



## Africa Weekly: Nigeria contracts for the first time in 25 years

### Top Political News

**Democratic Republic of Congo's** largest opposition parties named Felix Tshisekedi as their new leader and signaled that they are ready to restart talks on enacting a deal to ensure President Joseph Kabila surrenders power this year. The opposition will now ask mediators from the country's Catholic Church to resume talks on enforcing a December agreement that allowed Kabila to remain in power after the end of his second and final term. Tshisekedi is now the opposition's pick to lead the power-sharing government defined in the December pact. **Mozambique's** main opposition party, Renamo, and the government agreed to extend the cease-fire by two months, until May 3<sup>rd</sup>. This is the second extension this year and is aimed at facilitating peace negotiations to end a conflict that resumed in 2013. **South Africa's** government reached an agreement with the country's major labor unions to increase salaries for the lowest-paid workers. The new minimum wage translates to a monthly salary of 3,500 rand for those working a 40-hour week and could benefit as many as about 6.6 million workers in the country. This will hopefully limit strikes and is seen as a breakthrough in efforts to end decades of fractious labor relations.

### Top Economic News

**Nigeria's** real GDP advanced 4.1% in the last quarter of 2016 from the previous three months. However, the economy contracted 1.3% on a yearly basis at the end of last year, marking the fourth consecutive quarter of yearly declines. Real GDP fell by 1.5% for the whole of 2016 and was the first full-year drop in the last 25 years. The contraction in economic activity was mostly due to a declining oil sector and the tight foreign exchange situation in the country. Activity in the oil sector tumbled by 14% YoY in 2016 whereas it was only down by 0.2% in the non-oil sector. **Kenya's** inflation rate rose to 9.04% YoY in February from 6.99% in the previous month. On a monthly basis, consumer prices were up 1.72% compared with 1% in January. The annual inflation rate is now above the government's target range of 2.5%-7.5% over the medium term.

### Commodities

Workers at **Libya's** largest oil terminal had to be evacuated at the end of last week as a precautionary measure after fighting escalated nearby. This move highlights the threats the country continues to face in restoring its crude production following two years of armed conflict. Libya produced 700,000 barrels daily in February, nearly double the level from a year ago. Libya, along with Nigeria, is exempt from the oil production cut agreement struck by OPEC and its partners at the end of 2016. **Oil** had its worst week in two months, as data showed stockpiles from US producers is expanding further into record high levels and could pose a risk to the efforts being carried out by OPEC and its partners in eliminating the oversupply in the global oil markets. Brent was down almost 1% in the week, trading slightly above the US\$ 55 a barrel level.

### Eurobonds

**Mozambique's** Prime Minister said the country will seek to negotiate with creditors a restructuring of part of its US\$ 2 billion debt, adding that the country wants to honor its debt commitments "in a balanced way". Carlos Agostinho do Rosário also stated that everyone wants the audit currently being carried out to be completed on time. He added that everyone is waiting for the results, but negotiations with the IMF are under way.

