



Africa Weekly: OPEC's last efforts to reach an output cut deal

Top Political News

Democratic Republic of Congo (DRC) President Joseph Kabila nominated Samy Badibanga, an opposition leader, as the country's interim prime-minister. This follows the resignation of Prime-Minister Mapon earlier this month as part of a political agreement allowing Kabila to remain in power until delayed elections are held in the DRC in April 2018. Former **Kenyan** Vice-President, Kalonzo Musyoka, said he is considering running for president in next year's elections. The opposition Coalition for Reforms and Democracy is yet to decide which of its three main leaders will be the front-runner in the elections scheduled to take place on August 8. **Guinea Bissau's** president has named Umaro Mokhtar Sissoco Embaló as the country's next prime-minister. This makes him the fifth prime-minister that Guinea Bissau sees in the last year.

Top Economic News

The IMF forecasts the **Angolan** economy to expand 1.25% in 2017, compared to no growth this year, and inflation to reach 45% by end-2016 and 20% in 2017. Public debt is expected to surpass 70% of GDP this year. The medium-term outlook is for a gradual recovery in activity, but downside risks exist, namely a further decline in oil prices and delays to implement structural reforms to diversify the economy. The **Nigerian** economy contracted 2.2% YoY in Q3, more than the 2% rate expected by analysts, and the 2.1% recorded in the previous quarter. The World Bank is expected to provide a loan of nearly US\$300 million to **Cameroon's** power utility distribution utility to improve infrastructure and raise power generation capacity to 3,000 MW by 2030 from about 1,300 MW currently.

Commodities

OPEC has started its final diplomatic efforts to secure a deal on oil production cuts ahead of its meeting in Vienna later this month, with Qatar, Algeria and Venezuela reportedly leading the push to overcome differences among the cartel's largest producers. The latest news suggests that Saudi Arabia, Iraq and Iran are still in disagreement over how to share the output cuts. Iraq and Iran want to be excluded from the deal, along with Libya and Nigeria. However, Saudi Arabia still thinks Iraq has to cut output and Iran needs to freeze production at current levels. Recall that the cartel reached an agreement in Algiers at the end of September aiming to cut oil production to a range of 32.5 million and 33 million barrels a day. OPEC production reached 33.64 million barrels a day in October.

Currencies

After its latest visit to **Angola** this month, the IMF said that local authorities should "adopt more exchange rate flexibility with supportive macroeconomic policies in order to maintain the official exchange rate as the basis for price formation and inflation expectations". The Fund added that "the wide and volatile spread between the parallel and primary market exchange rates and the backlog of foreign exchange buying in commercial banks are indications that a major imbalance still exists."

Eurobonds

Investors holding most of **Mozambique's** Eurobonds disagree with the restructuring plan of about US\$ 2 billion in debt proposed by the local government. The country reportedly wants to deal with creditors before it completes an audit on its debt or negotiates an aid package with the IMF, but bondholders say that these two items should happen before talks commence. The government said last month that it can't afford to service external debt and is hoping to reach an agreement with creditors before a coupon of US\$ 60 million for the Eurobonds is due in January 2017.

