



## Africa Weekly: Nigeria plans major economic reforms

### Top Political News

**Mozambique's** government said the World Bank will finance its program known as "Sustenta" with US\$ 224 million. This program is designed to encourage agricultural production by small farmers and is estimated to benefit over 700,000 people. It will initially cover the provinces of Zambezia and Nampula, creating a financing mechanism at zero interest. The IMF announced that it may consider extending **Ghana's** US\$918 million three-year aid program if the new government, which took office in January, requests an extension. The current program last until April 2018, but could be extended to December of that year.

### Top Economic News

**Nigeria's** government is discussing with the World Bank and other development partners an economic growth and recovery plan for the country, which will include major reforms, to restore macroeconomic resilience. Reports suggest that the country could borrow at least US\$1 billion from the World Bank to help finance its spending plans for 2017. **Angola's** inflation rate decelerated to 39.66% YoY in January from 41.12% in the previous month. Prices rose 2.25% on a monthly basis after education costs surged 15%. Consumer prices in **South Africa** also expanded at a slower pace of 6.6% last month (vs. 6.8% in December), slightly below the 6.7% expected by consensus. The inflation rate remained above the central bank's target range of 3-6%. Meanwhile, the country's unemployment rate stood at 26.5% in 4Q 2016. This was lower than the consensus forecast of 27% and the 27.1% in the previous quarter, which marked a 13-year high.

### Central Banks

The **Bank of Mozambique** kept its benchmark rate unchanged at 23.25% in its latest monetary policy meeting. The deposit rate and compulsory reserve coefficient were also left unchanged at 16.25% and 15.5%, respectively. The central bank added that it will introduce a prime lending rate on April 15 that will be used as a new reference rate for liquidity regulation in the interbank monetary market. It stated that this aims to make the market more transparent and consistent with good international practice. The Bank of Mozambique also said that as from April 3 it will have an exchange rate of its own, which will be an average of all the exchange rates used by commercial banks in dealing with their clients. Finally, the central bank said it will revoke the annual limit of MZM 700k (about US\$ 10k) per person on external payments using international bank cards.

### Commodities

**OPEC** said it could extend the current oil supply cut agreement or even apply deeper cuts beyond its end-June deadline if global crude inventories fail to fall to a targeted level. It added that producing countries must fully comply with the agreed cuts and demand growth to remain healthy for the deal to be effective in rebalancing the global oil market. OPEC stated in its latest monthly oil report that compliance levels stood at 90% in January.

### Eurobonds

**Mozambique** extended the deadline for the presentation of the auditor's report on the foreign debt of its state-owned enterprises Ematum, ProIndicus and Mozambique Asset Management an extra month to March 31. The extension of the initial deadline of February 28 was agreed between the country's Attorney-General, the IMF and Sweden, which is financing the audit.