### Capital Markets

06 March 2017

**Tiago Bossa Dionísio**

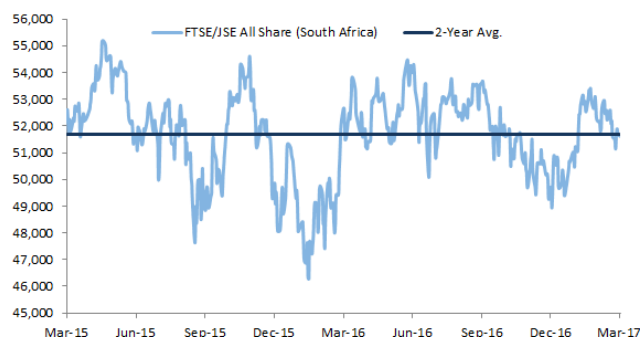
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Stock Markets Index (Country)	06/03/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Africa</b>							
FTSE/JSE All Share (South Africa)	51,610.29	0.22%	-1.04%	-1.13%	1.89%	48,935.90	54,704.22
EGX 30 (Egypt)	12,506.63	4.01%	-2.67%	101.23%	1.31%	6,090.02	13,544.42
Gaborone Domestic Index (Botswana)	9,111.65	1.10%	-0.56%	-10.66%	-3.07%	9,005.95	10,317.66
Nairobi SE All Share (Kenya)	121.73	-3.30%	-2.66%	-17.17%	-8.71%	121.26	147.56
All Share Index (Nigeria)	25,012.08	-0.94%	-2.25%	-3.13%	-6.93%	24,569.72	31,073.32
Ghana Stock Exchange (Ghana)	1,868.19	0.60%	4.09%	-5.21%	10.60%	1,507.84	1,974.02
Namibia Overall Index (Namibia)	1,106.60	1.73%	2.28%	15.95%	3.56%	924.79	1,136.88
Tanzania All Share Index (Tanzania)	2,303.02	-0.46%	9.44%	-4.46%	4.76%	1,978.68	2,829.99
<b>Americas</b>							
Dow Jones Industrial Avg. (USA)	21,005.71	0.88%	4.75%	23.51%	6.29%	16,821.86	21,169.11
S&P 500 (USA)	2,383.12	0.67%	3.95%	19.16%	6.44%	1,969.25	2,400.98
Nasdaq (USA)	5,870.75	0.44%	3.66%	24.46%	9.06%	4,574.25	5,911.79
Ibovespa (Brazil)	66,785.53	-2.63%	4.36%	36.06%	10.89%	46,520.81	69,487.58
<b>Europe</b>							
Euro Stoxx 50 (Europe)	3,386.00	2.32%	4.56%	11.48%	2.90%	2,678.27	3,407.61
FTSE 100 (UK)	7,347.37	1.30%	2.44%	18.52%	2.86%	5,788.74	7,394.61
DAX (Germany)	11,943.82	1.02%	3.77%	21.58%	4.03%	9,214.10	12,082.59
PSI 20 (Portugal)	4,610.40	-0.18%	0.29%	-6.89%	-1.47%	4,175.28	5,222.69
IBEX 35 (Spain)	9,787.50	3.41%	4.60%	11.08%	4.66%	7,579.80	9,799.70
CAC (France)	4,974.38	2.67%	4.11%	11.62%	2.30%	3,955.98	5,002.32
SMI (Switzerland)	8,644.63	1.46%	3.77%	8.29%	5.17%	7,475.54	8,675.97
<b>Asia</b>							
Nikkei 225 (Japan)	19,379.14	1.42%	2.12%	13.90%	1.39%	14,864.01	19,668.01
Topix (Japan)	1,554.90	1.36%	2.27%	13.05%	2.39%	1,192.80	1,575.21
Hang Seng (Hong Kong)	6,939.09	-1.02%	2.49%	17.66%	8.37%	5,715.15	7,169.55
Shanghai All Share (China)	3,386.21	0.16%	2.43%	12.57%	4.20%	2,901.35	3,456.92
CSI 300 (China)	3,446.48	0.01%	2.17%	11.40%	4.12%	2,982.17	3,583.72

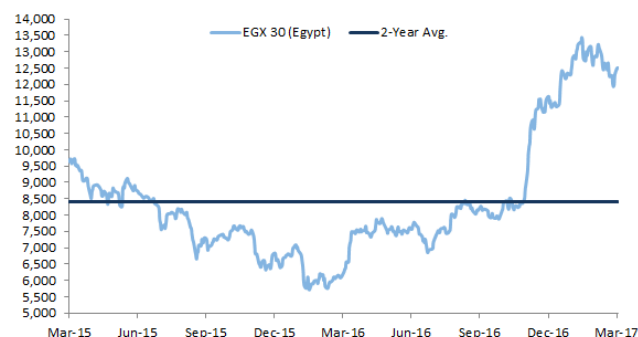
Sources: Bloomberg and Eaglestone Securities.

## JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



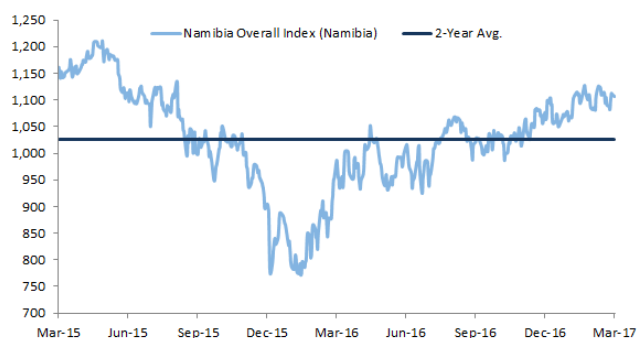
Sources: Bloomberg and Eaglestone Securities.

