



Africa Weekly: Mozambique's bond coupon payment looms

Top Political News

Ivory Coast's President Alassane Ouattara named former prime-minister Daniel Kablan Duncan as vice-president, a new post created under the constitution approved by referendum in November 2016. Duncan previously held posts at the central bank and as finance minister. **Kenyan** President Uhuru Kenyatta approved changes to the country's electoral law that provide for manual mechanism for voter registration and transmission of the results as a back-up in case electronic methods fail. This change received strong resistance from the main opposition party, which alleges it could help the ruling party rig this year's presidential vote. Meanwhile, Kenyan opposition parties announced that they will form an alliance to run against President Kenyatta's coalition, but have not yet agreed on a single candidate. **South African** President Jacob Zuma said he will not accept nomination for a third term as ANC president at the party's next national conference in December when his term ends. Zuma added that the party is ready for a woman to be leader, possibly suggesting that he could back his ex-wife, Nkosazana Dlamini-Zuma, to become the next party president. The ANC's youth wing is unlikely to back the two frontrunners to the election, Zuma's ex-wife and the current Deputy President Cyril Ramaphosa. Zuma will not be able to run for president of South Africa, as he has served the two terms allowed by law.

Top Economic News

Angola's inflation rose to 41.95% YoY in December, from 41.15% in the previous month and 14.27% in the same period of 2015. Prices were up 2.17% in the month (vs. 2.13% in November). **Nigerian** inflation stood at 18.6% last month, the 14th consecutive monthly increase and above consensus estimates of 18.4%. The Central Bank's next Monetary Policy Committee meeting is on January 23-24, with interest rates currently standing at a record high of 14%.

Currencies

Nigeria's Central Bank governor told the head of a money traders' union that there were no plans to devalue the naira and the central bank is instead looking for ways to increase liquidity and narrow the gap between the official and parallel market rates. Meanwhile, money changers said they will introduce an exchange rate for the naira to help the central bank combat the unregulated black market rate, which currently stands at 495 naira to a dollar (vs. 399 at the bureaus).

Commodities

Nigerian militants threatened to widen attacks on oil infrastructures in the country, in similar moves to the ones that took place last year and curbed Nigeria's oil output. The militants held talks with the government after calling a cease-fire in August. This allowed oil production to recover from the lowest level in nearly three decades. However, they have recently become increasingly frustrated after alleging that the government is not attending to their needs.

Eurobonds

Mozambique's 2023 Eurobond yields soared to 26.1% after recent news suggested the country may miss a US\$ 60 million coupon payment scheduled for January 18. According to the deal prospectus there's a 15-day grace period to settle the payment. **Nigeria's** Finance Ministry said the country may issue a diaspora bond by March to raise funds from Nigerians abroad. This would come after the country completes a US\$ 1 billion Eurobond sale this month. Remittances are the second-largest source of foreign exchange in Nigeria after oil receipts, with citizens living abroad sending at least US\$ 10 billion home every year.

