



## Africa Weekly: OPEC agrees to cut oil production

### Top Political News

The draft of the **Mozambican** government's Economic and Social Plan (PES) 2017 foresees a growth forecast of 5.5%. It also includes measures to raise the quality of the financial and foreign exchange system, with the main aim of preserving the value of the local currency and macroeconomic stability. Meanwhile, a draft of next year's budget aims to increase food production in response to the agricultural deficit this year due to adverse climate conditions. **South Africa's** Deputy President received the backing of the National Union of Mineworkers (NUM), one of the country's biggest unions. NUM reportedly has 200k members and plays an important role in galvanizing public support for the ANC at elections. It also often plays an important part in encouraging other influential trade unions to join the campaign, which could provide additional support for Cyril Ramaphosa. This increases the chances of him becoming the next ANC leader and potentially becoming the next president of South Africa after President Zuma ends his second term in 2019. The **DRC's** electoral authority said presidential elections will be delayed until 2018. This goes against the will of opposition leaders who are demanding President Kabila step down when his mandate ends in December. Presidential elections had been scheduled for November, but have been delayed because authorities said they weren't ready.

### Top Economic News

The IMF ended its latest visit to **Mozambique** last week. It cut its growth forecast to 3.7% this year (vs. 6.6% in 2015). The Fund welcomed the measures implemented by the local authorities on the fiscal and monetary fronts this year. However, it stated that, with inflation still rising and the metical depreciating, further monetary tightening was required to secure macroeconomic stability. The mission also started discussions on the terms of reference for an international and independent audit of the companies EMATUM, Proindicus and MAM. The local authorities requested the Fund to resume discussions on financial support as soon as possible. The President of the African Development Bank (AfDB) announced that the bank agreed to offer a US\$ 1bn loan to **Nigeria** to support the country with the funding of its US\$ 2.2tr shortfall in the 2016 budget. Akinwunmi Adesina added that the bank was also planning a US\$ 4.1bn concessional loan to the country for 2016-17 in areas like power, infrastructure, agriculture, the private sector and SME financing. The aim is to help Nigeria diversify its economy from oil. The AfDB's total investment in the country will add up to US\$ 10bn by 2019. **Kenya** will reportedly revoke a law stipulating that all foreign investors setting up companies in the country should cede a 30% stake to local citizens. The IMF approved the release of a US\$ 116mn instalment to **Ghana** after a review of the economic and monetary reforms that are part of the country's nearly US\$ 1bn bailout plan. This brings total disbursements made so far to US\$ 465mn. The IMF cut **Sao Tome and Principe's** growth forecast to 4% in 2016 from a previous estimate of 5%. The slower growth is due to delays in external financing for projects ahead of the presidential elections earlier this year.

### Commodities

**OPEC** agreed to cut oil production for the first time in eight years at its meeting in Algiers after ministers agreed to limit output to a range of 32.5 to 33 million barrels a day. The agreement was possible because Iran will be exempt from capping output, which was a major concession by Saudi Arabia. Many details of the agreement are still to be worked out and OPEC won't decide on targets for each of its members until its next meeting in November. **South Africa's** Energy Minister said tendering for new nuclear power stations will be delayed after requests for consultation and discussion made it impossible to start the process by end-September as initially planned. Despite this, the local authorities remain fully committed to plans for nuclear procurement in the country.