### Capital Markets

20 February 2017

**Tiago Bossa Dionísio**

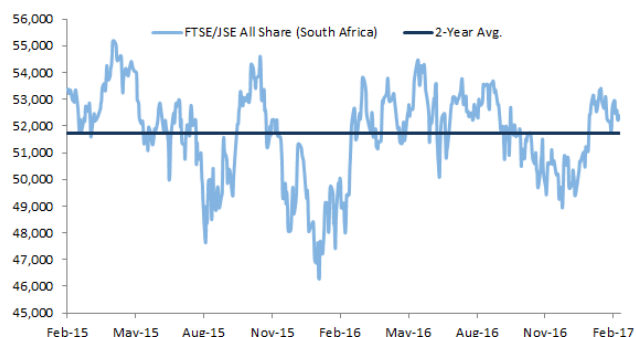
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Stock Markets Index (Country)	20/02/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Africa</b>							
FTSE/JSE All Share (South Africa)	52,394.01	-1.06%	-0.26%	7.06%	3.44%	47,388.15	54,704.22
EGX 30 (Egypt)	12,373.61	-2.88%	-3.38%	108.15%	0.23%	5,944.47	13,544.42
Gaborone Domestic Index (Botswana)	9,018.50	-0.27%	-3.47%	-12.02%	-4.07%	9,018.50	10,317.66
Nairobi SE All Share (Kenya)	124.93	-0.14%	0.72%	-11.20%	-6.31%	121.26	147.56
All Share Index (Nigeria)	25,164.91	-0.69%	-4.04%	3.00%	-6.36%	23,872.14	31,073.32
Ghana Stock Exchange (Ghana)	1,809.47	0.24%	2.85%	-9.19%	7.13%	1,507.84	2,000.41
Namibia Overall Index (Namibia)	1,110.96	-1.36%	1.59%	26.35%	3.97%	843.13	1,136.88
Tanzania All Share Index (Tanzania)	2,293.45	5.31%	6.82%	-3.08%	4.32%	1,978.68	2,829.99
<b>Americas</b>							
Dow Jones Industrial Avg. (USA)	20,624.05	1.75%	4.02%	25.82%	4.36%	16,165.86	20,639.87
S&P 500 (USA)	2,351.16	1.51%	3.52%	22.60%	5.02%	1,891.00	2,351.31
Nasdaq (USA)	5,838.58	1.82%	5.10%	29.62%	8.46%	4,425.72	5,838.58
Ibovespa (Brazil)	67,748.42	2.46%	5.00%	63.08%	12.49%	41,210.72	68,455.85
<b>Europe</b>							
Euro Stoxx 50 (Europe)	3,315.01	0.30%	0.47%	15.46%	0.74%	2,678.27	3,342.47
FTSE 100 (UK)	7,304.66	0.35%	1.48%	22.76%	2.27%	5,788.74	7,354.14
DAX (Germany)	11,820.80	0.39%	1.64%	25.91%	2.96%	9,125.19	11,893.08
PSI 20 (Portugal)	4,657.47	1.32%	1.21%	-1.04%	-0.46%	4,175.28	5,222.69
IBEX 35 (Spain)	9,548.40	0.68%	1.79%	16.53%	2.10%	7,579.80	9,623.50
CAC (France)	4,881.59	-0.14%	0.64%	15.59%	0.40%	3,955.98	4,932.35
SMI (Switzerland)	8,525.79	0.74%	3.03%	8.42%	3.72%	7,475.54	8,536.15
<b>Asia</b>							
Nikkei 225 (Japan)	19,251.08	-1.07%	0.59%	20.57%	0.72%	14,864.01	19,615.40
Topix (Japan)	1,547.01	-0.46%	0.88%	19.75%	1.87%	1,192.80	1,559.22
Hang Seng (Hong Kong)	7,080.63	1.50%	6.82%	25.62%	10.58%	5,463.11	7,117.35
Shanghai All Share (China)	3,392.65	0.72%	3.74%	13.36%	4.40%	2,761.42	3,456.92
CSI 300 (China)	3,471.39	1.02%	3.47%	13.76%	4.87%	2,821.22	3,583.72

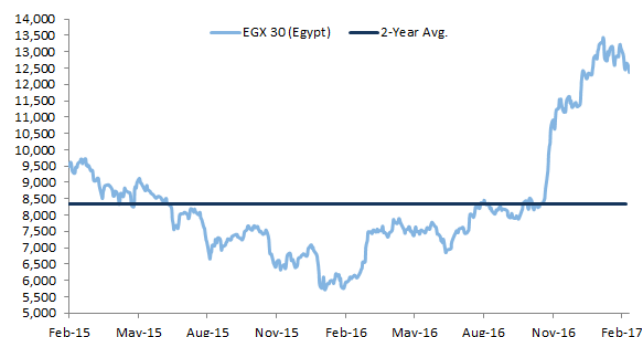
Sources: Bloomberg and Eaglestone Securities.

## JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



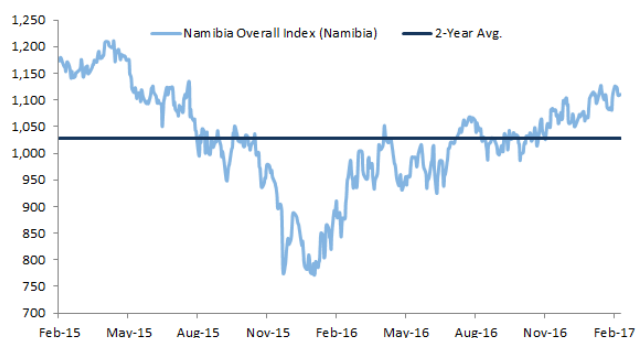
Sources: Bloomberg and Eaglestone Securities.

