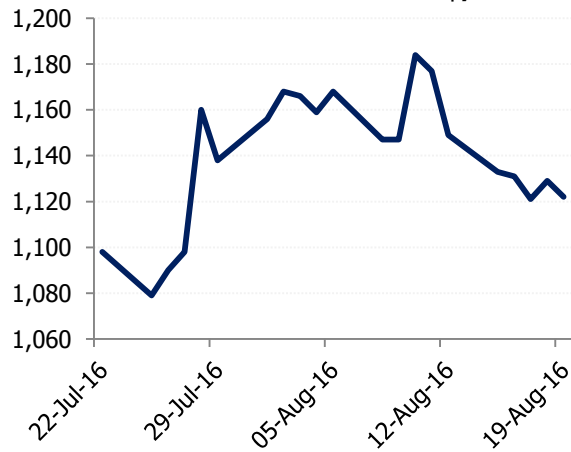
### Commodity Prices

Daily	US\$/oz	WoW %Δ
12-Aug-16	1,352	
15-Aug-16	1,339	
16-Aug-16	1,344	
17-Aug-16	1,343	
18-Aug-16	1,350	
19-Aug-16	1,346	
		<b>-0.4</b>

### Commodity Developments

- Gold prices fell on the 19<sup>th</sup> of Aug-16 and ended the week marginally lower following conflicting signals from US Fed Reserve officials on the timing of a possible rate hike.
- The yellow metal is sensitive to higher rates which lift the opportunity cost of holding non-yielding assets, while boosting the USD in which it is priced.
- There have been mixed signals during the week from Fed Reserve policymakers, which left the market anticipating more direction at the coming annual meeting of Central Bankers from around the world.
- In production, improved performance of How Mine in Q2:16 saw Zimbabwe's biggest gold producer Metallon Corporation record a 9% jump in gold production to 22,565oz from 20,673oz produced in Q1:16.
- Harmony Gold, the world's 5<sup>th</sup>-largest gold producer and SA's No. 3 miner of the precious metal is reportedly considering buying stake in Acacia Mine which operates 3 mines in Tanzania.

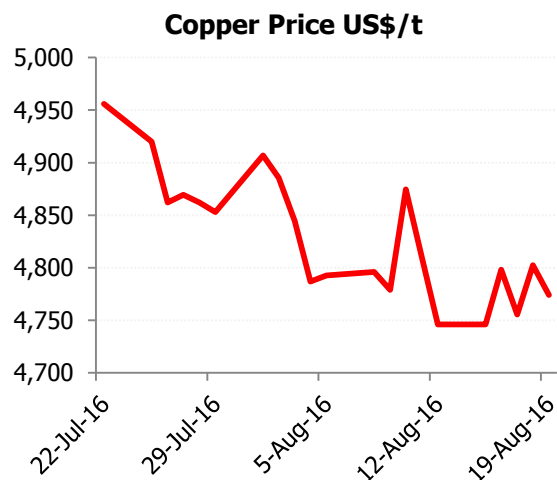
### Platinum Prices US\$/oz



Daily	US\$/oz	WoW %Δ
12-Aug-16	1,149	
15-Aug-16	1,133	
16-Aug-16	1,131	
17-Aug-16	1,121	
18-Aug-16	1,129	
19-Aug-16	1,122	
		<b>-2.3</b>

- In Zimbabwe, according to the recently published draft mining bill, mining rights will only be issued to companies listed on the local stock exchange and the Gvt will not allow the export of raw minerals without ministerial approval.
- Zim has the 2<sup>nd</sup> largest known reserves of platinum after SA and the bill may have material impact to the country's platinum sector.
- Anglo American Platinum (Amplats), Impala Platinum (Implats) and Aquarius Platinum are some of the foreign mining firms operating in Zim's platinum sector and are not listed on the local stock exchange.
- Minerals such as gold and silver would only be exported in refined form as Zim pushes its value addition and local beneficiation drive.
- In Jan-15, Zim introduced a platinum export tax but suspended it after mining companies, including Amplats, Implats and Aquarius, agreed to support local metal processing. Under the draft bill platinum group of metals are among the

