



## **Africa Weekly: Angola President Reshuffles Cabinet**

### **Top Political News**

The Angolan President, José Eduardo dos Santos, announced a cabinet reshuffle this week that included the replacement of Armando Manuel, the Finance Minister, by Augusto Archer Manguera (former President of the Capital Markets Commission). Mr. dos Santos also nominated (1) Manuel da Cruz Neto as Minister of State and Chief of Staff, (2) Edeltrudes Fernandes Gaspar da Costa as Secretary-General to the President and (3) Marcos Alexandre Nhunga as Minister of Agriculture. In Mozambique, President Filipe Nyusi appointed Rogério Lucas Zandamela, an IMF official, as Central Bank Governor to replace Ernesto Gove, whose term has ended. The UN Security Council has urged Guinea-Bissau to find a solution to the political crisis that has impacted the adoption of the government's program and budget this year. A judicial ruling is expected in Zambia in the hope of settling a dispute that followed the country's presidential elections last month and resulted in political violence and media freedom violations in the country.

### **Top Economic News**

The Nigerian economy slid into recession for the first time in more than two decades after contracting 2.1% in 2Q while inflation hit an 11-year high of 17.1% last month. This followed a drop of 0.4% in economic activity in the first three months of the year and underlines the country's ongoing crisis. The IMF expects growth in Nigeria to shrink 1.8% in 2016.

### **Commodities**

Saudi Arabia and Russia have agreed to cooperate to stabilize global oil markets, but failed to announce any specific measures aimed at raising prices including a possible cut in output. Recall that Russian President Vladimir Putin stated last week that he would like OPEC and Russia to agree on an output freeze, raising speculation that an agreement could be reached at the talks later this month in Algeria. Oil prices remain under some pressure, with both the Brent and WTI trading below US\$ 50 per barrel.

### **Currencies**

The South African rand has stabilized in the last few days after slipping more than 4% against the dollar at the end of August following news that its Finance Minister could be charged and removed from his post. The risk of this scenario taking place could put further pressure on the rand and also lead to a cut in the country's credit rating later this year. The Nigerian naira exchange rate against the dollar has been very volatile in the interbank FX market since the Central Bank decided to abandon the peg against the dollar in June. The naira fell to a record low of 350 to the US\$ on August 19<sup>th</sup> and is currently trading at 314.75, a depreciation of over 36% this year.

### **Africa Eurobonds**

The Ivory Coast abandoned plans for a Eurobond issue this year and instead decided to raise debt in its regional market since a stronger dollar is making such a deal more expensive. Press reports suggest that the country may issue as much as CFA Francs 550 billion on the local market before the end of 2016 after already raising CFA Francs 150 billion in August. Recall that the Ivory Coast raised US\$ 750 million in 2014 and US\$ 1 billion last year in two Eurobond deals. On this topic, the head of the African Development Bank urged governments to try to boost tax revenue by expanding the tax base and improve the efficiency of tax administration to lift public finances and avoid international borrowing.

