



Africa Weekly: OPEC compliance at 90% in January

Top Political News

Nigerian President Muhammadu Buhari is expected to deliver his economic plan for the period 2017-20 this month. The immediate priorities reportedly include ensuring macro stability, foreign exchange availability and food and energy security. The plan also aims to boost oil output and revamp refineries, increase power generation, build food processing zones and invest in mines. The government hopes that the plan will lead to real GDP growth of at least 7% by 2020. The **Ivory Coast** saw the return of gunfire after protesters belonging to the country's Special Forces, a presidential unit, blocked roads and fired in the air in revolt over pay issues. These episodes followed similar ones in early January over unpaid bonuses and better living conditions.

Top Economic News

Preliminary figures from **Mozambique's** statistics office showed economic activity in the country slowed to 3.3% in 2016 from 6.6% in the previous year. The main contributors to growth were manufacturing (7.3%), construction (6.7%) and financial services (25.4%). **South Africa's** business confidence index rose to 97.7 in January from 93.8 in the previous month. This is the index's highest level since October 2015 and its biggest monthly increase since February 2015. **Angola** is expected to start paying arrears to domestic businesses related to the period 2014-16. Businesses owed more than AOA 500 million will be paid 30% in cash and 70% in government bonds. **Nigeria's** Minister of Mines and Steel Development said the government aims to boost the contribution from the mining sector to 5% of the country's GDP by 2025 (from 0.4% currently) in order to reduce its dependence on oil. The country will focus on seven minerals: coal, lead, zinc, iron ore, gold, barite and limestone.

Central Banks

Angola's central bank governor said the country needs to create an environment of "credibility and confidence" in the local banking system so that it can re-establish relations with international banks. Valter Filipe da Silva added the BNA's challenges include strengthening banking supervision, preventing and combating money laundering and achieving recognition by European banking supervisory authorities.

Commodities

The **International Energy Agency (IEA)** estimates that OPEC production stood at 32.1m barrels/day in January and that the cuts achieved a record initial compliance rate of 90%. The fall in oil supply was led by Saudi Arabia (-470k barrels/day), Iraq and UAE. The IEA also revised slightly upwards its forecast for global oil demand in 2017 to 98m barrels/day from 97.8m previously. **Oil** prices have recently been under pressure due to increasing concerns that rising US output could undermine the efforts of OPEC and its partners in rebalancing supply and demand in the global oil market. This could lead the 24 countries taking part in the agreement to extend the deadline beyond the current six months and into the second half of 2017. **Nigeria** was reportedly only producing about 1.5m barrels daily at the end of January, almost 30% below its target of 2.2m barrels and only slightly above the nearly 30-year low of 1.4m in August 2016. Nigeria continues to witness disruptions in production due to militant attacks, which have affected many of its largest export terminals.

Eurobonds

Nigeria issued US\$1 billion of 15-year Eurobonds at 7.875%, below the initial target of about 8.5%. The government stated that investor demand far outstripped supply, standing at more than US\$ 7.8 billion. This was the first time Nigeria returned to international markets in almost four years.