### Commodity 30-Day Price Chart



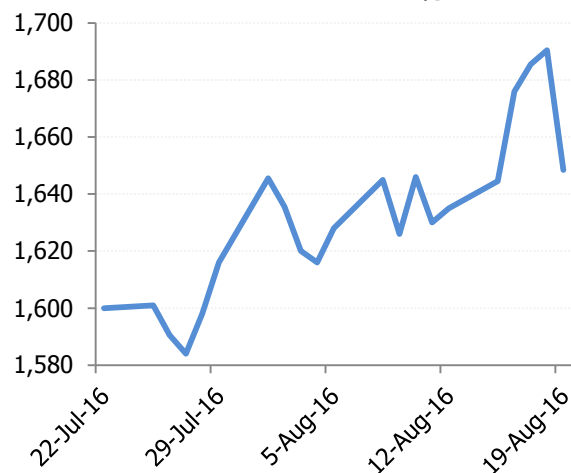
### Commodity Prices

Daily	US\$/t	WoW %Δ
12-Aug-16	4,746	
15-Aug-16	4,746	
16-Aug-16	4,798	
17-Aug-16	4,756	
18-Aug-16	4,803	
19-Aug-16	4,774	
		<b>0.6</b>

### Commodity Developments

- 19 commodities designated as "strategic minerals".
- Copper prices remained low trading in a bound range pressured by a stronger USD and the metal is one of the worst performing metals among major base metals so far this year.
- Generally, the red metal has been crushed by ample supplies and depressed demand. Although production in Chile, the world's largest copper producer slumped 5.6% to 2.8 million tonnes in H1:16, Peruvian production has been on the rise, jumping 52% to 1.12 million tonnes, keeping prices in check.
- Africa's major copper producer, DRC, copper output slumped 14% in H1:16 and the country has cut its economic growth forecast for 2016 to 4.3%, compared with 6.9% last year.
- DRC relies on its mining and smaller oil industry for about 95% of its export earnings. In Jun-16, the Gvt slashed its budget by 22% in response to low commodity revenues.

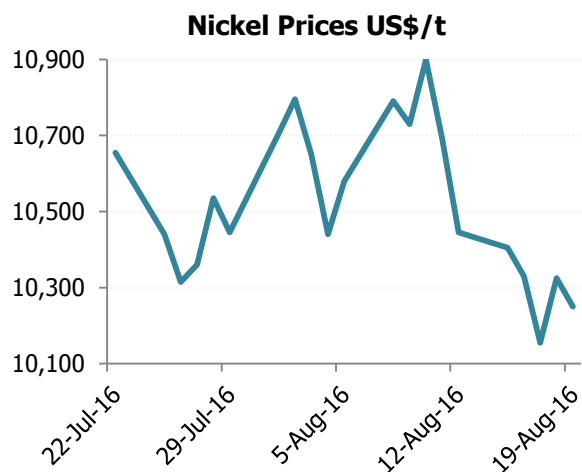
### Aluminium Prices US\$/t



Daily	US\$/t	WoW %Δ
12-Aug-16	1,635	
15-Aug-16	1,645	
16-Aug-16	1,676	
17-Aug-16	1,686	
18-Aug-16	1,691	
19-Aug-16	1,649	
		<b>0.8</b>

- Aluminium ended the week lower pulling back from a 13-month peak hit on the 18<sup>th</sup> of Aug-16, pressured by producer selling.
- Aluminium has been supported after a slow increase in production among restarted aluminium smelters in China following production curbs last year, causing supply to tighten.
- However, the downside risks still remain coming more from expected production increases from the smelter restarts in China and those ramping up aluminium capacity.
- China is the largest producer and consumer of aluminium.

