



Africa Weekly: Oil prices at mid-US\$60s in coming months?

Top Political News

South Africa's President told the ANC's National Executive Committee he may fire ministers who backed calls for him to resign and disregarded his instructions. These could include the ministers of Tourism, Health and Public Works.

Top Economic News

The IMF commended the **Angolan** authorities for taking steps to mitigate the impact of the oil-price shock, but urged them to take further measures to stabilize macro conditions and address more forcefully the dependence on oil and diversify the economy. The Fund expects real GDP growth to recover to 1.3% this year (from flat growth in 2016), supported by a better performance in both the oil (1.5%) and non-oil sectors (1.3%).

Central Banks

South Africa's Reserve Bank left its benchmark interest rate unchanged at 7% for a fifth straight time. **Nigeria's** central bank also decided to keep its key lending rate at 14%. Both of these decisions were in line with consensus forecasts. South Africa last increased interest rates in March 2016, a move aimed at keeping inflation within its target band of 3%-6%. Nigeria's inflation remained elevated and the government is expected to implement further fiscal measures to stimulate the economy. **Ghana's** central bank left interest rates unchanged at 25.5%, surprising analyst expectations of a rate cut. The Bank of Ghana lowered the rate in November for the first time since July 2011. **Mozambique's** central bank governor said monetary policy in 2017 will be guided toward achieving growth of 5.5% and inflation no greater than 14%.

Commodities

Nigeria's Oil minister expects oil prices to climb to the mid-US\$ 60s in the next few months as a result of the measures currently being implemented by OPEC and its partners. Nigeria, which is exempt from the oil output cut deal, also aims to increase oil production to about 1.8 million barrels per day as it recovers from militant attacks on its energy infrastructure. **Equatorial Guinea** has requested to become a member of OPEC after it agreed in December to be one of the countries to join OPEC and 10 other non-OPEC members to make a combined effort to lower oil output. The membership decision is expected to take place at the OPEC's ministerial meeting at the end of May. **Gold** posted its first weekly decline in the last five weeks and saw its longest losing run since October 2016, as investors favored riskier assets that for instance saw the Dow Jones Industrial Average reach 20,000 points for the first time.

Credit Ratings

Nigeria saw its rating outlook downgraded to negative from stable by Fitch due to concerns that the existing lack of foreign currency in the country could hurt its economic recovery. Fitch affirmed its B+ rating on the country, four levels below investment grade.

Eurobond

Following the announcement that **Mozambique** would not pay its coupon due this month, the IMF said that it can provide financial support to member countries with external arrears to private investors, provided that prompt support from the Fund is considered essential for the successful implementation of an adjustment program and the member country pursues appropriate policies and makes a good faith effort to reach an agreement with its private creditors.

