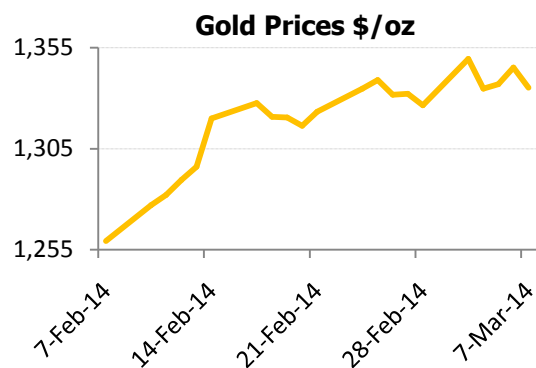


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

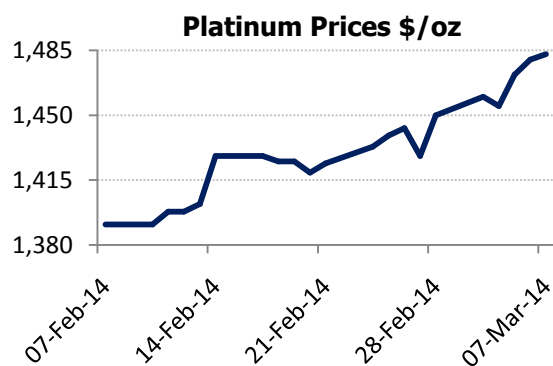


Commodity Prices

	Lowest Price \$/oz	Highest Price \$/oz
Dec-13	1,195	1,266
Jan-14	1,205	1,267
Feb-14	1,250	1,339
Daily		WoW %Δ
28-Feb-14	1,327	
3-Mar-14	1,350	
4-Mar-14	1,335	
5-Mar-14	1,337	
6-Mar-14	1,345	
7-Mar-14	1,335	
		0.25

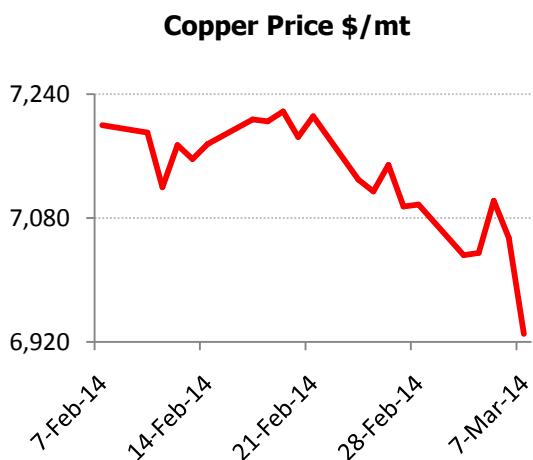
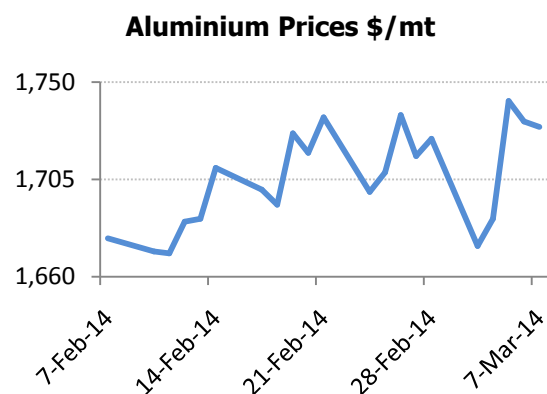
Commodity Developments

- In Feb, the lowest price level reached by the yellow metal was \$1,250/oz which was significantly higher than the previous months.
- Conversely, the highest price was \$1,339/oz which was 6% higher than that of Jan.
- Poor data out of the U.S. economy and Chinese Economy stunting growth restored gold's safe haven appeal.
- Increased tensions on Ukraine crisis helped the yellow metal to maintain its safe haven status over the past week.
- Better-than-expected U.S. jobs data had little impact on Gold prices as more focus was on Ukraine.



