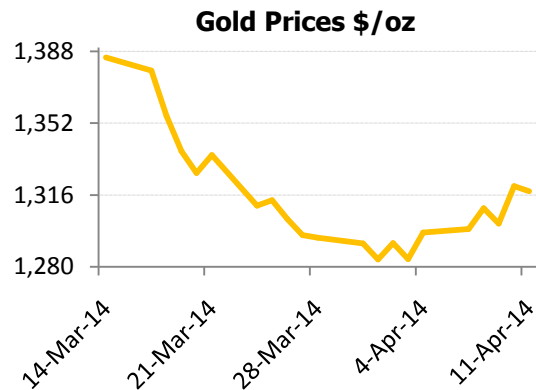


## WEEKLY ECONOMIC REVIEW

### Commodity 30-Day Price Chart

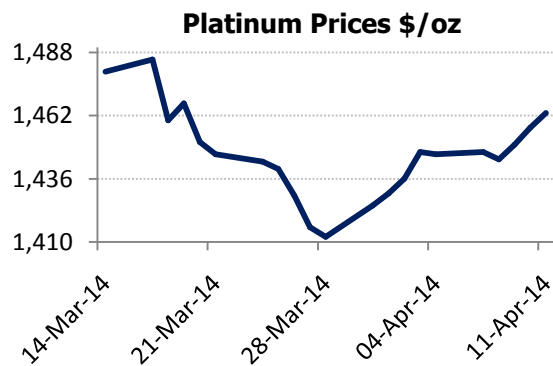


### Commodity Prices

Daily	US\$/oz	WoW %Δ
4-Apr-14	1,297	
7-Apr-14	1,299	
8-Apr-14	1,310	
9-Apr-14	1,302	
10-Apr-14	1,321	
11-Apr-14	1,318	
		<b>1.60</b>

### Commodity Developments

- Gold prices surged by 1.6% supported by Federal Reserve's latest policy meeting results which revealed its cautious approach in future interest rate hikes.
- Minutes from the Mar Fed Reserve meeting showed that US officials are not keen on increasing interest rates straight after the unwinding of bond purchases, as the markets had feared.
- Rising tensions in Ukraine have also curbed investor appetite for risk, boosting bullion's appeal as an insurance asset.
- The yellow metal prices are likely to find further support from the uncertainties surrounding Ukraine with the recent warnings by NATO that Russia may invade Ukraine.

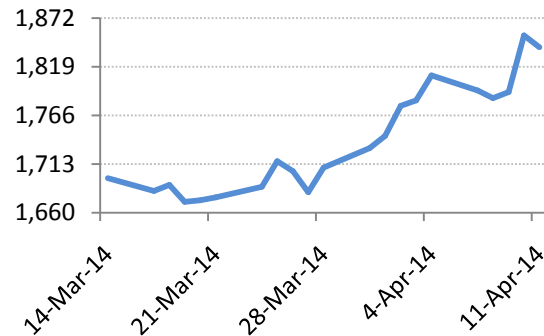


Daily	US\$/oz	WoW %Δ
4-Apr-14	1,446	
7-Apr-14	1,447	
8-Apr-14	1,444	
9-Apr-14	1,450	
10-Apr-14	1,457	
11-Apr-14	1,463	
		<b>1.18</b>

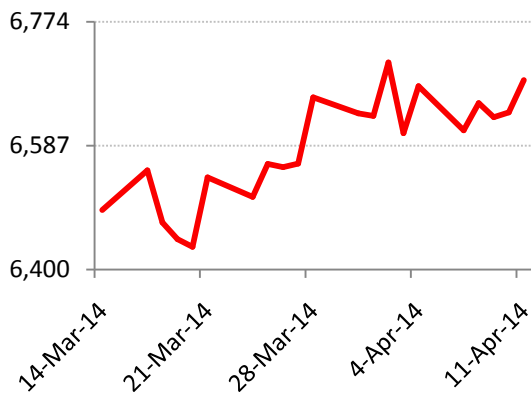
- Platinum and Palladium prices went up, reversing the previous week's loses as investors bet on tightening supplies from the World's number two exporter Russia.
- Growing fears that fresh US sanctions on Russia may disrupt supply as well as prolonged labour strikes in World's largest producer SA have supported Platinum and Palladium prices.
- Relations between Russia and the West are at their worst since the Cold War, after Moscow annexed Crimea from Ukraine. The continued uncertainty over Ukraine is likely to send precious metals' prices higher in the short term.