## EGYPT STOCK EXCHANGE INDEX



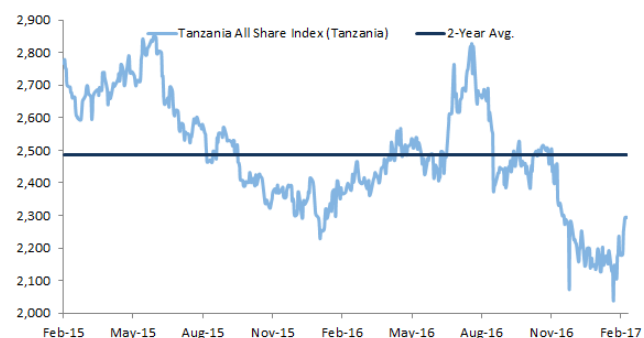
Sources: Bloomberg and Eaglestone Securities.

## NAMIBIA OVERALL INDEX



Sources: Bloomberg and Eaglestone Securities.

## TANZANIA STOCK EXCHANGE INDEX

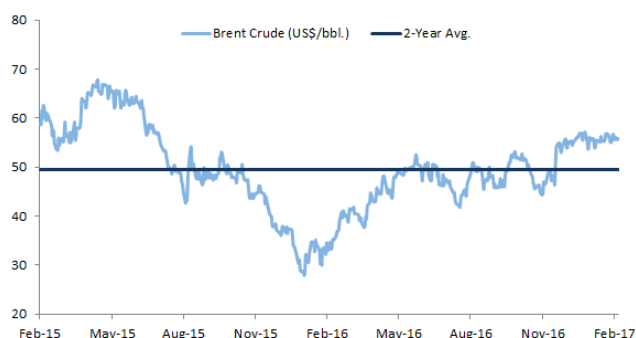


Sources: Bloomberg and Eaglestone Securities.

Commodities	20/02/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Energy</b>							
WTI Crude (US\$/bbl.)	53.61	1.28%	2.27%	80.87%	-0.20%	29.48	55.24
Brent Crude (US\$/bbl.)	56.13	0.97%	1.15%	70.04%	-1.21%	32.37	58.37
Natural Gas (US\$/MMBtu)	2.77	-6.05%	-13.67%	53.33%	-25.73%	1.61	3.99
Gasoline (US\$/gal.)	152.91	-1.00%	-2.36%	59.38%	-8.17%	94.63	170.95
Coking Coal (US\$/ton)	152.05	-7.92%	-15.16%	96.73%	-34.12%	78.08	308.80
<b>Precious Metals</b>							
Gold (US\$/oz.)	1,233.00	0.70%	2.33%	0.21%	7.06%	1,123.90	1,377.50
Silver (US\$/oz.)	17.99	0.92%	5.60%	16.99%	12.48%	14.61	21.09
Platinum (US\$/oz.)	1,002.58	0.41%	2.49%	8.03%	11.02%	889.73	1,194.64
<b>Other Metals</b>							
Copper (US\$/lb.)	272.45	-2.10%	3.79%	31.21%	8.74%	201.30	282.30
Aluminum (US\$/MT)	1,880.00	0.32%	4.56%	23.77%	11.05%	1,475.00	1,916.00
Zinc (US\$/MT)	2,809.50	-3.92%	3.42%	70.79%	9.06%	1,715.00	2,985.00
Tin (US\$/MT)	19,725.00	1.28%	-6.52%	26.00%	-6.63%	15,425.00	22,000.00
Iron Ore (US\$/ton)	90.37	4.33%	10.82%	94.97%	14.58%	48.18	92.23
<b>Agriculture</b>							
Cocoa (US\$/MT)	2,034.00	4.90%	-8.99%	-29.33%	-4.33%	1,881.00	3,237.00
Coffee (US\$/lb.)	147.80	1.41%	-1.40%	29.03%	7.84%	111.35	176.00
Sugar (US\$/lb.)	20.30	-0.59%	-2.07%	54.26%	4.05%	12.45	23.90
Cotton (US\$/lb.)	73.48	-3.09%	1.90%	22.73%	4.01%	55.66	77.80
Corn (US\$)	368.25	-1.67%	0.75%	0.27%	4.62%	301.00	439.25
Wheat (US\$)	441.00	-1.78%	1.73%	-5.87%	8.09%	359.50	524.00
Soy (US\$)	1,032.50	-2.50%	-3.44%	17.00%	3.61%	849.00	1,208.50