### **Capital Markets**

06 September 2016

### **Tiago Bossa Dionísio**

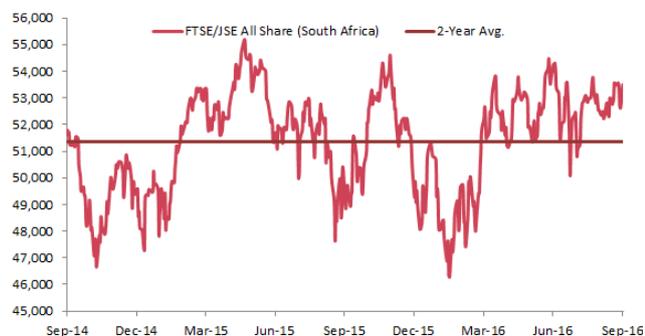
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Stock Markets Index (Country)	05/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Africa</b>							
FTSE/JSE All Share (South Africa)	53,622.00	0.11%	2.43%	9.20%	5.78%	45,975.78	54,760.91
EGX 30 (Egypt)	8,270.76	2.97%	0.19%	13.36%	18.05%	5,526.02	8,481.13
Gaborone Domestic Index (Botswana)	9,593.62	0.39%	-2.26%	-11.50%	-9.51%	9,504.24	10,828.55
Nairobi SE All Share (Kenya)	129.65	-2.88%	-9.95%	-9.99%	-11.02%	129.65	149.14
All Share Index (Nigeria)	27,707.12	1.24%	1.03%	-6.11%	-3.26%	22,330.96	31,256.16
Ghana Stock Exchange (Ghana)	1,873.13	3.24%	3.97%	-10.82%	-6.10%	1,746.42	2,106.17
Namibia Overall Index (Namibia)	1,015.97	-0.83%	-3.81%	1.04%	17.39%	766.67	1,072.14
Tanzania All Share Index (Tanzania)	2,421.39	-5.45%	-14.09%	-3.07%	3.75%	2,172.97	5,004.67
<b>Americas</b>							
Dow Jones Industrial Avg. (USA)	18,491.96	0.52%	-0.28%	14.84%	6.12%	15,450.56	18,668.44
S&P 500 (USA)	2,179.98	0.50%	-0.13%	13.47%	6.66%	1,810.10	2,193.81
Nasdaq (USA)	5,249.90	0.59%	0.55%	12.08%	4.84%	4,209.76	5,275.74
Ibovespa (Brazil)	59,760.43	1.96%	3.64%	28.52%	37.86%	37,046.07	59,985.52
<b>Europe</b>							
Euro Stoxx 50 (Europe)	3,078.47	2.67%	3.52%	-3.20%	-5.79%	2,672.73	3,524.04
FTSE 100 (UK)	6,886.83	0.71%	1.37%	13.97%	10.32%	5,499.51	6,955.34
DAX (Germany)	10,679.10	1.28%	3.01%	6.39%	-0.59%	8,699.29	11,430.87
PSI 20 (Portugal)	4,781.65	1.82%	2.17%	-5.45%	-10.00%	4,175.28	5,625.06
IBEX 35 (Spain)	8,951.10	3.88%	4.82%	-8.86%	-6.21%	7,579.80	10,631.60
CAC (France)	4,543.10	2.69%	3.01%	0.44%	-2.03%	3,892.46	5,011.65
SMI (Switzerland)	8,306.88	1.50%	1.37%	-3.99%	-5.80%	7,425.05	9,080.56
<b>Asia</b>							
Nikkei 225 (Japan)	17,037.63	1.79%	4.82%	-4.24%	-10.49%	14,864.01	20,012.40
Topix (Japan)	1,343.85	2.33%	5.00%	-6.97%	-13.15%	1,192.80	1,609.76
Hang Seng (Hong Kong)	6,845.19	2.69%	7.59%	11.63%	5.53%	5,261.43	7,072.10
Shanghai All Share (China)	3,216.02	0.07%	3.21%	-2.88%	-13.18%	2,760.92	3,856.74
CSI 300 (China)	3,319.68	0.36%	3.57%	-1.37%	-11.02%	2,821.22	3,926.69

Sources: Bloomberg and Eaglestone Securities.

**JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX**



Sources: Bloomberg and Eaglestone Securities.

**NIGERIA ALL SHARE INDEX**



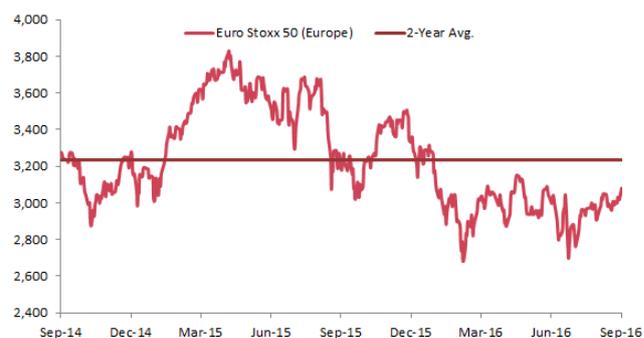
Sources: Bloomberg and Eaglestone Securities.

**IBOVESPA**



Sources: Bloomberg and Eaglestone Securities.

**EURO STOXX 50**

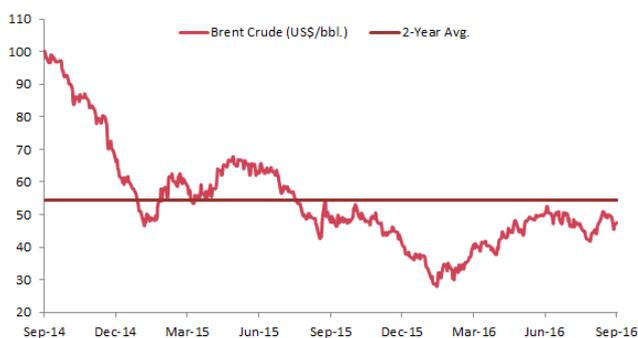


Sources: Bloomberg and Eaglestone Securities.

