



## **Africa Weekly: Producers complying with oil cut deal so far**

### **Top Political News**

**South African** President Jacob Zuma is considering the possibility of appointing his ex-wife, Nkosazana Dlamini-Zuma, to his cabinet when she ends her term as the chairwoman of the African Union Commission later this month. If confirmed, this appointment could eventually boost Dlamini-Zuma's chances of replacing Zuma as the leader of the ANC. **Nigeria's** Senate approved the government's expenditure plan for 2017-19. The Senate also recommended the following assumptions (1) oil price of US\$ 44.5 (vs. the government's proposal of US\$ 42.5), (2) crude output of 2.2 million bpd, (3) GDP growth of 2.5% and (4) an exchange rate of 305 naira/US\$. **Gambia's** former President Yahya Jammeh renounced power on Saturday and went into exile in Equatorial Guinea, ending a political crisis that began by his refusal to accept defeat in the December presidential elections. The new President, Adama Barrow, is expected to arrive in the Gambian capital this week with the help of local and international armed forces that have helped stabilize the country.

### **Top Economic News**

**Ghana's** new government said it plans to review the country's US\$ 918 million loan agreement with the IMF in order to free up more money for economic growth plans. President Nana Akufo-Addo promised to accelerate growth by cutting taxes and providing incentives for building factories. **Uganda's** Finance Ministry said that growth in the country could accelerate to 5.5% next fiscal year, boosted by higher spending on the oil industry. The Ministry added that the country's growth prospects are also expected to improve from private-sector credit growth, enhanced agriculture and industry output and an expected recovery in the global economy in 2018.

### **Currencies**

**Nigeria's** Vice-President Yemi Osinbajo said that the country needed to advance on foreign currency policy and that discussions are underway with the central bank on how to narrow the gap between the official exchange rate and black market rate as quickly as possible.

### **Commodities**

**OPEC** announced that its output fell for the first time in seven months in December. Production fell by 220,900 barrels a day to 33.085 million a day last month, led by the declines in Saudi Arabia and in Nigeria. Meanwhile, OPEC's secretary-general, Mohammad Barkindo, said that all the 24 countries that agreed to cut their output are making a huge effort to comply with what they pledged. In terms of price, Barkindo said that the current price of around US\$ 55 a barrel is still "far from the equilibrium price". **Saudi Arabia's** Energy Minister said that an extension of the current deal to cut production beyond the agreed end-June date is unlikely to be necessary because the cuts, coupled with rising global oil demand, will be able to eliminate the current excess supply.

### **Eurobonds**

**Mozambique** missed a coupon payment on its Eurobond on January 18, possibly making this the first sovereign debt default in Africa in the last five years. The government has a 15-day grace period from this date after which the country would be in default. This may force bondholders to end a standoff and begin negotiations with the local authorities. However, some investors say that this decision by the local government could be damaging to the debt-restructuring process, as they view this as a strategic default and not a decision driven by the country's inability to make the coupon payment.

