



Africa Weekly: EIU forecasts growth of 0.6% in Angola

Top Political News

The **Angolan** government is preparing an in depth tax reform aimed at making the relationship with the taxpayer speedier and at broadening the tax base. This reform includes changing the tax law, updating and automating the tax system, as well as human resources training and equipping tax and customs offices.

Top Economic News

The EIU expects the **Angolan** economy to grow by 0.6% this year, lower than the recently revised government forecast of 1.1%. The EIU lowered its growth estimate for the oil sector to 0.8%, from a previous 4.8%, both due to the persistently low oil prices and also weak production, which is not expected to exceed 1.79 million bpd this year. Meanwhile, the EIU forecasts growth of 3% in 2017 backed by increased public and private spending, as oil prices are expected to increase. The average growth during 2016-20 is expected to stand at 2.5%, which compares with 4.7% in 2011-15. **South Africa's** economy expanded at an annual rate of 3.3% in Q2, the fastest in six quarters and better than consensus estimates, as the depreciation of the rand helped drive growth in the mining and manufacturing sectors. The country contracted 1.2% in the first three months of the year.

Commodities

The CEO of **Angola's** Sonangol expects oil prices of around US\$ 45-50 per barrel in 2017, but to increase over the next three to four years. Isabel dos Santos stated that oil exploration has declined (with several players even stopping exploration) and that over the long run oil inventories are likely to be lower. This means that there will be less oil in the market and prices should rise. Dos Santos also stated that Sonangol has been able to lower the cost of producing a barrel to US\$ 12. **Ghana's** president recently commissioned the country's second offshore oil field in the hope that more revenues from this facility will help boost the economy. The Tweneboa, Enyenra and Ntomme (TEN) field is reportedly estimated to have reserves of around 240 million barrels of oil and associated gas of 60 million barrels. Production in the US\$ 1 billion facility is expected to average 23,000 barrels per day this year and eventually peak to 80,000. **Nigeria's** Minister of Mines and Steel Development said the country will offer prospective investors a three-year tax holiday as part of the government's incentives to woo investors in the mining sector. The tax holiday would begin at the start of mining operations in the country. Other incentives include exemption from customs and import duties on mining equipment while companies could be entirely owned by foreign investors. Nigeria is said to be determined to return to the global ore and minerals market through the private sector. The government also stated that it is committed to improving security around mining sites.

Africa Eurobonds

Ghana raised US\$ 750 million in a Eurobond issue that was more than five times oversubscribed. This was the fourth deal of this type in as many years. The bonds will mature on Sept. 15, 2022, and offer a yield of 9.25%. The bond will be repaid in three equal instalments between Sept. 2020 and Sept. 2022. The sale comes six weeks after Ghana scrapped a planned Eurobond sale due to the price demanded by investors. Since then, yields on the country's existing dollar notes dropped to 14-month lows. The proceeds will be used to refinance existing debt and fund capital investments. The sale comes after the IMF earlier this month sought assurances that Ghana won't use funding from the Bank of Ghana ahead of December elections, before releasing a fourth tranche of US\$ 115 million under an ECF deal.

