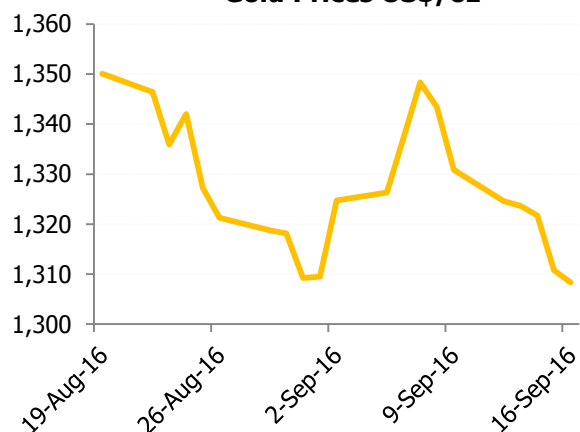


## WEEKLY ECONOMIC REVIEW

### Commodity 30-Day Price Chart

**Gold Prices US\$/oz**



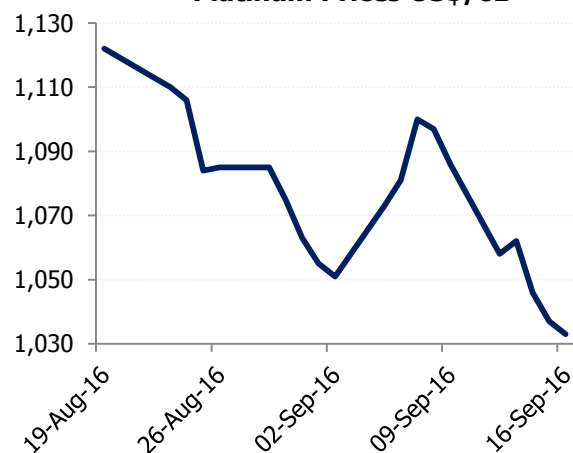
### Commodity Prices

Daily	US\$/oz	WoW %Δ
9-Sep-16	1,331	
12-Sep-16	1,325	
13-Sep-16	1,324	
14-Sep-16	1,322	
15-Sep-16	1,311	
16-Sep-16	1,308	
		<b>-1.7</b>

### Commodity Developments

- Gold fell to a 2-week low after data showing faster-than-expected growth in US consumer prices last month helped support the case for the Fed Reserve to raise interest rates later this year.
- Inflation and economic growth are key factors the US central bank considers when deciding monetary policy.
- 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.
- In Zimbabwe, the country is on course to meet its gold production target of 24 tonnes by end of year. Gold production in H1:16 was 10.7 tonnes. At its peak, Zimbabwe produce 30 tonnes of gold in 1999 and was ranked 3<sup>rd</sup> largest producer in Africa.

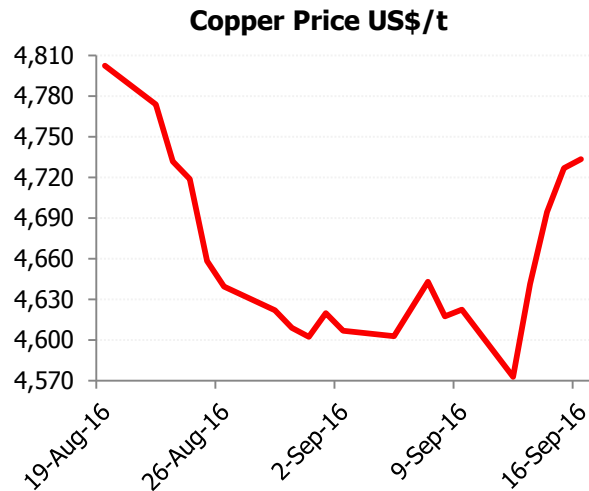
**Platinum Prices US\$/oz**



Daily	US\$/oz	WoW %Δ
9-Sep-16	1,086	
12-Sep-16	1,058	
13-Sep-16	1,062	
14-Sep-16	1,046	
15-Sep-16	1,037	
16-Sep-16	1,033	
		<b>-4.9</b>