### **Capital Markets**

23 January 2017

**Tiago Bossa Dionísio**

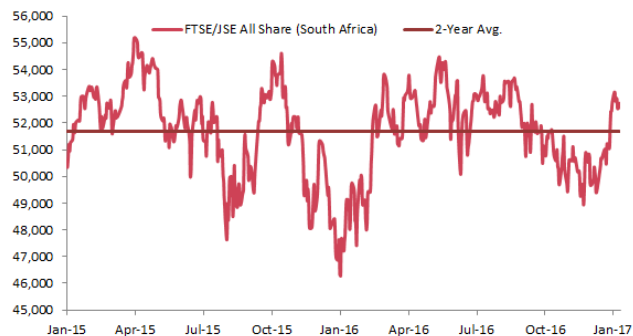
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Stock Markets Index (Country)	23/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Africa</b>							
FTSE/JSE All Share (South Africa)	52,714.88	-0.83%	6.71%	10.60%	4.07%	46,582.05	54,704.22
EGX 30 (Egypt)	12,954.65	-2.34%	4.30%	126.74%	4.94%	5,713.35	13,544.42
Gaborone Domestic Index (Botswana)	9,342.48	-0.69%	-0.40%	-11.52%	-0.62%	9,342.48	10,531.88
Nairobi SE All Share (Kenya)	124.04	-0.19%	-5.97%	-9.11%	-6.97%	123.94	147.56
All Share Index (Nigeria)	26,223.54	-0.57%	-0.99%	10.06%	-2.42%	23,311.95	31,073.32
Ghana Stock Exchange (Ghana)	1,759.27	1.36%	5.79%	-12.04%	4.15%	1,507.84	2,008.24
Namibia Overall Index (Namibia)	1,100.39	-1.32%	4.80%	38.08%	2.98%	783.35	1,136.88
Tanzania All Share Index (Tanzania)	2,133.05	0.26%	-5.24%	-5.24%	-2.97%	1,978.68	5,004.67
<b>Americas</b>							
Dow Jones Industrial Avg. (USA)	19,827.25	-0.32%	-0.53%	23.20%	0.33%	15,503.01	19,999.63
S&P 500 (USA)	2,271.31	0.04%	0.33%	19.11%	1.45%	1,810.10	2,282.10
Nasdaq (USA)	5,555.33	0.14%	1.70%	21.00%	3.20%	4,209.76	5,584.26
Ibovespa (Brazil)	64,521.18	1.37%	11.36%	69.65%	7.13%	37,112.35	65,291.06
<b>Europe</b>							
Euro Stoxx 50 (Europe)	3,269.99	-0.74%	-0.12%	8.16%	-0.62%	2,672.73	3,334.44
FTSE 100 (UK)	7,137.51	-2.59%	0.98%	20.97%	-0.07%	5,499.51	7,354.14
DAX (Germany)	11,532.34	-0.19%	0.72%	18.10%	0.45%	8,699.29	11,692.27
PSI 20 (Portugal)	4,582.68	0.13%	-1.14%	-5.19%	-2.06%	4,175.28	5,222.69
IBEX 35 (Spain)	9,301.70	-1.15%	-0.70%	6.64%	-0.54%	7,579.80	9,552.10
CAC (France)	4,810.25	-1.47%	-0.61%	10.92%	-1.07%	3,892.46	4,929.60
SMI (Switzerland)	8,202.37	-1.92%	-0.37%	-0.83%	-0.21%	7,425.05	8,473.86
<b>Asia</b>							
Nikkei 225 (Japan)	18,891.03	-1.07%	-2.76%	11.40%	-1.17%	14,864.01	19,615.40
Topix (Japan)	1,514.63	-1.05%	-1.89%	10.22%	-0.26%	1,192.80	1,558.75
Hang Seng (Hong Kong)	6,634.15	0.94%	6.65%	19.69%	3.61%	5,261.43	7,065.02
Shanghai All Share (China)	3,284.57	1.07%	0.86%	7.60%	1.08%	2,760.92	3,456.92
CSI 300 (China)	3,364.08	1.34%	1.71%	8.05%	1.63%	2,821.22	3,583.72

Sources: Bloomberg and Eaglestone Securities.

**JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX**



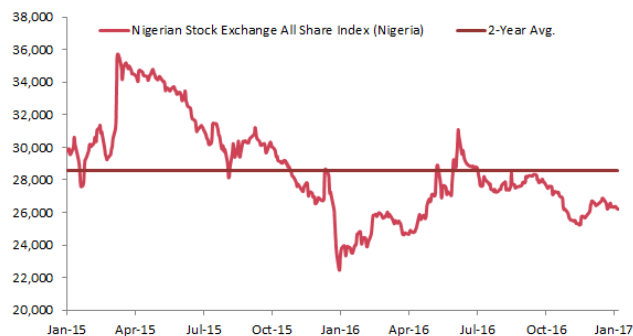
Sources: Bloomberg and Eaglestone Securities.

