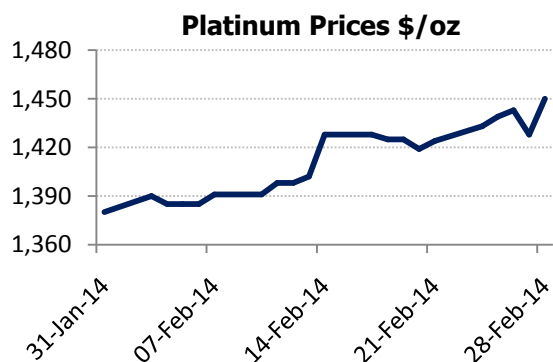
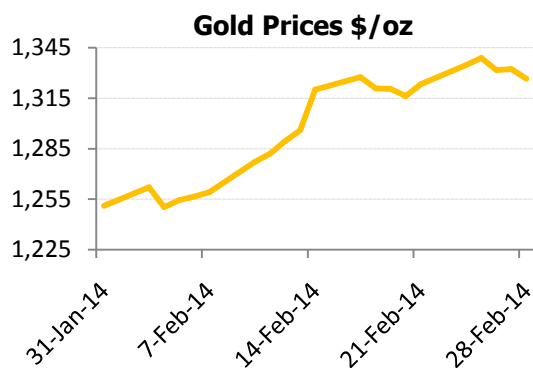


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart



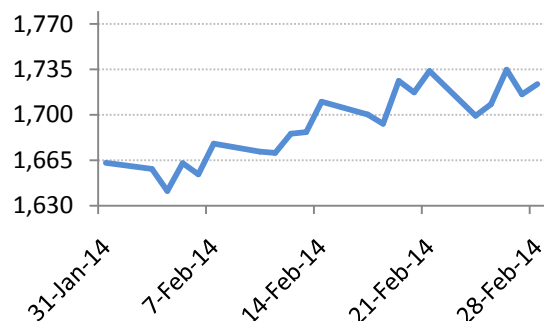
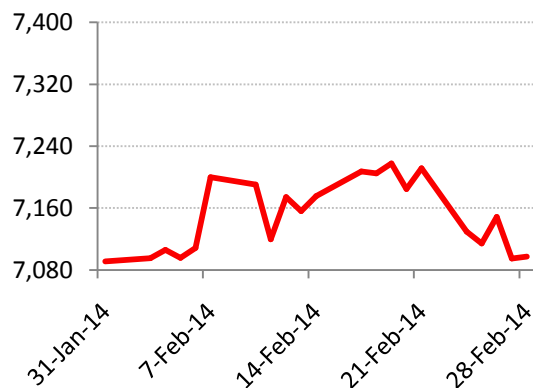
Commodity Prices

	Avg Prices US\$/oz	YoY %Δ
2013	1,411	-15.41
2014f	1,220	-13.54
Monthly		MoM %Δ
Dec-13	1,221	-4.31
Jan-14	1,243	1.80
Feb-14	1,301	4.67
Daily		WoW %Δ
21-Feb-14	1,323	
24-Feb-14	1,335	
25-Feb-14	1,339	
26-Feb-14	1,332	
27-Feb-14	1,332	
28-Feb-14	1,327	
		0.25

	Avg Prices US\$/oz	YoY %Δ
2013	1,515	-2.51
2014f	1,400	-7.59
Monthly		MoM %Δ
Dec-13	1,367	-3.73
Jan-14	1,425	4.25
Feb-14	1,413	-0.84
Daily		WoW %Δ
21-Feb-14	1,424	
24-Feb-14	1,433	
25-Feb-14	1,439	
26-Feb-14	1,443	
27-Feb-14	1,428	
28-Feb-14	1,450	
		1.83

Commodity Developments

- Gold prices are now expected to average \$1,220/oz in 2014, 13.54% down from 2013 average. Initially, gold price was projected to average US\$1,360/oz.
- Tapering of bond purchase by the US and likely increase in interest rates accompanied by India's restriction on gold imports puts more downward pressure on prices.
- However, continually robust demand of the yellow metal from China might not be enough to counterbalance weak physical demand from India and investors this year.
- On a monthly basis, gold prices gained 4.67% in Feb to average \$1,301/oz, 6.64% above the anticipated average, due to weaker-than-expected US economy data which restored its safe haven appeal.
- Over the past week, Gold prices were generally stable.
- Platinum prices (where physical demand is more important) are expected to average \$1,400/oz this year, 7.59% lower than last year's average.
- Unlike Gold, losses in platinum prices are expected to be lower due to its stronger industrial use.
- On a monthly basis, the white metal prices shed off 0.84% to average \$1,413, just marginally above the anticipated yearly average.
- Over the past week, platinum prices surged 1.83% to close at \$1,450/oz. The platinum price was supported by unrests in Ukraine, economic concerns from US and China and supply shocks brought about by labour unrests in SA.
- News that SA trade unions rejected Chinese company, Long March, platinum investment opting for nationalisation of the sector, supported the metal prices on Fri as investors rushed to hold the scarce resource.

