



Africa Weekly: Oil price of US\$ 60 “ideal” for OPEC

Top Political News

The United States and the European Union imposed sanctions on members of the inner circle of the President of the **Democratic Republic of Congo**, including travel bans and asset freezes, to try to force the government to reach a compromise with opposition leaders. Both the US and the EU fear that Joseph Kabila’s refusal to leave power on December 19, as required by the constitution, could result in widespread violence in the country. The international community asked **Gambia**’s long-ruling leader, Yahya Jammeh, to accept defeat in the December 1 elections and step down. Jammeh is said to challenge the election results at the Supreme Court, which could result in the election win of Adama Barrow being overturned. **Nigeria**’s President Muhammadu Buhari may reshuffle his cabinet and replace as many as 10 ministers at the start of 2017.

Top Economic News

Nigeria’s 2017 budget proposal includes a 20% increase in expenditures aimed at reviving economic activity after the country is expected to record its first full-year recession for the first time in 25 years in 2016. The proposal is based on an oil price forecast of US\$ 42.5 per barrel and targets a deficit of 2.18% of GDP. Meanwhile, the Nigerian government also lowered its growth forecast for next year to 2.5% from a previous projection of 3%. **South Africa**’s inflation rose to 6.6% in November, the highest level in nine months and above the central bank’s target range of 3-6%. The World Bank sees real GDP growth in **Mozambique** decelerating to 3.6% this year (from 6.6% in 2015) and recovering to 5.2% in 2017. It also expects public debt levels to reach 130% of GDP at end-2016, warning that further debt risks could resurface given that a large share of public debt is denominated in foreign currency. The IMF forecasts growth of 3.4% in **Mozambique** this year. After its latest visit to the country earlier this month, the Fund issued a statement saying that good progress has been made on a number of technical issues, but additional policy adjustments are required to further consolidate macroeconomic and financial stability and pave the way for an IMF-supported program. Discussions on a new program will continue in the first part of 2017.

Central Banks

Mozambique’s central bank kept its benchmark rate unchanged at 23.25% at its latest meeting after raising rates a total of 13.5% in past meetings this year aimed at controlling inflationary pressures, which is expected to reach about 27% by year-end. **Uganda**’s central bank cut interest rates by 100bp as inflation remains within its medium-term target of 5%. This brings the total rate cuts to 5% this year, which are aimed at bolstering economic growth.

Commodities

OPEC boosted oil production by 150.8k barrels per day (bpd) to 33.87 million bpd in November. Angola saw the biggest gain (+125k) followed by Nigeria (+63k) and Libya (+48k) while the biggest losers were Kuwait (-51k) and Saudi Arabia (-47k).

Nigeria’s Petroleum minister said that an oil price of US\$ 60 would be “ideal” for OPEC and that if prices surpass the mid-\$60s level it could lead shale oil producers to enter the market again. **South Africa**’s Energy minister said that some 9,600 MW of nuclear power should be bought through fair and cost-effective tender processes, as the country plans to build nuclear plants that could raise its electricity generation by a quarter. Details about the price and financing have not yet been disclosed, but previous estimates indicated that they could range from US\$ 37bn to US\$ 100bn.