## EGYPT STOCK EXCHANGE INDEX



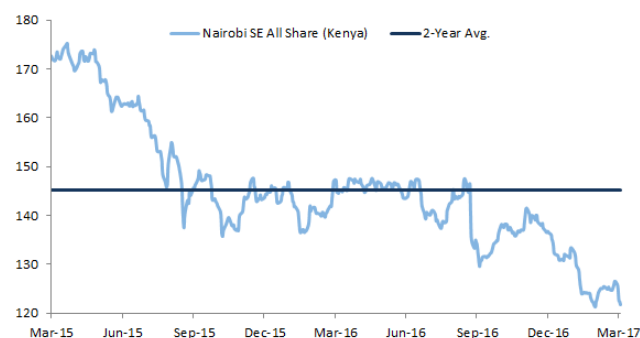
Sources: Bloomberg and Eaglestone Securities.

## NAMIBIA OVERALL INDEX



Sources: Bloomberg and Eaglestone Securities.

## KENYA STOCK EXCHANGE INDEX

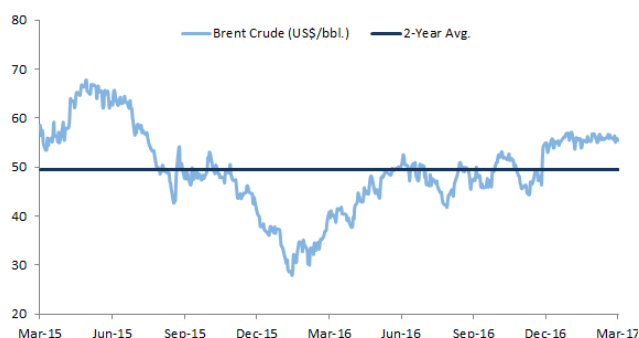


Sources: Bloomberg and Eaglestone Securities.

Commodities	06/03/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Energy</b>							
WTI Crude (US\$/bbl.)	52.87	-2.18%	-0.26%	47.19%	-1.58%	35.24	55.24
Brent Crude (US\$/bbl.)	55.46	-0.84%	-0.47%	43.23%	-2.39%	37.27	58.37
Natural Gas (US\$/MMBtu)	2.91	8.21%	-4.46%	74.91%	-21.75%	1.61	3.99
Gasoline (US\$/gal.)	164.22	7.14%	8.73%	23.28%	-1.38%	126.68	172.57
Coking Coal (US\$/ton)	160.22	1.16%	-3.41%	102.81%	-30.58%	81.11	308.80
<b>Precious Metals</b>							
Gold (US\$/oz.)	1,234.30	-1.95%	0.35%	-2.86%	7.17%	1,123.90	1,377.50
Silver (US\$/oz.)	17.85	-2.77%	0.86%	13.80%	11.61%	14.78	21.09
Platinum (US\$/oz.)	990.25	-3.73%	-2.42%	-0.93%	9.65%	889.73	1,194.64
<b>Other Metals</b>							
Copper (US\$/lb.)	266.35	-0.89%	0.45%	17.28%	6.31%	201.30	282.30
Aluminum (US\$/MT)	1,892.00	0.37%	3.13%	19.97%	11.75%	1,475.00	1,957.00
Zinc (US\$/MT)	2,775.00	-1.91%	-0.75%	50.57%	7.73%	1,736.50	2,985.00
Tin (US\$/MT)	19,500.00	1.83%	-1.37%	18.40%	-7.69%	15,425.00	22,000.00
Iron Ore (US\$/ton)	91.32	0.91%	11.11%	78.36%	15.79%	48.18	94.86
<b>Agriculture</b>							
Cocoa (US\$/MT)	1,989.00	-1.92%	-4.01%	-32.39%	-6.44%	1,881.00	3,237.00
Coffee (US\$/lb.)	141.25	-2.18%	-3.42%	22.19%	3.06%	116.90	176.00
Sugar (US\$/lb.)	19.75	3.46%	-6.75%	33.18%	1.23%	14.00	23.90
Cotton (US\$/lb.)	77.28	2.47%	1.14%	32.28%	9.38%	55.66	78.00
Corn (US\$)	375.50	4.23%	3.23%	5.92%	6.68%	301.00	439.25
Wheat (US\$)	440.75	5.25%	4.32%	-3.08%	8.03%	359.50	524.00
Soy (US\$)	1,032.75	2.15%	-0.31%	18.64%	3.64%	870.75	1,208.50

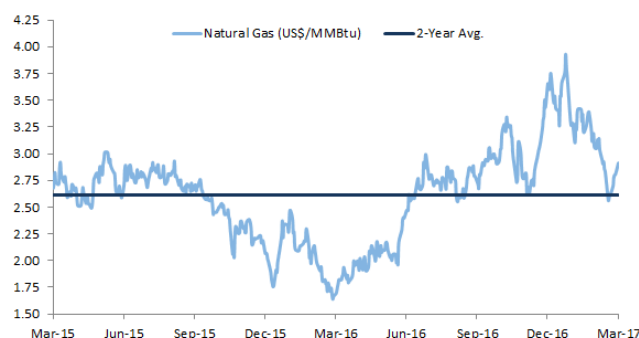
Sources: Bloomberg and Eaglestone Securities.