Commodity 30-Day Price Chart
Aluminium Prices \$/mt

Copper Price \$/mt

Commodity Prices

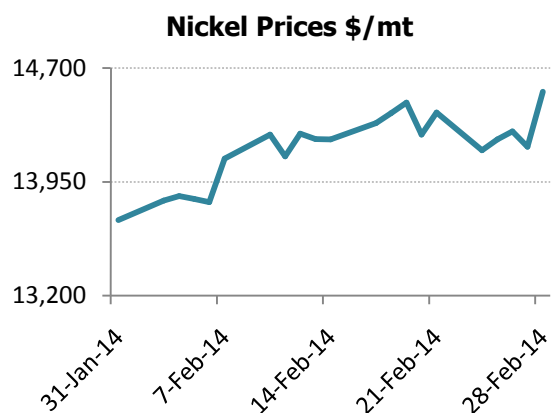
	Avg Prices US\$/t	YoY %Δ
2013	1,845	8.80
2014f	1,800	-2.44
	Monthly	MoM %Δ
Dec-13	1,736	-2.20
Jan-14	1,728	-0.46
Feb-14	1,694	-1.97
	Daily	WoW %Δ
21-Feb-14	1,734	
24-Feb-14	1,699	
25-Feb-14	1,708	
26-Feb-14	1,735	
27-Feb-14	1,716	
28-Feb-14	1,724	
		-0.58

	Avg Prices US\$/t	YoY %Δ
2013	7,319	-8.04
2014f	7,150	-2.31
	Monthly	MoM %Δ
Dec-13	7,210	1.79
Jan-14	7,299	1.23
Feb-14	7,152	-2.01
	Daily	WoW %Δ
21-Feb-14	7,212	
24-Feb-14	7,130	
25-Feb-14	7,115	
26-Feb-14	7,149	
27-Feb-14	7,095	
28-Feb-14	7,098	
		-1.58

Commodity Developments

- 2014 expected average prices for all industrial metals have been revised downwards due to concerns about the path of the Chinese economy growth.
- Prospects of these metals depend on Chinese demand since China accounts for more than 45% of global metal consumption.
- Aluminium prices are expected to average \$1,800/t, 2.44% below last year's average.
- Currently aluminium prices are lower than the projected average due to weaker demand from Asian markets.
- Aluminium shed off 0.58% on a WoW basis whilst 1.97% on a MoM basis.

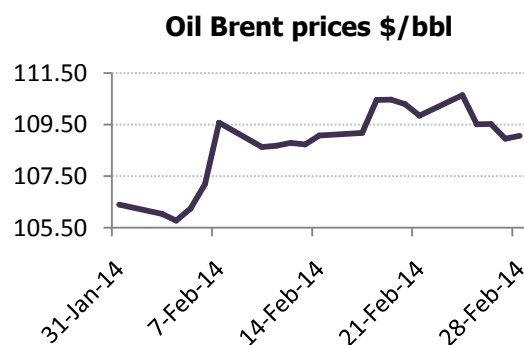
- Copper prices are expected to average \$7,150/t, 2.31% down from 2013 average.
- Most risks are on the downside and depend mostly on the Chinese economy.
- With increased investments in the past few years which were induced by high prices and weakening Chinese growth, copper may struggle even to maintain the \$7000/t mark.
- Jan and Feb are generally considered holiday months contributing to fall in monthly average prices.
- Over the past week copper prices plummeted by 1.58% as traders became impatient for signs of post holiday pick up in Chinese demand.
- Under-performance of copper will grossly affect the Zambian economy which relies much on copper exports.