Capital Markets

21 November 2016

Tiago Bossa Dionísio

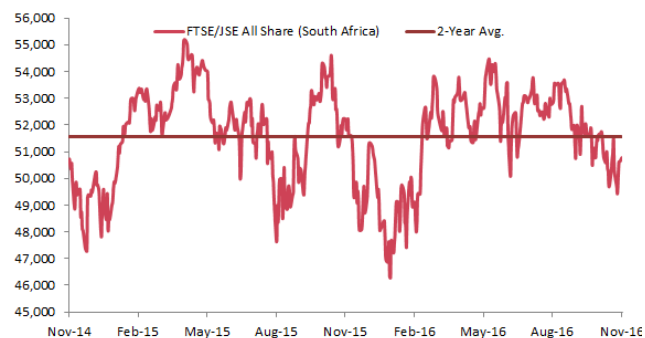
(+351) 211 214 431

tiago.dionisio@eaglestone.eu

Stock Markets Index (Country)	21/11/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Africa							
FTSE/JSE All Share (South Africa)	50,797.58	2.14%	-1.61%	-2.76%	0.20%	45,975.78	54,704.22
EGX 30 (Egypt)	11,445.55	7.02%	38.28%	74.24%	63.37%	5,526.02	11,445.55
Caborone Domestic Index (Botswana)	9,774.45	0.11%	0.66%	-7.73%	-7.81%	9,504.24	10,654.72
Nairobi SE All Share (Kenya)	138.73	-0.47%	2.17%	-5.65%	-4.78%	129.65	147.63
All Share Index (Nigeria)	25,537.54	-2.42%	-7.46%	-9.22%	-10.84%	22,330.96	31,073.32
Ghana Stock Exchange (Ghana)	1,688.92	0.57%	-3.80%	-14.38%	-15.34%	1,662.31	2,014.93
Namibia Overall Index (Namibia)	1,047.33	1.65%	1.46%	6.96%	21.01%	766.67	1,080.14
Tanzania All Share Index (Tanzania)	2,390.97	-4.55%	-3.56%	0.81%	2.45%	2,172.97	5,004.67
Americas							
Dow Jones Industrial Avg. (USA)	18,867.93	0.11%	3.98%	5.86%	8.28%	15,450.56	18,934.05
S&P 500 (USA)	2,181.90	0.81%	1.90%	4.44%	6.75%	1,810.10	2,193.81
Nasdaq (USA)	5,321.51	1.61%	1.22%	4.24%	6.27%	4,209.76	5,346.80
Ibovespa (Brazil)	59,961.76	-2.02%	-6.47%	24.56%	38.32%	37,046.07	65,291.06
Europe							
Euro Stoxx 50 (Europe)	3,024.07	-0.52%	-1.74%	-12.41%	-7.45%	2,672.73	3,524.04
FTSE 100 (UK)	6,792.38	0.58%	-3.25%	7.23%	8.81%	5,499.51	7,129.83
DAX (Germany)	10,668.55	-0.24%	-0.39%	-4.06%	-0.69%	8,699.29	11,430.87
PSI 20 (Portugal)	4,427.62	1.30%	-6.32%	-16.59%	-16.67%	4,175.28	5,434.99
IBEX 35 (Spain)	8,601.70	-0.65%	-5.48%	-16.41%	-9.88%	7,579.80	10,476.60
CAC (France)	4,510.70	0.05%	-0.56%	-8.15%	-2.73%	3,892.46	4,975.71
SMI (Switzerland)	7,861.26	-0.45%	-2.16%	-12.81%	-10.85%	7,425.05	9,053.46
Asia							
Nikkei 225 (Japan)	18,106.02	2.45%	5.36%	-8.92%	-4.87%	14,864.01	20,012.40
Topix (Japan)	1,442.93	3.07%	5.69%	-10.00%	-6.75%	1,192.80	1,608.13
Hang Seng (Hong Kong)	6,441.51	1.02%	-4.53%	-5.62%	-0.69%	5,261.43	7,065.02
Shanghai All Share (China)	3,369.53	0.24%	4.12%	-11.37%	-9.04%	2,760.92	3,856.74
CSI 300 (China)	3,441.11	0.32%	3.41%	-8.83%	-7.77%	2,821.22	3,926.69

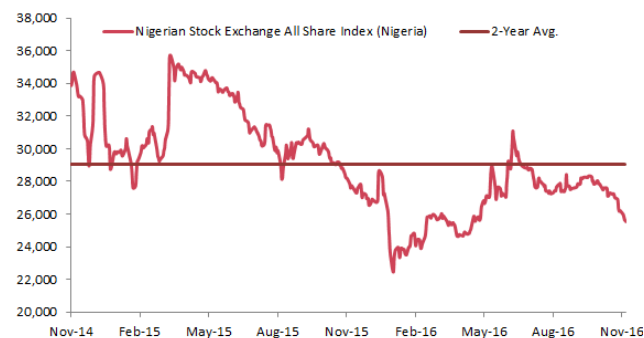
Sources: Bloomberg and Eaglestone Securities.

JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



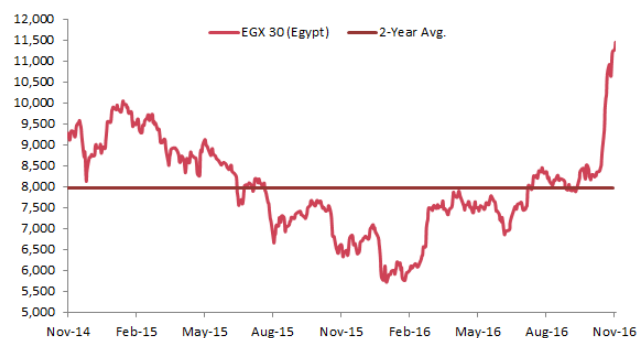
Sources: Bloomberg and Eaglestone Securities.

