



## **Africa Weekly: AfDB expects growth to accelerate in 2017**

### **Top Political News**

The chairman of **Angola's** sovereign wealth fund (SWF) stated that the fund has started investing in local state-owned farms to make them commercially viable for producing and exporting soft commodities. José Filomeno dos Santos added the fund has recently secured a concession of seven large farms in the country covering some 72,000 hectares and expects the farms, which currently produce oil seeds, grains and meats to yield a annual ROI of 8% or more over 10 years. The SWF had US\$ 4.56bn in AuM at the end of 1Q16 with US\$ 2.7bn of its portfolio allocated for investments in private equity (unlisted securities and debt) in infrastructure, real estate, agriculture, timber, healthcare, mining and mezzanine capital. Reports indicate that dozens of people have died in the **Democratic Republic of Congo** during protests calling for President Joseph Kabila to resign. The electoral commission was meant to announce a date for presidential elections on Monday of last week, but later said that it will not be possible to hold them at the November due date. The opposition says that Mr. Kabila is trying to delay the elections in order to remain in power beyond his two-term limit, which ends in December. **Nigeria's** President, Muhammadu Buhari, stated that his country would soon be one of the most attractive places to invest as his administration has embarked on significant economic reforms. These include wide-ranging business environment reforms on ports, visa-on arrival, improving the speed and efficiency of land titling and business registration.

### **Top Economic News**

The African Development Bank (AfDB) President believes **African economies** are probably through the worst of their downturns and expects growth to accelerate in 2017, driven by investments in infrastructure and increased efforts to diversify from commodities. Akinwumi Adesina estimates growth in the continent to reach around 3.5% this year, rising to 3.7% in 2017 and 4.2% in 2018. This compares with 3.6% in 2015, the slowest pace since 2011.

### **Commodities**

A Bloomberg survey showed investors don't expect **OPEC** to reach an agreement to limit oil production in this week's informal meeting in Algiers as members are more likely to stay focused on either boosting output or defending their market share. Iran and Iraq have signaled their plans to raise output while Saudi Arabia is likely to keep its near-record supply. The same outcome is expected to happen when OPEC holds informal talks with Russia next week. **Mozambique's** coal mining industry could see a revival after the price of premium hard coking coal has more than doubled in the past six weeks to more than US\$ 200/ton. The surge in price is due to a reduction in global supply, mostly from production curbs in China after the government restricted the number of working days in domestic coal mines and the strong demand in the spot market. **Mozambique's** Council of Ministers approved a new law on the commercialization of diamonds and precious stones that could help pave the way for the country to join the Kimberley Process and open the door for diamond mining. Despite the approval, the head of the country's state mining company EMEM said there is still much work to be done. Also in **Mozambique**, Warburg Pincus, a US based private equity firm, said it plans to invest at least US\$ 100mn in hydrocarbon exploration, namely oil, in the south of the country. The firm stated that it is working with the government on a law-decree that could allow the start of operations in 2017.

### **Sovereign Ratings**

Fitch downgraded Angola's long-term rating to "B" from "B+" due to the country's worsening macro, fiscal and external situations. The outlook remains negative.