### Commodity 30-Day Price Chart



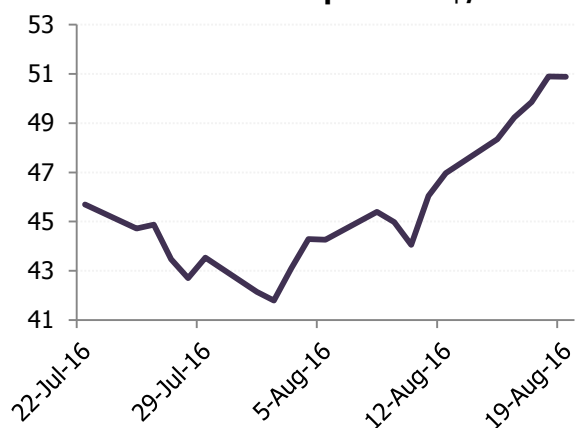
### Commodity Prices

Daily	US\$/t	WoW %Δ
12-Aug-16	10,445	
15-Aug-16	10,405	
16-Aug-16	10,330	
17-Aug-16	10,155	
18-Aug-16	10,325	
19-Aug-16	10,250	
		<b>-1.9</b>

### Commodity Developments

- Nickel slid and prices remain low despite mine operations suspension in the Philippines. The Philippine Gvt suspended operations at two more mines due to environmental violations in an on-going audit of the country's mining sector.
- The move raises the number of suspended mines to 10, 8 of them nickel are ore producers, since the Southeast Asian nation launched a review of all mines on the 8<sup>th</sup> of Jul-16.
- The closures and the threat of more mines getting hit in the world's top nickel ore supplier is expect to provide some tailwinds for the metal used in alloying.

### Oil Brent prices US\$/bbl

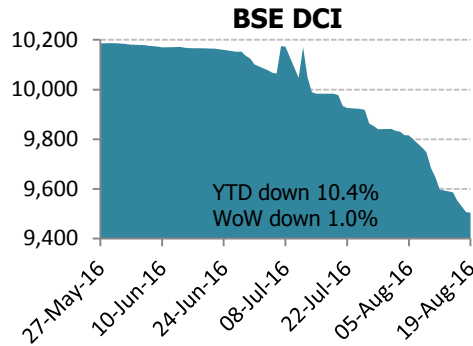


Daily	US\$/bbl	WoW %Δ
12-Aug-16	46.97	
15-Aug-16	48.35	
16-Aug-16	49.23	
17-Aug-16	49.85	
18-Aug-16	50.89	
19-Aug-16	50.88	
		<b>8.3</b>

- Oil prices soared higher posting its biggest weekly gain since Mar-16 on speculation that Saudi Arabia and other members of the Organization of the Petroleum Exporting Countries (OPEC) will agree next month to a production freeze deal with non-OPEC producers led by Russia.
- OPEC will hold an informal meeting in Algeria next month with outside producers led by Russia. Some have speculated about a production sharing deal, with Saudi Arabia helping stoke much of that perception despite scuttling a similar plan in Apr-16.
- However, the deal may fail as some producers are already resisting it. Iraq resumed pumping oil from fields operated by the state-run North Oil Company to Turkey at around 70,000bbl per day, with plans to double the volume in few weeks.
- In Libya, the National Oil Corporation began transporting crude at the country's eastern Zueitina port, which has been shut since Nov-15.

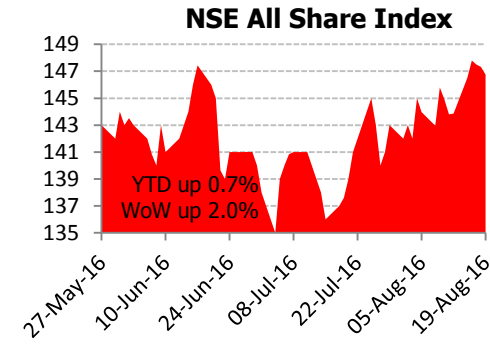
**Equities 90-Day Index Charts**

**Botswana**



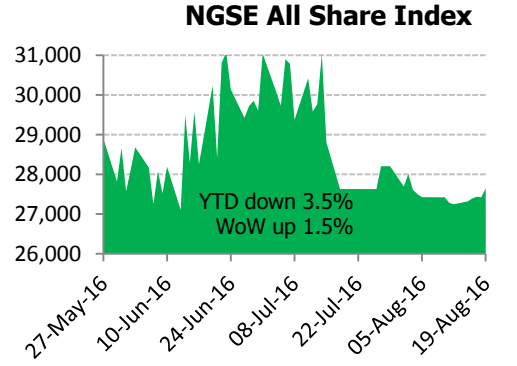
- Central bank cut its benchmark lending rate by 50 basis points to 5.5% to boost economic growth.