Capital Markets

13 February 2017

Tiago Bossa Dionísio

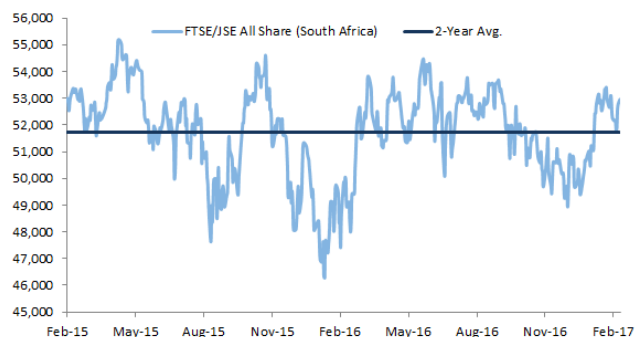
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Stock Markets Index (Country)	13/02/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Africa							
FTSE/JSE All Share (South Africa)	52,959.80	1.55%	0.31%	8.99%	4.55%	47,388.15	54,704.22
EGX 30 (Egypt)	12,783.63	-0.51%	-3.33%	119.89%	3.55%	5,753.67	13,544.42
Gaborone Domestic Index (Botswana)	9,043.10	-1.92%	-3.87%	-12.32%	-3.80%	9,043.10	10,317.66
Nairobi SE All Share (Kenya)	125.45	0.31%	1.22%	-10.71%	-5.92%	121.26	147.56
All Share Index (Nigeria)	25,340.02	-1.79%	-3.75%	2.63%	-5.71%	23,872.14	31,073.32
Ghana Stock Exchange (Ghana)	1,805.09	-1.12%	4.00%	-9.78%	6.87%	1,507.84	2,000.61
Namibia Overall Index (Namibia)	1,113.92	2.96%	0.45%	31.03%	4.24%	843.13	1,136.88
Tanzania All Share Index (Tanzania)	2,142.05	1.79%	-2.54%	-10.89%	-2.56%	1,978.68	2,829.99
Americas							
Dow Jones Industrial Avg. (USA)	20,269.37	0.99%	1.93%	26.89%	2.56%	16,012.39	20,298.21
S&P 500 (USA)	2,316.10	0.81%	1.82%	24.20%	3.45%	1,871.44	2,319.23
Nasdaq (USA)	5,734.13	1.19%	2.87%	32.20%	6.52%	4,376.52	5,743.43
Ibovespa (Brazil)	66,124.52	1.80%	3.89%	66.11%	9.79%	39,808.41	66,593.58
Europe							
Euro Stoxx 50 (Europe)	3,282.77	1.37%	-1.25%	19.11%	-0.24%	2,678.27	3,342.47
FTSE 100 (UK)	7,265.59	1.30%	-0.98%	27.30%	1.72%	5,707.60	7,354.14
DAX (Germany)	11,710.02	1.74%	0.70%	30.58%	1.99%	9,079.19	11,893.08
PSI 20 (Portugal)	4,590.14	-0.15%	-0.55%	1.22%	-1.90%	4,175.28	5,222.69
IBEX 35 (Spain)	9,397.80	0.43%	-1.20%	18.65%	0.49%	7,579.80	9,623.50
CAC (France)	4,852.57	1.56%	-1.42%	21.46%	-0.20%	3,955.98	4,929.60
SMI (Switzerland)	8,450.27	1.43%	-0.02%	10.37%	2.80%	7,475.54	8,475.15
Asia							
Nikkei 225 (Japan)	19,459.15	2.54%	0.89%	30.14%	1.80%	14,864.01	19,615.40
Topix (Japan)	1,554.20	2.22%	0.60%	29.92%	2.34%	1,192.80	1,558.75
Hang Seng (Hong Kong)	6,976.17	3.04%	4.91%	32.51%	8.95%	5,362.81	7,065.02
Shanghai All Share (China)	3,368.46	1.90%	3.35%	16.49%	3.66%	2,761.42	3,456.92
CSI 300 (China)	3,436.28	1.87%	3.50%	15.94%	3.81%	2,821.22	3,583.72

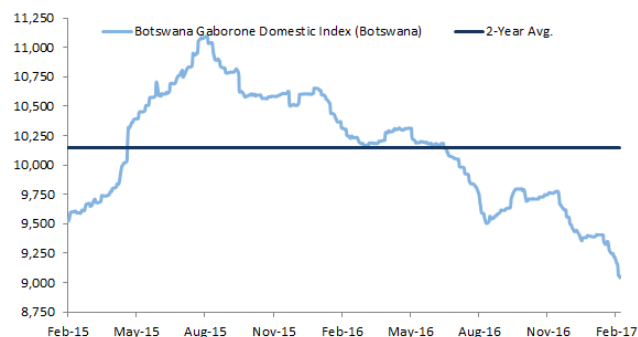
Sources: Bloomberg and Eaglestone Securities.

JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



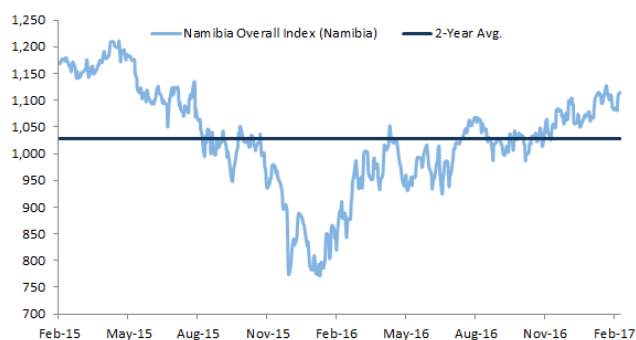
Sources: Bloomberg and Eaglestone Securities.