NIGERIA ALL SHARE INDEX



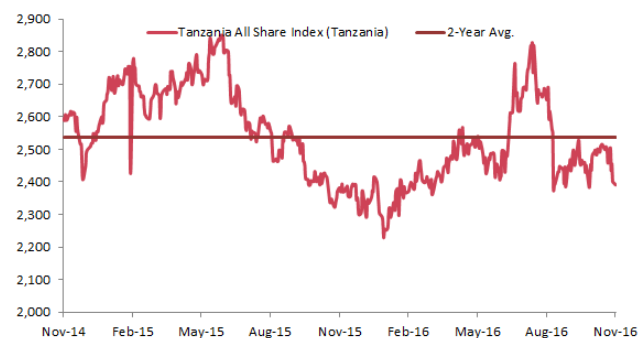
Sources: Bloomberg and Eaglestone Securities.

EGYPT EGX 30 INDEX



Sources: Bloomberg and Eaglestone Securities.

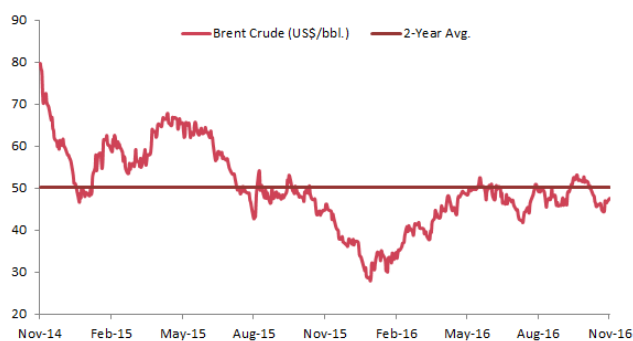
TANZANIA ALL SHARE INDEX



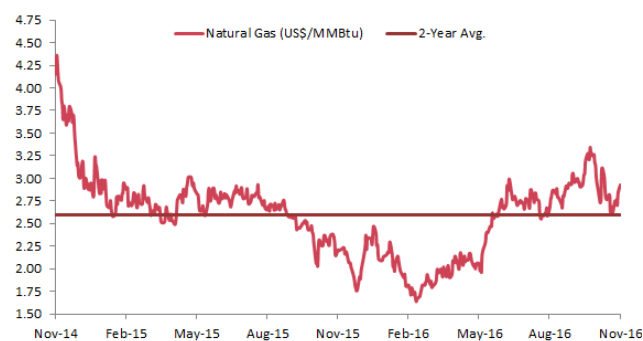
Sources: Bloomberg and Eaglestone Securities.

Commodities	21/11/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Energy							
WTI Crude (US\$/bbl.)	46.39	7.09%	-8.77%	14.86%	25.24%	26.05	51.93
Brent Crude (US\$/bbl.)	47.60	7.13%	-8.07%	6.58%	27.68%	27.10	53.73
Natural Gas (US\$/MMBtu)	2.93	6.48%	-2.21%	36.46%	25.25%	1.61	3.37
Gasoline (US\$/gal.)	135.49	6.03%	-11.53%	5.01%	6.93%	89.75	166.64
Coal (US\$/ton)	88.25	1.73%	14.98%	65.88%	84.43%	42.65	88.25
Precious Metals							
Gold (US\$/oz.)	1,214.40	-0.60%	-4.07%	12.83%	14.54%	1,046.20	1,377.50
Silver (US\$/oz.)	16.70	-1.14%	-4.53%	18.47%	20.99%	13.64	21.09
Platinum (US\$/oz.)	932.90	-0.05%	-0.12%	10.37%	4.64%	810.75	1,194.64
Other Metals							
Copper (US\$/lb.)	252.05	-0.02%	20.68%	22.65%	18.06%	193.55	273.45
Aluminum (US\$/MT)	1,694.00	-2.92%	3.17%	15.08%	12.41%	1,432.50	1,794.50
Zinc (US\$/MT)	2,540.00	2.75%	11.16%	67.44%	57.86%	1,444.50	2,684.50
Tin (US\$/MT)	20,200.00	-5.61%	2.93%	38.36%	38.78%	13,085.00	22,000.00
Iron Ore (US\$/ton)	72.79	-8.80%	24.62%	57.04%	67.06%	38.30	79.81
Agriculture							
Cocoa (US\$/MT)	2,432.00	-0.86%	-9.86%	-26.95%	-24.26%	2,361.00	3,422.00
Coffee (US\$/lb.)	157.85	-1.00%	-0.57%	40.00%	24.59%	111.05	176.00
Sugar (US\$/lb.)	20.30	-6.15%	-10.61%	32.68%	33.20%	12.45	23.90
Cotton (US\$/lb.)	73.25	6.31%	6.05%	22.00%	15.76%	55.66	77.80
Corn (US\$)	346.75	2.82%	-1.63%	-4.54%	-3.34%	301.00	439.25
Wheat (US\$)	410.25	4.12%	-1.03%	-16.02%	-12.71%	359.50	524.00
Soy (US\$)	1,004.75	3.48%	2.21%	17.17%	15.32%	844.25	1,208.50