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



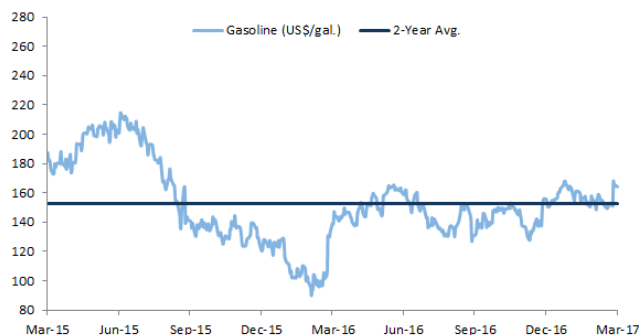
Sources: Bloomberg and Eaglestone Securities.

**NATURAL GAS (US\$/MMBTU)**



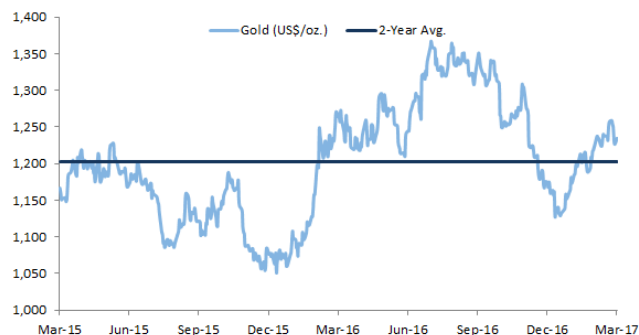
Sources: Bloomberg and Eaglestone Securities.

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



Sources: Bloomberg and Eaglestone Securities.

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

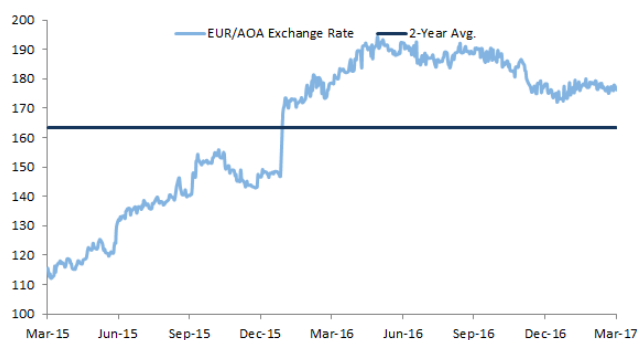


Sources: Bloomberg and Eaglestone Securities.

Currencies	06/03/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Kwanza (Angola)</b>							
Dollar (USA)	167.53	0.03%	-0.97%	-3.22%	0.44%	158.41	169.65
Euro	176.29	0.59%	1.08%	1.29%	-1.11%	171.73	196.44
Sterling (UK)	203.55	2.39%	1.55%	13.62%	0.53%	198.78	253.90
Rand (South Africa)	12.78	0.76%	-2.45%	-16.84%	-5.23%	9.95	13.06
Real (Brazil)	53.24	0.07%	-0.09%	-19.50%	-4.31%	41.67	54.88
<b>Metical (Mozambique)</b>							
Dollar (USA)	69.00	1.03%	2.68%	-28.74%	3.45%	45.96	79.38
Euro	74.06	-1.02%	2.84%	-26.88%	1.38%	53.83	89.22
Sterling (UK)	85.72	0.37%	3.05%	-18.18%	2.82%	69.44	104.52
Rand (South Africa)	5.31	0.82%	0.26%	-39.36%	-1.87%	0.48	5.82
<b>Rand (South Africa)</b>							
Dollar (USA)	12.98	0.24%	2.61%	17.52%	5.87%	12.79	16.24
Euro	13.79	-0.15%	3.66%	21.79%	4.78%	13.54	18.01
Sterling (UK)	15.92	1.66%	4.16%	36.65%	6.42%	15.92	23.34
Real (Brazil)	4.17	0.40%	2.46%	-3.14%	1.03%	3.92	4.69
<b>Naira (Nigeria)</b>							
Dollar (USA)	314.98	-0.07%	-0.30%	-36.73%	0.11%	197.00	350.25
Euro	334.76	-0.39%	1.22%	-34.50%	-0.94%	215.44	390.34
<b>Euro</b>							
Dollar (USA)	1.06	0.39%	-1.13%	-3.50%	1.06%	1.03	1.16
Sterling (UK)	0.87	-1.77%	-0.46%	-10.86%	-1.47%	0.76	0.94
Franc (Switzerland)	1.07	-0.26%	-0.53%	2.35%	0.09%	1.06	1.11
Yen (Japan)	120.80	-1.23%	-0.56%	3.44%	1.80%	109.57	128.22

