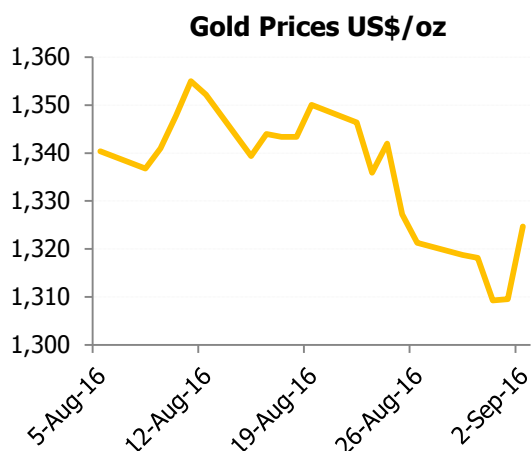


## WEEKLY ECONOMIC REVIEW

### Commodity 30-Day Price Chart



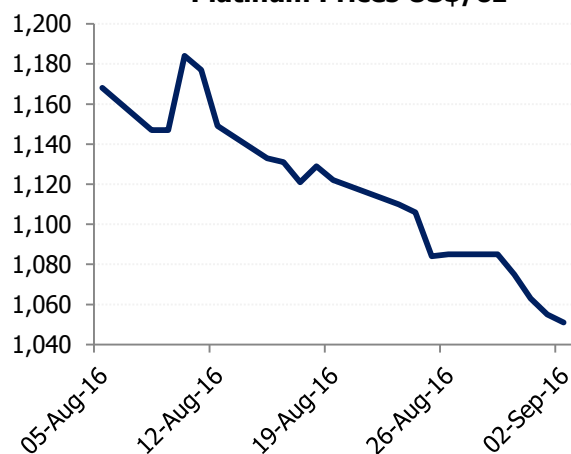
### Commodity Prices

Daily	US\$/oz	WoW %Δ
26-Aug-16	1,321	
29-Aug-16	1,319	
30-Aug-16	1,318	
31-Aug-16	1,309	
1-Sep-16	1,310	
2-Sep-16	1,325	
		<b>0.3</b>

### Commodity Developments

- Gold rose on the 2<sup>nd</sup> of Sep-16 after US jobs growth came in below expectations, dampening the likelihood of an interest rate hike from the Federal Reserve this month.
- However, the gains were capped as the dollar turned positive. Investors viewed the Fed Reserve as still likely to raise interest rates in the coming months, despite disappointing jobs growth in Aug-16.
- In Zimbabwe, the country's largest gold producer Metallon Gold Corporation plans to produce 500,000 ounces of bullion per year in the next 5 years buoyed by expansion projects. The company is undertaking expansion projects at its Mazowe mine which it expects to be the centre of gold mining in Zimbabwe.
- In Tanzania, in a bid to halt tanzanite and gold smuggling in the country, the Gvt is at an advanced stage of coming up with a proper plan to regulate gem and smith dealers in the industry.

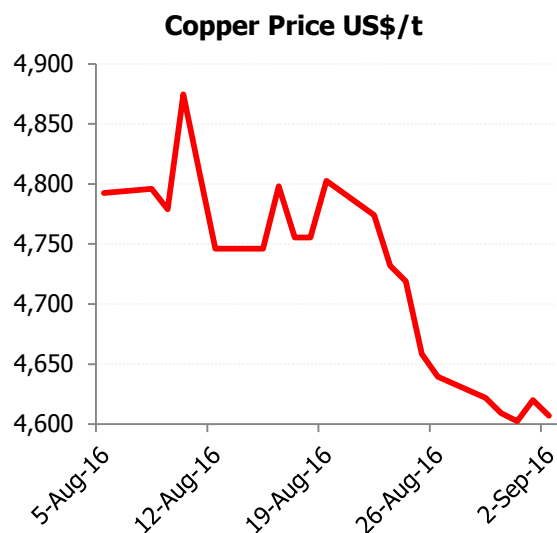
### Platinum Prices US\$/oz



Daily	US\$/oz	WoW %Δ
26-Aug-16	1,085	
29-Aug-16	1,085	
30-Aug-16	1,075	
31-Aug-16	1,063	
1-Sep-16	1,055	
2-Sep-16	1,051	
		<b>-3.1</b>