	Lowest Price \$/oz	Highest Price \$/oz
Dec-13	1,349	1,389
Jan-14	1,365	1,471
Feb-14	1,385	1,450
Daily		WoW %Δ
28-Feb-14	1,450	
3-Mar-14	1,460	
4-Mar-14	1,455	
5-Mar-14	1,472	
6-Mar-14	1,480	
7-Mar-14	1,483	
		2.28

- Platinum notched its second straight weekly gain of 2% whilst palladium posted its biggest weekly gain in nearly eight months of 5%.
- Political tensions in second-biggest producer Russia and union strikes in top producer S.A. have triggered fears of supply constraints.
- There is no sign of an end to a six-week old platinum strike in S.A.
- Wage talks collapsed earlier last week between S.A.'s powerful mineworker union (AMCU) and the world's three top producers.

Commodity 30-Day Price Chart

Commodity Prices

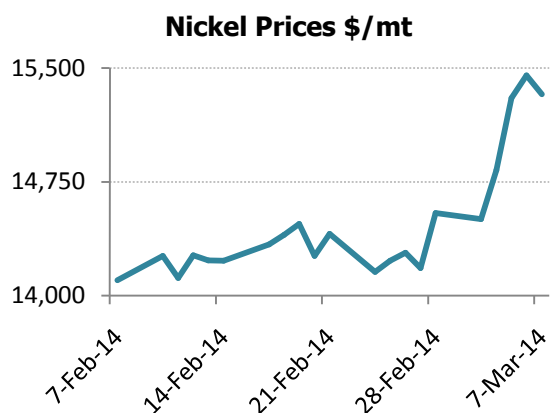
	Lowest Price \$/t	Highest Price \$/t
Dec-13	1,695	1,771
Jan-14	1,663	1,767
Feb-14	1,641	1,735
Daily		WoW %Δ
21-Feb-14	1,734	
24-Feb-14	1,699	
25-Feb-14	1,708	
26-Feb-14	1,735	
27-Feb-14	1,716	
28-Feb-14	1,724	
		-0.58

	Lowest Price \$/t	Highest Price \$/t
Dec-13	6,945	7,394
Jan-14	7,091	7,439
Feb-14	7,095	7,218
Daily		WoW %Δ
28-Feb-14	7,098	
3-Mar-14	7,032	
4-Mar-14	7,035	
5-Mar-14	7,102	
6-Mar-14	7,054	
7-Mar-14	6,930	
		-2.36

Commodity Developments

- Monthly aluminium lowest and highest prices have been declining over the past three months.
- Growth concerns of the Chinese economy have weighed down on industrial metal prices.
- China's exports unexpectedly plummeted in Feb, sending the trade balance into deficit and adding to fears of a slowdown in the world's second-largest economy, despite the Lunar New Year holidays being blamed for the slide.
- Chinese consumer demand has yet to gain steam after the New Year break.
- Copper slid 2.4% last week to hit its lowest in more than 6 months following China's first domestic bond default last week.
- Chinese loss-making solar equipment producer Chaori Solar missed an interest payment, which set a landmark in market discipline after local Gvt previously had stepped in to bail out firms.
- China accounts for more than 40% of global consumption of copper which is used mainly in power and construction.
- Earlier in the week, Chinese Gvt gave an economic growth target of 7.5% for this year, unchanged from last year as it also announced reforms on finance, the environment and other areas heightening growth worries of the second largest economy.

Commodity 30-Day Price Chart



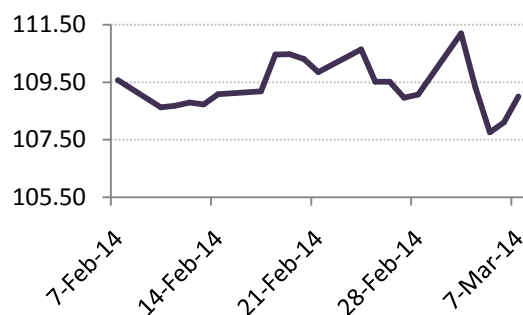
Commodity Prices

	Lowest Price \$/t	Highest Price \$/t
Dec-13	13,348	14,305
Jan-14	13,363	14,643
Feb-14	13,818	14,545
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, the best performing base metal this year, gained closer to 1% in prices over the past week.
- The metal used in alloying has benefited on Indonesia's ban on ore exports which may soon tighten global supply as Chinese stockpiles run out.
- Around \$500 m a month in ore and concentrate exports have stopped since Indonesia in Jan imposed new mining regulations that included a ban on nickel ore exports.
- In the near term, there is no supplier to replace Indonesia and Chinese stainless steel producers may be forced to import refined nickel.
- This generally creates demand and may send nickel prices even higher, benefiting SSA economies who are nickel producers.