- 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 2<sup>nd</sup> 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



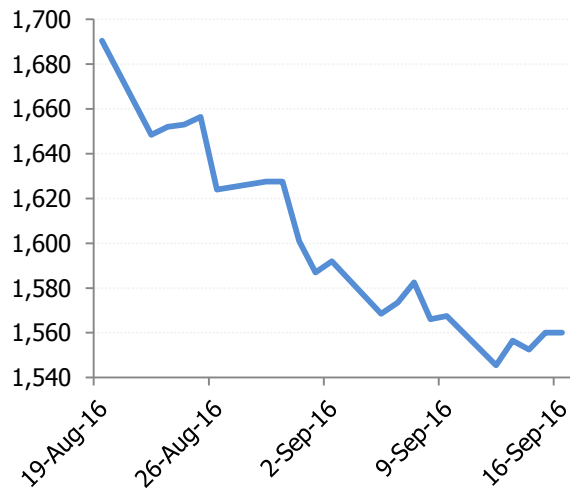
### Commodity Prices

Daily	US\$/t	WoW %Δ
9-Sep-16	4,623	
12-Sep-16	4,573	
13-Sep-16	4,642	
14-Sep-16	4,695	
15-Sep-16	4,727	
16-Sep-16	4,734	
		<b>2.4</b>

### Commodity Developments

- Copper registered its largest weekly rise in 2 months after Chinese economic data suggested stronger growth in the next few months.
- Chinese data which showed encouraging signals from the housing market and indications of a revival in the factory sector over the summer brought speculation that demand may be improving.
- 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%.

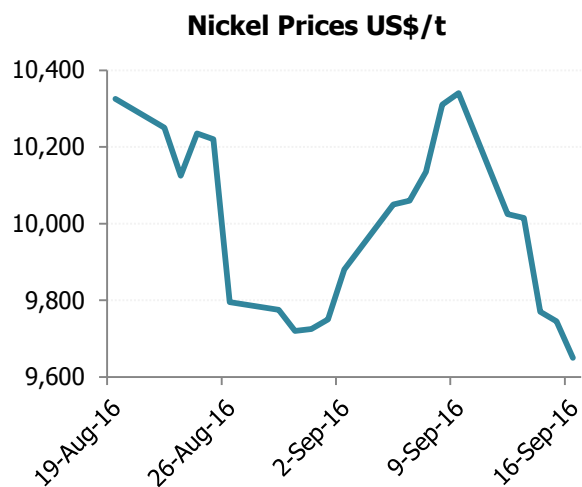
### Aluminium Prices US\$/t



Daily	US\$/t	WoW %Δ
9-Sep-16	1,568	
12-Sep-16	1,546	
13-Sep-16	1,557	
14-Sep-16	1,553	
15-Sep-16	1,560	
16-Sep-16	1,560	
		<b>-0.5</b>

- Russian aluminium giant Rusal expects aluminium prices to stabilise within a U\$1,600-1,700/t range next year if China does not increase production, global stocks keep falling and demand grows.
- Aluminium, used in transport and packaging, has been under pressure for some time due to oversupply.
- Overtaken last year by China's Hongqiao as the world's top aluminium producer, Rusal has been a proponent of shutting down loss-making aluminium plants and the company has reduced its own capacity.