### Commodity 30-Day Price Chart

**Aluminium Prices \$/mt**



**Copper Price \$/mt**



### Commodity Prices

Daily	US\$/t	WoW %Δ
4-Apr-14	1,810	
7-Apr-14	1,793	
8-Apr-14	1,785	
9-Apr-14	1,791	
10-Apr-14	1,853	
11-Apr-14	1,840	
		<b>1.70</b>

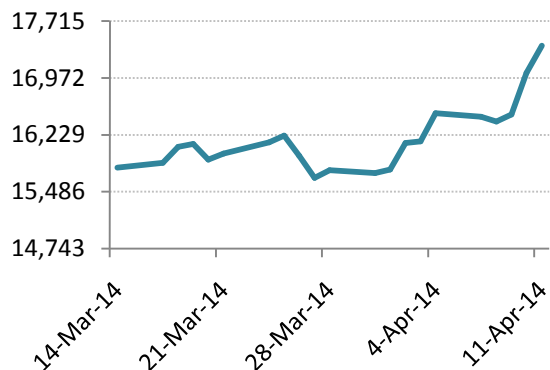
Daily	US\$/t	WoW %Δ
4-Apr-14	6,677	
7-Apr-14	6,610	
8-Apr-14	6,652	
9-Apr-14	6,630	
10-Apr-14	6,637	
11-Apr-14	6,686	
		<b>0.14</b>

### Commodity Developments

- The suggestion from the Fed Reserve Mar meeting minutes that it will be more cautious on raising interest rates than some analysts had expected has given respite to base metal prices.
- The minutes dented the USD against a basket of currencies, supporting commodities priced in USD by making them cheaper to buy for consumers outside of the US.
- Elsewhere, China's overall exports unexpectedly fell for a second straight month in Mar, and import growth dropped sharply.
- This intensified concerns about the slowing growth in the World's second-largest economy, weighing down base metal prices.
- Copper prices have slightly recovered since hitting an 18 month low of US\$6,434/t on the 20<sup>th</sup> of Mar-14, when worries about growth and tighter credit in China spurred selling.
- China's imports of copper however, rose by 10.8% in Mar on expectations of increased seasonal demand in the second quarter.
- Chinese economic growth data to be released this week will offer the clearest indication of where the World's second largest economy is heading towards.
- Poor Chinese economic data will have a negative impact on base metal prices as China accounts for more than 50% of World's base metals' consumption.

### Commodity 30-Day Price Chart

**Nickel Prices \$/mt**



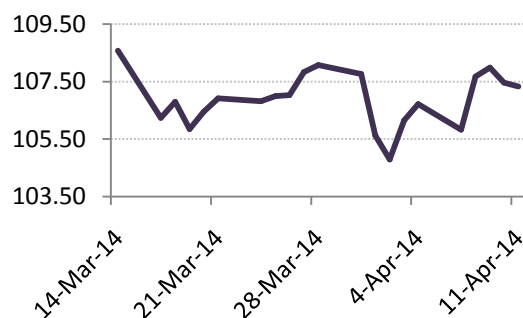
### Commodity Prices

Daily	US\$/t	WoW %Δ
4-Apr-14	16,513	
7-Apr-14	16,465	
8-Apr-14	16,405	
9-Apr-14	16,498	
10-Apr-14	17,038	
11-Apr-14	17,393	
		<b>5.33</b>

### Commodity Developments

- Nickel prices are on the rise supported by Indonesia's ore export ban, now in its 3<sup>rd</sup> month.
- The Indonesian Gvt imposed a ban on Nickel ore exports in mid-Jan to force mineral value addition in the country.
- This has driven prices of the metal used in alloying by 25% so far this year, rendering it the best performing base metal this year.
- Prospects of tougher sanctions on Russia, possibly on its commodities - over its actions towards Ukraine may also push up prices as Russia is also a major Nickel producer.