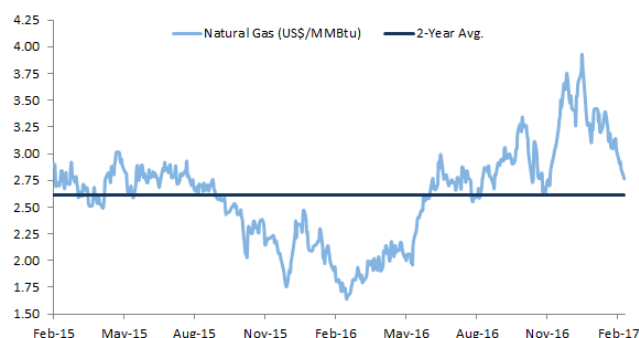
Sources: Bloomberg and Eaglestone Securities.

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



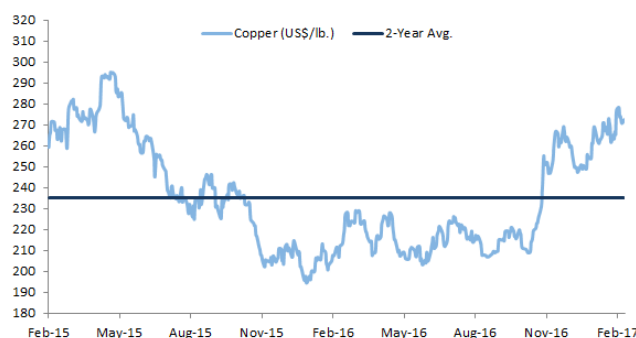
Sources: Bloomberg and Eaglestone Securities.

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



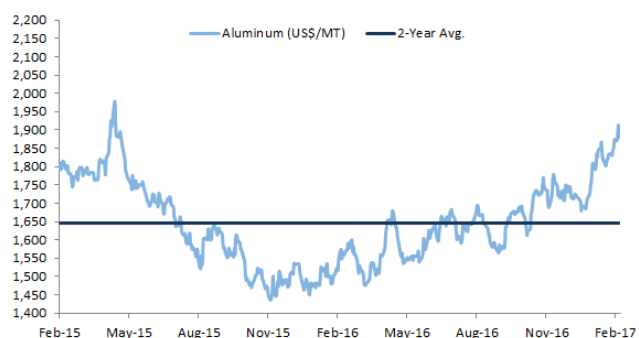
Sources: Bloomberg and Eaglestone Securities.

**COPPER (US\$/LB.)**



Sources: Bloomberg and Eaglestone Securities.

