



## **Africa Weekly: Oil prices reach high of more than a year**

### **Top Political News**

**Angolan** President José Eduardo dos Santos will reportedly not run for re-election as his party's candidate in the 2017 general elections. Dos Santos is instead said to back João Lourenço, currently minister of Defense, as the front-runner candidate for the MPLA party. **South Africa's** President Jacob Zuma survived a bid to challenge his leadership by a group of top ANC officials who questioned his ability to hold office after a series of scandals. This attempt to oust Zuma was done during a meeting of the party's National Executive Committee. **Nigeria's** cabinet approved a 20% increase in spending proposals for 2017 in the hope of stimulating economic activity in the country after it fell into recession in 2016 for the first time in over a decade. President Buhari is expected to present details of the spending plan to the country's lawmakers on December 8<sup>th</sup>, who will then debate the budget proposals and return an approved version to the president to sign into law.

### **Top Economic News**

The IMF is in **Mozambique** from December 1<sup>st</sup> to the 12<sup>th</sup> to hold initial talks with the local authorities about a new aid program after Mozambique asked for urgent financial support earlier this year. The IMF added that its discussions with the country are expected to continue into the first part of 2017.

### **Central Banks/Currencies**

**Angola's** central bank decided at its latest monetary policy committee meeting that it would not devalue the kwanza considering that inflation in the country is stabilizing and monthly inflation is slowing. There has been some speculation in recent months about the possibility of the BNA devaluing the local currency before the end of the year in a similar move as the 15% official devaluation done earlier in January.

### **Commodities**

**OPEC** reached an agreement to cut oil production to 32.5 million barrels a day at its recent meeting in Vienna. The reduction in supply represents a cut of 4.5%, or 1.2 million barrels, from the current daily production levels. This is the first time the cartel agreed to cut supply since 2008. The agreement also meant that non-OPEC producers such as Russia will cut 600,000 barrels of their own. The news sent both Brent and WTI prices above the US\$ 50 level for the first time since late October, with Brent reaching its highest level in more than a year.

### **Ratings**

S&P's left **South Africa's** foreign-currency credit rating unchanged at "BBB-", one level above junk, and also kept the outlook at "negative" at its latest rating review of the country. The news that S&P's is keeping South Africa's foreign-currency rating at investment grade level may boost sentiment and support the local currency, which has been under pressure this year due to domestic issues and also emerging market uncertainty following the outcome of the Brexit vote and the recent US elections.

### **Eurobonds**

**Nigeria's** Vice-President, Yemi Osinbajo, said that the country aims to conclude the sale of a US\$ 1 billion Eurobond by the end of 1Q 2017 after already appointing banks for the deal back in September. Osinbajo also said that the government is working with the central bank to make the foreign exchange market more flexible and more reflective of the actual currency supply and demand.