BOTSWANA STOCK EXCHANGE INDEX



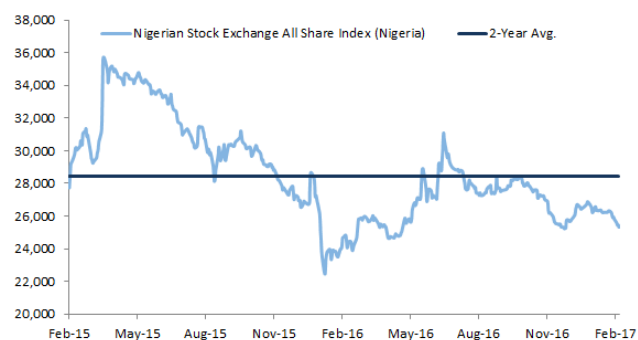
Sources: Bloomberg and Eaglestone Securities.

NAMIBIA OVERALL INDEX



Sources: Bloomberg and Eaglestone Securities.

NIGERIAN STOCK EXCHANGE INDEX

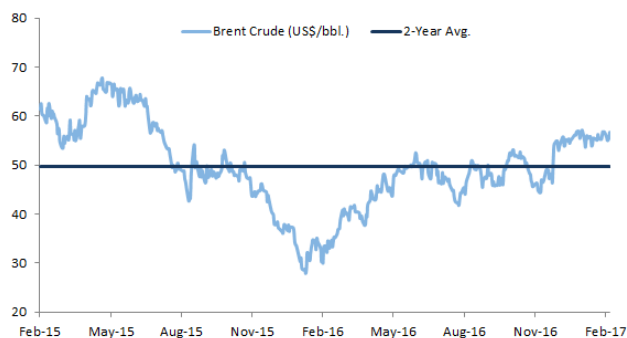


Sources: Bloomberg and Eaglestone Securities.

Commodities	13/02/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Energy							
WTI Crude (US\$/bbl.)	53.45	0.83%	2.06%	81.56%	-0.50%	28.70	55.24
Brent Crude (US\$/bbl.)	56.24	0.93%	1.42%	68.59%	-1.02%	31.82	58.37
Natural Gas (US\$/MMBtu)	2.97	-2.49%	-13.02%	51.27%	-20.14%	1.61	3.99
Gasoline (US\$/gal.)	157.00	3.95%	-2.59%	50.50%	-5.71%	93.60	170.95
Coking Coal (US\$/ton)	165.13	-0.45%	-10.45%	119.35%	-28.45%	75.89	308.80
Precious Metals							
Gold (US\$/oz.)	1,231.00	0.08%	2.91%	-0.65%	6.89%	1,123.90	1,377.50
Silver (US\$/oz.)	17.93	1.31%	6.92%	13.52%	12.11%	14.61	21.09
Platinum (US\$/oz.)	1,010.01	-0.48%	2.55%	7.78%	11.84%	889.73	1,194.64
Other Metals							
Copper (US\$/lb.)	279.20	5.30%	3.79%	37.60%	11.43%	201.30	282.30
Aluminum (US\$/MT)	1,874.00	2.15%	7.15%	26.62%	10.69%	1,475.00	1,883.00
Zinc (US\$/MT)	2,924.00	4.58%	7.50%	71.19%	13.51%	1,640.50	2,985.00
Tin (US\$/MT)	19,475.00	-1.49%	-7.92%	23.26%	-7.81%	15,160.00	22,000.00
Iron Ore (US\$/ton)	86.62	5.39%	9.05%	89.42%	9.83%	46.26	86.62
Agriculture							
Cocoa (US\$/MT)	1,939.00	-6.42%	-12.14%	-31.36%	-8.80%	1,928.00	3,237.00
Coffee (US\$/lb.)	145.75	-0.34%	-1.32%	27.02%	6.35%	111.35	176.00
Sugar (US\$/lb.)	20.42	-3.59%	-0.49%	55.29%	4.66%	12.45	23.90
Cotton (US\$/lb.)	76.31	0.90%	5.59%	29.56%	8.01%	55.66	77.80
Corn (US\$)	374.00	2.82%	4.32%	4.25%	6.25%	301.00	439.25
Wheat (US\$)	448.00	6.04%	5.16%	-2.08%	9.80%	359.50	524.00
Soy (US\$)	1,053.25	1.67%	1.03%	20.68%	5.69%	849.00	1,208.50

