



Africa Weekly: Nigeria Presents Reform Plan

Top Political News

Nigerian President Muhammadu Buhari returned to his country after spending more than seven weeks on sick leave in the UK. Despite this, speculation over the health of Buhari remains and the prospect of his deputy, Yemi Osinbajo, serving out the remaining two years of his term raises the risk of sectarian tension returning in the country. It also increases concerns about the possibility of the government slowing down its reform agenda at a time the country faced in 2016 its first recession of the last 25 years. On this front, the Nigerian government announced its reform plan for the period 2017-20. It expects the economy to expand 2.19% this year and average 4.62%/year until 2020, reaching 7% that year. It also aims to ramp up oil production to 2.5 million bpd and for the country to become a net exporter of refined petroleum products by 2020. The plan also envisages the sale of some national assets, including oil joint ventures and reducing stakes in other oil and non-oil assets. The central bank will also aim to achieve a market-determined FX regime, as pressure increases for the naira to float freely. Nigeria wants to be self-sufficient in certain agricultural products such as rice (2018) and wheat (2019-20) and hopes to be a net exporter of rice, cashew nuts, groundnuts, cassava and vegetable oil by 2020.

Top Economic News

South Africa's economy contracted 0.3% QoQ in 4Q16, as output from the mining (11.5%) and the manufacturing (3.1%) sectors fell in the quarter. The economy grew 0.7% YoY in the period, the same as in the previous quarter. South Africa grew by 0.3% last year (vs. 1.3% in 2015). Also in **South Africa**, the business confidence index stood at 95.5 in February, down from a 15-month high of 97.7 in the previous month, but 2.8 points above the level in February 2016. Business confidence in the country has stabilized over the last five months thanks to the changing local and global economic conditions as well as the local political circumstances. Consumer prices in **Mozambique** advanced 1.25% MoM in February, lifting the annual inflation rate to 20.88% (vs. 20.26% in the previous month). Inflation remains well above the central bank's 14% target for this year.

Central Banks

Angola's central bank is expected to receive technical support from the IMF, World Bank, AfDB and European Commission. The aim would be to implement financial reforms in order to align regulation and procedures in Angola with the international rules and norms in the banking sector. The fact that the BNA is not recognized under ECB supervisory rules has led to several setbacks, namely in the relationship that European banks have with Angola, which has limited the access that local banks have had to foreign currency.

Commodities

The **International Energy Agency (IEA)** said in its Oil 2017 report that global oil supply could struggle to keep pace with demand after 2020 unless new projects are approved soon, risking a sharp increase in prices. According to the IEA, the global picture looks comfortable for the next three years, but supply growth slows markedly after that. The demand and supply trends point to a tight global oil market with spare production capacity in 2022 falling to a 14-year low. The IEA expects oil demand to rise in the next five years, passing the symbolic 100 million bpd threshold in 2019 and reach about 104 million bpd by 2022. In **Mozambique**, Exxon Mobil announced that it will buy a 25% stake in a project off the coast of the country from Eni for about US\$ 2.8 billion. Eni will continue to lead the Coral floating LNG project and all upstream operations in Area 4 of the Rovuma basin, in the north of the country. This deal could potentially accelerate the development of one of the world's largest LNG projects and is positive news for Mozambique.