### **Capital Markets**

05 December 2016

**Tiago Bossa Dionísio**

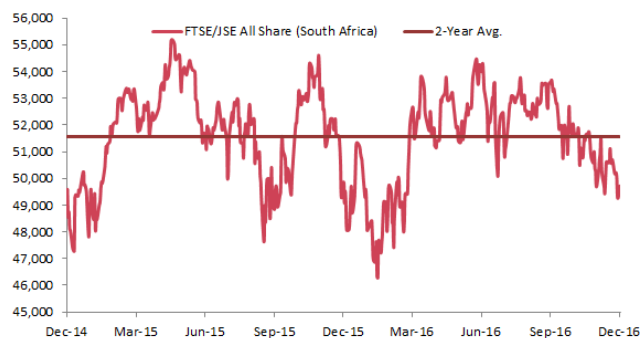
(+351) 211 214 431

tiago.dionisio@eaglestone.eu

Stock Markets Index (Country)	05/12/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Africa</b>							
FTSE/JSE All Share (South Africa)	49,744.14	-0.90%	0.12%	0.93%	-1.87%	45,975.78	54,704.22
EGX 30 (Egypt)	11,620.20	3.18%	31.89%	71.41%	65.86%	5,526.02	11,687.99
Gaborone Domestic Index (Botswana)	9,561.53	-0.94%	-1.91%	-9.00%	-9.82%	9,504.24	10,654.72
Nairobi SE All Share (Kenya)	136.43	-0.30%	-3.58%	-4.79%	-6.36%	129.65	147.56
All Share Index (Nigeria)	25,740.83	1.67%	-4.60%	-6.84%	-10.13%	22,330.96	31,073.32
Ghana Stock Exchange (Ghana)	1,559.27	-4.05%	-8.98%	-21.01%	-21.84%	1,553.80	2,014.93
Namibia Overall Index (Namibia)	1,057.35	-2.23%	4.32%	17.99%	22.17%	766.67	1,094.59
Tanzania All Share Index (Tanzania)	2,274.01	-1.06%	-9.47%	-3.49%	-2.56%	2,172.97	5,004.67
<b>Americas</b>							
Dow Jones Industrial Avg. (USA)	19,170.42	0.10%	7.17%	7.41%	10.02%	15,450.56	19,225.29
S&P 500 (USA)	2,191.95	-0.97%	5.12%	4.79%	7.24%	1,810.10	2,214.10
Nasdaq (USA)	5,255.65	-2.65%	4.15%	2.20%	4.96%	4,209.76	5,403.86
Ibovespa (Brazil)	60,316.13	-2.02%	-2.08%	32.97%	39.14%	37,046.07	65,291.06
<b>Europe</b>							
Euro Stoxx 50 (Europe)	3,067.73	1.69%	3.83%	-7.90%	-6.11%	2,672.73	3,394.93
FTSE 100 (UK)	6,786.87	-0.19%	1.40%	8.79%	8.72%	5,499.51	7,129.83
DAX (Germany)	10,711.98	1.22%	4.41%	-0.37%	-0.29%	8,699.29	10,992.55
PSI 20 (Portugal)	4,429.23	0.06%	-1.09%	-15.72%	-16.64%	4,175.28	5,349.85
IBEX 35 (Spain)	8,741.00	1.41%	-0.58%	-13.27%	-8.42%	7,579.80	10,158.20
CAC (France)	4,598.61	1.96%	5.05%	-2.46%	-0.83%	3,892.46	4,803.48
SMI (Switzerland)	7,885.51	0.80%	3.85%	-10.42%	-10.58%	7,425.05	8,933.10
<b>Asia</b>							
Nikkei 225 (Japan)	18,274.99	-0.45%	8.10%	-6.30%	-3.99%	14,864.01	19,869.08
Topix (Japan)	1,466.96	-0.18%	8.90%	-6.80%	-5.19%	1,192.80	1,596.36
Hang Seng (Hong Kong)	6,550.50	-1.51%	0.52%	-1.03%	0.99%	5,261.43	7,065.02
Shanghai All Share (China)	3,355.63	-2.21%	2.55%	-9.08%	-9.41%	2,760.92	3,856.74
CSI 300 (China)	3,469.41	-1.86%	3.44%	-5.66%	-7.01%	2,821.22	3,926.69

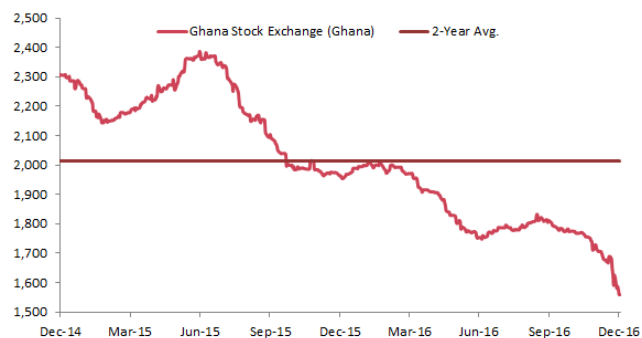
Sources: Bloomberg and Eaglestone Securities.

## JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



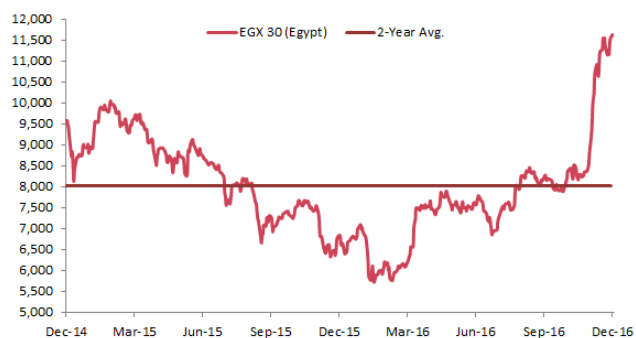
Sources: Bloomberg and Eaglestone Securities.