**Kenya**



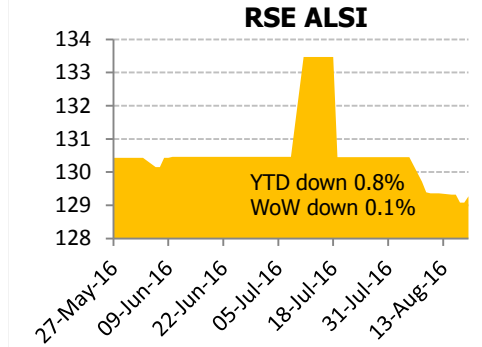
- Central bank threatened commercial banks with legal action if they submit inaccurate or incomplete data to credit reference bureaus.

**Nigeria**



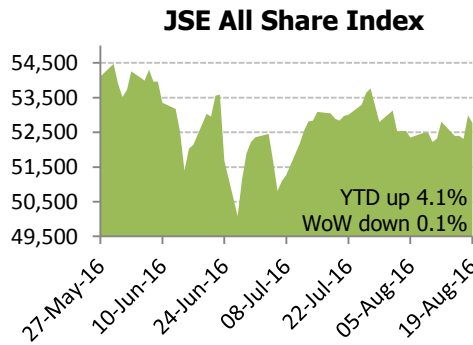
- President Buhari will ask parliament for extra powers for one year to allow him to take "emergency" decisions to revive the flagging economy.

**Rwanda**



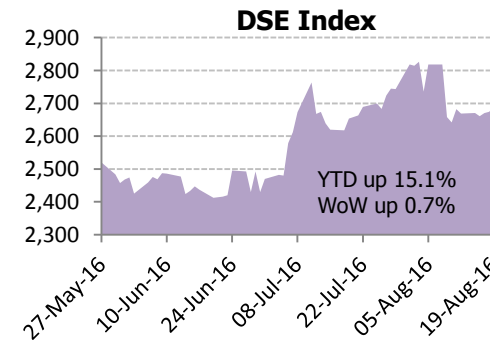
- Inflation rose to 6.9% in the year to Jul-16, from 5.5% in the year to Jun-16.

**South Africa**



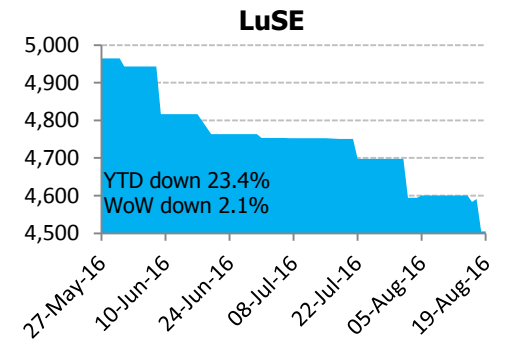
- Hotel group Sun International has become the latest SA business to pull out of Nigeria because of weak economic growth and clashes with regulators and shareholders.

**Tanzania**



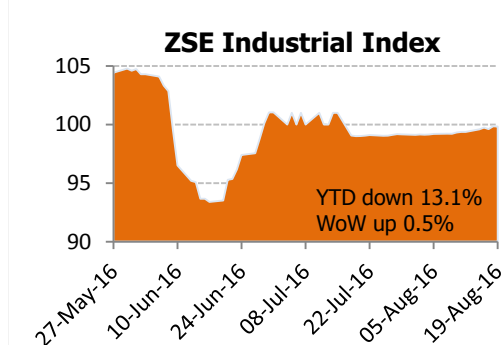
- President Magufuli ordered officials to speed up long-delayed work on a planned liquefied natural gas (LNG) plant.

**Zambia**



- Gvt will control expenditure and take measures to boost economic growth, says President Edgar Lungu who was re-elected at a vote on 11 Aug-16.

**Zimbabwe**



- Zim has stopped contracting new state workers as the Gvt struggles with a big financial squeeze.