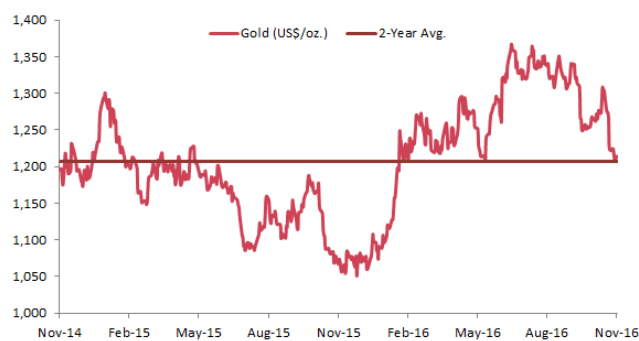
Sources: Bloomberg and Eaglestone Securities.

BRENT CRUDE (US\$/BARREL)

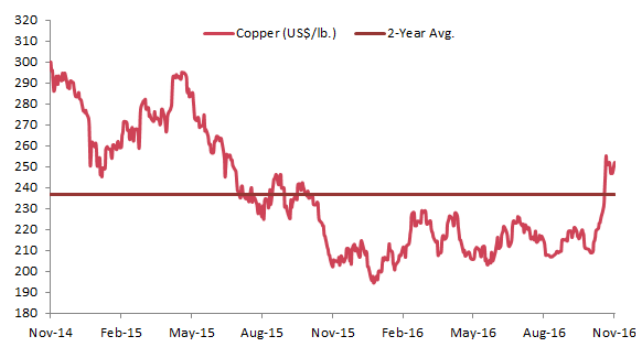
Sources: Bloomberg and Eaglestone Securities.

NATURAL GAS (US\$/MMBTU)

Sources: Bloomberg and Eaglestone Securities.

GOLD (US\$/OZ.)

Sources: Bloomberg and Eaglestone Securities.

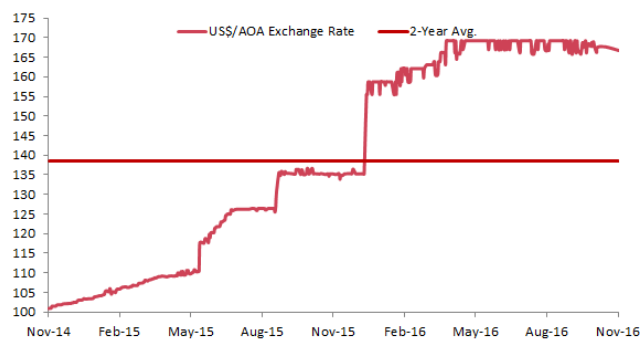
COPPER (US\$/LB.)

Sources: Bloomberg and Eaglestone Securities.