Commodities	05/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Energy</b>							
WTI Crude (US\$/bbl.)	45.03	-4.15%	7.73%	-2.21%	21.57%	26.05	51.67
Brent Crude (US\$/bbl.)	47.28	-4.02%	6.80%	-4.70%	26.82%	27.10	54.05
Natural Gas (US\$/MMBtu)	2.74	-3.93%	-1.12%	3.24%	17.29%	1.61	3.00
Gasoline (US\$/gal.)	130.31	-11.17%	-5.32%	-8.12%	2.84%	89.75	166.64
Coal (US\$/ton)	61.50	0.65%	5.67%	12.33%	28.53%	42.65	61.60
<b>Precious Metals</b>							
Gold (US\$/oz.)	1,326.90	0.30%	-0.71%	18.38%	25.16%	1,046.20	1,377.50
Silver (US\$/oz.)	19.47	3.74%	-1.75%	33.87%	41.06%	13.64	21.09
Platinum (US\$/oz.)	1,071.45	-0.54%	-6.49%	8.43%	20.18%	810.75	1,194.64
<b>Other Metals</b>							
Copper (US\$/lb.)	207.35	-0.05%	-3.74%	-10.61%	-2.88%	193.55	250.00
Aluminum (US\$/MT)	1,594.00	-3.07%	-1.91%	-0.38%	5.77%	1,432.50	1,709.00
Zinc (US\$/MT)	2,364.00	2.87%	3.91%	30.00%	46.92%	1,444.50	2,370.00
Tin (US\$/MT)	19,325.00	3.07%	7.42%	26.93%	32.77%	13,085.00	19,335.00
Iron Ore (US\$/ton)	60.43	-0.43%	0.92%	36.84%	59.74%	45.30	60.80
<b>Agriculture</b>							
Cocoa (US\$/MT)	2,923.00	-2.95%	0.93%	-6.22%	-8.97%	2,731.00	3,422.00
Coffee (US\$/lb.)	150.10	4.31%	6.27%	30.86%	18.47%	111.05	153.05
Sugar (US\$/lb.)	20.18	-2.09%	5.93%	88.07%	32.41%	10.80	21.10
Cotton (US\$/lb.)	67.51	-0.30%	-8.36%	6.85%	6.68%	55.66	77.80
Corn (US\$)	316.50	0.08%	-2.39%	-10.59%	-11.78%	301.00	439.25
Wheat (US\$)	373.25	-2.67%	-6.98%	-21.09%	-20.59%	359.50	531.50
Soy (US\$)	968.50	-2.25%	-1.70%	9.59%	11.16%	844.25	1,208.50

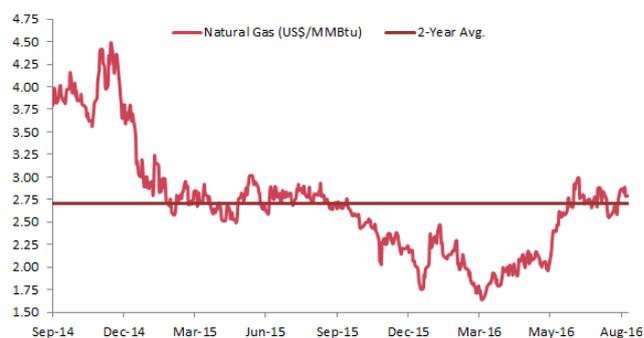
Sources: Bloomberg and Eaglestone Securities.

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



Sources: Bloomberg and Eaglestone Securities.

**NATURAL GAS (US\$/MM BTU)**



Sources: Bloomberg and Eaglestone Securities.

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



Sources: Bloomberg and Eaglestone Securities.

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

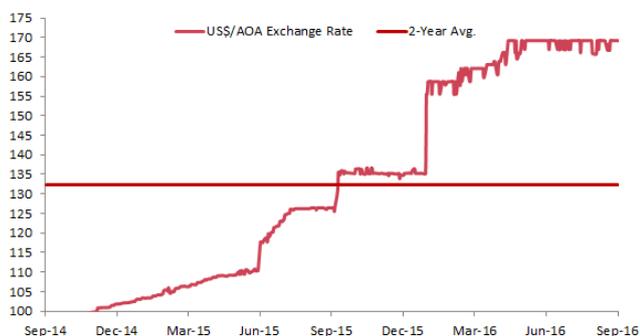


Sources: Bloomberg and Eaglestone Securities.