### Commodity 30-Day Price Chart



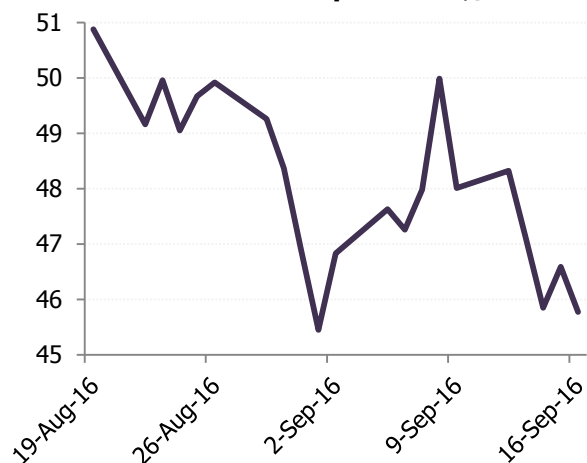
### Commodity Prices

Daily	US\$/t	WoW %Δ
9-Sep-16	10,340	
12-Sep-16	10,025	
13-Sep-16	10,015	
14-Sep-16	9,770	
15-Sep-16	9,745	
16-Sep-16	9,650	
		<b>-6.7</b>

### Commodity Developments

- Nickel was the biggest loser among base metals, down 6.7% for the week, its biggest loss since Jul-15, on a fading threat to Philippine mine supply. The results of mine audit which were expected during the week have been pushed back to 22 Sep-16.
- Russian mining giant Norilsk Nickel is expecting nickel prices to rise to about US\$10,000/t by year-end and to flatten out around that level through 2017.
- Norilsk expects a longer period of decreased supply from Philippines and Indonesia as the two nations embark on building new infrastructure and modern production.

### Oil Brent prices US\$/bbl



Daily	US\$/bbl	WoW %Δ
9-Sep-16	48.01	
12-Sep-16	48.32	
13-Sep-16	47.10	
14-Sep-16	45.85	
15-Sep-16	46.59	
16-Sep-16	45.77	
		<b>-4.7</b>

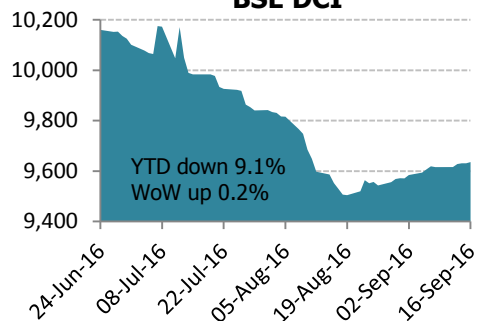
- Oil prices fell on the 9<sup>th</sup> of Sep-16, paring most of the previous day's rise as traders noted that a tropical storm was behind the week's unexpected slump in US crude inventories.
- However, the market managed a positive weekly gain as hopes for a global deal on stabilising crude output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

## Equities 90-Day Index Charts

### Botswana



#### BSE DCI

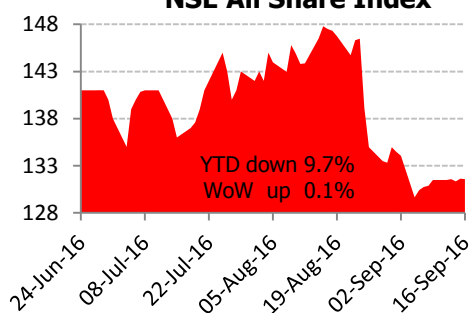


- Botswana has cut its 2016 economic growth estimate to 3.5% from an earlier projection of 4.2%.

### Kenya



#### NSE All Share Index

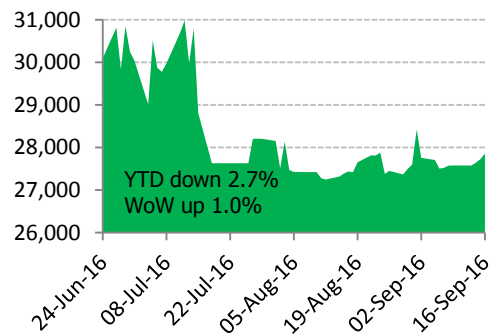


- Banks may slow down on lending as the Gvt capped commercial lending rates and the central bank cut the benchmark interest rate.