Currencies	21/11/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Kwanza (Angola)							
Dollar (USA)	166.76	0.56%	0.80%	-18.91%	-18.91%	133.90	169.43
Euro	178.60	-0.23%	2.40%	-19.47%	-17.79%	141.65	196.44
Sterling (UK)	207.04	0.14%	-0.74%	-1.23%	-3.75%	198.23	253.90
Rand (South Africa)	11.76	-2.17%	2.14%	-18.39%	-25.72%	8.43	12.82
Real (Brazil)	49.60	-2.59%	7.49%	-26.97%	-31.17%	33.50	54.44
Metical (Mozambique)							
Dollar (USA)	76.50	-0.31%	2.39%	-27.45%	-37.25%	44.44	79.38
Euro	79.31	3.25%	7.50%	-39.61%	-34.28%	47.16	89.22
Sterling (UK)	92.25	3.25%	3.85%	-25.80%	-23.32%	62.67	104.52
Rand (South Africa)	5.36	-1.40%	4.44%	-26.53%	-42.17%	0.48	5.82
Rand (South Africa)							
Dollar (USA)	14.27	1.16%	-1.97%	-1.26%	8.42%	13.17	17.92
Euro	15.19	2.03%	0.23%	-1.34%	10.75%	14.50	19.59
Sterling (UK)	17.60	2.39%	-2.83%	21.04%	29.54%	16.30	26.02
Real (Brazil)	4.22	-0.44%	5.21%	-10.61%	-7.36%	3.68	4.69
Naira (Nigeria)							
Dollar (USA)	315.47	-0.07%	0.44%	-36.90%	-36.82%	196.48	350.25
Euro	335.58	1.43%	2.33%	-36.91%	-35.52%	162.80	390.34
Euro							
Dollar (USA)	1.06	-0.86%	-2.20%	0.08%	-2.00%	1.05	1.16
Sterling (UK)	0.86	-0.35%	3.17%	-18.48%	-14.56%	0.70	0.94
Franc (Switzerland)	1.07	-0.14%	0.80%	0.93%	1.41%	1.06	1.12
Yen (Japan)	117.89	-1.26%	-4.19%	10.83%	10.82%	109.57	134.60

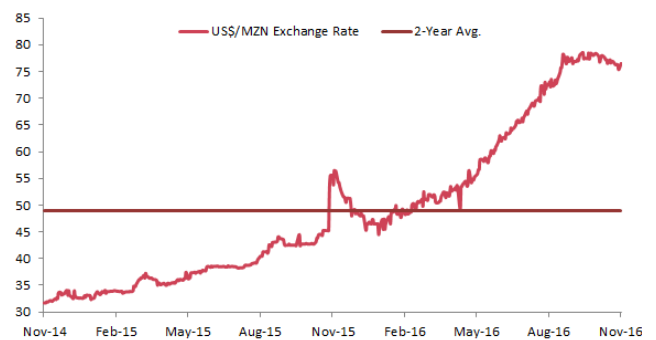
Sources: Bloomberg and Eaglestone Securities.

US\$/AOA EXCHANGE RATE



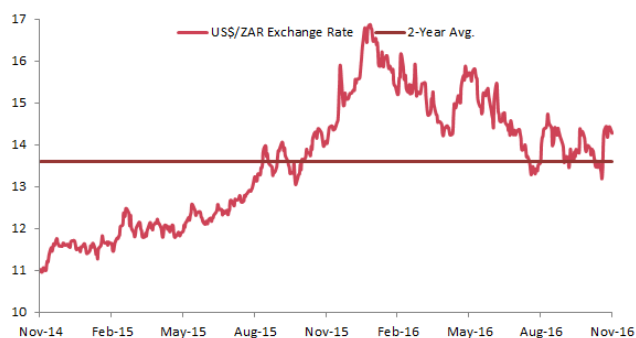
Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



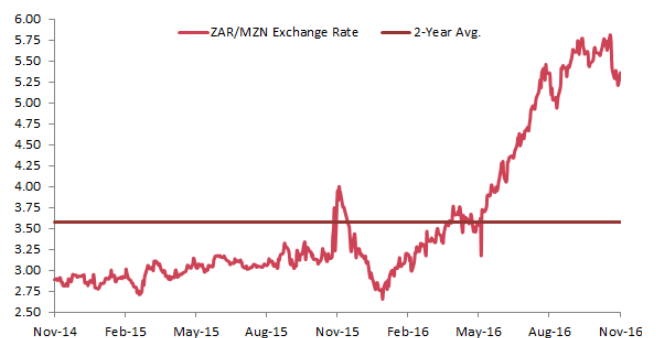
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

