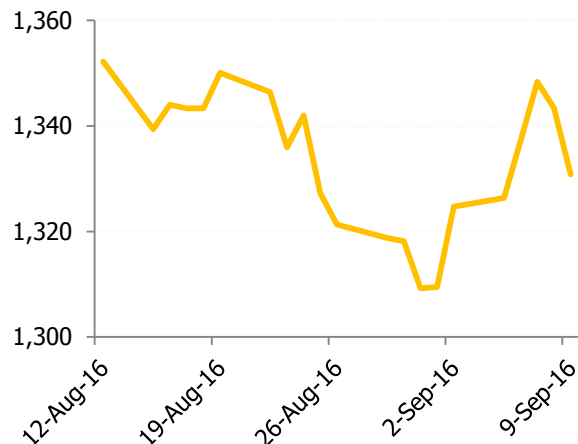


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

Gold Prices US\$/oz



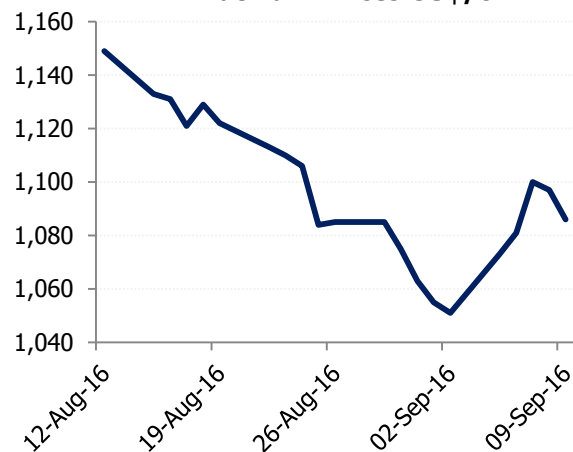
Commodity Prices

Daily	US\$/oz	WoW %Δ
2-Sep-16	1,325	
5-Sep-16	1,326	
6-Sep-16	1,337	
7-Sep-16	1,348	
8-Sep-16	1,343	
9-Sep-16	1,331	
		0.5

Commodity Developments

- Gold prices fell on the 8th and 9th of Sep after a 3-day rally as hawkish comments on US interest rates from a top Fed Reserve official helped lift the US dollar.
- However, the metal managed to register a 2nd successive weekly gain. Soft jobs and services data during the week under review dented expectations that ultra-low interest rates, a key support for non-yielding gold, will rise this year.
- Investors and analysts, however still remain uncertain on the outlook for rates.
- In Tanzania, Shanta Gold Ltd, which operates New Luika mine, underground exploration has increased indicated resources at the Ilunga deposit by 409% to 205,000oz.
- New Luika produced just less than 81,900oz of gold in 2015 and should produce between 82,000oz and 87,000oz this year.

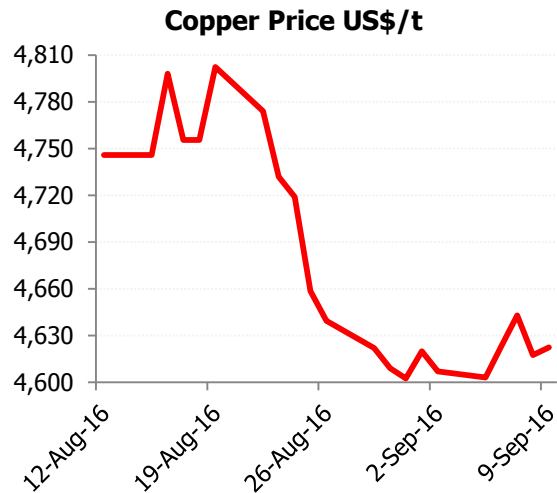
Platinum Prices US\$/oz



Daily	US\$/oz	WoW %Δ
2-Sep-16	1,051	
5-Sep-16	1,073	
6-Sep-16	1,081	
7-Sep-16	1,100	
8-Sep-16	1,097	
9-Sep-16	1,086	
		3.3

- In SA, the World's number 1 producer of platinum, the Association of Mineworkers and Construction Union (AMCU), which led a crippling 5-month strike in 2014, has been in talks with Anglo American Platinum, Impala Platinum and Lonmin since Jul-16 over wages and salaries.
- It seems as if the workers representative union and platinum miners are failing to reach a deal, raising the prospect of an industrial action in the World's biggest producer of the white metal.
- An industrial action may raise prospects of supply shortages, which may help lift prices.
- In Zimbabwe, the 2nd largest producer of the metal after SA, platinum production rose to 7,968kg in H1:16, from 4,919kg in H1:15 despite depressed prices. The industry benefited from removal of 20% tax on raw platinum exports.