### Capital Markets

03 October 2016

**Tiago Bossa Dionísio**

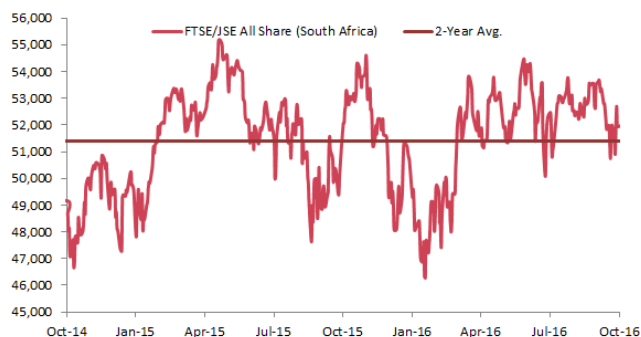
(+351) 211 214 431

tiago.dionisio@eaglestone.eu

Stock Markets Index (Country)	03/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Africa</b>							
FTSE/JSE All Share (South Africa)	51,960.07	0.93%	-2.88%	1.97%	2.50%	45,975.78	54,760.91
EGX 30 (Egypt)	8,024.68	1.52%	-1.63%	9.43%	14.54%	5,526.02	8,481.13
Gaborone Domestic Index (Botswana)	9,796.69	0.66%	2.52%	-7.79%	-7.60%	9,504.24	10,654.72
Nairobi SE All Share (Kenya)	136.75	1.64%	2.01%	-4.48%	-6.14%	129.65	147.63
All Share Index (Nigeria)	28,335.40	0.31%	2.09%	-7.37%	-1.07%	22,330.96	31,073.32
Ghana Stock Exchange (Ghana)	1,774.90	-0.01%	-1.94%	-11.25%	-11.03%	1,746.42	2,039.44
Namibia Overall Index (Namibia)	1,027.39	0.48%	1.18%	4.88%	18.71%	766.67	1,072.14
Tanzania All Share Index (Tanzania)	2,475.45	-0.86%	3.41%	-0.49%	6.07%	2,172.97	5,004.67
<b>Americas</b>							
Dow Jones Industrial Avg. (USA)	18,308.15	0.26%	-0.99%	11.14%	5.07%	15,450.56	18,668.44
S&P 500 (USA)	2,168.27	0.17%	-0.54%	11.12%	6.08%	1,810.10	2,193.81
Nasdaq (USA)	5,312.00	0.12%	1.18%	12.83%	6.08%	4,209.76	5,342.88
Ibovespa (Brazil)	58,367.05	-0.56%	-2.10%	24.10%	34.64%	37,046.07	60,310.50
<b>Europe</b>							
Euro Stoxx 50 (Europe)	3,004.09	0.95%	-2.46%	-2.72%	-8.06%	2,672.73	3,524.04
FTSE 100 (UK)	6,959.52	2.08%	0.94%	13.53%	11.49%	5,499.51	6,963.16
DAX (Germany)	10,511.02	-1.09%	-1.62%	10.03%	-2.16%	8,699.29	11,430.87
PSI 20 (Portugal)	4,597.43	0.67%	-3.47%	-11.87%	-13.47%	4,175.28	5,625.06
IBEX 35 (Spain)	8,763.60	0.60%	-1.63%	-8.75%	-8.18%	7,579.80	10,631.60
CAC (France)	4,457.78	1.13%	-1.86%	-0.02%	-3.87%	3,892.46	5,011.65
SMI (Switzerland)	8,178.04	0.16%	-1.40%	-3.96%	-7.26%	7,425.05	9,080.56
<b>Asia</b>							
Nikkei 225 (Japan)	16,598.67	0.33%	-1.93%	-6.36%	-12.79%	14,864.01	20,012.40
Topix (Japan)	1,330.72	-0.38%	-0.75%	-7.90%	-14.00%	1,192.80	1,609.76
Hang Seng (Hong Kong)	6,774.36	0.66%	0.72%	5.20%	4.44%	5,261.43	7,072.10
Shanghai All Share (China)	3,145.17	-0.97%	-2.05%	-1.63%	-15.09%	2,760.92	3,856.74
CSI 300 (China)	3,253.29	-0.68%	-1.84%	1.57%	-12.80%	2,821.22	3,926.69

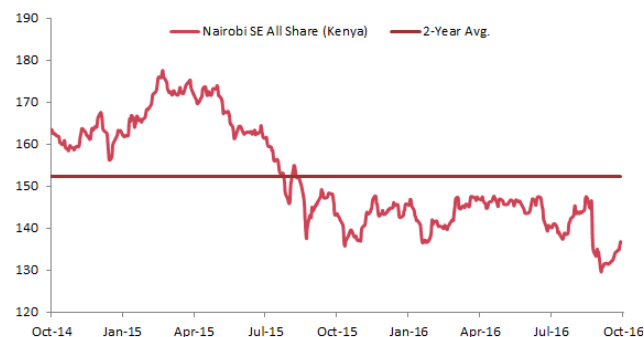
Sources: Bloomberg and Eaglestone Securities.

## JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



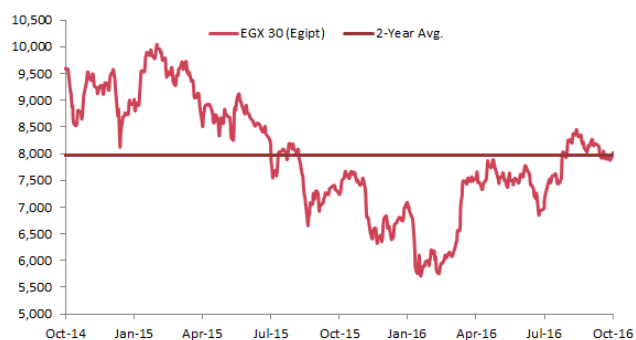
Sources: Bloomberg and Eaglestone Securities.

## NAIROBI STOCK EXCHANGE ALL SHARE INDEX



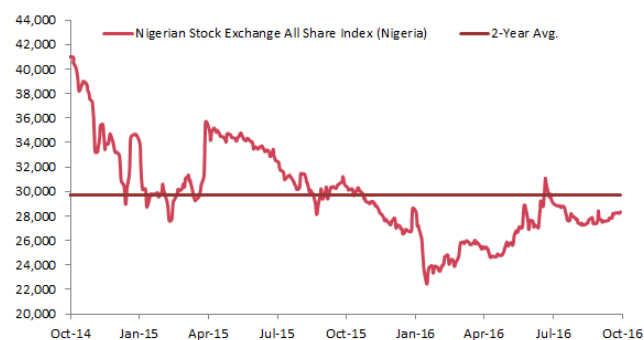
Sources: Bloomberg and Eaglestone Securities.

## EGYPT STOCK EXCHANGE



Sources: Bloomberg and Eaglestone Securities.

## NIGERIA ALL SHARE INDEX

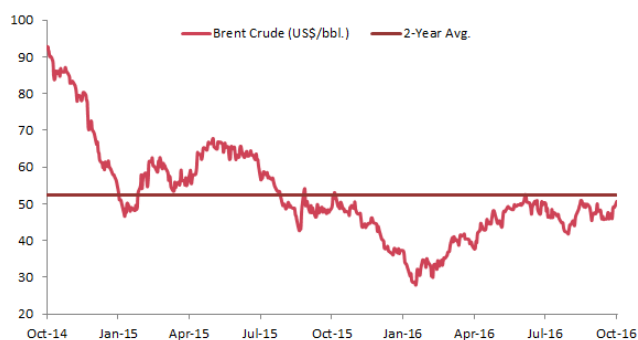


Sources: Bloomberg and Eaglestone Securities.

Commodities	03/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Energy</b>							
WTI Crude (US\$/bbl.)	48.65	5.92%	9.47%	6.83%	31.34%	26.05	51.67
Brent Crude (US\$/bbl.)	50.67	7.01%	8.20%	5.28%	35.92%	27.10	54.05
Natural Gas (US\$/MMBtu)	2.90	-3.27%	3.83%	18.28%	24.05%	1.61	3.10
Gasoline (US\$/gal.)	146.92	4.76%	12.88%	9.53%	15.95%	89.75	166.64
Coal (US\$/ton)	72.10	19.77%	17.24%	41.10%	50.68%	42.65	72.10
<b>Precious Metals</b>							
Gold (US\$/oz.)	1,313.50	-1.96%	-0.73%	15.51%	23.89%	1,046.20	1,377.50
Silver (US\$/oz.)	19.19	-1.70%	-0.47%	25.70%	38.99%	13.64	21.09
Platinum (US\$/oz.)	1,021.41	-1.78%	-4.65%	11.73%	14.57%	810.75	1,194.64
<b>Other Metals</b>							
Copper (US\$/lb.)	221.35	1.07%	6.85%	-4.82%	3.68%	193.55	243.75
Aluminum (US\$/MT)	1,673.00	2.20%	3.66%	6.09%	11.02%	1,432.50	1,709.00
Zinc (US\$/MT)	2,377.00	4.44%	2.90%	40.78%	47.73%	1,444.50	2,399.50
Tin (US\$/MT)	20,025.00	1.93%	6.09%	28.99%	37.58%	13,085.00	20,150.00
Iron Ore (US\$/ton)	55.86	-1.64%	-5.82%	-0.82%	28.21%	38.30	70.46
<b>Agriculture</b>							
Cocoa (US\$/MT)	2,761.00	-3.19%	-5.48%	-11.34%	-14.01%	2,708.00	3,422.00
Coffee (US\$/lb.)	151.55	0.10%	3.87%	24.89%	19.61%	111.05	160.90
Sugar (US\$/lb.)	23.02	2.13%	14.07%	70.14%	51.05%	12.45	23.60
Cotton (US\$/lb.)	68.29	-1.14%	4.55%	14.79%	7.92%	55.66	77.80
Corn (US\$)	338.00	2.74%	6.79%	-13.17%	-5.78%	301.00	439.25
Wheat (US\$)	400.25	1.07%	7.23%	-22.02%	-14.84%	359.50	531.50
Soy (US\$)	956.50	1.19%	-1.24%	9.41%	9.78%	844.25	1,208.50