Capital Markets

12 September 2016

Tiago Bossa Dionísio

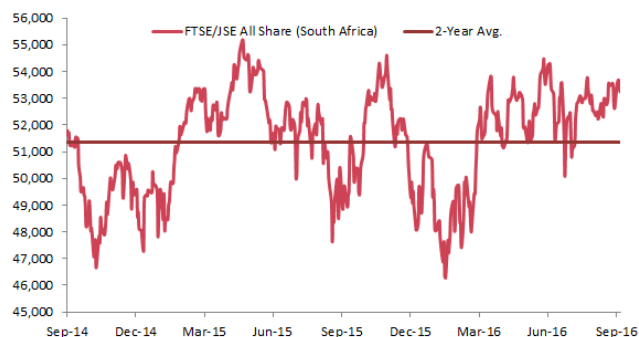
(+351) 211 214 431

tiago.dionisio@eaglestone.eu

Stock Markets Index (Country)	09/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Africa							
FTSE/JSE All Share (South Africa)	53,347.30	-0.29%	1.64%	7.29%	5.23%	45,975.78	54,760.91
EGX 30 (Egypt)	8,188.20	0.64%	-0.14%	16.14%	16.87%	5,526.02	8,481.13
Gaborone Domestic Index (Botswana)	9,615.58	0.33%	-1.35%	-11.17%	-9.31%	9,504.24	10,818.03
Nairobi SE All Share (Kenya)	131.49	-1.92%	-8.45%	-9.64%	-9.75%	129.65	149.14
All Share Index (Nigeria)	27,577.52	-0.65%	1.12%	-6.37%	-3.72%	22,330.96	31,256.16
Ghana Stock Exchange (Ghana)	1,791.95	-1.00%	-0.71%	-14.45%	-10.17%	1,746.42	2,098.09
Namibia Overall Index (Namibia)	1,028.00	1.24%	-3.73%	0.02%	18.78%	766.67	1,072.14
Tanzania All Share Index (Tanzania)	2,445.13	2.14%	-8.01%	-3.66%	4.77%	2,172.97	5,004.67
Americas							
Dow Jones Industrial Avg. (USA)	18,085.45	-1.81%	-2.64%	10.06%	3.79%	15,450.56	18,668.44
S&P 500 (USA)	2,127.81	-1.98%	-2.58%	8.50%	4.10%	1,810.10	2,193.81
Nasdaq (USA)	5,125.91	-1.94%	-2.04%	6.30%	2.37%	4,209.76	5,287.61
Ibovespa (Brazil)	57,999.73	-0.41%	-0.51%	25.00%	33.79%	37,046.07	60,310.50
Europe							
Euro Stoxx 50 (Europe)	3,053.20	-0.86%	0.79%	-6.63%	-6.56%	2,672.73	3,524.04
FTSE 100 (UK)	6,776.95	-1.71%	-1.09%	8.80%	8.56%	5,499.51	6,955.34
DAX (Germany)	10,573.44	-1.03%	-1.12%	2.62%	-1.58%	8,699.29	11,430.87
PSI 20 (Portugal)	4,697.65	-1.37%	-1.56%	-7.69%	-11.58%	4,175.28	5,625.06
IBEX 35 (Spain)	9,025.50	1.31%	4.16%	-10.08%	-5.43%	7,579.80	10,631.60
CAC (France)	4,491.40	-1.12%	0.52%	-3.71%	-3.14%	3,892.46	5,011.65
SMI (Switzerland)	8,264.13	-0.36%	0.42%	-6.85%	-6.28%	7,425.05	9,080.56
Asia							
Nikkei 225 (Japan)	16,965.76	0.24%	0.27%	-7.11%	-10.86%	14,864.01	20,012.40
Topix (Japan)	1,343.86	0.23%	1.56%	-9.21%	-13.15%	1,192.80	1,609.76
Hang Seng (Hong Kong)	6,978.71	3.76%	5.37%	9.26%	7.59%	5,261.43	7,072.10
Shanghai All Share (China)	3,223.02	0.37%	0.92%	-3.86%	-12.99%	2,760.92	3,856.74
CSI 300 (China)	3,318.04	0.12%	0.72%	-0.87%	-11.07%	2,821.22	3,926.69

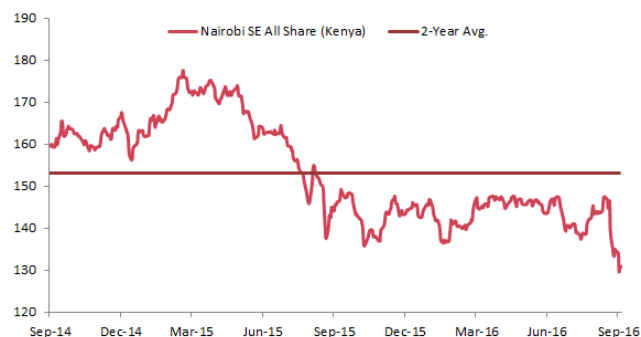
Sources: Bloomberg and Eaglestone Securities.

JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



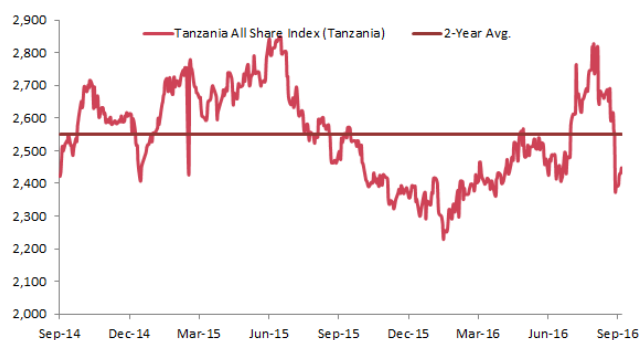
Sources: Bloomberg and Eaglestone Securities.

NAIROBI SE ALL SHARE INDEX



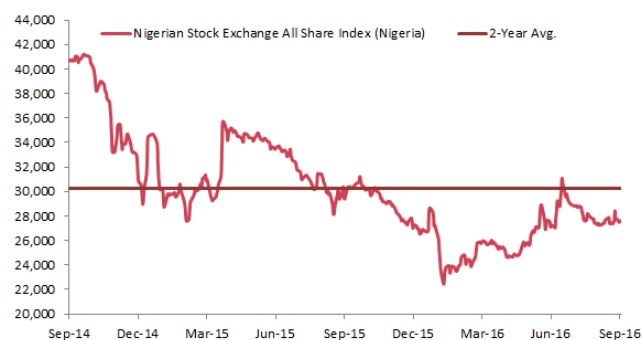
Sources: Bloomberg and Eaglestone Securities.

TANZANIA ALL SHARE INDEX



Sources: Bloomberg and Eaglestone Securities.

NIGERIA ALL SHARE INDEX

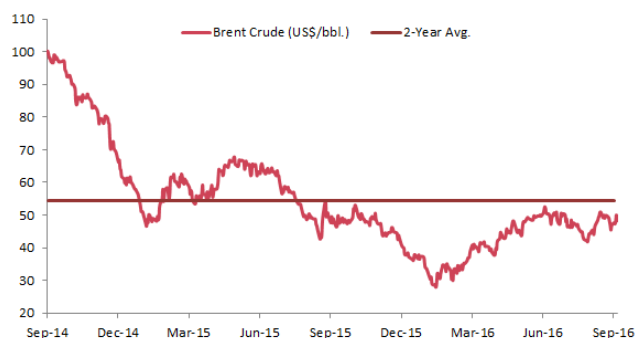


Sources: Bloomberg and Eaglestone Securities.

Commodities	09/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Energy							
WTI Crude (US\$/bbl.)	46.10	6.81%	7.79%	4.42%	24.46%	26.05	51.67
Brent Crude (US\$/bbl.)	48.26	3.05%	7.29%	1.43%	29.45%	27.10	54.05
Natural Gas (US\$/MMBtu)	2.81	0.47%	7.27%	5.81%	20.03%	1.61	3.00
Gasoline (US\$/gal.)	136.64	7.39%	1.50%	0.49%	7.84%	89.75	166.64
Coal (US\$/ton)	60.20	-2.11%	-1.47%	11.90%	25.81%	42.65	61.75
Precious Metals							
Gold (US\$/oz.)	1,331.10	1.33%	-0.59%	20.79%	25.55%	1,046.20	1,377.50
Silver (US\$/oz.)	19.32	2.46%	-2.67%	32.62%	39.97%	13.64	21.09
Platinum (US\$/oz.)	1,064.06	0.02%	-7.92%	8.43%	19.35%	810.75	1,194.64
Other Metals							
Copper (US\$/lb.)	208.75	0.92%	-2.91%	-14.53%	-2.22%	193.55	250.00
Aluminum (US\$/MT)	1,590.50	-1.52%	-3.20%	-2.48%	5.54%	1,432.50	1,709.00
Zinc (US\$/MT)	2,314.00	-1.03%	1.58%	27.63%	43.82%	1,444.50	2,372.00
Tin (US\$/MT)	19,575.00	2.22%	6.97%	31.77%	34.49%	13,085.00	19,670.00
Agriculture							
Cocoa (US\$/MT)	2,778.00	-4.86%	-6.65%	-15.15%	-13.48%	2,731.00	3,422.00
Coffee (US\$/lb.)	150.00	-0.07%	6.31%	27.33%	18.39%	111.05	153.70
Sugar (US\$/lb.)	19.99	2.04%	-1.96%	74.89%	31.17%	10.80	21.10
Cotton (US\$/lb.)	68.92	1.34%	-5.67%	8.84%	8.91%	55.66	77.80
Corn (US\$)	328.50	5.63%	1.94%	-7.85%	-8.43%	301.00	439.25
Wheat (US\$)	376.75	2.31%	-9.65%	-18.45%	-19.84%	359.50	531.50
Soy (US\$)	998.50	4.12%	-2.30%	13.11%	14.61%	844.25	1,208.50