Commodity 30-Day Price Chart



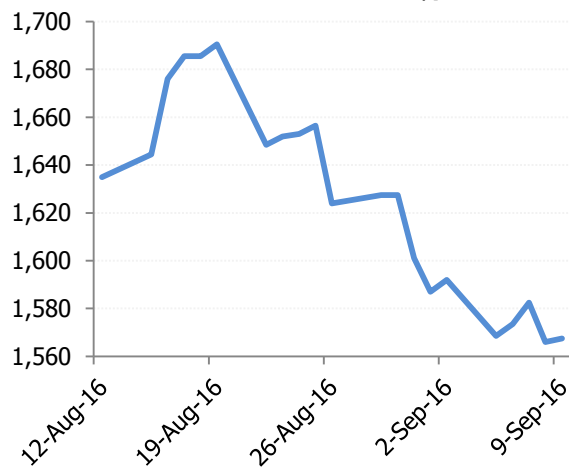
Commodity Prices

Daily	US\$/t	WoW %Δ
2-Sep-16	4,607	
5-Sep-16	4,603	
6-Sep-16	4,623	
7-Sep-16	4,643	
8-Sep-16	4,618	
9-Sep-16	4,623	
		0.3

Commodity Developments

- Copper just held above a 12-week low touched on 31st of Aug-16, as concerns on China economic growth and direction of US interest rates remain.
- Generally, the red metal has been crushed by ample supplies and depressed demand.
- In Africa's major copper producer, DRC, copper production is projected to fall by 1.7% in 2016 to 978,414 tonnes due to low prices.
- Falling output and prices of copper and other commodities have forced the DRC Gvt to slash its economic growth projection for this year to 4.3% from 9% previously. The budget has also been cut by 22%.

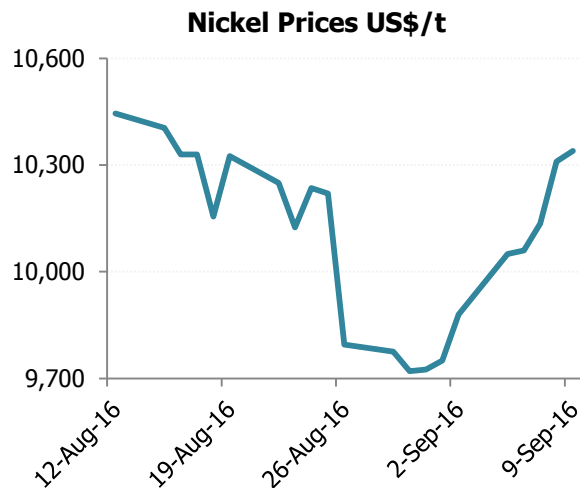
Aluminium Prices US\$/t



Daily	US\$/t	WoW %Δ
2-Sep-16	1,592	
5-Sep-16	1,569	
6-Sep-16	1,574	
7-Sep-16	1,583	
8-Sep-16	1,566	
9-Sep-16	1,568	
		-1.5

- Aluminium fell to its lowest in 3 months as speculation about a US rate hike this month prompted investors to shed risky assets. However, it is highly unlikely that the Fed Reserve will raise rates this month.
- Higher interest rates raise financing costs in the cash intensive metals industry and are likely to dampen activity and prices.
- Aluminium is the worst performing base metal over the past month as investors also worry about restarts of smelters in China, the biggest producer and consumer of the metal.
- Adding to jitters, China's central bank chief economist said that the country should take steps to curb the flow of capital into the property market and state-owned companies to help slow the rise of debt levels in the economy.
- This further dampens prospects of price recovery of these base metals that are used in construction.