**EGYPT STOCK EXCHANGE (EGX 30)**



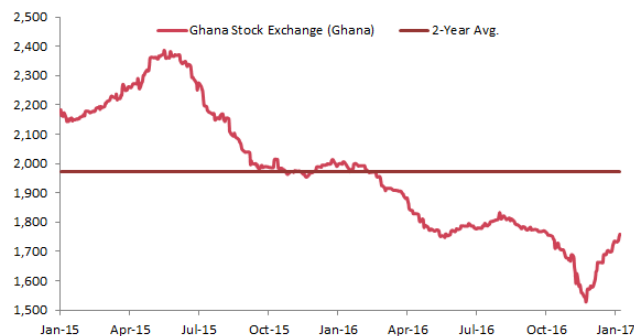
Sources: Bloomberg and Eaglestone Securities.

**NIGERIAN STOCK EXCHANGE**



Sources: Bloomberg and Eaglestone Securities.

**GHANA STOCK EXCHANGE**

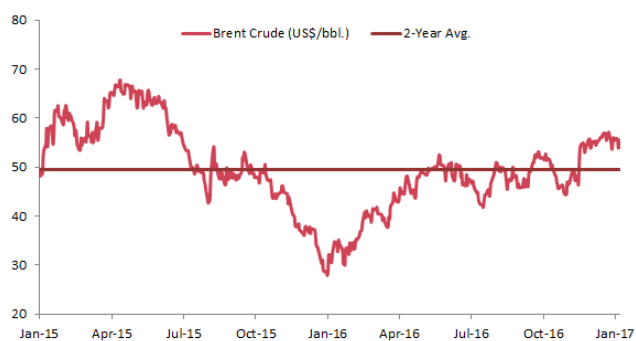


Sources: Bloomberg and Eaglestone Securities.

Commodities	23/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Energy</b>							
WTI Crude (US\$/bbl.)	52.83	0.88%	-0.36%	64.12%	-1.66%	26.05	55.24
Brent Crude (US\$/bbl.)	55.23	-1.13%	0.13%	71.63%	-2.80%	29.27	58.37
Natural Gas (US\$/MMBtu)	3.21	-6.03%	-12.26%	50.21%	-13.72%	1.61	3.99
Gasoline (US\$/gal.)	156.37	-2.98%	-3.84%	44.28%	-6.09%	89.75	170.95
Coking Coal (US\$/ton)	173.99	-3.97%	-31.48%	128.72%	-24.61%	75.25	308.80
<b>Precious Metals</b>							
Gold (US\$/oz.)	1,211.00	1.24%	6.99%	10.46%	5.15%	1,094.40	1,377.50
Silver (US\$/oz.)	17.10	1.97%	8.86%	21.61%	6.92%	14.02	21.09
Platinum (US\$/oz.)	978.44	-0.44%	9.72%	13.93%	8.34%	829.65	1,194.64
<b>Other Metals</b>							
Copper (US\$/lb.)	264.10	-1.82%	6.81%	31.89%	5.41%	198.10	274.00
Aluminum (US\$/MT)	1,845.00	1.99%	7.21%	25.60%	8.98%	1,469.00	1,858.00
Zinc (US\$/MT)	2,767.00	-0.84%	4.93%	86.58%	7.41%	1,496.00	2,985.00
Tin (US\$/MT)	20,210.00	-4.42%	-3.39%	49.98%	-4.33%	13,555.00	22,000.00
Iron Ore (US\$/ton)	80.41	-0.16%	0.99%	93.25%	1.95%	41.08	83.65
<b>Agriculture</b>							
Cocoa (US\$/MT)	2,140.00	-4.04%	-5.14%	-23.84%	0.66%	2,106.00	3,237.00
Coffee (US\$/lb.)	153.20	2.41%	6.50%	37.28%	11.78%	111.35	176.00
Sugar (US\$/lb.)	20.32	-0.97%	11.96%	40.92%	4.15%	12.45	23.90
Cotton (US\$/lb.)	73.53	1.74%	5.24%	17.74%	4.08%	55.66	77.80
Corn (US\$)	369.25	3.00%	6.80%	-0.27%	4.90%	301.00	439.25
Wheat (US\$)	429.00	0.70%	9.02%	-9.78%	5.15%	359.50	524.00
Soy (US\$)	1,063.25	1.99%	7.51%	21.31%	6.70%	849.00	1,208.50