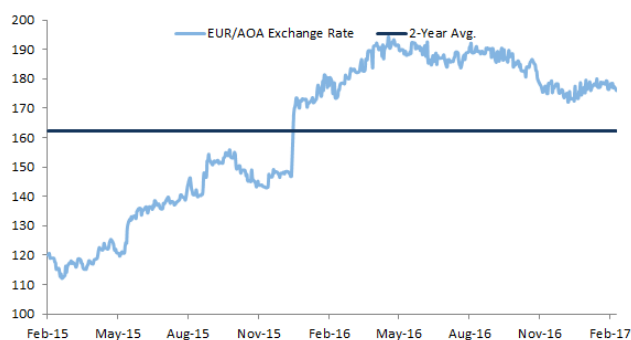
**ALUMINUM (US\$/MT)**



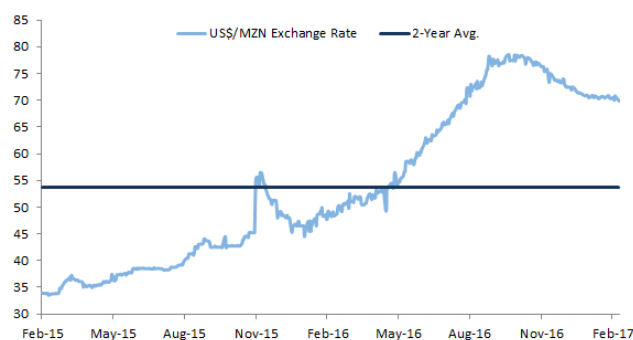
Sources: Bloomberg and Eaglestone Securities.

Currencies	20/02/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Kwanza (Angola)</b>							
Dollar (USA)	167.12	0.27%	-0.25%	-2.98%	0.69%	158.41	169.65
Euro	176.06	1.37%	0.73%	1.57%	-0.98%	171.73	196.44
Sterling (UK)	206.47	2.17%	-0.68%	11.11%	-0.90%	198.78	253.90
Rand (South Africa)	12.61	0.16%	-3.33%	-15.37%	-3.96%	9.74	13.06
Real (Brazil)	53.39	0.87%	-2.12%	-23.05%	-4.56%	39.47	54.88
<b>Metical (Mozambique)</b>							
Dollar (USA)	69.89	0.84%	1.35%	-30.71%	2.13%	43.71	79.38
Euro	74.24	0.61%	2.12%	-28.05%	1.14%	52.56	89.22
Sterling (UK)	87.05	0.88%	0.70%	-21.28%	1.26%	63.92	104.52
Rand (South Africa)	5.32	-0.59%	-2.00%	-40.05%	-1.92%	0.48	5.82
<b>Rand (South Africa)</b>							
Dollar (USA)	13.15	1.44%	3.44%	15.58%	4.52%	12.90	16.31
Euro	13.96	1.23%	4.18%	20.02%	3.50%	13.68	18.01
Sterling (UK)	16.37	2.02%	2.74%	31.32%	3.49%	16.08	23.34
Real (Brazil)	4.23	1.27%	1.24%	-9.08%	-0.61%	3.77	4.69
<b>Naira (Nigeria)</b>							
Dollar (USA)	315.06	-0.02%	-0.02%	-36.82%	0.09%	197.00	350.25
Euro	334.59	-0.29%	0.92%	-34.40%	-0.89%	213.86	390.34
<b>Euro</b>							
Dollar (USA)	1.06	0.23%	-0.76%	-3.70%	1.00%	1.03	1.16
Sterling (UK)	0.85	-0.79%	1.45%	-8.60%	0.08%	0.76	0.94
Franc (Switzerland)	1.07	0.05%	0.65%	3.46%	0.61%	1.06	1.11
Yen (Japan)	120.11	0.36%	2.15%	3.67%	2.38%	109.57	128.22

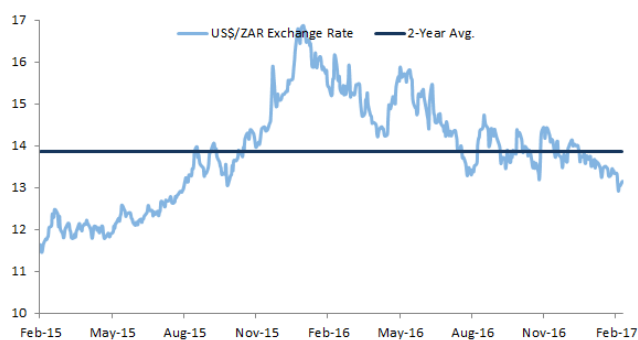
Sources: Bloomberg and Eaglestone Securities.