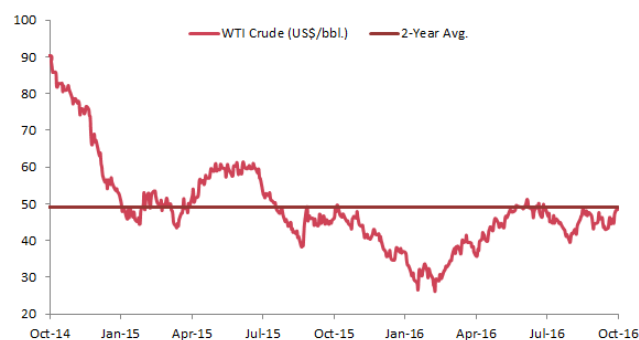
Sources: Bloomberg and Eaglestone Securities.

**BRENT CRUDE (US\$/BARREL)**



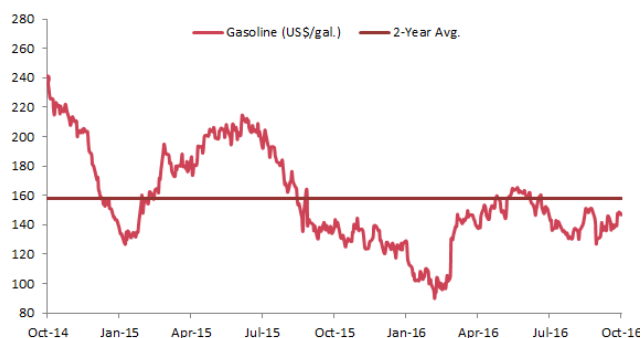
Sources: Bloomberg and Eaglestone Securities.

**WTI CRUDE (US\$/BARREL)**



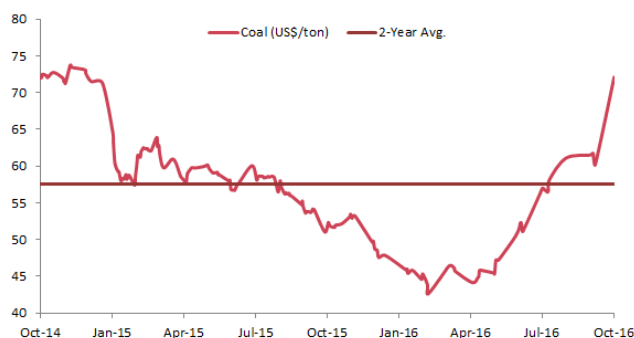
Sources: Bloomberg and Eaglestone Securities.

**GASOLINE (US\$/GAL.)**



Sources: Bloomberg and Eaglestone Securities.

**COAL (US\$/COAL)**

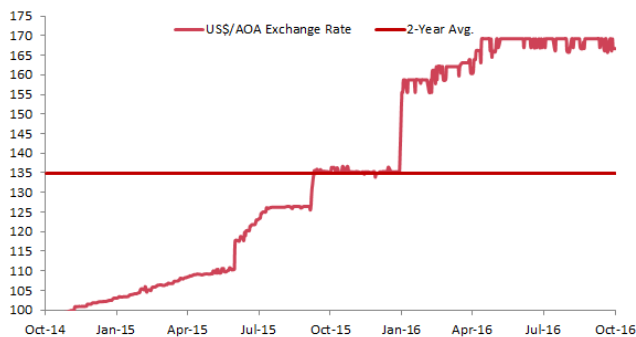


Sources: Bloomberg and Eaglestone Securities.