Commodity 30-Day Price Chart



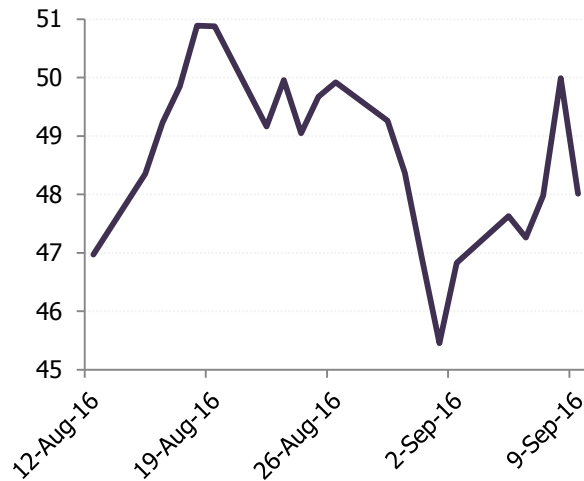
Commodity Prices

Daily	US\$/t	WoW %Δ
2-Sep-16	9,880	
5-Sep-16	10,050	
6-Sep-16	10,060	
7-Sep-16	10,135	
8-Sep-16	10,310	
9-Sep-16	10,340	
		4.7

Commodity Developments

- Nickel prices rose sharply on news that Philippine miners face more mine suspensions under an environmental review backed by President Rodrigo Duterte.
- The World's top nickel ore supplier has halted operations of 10 mines and 8 of them mine nickel. The miners were suspended for environmental infractions and the Gvt is expected to announce more suspensions in the coming week.
- The suspension of nickel mines in the Philippines and the risk of more closures are helping lift global nickel prices.
- Nickel is used to make stainless steel. In Zimbabwe, Gvt pledge its support of recapitalisation of major nickel produce, BNC and its re-engagement of Bamangwato Concessions Limited of Botswana for local toll smelting of nickel concentrates.
- BNC has not been performing well in terms of production due to depressed prices. In H1:16 63% of nickel came from platinum miners and BNC only contributed 37%.

Oil Brent prices US\$/bbl



Daily	US\$/bbl	WoW %Δ
2-Sep-16	46.83	
5-Sep-16	47.63	
6-Sep-16	47.26	
7-Sep-16	47.98	
8-Sep-16	49.99	
9-Sep-16	48.01	
		2.5

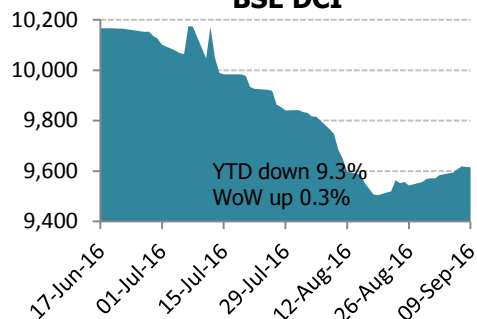
- Oil prices fell on the 9th of Sep-16, paring most of the previous day's rise as traders noted that a tropical storm was behind the week's unexpected slump in US crude inventories.
- However, the market managed a positive weekly gain as hopes for a global deal on stabilising crude output after Saudi Arabia, the leading oil producer inside OPEC, and Russia, the biggest producer outside the group, agreed on the 5th of Sep-16 to cooperate in the oversupplied market.
- However, trading was fairly low on the 9th of Sep-16 as analysts and traders kept debating on the effectiveness of a deal to limit supply should OPEC and non-OPEC producers agree on their 26-28th of Sep-16 informal meeting in Algeria.

Equities 90-Day Index Charts

Botswana



BSE DCI

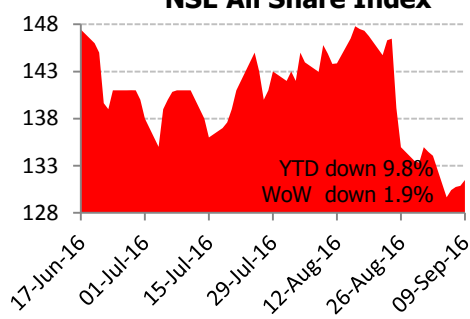


- Govt issued Australian mining firm A-Cap Resources a mining licence, paving the way for what would be the country's 1st uranium mine.