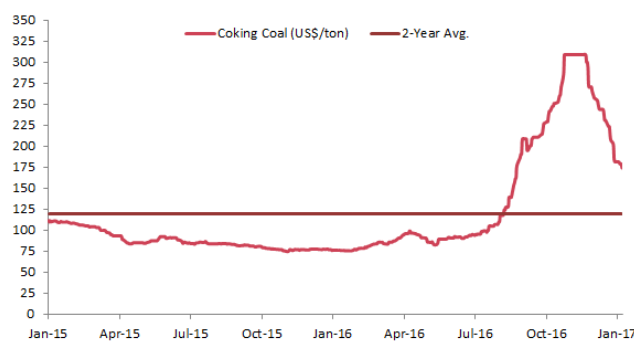
Sources: Bloomberg and Eaglestone Securities.

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



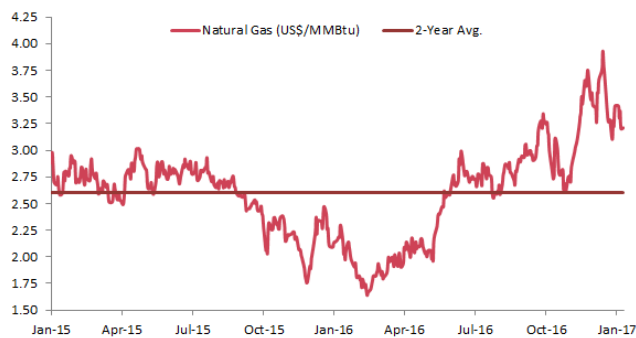
Sources: Bloomberg and Eaglestone Securities.

**COKING COAL (US\$/TON)**



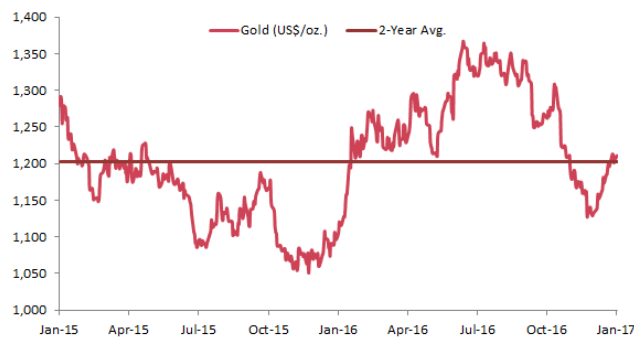
Sources: Bloomberg and Eaglestone Securities.

**NATURAL GAS (US\$/MM Btu)**



Sources: Bloomberg and Eaglestone Securities.

**GOLD (US\$/OZ.)**

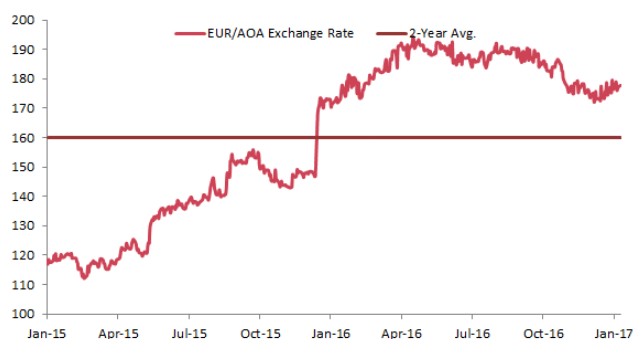


Sources: Bloomberg and Eaglestone Securities.