Capital Markets

16 January 2017

Tiago Bossa Dionísio

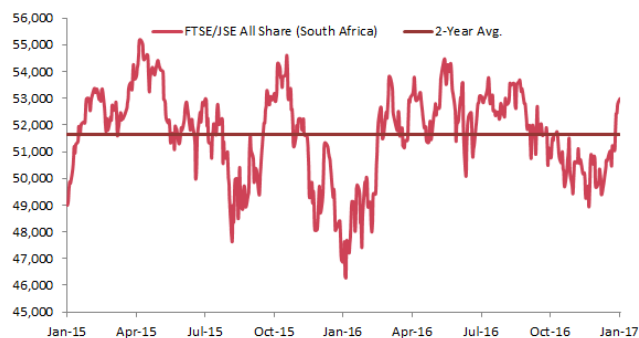
(+351) 211 214 431

tiago.dionisio@eaglestone.eu

Stock Markets Index (Country)	16/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Africa							
FTSE/JSE All Share (South Africa)	52,986.75	3.79%	6.63%	12.83%	4.61%	45,975.78	54,704.22
EGX 30 (Egypt)	13,172.25	3.06%	16.30%	124.87%	6.70%	5,526.02	13,367.62
Gaborone Domestic Index (Botswana)	9,407.55	0.19%	-0.27%	-11.23%	0.07%	9,356.57	10,597.68
Nairobi SE All Share (Kenya)	123.94	-3.82%	-5.25%	-12.63%	-7.05%	123.94	147.56
All Share Index (Nigeria)	26,325.93	0.28%	-1.43%	11.96%	-2.04%	22,330.96	31,073.32
Ghana Stock Exchange (Ghana)	1,735.67	2.13%	9.91%	-13.54%	2.75%	1,507.84	2,014.93
Namibia Overall Index (Namibia)	1,103.82	3.46%	4.43%	42.03%	3.30%	766.67	1,125.77
Tanzania All Share Index (Tanzania)	2,191.28	2.18%	-0.96%	-4.76%	-0.32%	1,978.68	5,004.67
Americas							
Dow Jones Industrial Avg. (USA)	19,885.73	-0.39%	0.21%	24.38%	0.62%	15,450.56	19,999.63
S&P 500 (USA)	2,274.64	-0.10%	0.73%	20.97%	1.60%	1,810.10	2,282.10
Nasdaq (USA)	5,574.12	0.96%	2.52%	24.19%	3.55%	4,209.76	5,584.26
Ibovespa (Brazil)	63,651.52	3.22%	9.01%	65.03%	5.69%	37,046.07	65,291.06
Europe							
Euro Stoxx 50 (Europe)	3,297.64	-0.34%	1.18%	11.69%	0.22%	2,672.73	3,334.44
FTSE 100 (UK)	7,336.35	1.36%	4.63%	26.40%	2.71%	5,499.51	7,354.14
DAX (Germany)	11,551.04	-0.11%	1.29%	21.01%	0.61%	8,699.29	11,692.27
PSI 20 (Portugal)	4,595.13	-1.75%	-0.71%	-4.92%	-1.80%	4,175.28	5,222.69
IBEX 35 (Spain)	9,428.30	-0.68%	0.16%	10.36%	0.81%	7,579.80	9,552.10
CAC (France)	4,884.65	-0.06%	1.06%	16.02%	0.46%	3,892.46	4,929.60
SMI (Switzerland)	8,387.50	-0.44%	1.94%	3.46%	2.04%	7,425.05	8,473.86
Asia							
Nikkei 225 (Japan)	19,095.24	-1.85%	-1.58%	11.36%	-0.10%	14,864.01	19,615.40
Topix (Japan)	1,530.64	-1.46%	-1.29%	9.14%	0.79%	1,192.80	1,558.75
Hang Seng (Hong Kong)	6,572.11	0.60%	3.05%	17.25%	2.64%	5,261.43	7,065.02
Shanghai All Share (China)	3,249.77	-2.13%	-0.61%	7.04%	0.01%	2,760.92	3,456.92
CSI 300 (China)	3,319.45	-1.32%	-0.79%	6.44%	0.28%	2,821.22	3,583.72

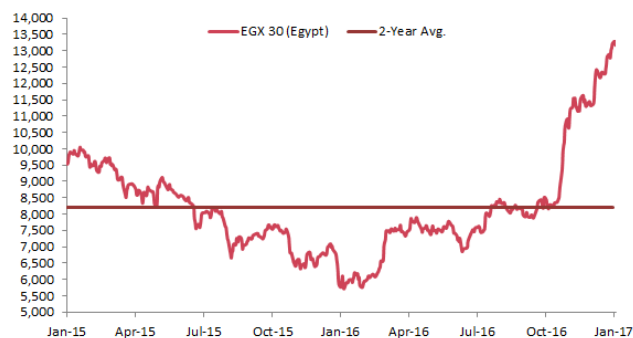
Sources: Bloomberg and Eaglestone Securities.

JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



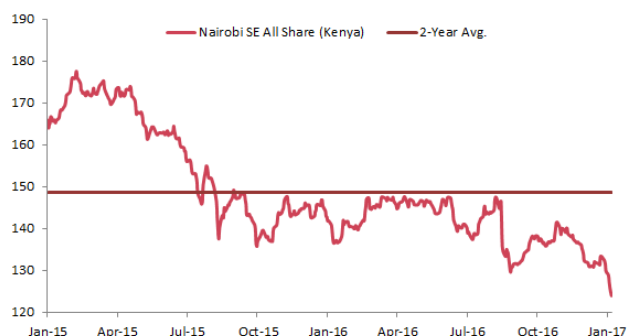
Sources: Bloomberg and Eaglestone Securities.