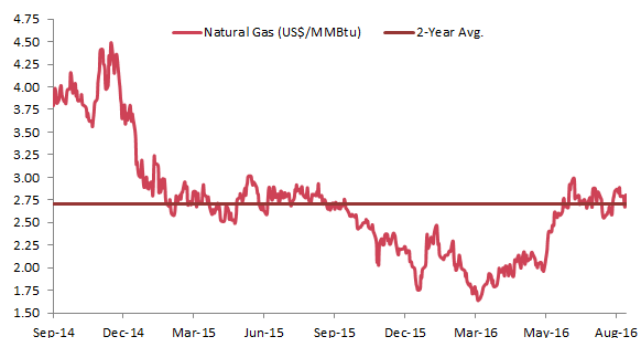
Sources: Bloomberg and Eaglestone Securities.

BRENT CRUDE (US\$/BARREL)



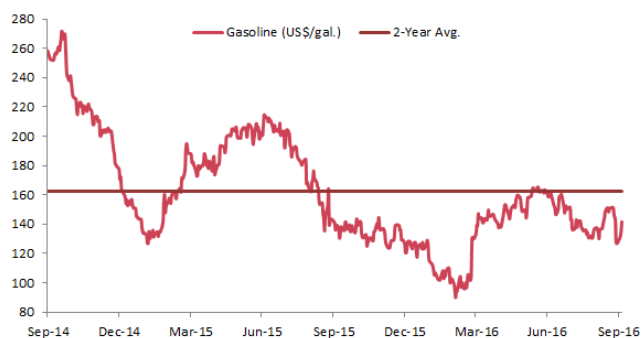
Sources: Bloomberg and Eaglestone Securities.

NATURAL GAS (US\$/MM BTU)



Sources: Bloomberg and Eaglestone Securities.

GASOLINE (US\$/GAL.)



Sources: Bloomberg and Eaglestone Securities.

SILVER (US\$/OZ.)

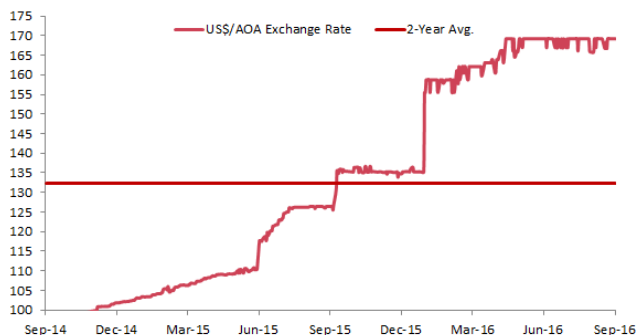


Sources: Bloomberg and Eaglestone Securities.

