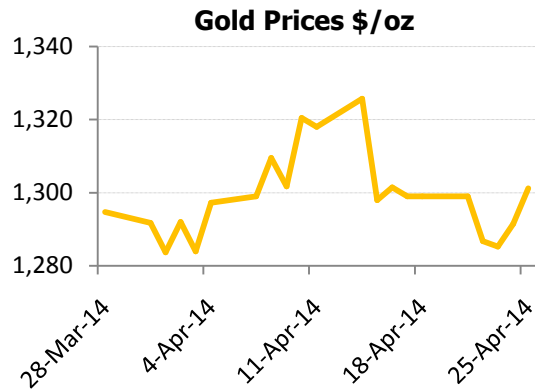


## WEEKLY ECONOMIC REVIEW

### Commodity 30-Day Price Chart

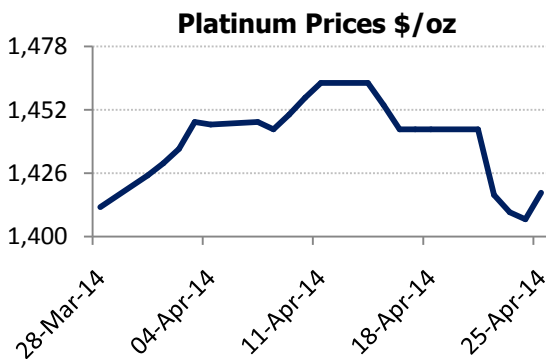


### Commodity Prices

Daily	US\$/oz	WoW %Δ
17-Apr-14	1,299	
22-Apr-14	1,287	
23-Apr-14	1,285	
24-Apr-14	1,292	
25-Apr-14	1,301	
		<b>0.17</b>

### Commodity Developments

- Global economic environment continues to improve with the latest IMF projections indicating a 3.6% growth in 2014, up from 3.0% in 2013.
- Violence in Ukraine boosted Gold's safe haven appeal as the metal reversed some of its previous week losses.
- In Ukraine, 5 pro-Moscow rebels were killed last week after the Gvt sent in troops to try to dislodge these separatists who have taken control of large parts of Eastern Ukraine.
- The US and its European allies agreed that Russia had escalated the tension in the region, where rebels have declared an independent People's Republic of Donetsk.
- A counter response by Moscow is likely to escalate the Ukraine crisis.
- Global risk aversion spawned by the geopolitical concerns in Ukraine has supported Gold, as investors seek refuge from riskier assets. However, US economic data and Fed Reserve's interest rate decision remains key for the Gold market outlook.

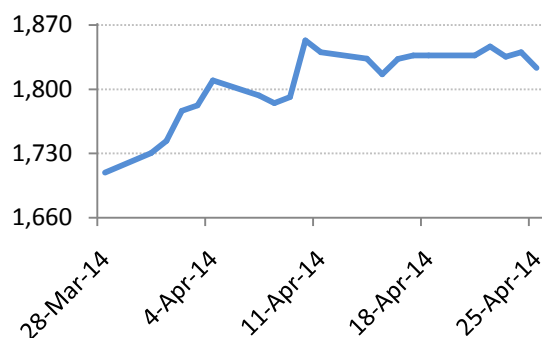


Daily	US\$/oz	WoW %Δ
17-Apr-14	1,444	
22-Apr-14	1,417	
23-Apr-14	1,410	
24-Apr-14	1,407	
25-Apr-14	1,418	
		<b>-1.80</b>

- Platinum prices dropped, hitting a 10-week low on the 24<sup>th</sup> as platinum producers offered an up to 10% wage and other increases that would take the minimum basic wage to R12,500/m by Jul 2017 in a bid to end the crippling 13-week strike.
- The Association of Mineworkers and Construction Union (AMCU) have signalled their displeasure with the offer from the World's top three producers, Anglo American Platinum, Impala Platinum and Lonmin.
- Producers however, have vowed to take the offer directly to employees. An end to labour woes will drive down prices as supply worries and bottlenecks will be eased.