Kenya



NSE All Share Index

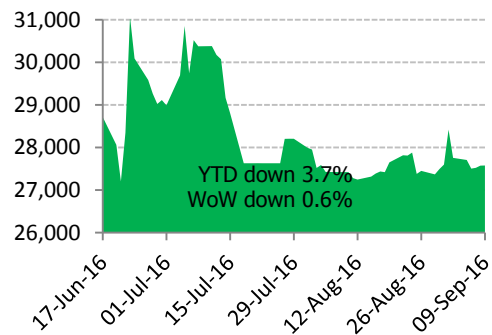


- Tanzania is urging EAC to delay signing of a trade agreement with EU. Kenya and Rwanda signed the agreement, but it needs approval from all EAC members.

Nigeria



NGSE All Share Index

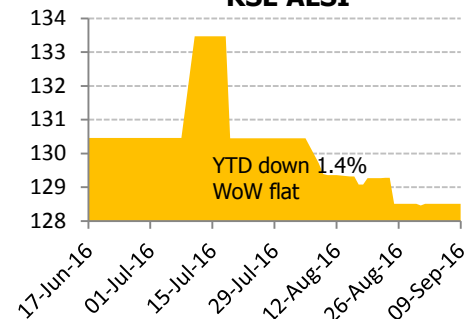


- Independent National Electoral Commission (INEC) has postponed elections in the southern state of Edo to 28 Sep from 10 Sep due to security threats.

Rwanda



RSE ALSI

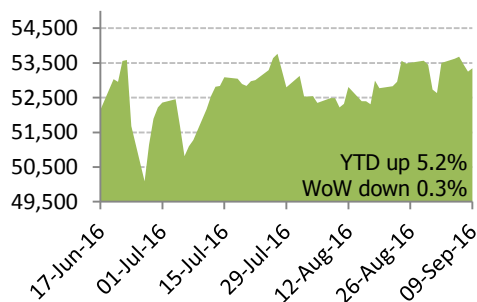


- Inflation fell to 6.4% YoY in Aug-16 from 6.9% in Jul-16.

South Africa



JSE All Share Index

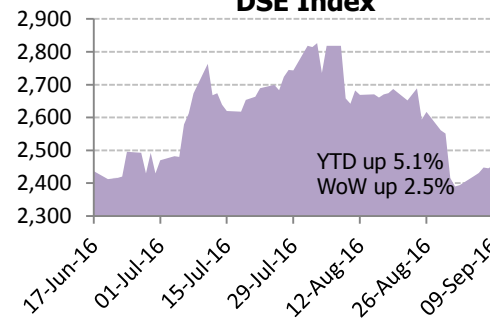


- Growth in two key sectors slowed, with weak activity renewing fears that SA may struggle to avoid recession and a downgrade of its debt to junk.

Tanzania



DSE Index

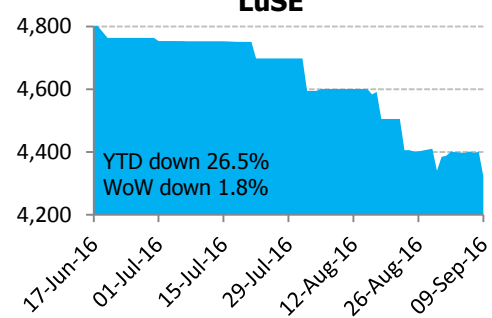


- GDP grew by 5.5% in Q1:16 compared with 5.7% Q1:15, weighed down by slumps in construction, transport and manufacturing sectors.

Zambia



LuSE

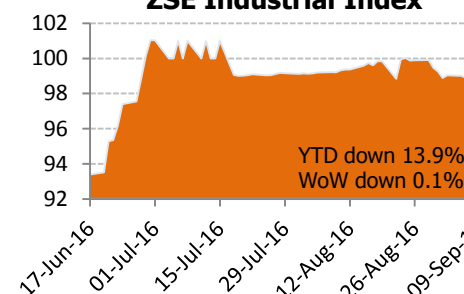


- Supreme Court rejected an application by the main opposition party to stop President Edgar Lungu's inauguration, set for the 13th of Sep-16.