Capital Markets

13 March 2017

Tiago Bossa Dionísio

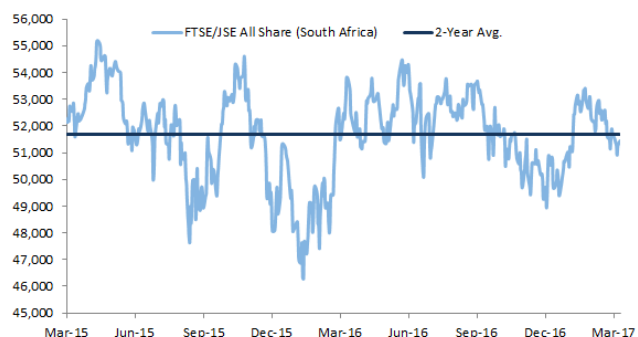
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Stock Markets Index (Country)	13/03/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Africa							
FTSE/JSE All Share (South Africa)	51,439.54	-0.11%	-2.86%	-0.58%	1.55%	48,935.90	54,704.22
EGX 30 (Egypt)	13,017.85	3.13%	2.18%	98.33%	5.45%	6,562.78	13,544.42
Gaborone Domestic Index (Botswana)	9,120.69	0.10%	1.03%	-10.30%	-2.98%	9,005.95	10,317.66
Nairobi SE All Share (Kenya)	122.47	0.86%	-2.11%	-15.52%	-8.15%	119.62	147.56
All Share Index (Nigeria)	25,238.01	0.90%	-0.03%	-2.89%	-6.09%	24,547.37	31,073.32
Ghana Stock Exchange (Ghana)	1,874.76	0.32%	3.75%	-4.08%	10.99%	1,507.84	1,958.21
Namibia Overall Index (Namibia)	1,093.08	-1.16%	-2.94%	16.95%	2.29%	924.79	1,136.88
Tanzania All Share Index (Tanzania)	2,182.25	-5.34%	0.20%	-9.22%	-0.73%	1,978.68	2,829.99
Americas							
Dow Jones Industrial Avg. (USA)	20,902.98	-0.49%	2.40%	21.43%	5.77%	17,063.08	21,169.11
S&P 500 (USA)	2,372.60	-0.44%	1.90%	17.33%	5.97%	1,991.68	2,400.98
Nasdaq (USA)	5,861.73	-0.15%	1.70%	23.44%	8.89%	4,574.25	5,911.79
Ibovespa (Brazil)	64,675.46	-3.16%	-3.42%	30.29%	7.39%	46,520.81	69,487.58
Europe							
Euro Stoxx 50 (Europe)	3,418.02	0.90%	3.41%	11.20%	3.87%	2,678.27	3,441.50
FTSE 100 (UK)	7,349.84	0.00%	0.97%	19.71%	2.90%	5,788.74	7,394.61
DAX (Germany)	11,983.85	0.21%	1.78%	21.90%	4.38%	9,214.10	12,082.59
PSI 20 (Portugal)	4,636.18	0.03%	0.86%	-7.34%	-0.92%	4,175.28	5,222.69
IBEX 35 (Spain)	10,013.60	2.14%	5.58%	10.15%	7.07%	7,579.80	10,091.40
CAC (France)	4,997.92	0.52%	2.24%	11.24%	2.79%	3,955.98	5,022.10
SMI (Switzerland)	8,684.87	0.23%	2.62%	8.58%	5.66%	7,475.54	8,686.75
Asia							
Nikkei 225 (Japan)	19,633.75	1.31%	0.90%	15.91%	2.72%	14,864.01	19,668.01
Topix (Japan)	1,577.40	1.45%	1.49%	16.04%	3.87%	1,192.80	1,578.51
Hang Seng (Hong Kong)	7,047.46	1.56%	1.02%	19.31%	10.07%	5,715.15	7,169.55
Shanghai All Share (China)	3,389.56	0.10%	0.63%	15.25%	4.31%	2,910.50	3,456.92
CSI 300 (China)	3,458.10	0.34%	0.64%	14.57%	4.47%	3,027.44	3,583.72

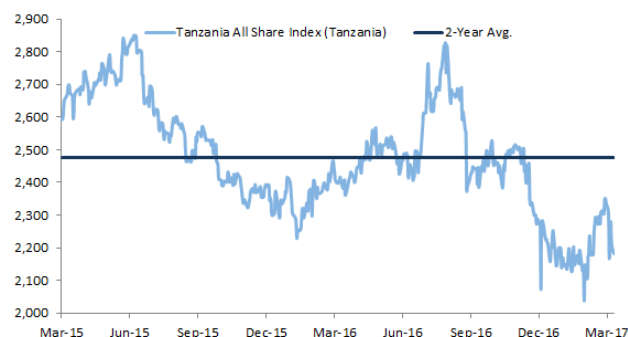
Sources: Bloomberg and Eaglestone Securities.

JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



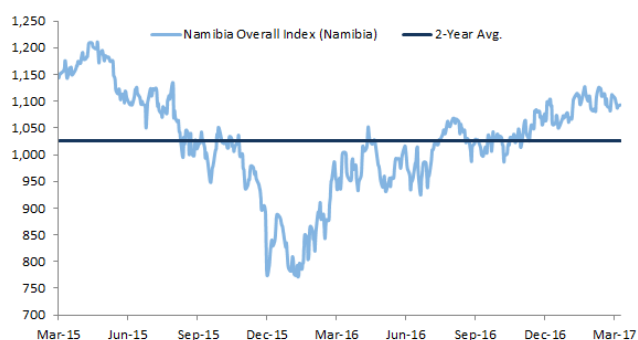
Sources: Bloomberg and Eaglestone Securities.

