

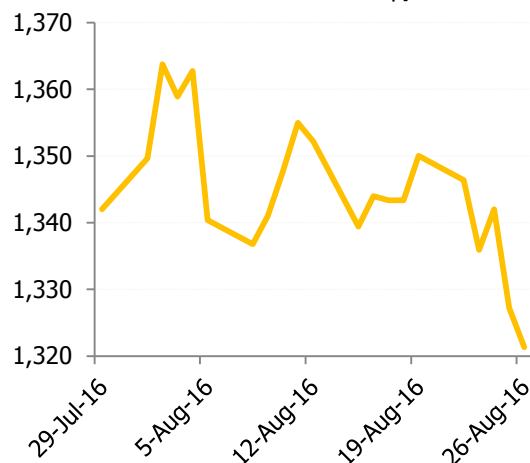
WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

Commodity Prices

Commodity Developments

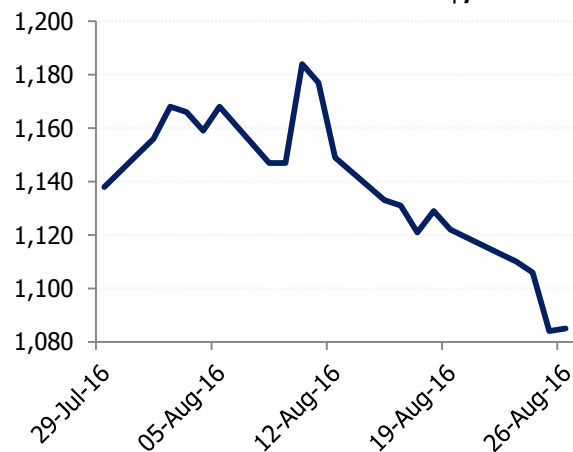
Gold Prices US\$/oz



Daily	US\$/oz	WoW %Δ
19-Aug-16	1,350	
22-Aug-16	1,346	
23-Aug-16	1,336	
24-Aug-16	1,342	
25-Aug-16	1,327	
26-Aug-16	1,321	
		-2.1

- Gold fell to 4-week low as the USD slipped ahead of a speech by Fed Reserve Chair Janet Yellen that was closely watched for directions on US interest rates.
- 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.
- Data showed that new orders for US manufactured capital goods rose for a 2nd straight month in Jul-16. There was also an unexpected drop in the number of Americans filing for unemployment benefits (reflects increased employment and improvement in the US economy) also weighed down on the metal.
- 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.

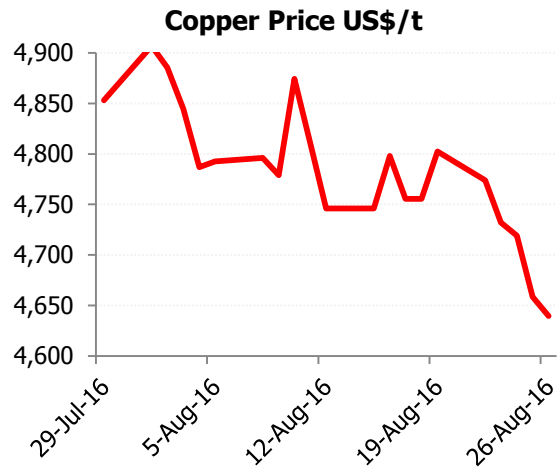
Platinum Prices US\$/oz



Daily	US\$/oz	WoW %Δ
19-Aug-16	1,122	
22-Aug-16	1,113	
23-Aug-16	1,110	
24-Aug-16	1,106	
25-Aug-16	1,084	
26-Aug-16	1,085	
		-3.3

- In Zimbabwe, Zimplats, the largest platinum miner announced its full year 2015 results which showed a 16% increase in revenue. This follows an increase in sales volume of the PGMs by 53% to 582,833oz from 381,849oz the previous year.
- However, the increase in revenue by 16% was not commensurate with the 53% increase in output due to lower metal prices, which saw its gross revenue per platinum ounce decreasing from US\$2,167 to US\$1,638.
- The platinum giant announced that its implementation of the Ngezi Phase 2 Expansion Project is progressing well and project completion is targeted in 2017. A total of US\$453m has been spent to date on this project against a budget of US\$492m.