Currencies	09/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Kwanza (Angola)							
Dollar (USA)	169.22	0.00%	0.00%	-25.81%	-20.09%	126.39	169.43
Euro	189.76	-0.52%	-0.87%	-25.85%	-22.63%	141.65	196.44
Sterling (UK)	224.43	0.23%	-1.97%	-14.03%	-11.21%	195.36	253.90
Rand (South Africa)	11.72	-0.36%	7.68%	-22.32%	-25.43%	8.43	12.82
Real (Brazil)	51.59	0.71%	4.29%	-35.61%	-33.82%	31.88	54.37
Metical (Mozambique)							
Dollar (USA)	78.28	-5.93%	-10.60%	-45.07%	-38.68%	31.28	78.78
Euro	86.97	-6.23%	-11.40%	-44.59%	-40.07%	46.69	89.22
Sterling (UK)	102.11	-4.80%	-10.89%	-35.29%	-30.73%	62.67	102.63
Rand (South Africa)	5.42	-6.27%	-3.73%	-42.48%	-42.77%	0.48	5.69
Rand (South Africa)							
Dollar (USA)	14.44	0.35%	-7.13%	-4.52%	7.11%	13.01	17.92
Euro	16.19	-0.21%	-7.93%	-4.57%	3.86%	14.77	19.59
Sterling (UK)	19.15	0.63%	-8.95%	10.62%	19.05%	17.06	26.02
Real (Brazil)	4.41	1.00%	-3.08%	-17.19%	-11.30%	3.29	4.69
Naira (Nigeria)							
Dollar (USA)	325.25	-3.38%	-4.30%	-39.07%	-38.72%	196.48	350.25
Euro	364.74	-5.03%	-2.47%	-39.35%	-40.68%	162.80	390.34
Euro							
Dollar (USA)	1.12	0.52%	0.87%	0.06%	3.24%	1.05	1.16
Sterling (UK)	0.85	-0.73%	1.11%	-13.75%	-12.83%	0.70	0.87
Franc (Switzerland)	1.10	-0.18%	-0.43%	-0.21%	-0.66%	1.06	1.12
Yen (Japan)	115.13	0.72%	-1.62%	17.29%	13.47%	109.57	137.45

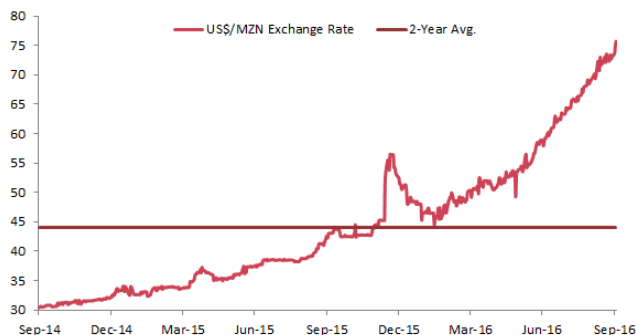
Sources: Bloomberg and Eaglestone Securities.

US\$/AOA EXCHANGE RATE



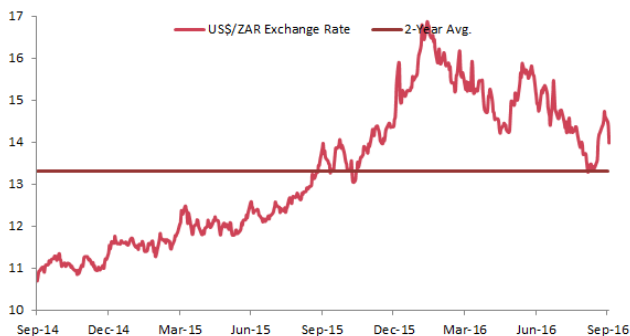
Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



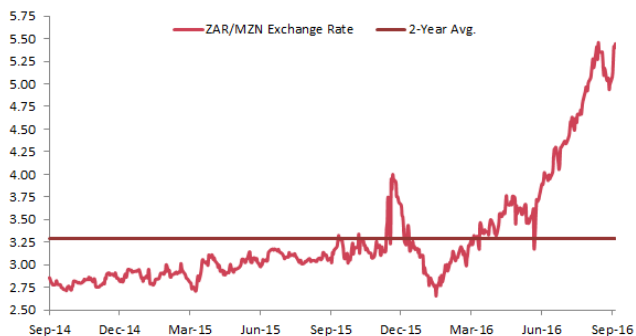
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