**EUR/AOA EXCHANGE RATE**

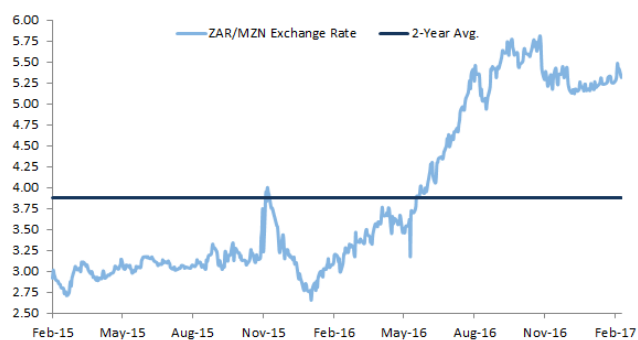
Sources: Bloomberg and Eaglestone Securities.

**US\$/MZN EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

**US\$/ZAR EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

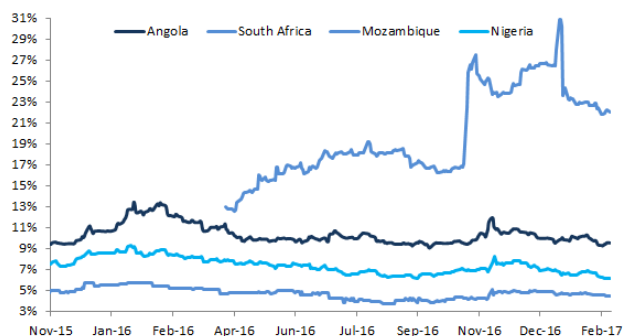
**ZAR/MZN EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	20/02/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Angola</b> (12/11/2025; 9.5%)	99.859 9.519%	-1.435% 0.253%	3.526% -0.558%	17.367% -2.061%	2.675% -0.430%	84.651 9.037%	102.821 12.211%
<b>Dem. Republic of Congo</b> (30/06/2029; 4.0%)	66.762 10.843%	n.a. -0.148%	2.908% -0.316%	-7.636% 1.738%	2.837% -0.250%	63.918 8.861%	75.560 11.248%
<b>Ethiopia</b> (11/12/2024; 6.625%)	94.394 7.588%	-1.115% 0.241%	3.069% -0.469%	9.335% -1.114%	1.947% -0.298%	86.525 6.543%	100.526 8.856%
<b>Gabon</b> (16/06/2025; 6.95%)	95.760 7.646%	-1.557% 0.263%	2.508% -0.376%	22.325% -2.174%	1.751% -0.263%	78.188 7.384%	97.518 10.526%
<b>Ghana</b> (07/08/2023; 7.875%)	95.974 8.702%	-1.470% 0.311%	-2.150% 0.466%	31.308% -3.198%	-2.925% 0.649%	72.371 7.652%	101.277 13.890%
<b>Ivory Coast</b> (03/03/2028; 6.375%)	98.005 6.632%	-0.692% 0.091%	0.561% -0.069%	9.104% -0.909%	-0.162% 0.024%	88.956 5.551%	107.735 7.757%
<b>Kenya</b> (24/06/2024; 6.875%)	97.910 7.245%	-1.132% 0.207%	0.852% -0.144%	7.393% -0.970%	2.865% -0.459%	90.762 6.711%	101.276 8.397%
<b>Mozambique</b> (18/01/2023; 10.5%)	63.898 22.008%	-0.192% 0.163%	6.653% -1.225%	n.a. 15.842%	5.765% -3.879%	53.636 12.625%	91.006 30.906%
<b>Namibia</b> (29/10/2025; 5.25%)	101.292 5.063%	0.134% -0.020%	2.531% -0.337%	7.637% -0.835%	3.677% -0.471%	93.910 4.183%	108.164 6.083%
<b>Nigeria</b> (12/07/2023; 6.375%)	101.199 6.144%	0.565% -0.107%	2.375% -0.421%	13.741% -1.654%	4.198% -0.698%	88.763 6.110%	101.497 8.428%
<b>Rwanda</b> (02/05/2023; 6.625%)	101.243 6.376%	-0.353% 0.058%	2.043% -0.378%	6.860% -1.015%	1.486% -0.280%	93.364 6.052%	103.140 7.857%
<b>Senegal</b> (30/07/2024; 6.25%)	100.125 6.228%	-0.590% 0.102%	1.179% -0.193%	10.527% -1.250%	-0.068% 0.011%	90.427 5.382%	105.862 7.802%
<b>Seychelles</b> (01/01/2026; 7.0%)	101.360 7.655%	n.a. n.a.	0.505% -0.073%	8.236% -0.932%	0.650% -0.084%	93.583 7.653%	101.360 8.711%
<b>South Africa</b> (16/09/2025; 5.875%)	109.875 4.474%	0.457% -0.068%	0.942% -0.142%	n.a. -0.591%	2.687% -0.370%	105.250 3.686%	117.370 5.170%
<b>Zambia</b> (30/07/2027; 8.97%)	101.578 8.735%	-1.081% 0.163%	3.256% -0.454%	43.346% -3.358%	2.529% -0.357%	70.820 8.518%	103.538 13.877%