Currencies	03/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Kwanza (Angola)</b>							
Dollar (USA)	166.72	1.50%	1.50%	-18.89%	-18.89%	133.90	169.43
Euro	187.63	1.50%	0.54%	-19.34%	-21.75%	141.65	196.44
Sterling (UK)	214.65	2.30%	4.87%	-4.55%	-7.16%	198.23	253.90
Rand (South Africa)	12.24	0.94%	-3.92%	-18.87%	-28.63%	8.43	12.82
Real (Brazil)	51.18	1.96%	0.69%	-32.43%	-33.30%	33.50	54.37
<b>Metical (Mozambique)</b>							
Dollar (USA)	77.77	-1.11%	-3.79%	-45.35%	-38.28%	42.29	78.78
Euro	87.72	-1.33%	-5.48%	-43.79%	-40.58%	46.69	89.22
Sterling (UK)	101.02	-0.62%	-2.00%	-33.08%	-29.98%	62.67	104.52
Rand (South Africa)	5.70	-1.51%	-8.80%	-45.28%	-45.61%	0.48	5.77
<b>Rand (South Africa)</b>							
Dollar (USA)	13.64	0.32%	5.50%	-0.13%	13.44%	13.01	17.92
Euro	15.33	0.50%	4.61%	-0.58%	9.75%	14.77	19.59
Sterling (UK)	17.53	1.37%	9.15%	17.62%	30.08%	17.06	26.02
Real (Brazil)	4.18	1.09%	4.75%	-16.72%	-6.53%	3.29	4.69
<b>Naira (Nigeria)</b>							
Dollar (USA)	315.00	-0.16%	1.67%	-36.81%	-36.73%	196.48	350.25
Euro	362.16	-2.27%	-1.43%	-38.52%	-40.26%	162.80	390.34
<b>Euro</b>							
Dollar (USA)	1.12	-0.13%	0.83%	0.46%	3.47%	1.05	1.16
Sterling (UK)	0.87	-0.79%	-4.14%	-15.50%	-15.69%	0.70	0.87
Franc (Switzerland)	1.09	-0.13%	0.02%	-0.08%	-0.36%	1.06	1.12
Yen (Japan)	114.01	-0.96%	1.13%	18.21%	14.59%	109.57	136.96

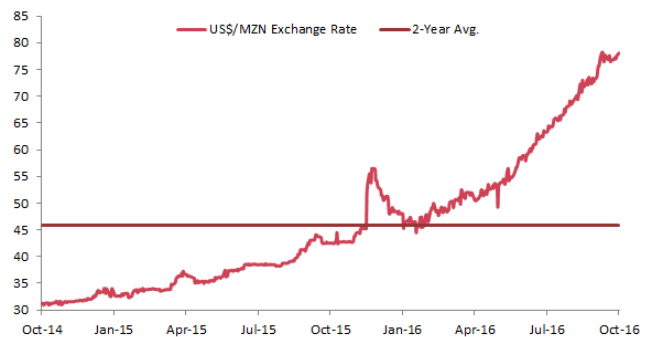
Sources: Bloomberg and Eaglestone Securities.

US\$/AOA EXCHANGE RATE



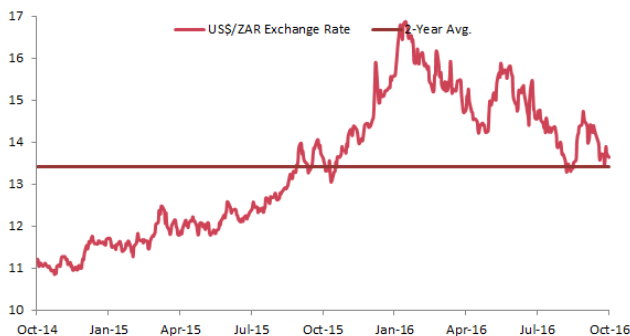
Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



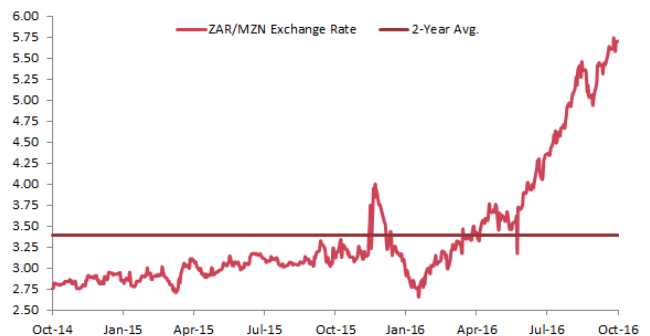
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