### Commodity 30-Day Price Chart

**Aluminium Prices \$/mt**



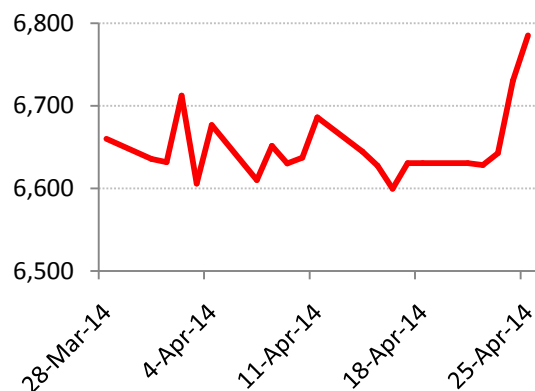
### Commodity Prices

Daily	US\$/t	WoW %Δ
17-Apr-14	1,837	
22-Apr-14	1,847	
23-Apr-14	1,835	
24-Apr-14	1,840	
25-Apr-14	1,823	
		<b>-0.73</b>

### Commodity Developments

- Unlike Gold, Aluminium responded poorly to ongoing geopolitical tensions.
- In China, the largest consumer of base metals, aluminium output rose by 10.2% in the first quarter weighing down prices.
- However, the metal may find support if the expected supply cuts from Alcoa's plant closure materialise.
- A slowdown in Chinese economic growth pace has dented base metals' prices. China, the second largest economy is facing structural and policy challenges which continue to weigh on its economic transformation. Economic growth is expected to slowdown from 7.7% in 2013 to 7.5% in 2014.

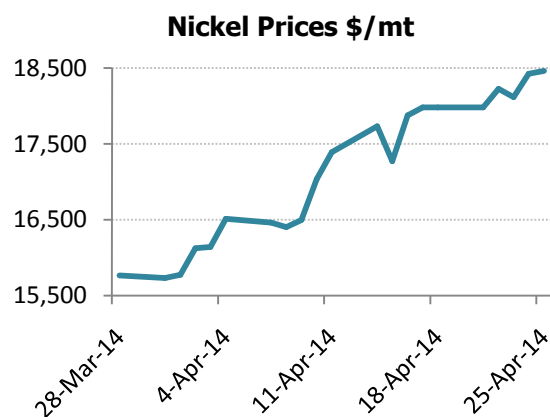
**Copper Price \$/mt**



Daily	US\$/t	WoW %Δ
17-Apr-14	6,631	
22-Apr-14	6,628	
23-Apr-14	6,643	
24-Apr-14	6,731	
25-Apr-14	6,785	
		<b>2.33</b>

- Copper prices edged up to a 7-week high on rising seasonal demand in top consumer China.
- Chinese stockpiler, the State Reserves Bureau (SRB) bought 200,000t of the red metal after prices dived in Mar.
- The SRB provides support to the copper market by absorbing surpluses and opportunistic buying when copper prices fall.
- Tight credit conditions in China, where consumers were low on stocks but unable to finance new purchases due to the recent Gvt crackdown on lending also supported copper prices last week.
- Seasonal demand and China's intended more than 7m public housing construction this year may drive up the metal prices.

### Commodity 30-Day Price Chart



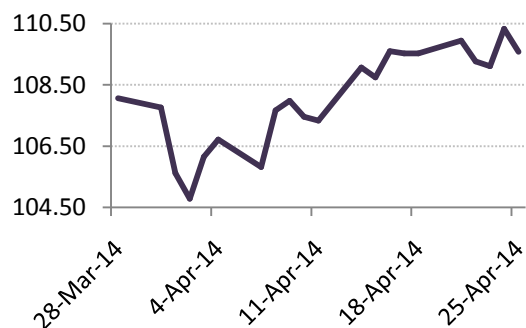
### Commodity Prices

Daily	US\$/t	WoW %Δ
17-Apr-14	17,983	
22-Apr-14	18,225	
23-Apr-14	18,118	
24-Apr-14	18,425	
25-Apr-14	18,463	
		<b>2.67</b>

### Commodity Developments

- Nickel extended its gains as investors continued to price in the effect of Indonesia's ban on raw ore exports.
- Russia is a major exporter of refined Nickel. Fears of an outright war in Ukraine and harsher economic sanctions on Russia by the West may cause supply disruptions, fuelling up prices.
- Nickel prices have gained 32% year to date. The favourable nickel prices have been a boon to Zimbabwean producers. Output in the first two months of the year was 3,117t, representing 81% increase from the same period last year.