- Platinum has continued falling due to weak demand and ample supplies.
- Impala Platinum Holdings Ltd (Implats), the world's number 2 producer of the white metal with operations in SA and Zim, narrowed annual losses to ZAR70m (US\$4.77m) thanks largely to cost cuts.
- Implats, along with rivals Lonmin and Anglo American Platinum, is still recovering from a 2014 strike that cost the industry billions of dollars in lost output and damaged the viability of some mines, leading to job cuts.
- As part of efforts to respond to a weaker platinum price, down about 40% from its 2013 peak and boost profit, Implats last year launched a cost-cutting programme that included scaling back on capital expenditure and reducing staff complement.
- The miner said that those efforts saved it ZAR1.4bn this fiscal year, well ahead of its stated target of ZAR930m.

### Commodity 30-Day Price Chart



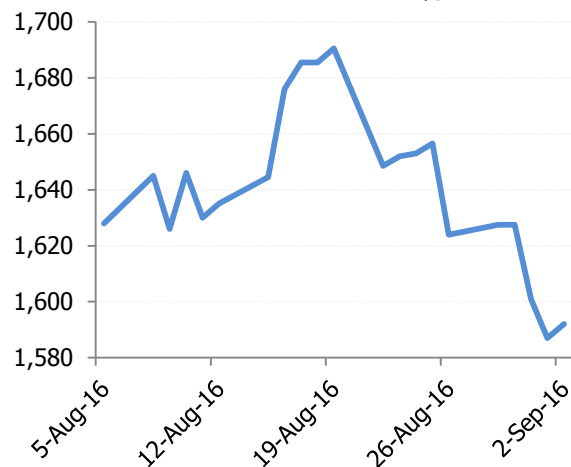
### Commodity Prices

Daily	US\$/t	WoW %Δ
26-Aug-16	4,640	
29-Aug-16	4,622	
30-Aug-16	4,609	
31-Aug-16	4,603	
1-Sep-16	4,620	
2-Sep-16	4,607	
		<b>-0.7</b>

### 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.

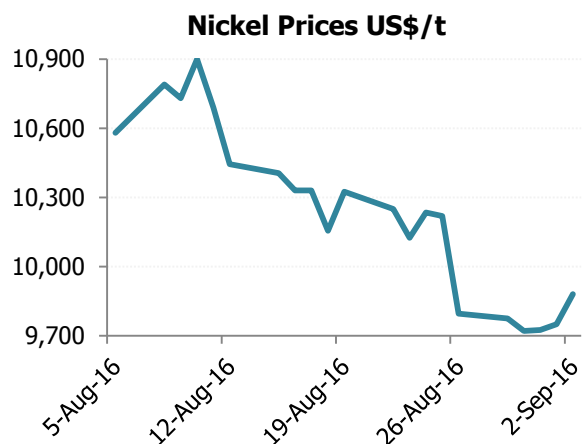
### Aluminium Prices US\$/t



Daily	US\$/t	WoW %Δ
26-Aug-16	1,624	
29-Aug-16	1,628	
30-Aug-16	1,628	
31-Aug-16	1,601	
1-Sep-16	1,587	
2-Sep-16	1,592	
		<b>-2.0</b>

- Aluminium just like copper continued falling on ample supplies and weak demand from top consumer China.
- China is the largest producer and consumer of aluminium.
- Russian aluminium giant Rusal, reported a nearly 40% drop in Q2:16 core earnings due to weak aluminium prices and warned that H2:16 would remain tough.
- However, Rusal expects global aluminium demand to rise by 5.4% to 59.5m tonnes in 2016, helped by housing and automotive growth.
- That, combined with slower growth in aluminium production and falling Chinese exports of aluminium semi-finished products, would result in a global aluminium deficit of about 1m tonnes in 2016.
- Aluminium prices have risen about 11% since the start of 2016, but remain weak.