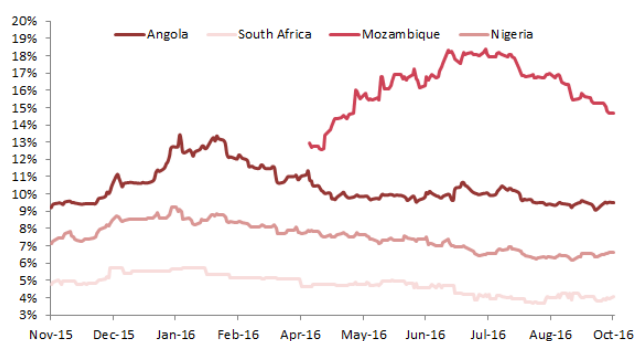


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	03/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Angola</b> (12/11/2025; 9.5%)	99.963 9.503%	-0.719% 0.122%	-0.292% 0.050%	n.a. 0.303%	7.314% -1.011%	78.535 9.069%	101.892 13.425%
<b>Dem. Republic of Congo</b> (30/06/2029; 4.0%)	69.301 10.150%	-0.107% 0.024%	2.598% -0.270%	-16.262% 3.279%	-12.128% 2.277%	66.397 7.543%	86.569 10.556%
<b>Ethiopia</b> (11/12/2024; 6.625%)	99.248 6.744%	-0.400% 0.065%	1.139% -0.175%	6.454% -0.809%	11.767% -1.351%	82.037 6.548%	99.664 9.666%
<b>Gabon</b> (16/06/2025; 6.95%)	92.418 8.183%	-0.412% 0.068%	-0.246% 0.047%	10.011% -1.141%	15.602% -1.696%	69.735 7.510%	96.664 12.494%
<b>Ghana</b> (07/08/2023; 7.875%)	93.853 9.098%	0.205% -0.037%	1.829% -0.330%	12.739% -1.661%	18.197% -2.254%	65.595 8.740%	93.790 15.822%
<b>Ivory Coast</b> (31/12/2032; 5.75%)	98.788 5.928%	-0.229% 0.034%	-0.498% 0.075%	12.776% -1.310%	10.698% -1.164%	83.659 5.568%	101.328 8.321%
<b>Kenya</b> (24/06/2024; 6.875%)	98.499 7.129%	-0.843% 0.147%	0.936% -0.152%	10.429% -1.263%	12.052% -1.445%	83.919 6.783%	99.329 9.708%
<b>Mozambique</b> (18/01/2023; 10.5%)	83.171 14.646%	2.663% -0.578%	8.191% -1.600%	n.a. 1.932%	n.a. 1.932%	69.935 12.565%	90.695 18.388%
<b>Namibia</b> (29/10/2025; 5.25%)	105.988 4.440%	-0.428% 0.059%	-0.255% 0.030%	n.a. -0.677%	13.262% -1.224%	88.524 4.197%	108.052 6.877%
<b>Nigeria</b> (12/07/2023; 6.375%)	98.715 6.611%	-1.225% 0.146%	-0.863% 0.164%	9.219% -1.190%	12.111% -1.507%	84.651 6.147%	100.607 9.253%
<b>Rwanda</b> (02/05/2023; 6.625%)	101.471 6.347%	-0.994% 0.194%	-1.111% 0.215%	6.484% -0.939%	5.840% -0.875%	92.349 6.084%	102.724 8.032%
<b>Senegal</b> (30/07/2024; 6.25%)	103.812 5.639%	-0.930% 0.154%	1.086% -0.174%	14.612% -1.532%	15.747% -1.629%	84.764 5.360%	103.021 8.815%
<b>Seychelles</b> (01/01/2026; 7.0%)	101.562 7.582%	0.217% -0.031%	0.728% -0.101%	9.975% -1.086%	8.431% -0.966%	91.946 7.403%	102.712 8.850%
<b>South Africa</b> (16/09/2025; 5.875%)	113.500 4.060%	-1.944% 0.293%	1.181% -0.170%	n.a. -0.734%	10.462% -1.065%	98.300 3.686%	117.370 5.738%
<b>Zambia</b> (30/07/2027; 8.97%)	98.933 9.124%	-0.954% 0.143%	0.828% -0.119%	24.947% -2.390%	24.908% -2.410%	65.269 8.697%	99.887 15.517%

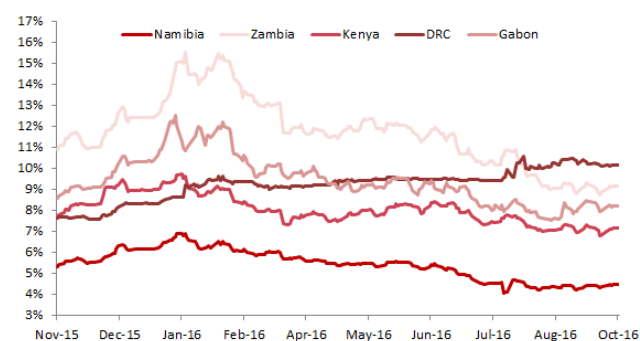
Sources: Bloomberg and Eaglestone Securities.