Oil Brent prices \$/bbl

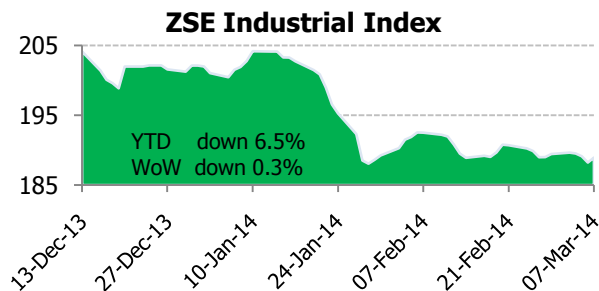


	Lowest Price \$/bbl	Highest Price \$/bbl
Dec-13	108.44	112.62
Jan-14	106.35	110.80
Feb-14	105.78	110.64
Daily		WoW %Δ
28-Feb-14	109.07	
3-Mar-14	111.20	
4-Mar-14	109.30	
5-Mar-14	107.76	
6-Mar-14	108.10	
7-Mar-14	109.00	
		-0.06

- Brent prices ended the week flat after gains in two previous weeks.
- The positive U.S. jobs data supported oil prices which had slid to \$107.76 on the 5th of March.
- Brent prices peaked on the 3rd of March, to \$111.20 on worries on growing tensions on the Ukraine crisis.
- Failure to peacefully resolve the Ukraine crisis will send oil prices even higher. The Russia-Ukraine impasse has potential to destabilise world energy supplies.

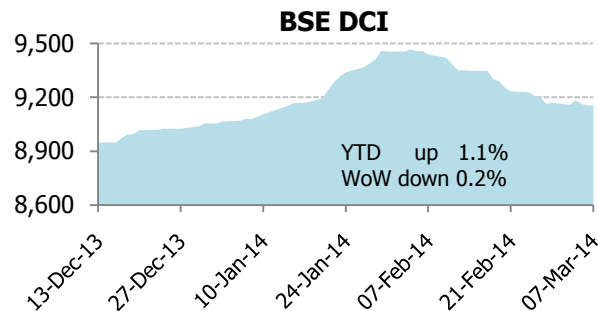
Equities 90-Day Index Charts

Zimbabwe



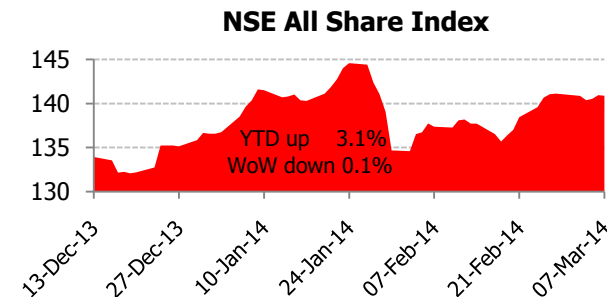
- Liquidity crunch coupled with low incomes have seen activity on the bourse slowing down.
- Annual inflation has remained below 1% for 5 consecutive months. Inflation pressures are expected to emanate from planned power increase.

Botswana



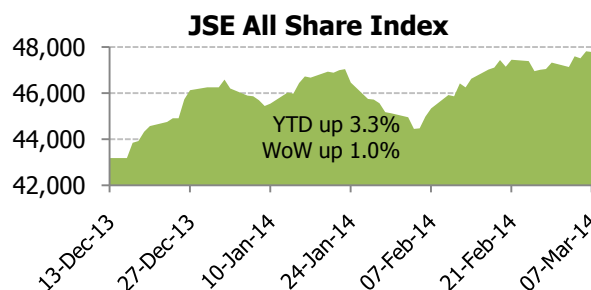
- The index continues to fall since end of Jan.
- Bank of Botswana to curb inflation within the medium term range of 3%-6%.
- Economy forecasted to grow by 5.1% compared to last year's 5.4%.