## Foreign Exchange Markets

	USD to:							EUR/USD	GBP/USD
	BWP	NGN	MZN	RWF	TZS	ZMW	ZAR		
<b>Wk Ending</b>									
12-Aug-16	10.41	310	71.7	798	2,188	10.50	13.39	1.116	1.296
<b>Daily</b>									
15-Aug-16	10.41	310	70.8	798	2,188	10.44	13.42	1.117	1.292
16-Aug-16	10.31	309	72.8	799	2,189	10.08	13.27	1.127	1.295
17-Aug-16	10.36	309	72.8	800	2,189	9.99	13.41	1.127	1.304
18-Aug-16	10.30	325	72.2	800	2,190	9.90	13.27	1.133	1.313
19-Aug-16	10.35	308	72.2	801	2,189	9.90	13.51	1.131	1.312
<b>WoW %Δ</b>	<b>-0.5</b>	<b>-0.6</b>	<b>0.7</b>	<b>0.3</b>	<b>0.0</b>	<b>-5.7</b>	<b>0.9</b>	<b>1.3</b>	<b>1.2</b>
<b>YTD %Δ</b>	<b>-7.9</b>	<b>56.5</b>	<b>60.5</b>	<b>7.2</b>	<b>1.4</b>	<b>-9.9</b>	<b>-13.2</b>	<b>3.6</b>	<b>-11.6</b>

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
<b>Wk Ending</b>					
12-Aug-16	0.774	5.37	0.786	59.5	163
<b>Daily</b>					
15-Aug-16	0.772	5.31	0.782	59.5	163
16-Aug-16	0.778	5.50	0.758	60.1	164
17-Aug-16	0.773	5.50	0.742	59.6	164
18-Aug-16	0.775	5.41	0.742	59.8	162
19-Aug-16	0.770	5.41	0.734	59.9	162
<b>WoW %Δ</b>	<b>-0.5</b>	<b>0.7</b>	<b>-6.7</b>	<b>0.6</b>	<b>-0.6</b>
<b>YTD %Δ</b>	<b>6.5</b>	<b>87.8</b>	<b>4.0</b>	<b>24.6</b>	<b>15.8</b>

## Exchange Rate Developments

- The ZAR depreciated against the USD as risk appetite for emerging markets assets subdued after some Fed Reserve officials reiterated the case for raising US interest rates in coming months.
- The NGN which touched an all-time low on the 18<sup>th</sup> of Aug-16 is expected to trade within a tight range supported by central bank dollar sales. The Central Bank of Nigeria has been selling dollars in the market almost daily to improve liquidity.
- The TZS is expected to stay firm, with muted demand for dollars from local importers. Normally towards the end of the month, companies are expected to be offloading dollars to meet taxes and salary obligations, providing support of the TZS.
- Zambia's kwacha is likely to continue showing signs of strengthening, with investors encouraged by the peaceful conduct of elections even though the opposition has challenged the outcome.
- The MZN has continued depreciating despite the Bank of Mozambique's (BoM) interventions. Since the end of 2015, BoM increased benchmark interest rates on marginal lending, which currently stand at 17.25%, sets foreign exchange limits in order to control exchange rates and prevent the general rise in prices.
- These measures are still to yield positive results as the BoM is forecasting the 1<sup>st</sup> signs of improvement to appear in Q1:17.

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Contact telephone numbers: 369701-16; 752383-5

## APPENDIX: ECONOMIC INDICATORS – ATLAS MARA MARKETS

### ANNUAL INFLATION (%) & EXCHANGE RATE (PER USD)

Month	Botswana		Mozambique		Rwanda		Tanzania		Zambia		Zimbabwe	
	Inf.	US\$/BWP	Inf.	US\$/MZN	Inf.	US\$/RWF	Inf.	US\$/TZS	Inf.	US\$/ZMW	Inf.	US\$/ZAR
Dec-15	3.1	11.2	10.6	45.0	4.5	747	6.8	2,159	21.1	11	-2.47	15.5
Jan-16	2.7	11.4	11.2	46.1	4.5	754	6.5	2,187	21.8	11.3	-2.19	16.1
Feb-16	3.0	11.5	12.2	47.3	4.4	762	5.6	2,190	22.9	11.4	-2.22	16.2
Mar-16	3.0	10.9	13.6	50.6	4.6	768	5.4	2,190	22.2	11.1	-2.31	14.9
Apr-16	2.8	10.6	17.3	53.2	4.7	774	5.1	2,191	21.8	9.6	-1.64	14.3
May-16	2.8	11.2	18.3	58.2	4.6	778	5.2	2,193	21.3	10.4	-1.69	15.8
Jun-16	2.7	10.9	19.7	63.5	5.5	783	5.5	2,190	21.0	9.9	-1.37	14.9
Jul-16	2.7	10.7	20.7	69.2	6.9	793	5.1	2,190	20.2	10.3	-1.60	14.2