Currencies	23/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Kwanza (Angola)</b>							
Dollar (USA)	166.70	0.50%	-0.02%	-4.78%	0.94%	155.18	169.65
Euro	177.81	0.08%	-2.50%	-3.14%	-1.95%	167.76	196.44
Sterling (UK)	206.22	-1.98%	-1.25%	9.68%	-0.77%	198.78	253.90
Rand (South Africa)	12.26	0.02%	-3.38%	-21.69%	-1.19%	9.37	12.82
Real (Brazil)	52.31	-1.03%	-3.11%	-25.80%	-2.59%	37.69	54.44
<b>Metical (Mozambique)</b>							
Dollar (USA)	70.40	0.55%	2.99%	-32.78%	1.40%	43.71	79.38
Euro	75.51	-0.65%	-1.11%	-32.95%	-0.57%	47.67	89.22
Sterling (UK)	87.57	-2.64%	1.66%	-23.80%	0.65%	63.92	104.52
Rand (South Africa)	5.20	-0.66%	-0.53%	-45.03%	0.19%	0.48	5.82
<b>Rand (South Africa)</b>							
Dollar (USA)	13.53	1.09%	3.50%	22.30%	1.59%	13.17	16.65
Euro	14.51	-0.12%	0.94%	23.70%	-0.40%	14.19	18.30
Sterling (UK)	16.83	-2.05%	2.24%	40.08%	0.70%	16.20	23.76
Real (Brazil)	4.27	-1.06%	0.28%	-5.26%	-1.41%	3.77	4.69
<b>Naira (Nigeria)</b>							
Dollar (USA)	310.50	1.47%	1.49%	-35.95%	1.56%	196.50	350.25
Euro	337.89	-1.09%	-1.99%	-36.14%	-1.86%	213.30	390.34
<b>Euro</b>							
Dollar (USA)	1.07	1.19%	2.59%	-1.12%	2.00%	1.03	1.16
Sterling (UK)	0.86	2.03%	-1.23%	-11.70%	-1.02%	0.75	0.94
Franc (Switzerland)	1.07	-0.08%	0.03%	2.40%	-0.10%	1.06	1.12
Yen (Japan)	121.95	-0.73%	0.58%	5.24%	0.84%	109.57	132.32

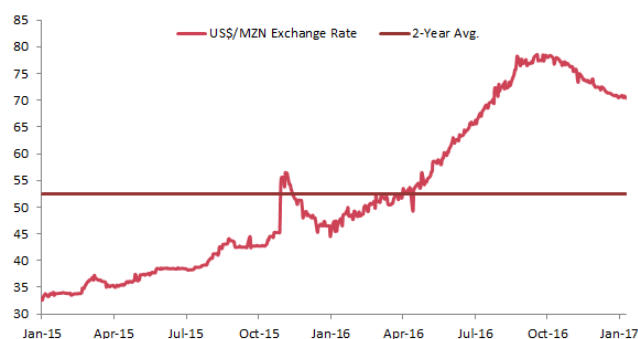
Sources: Bloomberg and Eaglestone Securities.

## EUR/AOA EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

## US\$/MZN EXCHANGE RATE



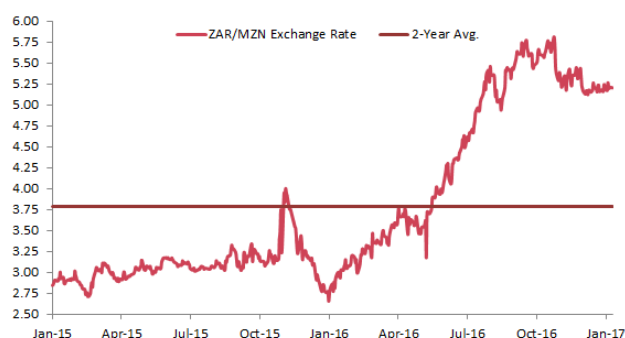
Sources: Bloomberg and Eaglestone Securities.