EGYPT STOCK EXCHANGE (EGX 30)



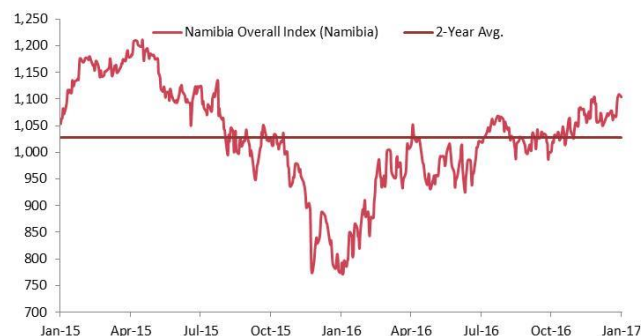
Sources: Bloomberg and Eaglestone Securities.

NAIROBI ALL SHARE INDEX



Sources: Bloomberg and Eaglestone Securities.

NAMIBIA OVERALL INDEX

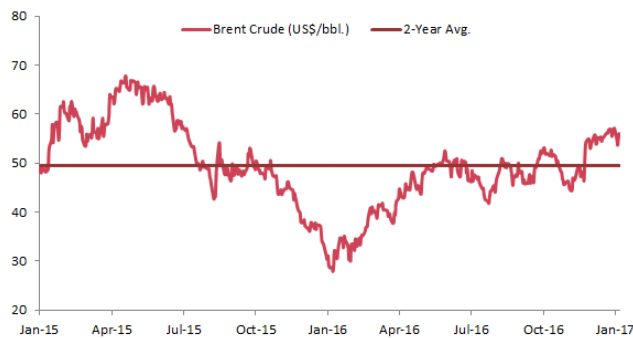


Sources: Bloomberg and Eaglestone Securities.

Commodities	16/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Energy							
WTI Crude (US\$/bbl.)	52.27	0.60%	0.71%	77.67%	-2.70%	26.05	55.24
Brent Crude (US\$/bbl.)	55.33	0.71%	0.22%	91.19%	-2.62%	27.10	58.37
Natural Gas (US\$/MMBtu)	3.46	11.63%	1.43%	64.95%	-6.98%	1.61	3.99
Gasoline (US\$/gal.)	160.67	2.29%	3.19%	57.33%	-3.51%	89.75	170.95
Coking Coal (US\$/ton)	181.19	-12.33%	-31.94%	133.79%	-21.49%	75.25	308.80
Precious Metals							
Gold (US\$/oz.)	1,202.40	1.48%	5.91%	10.24%	4.40%	1,082.10	1,377.50
Silver (US\$/oz.)	16.85	0.97%	4.28%	21.22%	5.35%	13.84	21.09
Platinum (US\$/oz.)	982.60	0.51%	5.93%	19.74%	8.80%	810.75	1,194.64
Other Metals							
Copper (US\$/lb.)	268.20	5.65%	4.72%	38.00%	7.04%	193.55	274.00
Aluminum (US\$/MT)	1,809.00	5.60%	3.91%	23.73%	6.85%	1,458.00	1,813.00
Zinc (US\$/MT)	2,790.50	6.55%	3.16%	86.66%	8.33%	1,461.50	2,985.00
Tin (US\$/MT)	21,145.00	0.67%	-0.84%	58.93%	0.09%	13,160.00	22,000.00
Iron Ore (US\$/ton)	80.54	5.63%	-3.45%	103.85%	2.12%	41.08	83.58
Agriculture							
Cocoa (US\$/MT)	2,213.00	-2.12%	-3.02%	-23.48%	4.09%	2,106.00	3,237.00
Coffee (US\$/lb.)	149.30	4.52%	7.49%	30.05%	8.94%	111.05	176.00
Sugar (US\$/lb.)	20.52	-1.11%	10.32%	41.81%	5.18%	12.45	23.90
Cotton (US\$/lb.)	72.27	-2.32%	0.32%	16.30%	2.29%	55.66	77.80
Corn (US\$)	358.50	0.14%	0.63%	0.14%	1.85%	301.00	439.25
Wheat (US\$)	426.00	0.65%	7.04%	-10.88%	4.41%	359.50	524.00
Soy (US\$)	1,046.25	6.11%	1.78%	16.38%	4.99%	849.00	1,208.50