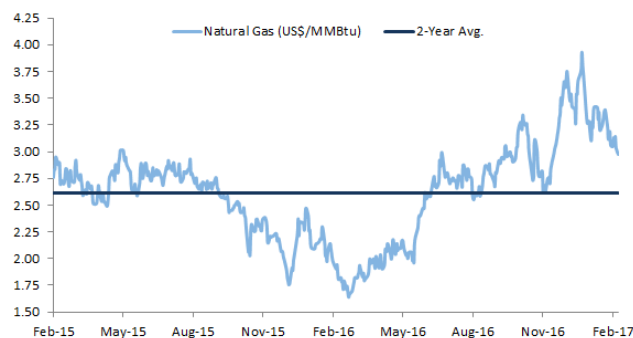
Sources: Bloomberg and Eaglestone Securities.

BRENT CRUDE (US\$/BARREL)



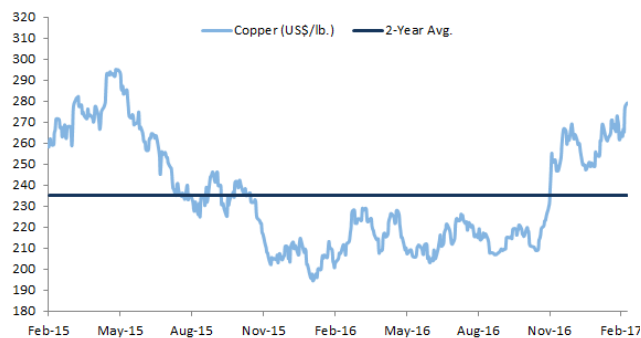
Sources: Bloomberg and Eaglestone Securities.

NATURAL GAS (US\$/MMBTU)



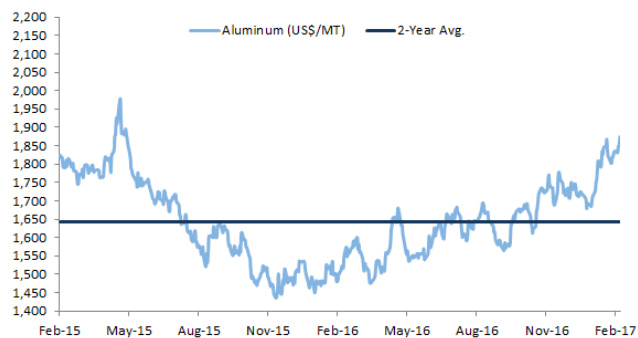
Sources: Bloomberg and Eaglestone Securities.

COPPER (US\$/LB.)



Sources: Bloomberg and Eaglestone Securities.

ALUMINUM (US\$/MT)

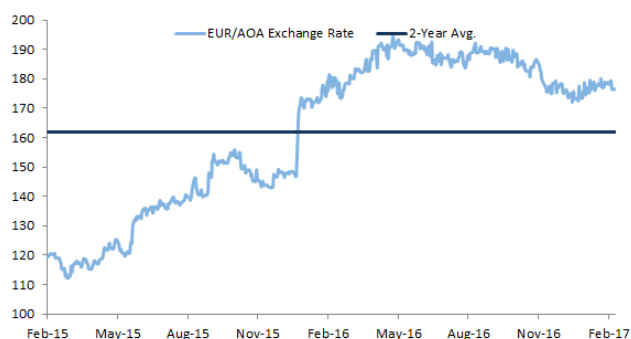


Sources: Bloomberg and Eaglestone Securities.