### Nigeria



#### NGSE All Share Index

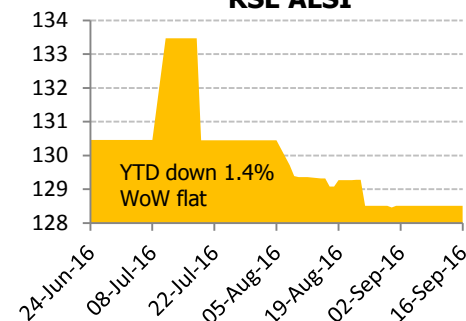


- Central bank kept its benchmark interest at 14% and also maintained existing cash reserve ratios for commercial banks at 22.5%.

### Rwanda



#### RSE ALSI

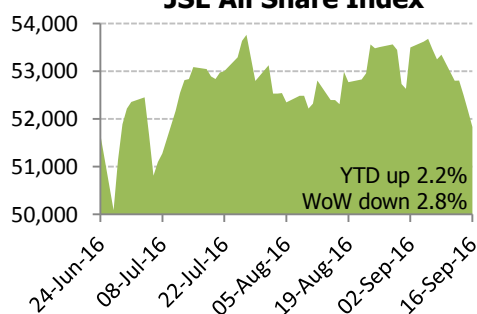


- Economy grew by 5.4% in Q2:16 down from an expansion of 7.2% in the same period last year.

### South Africa



#### JSE All Share Index

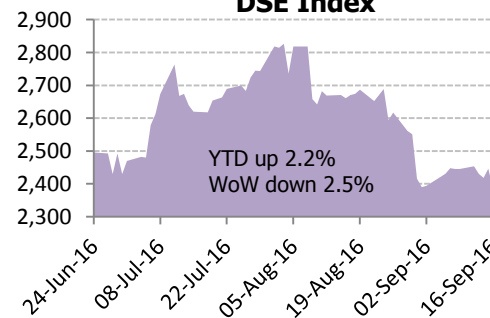


- Rating agents Moody's said could downgrade SA rating if economic growth falls below 0.2%.

### Tanzania



#### DSE Index

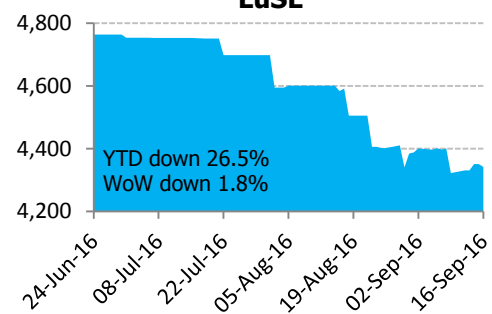


- Economy may expand by 7.2% in 2016, up from 7% in 2015, boosted by construction, anti-corruption drive and better management of public resources.

### Zambia



#### LuSE

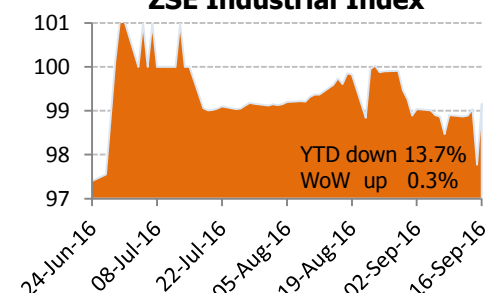


- Supreme Court rejected an application by the main opposition party to stop President Edgar Lungu's inauguration, was held on the 13<sup>th</sup> of Sep-16.

### Zimbabwe



#### ZSE Industrial Index



- According to the central bank governor, Gvt will introduce local bank notes, known as "bond notes", at the end of Oct-16.