Currencies	05/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Kwanza (Angola)</b>							
Dollar (USA)	169.22	0.00%	-2.01%	-25.30%	-20.09%	125.55	169.43
Euro	188.66	0.35%	-2.57%	-25.64%	-22.18%	139.77	196.44
Sterling (UK)	225.22	-1.54%	-3.76%	-14.82%	-11.52%	190.64	253.90
Rand (South Africa)	11.76	-0.06%	2.74%	-23.58%	-25.72%	8.43	12.82
Real (Brazil)	51.63	1.46%	1.47%	-36.71%	-33.88%	31.88	54.37
<b>Metical (Mozambique)</b>							
Dollar (USA)	74.82	-3.10%	-7.11%	-43.53%	-35.85%	31.28	75.04
Euro	81.70	-1.46%	-6.40%	-42.23%	-36.21%	46.69	83.18
Sterling (UK)	97.61	-3.50%	-7.60%	-33.10%	-27.53%	62.67	97.98
Rand (South Africa)	5.20	-3.16%	-2.60%	-41.86%	-40.36%	0.48	5.50
<b>Rand (South Africa)</b>							
Dollar (USA)	14.39	0.14%	-4.59%	-2.88%	7.52%	13.01	17.92
Euro	16.04	0.50%	-5.20%	-2.72%	4.86%	14.77	19.59
Sterling (UK)	19.15	-1.39%	-6.44%	11.42%	19.10%	17.06	26.02
Real (Brazil)	4.39	1.64%	-1.24%	-17.18%	-10.95%	3.29	4.69
<b>Naira (Nigeria)</b>							
Dollar (USA)	314.75	0.00%	1.43%	-37.23%	-36.68%	196.48	350.25
Euro	351.21	0.27%	0.77%	-37.16%	-38.39%	162.80	390.34
<b>Euro</b>							
Dollar (USA)	1.12	-0.35%	0.58%	-0.18%	2.65%	1.05	1.16
Sterling (UK)	0.84	1.92%	1.27%	-12.71%	-12.02%	0.70	0.87
Franc (Switzerland)	1.09	0.17%	-0.50%	-0.32%	-0.41%	1.06	1.12
Yen (Japan)	115.29	-1.08%	-2.10%	15.56%	13.31%	109.57	137.45

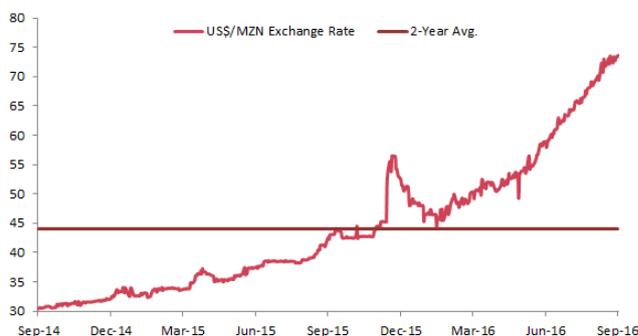
Sources: Bloomberg and Eaglestone Securities.

US\$/AOA EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



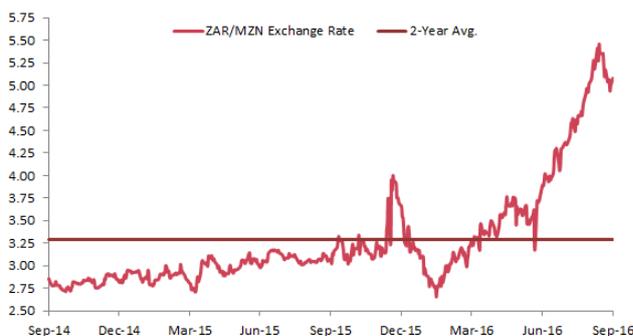
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