Currencies	13/02/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Kwanza (Angola)							
Dollar (USA)	164.66	0.75%	1.51%	-3.60%	2.19%	156.39	169.65
Euro	176.50	0.96%	-0.04%	1.80%	-1.22%	171.73	196.44
Sterling (UK)	207.46	-0.37%	-2.66%	12.06%	-1.37%	198.78	253.90
Rand (South Africa)	12.45	0.16%	-1.46%	-17.71%	-2.70%	9.74	12.82
Real (Brazil)	53.20	-0.01%	-3.28%	-24.44%	-4.22%	38.75	54.44
Metical (Mozambique)							
Dollar (USA)	70.10	1.08%	0.55%	-30.99%	1.83%	43.71	79.38
Euro	74.64	2.05%	0.51%	-27.70%	0.60%	52.56	89.22
Sterling (UK)	87.71	0.71%	-2.04%	-20.40%	0.49%	63.92	104.52
Rand (South Africa)	5.26	1.24%	-0.91%	-41.55%	-0.92%	0.48	5.82
Rand (South Africa)							
Dollar (USA)	13.32	0.00%	1.50%	18.09%	3.18%	13.17	16.31
Euro	14.18	0.84%	1.44%	23.71%	1.92%	14.15	18.01
Sterling (UK)	16.66	-0.48%	-1.19%	36.20%	1.68%	16.20	23.34
Real (Brazil)	4.27	-0.16%	-1.85%	-8.18%	-1.55%	3.77	4.69
Naira (Nigeria)							
Dollar (USA)	314.75	-0.23%	0.44%	-36.78%	0.18%	197.00	350.25
Euro	335.15	1.11%	0.68%	-33.81%	-1.05%	213.86	390.34
Euro							
Dollar (USA)	1.06	-0.95%	0.05%	-4.55%	1.25%	1.03	1.16
Sterling (UK)	0.85	1.34%	2.44%	-9.20%	0.31%	0.76	0.94
Franc (Switzerland)	1.07	-0.19%	0.55%	3.15%	0.43%	1.06	1.11
Yen (Japan)	121.09	-0.80%	0.64%	5.57%	1.55%	109.57	128.22

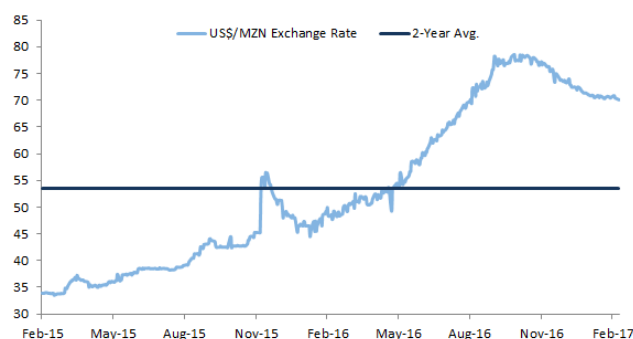
Sources: Bloomberg and Eaglestone Securities.

EUR/AOA EXCHANGE RATE



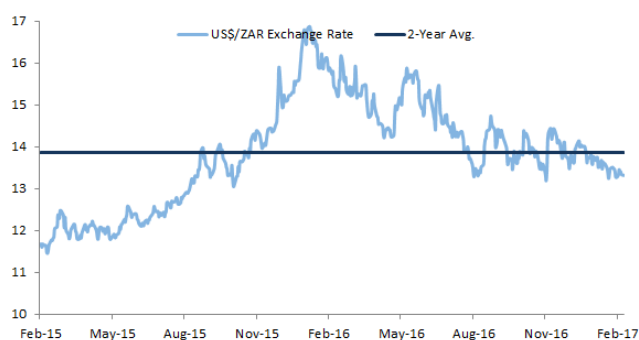
Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



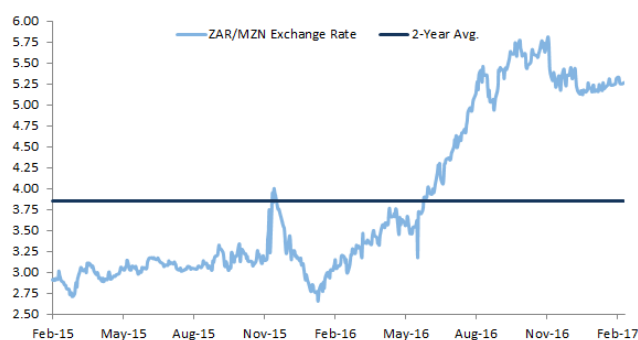
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