## Foreign Exchange Markets

	USD to:							EUR/USD	GBP/USD
	BWP	NGN	MZN	RWF	TZS	ZMW	ZAR		
<b>Wk Ending</b>									
9-Sep-16	10.6	305	76.4	808	2,185	10.2	14.3	1.127	1.329
<b>Daily</b>									
12-Sep-16	10.8	---	76.0	---	---	10.2	14.5	1.125	1.327
13-Sep-16	10.7	305	77.2	808	2,185	10.1	14.3	1.123	1.330
14-Sep-16	10.8	305	76.0	809	2,184	10.0	14.3	1.122	1.322
15-Sep-16	10.7	305	76.8	809	2,183	10.0	14.4	1.123	1.323
16-Sep-16	10.6	305	77.4	809	2,183	10.1	14.1	1.123	1.321
<b>WoW %Δ</b>	<b>0.1</b>	<b>0.2</b>	<b>1.3</b>	<b>0.1</b>	<b>-0.1</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-0.3</b>	<b>-0.7</b>
<b>YTD %Δ</b>	<b>-5.2</b>	<b>55.2</b>	<b>72.0</b>	<b>8.2</b>	<b>1.1</b>	<b>-7.8</b>	<b>-9.3</b>	<b>2.9</b>	<b>-11.0</b>

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/RWF	ZAR/TZS
	<b>Wk Ending</b>				
9-Sep-16	0.751	5.47	0.733	57.2	156
<b>Daily</b>					
12-Sep-16	0.744	5.23	0.712	---	---
13-Sep-16	0.746	5.35	0.697	56.8	151
14-Sep-16	0.745	5.31	0.700	56.2	151
15-Sep-16	0.748	5.41	0.701	56.5	152
16-Sep-16	0.751	5.44	0.713	56.8	153
<b>WoW %Δ</b>	<b>0.1</b>	<b>-0.5</b>	<b>-2.7</b>	<b>-0.7</b>	<b>-1.9</b>
<b>YTD %Δ</b>	<b>3.9</b>	<b>88.9</b>	<b>1.1</b>	<b>18.2</b>	<b>9.4</b>