Capital Markets

19 December 2016

Tiago Bossa Dionísio

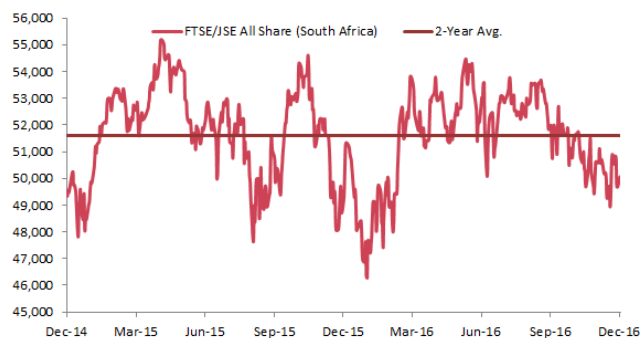
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Stock Markets Index (Country)	19/12/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Africa							
FTSE/JSE All Share (South Africa)	50,062.96	-1.64%	0.12%	3.37%	-1.24%	45,975.78	54,704.22
EGX 30 (Egypt)	11,435.34	-0.08%	1.91%	71.45%	63.22%	5,526.02	11,687.99
Gaborone Domestic Index (Botswana)	9,432.57	-0.43%	-3.50%	-11.03%	-11.03%	9,432.57	10,654.72
Nairobi SE All Share (Kenya)	130.81	-1.09%	-5.71%	-10.13%	-10.22%	129.65	147.56
All Share Index (Nigeria)	26,707.10	3.76%	4.58%	0.64%	-6.76%	22,330.96	31,073.32
Ghana Stock Exchange (Ghana)	1,579.12	0.47%	-6.50%	-19.81%	-20.84%	1,507.84	2,014.93
Namibia Overall Index (Namibia)	1,060.25	-3.04%	1.79%	29.93%	22.50%	766.67	1,123.05
Tanzania All Share Index (Tanzania)	2,216.92	-2.65%	-7.56%	-3.61%	-5.01%	1,978.68	5,004.67
Americas							
Dow Jones Industrial Avg. (USA)	19,843.41	0.44%	5.17%	15.85%	13.88%	15,450.56	19,966.43
S&P 500 (USA)	2,258.07	-0.06%	3.49%	12.59%	10.48%	1,810.10	2,277.53
Nasdaq (USA)	5,437.16	-0.13%	2.17%	10.44%	8.58%	4,209.76	5,486.75
Ibovespa (Brazil)	58,389.04	-3.49%	-2.62%	32.97%	34.69%	37,046.07	65,291.06
Europe							
Euro Stoxx 50 (Europe)	3,252.92	1.68%	7.68%	-0.24%	-0.45%	2,672.73	3,314.28
FTSE 100 (UK)	6,987.15	1.40%	3.12%	15.44%	11.93%	5,499.51	7,129.83
DAX (Germany)	11,393.71	1.82%	6.84%	7.40%	6.06%	8,699.29	11,451.57
PSI 20 (Portugal)	4,642.54	0.12%	5.03%	-12.58%	-12.62%	4,175.28	5,349.85
IBEX 35 (Spain)	9,380.20	2.11%	8.78%	-3.47%	-1.72%	7,579.80	9,724.90
CAC (France)	4,812.56	1.09%	6.84%	4.05%	3.78%	3,892.46	4,856.96
SMI (Switzerland)	8,201.78	2.01%	3.76%	-4.73%	-6.99%	7,425.05	8,908.50
Asia							
Nikkei 225 (Japan)	19,391.60	1.24%	7.93%	2.13%	1.88%	14,864.01	19,439.97
Topix (Japan)	1,549.06	1.15%	8.44%	0.78%	0.11%	1,192.80	1,555.04
Hang Seng (Hong Kong)	6,319.67	-2.80%	-1.51%	-1.93%	-2.57%	5,261.43	7,065.02
Shanghai All Share (China)	3,264.67	-1.11%	-2.34%	-12.87%	-11.87%	2,760.92	3,856.74
CSI 300 (China)	3,328.98	-2.35%	-2.59%	-11.65%	-10.78%	2,821.22	3,926.69

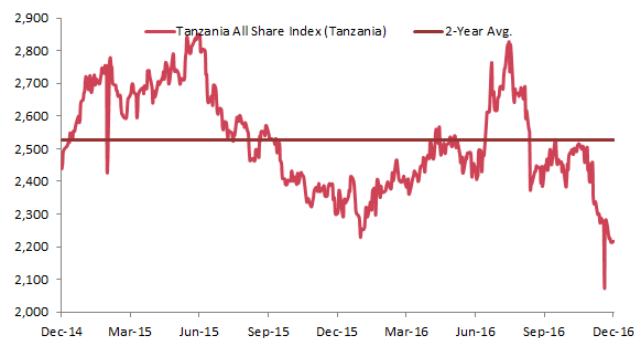
Sources: Bloomberg and Eaglestone Securities.

JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



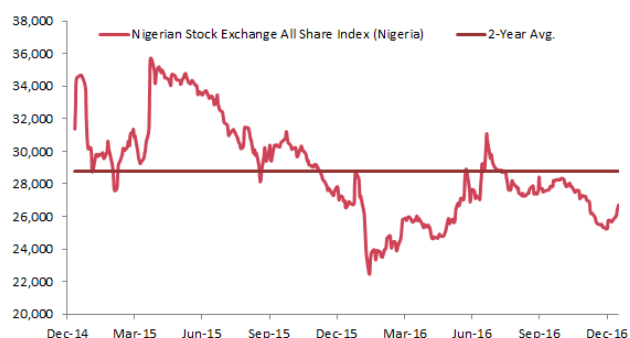
Sources: Bloomberg and Eaglestone Securities.