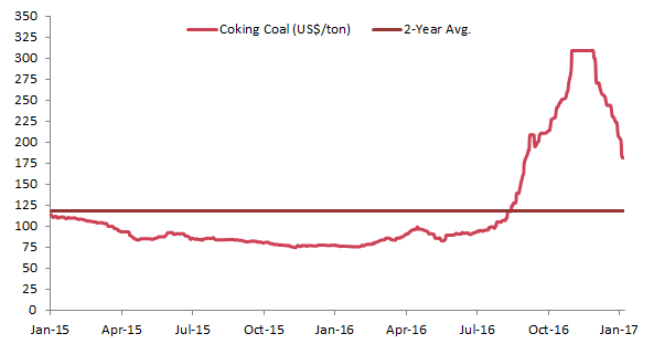
Sources: Bloomberg and Eaglestone Securities.

BRENT CRUDE (US\$/BARREL)



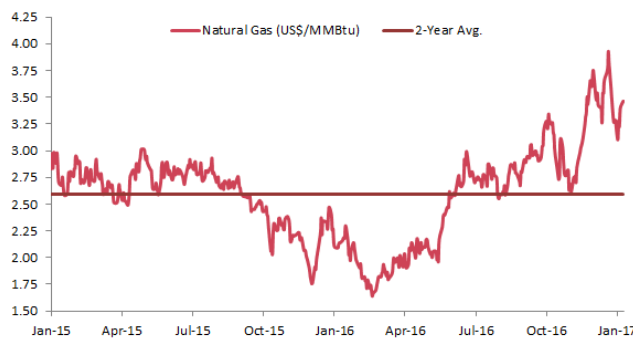
Sources: Bloomberg and Eaglestone Securities.

COKING COAL (US\$/TON)



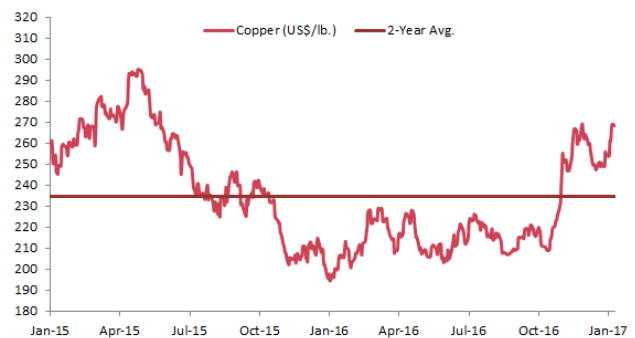
Sources: Bloomberg and Eaglestone Securities.

NATURAL GAS (US\$/MM Btu)



Sources: Bloomberg and Eaglestone Securities.

COPPER (US\$/LB.)

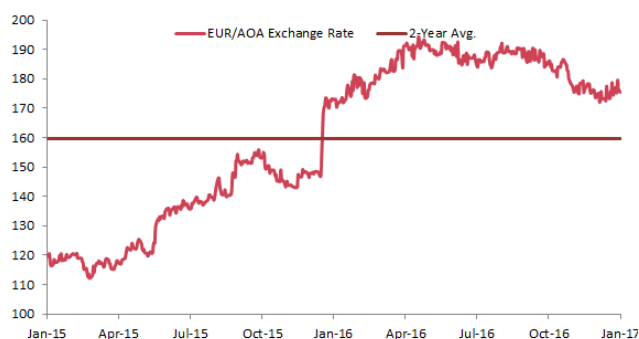


Sources: Bloomberg and Eaglestone Securities.