TANZANIA STOCK EXCHANGE INDEX



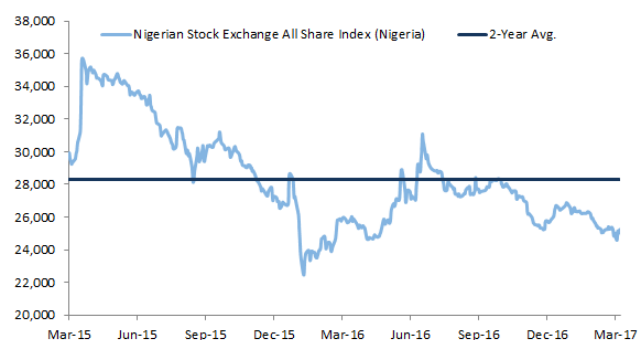
Sources: Bloomberg and Eaglestone Securities.

NAMIBIA OVERALL INDEX



Sources: Bloomberg and Eaglestone Securities.

NIGERIA STOCK EXCHANGE INDEX

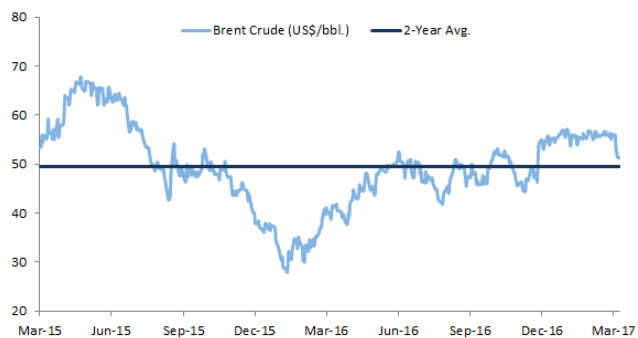


Sources: Bloomberg and Eaglestone Securities.

Commodities	13/03/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Energy							
WTI Crude (US\$/bbl.)	48.34	-9.14%	-8.67%	25.56%	-10.01%	35.24	55.24
Brent Crude (US\$/bbl.)	51.30	-8.41%	-7.72%	27.01%	-9.71%	37.27	58.37
Natural Gas (US\$/MMBtu)	3.06	5.31%	3.77%	67.67%	-17.96%	1.77	3.99
Gasoline (US\$/gal.)	158.79	-5.05%	2.80%	9.94%	-4.64%	126.68	172.57
Coking Coal (US\$/ton)	157.13	-1.93%	-4.84%	91.02%	-31.92%	82.56	308.80
Precious Metals							
Gold (US\$/oz.)	1,208.20	-1.41%	-1.32%	-4.07%	4.91%	1,123.90	1,377.50
Silver (US\$/oz.)	17.09	-3.58%	-4.10%	9.50%	6.89%	14.78	21.09
Platinum (US\$/oz.)	944.70	-3.46%	-5.39%	-1.47%	4.61%	889.73	1,194.64
Other Metals							
Copper (US\$/lb.)	260.70	-1.36%	-6.32%	16.46%	4.05%	201.30	282.30
Aluminium (US\$/MT)	1,880.00	-0.63%	0.32%	20.51%	11.05%	1,475.00	1,957.00
Zinc (US\$/MT)	2,705.00	-2.52%	-7.49%	53.17%	5.01%	1,736.50	2,985.00
Tin (US\$/MT)	19,350.00	-0.77%	-0.64%	16.39%	-8.40%	15,425.00	22,000.00
Iron Ore (US\$/ton)	86.72	-5.04%	0.12%	49.72%	9.95%	48.18	94.86
Agriculture							
Cocoa (US\$/MT)	1,967.00	-1.11%	1.44%	-35.10%	-7.48%	1,881.00	3,237.00
Coffee (US\$/lb.)	139.65	-1.13%	-4.19%	15.80%	1.90%	118.70	176.00
Sugar (US\$/lb.)	18.38	-4.02%	-8.10%	21.48%	-5.79%	14.00	23.90
Cotton (US\$/lb.)	77.01	-1.76%	0.52%	34.75%	9.00%	56.82	78.50
Corn (US\$)	356.75	-4.29%	-4.99%	-2.53%	1.35%	301.00	439.25
Wheat (US\$)	422.75	-2.54%	-5.85%	-10.34%	3.62%	359.50	524.00
Soy (US\$)	997.00	-2.90%	-5.43%	12.27%	0.05%	886.00	1,208.50