**Oil Brent prices \$/bbl**

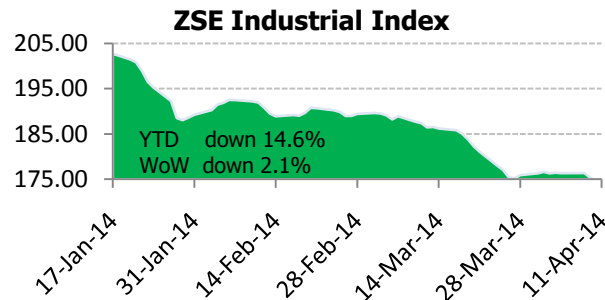


Daily	US\$/bbl	WoW %Δ
4-Apr-14	106.72	
7-Apr-14	105.82	
8-Apr-14	107.67	
9-Apr-14	107.98	
10-Apr-14	107.46	
11-Apr-14	107.33	
		<b>0.57</b>

- Brent prices remained strong supported by concerns that escalating tensions between Russia and Ukraine could lead to supply disruption.
- Tensions in Ukraine have heightened with the Ukrainian President threatening for military action after the pro-Russian separatists occupying Gvt buildings ignored an ultimatum to leave.
- The US and the West are prepared to further sanctions on Russia, a major oil exporter to Europe and Asia if separatists' actions continue. This may lead to higher oil prices.
- However, prices may be capped by the prospect of a recovery in Libyan exports. Libya's western Zawiya oil port is operating normally after protesters vacated the facility.

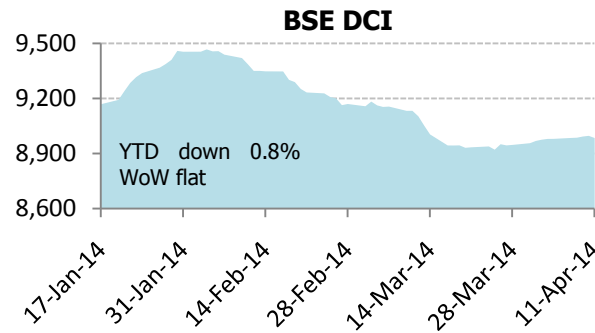
## Equities 90-Day Index Charts

### Zimbabwe



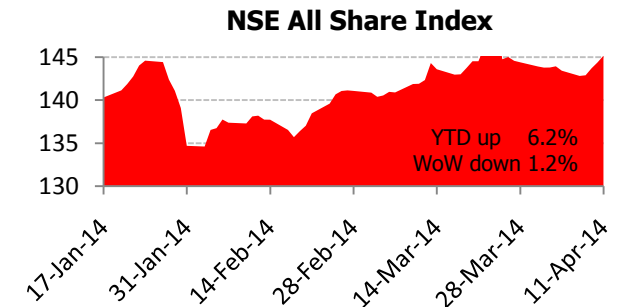
- The index is trending downwards reflecting macroeconomic challenges Zimbabwe is currently facing. Trades on the bourse are dominated by foreign buyers, weakening the bargaining power of sellers.

### Botswana



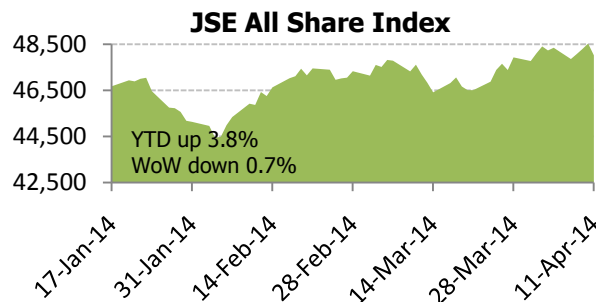
- The DCI continue to recoup some of its year-to-date losses, trending closer to the 9,000 level as the financials reporting season gets closer to an end.