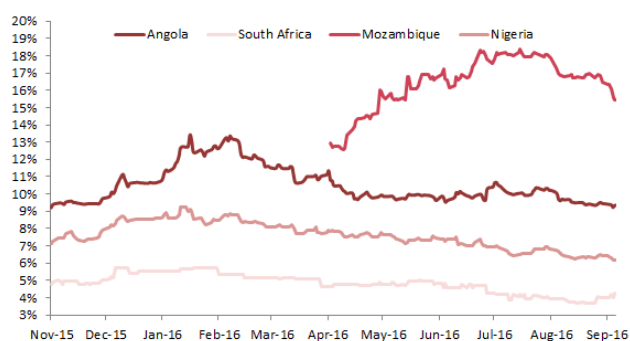


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	09/09/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Angola (12/11/2025; 9.5%)	100.937 9.342%	0.679% -0.111%	2.208% -0.347%	n.a. 0.134%	8.360% -1.136%	78.535 9.210%	101.892 13.425%
Dem. Republic of Congo (30/06/2029; 4.0%)	68.757 10.216%	1.793% -0.208%	-1.599% 0.251%	-20.060% 4.212%	-12.818% 2.372%	66.397 7.193%	86.569 10.556%
Ethiopia (11/12/2024; 6.625%)	99.038 6.777%	0.925% -0.144%	1.814% -0.273%	3.754% -0.492%	11.531% -1.331%	82.037 6.678%	99.664 9.666%
Gabon (16/06/2025; 6.95%)	93.428 8.006%	0.844% -0.128%	-0.114% 0.025%	5.194% -0.612%	16.865% -1.797%	69.735 7.510%	96.664 12.494%
Ghana (14/10/2030; 10.75%)	115.271 8.832%	2.191% -0.276%	3.731% -0.459%	n.a. -1.249%	13.236% -1.405%	87.092 8.832%	113.963 12.702%
Ivory Coast (31/12/2032; 5.75%)	100.628 5.658%	1.356% -0.190%	0.712% -0.102%	14.058% -1.388%	12.760% -1.318%	83.659 5.568%	101.328 8.321%
Kenya (24/06/2024; 6.875%)	99.869 6.895%	2.339% -0.368%	2.381% -0.372%	3.378% -0.475%	13.610% -1.578%	83.919 6.895%	99.329 9.708%
Mozambique (18/01/2023; 10.5%)	80.257 15.442%	4.401% -0.940%	6.915% -1.376%	n.a. 2.986%	n.a. 2.986%	69.935 12.565%	90.695 18.388%
Namibia (29/10/2025; 5.25%)	107.406 4.261%	1.079% -0.144%	1.107% -0.152%	n.a. -0.795%	14.777% -1.299%	88.524 4.197%	108.052 6.877%
Nigeria (12/07/2023; 6.375%)	101.002 6.191%	1.434% -0.250%	2.670% -0.445%	10.697% -1.335%	14.709% -1.715%	84.651 6.147%	100.607 9.253%
Rwanda (02/05/2023; 6.625%)	102.188 6.216%	-0.412% 0.078%	1.956% -0.344%	2.468% -0.423%	6.588% -0.968%	92.349 6.093%	102.724 8.032%
Senegal (30/07/2024; 6.25%)	104.346 5.560%	1.606% -0.246%	4.245% -0.601%	12.493% -1.368%	16.342% -1.661%	84.764 5.495%	103.021 8.815%
Seychelles (01/01/2026; 7.0%)	100.894 7.676%	0.065% -0.008%	0.582% -0.078%	6.324% -0.700%	7.718% -0.895%	91.946 7.403%	102.712 8.850%
South Africa (16/09/2025; 5.875%)	114.250 3.977%	1.850% -0.244%	-0.436% 0.048%	n.a. -0.679%	11.192% -1.103%	98.300 3.686%	117.370 5.738%
Zambia (30/07/2027; 8.97%)	100.500 8.895%	2.425% -0.337%	6.186% -0.802%	16.326% -1.735%	26.886% -2.514%	65.269 8.778%	99.887 15.517%