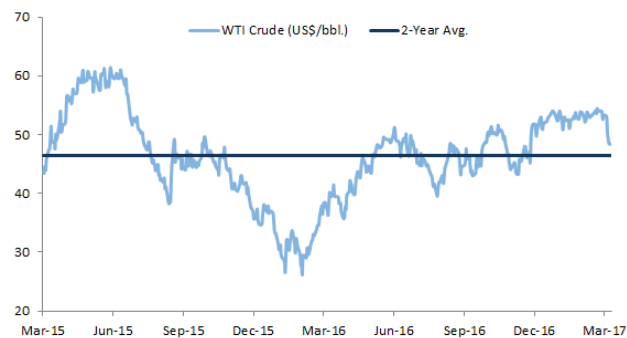
Sources: Bloomberg and Eaglestone Securities.

BRENT CRUDE (US\$/BARREL)



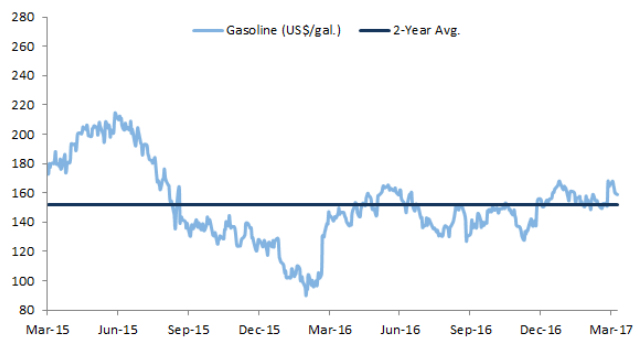
Sources: Bloomberg and Eaglestone Securities.

WTI CRUDE (US\$/BARREL)



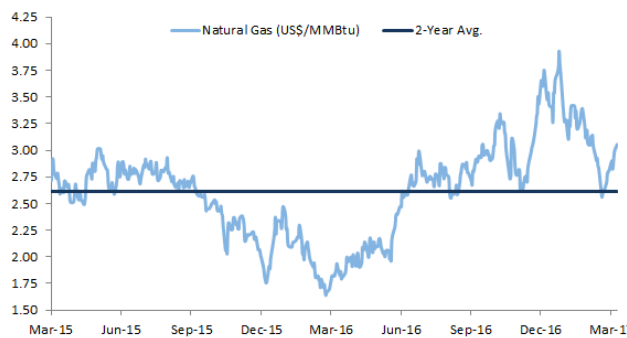
Sources: Bloomberg and Eaglestone Securities.

GASOLINE (US\$/GAL.)



Sources: Bloomberg and Eaglestone Securities.

NATURAL GAS (US\$/MMBTU)

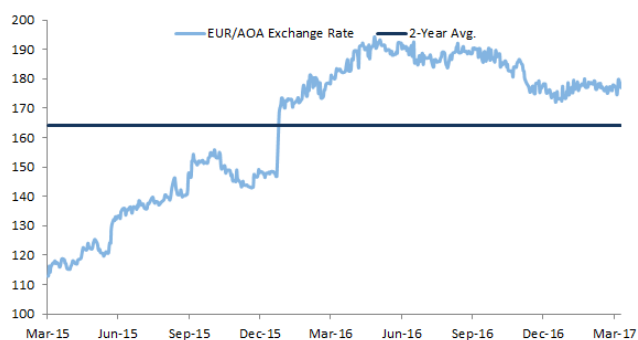


Sources: Bloomberg and Eaglestone Securities.