Capital Markets

30 January 2017

Tiago Bossa Dionísio

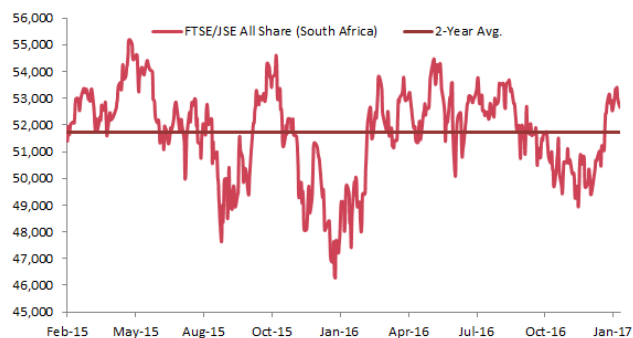
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Stock Markets Index (Country)	30/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Africa							
FTSE/JSE All Share (South Africa)	52,660.83	-0.72%	3.96%	7.16%	3.96%	47,275.30	54,704.22
EGX 30 (Egypt)	13,105.02	3.01%	6.16%	118.90%	6.16%	5,753.67	13,544.42
Gaborone Domestic Index (Botswana)	9,275.46	-0.72%	-1.33%	-11.16%	-1.33%	9,275.46	10,425.72
Nairobi SE All Share (Kenya)	122.28	-1.43%	-8.29%	-10.62%	-8.29%	122.28	147.56
All Share Index (Nigeria)	26,328.22	0.40%	-2.03%	10.09%	-2.03%	23,353.84	31,073.32
Ghana Stock Exchange (Ghana)	1,767.89	0.49%	4.67%	-11.79%	4.67%	1,507.84	2,004.51
Namibia Overall Index (Namibia)	1,108.44	-0.05%	3.73%	30.32%	3.73%	800.22	1,136.88
Tanzania All Share Index (Tanzania)	2,167.02	-0.37%	-1.43%	-5.42%	-1.43%	1,978.68	2,829.99
Americas							
Dow Jones Industrial Avg. (USA)	20,093.78	1.34%	1.68%	22.03%	1.68%	15,503.01	20,125.58
S&P 500 (USA)	2,294.69	1.03%	2.50%	18.27%	2.50%	1,810.10	2,300.99
Nasdaq (USA)	5,660.78	1.90%	5.16%	22.69%	5.16%	4,209.76	5,669.61
Ibovespa (Brazil)	66,033.98	3.26%	9.64%	63.43%	9.64%	38,596.17	66,593.58
Europe							
Euro Stoxx 50 (Europe)	3,277.91	0.15%	-0.38%	7.65%	-0.38%	2,672.73	3,342.47
FTSE 100 (UK)	7,120.58	-0.43%	-0.31%	17.04%	-0.31%	5,499.51	7,354.14
DAX (Germany)	11,740.13	1.68%	2.26%	19.82%	2.26%	8,699.29	11,893.08
PSI 20 (Portugal)	4,565.97	0.13%	-2.42%	-9.86%	-2.42%	4,175.28	5,222.69
IBEX 35 (Spain)	9,434.30	1.39%	0.88%	7.02%	0.88%	7,579.80	9,623.50
CAC (France)	4,799.59	-0.45%	-1.29%	8.66%	-1.29%	3,892.46	4,929.60
SMI (Switzerland)	8,330.79	1.24%	1.35%	0.13%	1.35%	7,425.05	8,475.15
Asia							
Nikkei 225 (Japan)	19,368.85	2.53%	1.33%	10.56%	1.33%	14,864.01	19,615.40
Topix (Japan)	1,543.77	1.92%	1.66%	7.80%	1.66%	1,192.80	1,558.75
Hang Seng (Hong Kong)	6,728.14	1.50%	5.08%	18.33%	5.08%	5,261.43	7,065.02
Shanghai All Share (China)	3,308.06	1.87%	1.44%	15.56%	1.80%	2,761.42	3,456.92
CSI 300 (China)	3,387.96	1.76%	2.16%	15.62%	2.35%	2,821.22	3,583.72

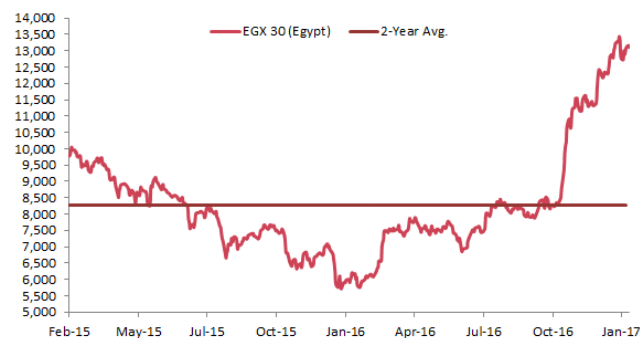
Sources: Bloomberg and Eaglestone Securities.

JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



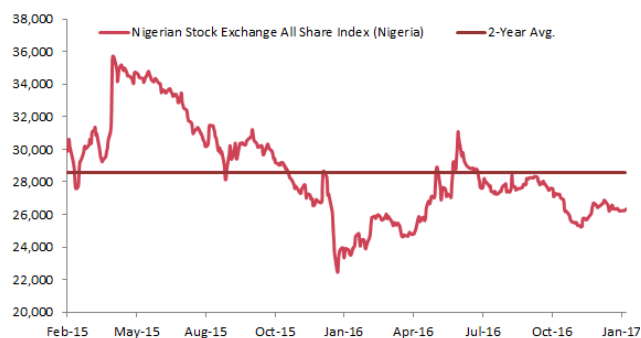
Sources: Bloomberg and Eaglestone Securities.