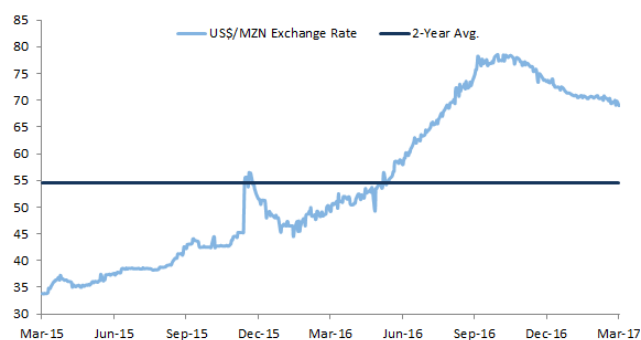
Sources: Bloomberg and Eaglestone Securities.

## EUR/AOA EXCHANGE RATE



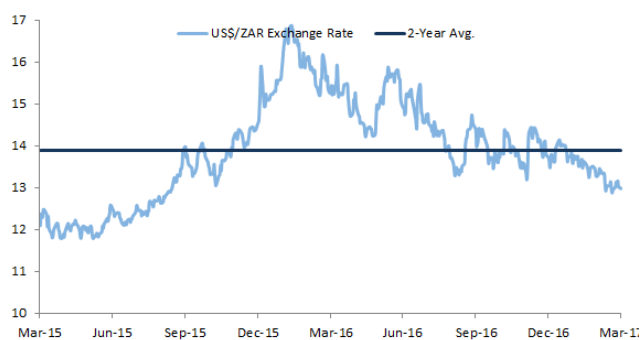
Sources: Bloomberg and Eaglestone Securities.

## US\$/MZN EXCHANGE RATE



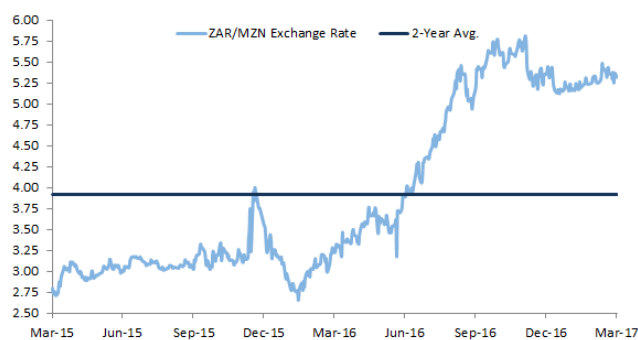
Sources: Bloomberg and Eaglestone Securities.