**Commodity 30-Day Price Chart**



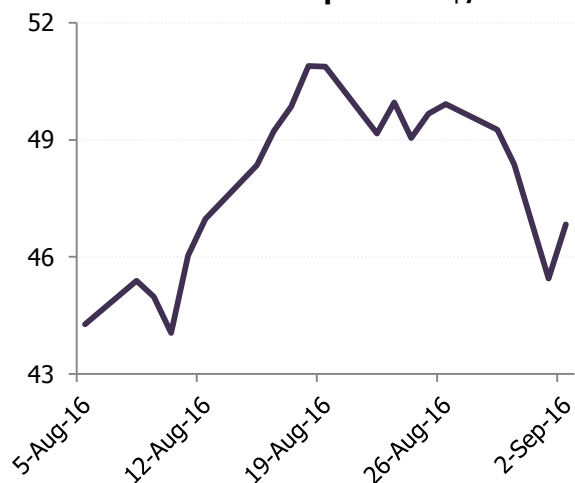
**Commodity Prices**

Daily	US\$/t	WoW %Δ
26-Aug-16	9,795	
29-Aug-16	9,775	
30-Aug-16	9,720	
31-Aug-16	9,725	
1-Sep-16	9,750	
2-Sep-16	9,880	
		<b>0.9</b>

**Commodity Developments**

- Nickel slumped to the lowest in over six weeks on the 30<sup>th</sup> of Aug-16 after worries eased that an environmental crackdown on mines in the Philippines would create shortages of the metal.
- Nickel had surged 32% from the beginning of Jun-16 until it hit a 1-year peak in early Aug-16 as authorities in the Philippines launched a campaign to close mining operations that failed to meet environmental regulations.
- However, in the nickel market there is increased focus on a surge in exports from Indonesia of ferronickel, an intermediate stage of the metal that contains both nickel and iron.
- It seems as if production of nickel in Indonesia has restarted after a Jan-14 ban that caused prices to surge to more than US\$22,000/t.

**Oil Brent prices US\$/bbl**



Daily	US\$/bbl	WoW %Δ
26-Aug-16	49.92	
29-Aug-16	49.26	
30-Aug-16	48.37	
31-Aug-16	46.89	
1-Sep-16	45.45	
2-Sep-16	46.83	
		<b>-6.2</b>

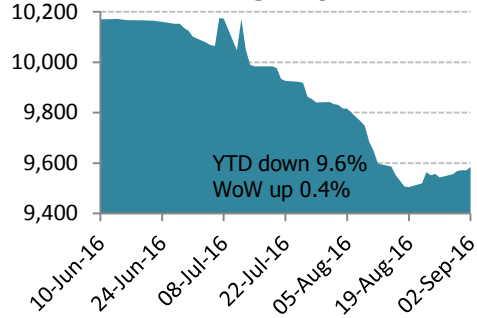
- Oil settled up on the 2<sup>nd</sup> of Sep-15 after a weak US jobs report boosted commodities, but crude prices still ended the week sharply lower on concerns about oversupply.
- US employment growth eased more than expected in Aug-16 after 2-straight-months of robust gains.
- The report initially led to doubts that the Fed Reserve would hike interest rates at its 20-21 Sep-16 meeting. The dollar, however, rose later in the day on bets that a Sep-16 rate hike remained on the cards.
- OPEC, led by S. Arabia and other big Middle East crude exporters, will meet non-member producers led by Russia at informal talks in Algeria from 26 to 28 Sep-16 to discuss an output freeze.
- If OPEC fails to strike a deal in Algeria, the cartel is expected to try other measures to support oil prices during its policy meeting in Vienna on 30 Nov-16.

**Equities 90-Day Index Charts**

**Botswana**



**BSE DCI**

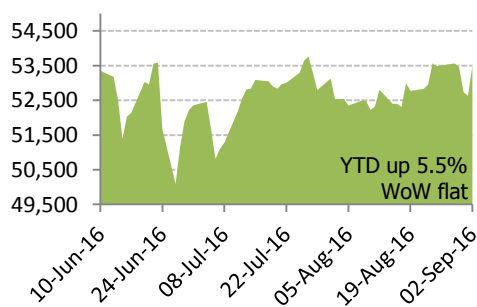


- The head of Stan Chartered's African fund, which has US\$800m invested, is set to leave the bank as it trims its private equity team on the continent.