Currencies	13/03/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Kwanza (Angola)							
Dollar (USA)	165.07	1.49%	1.52%	-1.78%	1.94%	158.66	169.65
Euro	177.07	0.11%	0.79%	1.67%	-1.54%	171.73	196.44
Sterling (UK)	202.73	1.11%	4.06%	14.38%	0.93%	198.78	253.90
Rand (South Africa)	12.66	1.65%	-0.21%	-17.56%	-4.32%	9.95	13.06
Real (Brazil)	52.85	0.99%	1.89%	-16.22%	-3.59%	41.67	54.88
Metical (Mozambique)							
Dollar (USA)	68.38	1.24%	3.08%	-25.46%	4.39%	45.96	79.38
Euro	72.98	0.37%	2.34%	-22.46%	2.89%	54.73	89.22
Sterling (UK)	83.54	1.39%	5.11%	-12.74%	5.50%	69.56	104.52
Rand (South Africa)	5.22	1.92%	1.32%	-37.11%	-0.02%	0.48	5.82
Rand (South Africa)							
Dollar (USA)	13.11	-0.66%	1.74%	18.42%	4.83%	12.79	16.24
Euro	13.99	-1.54%	1.04%	23.18%	3.30%	13.54	18.01
Sterling (UK)	16.02	-0.54%	4.29%	38.73%	5.80%	15.76	23.34
Real (Brazil)	4.17	-0.63%	2.73%	1.78%	0.81%	3.92	4.69
Naira (Nigeria)							
Dollar (USA)	314.88	-0.02%	0.04%	-36.79%	0.14%	197.00	350.25
Euro	335.95	-0.88%	-0.69%	-34.22%	-1.29%	218.25	390.34
Euro							
Dollar (USA)	1.07	0.87%	0.72%	-3.86%	1.49%	1.03	1.16
Sterling (UK)	0.87	-1.00%	-3.14%	-11.13%	-2.29%	0.76	0.94
Franc (Switzerland)	1.08	-0.61%	-1.08%	1.69%	-0.53%	1.06	1.11
Yen (Japan)	122.29	-1.45%	-1.43%	3.34%	0.56%	109.57	128.22

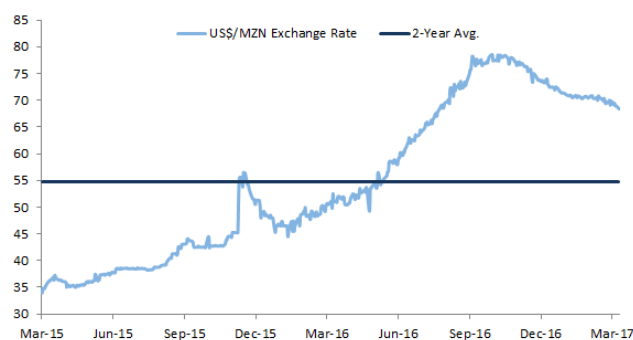
Sources: Bloomberg and Eaglestone Securities.

EUR/AOA EXCHANGE RATE



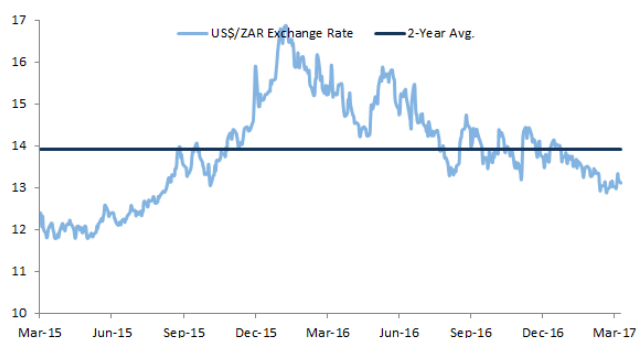
Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



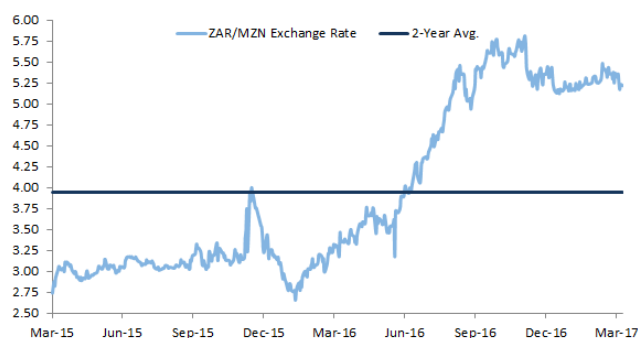
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