### Oil Brent prices \$/bbl

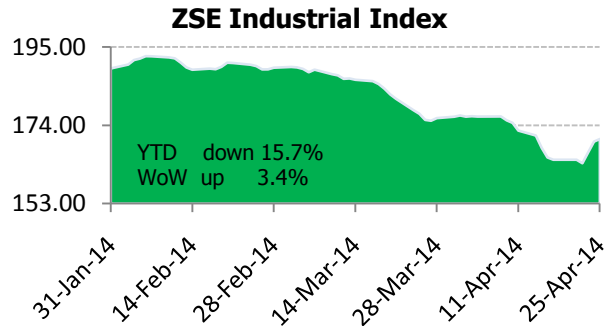


Daily	US\$/bbl	WoW %Δ
17-Apr-14	109.95	
22-Apr-14	109.27	
23-Apr-14	109.11	
24-Apr-14	110.33	
25-Apr-14	109.58	
		<b>0.05</b>

- Brent prices surged as tension mounted in Ukraine and Libya's delay in opening the damaged Zueitina port.
- Geopolitical tensions ratcheted up on the 25<sup>th</sup> with Ukraine's premier accusing Moscow of fuelling World War III and Moscow saying Kiev would face justice for a "bloody crime" in eastern Ukraine.
- In eastern Ukraine, Interfax news agency reported the mayor of a major eastern city, Kharkiv, had been shot and was undergoing an operation.
- In Libya, the Gvt is still assessing damage at the port of Zueitina following an 8-month blockade, after it struck a deal with rebels.
- Brent prices may overshoot if Moscow uses its oil and gas to counter Western sanctions. Europe relies on Russia's energy.

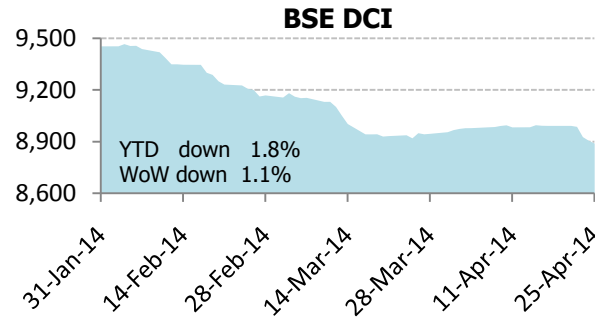
## Equities 90-Day Index Charts

### Zimbabwe



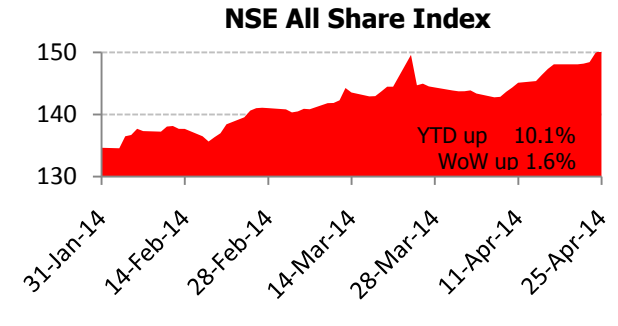
- Zim Gvt missed its revenue target for Q1:14 by 7.5% as a result of shrinking revenue collection base.

### Botswana



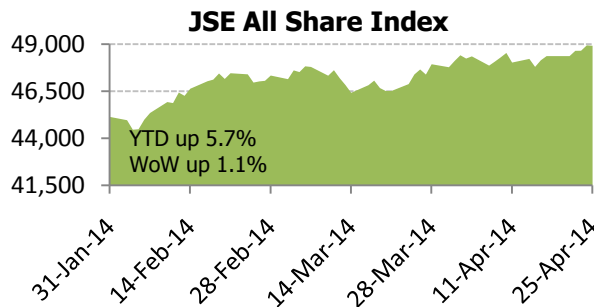
- The Bank of Botswana left its benchmark lending rate unchanged at 7.5% citing a positive medium term outlook.