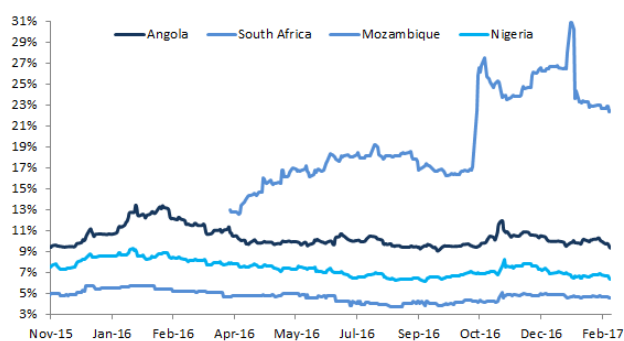


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	13/02/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Angola (12/11/2025; 9.5%)	101.171 9.297%	2.495% -0.403%	3.060% -0.487%	26.177% -2.730%	4.024% -0.627%	79.750 9.037%	102.821 13.256%
Dem. Republic of Congo (30/06/2029; 4.0%)	65.925 10.995%	n.a. -0.162%	n.a. -0.184%	-8.278% 1.859%	1.548% -0.105%	63.918 8.861%	75.560 11.248%
Ethiopia (11/12/2024; 6.625%)	95.278 7.429%	2.679% -0.418%	2.634% -0.406%	14.416% -1.595%	2.902% -0.441%	83.193 6.543%	100.526 9.457%
Gabon (16/06/2025; 6.95%)	97.124 7.417%	1.479% -0.229%	1.745% -0.265%	35.216% -2.854%	3.200% -0.470%	71.936 7.389%	97.420 12.003%
Ghana (07/08/2023; 7.875%)	97.300 8.424%	-0.757% 0.156%	-3.623% 0.810%	40.505% -3.634%	-1.584% 0.339%	68.909 7.652%	101.277 14.913%
Ivory Coast (03/03/2028; 6.375%)	98.633 6.550%	-0.747% 0.097%	-0.885% 0.117%	13.253% -1.234%	0.478% -0.058%	87.100 5.551%	107.735 8.069%
Kenya (24/06/2024; 6.875%)	98.850 7.076%	0.611% -0.105%	1.428% -0.239%	12.607% -1.502%	3.853% -0.603%	87.636 6.711%	101.276 9.010%
Mozambique (18/01/2023; 10.5%)	62.833 22.354%	1.309% -0.239%	6.506% -1.202%	n.a. 16.694%	4.002% -3.651%	53.636 12.625%	91.006 30.906%
Namibia (29/10/2025; 5.25%)	101.048 5.098%	0.378% -0.054%	1.599% -0.219%	9.688% -1.004%	3.427% -0.442%	91.993 4.183%	108.164 6.367%
Nigeria (12/07/2023; 6.375%)	100.470 6.283%	2.161% -0.386%	1.004% -0.187%	15.359% -1.787%	3.447% -0.587%	86.758 6.122%	101.497 8.841%
Rwanda (02/05/2023; 6.625%)	101.542 6.319%	0.661% -0.128%	1.507% -0.284%	9.219% -1.278%	1.785% -0.332%	92.833 6.052%	103.140 7.911%
Senegal (30/07/2024; 6.25%)	100.547 6.157%	0.213% -0.036%	0.464% -0.078%	13.902% -1.534%	0.353% -0.059%	87.795 5.382%	105.862 8.286%
Seychelles (01/01/2026; 7.0%)	101.360 7.653%	n.a. -0.073%	n.a. -0.084%	8.186% -0.925%	0.650% -0.084%	93.190 7.653%	101.360 8.764%
South Africa (16/09/2025; 5.875%)	109.375 4.543%	-0.110% 0.014%	0.598% -0.094%	n.a. -0.681%	2.220% -0.311%	103.938 3.686%	117.370 5.344%
Zambia (30/07/2027; 8.97%)	102.708 8.572%	-0.162% 0.023%	2.324% -0.329%	52.571% -3.685%	3.670% -0.504%	66.591 8.549%	102.875 15.216%

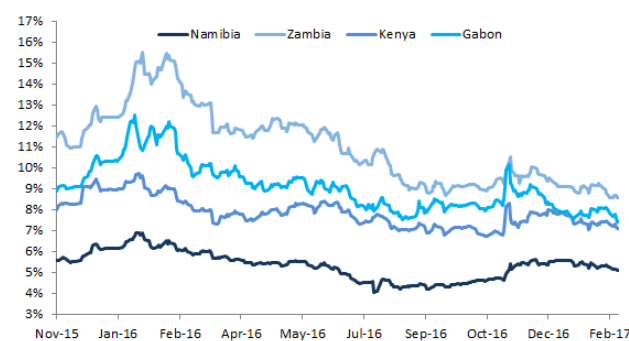
Sources: Bloomberg and Eaglestone Securities.

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

13/02/2017	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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