Zimbabwe



ZSE Industrial Index



- Govt is now expecting economy to grow by 1.2% in 2016, from the 1.4% forecast earlier in the year.

Foreign Exchange Markets

	USD to:							EUR/USD	GBP/USD
	BWP	NGN	MZN	RWF	TZS	ZMW	ZAR		
Wk Ending									
2-Sep-16	10.83	305	75.9	808	2,187	9.74	14.67	1.119	1.328
Daily									
5-Sep-16	10.75	305	73.6	808	2,187	9.81	14.39	1.118	1.335
6-Sep-16	10.74	305	75.6	808	2,186	9.96	14.27	1.117	1.334
7-Sep-16	10.56	305	---	808	2,186	10.14	14.02	1.124	1.340
8-Sep-16	10.58	305	76.4	808	2,185	10.23	13.97	1.127	1.336
9-Sep-16	10.64	305	76.4	808	2,186	10.23	14.27	1.127	1.329
WoW %Δ	-1.8	0.0	0.7	0.0	-0.1	5.1	-2.7	0.7	0.1
YTD %Δ	-5.3	55.0	69.8	8.1	1.2	-6.8	-8.4	3.2	-10.4

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
	Wk Ending				
2-Sep-16	0.740	5.25	0.670	55.4	148
Daily					
5-Sep-16	0.746	5.13	0.683	55.8	151
6-Sep-16	0.748	5.31	0.700	56.2	152
7-Sep-16	0.756	---	0.724	57.8	153
8-Sep-16	0.755	5.47	0.733	57.6	156
9-Sep-16	0.751	5.47	0.712	57.2	156
WoW %Δ	1.4	4.2	6.2	3.3	5.4
YTD %Δ	3.9	89.9	1.0	18.9	11.6