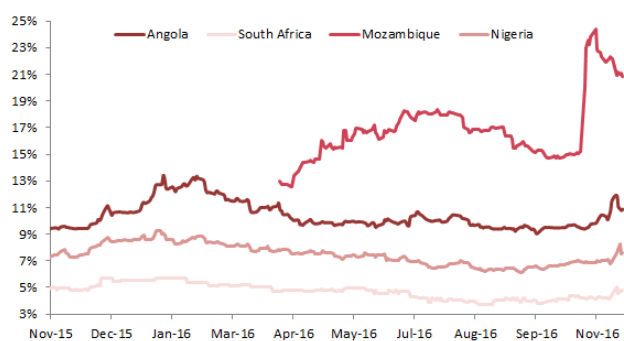


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	21/11/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Angola (12/11/2025; 9.5%)	92.467 10.833%	6.426% -0.985%	-7.677% 1.555%	-7.878% 1.598%	-0.412% 0.148%	78.546 9.037%	102.821 13.414%
Dem. Republic of Congo (30/06/2029; 4.0%)	65.699 10.900%	2.786% -0.331%	-5.663% 0.842%	-20.244% 4.401%	-16.407% 3.364%	63.918 7.712%	82.813 11.241%
Ethiopia (11/12/2024; 6.625%)	91.391 8.101%	3.833% -0.578%	-5.160% 0.985%	-2.776% 0.589%	3.453% -0.393%	81.873 6.543%	100.526 9.679%
Gabon (16/06/2025; 6.95%)	88.469 8.901%	7.744% -1.069%	-5.084% 0.936%	1.639% -0.096%	10.895% -1.250%	69.539 7.496%	96.907 12.381%
Ghana (07/08/2023; 7.875%)	93.524 9.185%	6.495% -1.100%	-3.894% 0.860%	8.960% -1.232%	17.892% -2.220%	65.580 8.362%	97.780 15.667%
Ivory Coast (31/12/2032; 5.75%)	93.574 6.750%	4.698% -0.642%	-6.074% 1.100%	3.397% -0.383%	4.900% -0.577%	83.387 5.525%	101.672 8.385%
Kenya (24/06/2024; 6.875%)	97.520 7.305%	5.904% -0.874%	-2.860% 0.535%	6.385% -0.834%	10.714% -1.314%	83.891 6.711%	101.276 9.700%
Mozambique (18/01/2023; 10.5%)	64.859 20.853%	5.429% -1.258%	-20.811% 8.063%	n.a. 13.222%	n.a. 13.222%	56.414 12.562%	91.006 24.421%
Namibia (29/10/2025; 5.25%)	99.150 5.370%	0.215% -0.030%	-5.403% 0.911%	1.518% -0.182%	6.100% -0.679%	88.305 4.183%	108.164 6.885%
Nigeria (12/07/2023; 6.375%)	94.060 7.526%	3.806% -0.646%	-3.173% 0.669%	-0.643% 0.246%	6.427% -0.853%	84.477 6.122%	101.497 9.257%
Rwanda (02/05/2023; 6.625%)	98.283 6.959%	2.375% -0.427%	-2.971% 0.633%	0.243% -0.006%	2.345% -0.354%	91.981 6.052%	103.140 8.059%
Senegal (30/07/2024; 6.25%)	99.947 6.257%	3.752% -0.557%	-3.578% 0.660%	7.182% -0.903%	11.450% -1.321%	84.554 5.382%	105.862 8.868%
Seychelles (01/01/2026; 7.0%)	99.999 7.837%	-0.039% 0.009%	-1.631% 0.272%	3.779% -0.399%	7.921% -0.896%	92.105 7.401%	102.877 8.937%
South Africa (16/09/2025; 5.875%)	107.500 4.819%	1.655% -0.228%	-4.338% 0.721%	n.a. 0.041%	4.623% -0.599%	98.300 3.686%	117.370 5.738%
Zambia (30/07/2027; 8.97%)	95.938 9.582%	6.439% -0.857%	-4.182% 0.679%	10.911% -1.274%	20.839% -2.155%	65.245 8.666%	102.362 15.463%

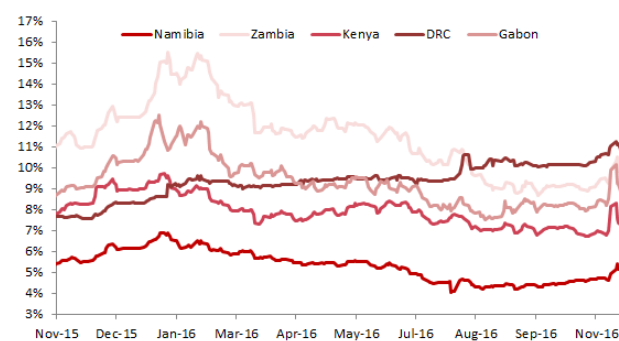
Sources: Bloomberg and Eaglestone Securities.

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

21/11/2016	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	CC	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**)

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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