Currencies	16/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Kwanza (Angola)							
Dollar (USA)	165.82	1.65%	0.78%	-4.27%	1.48%	155.18	169.65
Euro	175.46	0.92%	-0.75%	-1.47%	-0.64%	167.76	196.44
Sterling (UK)	199.60	2.07%	4.27%	13.28%	2.52%	198.78	253.90
Rand (South Africa)	12.16	0.78%	-2.37%	-22.62%	-0.42%	9.20	12.82
Real (Brazil)	51.45	1.85%	-4.50%	-23.93%	-0.97%	37.39	54.44
Metical (Mozambique)							
Dollar (USA)	70.20	0.86%	3.20%	-33.76%	1.69%	43.71	79.38
Euro	74.31	0.72%	1.88%	-34.86%	1.04%	47.67	89.22
Sterling (UK)	84.53	1.87%	7.01%	-24.99%	4.27%	62.67	104.52
Rand (South Africa)	5.15	0.58%	0.21%	-46.47%	1.26%	0.48	5.82
Rand (South Africa)							
Dollar (USA)	13.63	0.33%	2.97%	23.80%	0.82%	13.17	16.99
Euro	14.43	0.22%	1.73%	27.41%	0.17%	14.19	18.59
Sterling (UK)	16.41	1.31%	6.84%	46.44%	3.24%	16.20	24.20
Real (Brazil)	4.23	1.10%	-1.70%	-1.69%	-0.52%	3.77	4.69
Naira (Nigeria)							
Dollar (USA)	315.25	0.10%	0.04%	-37.03%	0.03%	196.50	350.25
Euro	333.74	-0.03%	-1.29%	-35.22%	-0.63%	213.30	390.34
Euro							
Dollar (USA)	1.06	0.11%	1.29%	-2.81%	0.66%	1.03	1.16
Sterling (UK)	0.88	-1.10%	-4.74%	-13.00%	-2.90%	0.75	0.94
Franc (Switzerland)	1.07	0.07%	0.04%	2.09%	-0.05%	1.06	1.12
Yen (Japan)	120.99	1.41%	1.84%	5.64%	1.64%	109.57	132.32

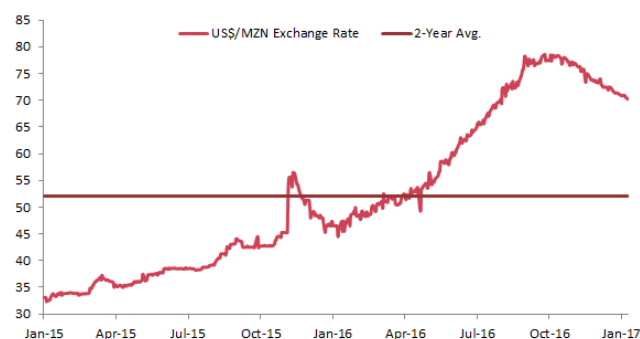
Sources: Bloomberg and Eaglestone Securities.

EUR/AOA EXCHANGE RATE



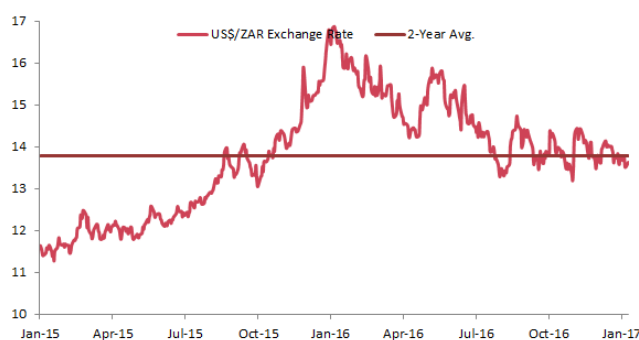
Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



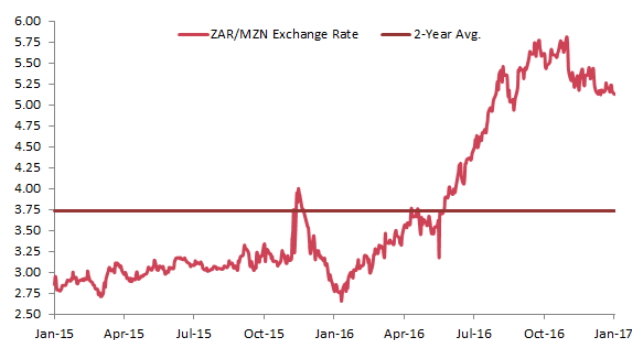
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