### **Capital Markets**

26 September 2016

**Tiago Bossa Dionísio**

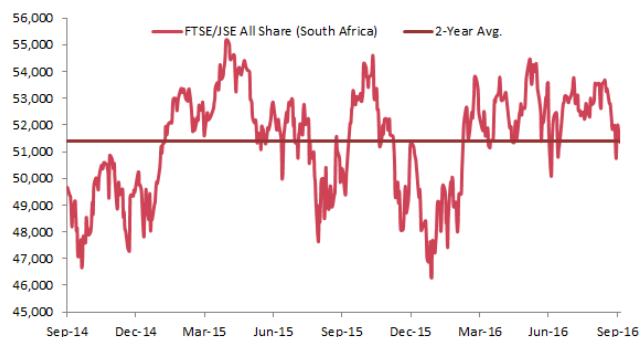
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Stock Markets Index (Country)	26/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Africa</b>							
FTSE/JSE All Share (South Africa)	51,355.74	-1.19%	-4.02%	2.04%	1.31%	45,975.78	54,760.91
EGX 30 (Egypt)	7,905.56	-0.86%	-2.78%	7.61%	12.84%	5,526.02	8,481.13
Gaborone Domestic Index (Botswana)	9,766.95	1.36%	2.35%	-9.72%	-7.88%	9,504.24	10,774.92
Nairobi SE All Share (Kenya)	134.12	1.42%	-0.63%	-9.57%	-7.95%	129.65	148.10
All Share Index (Nigeria)	28,247.11	1.40%	2.90%	-7.52%	-1.38%	22,330.96	31,256.16
Ghana Stock Exchange (Ghana)	1,775.12	-0.18%	-1.85%	-12.95%	-11.02%	1,746.42	2,039.44
Namibia Overall Index (Namibia)	1,027.64	1.31%	-0.31%	4.10%	18.74%	766.67	1,072.14
Tanzania All Share Index (Tanzania)	2,453.83	0.33%	-6.23%	-3.03%	5.14%	2,172.97	5,004.67
<b>Americas</b>							
Dow Jones Industrial Avg. (USA)	18,261.45	0.76%	-0.73%	11.93%	4.80%	15,450.56	18,668.44
S&P 500 (USA)	2,164.69	1.19%	-0.20%	12.08%	5.91%	1,810.10	2,193.81
Nasdaq (USA)	5,305.75	1.17%	1.66%	13.21%	5.96%	4,209.76	5,342.88
Ibovespa (Brazil)	58,697.00	2.83%	1.70%	30.93%	35.40%	37,046.07	60,310.50
<b>Europe</b>							
Euro Stoxx 50 (Europe)	2,980.07	0.40%	-1.01%	-4.28%	-8.80%	2,672.73	3,524.04
FTSE 100 (UK)	6,826.72	0.19%	-0.17%	11.75%	9.36%	5,499.51	6,955.34
DAX (Germany)	10,462.08	0.85%	-1.19%	7.98%	-2.62%	8,699.29	11,430.87
PSI 20 (Portugal)	4,542.13	-0.20%	-3.31%	-10.23%	-14.51%	4,175.28	5,625.06
IBEX 35 (Spain)	8,644.50	-0.81%	-0.17%	-9.19%	-9.43%	7,579.80	10,631.60
CAC (France)	4,411.91	0.40%	-0.67%	-1.53%	-4.86%	3,892.46	5,011.65
SMI (Switzerland)	8,166.50	-0.36%	-0.02%	-3.99%	-7.39%	7,425.05	9,080.56
<b>Asia</b>							
Nikkei 225 (Japan)	16,544.56	0.85%	1.12%	-7.47%	-13.08%	14,864.01	20,012.40
Topix (Japan)	1,335.84	2.67%	3.72%	-8.11%	-13.67%	1,192.80	1,609.76
Hang Seng (Hong Kong)	6,720.18	-0.98%	0.74%	6.49%	3.60%	5,261.43	7,072.10
Shanghai All Share (China)	3,119.87	-1.51%	-2.93%	-3.68%	-15.78%	2,760.92	3,856.74
CSI 300 (China)	3,220.28	-1.31%	-2.62%	-0.36%	-13.69%	2,821.22	3,926.69

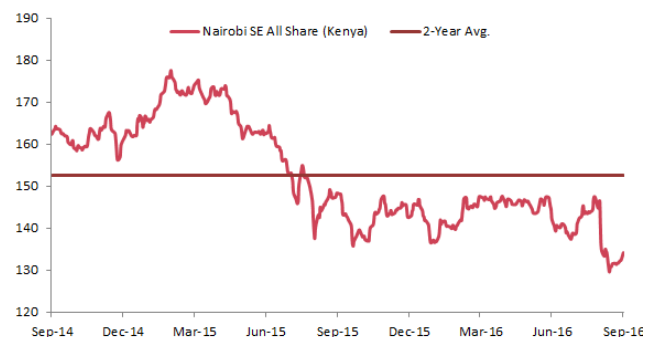
Sources: Bloomberg and Eaglestone Securities.

## JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



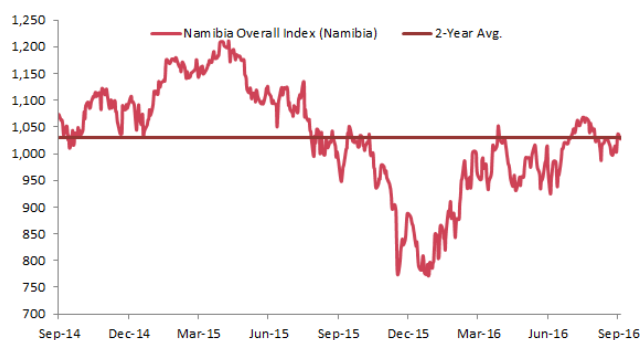
Sources: Bloomberg and Eaglestone Securities.