Kenya



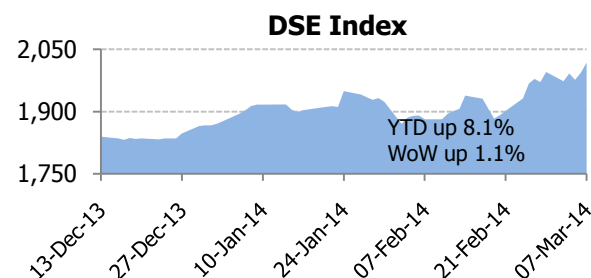
- Activity remained almost flat over the past week.
- Kenyan Central Bank mopped up 9 bn shillings through 14-day repos at a weighted average interest rate of 6.776% to strengthen the Shilling.

South Africa



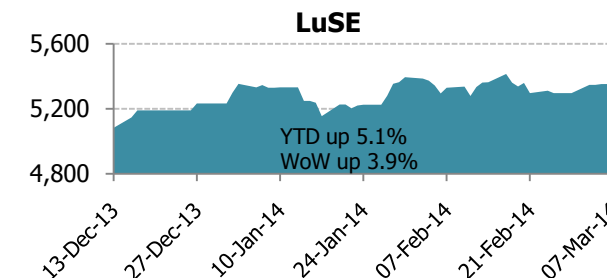
- Investors were largely cautious as they digested the U.S. jobs data.
- Stronger-than-anticipated U.S. jobs data reassured investors that the U.S. will rein its economic stimulus programme.

Tanzania



- The bourse has highest YTD gains so far.
- Tanzania's inflation remained unchanged at 6% in Feb. Inflation rate likely to go up in the coming months due to higher energy and fuel costs.
- Gvt unlikely to meet the targeted 5% by June.

Zambia



- Recorded the highest weekly gains.
- Kwacha weaknesses have intensified inflationary pressures.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
28-Feb-14	8.850	30.56	1,611	5.806	10.718	1.371	1.673
Daily							
3-Mar-14	8.873	30.53	1,612	5.825	10.780	1.377	1.672
4-Mar-14	8.897	30.49	1,613	5.897	10.830	1.376	1.671
5-Mar-14	8.873	30.52	1,614	5.949	10.755	1.373	1.668
6-Mar-14	8.842	30.48	1,614	6.031	10.668	1.373	1.673
7-Mar-14	8.787	30.53	1,613	5.945	10.613	1.387	1.674
WoW %Δ	-0.70	-0.10	0.12	2.39	-0.98	1.18	0.05

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
28-Feb-14	0.825	2.85	0.541	150
Daily				
03-Mar-14	0.821	2.83	0.540	150
04-Mar-14	0.821	2.83	0.546	150
05-Mar-14	0.823	2.84	0.554	149
06-Mar-14	0.826	2.86	0.566	150
07-Mar-14	0.827	2.83	0.559	152
WoW %Δ	0.25	-0.70	3.27	1.33

Exchange Rate Developments

- The US\$ depreciated against the EUR, ZAR and BWP, remained stable against the MZN, TZS and GBP whilst appreciating against the ZMW.
- The EUR found its support from the European Central Bank which kept interest rates on hold.
- Appreciation of the BWP and ZAR were in line with the EUR.
- Rising tensions over Ukraine has hit currencies with the U.S. ordering sanctions on those responsible on Moscow's military intervention on Crimea.
- Russia however responded that sanctions will boomerang back on the U.S. with fears that Russia may drop US\$ as reserve currency and refuse to pay off any loans to U.S. banks.
- U.S. commercial banks have reportedly around US\$24 bn in exposure to Russia.
- The ZAR which gained in line with the EUR appreciated against all BancABC markets currencies with exception of the MZN which surged 0.7% against the ZAR.
- The Kwacha extended losses to a new record low of 6.031 and 0.566 against the US\$ and ZAR respectively after the Bank of Zambia said it would not intervene to halt the currency's slide.

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