EUROBOND YIELDS (ANG, SA, MOZ &amp; NIG)



Sources: Bloomberg and Eaglestone Securities.

EUROBOND YIELDS (NAM, ZAM, KEN, DRC &amp; GAB)



Sources: Bloomberg and Eaglestone Securities.

## AFRICA SOVEREIGN RATINGS

03/10/2016	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
	MOODYS	S&P	FTCH	MOODYS	S&P	FTCH
Angola	B1	B	B	NR	B	B
Botswana	A2	A-	NR	NR	A-2	NR
Burkina Faso	NR	B-	NR	NR	B	NR
Cameroon	B2	B	B	NR	B	NR
Cape Verde	NR	B	B	NR	B	B
Egypt	B3	B-	B	NR	B	B
Ethiopia	B1	B	B	NR	B	B
Gabon	B1	NR	B+	NR	NR	B
Ghana	B3	B-	B	NR	B	B
Ivory Coast	Ba3	NR	B+	NP	NR	B
Kenya	B1	B+	B+	NR	B	B
Lesotho	NR	NR	B+	NR	NR	B
Mali	NR	NR	WD	NR	NR	NR
Mauritius	Baa1	NR	NR	NR	NR	NR
Morocco	Ba1	BBB-	BBB-	NR	A-3	F3
Mozambique	Caa3	CCC	CC	NR	C	C
Namibia	Baa3	NR	BBB-	NR	NR	F3
Nigeria	B1	B+	B+	NR	B	B
Republic of Congo	B3*-	B-	CCC	NR	B	C
Republic of Zambia	B3	B	B	NR	B	B
Rwanda	B2	B	B+	NR	B	B
Senegal	B1	B+	NR	NR	B	NR
Seychelles	NR	NR	BB-	NR	NR	B
South Africa	Baa2	BBB-	BBB-	P-2	A-3	F3
Tunisia	Ba3	NR	BB-	NR	NR	B
Uganda	B1	B	B+	NR	B	B

Sources: Bloomberg, Eaglestone Advisory (Rating: **Up**, **Down**, No Change, **Initial**)

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AMSTERDAM - Herengracht 450-454 1017 CA - T: +31 20 240 31 60

CAPE TOWN - 22 Kildare Road Newlands 7700 - T: +27 21 674 0304

JOHANNESBURG - Unit 4, Upper Ground, Katherine & West 114 West Street, Sandton – T: +27 11 326 6644

LISBON - Av. da Liberdade, 105, 3rd Floor - T: +351 21 121 44 00

LONDON - 48 Dover Street - T: +44 20 7038 6200

LUANDA - Rua Marechal Brós Tito n° 35/37 - 13th Floor A - Kinaxixi, Ingombotas - T: +244 222 441 362

MAPUTO – Avenida Vladimir Lenine – Edifício Millennium Park, Torre A, n° 174, 4° andar S - T: +258 21 342 811

## Disclosures

Eaglestone was founded in December 2011 with the aim to be a committed partner for the development of businesses located primarily in Sub-Saharan Africa and to support the development of renewable energy projects on a global basis.

The company has three business activities - financial advisory services, asset management and brokerage - and currently has offices in Amsterdam, Cape Town London, Lisbon, Luanda and Maputo

Eaglestone is committed to operating and behaving according to the highest standards of corporate governance. Its subsidiary in the United Kingdom is authorized and regulated by the Financial Conduct Authority.

Eaglestone operates with a clear vision and mission to act on behalf of and in the best interests of all its stakeholders, whether they are investors, employees or users of its services.

## EAGLESTONE SECURITIES

### Business Intelligence

**Caroline Fernandes Ferreira**

(+351) 211 214 430

[caroline.ferreira@eaglestone.eu](mailto:caroline.ferreira@eaglestone.eu)

### Research

**Tiago Bossa Dionísio**

(+351) 211 214 431

[tiago.dionisio@eaglestone.eu](mailto:tiago.dionisio@eaglestone.eu)