## NAIROBI STOCK EXCHANGE ALL SHARE INDEX



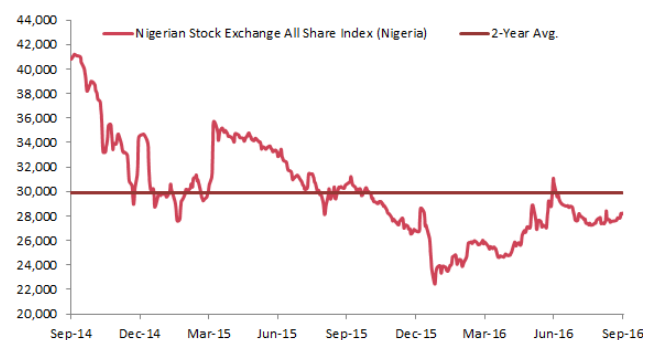
Sources: Bloomberg and Eaglestone Securities.

## NAMIBIA OVERALL INDEX



Sources: Bloomberg and Eaglestone Securities.

## NIGERIA ALL SHARE INDEX

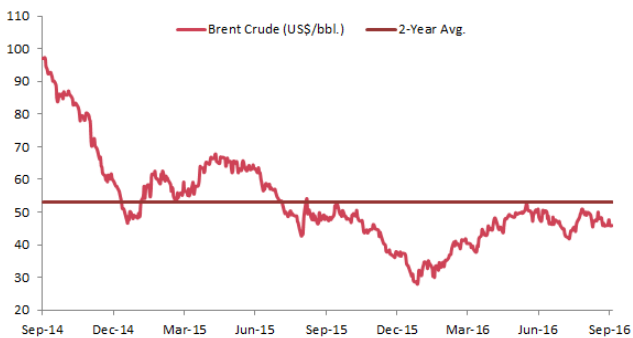


Sources: Bloomberg and Eaglestone Securities.

Commodities	26/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Energy</b>							
WTI Crude (US\$/bbl.)	44.53	2.84%	-6.53%	-2.56%	20.22%	26.05	51.67
Brent Crude (US\$/bbl.)	45.87	-0.17%	-8.11%	-5.62%	23.04%	27.10	54.05
Natural Gas (US\$/MMBtu)	2.98	1.70%	3.94%	16.38%	27.69%	1.61	3.10
Gasoline (US\$/gal.)	137.58	-3.17%	-9.06%	-1.44%	8.58%	89.75	166.64
Coal (US\$/ton)	60.20	-2.11%	-1.47%	11.90%	25.81%	42.65	61.75
<b>Precious Metals</b>							
Gold (US\$/oz.)	1,335.20	1.63%	1.04%	16.54%	25.94%	1,046.20	1,377.50
Silver (US\$/oz.)	19.56	1.84%	4.87%	29.48%	41.71%	13.64	21.09
Platinum (US\$/oz.)	1,040.14	1.88%	-3.13%	13.22%	16.67%	810.75	1,194.64
<b>Other Metals</b>							
Copper (US\$/lb.)	219.25	1.91%	3.66%	-4.90%	2.69%	193.55	243.75
Aluminum (US\$/MT)	1,637.00	3.90%	-1.92%	3.80%	8.63%	1,432.50	1,709.00
Zinc (US\$/MT)	2,276.00	2.75%	-1.13%	37.86%	41.45%	1,444.50	2,372.00
Tin (US\$/MT)	19,645.00	2.85%	5.05%	31.62%	34.97%	13,085.00	19,670.00
Iron Ore (US\$/ton)	56.79	1.47%	-8.03%	2.69%	30.34%	38.30	70.46
<b>Agriculture</b>							
Cocoa (US\$/MT)	2,852.00	1.75%	-6.15%	-13.97%	-11.18%	2,731.00	3,422.00
Coffee (US\$/lb.)	151.40	2.92%	4.20%	30.29%	19.49%	111.05	160.90
Sugar (US\$/lb.)	22.06	-0.18%	7.04%	87.90%	44.75%	11.42	23.45
Cotton (US\$/lb.)	69.08	1.98%	1.41%	17.68%	9.17%	55.66	77.80
Corn (US\$)	335.25	-0.59%	6.01%	-13.82%	-6.55%	301.00	439.25
Wheat (US\$)	404.75	0.19%	5.54%	-20.29%	-13.88%	359.50	531.50
Soy (US\$)	955.75	-1.72%	-3.53%	7.48%	9.70%	844.25	1,208.50