## GHANA STOCK EXCHANGE INDEX



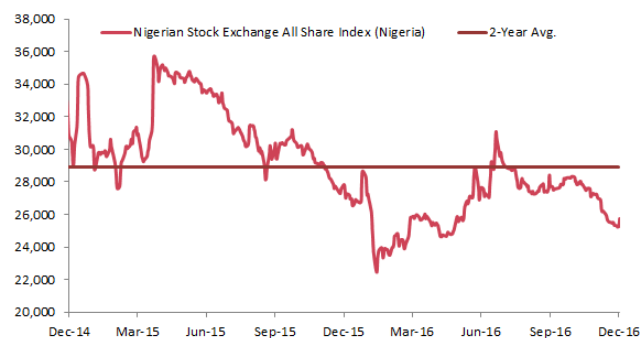
Sources: Bloomberg and Eaglestone Securities.

## EGYPT EGX 30 INDEX



Sources: Bloomberg and Eaglestone Securities.

## NIGERIAN STOCK EXCHANGE INDEX

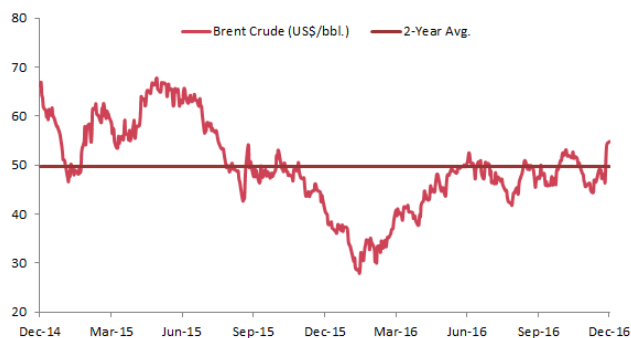


Sources: Bloomberg and Eaglestone Securities.

Commodities	05/12/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Energy</b>							
WTI Crude (US\$/bbl.)	52.04	10.54%	18.08%	30.20%	40.50%	26.05	52.16
Brent Crude (US\$/bbl.)	54.84	13.68%	20.32%	27.53%	47.10%	27.10	54.94
Natural Gas (US\$/MMBtu)	3.52	8.85%	27.14%	60.93%	50.53%	1.61	3.57
Gasoline (US\$/gal.)	156.90	11.06%	13.81%	23.52%	23.83%	89.75	166.64
Coal (US\$/ton)	86.50	-1.98%	9.15%	62.59%	80.77%	42.65	88.25
<b>Precious Metals</b>							
Gold (US\$/oz.)	1,162.00	-2.42%	-10.92%	7.15%	9.60%	1,050.50	1,377.50
Silver (US\$/oz.)	16.63	0.28%	-9.48%	14.65%	20.48%	13.64	21.09
Platinum (US\$/oz.)	928.90	0.48%	-7.10%	8.61%	4.19%	810.75	1,194.64
<b>Other Metals</b>							
Copper (US\$/lb.)	265.05	-0.23%	17.02%	27.80%	24.15%	193.55	274.00
Aluminum (US\$/MT)	1,714.50	-2.42%	-0.70%	15.42%	13.77%	1,449.00	1,794.50
Zinc (US\$/MT)	2,668.00	-5.36%	9.98%	72.24%	65.82%	1,444.50	2,985.00
Tin (US\$/MT)	21,025.00	0.48%	1.20%	39.93%	44.45%	13,085.00	22,000.00
Iron Ore (US\$/ton)	77.79	-2.29%	19.11%	89.13%	78.54%	38.30	80.83
<b>Agriculture</b>							
Cocoa (US\$/MT)	2,388.00	-1.28%	-11.85%	-27.90%	-25.63%	2,343.00	3,422.00
Coffee (US\$/lb.)	141.20	-7.29%	-13.32%	19.86%	11.44%	111.05	176.00
Sugar (US\$/lb.)	19.06	-4.41%	-12.29%	23.13%	25.07%	12.45	23.90
Cotton (US\$/lb.)	71.98	-0.92%	4.93%	15.89%	13.75%	55.66	77.80
Corn (US\$)	339.75	-2.51%	-2.58%	-9.70%	-5.30%	301.00	439.25
Wheat (US\$)	390.25	0.19%	-5.79%	-17.19%	-16.97%	359.50	524.00
Soy (US\$)	1,038.50	-1.66%	5.81%	14.62%	19.20%	849.00	1,208.50

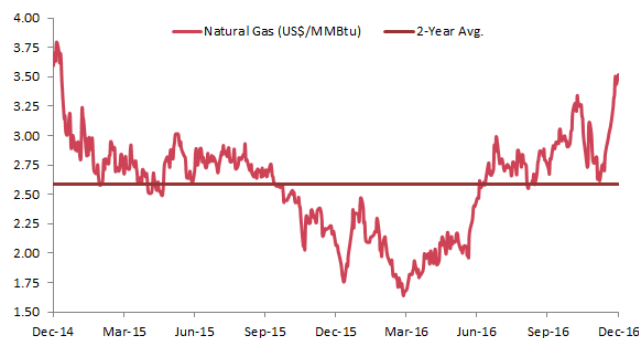
Sources: Bloomberg and Eaglestone Securities.