Exchange Rate Developments

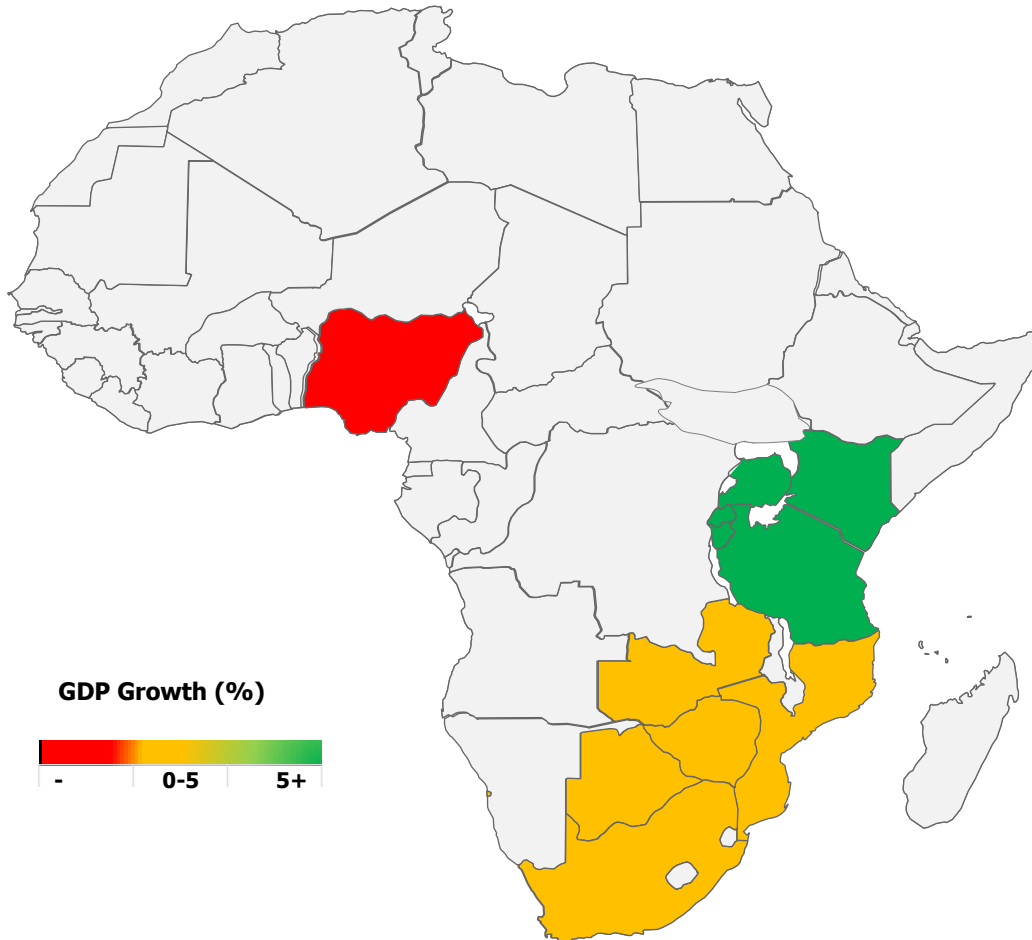
- South Africa's rand depreciated on the 9th of Sep-16, weighed down in part by fears over an on-going investigation into Finance Minister Pravin Gordhan which exacerbated the impact of a decline in global risk appetite.
- The ZAR had touched its firmest in 2 weeks on the 8th of Sep-16 before it began backtracking as doubts over Gordhan's tenure and uncertainty in global markets over the path of interest rates in the US and Europe stalled the currency's progress.
- A decision on the 8th of Sep-16 by the European Central Bank (ECB) to keep interest rates at record lows received a mixed reaction from emerging markets. Appetite globally for the high-yielding assets waned as market remained uncertain on how long will rates remain low in Europe and US.
- In Nigeria, the naira is likely to trade little changed on support from the central bank. The naira has consistently closed at 305 to the dollar during the week on support from the central bank's daily intervention.
- In Zambia, the kwacha which depreciated due to limited dollar inflows is expected to remain under pressure next week due to continued limited in flows of hard currency into Africa's 2nd-largest copper producer.
- East African currencies RWF and TZS were fairly stable and are expected to remain steady, buoyed by a slowdown in demand for dollars.
- The BWP appreciated against the USD in line with ZAR and is expected to continue following the ZAR path.
- However, all Atlas Mara trading markets' currencies depreciated against the ZAR.

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Contact telephone numbers: 369701-16; 752383-5

APPENDIX: EAST AFRICA ENGINE OF ECONOMIC GROWTH IN SUB-SAHARAN AFRICA



- East African nations are playing an increasing role in driving growth in the continent as they ride a wave of cheap oil, slowing inflation and lower interest rates.
 - The economies of Kenya, Rwanda, Tanzania and Uganda are all set to expand more than 5% this year.
 - The bad news for commodities producers has been a boon for East Africa, which has done better at developing agriculture and manufacturing industries.
 - Low prices of energy and other inputs also have helped contain inflation and interest rates, in turn shoring up consumer spending.
 - The region is also reaping the benefits of an improved regulatory regime and increased economic cooperation in investment in transport links and telecommunications.
 - In Kenya, East Africa's biggest economy, Gvt is spending US\$3.2bn on a rail link between the two main cities and the same amount on paving 10,000km of roads by 2020.
 - Rwanda is positioning itself as a regional financial and conference center by cutting red tape, increasing high-speed Internet access and improving roads and electricity supply.
 - Tanzania has begun tapping an estimated 58 trillion cubic feet of natural gas from offshore fields and intends to use it to fire up new factories and commercial farm.
 - Uganda is gearing up to become an oil producer by 2020 and expects to attract US\$8bn in investment.
- Nigeria, struggling with weak crude prices, power outages and mismanagement of the currency, faces a 1.8% contraction whilst South Africa is set to stagnate as it contends with political and labour turmoil and lacklustre demand for its minerals.
 - With Nigeria and South Africa accounting for about half of sub-Saharan Africa's output, the boom in East Africa and a handful of small West African economies like Ivory Coast and Senegal won't be enough to fully offset flagging growth for the region. The IMF in Jul-16 forecast an expansion of just 1.6% this year, down from 3.3% in 2015.