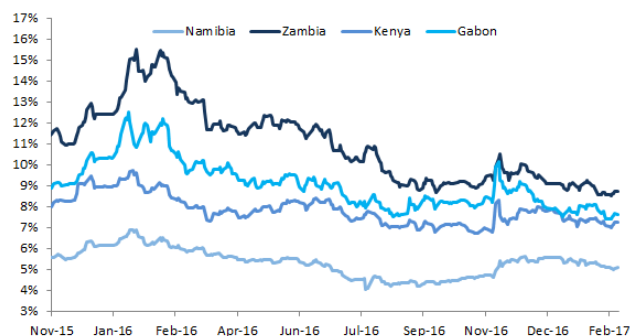
Sources: Bloomberg and Eaglestone Securities.

## 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

20/02/2017	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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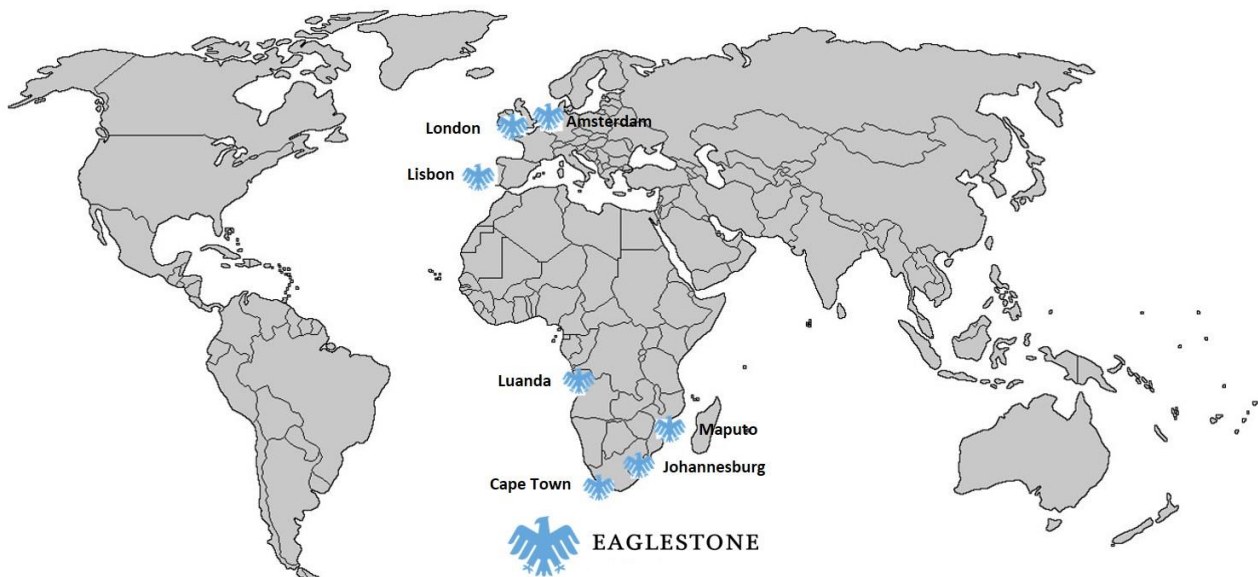
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## Disclosures

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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