TANZANIA ALL SHARE INDEX



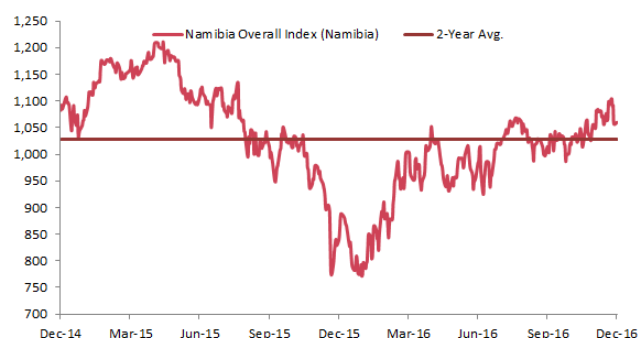
Sources: Bloomberg and Eaglestone Securities.

NIGERIAN ALL SHARE INDEX



Sources: Bloomberg and Eaglestone Securities.

NAMIBIA STOCK EXCHANGE INDEX

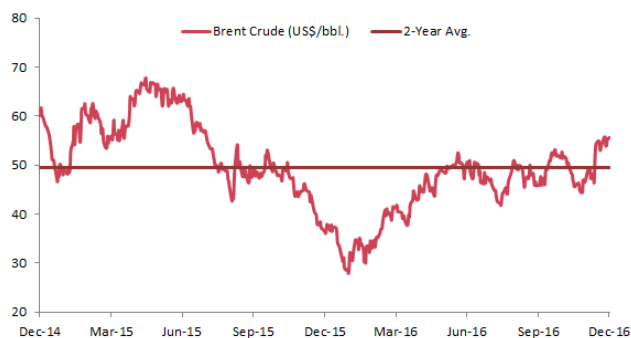


Sources: Bloomberg and Eaglestone Securities.

Commodities	19/12/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Energy							
WTI Crude (US\$/bbl.)	52.36	-0.89%	14.60%	50.76%	41.36%	26.05	54.51
Brent Crude (US\$/bbl.)	55.60	-0.16%	18.65%	50.76%	49.14%	27.10	57.89
Natural Gas (US\$/MMBtu)	3.36	-4.08%	18.33%	90.38%	43.95%	1.61	3.78
Gasoline (US\$/gal.)	156.50	1.43%	16.87%	22.78%	23.51%	89.75	166.64
Coal (US\$/ton)	89.50	10.22%	1.42%	88.22%	87.04%	42.65	89.50
Precious Metals							
Gold (US\$/oz.)	1,139.30	-2.08%	-5.74%	6.86%	7.46%	1,056.50	1,377.50
Silver (US\$/oz.)	16.15	-4.40%	-4.57%	13.61%	17.03%	13.73	21.09
Platinum (US\$/oz.)	926.60	-0.58%	-1.26%	6.17%	3.93%	810.75	1,194.64
Other Metals							
Copper (US\$/lb.)	253.00	-3.18%	2.53%	20.30%	18.50%	193.55	274.00
Aluminum (US\$/MT)	1,717.00	-1.89%	1.18%	15.55%	13.93%	1,449.00	1,794.50
Zinc (US\$/MT)	2,730.00	0.70%	8.16%	79.61%	69.67%	1,444.50	2,985.00
Tin (US\$/MT)	21,230.00	1.46%	6.68%	45.01%	45.86%	13,085.00	22,000.00
Iron Ore (US\$/ton)	81.49	-0.21%	12.52%	107.99%	87.03%	39.51	83.58
Agriculture							
Cocoa (US\$/MT)	2,238.00	3.47%	-7.21%	-32.00%	-30.30%	2,175.00	3,269.00
Coffee (US\$/lb.)	138.20	1.95%	-14.29%	17.02%	9.08%	111.05	176.00
Sugar (US\$/lb.)	18.28	-5.04%	-9.28%	21.06%	19.95%	12.45	23.90
Cotton (US\$/lb.)	70.75	-1.31%	-3.61%	11.08%	11.80%	55.66	77.80
Corn (US\$)	356.25	0.49%	3.11%	-4.87%	-0.70%	301.00	439.25
Wheat (US\$)	412.00	2.68%	0.98%	-15.36%	-12.34%	359.50	524.00
Soy (US\$)	1,032.25	0.12%	3.87%	15.69%	18.48%	849.00	1,208.50