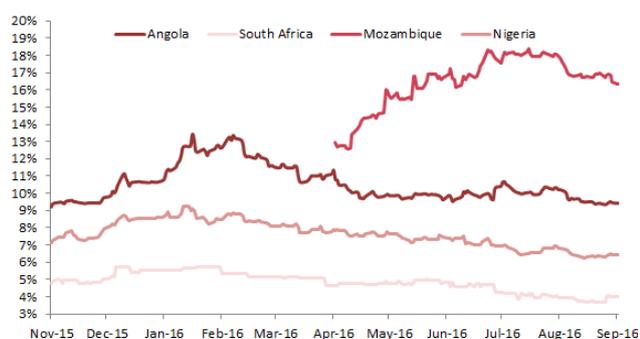


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	05/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Angola</b> (12/11/2025; 9.5%)	100.300 9.446%	-0.605% 0.101%	4.697% -0.704%	n.a. 0.242%	7.676% -1.055%	78.535 9.210%	101.892 13.425%
<b>Dem. Republic of Congo</b> (30/06/2029; 4.0%)	67.303 10.473%	-2.729% 0.366%	-1.372% 0.217%	-21.827% 4.716%	-14.662% 2.757%	66.397 7.193%	86.569 10.556%
<b>Ethiopia</b> (11/12/2024; 6.625%)	98.173 6.917%	-0.979% 0.247%	2.041% -0.305%	3.746% -0.483%	10.556% -1.244%	82.037 6.678%	99.664 9.666%
<b>Gabon</b> (16/06/2025; 6.95%)	93.029 8.071%	-3.312% 0.564%	1.514% -0.222%	4.331% -0.505%	16.366% -1.760%	69.735 7.510%	96.664 12.494%
<b>Ghana</b> (14/10/2030; 10.75%)	112.978 9.096%	-0.499% 0.065%	2.274% -0.290%	n.a. -1.053%	10.984% -1.219%	87.092 8.997%	113.963 12.702%
<b>Ivory Coast</b> (31/12/2032; 5.75%)	99.382 5.839%	-1.532% 0.233%	1.321% -0.185%	11.813% -1.225%	11.364% -1.216%	83.659 5.568%	101.328 8.321%
<b>Kenya</b> (24/06/2024; 6.875%)	97.705 7.263%	-1.183% 0.206%	1.962% -0.310%	1.318% -0.165%	11.148% -1.363%	83.919 6.998%	99.329 9.708%
<b>Mozambique</b> (18/01/2023; 10.5%)	76.667 16.506%	1.040% -0.227%	6.275% -1.280%	n.a. 4.550%	n.a. 4.550%	69.935 12.565%	90.695 18.388%
<b>Namibia</b> (29/10/2025; 5.25%)	106.264 4.409%	-0.896% 0.125%	1.500% -0.199%	n.a. -0.698%	13.557% -1.237%	88.524 4.197%	108.052 6.877%
<b>Nigeria</b> (12/07/2023; 6.375%)	99.665 6.434%	-0.588% 0.109%	2.021% -0.344%	8.589% -1.122%	13.190% -1.599%	84.651 6.264%	100.607 9.253%
<b>Rwanda</b> (02/05/2023; 6.625%)	102.625 6.137%	0.403% -0.011%	3.610% -0.599%	2.241% -0.396%	7.044% -1.021%	92.349 6.137%	102.700 8.032%
<b>Senegal</b> (30/07/2024; 6.25%)	102.709 5.816%	-0.302% 0.048%	4.212% -0.599%	10.659% -1.222%	14.517% -1.550%	84.764 5.768%	103.021 8.815%
<b>Seychelles</b> (01/01/2026; 7.0%)	100.985 7.661%	-1.679% 0.267%	1.557% -0.219%	6.687% -0.742%	7.815% -0.907%	91.946 7.403%	102.712 8.850%
<b>South Africa</b> (16/09/2025; 5.875%)	112.175 4.237%	-1.493% 0.219%	-2.350% 0.348%	n.a. -0.494%	9.173% -0.975%	98.300 3.686%	117.370 5.738%
<b>Zambia</b> (30/07/2027; 8.97%)	98.166 9.238%	-1.305% 0.196%	7.480% -0.957%	12.541% -1.416%	23.939% -2.355%	65.269 8.987%	99.887 15.517%

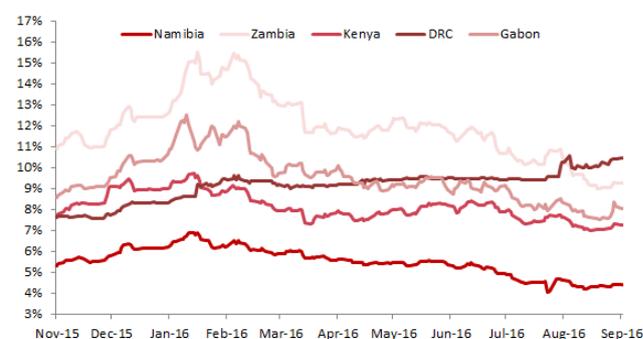
Sources: Bloomberg and Eaglestone Securities.

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

05/09/2016	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
	MOODY'S	S&P	FTCH	MOODY'S	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
Lebanon	B2	B-	B-	NP	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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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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