Commodity 30-Day Price Chart

Commodity Prices

	Avg Prices US\$/t	YoY %Δ
2013	15,000	-14.64
2014f	14,500	-3.33
	Monthly	MoM %Δ
Dec-13	13,924	1.45
Jan-14	14,071	1.06
Feb-14	14,192	0.89
	Daily	WoW %Δ
21-Feb-14	14,408	
24-Feb-14	14,158	
25-Feb-14	14,230	
26-Feb-14	14,283	
27-Feb-14	14,183	
28-Feb-14	14,545	
		0.95

Commodity Developments

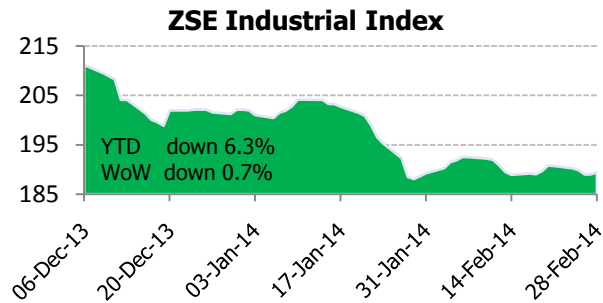
- Nickel supported by Indonesia's ban on ore exports registered positive gains over the past week.
- Holiday celebrations in Asian markets, least affected the industrial metal as it registered positive gains on monthly basis to average \$14,192/t in Feb.
- However, average yearly prices are expected to plummet by 3.33% to \$14,500/t from \$15,000/t in 2013.
- Generally, Chinese economy fundamentals will direct metals markets.
- If robust supply trends continue and weaker-than-expected demand growth materializes, metal prices could decline more than forecasted, with significant negative consequences for SSA economies who are metal exporters (and benefits for metals importers).
- Monetary risks, including the normalization of US monetary policy, should be less of a concern for metals.
- Brent oil prices are expected to average \$105/bbl, 3.55% down from 2013 average.
- Weak oil demand is anticipated due to weaker growth prospects in emerging markets (where most of demand growth is taking place) and innovations in more efficient oil uses induced by the high prices.
- On the supply side, high prices have prompted increased use of innovative exploration techniques (including deep-water offshore drilling and extraction of shale liquids) and the implementation of new extractive technologies to increase the output from existing wells.
- However, geo-political concerns and output disruptions, commonly in the Middle East, may impose some volatility in oil prices.
- Russia's de facto control of Crimea (Ukraine) could push oil prices in the coming weeks. Russia is the 2nd world supplier of natural gas after Iran.



	Avg Prices US\$/bbl	YoY %Δ
2013	108.86	-2.77
2014f	105.00	-3.55
	Monthly	MoM %Δ
Dec-13	110.76	2.64
Jan-14	107.27	-3.15
Feb-14	108.84	1.45
	Daily	WoW %Δ
14-Feb-14	109.08	
17-Feb-14	109.18	
18-Feb-14	110.46	
19-Feb-14	110.47	
20-Feb-14	110.30	
21-Feb-14	109.85	
		0.71

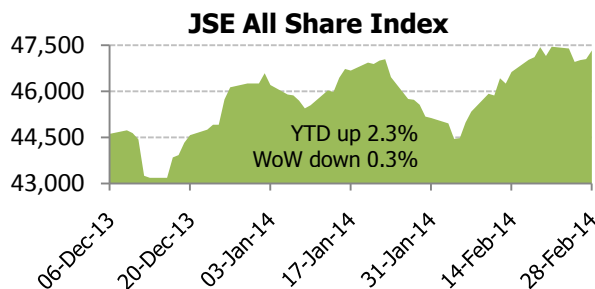
Equities 90-Day Index Charts

Zimbabwe



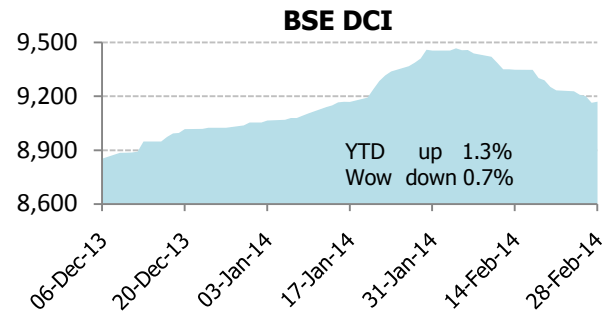
- Liquidity crunch coupled with low incomes have seen activity on the bourse slowing down.
- Foreigners dominate trades weakening the bargaining power of sellers.