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



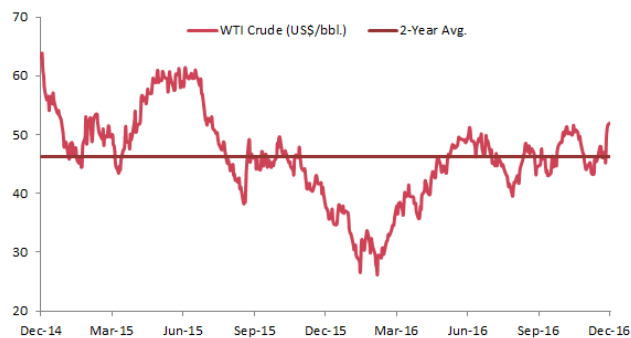
Sources: Bloomberg and Eaglestone Securities.

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



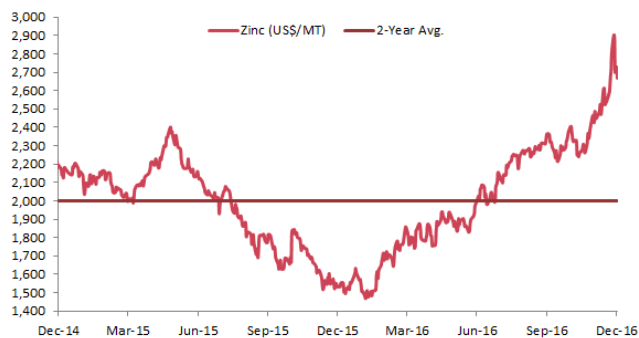
Sources: Bloomberg and Eaglestone Securities.

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



Sources: Bloomberg and Eaglestone Securities.

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

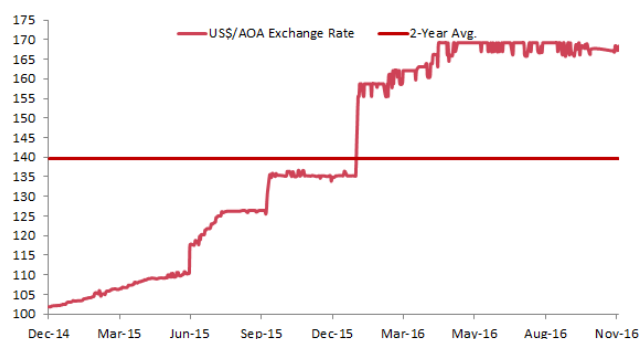


Sources: Bloomberg and Eaglestone Securities.

Currencies	05/12/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Kwanza (Angola)</b>							
Dollar (USA)	168.33	-0.64%	-0.46%	-19.63%	-19.67%	133.93	169.43
Euro	178.46	-0.03%	3.70%	-17.84%	-17.73%	145.75	196.44
Sterling (UK)	213.28	-2.13%	-2.57%	-4.50%	-6.56%	198.23	253.90
Rand (South Africa)	12.13	0.93%	3.43%	-23.20%	-27.98%	8.43	12.82
Real (Brazil)	48.28	2.85%	8.44%	-25.62%	-29.28%	33.50	54.44
<b>Metical (Mozambique)</b>							
Dollar (USA)	73.50	1.37%	5.06%	-29.93%	-34.69%	43.71	79.38
Euro	78.18	1.74%	7.82%	-28.61%	-33.34%	47.67	89.22
Sterling (UK)	92.90	-1.96%	3.04%	-16.54%	-23.86%	62.67	104.52
Rand (South Africa)	5.31	2.11%	8.77%	-33.26%	-41.64%	0.48	5.82
<b>Rand (South Africa)</b>							
Dollar (USA)	13.83	-0.72%	-3.38%	5.13%	11.85%	13.17	17.92
Euro	14.71	-0.93%	0.28%	7.12%	14.34%	14.50	19.59
Sterling (UK)	17.58	-3.03%	-5.77%	24.52%	29.72%	16.30	26.02
Real (Brazil)	3.98	1.87%	4.84%	-3.10%	-1.81%	3.72	4.69
<b>Naira (Nigeria)</b>							
Dollar (USA)	315.13	-0.76%	-0.12%	-36.92%	-36.76%	196.50	350.25
Euro	335.33	-0.40%	4.04%	-35.83%	-35.48%	162.80	390.34
<b>Euro</b>							
Dollar (USA)	1.06	0.22%	-3.66%	-1.85%	-2.07%	1.05	1.16
Sterling (UK)	0.84	2.14%	6.44%	-13.98%	-11.92%	0.72	0.94
Franc (Switzerland)	1.08	-0.22%	-0.17%	0.58%	0.99%	1.06	1.12
Yen (Japan)	121.25	-2.01%	-4.88%	10.27%	7.74%	109.57	134.22