**South Africa**



**JSE All Share Index**

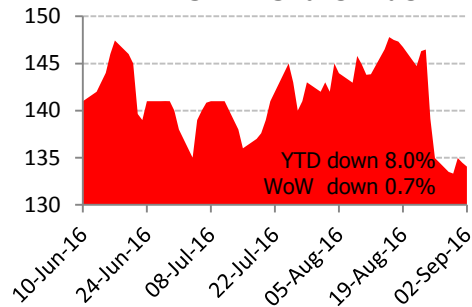


- Power utility Eskom by 30 days the period for interested parties in the Eastern Cape province to comment on its plan to build nuclear plants.

**Kenya**



**NSE All Share Index**

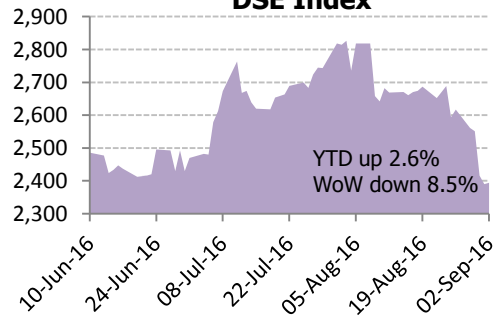


- Commercial banks must start applying a new cap that will limit their lending rates to 4% points above the central bank's benchmark from 14 Sep-16.

**Tanzania**



**DSE Index**

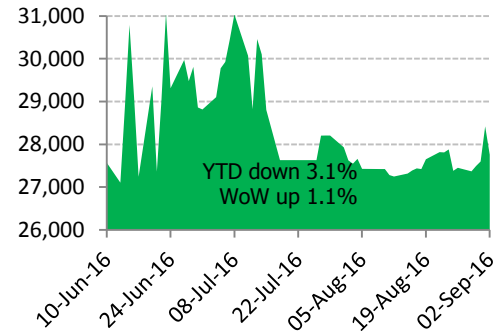


- President John Magufuli ordered officials to speed up long-delayed work on a planned liquefied natural gas (LNG) plant.

**Nigeria**



**NGSE All Share Index**

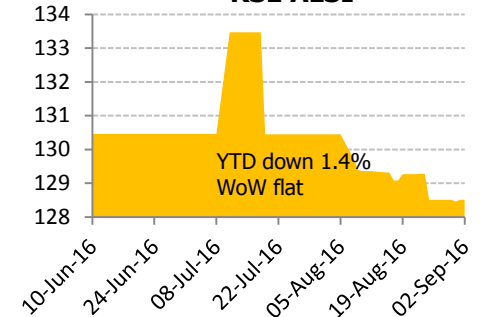


- Militant attacks on energy facilities in southern Niger Delta threaten to cripple the country's state oil company if allowed to go unchecked.

**Rwanda**



**RSE ALSI**

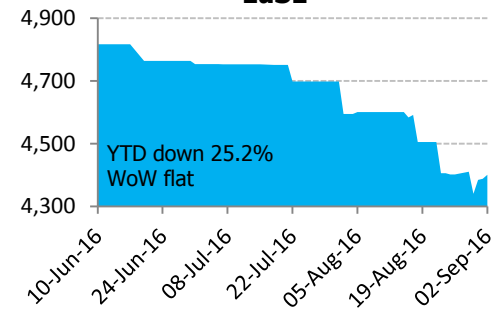


- Rwanda expects to boost its revenue earnings from tourism this year by 25.8% from 2015, helped by extra attractions including a new game park.

**Zambia**



**LuSE**

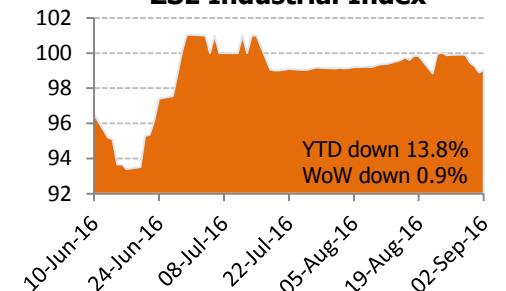


- Inflation slowed to 19.6% year-on-year in Aug-16 from 20.2% in Jul-16, due to a decrease in food prices.