Commodity 30-Day Price Chart



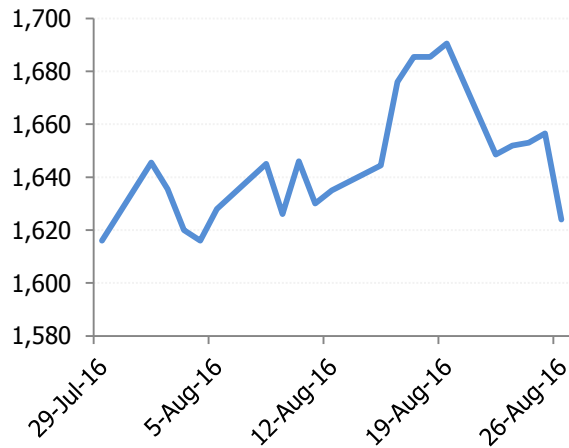
Commodity Prices

Daily	US\$/t	WoW %Δ
19-Aug-16	4,803	
22-Aug-16	4,774	
23-Aug-16	4,732	
24-Aug-16	4,719	
25-Aug-16	4,659	
26-Aug-16	4,640	
		-3.4

Commodity Developments

- Copper prices continue to fall 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.

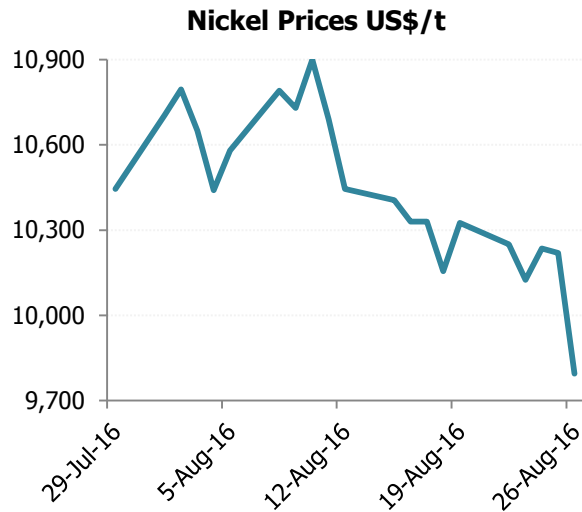
Aluminium Prices US\$/t



Daily	US\$/t	WoW %Δ
19-Aug-16	1,691	
22-Aug-16	1,649	
23-Aug-16	1,652	
24-Aug-16	1,653	
25-Aug-16	1,657	
26-Aug-16	1,624	
		-3.9

- Aluminium ended the week lower pulling back from a 13-month peak hit on the 18th of Aug-16, pressured by producer selling.
- Aluminium has been supported by 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



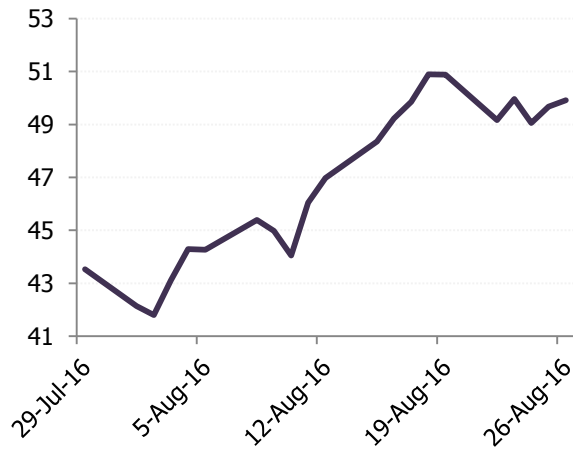
Commodity Prices

Daily	US\$/t	WoW %Δ
19-Aug-16	10,325	
22-Aug-16	10,250	
23-Aug-16	10,125	
24-Aug-16	10,235	
25-Aug-16	10,220	
26-Aug-16	9,795	
		-5.1

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 of which 8 of them nickel ore producers. The Southeast Asian nation launched a review of all mines on the 8th of Jul-16.
- Continued suspension of Philippine mines and the threat of more mines getting hit in the world's top nickel ore supplier is expected to provide some tailwinds for the metal which is widely used in alloying.