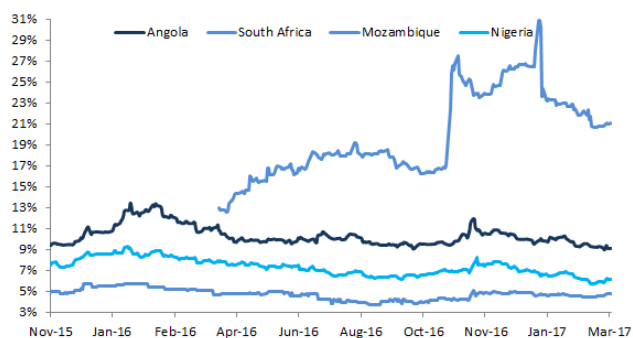


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	13/03/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Angola (12/11/2025; 9.5%)	102.330 9.101%	0.302% -0.051%	1.004% -0.168%	15.791% -1.911%	5.216% -0.792%	85.813 8.963%	103.167 11.916%
Dem. Republic of Congo (30/06/2029; 4.0%)	73.833 9.589%	6.553% -0.737%	n.a. -1.225%	-2.208% 0.786%	13.729% -1.304%	63.918 9.036%	75.560 11.248%
Ethiopia (11/12/2024; 6.625%)	94.048 7.656%	-1.002% 0.176%	-1.734% 0.314%	4.471% -0.549%	1.574% -0.235%	87.005 6.543%	100.526 8.836%
Gabon (16/06/2025; 6.95%)	98.103 7.257%	-1.791% 0.304%	0.851% -0.132%	21.115% -2.075%	4.241% -0.606%	80.395 6.808%	100.875 10.270%
Ghana (07/08/2023; 7.875%)	96.894 8.512%	-0.679% 0.142%	-0.526% 0.112%	23.741% -2.689%	-1.995% 0.435%	76.438 7.652%	101.277 12.887%
Ivory Coast (03/03/2028; 6.375%)	98.425 6.578%	-1.313% 0.174%	-0.267% 0.036%	7.863% -0.804%	0.266% -0.030%	91.181 5.551%	107.735 7.487%
Kenya (24/06/2024; 6.875%)	98.358 7.166%	-1.210% 0.223%	-0.680% 0.124%	5.055% -0.697%	3.336% -0.527%	90.762 6.711%	101.276 8.397%
Mozambique (18/01/2023; 10.5%)	66.967 21.086%	-0.790% 0.325%	4.602% -0.734%	n.a. 13.658%	10.845% -4.444%	53.636 12.625%	91.006 30.906%
Namibia (29/10/2025; 5.25%)	100.219 5.217%	-1.530% 0.234%	-0.926% 0.138%	5.861% -0.670%	2.578% -0.341%	94.065 4.183%	108.164 6.046%
Nigeria (12/07/2023; 6.375%)	101.577 6.069%	-0.913% 0.182%	0.941% -0.178%	11.899% -1.502%	4.587% -0.755%	89.840 5.740%	103.593 8.233%
Rwanda (02/05/2023; 6.625%)	100.751 6.473%	-0.574% 0.117%	-0.779% 0.158%	4.701% -0.742%	0.992% -0.191%	93.364 6.052%	103.140 7.857%
Senegal (30/07/2024; 6.25%)	100.502 6.163%	-1.135% 0.201%	-0.215% 0.035%	9.580% -1.168%	0.308% -0.053%	90.786 5.382%	105.862 7.728%
Seychelles (01/01/2026; 7.0%)	100.798 7.750%	-1.174% 0.193%	n.a. 0.099%	7.254% -0.824%	0.092% 0.012%	94.063 7.550%	102.070 8.662%
South Africa (16/09/2025; 5.875%)	108.125 4.704%	-1.030% 0.157%	-1.143% 0.167%	n.a. -0.423%	1.051% -0.166%	105.250 3.686%	117.370 5.168%
Zambia (30/07/2027; 8.97%)	104.295 8.341%	-1.142% 0.300%	1.565% -0.227%	36.406% -2.982%	5.272% -0.701%	75.610 7.988%	106.833 13.086%

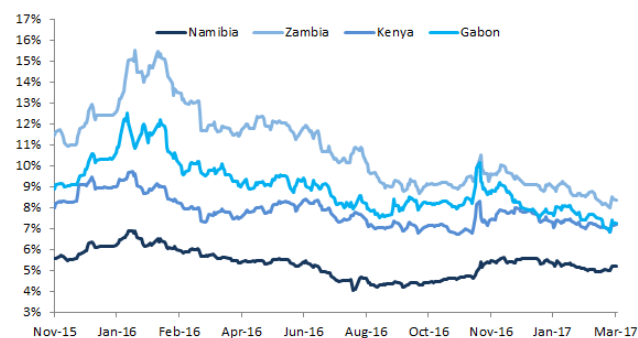
Sources: Bloomberg and Eaglestone Securities.

EUROBOND YIELDS (ANG, SA, MOZ & NIG)



Sources: Bloomberg and Eaglestone Securities.

EUROBOND YIELDS (NAM, ZAM, KEN & GAB)



Sources: Bloomberg and Eaglestone Securities.

AFRICA SOVEREIGN RATINGS

13/03/2017	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	SD	RD	NR	D	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	B+	NR	NR	B
Uganda	B2	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, Johannesburg, Lisbon, London, 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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