## US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

## ZAR/MZN EXCHANGE RATE

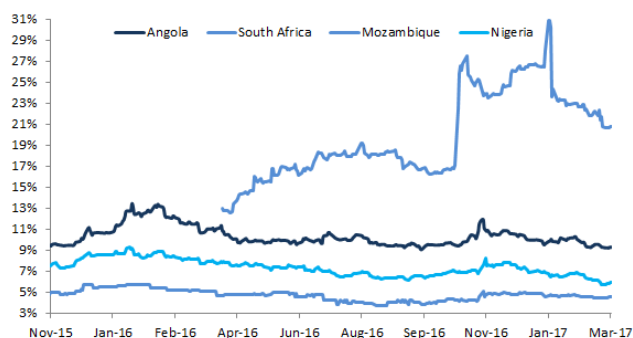


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	06/03/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Angola</b> (12/11/2025; 9.5%)	101.379 9.261%	-0.365% 0.063%	2.706% -0.435%	14.272% -1.773%	4.238% -0.658%	85.813 9.037%	102.821 11.916%
<b>Dem. Republic of Congo</b> (30/06/2029; 4.0%)	69.330 10.381%	2.807% -0.335%	n.a. -0.723%	-5.352% 1.324%	6.793% -0.672%	63.918 8.861%	75.560 11.248%
<b>Ethiopia</b> (11/12/2024; 6.625%)	94.681 7.541%	-0.641% 0.112%	2.036% -0.317%	5.730% -0.712%	2.257% -0.341%	87.005 6.543%	100.526 8.836%
<b>Gabon</b> (16/06/2025; 6.95%)	99.235 7.071%	2.260% -0.343%	3.685% -0.537%	19.201% -1.932%	5.444% -0.756%	80.395 7.028%	99.500 10.270%
<b>Ghana</b> (07/08/2023; 7.875%)	97.213 8.444%	-0.209% 0.052%	-0.846% 0.178%	24.143% -2.710%	-1.672% 0.361%	76.438 7.652%	101.277 12.887%
<b>Ivory Coast</b> (03/03/2028; 6.375%)	99.163 6.483%	-0.381% 0.049%	-0.213% 0.029%	8.425% -0.854%	1.018% -0.124%	90.907 5.551%	107.735 7.500%
<b>Kenya</b> (24/06/2024; 6.875%)	98.907 7.067%	-0.220% 0.039%	0.669% -0.114%	5.886% -0.804%	3.912% -0.611%	90.762 6.711%	101.276 8.397%
<b>Mozambique</b> (18/01/2023; 10.5%)	67.375 20.816%	-0.432% 0.222%	8.633% -1.639%	n.a. 13.044%	11.520% -4.598%	53.636 12.625%	91.006 30.906%
<b>Namibia</b> (29/10/2025; 5.25%)	101.660 5.010%	-0.414% 0.060%	0.986% -0.139%	6.666% -0.751%	4.053% -0.514%	94.065 4.183%	108.164 6.046%
<b>Nigeria</b> (12/07/2023; 6.375%)	102.555 5.885%	-0.758% 0.149%	4.281% -0.712%	13.284% -1.614%	5.594% -0.888%	89.671 5.740%	103.593 8.233%
<b>Rwanda</b> (02/05/2023; 6.625%)	101.368 6.351%	-0.130% 0.025%	0.489% -0.098%	5.020% -0.791%	1.611% -0.304%	93.364 6.052%	103.140 7.857%
<b>Senegal</b> (30/07/2024; 6.25%)	101.438 6.005%	-0.102% 0.017%	1.101% -0.183%	10.082% -1.214%	1.243% -0.204%	90.786 5.382%	105.862 7.728%
<b>Seychelles</b> (01/01/2026; 7.0%)	101.995 7.561%	-0.004% 0.002%	n.a. -0.162%	8.528% -0.966%	1.281% -0.173%	93.940 7.559%	101.999 8.672%
<b>South Africa</b> (16/09/2025; 5.875%)	109.120 4.570%	-1.137% 0.173%	-0.342% 0.041%	n.a. -0.494%	1.981% -0.287%	105.250 3.686%	117.370 5.169%
<b>Zambia</b> (30/07/2027; 8.97%)	105.500 8.172%	0.636% -0.093%	2.552% -0.360%	38.058% -3.030%	6.488% -0.838%	75.610 8.130%	106.324 13.086%

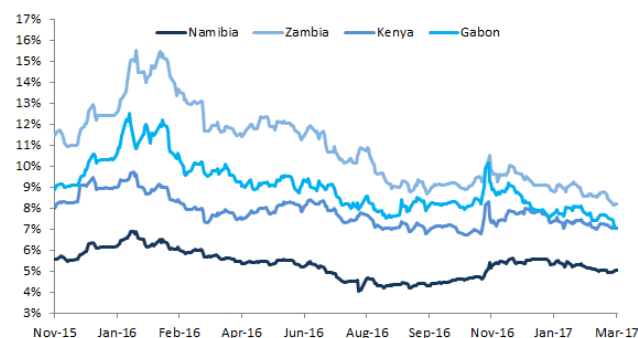
Sources: Bloomberg and Eaglestone Securities.

EUROBOND YIELDS (ANG, SA, MOZ &amp; NIG)



Sources: Bloomberg and Eaglestone Securities.

EUROBOND YIELDS (NAM, ZAM, KEN &amp; GAB)



Sources: Bloomberg and Eaglestone Securities.

## AFRICA SOVEREIGN RATINGS

06/03/2017	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
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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