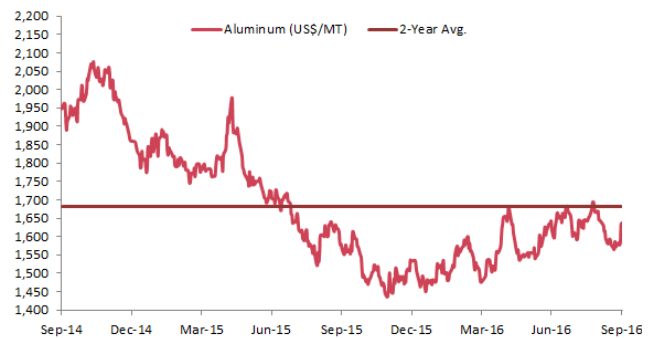
Sources: Bloomberg and Eaglestone Securities.

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



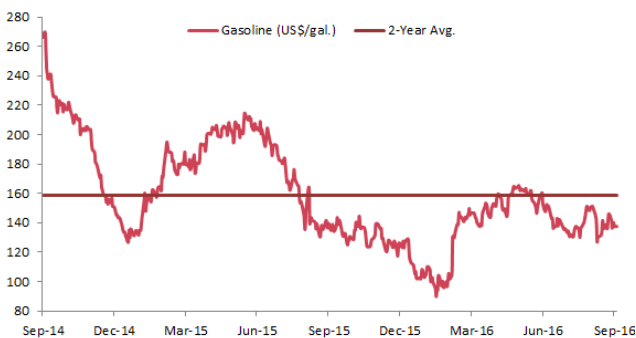
Sources: Bloomberg and Eaglestone Securities.

**ALUMINUM (US\$/MT)**



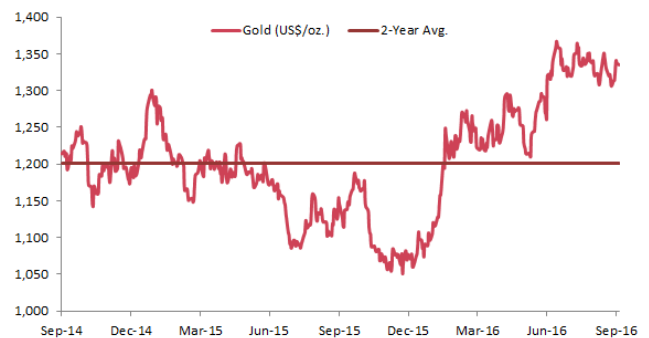
Sources: Bloomberg and Eaglestone Securities.

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



Sources: Bloomberg and Eaglestone Securities.

**GOLD (US\$/OZ.)**

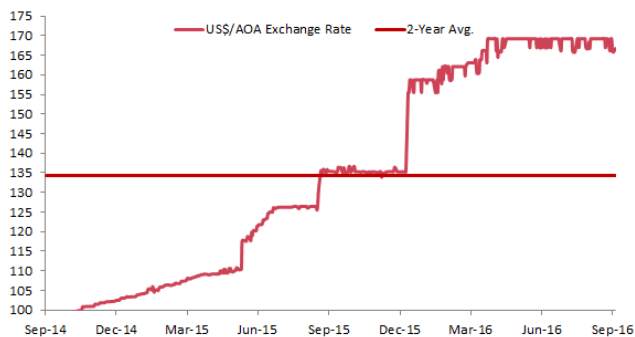


Sources: Bloomberg and Eaglestone Securities.