### Kenya



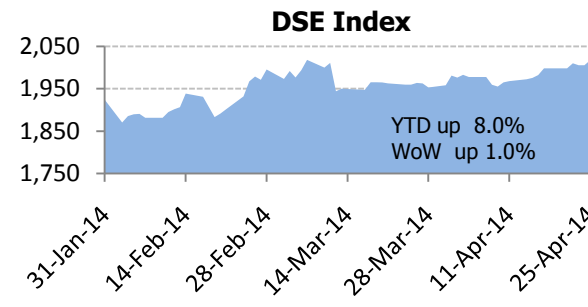
- Kenya to adopt inflation targeting to make its monetary policy more predictable. YoY inflation was at 6.27% in Mar which is within the targeted 2.5-7.5% range.

### South Africa



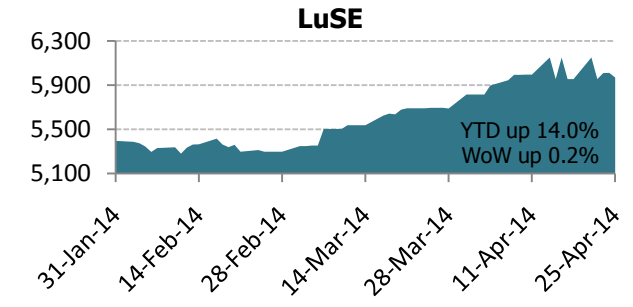
- SA marks 20yrs of freedom ahead of 5<sup>th</sup> general elections. The ruling African National Congress (ANC) is expected to maintain its majority despite rising public discontent.

### Tanzania



- The IMF warns SSA of heightened risk of capital outflow as advanced economies tighten their monetary policies. IMF forecasts SSA economic growth of 5.4% up from 4.9% last year.

### Zambia



- Zambia targets higher electricity exports next year. Currently, it generates just over 2,200MW and peak demand is estimated at 1,900MW. Additional 720MW is expected from Kariba North Bank Extension, Maamba and Itzhi Tezhi power station.

## Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
<b>Wk Ending</b>							
17-Apr-14	8.75	30.59	1,628	6.20	10.53	1.385	1.684
<b>Daily</b>							
22-Apr-14	8.74	30.65	1,629	6.22	10.54	1.381	1.681
23-Apr-14	8.76	30.67	1,631	6.26	10.59	1.385	1.682
24-Apr-14	8.78	30.66	1,631	6.23	10.59	1.384	1.679
25-Apr-14	8.80	30.66	1,634	6.27	10.63	1.384	1.681
<b>WoW %Δ</b>	<b>0.53</b>	<b>0.23</b>	<b>0.37</b>	<b>1.04</b>	<b>0.97</b>	<b>-0.06</b>	<b>-0.16</b>
<b>YTD %Δ</b>	<b>0.88</b>	<b>2.78</b>	<b>4.34</b>	<b>13.65</b>	<b>1.53</b>	<b>0.44</b>	<b>1.75</b>

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
<b>Wk Ending</b>				
17-Apr-14	0.830	2.90	0.588	154
<b>Daily</b>				
22-Apr-14	0.832	2.90	0.589	155
23-Apr-14	0.830	2.89	0.590	155
24-Apr-14	0.829	2.89	0.588	154
25-Apr-14	0.827	2.89	0.588	154
<b>WoW %Δ</b>	<b>-0.36</b>	<b>-0.34</b>	<b>0.02</b>	<b>0.00</b>
<b>YTD %Δ</b>	<b>-1.05</b>	<b>0.70</b>	<b>12.72</b>	<b>3.46</b>

## Exchange Rate Developments

- BancABC markets currencies and European major currencies depreciated against the dollar as tension over Ukraine intensified.
- Mixed US data in recent weeks together with geopolitical concerns in Europe has left investors without a clear trend of the currencies market, rendering placing big bets on currency movement high risk.
- The Ukrainian crisis has however not had much of an impact on currencies so far, as more focus is on global economy growth prospects.
- This week's Euro zone flash inflation report and US employment data are the key economic events that could pull attention away from Ukraine.
- The ZAR which is highly correlated to the level of global risk appetite depreciated against the BWP and MZN but remained stable against the TZS and ZMW.
- Lack of resolution to end a mining strike which has hit output at the World's largest platinum producers is becoming a major concern among investors in Africa's 2<sup>nd</sup> largest economy.