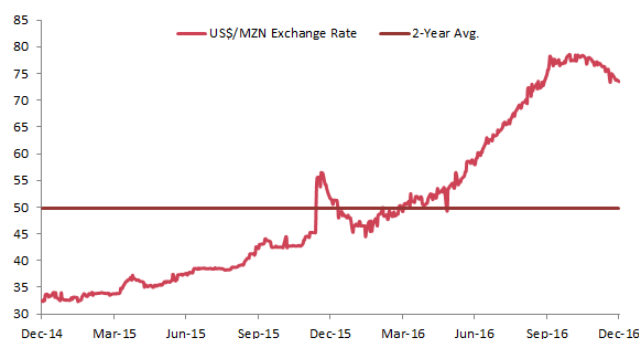
Sources: Bloomberg and Eaglestone Securities.

US\$/AOA EXCHANGE RATE



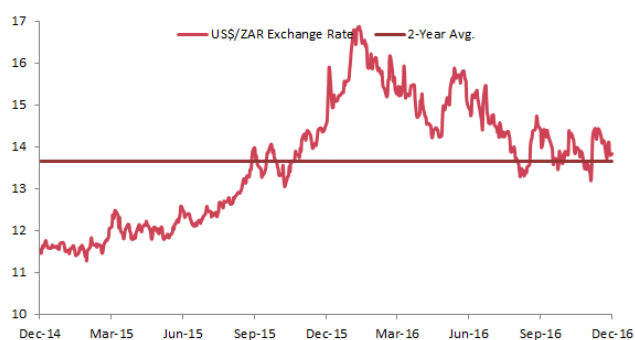
Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



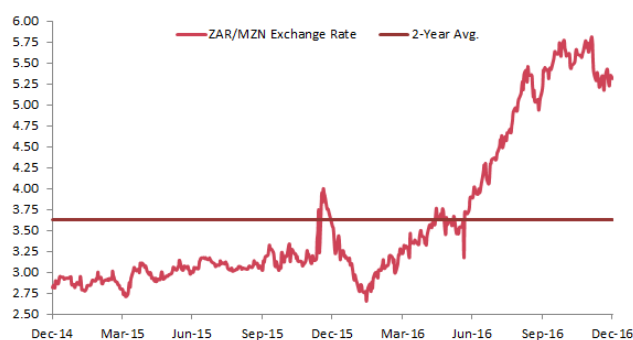
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