Currencies	26/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Kwanza (Angola)</b>							
Dollar (USA)	166.72	-0.36%	1.50%	-18.80%	-18.89%	133.90	169.43
Euro	186.35	-0.39%	1.66%	-18.31%	-21.21%	141.65	196.44
Sterling (UK)	214.20	1.05%	3.78%	-4.10%	-6.96%	198.23	253.90
Rand (South Africa)	12.10	-2.04%	-2.65%	-20.43%	-27.80%	8.43	12.82
Real (Brazil)	51.11	-0.64%	1.35%	-35.54%	-33.20%	32.61	54.37
<b>Metical (Mozambique)</b>							
Dollar (USA)	76.50	1.19%	-5.40%	-44.44%	-37.25%	42.29	78.78
Euro	86.35	0.17%	-6.15%	-44.66%	-39.64%	46.69	89.22
Sterling (UK)	99.77	1.09%	-4.71%	-34.62%	-29.10%	62.67	104.52
Rand (South Africa)	5.58	-1.06%	-9.76%	-45.86%	-44.45%	0.48	5.70
<b>Rand (South Africa)</b>							
Dollar (USA)	13.70	2.30%	4.88%	2.62%	12.90%	13.01	17.92
Euro	15.40	1.70%	4.48%	2.68%	9.23%	14.77	19.59
Sterling (UK)	17.70	3.15%	6.55%	20.51%	28.82%	17.06	26.02
Real (Brazil)	4.22	1.42%	4.15%	-19.01%	-7.48%	3.29	4.69
<b>Naira (Nigeria)</b>							
Dollar (USA)	314.75	0.16%	0.16%	-36.76%	-36.68%	196.48	350.25
Euro	358.98	0.85%	-1.67%	-37.65%	-39.73%	162.80	390.34
<b>Euro</b>							
Dollar (USA)	1.12	0.57%	0.37%	-0.04%	3.47%	1.05	1.16
Sterling (UK)	0.87	-1.40%	-2.00%	-14.80%	-15.27%	0.70	0.87
Franc (Switzerland)	1.09	0.63%	0.63%	0.58%	-0.02%	1.06	1.12
Yen (Japan)	113.05	0.75%	0.84%	19.27%	15.56%	109.57	136.96

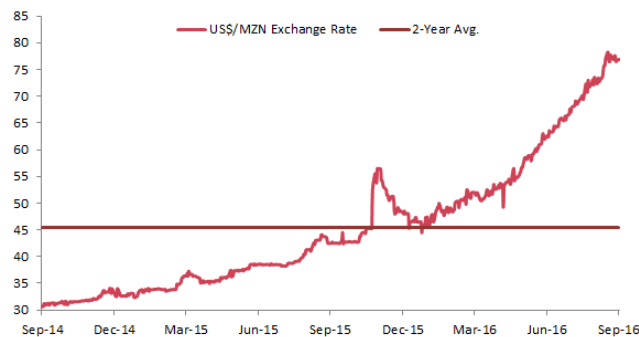
Sources: Bloomberg and Eaglestone Securities.

US\$/AOA EXCHANGE RATE



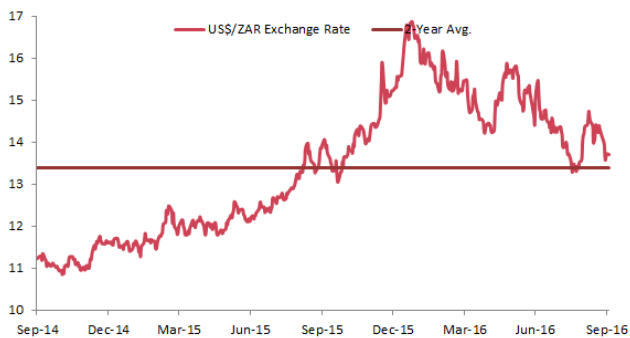
Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



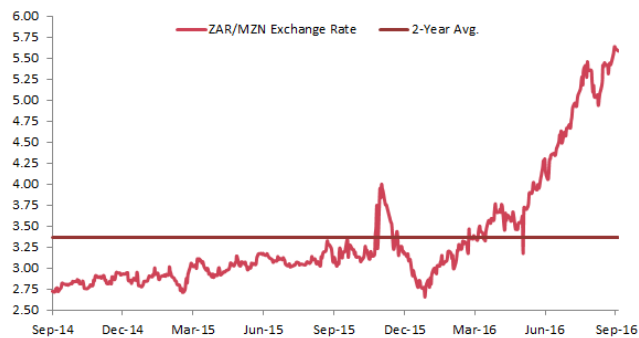
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