EGYPT STOCK EXCHANGE (EGX 30)



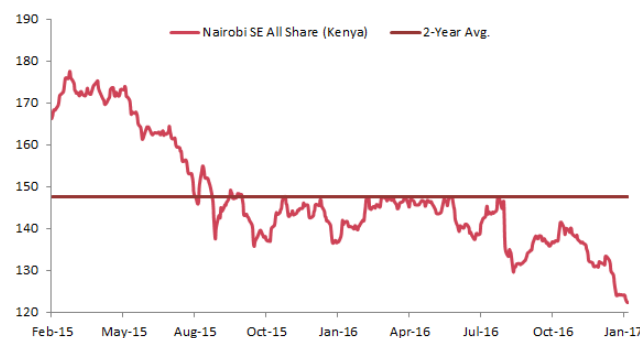
Sources: Bloomberg and Eaglestone Securities.

NIGERIAN STOCK EXCHANGE



Sources: Bloomberg and Eaglestone Securities.

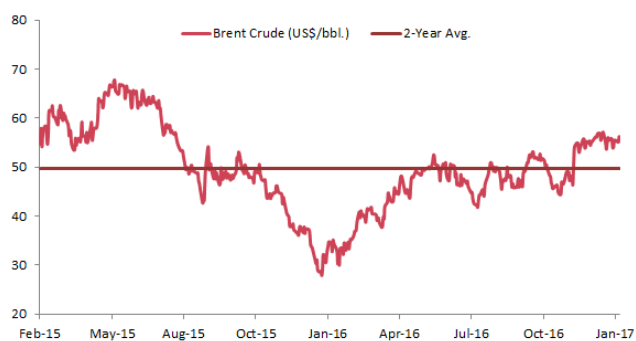
NAIROBI STOCK EXCHANGE



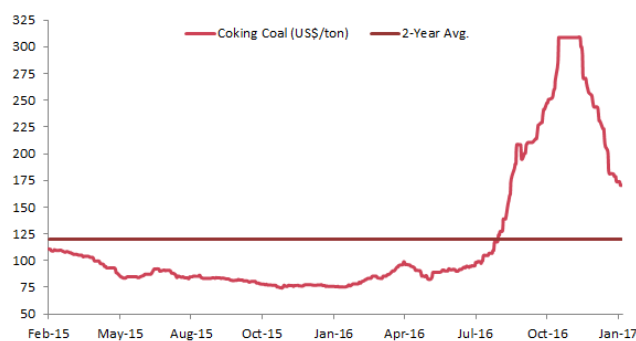
Sources: Bloomberg and Eaglestone Securities.

Commodities	30/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Energy							
WTI Crude (US\$/bbl.)	52.92	0.32%	-1.49%	57.41%	-1.49%	26.05	55.24
Brent Crude (US\$/bbl.)	55.16	-0.13%	-2.92%	58.78%	-2.92%	29.92	58.37
Natural Gas (US\$/MMBtu)	3.31	2.13%	-11.06%	44.13%	-11.06%	1.61	3.99
Gasoline (US\$/gal.)	150.81	-3.74%	-9.43%	36.71%	-9.43%	89.75	170.95
Coking Coal (US\$/ton)	170.39	-2.07%	-30.05%	124.52%	-26.17%	75.25	308.80
Precious Metals							
Gold (US\$/oz.)	1,189.10	-2.18%	3.25%	6.51%	3.25%	1,115.30	1,377.50
Silver (US\$/oz.)	17.14	-0.27%	7.20%	20.34%	7.20%	14.20	21.09
Platinum (US\$/oz.)	980.70	-0.17%	8.59%	12.69%	8.59%	850.85	1,194.64
Other Metals							
Copper (US\$/lb.)	268.85	1.55%	7.30%	30.07%	7.30%	199.85	274.00
Aluminum (US\$/MT)	1,816.00	-1.57%	5.64%	19.00%	7.27%	1,475.00	1,883.00
Zinc (US\$/MT)	2,748.50	-0.67%	6.66%	70.19%	6.70%	1,591.50	2,985.00
Tin (US\$/MT)	19,935.00	-1.36%	-5.52%	37.96%	-5.63%	14,550.00	22,000.00
Iron Ore (US\$/ton)	83.34	3.64%	4.94%	96.42%	5.67%	43.02	83.65
Agriculture							
Cocoa (US\$/MT)	2,095.00	-2.10%	-6.35%	-24.20%	-1.46%	2,076.00	3,237.00
Coffee (US\$/lb.)	152.40	-0.52%	13.56%	28.93%	11.20%	111.35	176.00
Sugar (US\$/lb.)	20.36	-1.36%	4.36%	54.95%	4.36%	12.45	23.90
Cotton (US\$/lb.)	74.83	0.27%	5.92%	22.41%	5.92%	55.66	77.80
Corn (US\$)	360.50	-2.44%	2.41%	-3.09%	2.41%	301.00	439.25
Wheat (US\$)	418.25	-3.46%	2.51%	-12.73%	2.51%	359.50	524.00
Soy (US\$)	1,041.00	-1.58%	4.47%	17.99%	4.47%	849.00	1,208.50