South Africa



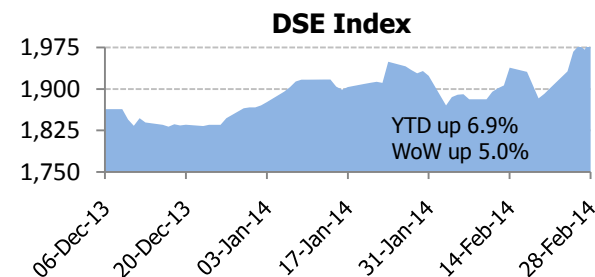
- SA stocks closed the month higher led by insurer, Old Mutual which announced robust annual sales.
- Stocks fell sharply at the start of the year in a flight from emerging markets after the U.S. announced the tapering of its bond buying programme

Botswana



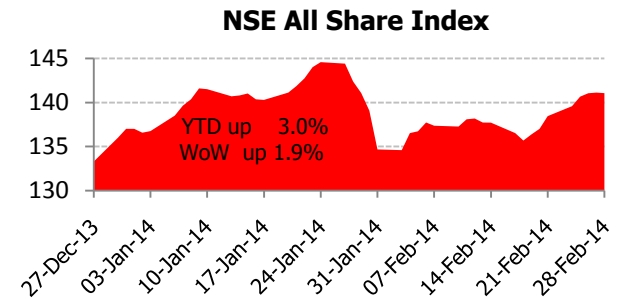
- The reporting season has negatively affected trades on the bourse.
- Past week volumes were relatively thin with most trades generated from large caps, BIHL, Letshogo and FNBB.

Tanzania



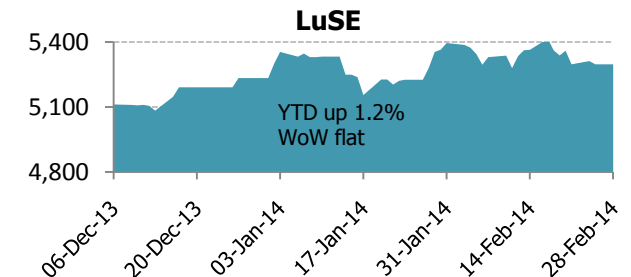
- High fluctuations are a result of fewer players in this market.

Kenya



- There was much activity on this bourse.
- Kenya's inflation slowed to 6.86% in Feb from 7.2% in Jan.
- CPI rose 0.4% month-on-month.

Zambia



- No major activities recorded at this bourse.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
21-Feb-14	8.985	30.59	1,612	5.779	11.027	1.371	1.668
Daily							
24-Feb-14	8.953	30.57	1,611	5.785	10.948	1.375	1.664
25-Feb-14	8.905	30.56	1,611	5.763	10.831	1.376	1.667
26-Feb-14	8.850	30.56	1,611	5.783	10.748	1.374	1.667
27-Feb-14	8.905	30.56	1,610	5.792	10.809	1.366	1.665
28-Feb-14	8.850	30.56	1,611	5.806	10.718	1.371	1.673
WoW %Δ	-1.50	-0.10	-0.06	0.47	-2.81	0.00	0.32

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
21-Feb-14	0.815	2.78	0.523	146
Daily				
24-Feb-14	0.817	2.81	0.529	146
25-Feb-14	0.821	2.85	0.537	148
26-Feb-14	0.825	2.85	0.537	150
27-Feb-14	0.822	2.85	0.537	150
28-Feb-14	0.825	2.85	0.541	150
WoW %Δ	1.22	2.52	3.44	2.74

Exchange Rate Developments

- The USD over the past week was generally stable against major currencies.
- Rising tension between Russia and Western community over the fate of Ukraine have seen investors seeking other markets.
- Consequently, the BWP and ZAR appreciated by 1.5% and 2.8%, respectively, against the USD, whilst the TZS and MZN remained stable.
- Worryingly, the Kwacha depreciated further, and Zambia's Central Bank responded by increasing its benchmark interest rate to 10.25%.
- High inflationary risk forced the Bank of Zambia to tighten its monetary policy in order to put inflation on the trajectory towards the 2014 target of 6.5%.
- The ZAR appreciated against all BancABC markets currencies.
- Data showing SA's widening trade deficit as a result of labour market disruption in the mining and manufacturing failed to significantly impact the ZAR as more focus was on Ukraine.
- Strengthening of emerging markets currencies is a result of a rush to safety by investors.
- Focus in all markets is on whether there will be an outright conflict in Ukraine and if the West will impose any sanctions against Russia, especially against its banking and financial sector which may be disastrous.

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