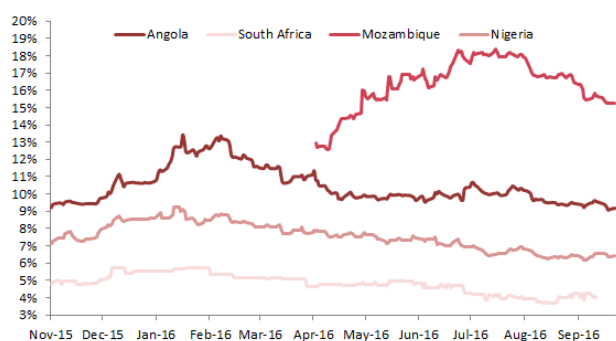


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	26/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Angola</b> (12/11/2025; 9.5%)	101.726 9.213%	1.336% -0.214%	1.273% -0.204%	n.a. 0.003%	9.207% -1.232%	78.535 9.069%	101.892 13.425%
<b>Dem. Republic of Congo</b> (30/06/2029; 4.0%)	69.377 10.126%	0.934% -0.104%	1.088% -0.092%	-18.712% 3.861%	-12.032% 2.242%	66.397 7.453%	86.569 10.556%
<b>Ethiopia</b> (11/12/2024; 6.625%)	99.882 6.642%	1.986% -0.300%	0.744% -0.116%	5.736% -0.733%	12.481% -1.411%	82.037 6.548%	99.664 9.666%
<b>Gabon</b> (16/06/2025; 6.95%)	93.132 8.059%	1.799% -0.270%	-2.732% 0.465%	5.551% -0.655%	16.495% -1.767%	69.735 7.510%	96.664 12.494%
<b>Ghana</b> (07/08/2023; 7.875%)	94.178 9.029%	1.535% -0.285%	0.886% -0.159%	8.988% -1.228%	18.606% -2.289%	65.595 8.740%	93.790 15.822%
<b>Ivory Coast</b> (31/12/2032; 5.75%)	99.261 5.857%	0.101% -0.015%	-1.620% 0.248%	12.190% -1.260%	11.228% -1.206%	83.659 5.568%	101.328 8.321%
<b>Kenya</b> (24/06/2024; 6.875%)	99.566 6.946%	1.186% -0.193%	0.562% -0.092%	7.179% -0.929%	13.265% -1.550%	83.919 6.783%	99.329 9.708%
<b>Mozambique</b> (18/01/2023; 10.5%)	80.956 15.264%	1.738% -0.302%	7.631% -1.513%	n.a. 2.743%	n.a. 2.743%	69.935 12.565%	90.695 18.388%
<b>Namibia</b> (29/10/2025; 5.25%)	106.693 4.350%	0.407% -0.057%	0.010% -0.007%	n.a. -0.738%	14.015% -1.263%	88.524 4.197%	108.052 6.877%
<b>Nigeria</b> (12/07/2023; 6.375%)	99.730 6.422%	0.814% -0.145%	-0.491% 0.091%	9.175% -1.188%	13.264% -1.605%	84.651 6.147%	100.607 9.253%
<b>Rwanda</b> (02/05/2023; 6.625%)	102.692 6.121%	1.153% -0.209%	0.469% -0.090%	6.313% -0.927%	7.114% -1.031%	92.349 6.084%	102.724 8.032%
<b>Senegal</b> (30/07/2024; 6.25%)	104.953 5.463%	1.824% -0.279%	2.403% -0.362%	13.799% -1.465%	17.019% -1.699%	84.764 5.360%	103.021 8.815%
<b>Seychelles</b> (01/01/2026; 7.0%)	101.809 7.543%	0.644% -0.094%	-0.229% 0.042%	8.286% -0.917%	8.695% -0.995%	91.946 7.403%	102.712 8.850%
<b>South Africa</b> (16/09/2025; 5.875%)	115.000 3.878%	1.099% -0.151%	0.988% -0.146%	n.a. -0.764%	11.922% -1.146%	98.300 3.686%	117.370 5.738%
<b>Zambia</b> (30/07/2027; 8.97%)	100.313 8.921%	1.211% -0.173%	0.625% -0.091%	17.872% -1.863%	26.650% -2.502%	65.269 8.697%	99.887 15.517%

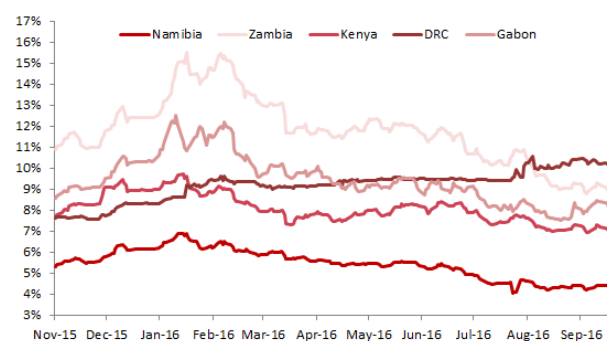
Sources: Bloomberg and Eaglestone Securities.

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

26/09/2016	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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## 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.

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