Oil Brent prices US\$/bbl



Daily	US\$/bbl	WoW %Δ
19-Aug-16	50.88	
22-Aug-16	49.16	
23-Aug-16	49.96	
24-Aug-16	49.05	
25-Aug-16	49.67	
26-Aug-16	49.92	
		-1.9

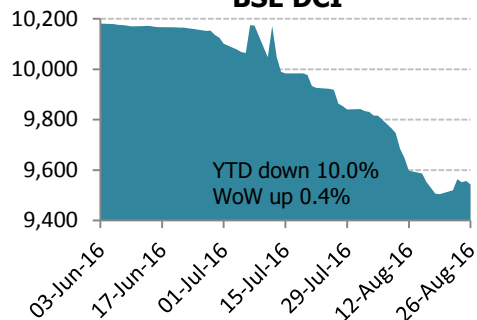
- Oil prices stabilised higher, supported by news that Saudi Arabia and other members of the Organization of the Petroleum Exporting Countries (OPEC) will agree next month to a production freeze deal with non-OPEC producers led by Russia.
- OPEC will hold an informal meeting in Algeria next month with 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



BSE DCI

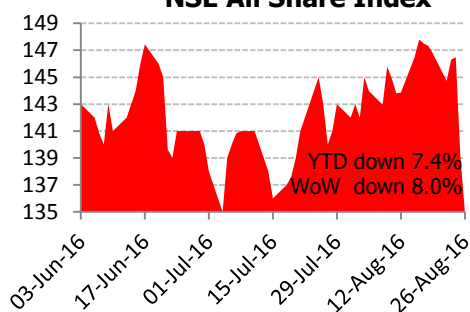


- Central bank cut its benchmark lending rate by 50 basis points to 5.5% to boost economic growth.

Kenya



NSE All Share Index

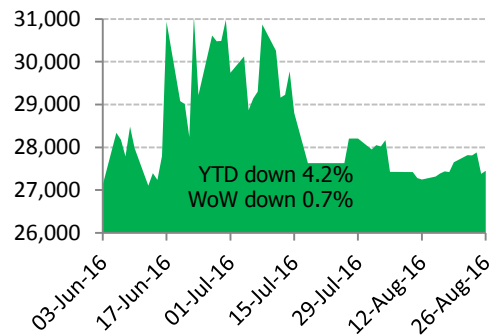


- Central bank threatened commercial banks with legal action if they submit inaccurate or incomplete data to credit reference bureaus.

Nigeria



NGSE All Share Index

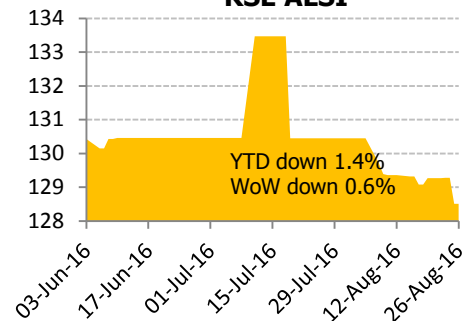


- President Buhari will ask parliament for extra powers for one year to allow him to take "emergency" decisions to revive the flagging economy.

Rwanda



RSE ALSI

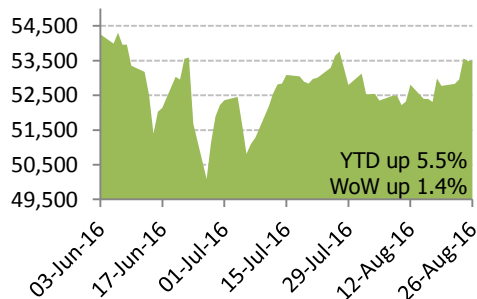


- Inflation rose to 6.9% in the year to Jul-16, from 5.5% in the year to Jun-16.