### Kenya



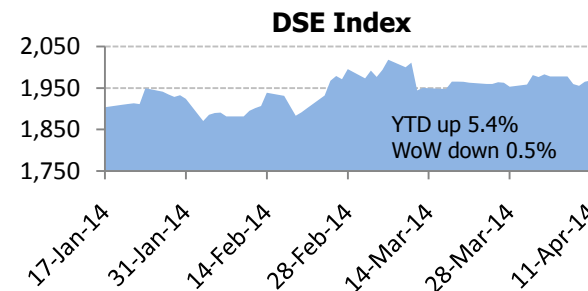
- Kenya will rebase its Gross Domestic Product (GDP) and release the data in Sep, which is likely to have an effect of increasing its GDP from the estimated US\$37bn.

### South Africa



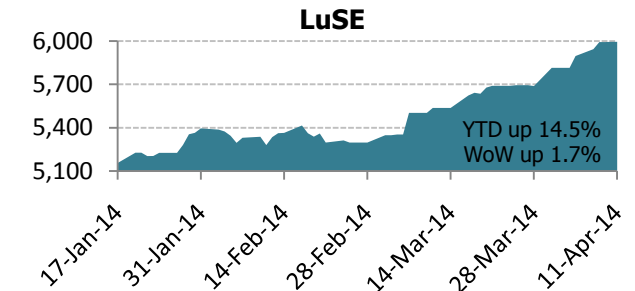
- SA manufacturing output rose 1.4% year-on-year in volume terms in Feb after a revised 2.2 percent growth in Jan. On a month-on-month basis, factory production fell 1.9% in Feb.

### Tanzania



- The DSE is pressing the Gvt to sell shares in more state firms to help galvanise bigger private businesses to tap into the capital market.

### Zambia



- Zambia is looking for financiers for the import of 1.4m tonnes of semi-processed oil for a period of 3yrs.

## Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
<b>Wk Ending</b>							
4-Apr-14	8.826	30.47	1,627	6.150	10.650	1.370	1.659
<b>Daily</b>							
7-Apr-14	8.780	30.47	1,627	6.148	10.562	1.372	1.657
8-Apr-14	8.741	30.53	1,627	6.152	10.428	1.376	1.669
9-Apr-14	8.726	30.53	1,626	6.151	10.436	1.380	1.675
10-Apr-14	8.688	30.54	1,627	6.110	10.396	1.386	1.678
11-Apr-14	8.711	30.56	1,627	6.068	10.451	1.389	1.678
<b>WoW %Δ</b>	<b>-1.31</b>	<b>0.30</b>	<b>0.00</b>	<b>-1.35</b>	<b>-1.87</b>	<b>1.40</b>	<b>1.13</b>

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
<b>Wk Ending</b>				
4-Apr-14	0.829	2.86	0.586	154
<b>Daily</b>				
07-Apr-14	0.832	2.86	0.583	154
08-Apr-14	0.834	2.92	0.589	154
09-Apr-14	0.833	2.92	0.588	156
10-Apr-14	0.835	2.95	0.587	155
11-Apr-14	0.833	2.90	0.577	156
<b>WoW %Δ</b>	<b>0.44</b>	<b>1.40</b>	<b>-1.60</b>	<b>1.30</b>

## Exchange Rate Developments

- The USD depreciated against major currencies, weighed down by US Monetary Policy minutes which suggested that the Fed is nowhere near as close to raise base interest rates as markets had begun to believe.
- The ZAR was the biggest mover, gaining 1.9% against the USD due to increased investors' broader appetite for risky assets. However, the ZAR is likely to stay on the back foot with the elections looming on May 7.
- The BWP and ZMW appreciated against the USD in line with major currencies whilst the TZS remained stable.
- The MZN however, depreciated against the USD as the nation prepares for general elections scheduled for Oct.
- All BancABC markets' currencies depreciated against the stronger ZAR except for the ZMW which gained 1.6%.
- The ZMW has found some respite after the authorities removed the restrictions on the use of foreign currency.
- On a separate development, the World Bank has forecasted a 5.2% economic growth in Sub-Saharan Africa (SSA) - excluding North Africa - spurred by investment inflows and spending.
- SSA policy makers should focus on the impact of Fed's unwinding of its stimulus program and signs of slowdown in China, given its appetite for SSA commodities, on investment and capital inflows to achieve this projected growth.

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