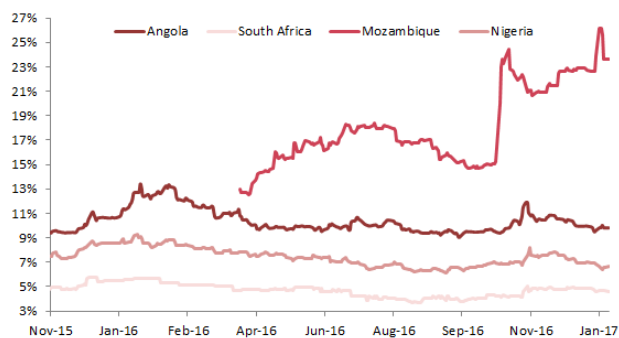


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	16/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Angola (12/11/2025; 9.5%)	98.144 9.815%	0.115% -0.019%	3.856% -0.607%	19.688% -2.266%	0.912% -0.152%	78.546 9.037%	102.821 13.414%
Dem. Republic of Congo (30/06/2029; 4.0%)	64.689 11.196%	n.a. n.a.	n.a. 0.082%	-12.583% 2.661%	-0.357% 0.082%	63.918 8.861%	76.875 11.241%
Ethiopia (11/12/2024; 6.625%)	92.692 7.884%	-1.391% -0.002%	2.140% -0.331%	11.966% -1.367%	0.109% -0.014%	81.873 6.543%	100.526 9.679%
Gabon (16/06/2025; 6.95%)	94.984 7.772%	0.115% -0.017%	3.150% -0.465%	33.780% -2.828%	0.927% -0.143%	69.539 7.489%	96.907 12.381%
Ghana (07/08/2023; 7.875%)	100.933 7.690%	0.964% -0.185%	5.223% -0.888%	48.869% -3.796%	2.091% -0.388%	65.580 7.685%	101.277 15.667%
Ivory Coast (03/03/2028; 6.375%)	99.452 6.444%	0.457% -0.057%	2.260% -0.271%	14.083% -1.286%	1.312% -0.161%	84.858 5.551%	107.735 8.386%
Kenya (24/06/2024; 6.875%)	97.364 7.340%	0.439% -0.075%	3.625% -0.571%	15.669% -1.763%	2.291% -0.375%	83.891 6.711%	101.276 9.700%
Mozambique (18/01/2023; 10.5%)	59.005 23.620%	1.206% -0.282%	-2.011% 0.721%	n.a. 20.096%	-2.334% 0.737%	53.636 12.562%	91.006 26.165%
Namibia (29/10/2025; 5.25%)	99.211 5.363%	0.563% -0.079%	1.021% -0.141%	12.053% -1.182%	1.547% -0.211%	88.355 4.183%	108.164 6.885%
Nigeria (12/07/2023; 6.375%)	99.279 6.513%	0.472% -0.088%	4.125% -0.685%	16.992% -1.913%	2.221% -0.393%	84.477 6.122%	101.497 9.257%
Rwanda (02/05/2023; 6.625%)	100.071 6.609%	-0.385% -0.079%	1.509% -0.281%	7.735% -1.103%	0.311% -0.060%	91.981 6.052%	103.140 8.059%
Senegal (30/07/2024; 6.25%)	99.904 6.266%	0.218% -0.036%	0.616% -0.100%	16.506% -1.725%	-0.288% 0.049%	84.554 5.382%	105.862 8.868%
Seychelles (01/01/2026; 7.0%)	100.831 7.727%	0.561% -0.085%	0.526% -0.072%	7.914% -0.889%	1.580% -0.234%	92.863 7.401%	102.877 8.777%
South Africa (16/09/2025; 5.875%)	108.810 4.627%	0.401% -0.060%	1.715% -0.243%	n.a. -0.851%	1.692% -0.236%	98.300 3.686%	117.370 5.703%
Zambia (30/07/2027; 8.97%)	100.186 8.941%	0.859% -0.125%	2.623% -0.367%	49.420% -3.640%	1.124% -0.162%	65.245 8.666%	102.362 15.463%

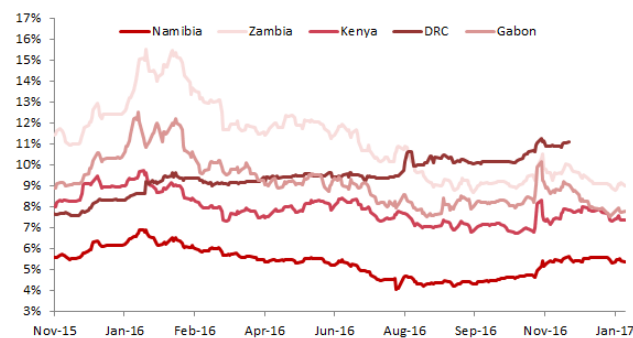
Sources: Bloomberg and Eaglestone Securities.

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

16/01/2017	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	CC	RD	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	B2	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