**Zimbabwe**



**ZSE Industrial Index**



- Zim banned all demonstrations in the capital Harare for the next 2 weeks saying they are likely to cause public disorder.

## Foreign Exchange Markets

	BWP	NGN	MZN	USD to:				EUR/USD	GBP/USD
				RWF	TZS	ZMW	ZAR		
<b>Wk Ending</b>									
26-Aug-16	10.63	305	72.6	805	2,187	9.89	14.18	1.129	1.322
<b>Daily</b>									
29-Aug-16	10.74	305	73.1	806	2,187	9.72	14.43	1.119	1.309
30-Aug-16	10.78	305	73.0	806	2,187	9.58	14.40	1.117	1.308
31-Aug-16	10.80	306	73.1	807	2,188	9.53	14.43	1.115	1.314
1-Sep-16	10.86	305	73.2	808	2,188	9.64	14.65	1.114	1.322
2-Sep-16	10.83	305	75.9	808	2,187	9.74	14.67	1.119	1.328
<b>WoW %Δ</b>	<b>2.0</b>	<b>0.0</b>	<b>4.5</b>	<b>0.4</b>	<b>0.0</b>	<b>-1.5</b>	<b>3.4</b>	<b>-0.9</b>	<b>0.5</b>
<b>YTD %Δ</b>	<b>-3.6</b>	<b>55.0</b>	<b>68.7</b>	<b>8.1</b>	<b>1.3</b>	<b>-11.3</b>	<b>-5.8</b>	<b>2.4</b>	<b>-10.5</b>

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
	<b>Wk Ending</b>				
26-Aug-16	0.751	5.17	0.703	56.7	154
<b>Daily</b>					
29-Aug-16	0.747	5.05	0.670	56.0	155
30-Aug-16	0.745	5.04	0.665	56.0	150
31-Aug-16	0.745	5.00	0.651	55.7	151
1-Sep-16	0.740	4.98	0.655	54.8	149
2-Sep-16	0.740	5.25	0.670	55.4	148
<b>WoW %Δ</b>	<b>-1.4</b>	<b>1.5</b>	<b>-4.7</b>	<b>-2.3</b>	<b>-3.9</b>
<b>YTD %Δ</b>	<b>2.4</b>	<b>82.3</b>	<b>-4.9</b>	<b>15.2</b>	<b>5.8</b>

## Exchange Rate Developments

- South Africa's rand weakened in cautious trade ahead of jobs data from the US, which investors and analysts eye for clues on the likelihood of a rate hike this year.
- In Nigerian, the Central Bank of Nigeria (CBN) ended the suspension of 8 lenders banned from the interbank currency market for failing to remit money owed to the Gvt.
- The lifting of forex transaction ban by the CBN may boost dollar supply in the parallel market and prop up the value of the naira.
- The ZMW which has been showing strong signs of strengthening recently is likely to come under pressure following the end of month end dollar conversions.
- The yet to be resolved opposition petition challenging the result of the presidential election has brought about political uncertainty which may weigh down on the kwacha.
- The TZS which has been fairly stable is expected to hold steady, helped by a subdued dollar demand as a result of slowdown in demand from importers.
- In Mozambique, President Filipe Nyusi appointed Rogerio Lucas Zandamela, an IMF official, as central bank governor to replace Ernesto Gove whose term ended.
- The appointed of an IMF official may help to restore the confidence of donors such as the IMF as Mozambique grapples with a spiralling debt and financial crisis. This may also provide some support to the MZN which has been falling unabatedly.
- Among Atlas Mara trading markets' currencies, only the MZN depreciated against the ZAR.

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Contact telephone numbers: 369701-16; 752383-5

## APPENDIX: EXTERNAL TRADE – TOP FIVE EXPORT & IMPORT PARTNERS