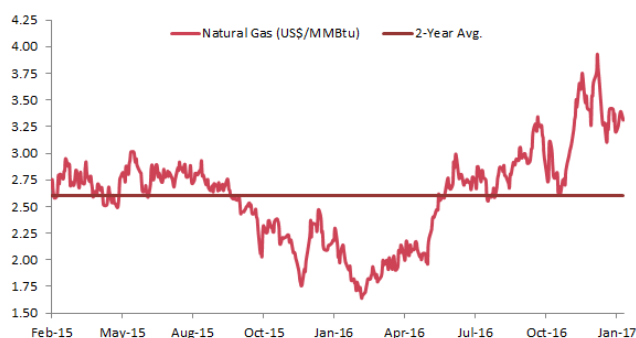
Sources: Bloomberg and Eaglestone Securities.

BRENT CRUDE (US\$/BARREL)

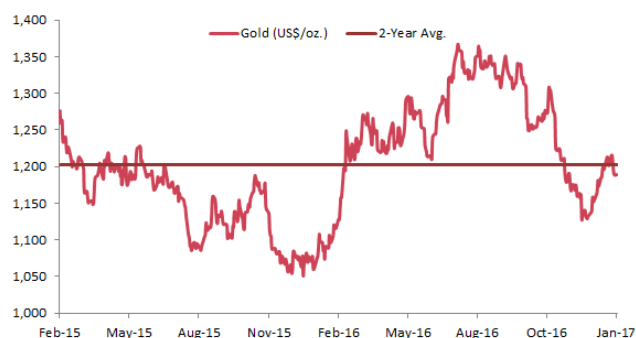
Sources: Bloomberg and Eaglestone Securities.

COKING COAL (US\$/TON)

Sources: Bloomberg and Eaglestone Securities.

NATURAL GAS (US\$/MM Btu)

Sources: Bloomberg and Eaglestone Securities.

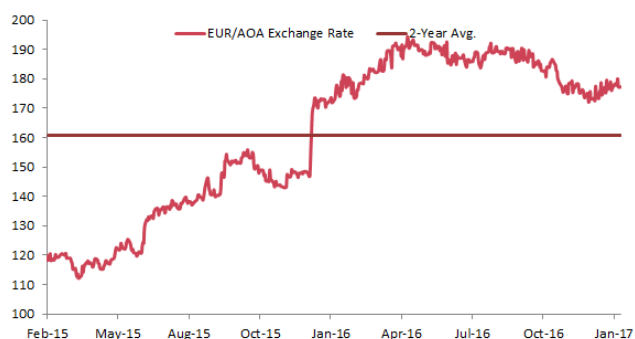
GOLD (US\$/OZ.)

Sources: Bloomberg and Eaglestone Securities.

Currencies	30/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Kwanza (Angola)							
Dollar (USA)	168.36	-0.98%	0.00%	-5.71%	-0.05%	155.18	169.65
Euro	177.33	0.59%	-1.69%	-2.53%	-1.69%	168.36	196.44
Sterling (UK)	207.71	0.01%	-1.49%	10.31%	-1.49%	198.78	253.90
Rand (South Africa)	12.18	0.88%	-0.59%	-18.05%	-0.59%	9.47	12.82
Real (Brazil)	52.77	-0.74%	-3.45%	-24.07%	-3.45%	38.75	54.44
Metical (Mozambique)							
Dollar (USA)	70.20	0.59%	1.69%	-32.12%	1.69%	43.71	79.38
Euro	75.75	0.34%	-0.88%	-34.88%	-0.88%	47.67	89.22
Sterling (UK)	88.79	-0.31%	-0.73%	-26.07%	-0.73%	63.92	104.52
Rand (South Africa)	5.16	1.51%	1.09%	-41.91%	1.09%	0.48	5.82
Rand (South Africa)							
Dollar (USA)	13.61	-0.88%	0.98%	16.85%	0.98%	13.17	16.44
Euro	14.56	-0.23%	-0.72%	18.93%	-0.72%	14.17	18.30
Sterling (UK)	17.05	-0.87%	-0.63%	34.58%	-0.63%	16.20	23.76
Real (Brazil)	4.33	-1.59%	-2.84%	-7.32%	-2.84%	3.77	4.69
Naira (Nigeria)							
Dollar (USA)	312.75	-2.24%	0.82%	-36.35%	0.82%	196.50	350.25
Euro	332.18	2.64%	-0.17%	-34.76%	-0.17%	213.86	390.34
Euro							
Dollar (USA)	1.07	-0.62%	1.72%	-1.75%	1.72%	1.03	1.16
Sterling (UK)	0.85	0.60%	-0.02%	-11.63%	-0.02%	0.75	0.94
Franc (Switzerland)	1.07	0.40%	0.34%	3.94%	0.34%	1.06	1.12
Yen (Japan)	122.86	-1.25%	0.09%	7.23%	0.09%	109.57	132.03