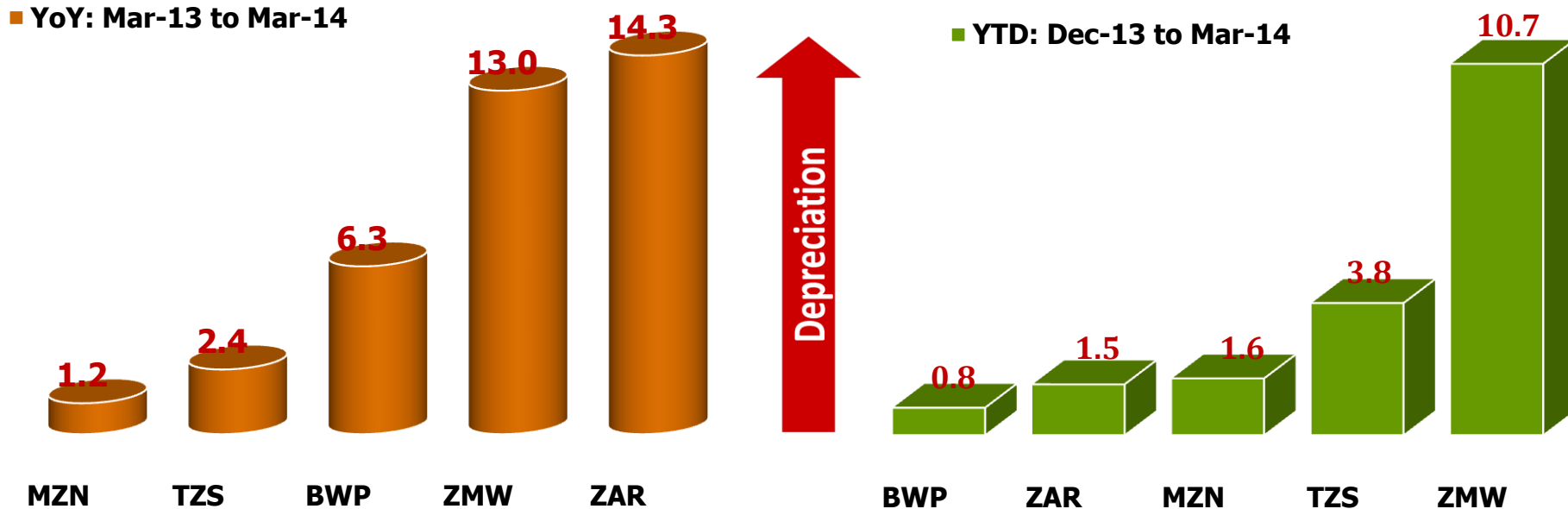
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**Appendix: BancABC Markets Currency Performances**

**BancABC Currencies Movement vs. USD.....Amid General Bear Market**



<b>US\$/ZAR</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> ZAR partially recovered from huge losses suffered earlier this year</li> <li><input type="checkbox"/> Since early Feb-13, ZAR has benefited from an upswing in inflows –improvement in EM sentiments</li> <li><input type="checkbox"/> Investor sentiment could be further boosted if President Zuma is forced out of office by the ruling ANC</li> <li><input type="checkbox"/> This is likely given the recent 'Nkandla scandal'</li> <li><input type="checkbox"/> Potential appointment of a more reformist leader could provide a longer-term boost</li> </ul>
<b>BancABC Currencies</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Expecting most of currencies to continue weakening over the coming months</li> <li><input type="checkbox"/> Common Factors - hit by weak Chinese import demand, lower commodity prices, and rising investor risk aversion.</li> <li><input type="checkbox"/> Every major BancABC currency has lost value since the start of 2014</li> </ul>