## Exchange Rate Developments

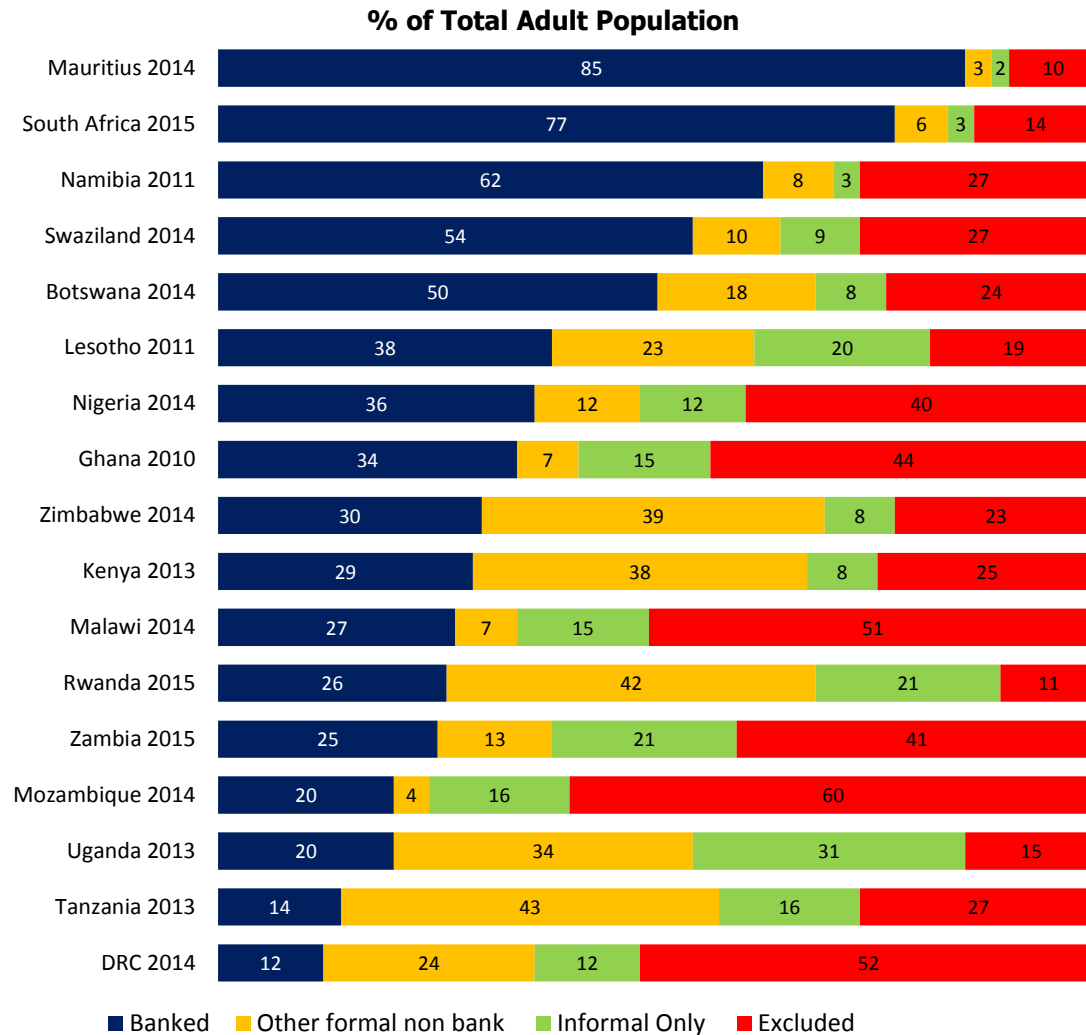
- South Africa's rand strengthened against the US dollar after a set of weak US economic data pushed back expectations on a rate hike by the Fed Reserve.
- The Nigerian naira was fairly stable during the week and is expected to remain stable at current levels as the central bank ups its support for the currency.
- The Zambian kwacha which appreciated against the USD is likely to firm further due to anticipated conversions of hard currency by firms preparing to pay month-end costs and taxes.
- In Mozambique, a mission from the IMF is expected to assess what measures the Gvt could take to regain the confidence of both investors and donors. Among others, independent Auditors are to evaluate the level of Gvt debt.
- Cooperation between the Mozambique and the IMF deteriorated in Apr-16 following the discovery of debts of US\$1.41bn that Gvt had taken between 2013 and 2014, without the involvement of parliament and the international financial institutions. This dented investor confidence which in turn has grossly affected the metical.
- Mozambique is presently facing complex economic challenges which include depressed export earnings, strong devaluation of the metical, a rise in inflation and military disturbances.
- All Atlas Mara trading markets currencies appreciated against the ZAR except for the BWP.

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Contact telephone numbers: 369701-16; 752383-5

## APPENDIX: FINANCIAL INCLUSION



- Financial inclusion refers to the sustainable cost-effective provision of a wide range of financial services at affordable cost to the majority of the population.
- Access to traditional financial services in sub-Saharan African countries generally remains low.
- The share of the population having an account at, or borrowing from, a financial institution is low compared with other regions.
- Insufficient information on borrowers (such as credit history and credit risk), the lack of collateral registries, and difficult contract enforcement constrain bank lending to the private sector in many African countries.
- In recent years, innovative financial services have started compensating for some of these shortcomings in a number of countries.
- The development of mobile payment systems has helped to incorporate large shares of the population into the financial system, especially in East Africa.
- Microfinance offers an important avenue that can complement mobile banking to foster financial inclusion.
- Microfinance has grown rapidly, providing services to customers at the lower end of the income distribution.
- While individual services in mobile payments and microfinance are expanding, both types of financial services so far have been complementary, with mobile payment systems facilitating mainly payment transactions, while microfinance has been relaxing financial constraints for poorer households.
- Mauritius has the highest rate of financial inclusion. Only 10% of its adult population is financially excluded. Mozambique has the highest rate of adult population that are financially excluded.

Source: Finscope Surveys