South Africa



JSE All Share Index

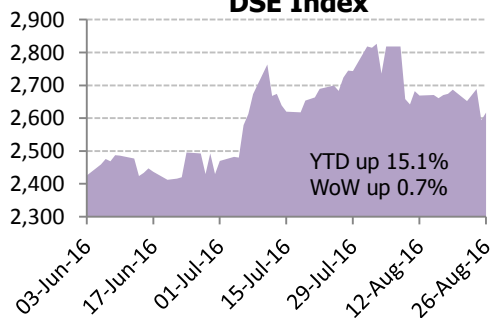


- Hotel group Sun International has become the latest SA business to pull out of Nigeria because of weak economic growth and clashes with regulators and shareholders.

Tanzania



DSE Index

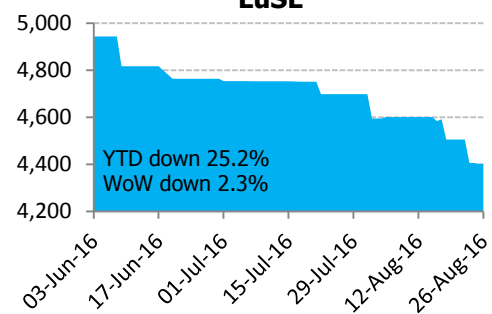


- President Magufuli ordered officials to speed up long-delayed work on a planned liquefied natural gas (LNG) plant.

Zambia



LuSE

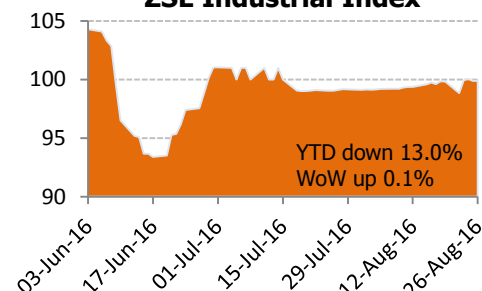


- Gvt will control expenditure and take measures to boost economic growth, says President Edgar Lungu who was re-elected at a vote on 11 Aug-16.

Zimbabwe



ZSE Industrial Index



- 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		
Wk Ending									
19-Aug-16	10.35	308	72.2	801	2,189	9.90	13.51	1.131	1.312
Daily									
22-Aug-16	10.43	305	73.9	802	2,189	9.88	13.62	1.129	1.309
23-Aug-16	10.37	305	---	803	2,189	9.89	13.45	1.134	1.320
24-Aug-16	10.59	305	73.2	803	2,189	9.94	14.03	1.130	1.322
25-Aug-16	10.62	305	73.4	804	2,187	9.99	14.14	1.129	1.322
26-Aug-16	10.63	305	72.6	805	2,187	9.89	14.18	1.129	1.322
WoW %Δ	2.7	-1.0	0.5	0.5	-0.1	-0.1	5.0	-0.2	0.8
YTD %Δ	-5.4	55.0	61.3	7.7	1.3	-10.0	-8.9	3.4	-10.9

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
	Wk Ending				
19-Aug-16	0.770	5.41	0.734	59.9	162
Daily					
22-Aug-16	0.767	5.44	0.727	59.4	161
23-Aug-16	0.769	---	0.735	59.1	160
24-Aug-16	0.754	5.20	0.706	57.4	162
25-Aug-16	0.752	5.13	0.707	56.8	155
26-Aug-16	0.751	5.17	0.703	56.7	154
WoW %Δ	-2.5	-4.4	-4.1	-5.4	-4.9
YTD %Δ	3.9	79.5	-0.3	17.9	10.1