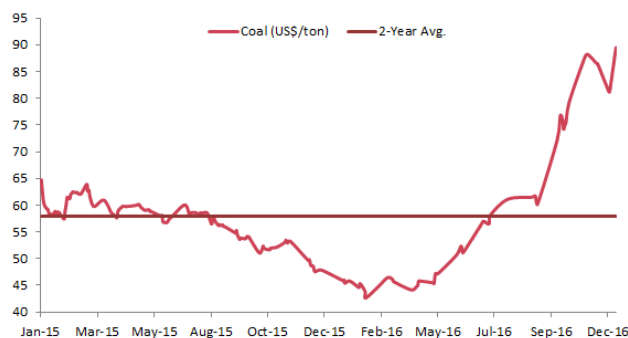
Sources: Bloomberg and Eaglestone Securities.

BRENT CRUDE (US\$/BARREL)



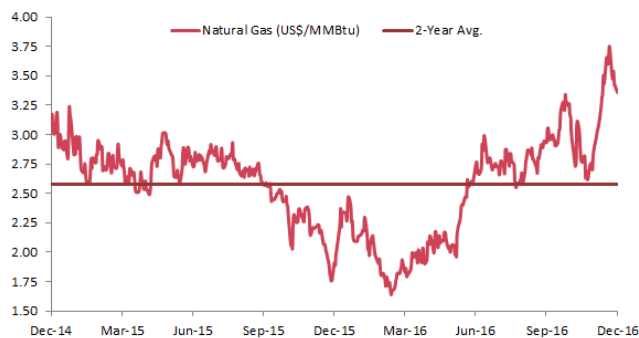
Sources: Bloomberg and Eaglestone Securities.

COAL (US\$/TON)



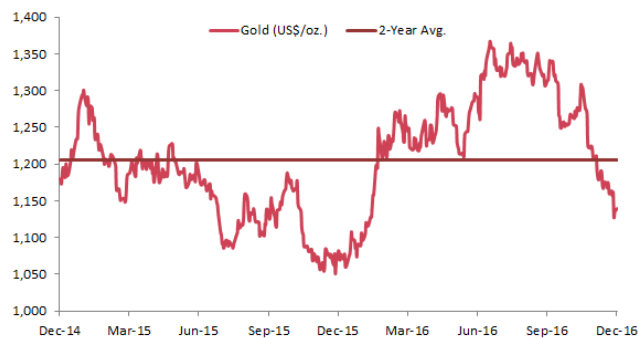
Sources: Bloomberg and Eaglestone Securities.

NATURAL GAS (US\$/MM Btu)



Sources: Bloomberg and Eaglestone Securities.

GOLD (US\$/OZ.)

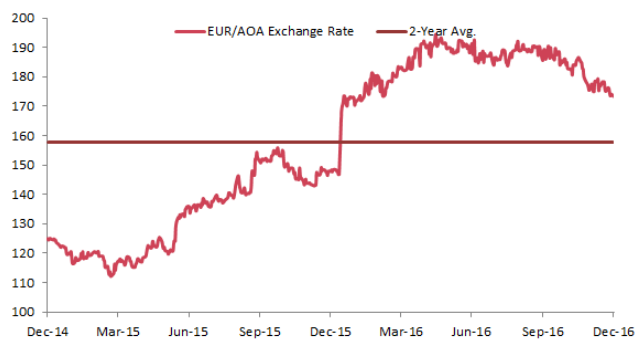


Sources: Bloomberg and Eaglestone Securities.