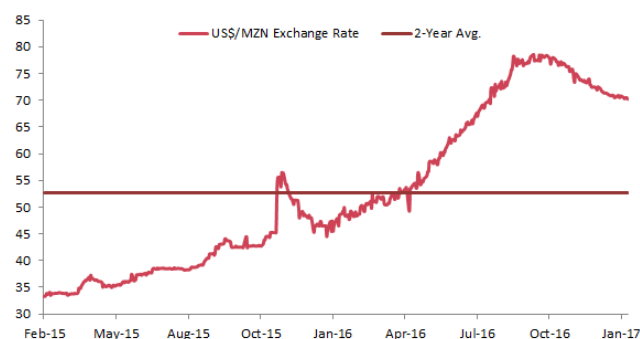
Sources: Bloomberg and Eaglestone Securities.

EUR/AOA EXCHANGE RATE



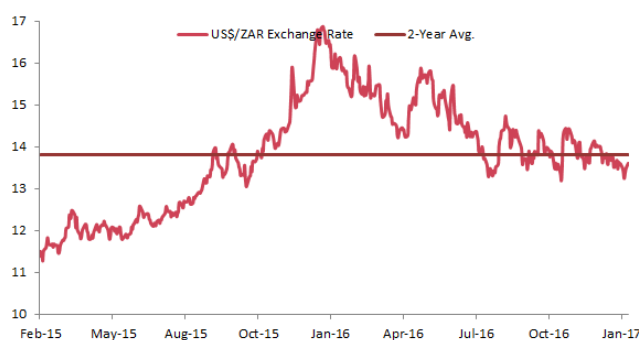
Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



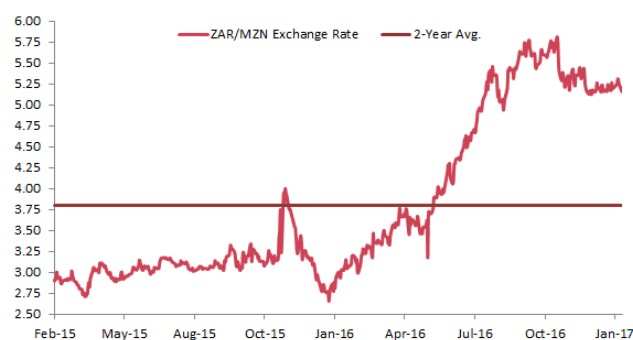
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