Exchange Rate Developments

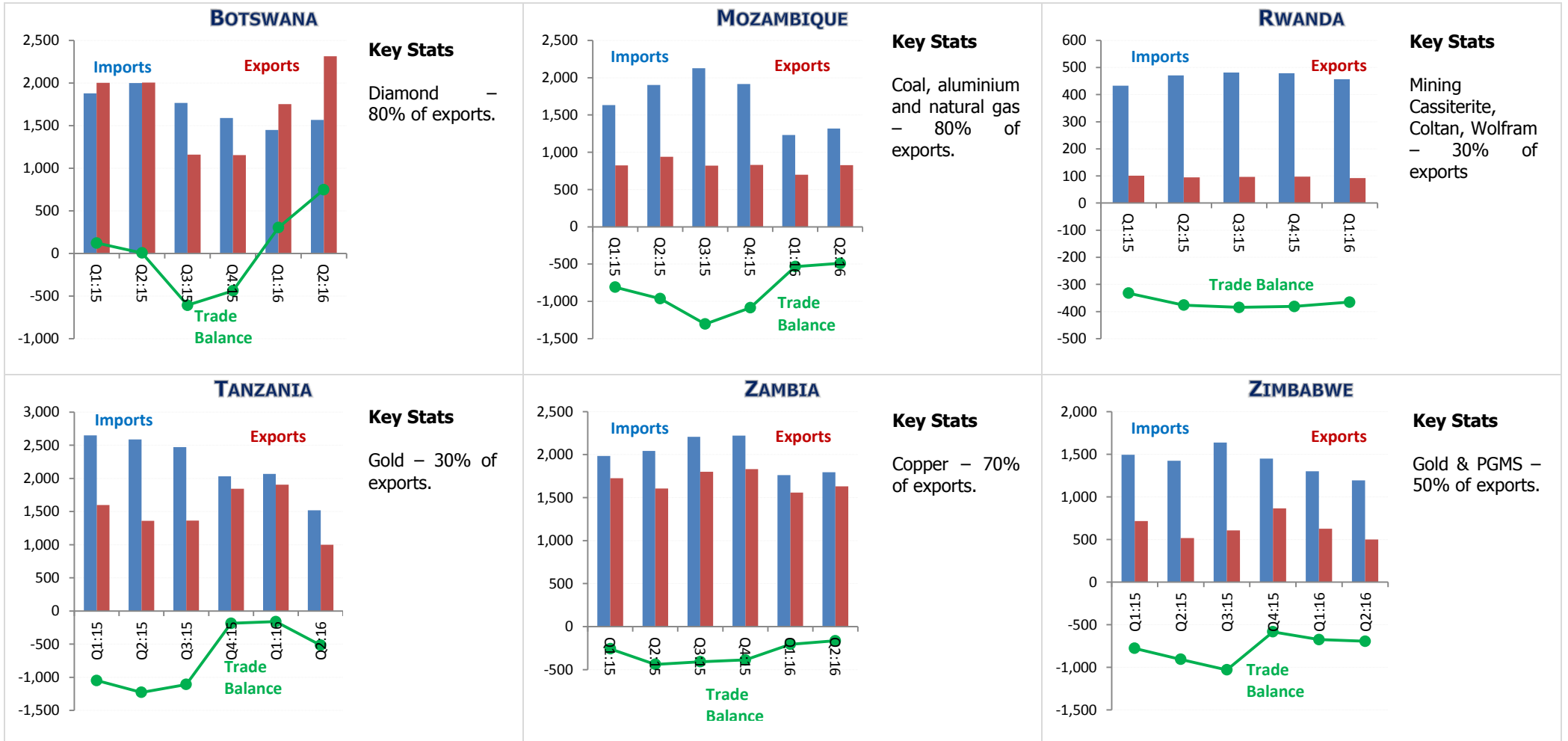
- The ZAR depreciated against the USD as risk appetite for emerging markets assets subdued ahead of a speech by Fed Reserve Chair Janet Yellen that was closely watched for directions on US interest rates.
- The NGN which appreciated against the USD is most likely to depreciate due to the dollar shortage and the impact of the central bank suspension of 9 commercial lenders from forex transactions.
- 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 to the TZS.
- Zambia's kwacha is likely to continue showing signs of strengthening and might remain firm in the coming days supported by a Gvt bond auction settlement and an anticipated inflow of hard currency to pay salaries and other month end obligations.
- The MZN and the RWF were mostly stable during the week under review.
- All Atlas Mara trading markets currencies appreciated against the ZAR.

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APPENDIX: EXTERNAL TRADE (US\$ M)



- Most African countries which are heavily dependent on mineral exports have been negatively affected by continued low commodity prices. As a result, African economies are experiencing trade deficits, fiscal and monetary pressures which are translating into lower economic growth.
- Increasingly, a number of African economies are turning to IMF for financial and policy support.