Currencies	19/12/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Kwanza (Angola)							
Dollar (USA)	166.67	0.99%	0.62%	-18.82%	-18.87%	134.92	169.43
Euro	173.42	1.68%	2.40%	-14.74%	-15.34%	146.43	196.44
Sterling (UK)	206.87	1.58%	0.92%	-2.53%	-3.67%	198.23	253.90
Rand (South Africa)	11.85	2.75%	-0.85%	-24.30%	-26.28%	8.64	12.82
Real (Brazil)	48.86	1.59%	2.00%	-30.92%	-30.13%	33.50	54.44
Metical (Mozambique)							
Dollar (USA)	71.91	2.91%	5.45%	-31.60%	-33.25%	43.71	79.38
Euro	75.23	3.48%	7.13%	-28.64%	-30.72%	47.67	89.22
Sterling (UK)	89.77	3.37%	5.54%	-18.44%	-21.20%	62.67	104.52
Rand (South Africa)	5.14	5.72%	3.71%	-36.65%	-39.68%	0.48	5.82
Rand (South Africa)							
Dollar (USA)	13.99	-2.66%	1.87%	7.94%	10.59%	13.17	17.92
Euro	14.63	-1.04%	3.52%	12.62%	14.95%	14.41	19.59
Sterling (UK)	17.46	-1.14%	1.94%	28.76%	30.63%	16.30	26.02
Real (Brazil)	4.12	-1.12%	3.01%	-8.78%	-5.23%	3.72	4.69
Naira (Nigeria)							
Dollar (USA)	315.28	-0.01%	0.06%	-36.87%	-36.79%	196.50	350.25
Euro	322.68	3.85%	4.41%	-32.67%	-32.95%	212.85	390.34
Euro							
Dollar (USA)	1.05	-1.64%	-1.59%	-4.16%	-3.69%	1.04	1.16
Sterling (UK)	0.84	0.07%	1.50%	-12.52%	-12.07%	0.73	0.94
Franc (Switzerland)	1.07	0.48%	-0.05%	0.97%	1.44%	1.06	1.12
Yen (Japan)	122.78	-0.37%	-4.06%	7.74%	6.40%	109.57	132.80

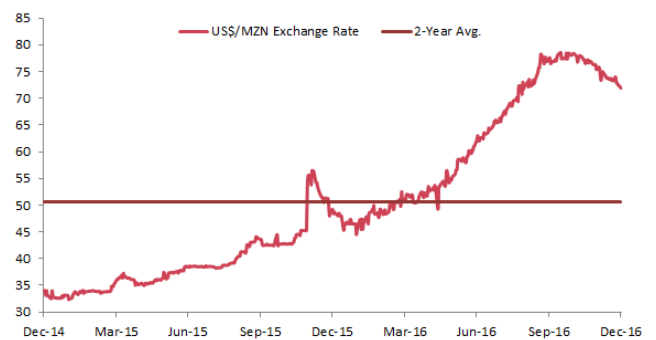
Sources: Bloomberg and Eaglestone Securities.

EUR/AOA EXCHANGE RATE



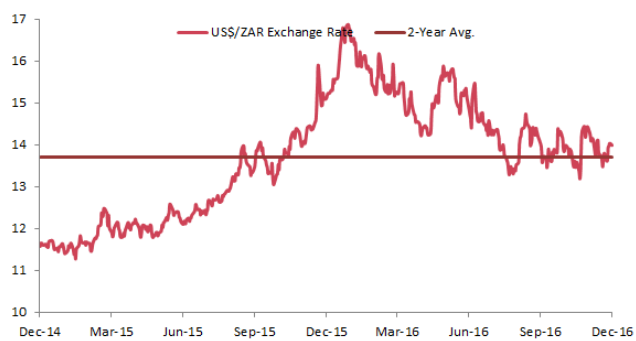
Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



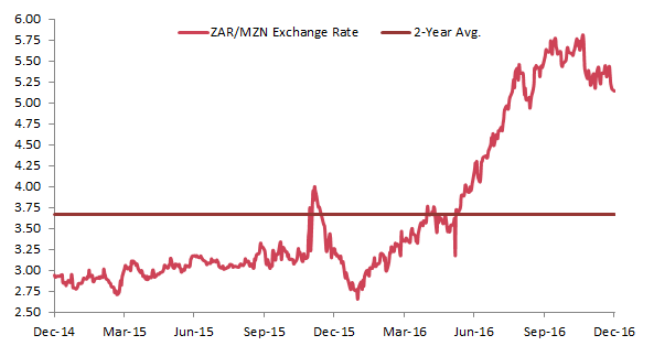
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