### TOTAL BANK DEPOSITS AND LOANS (USD MILLIONS)

Month	Botswana		Mozambique		Rwanda		Tanzania		Zambia		Zimbabwe	
	Depo	Loans	Depo	Loans	Depo	Loans	Depo	Loans	Depo	Loans	Depo	Loans
Dec-15	5,808	4,299	6,751	5,164	1,792	1,576	8,538	7,175	3,875	2,629	4,765	3,836
Jan-16	5,642	4,256	6,691	5,074	1,794	1,595	8,339	7,209	3,671	2,618	4,754	3,800
Feb-16	5,707	4,287	6,382	4,899	1,790	1,583	8,474	7,289	3,671	2,595	4,769	3,698
Mar-16	6,009	4,487	5,985	4,605	1,753	1,587	8,301	7,342	3,670	2,626	4,917	3,672
Apr-16	6,341	4,698	5,887	4,435	1,732	1,605	8,464	7,378	4,128	2,887	5,005	3,634
May-16	6,016	4,461	5,367	4,033	1,746	1,615	8,534	7,475	3,969	2,749	5,051	3,596

### COMMERCIAL BANK INTEREST RATE LANDSCAPE (%)

Month	Botswana		Mozambique		Rwanda		Tanzania		Zambia		Zimbabwe	
	Lending Rate	12m Dep Rate	Lending Rate	12m Dep Rate	Lending Rate	Dep Rate	Lending Rate	12m Dep Rate	Lending Rate	3m Dep Rate	Lending Rate	3m Dep Rate
Dec-15	7.5	3.5	19.1	9.4	17.0	7.6	14.2	11.2	23.8	9.4	7.6	7.7
Jan-16	7.5	3.4	19.0	9.6	16.7	7.6	14.3	11.0	25.8	9.8	7.4	7.2
Feb-16	7.5	3.6	18.6	10.1	17.6	8.2	14.2	11.0	26.0	9.9	7.3	7.0
Mar-16	7.5	3.7	19.1	10.1	17.1	7.3	14.6	11.3	26.5	10.9	7.3	6.9
Apr-16	7.5	3.5	19.1	10.1	17.2	8.1	14.0	11.6	27.5	11.9	7.2	7.0
May-16	7.5	3.5	19.9	10.4	17.3	8.6	14.2	11.1	28.0	11.3	7.4	6.7
Jun-16	7.5	3.5			17.0	7.9			28.6	10.9	7.5	6.2

### POLICY INTEREST RATES (%)

Month	Bots	Moz	Rwanda	Tanz	Zambia
	Bank Rate	Policy Rate	Policy Rate	91d TB Rate	Policy Rate
Dec-15	6.0	9.8	6.5	9.3	15.5
Jan-16	6.0	9.8	6.5	8.8	15.5
Feb-16	6.0	10.8	6.5	8.8	15.5
Mar-16	6.0	10.8	6.5	8.6	15.5
Apr-16	6.0	10.8	6.5	8.2	15.5
May-16	6.0	10.8	6.5	8.0	15.5
Jun-16	6.0	14.3	6.5	7.3	15.5
Jul-16	6.0	17.3	6.5	7.3	15.5
19-Aug-16	5.5	17.3	6.5	7.5	15.5

### RESERVES (USD MILLIONS)

Month	Bots	Moz	Rwanda	Tanz	Zambia	Zimbabwe
Dec-15	7,546	2,472	900	4,094	2,967	340
Jan-16	7,469	2,339		3,999	2,893	
Feb-16	7,276	2,233		4,014	2,758	
Mar-16	7,559	2,098		3,949	2,576	
Apr-16	7,847	2,066		3,845	2,552	
May-16	7,499	1,984		3,894		