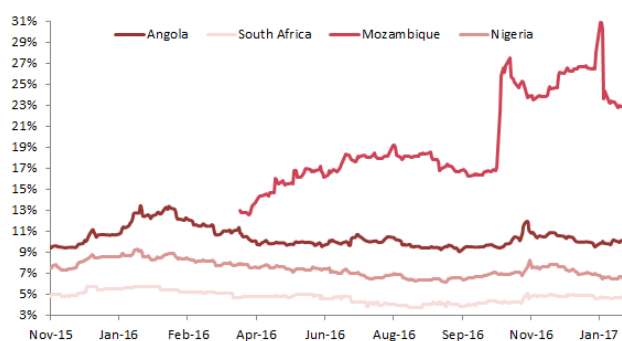


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	30/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Angola (12/11/2025; 9.5%)	95.995 10.196%	-1.248% 0.221%	-1.298% 0.232%	15.194% -1.875%	-1.298% 0.232%	79.227 9.037%	102.821 13.369%
Dem. Republic of Congo (30/06/2029; 4.0%)	64.667 11.223%	n.a. 0.053%	n.a. 0.123%	-10.804% 2.340%	-0.390% 0.123%	63.918 8.861%	75.560 11.248%
Ethiopia (11/12/2024; 6.625%)	90.153 8.356%	-1.202% 0.212%	-2.633% 0.485%	3.923% -0.428%	-2.633% 0.485%	81.951 6.543%	100.526 9.679%
Gabon (16/06/2025; 6.95%)	93.063 8.105%	-0.777% 0.130%	-1.115% 0.191%	21.413% -2.134%	-1.115% 0.191%	71.159 7.489%	96.907 12.208%
Ghana (07/08/2023; 7.875%)	97.847 8.309%	-0.494% 0.102%	-1.031% 0.217%	35.055% -3.341%	-1.031% 0.217%	67.811 7.652%	101.277 15.177%
Ivory Coast (03/03/2028; 6.375%)	97.755 6.664%	-0.207% 0.027%	-0.417% 0.055%	9.683% -0.955%	-0.417% 0.055%	85.940 5.551%	107.735 8.190%
Kenya (24/06/2024; 6.875%)	96.969 7.413%	-0.587% 0.106%	1.876% -0.309%	8.134% -1.043%	1.876% -0.309%	86.490 6.711%	101.276 9.072%
Mozambique (18/01/2023; 10.5%)	61.395 22.757%	2.475% -0.552%	1.622% -3.373%	n.a. 17.713%	1.622% -3.373%	53.636 12.625%	91.006 30.906%
Namibia (29/10/2025; 5.25%)	99.426 5.332%	-0.074% 0.011%	1.767% -0.240%	6.287% -0.701%	1.767% -0.240%	90.833 4.183%	108.164 6.538%
Nigeria (12/07/2023; 6.375%)	98.209 6.721%	-0.851% 0.168%	1.119% -0.203%	9.514% -1.251%	1.119% -0.203%	86.439 6.122%	101.497 8.857%
Rwanda (02/05/2023; 6.625%)	99.344 6.753%	-0.191% 0.038%	-0.418% 0.084%	6.509% -0.949%	-0.418% 0.084%	92.145 6.052%	103.140 8.050%
Senegal (30/07/2024; 6.25%)	98.875 6.442%	-0.795% 0.138%	-1.315% 0.233%	10.090% -1.203%	-1.315% 0.233%	87.682 5.382%	105.862 8.306%
Seychelles (01/01/2026; 7.0%)	100.850 7.728%	n.a. n.a.	n.a. -0.012%	7.037% -0.797%	0.143% -0.012%	93.190 7.684%	101.003 8.764%
South Africa (16/09/2025; 5.875%)	107.875 4.750%	-0.896% 0.134%	0.818% -0.123%	n.a. -0.794%	0.818% -0.123%	101.250 3.686%	117.370 5.703%
Zambia (30/07/2027; 8.97%)	98.690 9.167%	-0.313% 0.048%	-0.386% 0.061%	38.717% -3.214%	-0.386% 0.061%	65.356 8.666%	102.362 15.426%

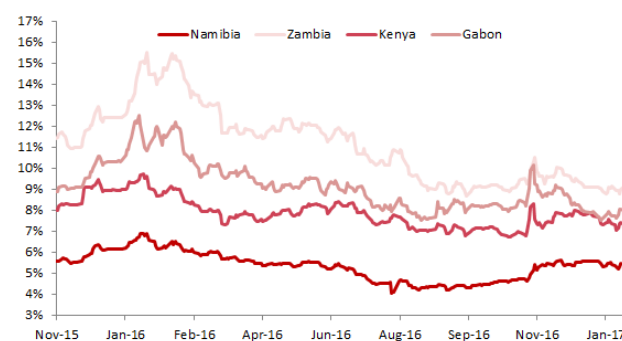
Sources: Bloomberg and Eaglestone Securities.

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

30/01/2017	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	BB-	NR	NR	B
Uganda	B2	B	B+	NR	B	B

Sources: Bloomberg, Eaglestone Advisory (Rating: **Up**, **Down**, No Change, **Initial**)

AAA' and 'AA' (high credit quality) and 'A' and 'BBB' (medium credit quality) are considered investment grade. Credit ratings below these designations ('BB', 'B', 'CCC', etc.) are considered low credit quality, and are commonly referred to as "junk bonds".

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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 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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