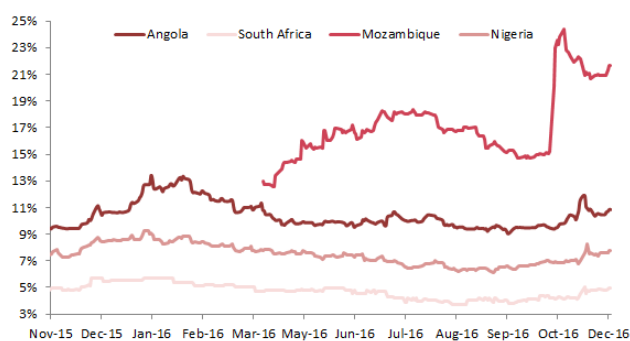


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	05/12/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Angola</b> (12/11/2025; 9.5%)	92.563 10.817%	-1.964% 0.354%	-2.096% 0.381%	-5.875% 1.168%	-0.309% 0.132%	78.546 9.037%	102.821 13.414%
<b>Dem. Republic of Congo</b> (30/06/2029; 4.0%)	64.813 11.099%	n.a. 0.244%	-3.195% 0.485%	-20.353% 4.468%	-17.534% 3.690%	63.918 7.829%	82.313 11.241%
<b>Ethiopia</b> (11/12/2024; 6.625%)	87.005 8.930%	-3.596% 0.663%	-7.125% 1.444%	-4.652% 1.030%	-1.512% 0.437%	81.873 6.543%	100.526 9.679%
<b>Gabon</b> (16/06/2025; 6.95%)	87.275 9.130%	-2.169% 0.375%	-3.927% 0.713%	3.424% -0.333%	9.399% -1.081%	69.539 7.496%	96.907 12.381%
<b>Ghana</b> (07/08/2023; 7.875%)	92.112 9.495%	-1.973% 0.417%	-3.548% 0.786%	11.191% -1.498%	16.112% -2.052%	65.580 8.362%	97.780 15.667%
<b>Ivory Coast</b> (31/12/2032; 5.75%)	91.682 7.070%	-1.747% 0.286%	-4.749% 0.841%	3.228% -0.347%	2.779% -0.298%	83.387 5.525%	101.672 8.385%
<b>Kenya</b> (24/06/2024; 6.875%)	94.421 7.868%	-2.533% 0.474%	-5.278% 1.069%	8.388% -1.045%	7.195% -0.918%	83.891 6.711%	101.276 9.700%
<b>Mozambique</b> (18/01/2023; 10.5%)	62.955 21.684%	-2.909% 0.826%	4.225% -0.911%	n.a. 15.161%	n.a. 15.161%	56.414 12.562%	91.006 24.421%
<b>Namibia</b> (29/10/2025; 5.25%)	98.246 5.501%	-1.012% 0.149%	-5.447% 0.923%	2.607% -0.302%	5.132% -0.578%	88.305 4.183%	108.164 6.885%
<b>Nigeria</b> (12/07/2023; 6.375%)	92.796 7.790%	-1.025% 0.205%	-3.696% 0.798%	2.103% -0.202%	4.997% -0.648%	84.477 6.122%	101.497 9.257%
<b>Rwanda</b> (02/05/2023; 6.625%)	97.429 7.130%	-1.331% 0.271%	-2.849% 0.608%	1.263% -0.160%	1.456% -0.197%	91.981 6.052%	103.140 8.059%
<b>Senegal</b> (30/07/2024; 6.25%)	98.420 6.514%	-2.393% 0.430%	-3.958% 0.745%	9.122% -1.095%	9.747% -1.164%	84.554 5.382%	105.862 8.868%
<b>Seychelles</b> (01/01/2026; 7.0%)	100.924 7.699%	n.a. 0.015%	n.a. -0.137%	6.098% -0.685%	9.288% -1.038%	91.250 7.684%	101.003 8.930%
<b>South Africa</b> (16/09/2025; 5.875%)	106.570 4.942%	-1.035% 0.154%	-5.166% 0.891%	n.a. -0.096%	3.718% -0.505%	98.300 3.686%	117.370 5.738%
<b>Zambia</b> (30/07/2027; 8.97%)	93.224 10.016%	-3.144% 0.506%	-3.259% 0.528%	12.380% -1.428%	17.421% -1.901%	65.245 8.666%	102.362 15.463%

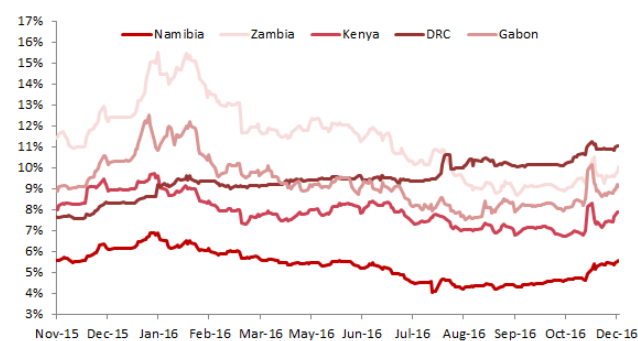
Sources: Bloomberg and Eaglestone Securities.

EUROBOND YIELDS (ANG, SA, MOZ &amp; NIG)



Sources: Bloomberg and Eaglestone Securities.

EUROBOND YIELDS (NAM, ZAM, KEN, DRC &amp; GAB)



Sources: Bloomberg and Eaglestone Securities.

## AFRICA SOVEREIGN RATINGS

05/12/2016	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	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*)

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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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](mailto:caroline.ferreira@eaglestone.eu)

### Research

**Tiago Bossa Dionísio**

(+351) 211 214 431

[tiago.dionisio@eaglestone.eu](mailto:tiago.dionisio@eaglestone.eu)