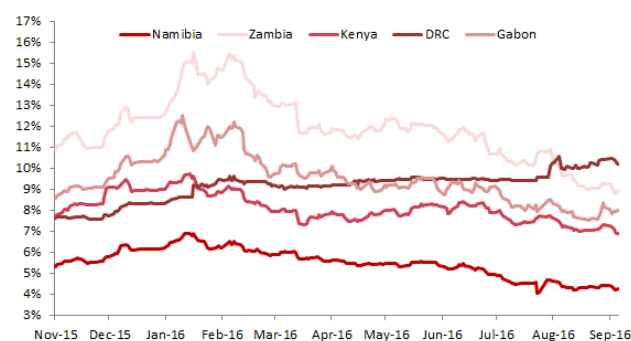
Sources: Bloomberg and Eaglestone Securities.

EUROBOND YIELDS (ANG, SA, MOZ & NIG)



Sources: Bloomberg and Eaglestone Securities.

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



Sources: Bloomberg and Eaglestone Securities.

AFRICA SOVEREIGN RATINGS

09/09/2016	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
	MOODYS	S&P	FITCH	MOODYS	S&P	FITCH
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**)

AAA' and 'AA' (high credit quality) and 'A' and 'BBB' (medium credit quality) are considered investment grade. Credit ratings below these designations ('BB', 'B', 'CCC', etc.) are considered low credit quality, and are commonly referred to as "junk bonds".

Disclaimer

This document has been prepared by Eaglestone Advisory Limited which is authorised and regulated by the Financial Conduct Authority of the United Kingdom and its affiliates ("Eaglestone"), and is provided for information purposes only.

The information and opinions in this document are published for the assistance of the recipients, are for information purposes only, and have been compiled by Eaglestone in good faith using sources of public information considered reliable. Although all reasonable care has been taken to ensure that the information contained herein is not untrue or misleading we make no representation regarding its accuracy or completeness, it should not be relied upon as authoritative or definitive, and should not be taken into account in the exercise of judgments by any recipient. Accordingly, with the exception of information about Eaglestone, Eaglestone makes no representation as to the accuracy or completeness of such information.

This document does not have regard to specific investment objectives, financial situation and the particular needs of any specific recipient. Recipients should seek financial advice regarding the appropriateness of investment strategies discussed or recommended in this document and should understand that the statements regarding future prospects may not be realised. Unless otherwise stated, all views (including estimates, forecasts, assumptions or perspectives) herein contained are solely expression Eaglestone's research department.

This document must not be considered as an offer to sell or a solicitation to buy any investment instrument and distribution of this document does not oblige Eaglestone to enter into any transaction. Nothing in this document constitutes investment, legal, tax or accounting advice. The opinions expressed herein reflect Eaglestone's point of view as of the date of its publication and may be subject to change without prior notice

This document is intended for is made to and directed at (i) existing clients of Eaglestone and/or (ii) persons who would be classified as a professional client or eligible counterparty under the FCA Handbook of Rules and Guidance if taken on as clients by Eaglestone and/or (iii) persons who would come within Article 19 (investment professionals) or Article 49 (high net worth companies, trusts and associations) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2001 and/or (iv) persons to whom this communication could otherwise be lawfully made in the United Kingdom or by respective home jurisdictions regulators for non UK countries. None of the investments or investment services mentioned or described herein are available to "private customers" as defined by the rules of the Financial Conduct Authority ("FCA"). It should not be disclosed to retail clients (or equivalent) and should not be distributed to others or replicated without the consent of Eaglestone. Eaglestone name and the eagle logo are registered trademarks.

Additional information is available upon request.



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

Research

Tiago Bossa Dionísio

(+351) 211 214 431

tiago.dionisio@eaglestone.eu