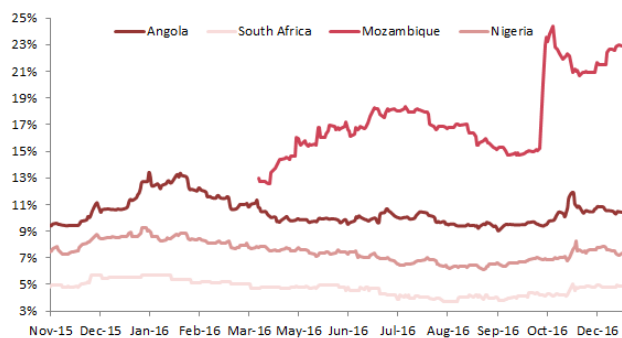


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	19/12/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Angola (12/11/2025; 9.5%)	94.721 10.421%	0.427% -0.072%	2.683% -0.434%	1.760% -0.218%	2.015% -0.259%	78.546 9.037%	102.821 13.414%
Dem. Republic of Congo (30/06/2029; 4.0%)	64.920 11.103%	-0.394% 0.060%	-1.186% 0.204%	-18.627% 4.021%	-17.398% 3.691%	63.918 8.290%	78.983 11.241%
Ethiopia (11/12/2024; 6.625%)	90.557 8.265%	0.265% -0.041%	-1.034% 0.190%	2.088% -0.176%	2.508% -0.241%	81.873 6.543%	100.526 9.679%
Gabon (16/06/2025; 6.95%)	91.823 8.312%	1.564% -0.241%	3.942% -0.570%	14.534% -1.585%	15.100% -1.640%	69.539 7.496%	96.907 12.381%
Ghana (07/08/2023; 7.875%)	95.905 8.698%	1.041% -0.199%	2.762% -0.499%	20.378% -2.402%	20.894% -2.452%	65.580 8.362%	97.780 15.667%
Ivory Coast (03/03/2028; 6.375%)	96.870 6.777%	-1.237% 0.162%	-1.576% 0.209%	6.014% -0.623%	6.198% -0.642%	84.858 5.551%	107.735 8.386%
Kenya (24/06/2024; 6.875%)	94.032 7.945%	-0.714% 0.130%	-3.178% 0.613%	6.552% -0.829%	6.754% -0.859%	83.891 6.711%	101.276 9.700%
Mozambique (18/01/2023; 10.5%)	60.216 22.925%	-0.892% 0.272%	-6.312% 1.999%	n.a. 18.249%	n.a. 18.249%	56.414 12.562%	91.006 24.421%
Namibia (29/10/2025; 5.25%)	98.188 5.510%	-0.611% 0.089%	-0.773% 0.114%	4.548% -0.515%	5.070% -0.571%	88.305 4.183%	108.164 6.885%
Nigeria (12/07/2023; 6.375%)	95.384 7.271%	0.232% -0.041%	1.491% -0.260%	7.785% -1.026%	7.925% -1.049%	84.477 6.122%	101.497 9.257%
Rwanda (02/05/2023; 6.625%)	98.402 6.938%	0.038% -0.007%	0.354% -0.066%	2.551% -0.384%	2.469% -0.374%	91.981 6.052%	103.140 8.059%
Senegal (30/07/2024; 6.25%)	99.042 6.410%	-0.167% 0.029%	-0.411% 0.071%	9.770% -1.163%	10.441% -1.230%	84.554 5.382%	105.862 8.868%
Seychelles (01/01/2026; 7.0%)	100.706 7.738%	n.a. 0.037%	n.a. -0.099%	8.689% -0.966%	9.051% -1.009%	91.738 7.684%	101.003 8.930%
South Africa (16/09/2025; 5.875%)	106.975 4.883%	-0.775% 0.114%	-0.488% 0.065%	n.a. -0.486%	4.112% -0.551%	98.300 3.686%	117.370 5.703%
Zambia (30/07/2027; 8.97%)	97.525 9.340%	1.193% -0.173%	1.824% -0.259%	23.290% -2.312%	22.838% -2.283%	65.245 8.666%	102.362 15.463%

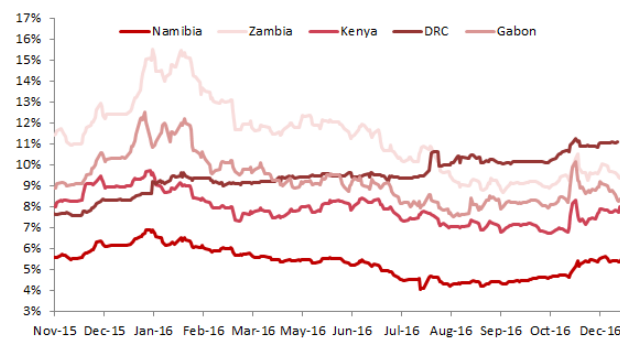
Sources: Bloomberg and Eaglestone Securities.

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

19/12/2016	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	RD	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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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.

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