## US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

## ZAR/MZN EXCHANGE RATE

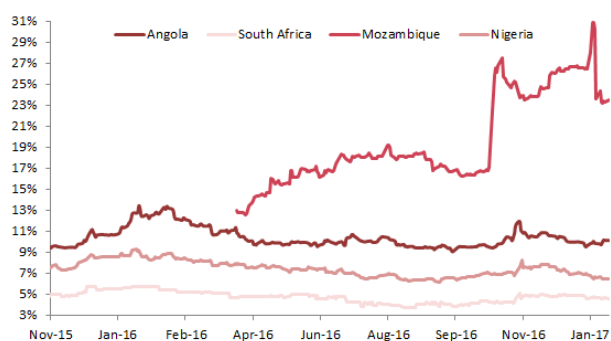


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	23/01/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Angola</b> (12/11/2025; 9.5%)	96.493 10.106%	-1.901% 0.341%	-0.830% 0.147%	15.562% -1.907%	-0.786% 0.139%	79.227 9.037%	102.821 13.369%
<b>Dem. Republic of Congo</b> (30/06/2029; 4.0%)	64.875 11.170%	n.a. -0.012%	n.a. 0.070%	-11.206% 2.408%	-0.069% 0.070%	63.918 8.861%	75.560 11.241%
<b>Ethiopia</b> (11/12/2024; 6.625%)	91.317 8.138%	-1.633% 0.289%	-1.327% 0.240%	6.152% -0.728%	-1.376% 0.247%	81.951 6.543%	100.526 9.679%
<b>Gabon</b> (16/06/2025; 6.95%)	93.129 8.092%	-2.399% 0.414%	-1.112% 0.190%	23.610% -2.282%	-1.044% 0.178%	71.159 7.489%	96.907 12.208%
<b>Ghana</b> (07/08/2023; 7.875%)	98.118 8.252%	-2.892% 0.628%	-0.755% 0.158%	35.741% -3.364%	-0.757% 0.157%	67.811 7.652%	101.277 15.177%
<b>Ivory Coast</b> (03/03/2028; 6.375%)	97.317 6.721%	-2.280% 0.308%	-0.875% 0.116%	11.422% -1.095%	-0.863% 0.114%	85.940 5.551%	107.735 8.190%
<b>Kenya</b> (24/06/2024; 6.875%)	97.238 7.364%	-0.354% 0.063%	2.356% -0.383%	10.957% -1.339%	2.159% -0.354%	86.490 6.711%	101.276 9.072%
<b>Mozambique</b> (18/01/2023; 10.5%)	59.638 23.447%	3.865% -0.883%	-1.835% -2.625%	n.a. 19.514%	-1.286% -2.870%	53.636 12.625%	91.006 30.906%
<b>Namibia</b> (29/10/2025; 5.25%)	98.950 5.401%	-0.553% 0.081%	1.098% -0.151%	8.985% -0.941%	1.279% -0.176%	90.276 4.183%	108.164 6.565%
<b>Nigeria</b> (12/07/2023; 6.375%)	98.799 6.606%	-0.663% 0.130%	1.635% -0.293%	12.045% -1.502%	1.727% -0.310%	86.439 6.122%	101.497 8.857%
<b>Rwanda</b> (02/05/2023; 6.625%)	99.576 6.706%	-0.504% 0.101%	0.076% -0.015%	7.176% -1.031%	-0.185% 0.037%	92.145 6.052%	103.140 8.059%
<b>Senegal</b> (30/07/2024; 6.25%)	99.119 6.399%	-1.046% 0.183%	-0.893% 0.156%	12.883% -1.450%	-1.072% 0.188%	87.143 5.382%	105.862 8.306%
<b>Seychelles</b> (01/01/2026; 7.0%)	100.850 7.727%	n.a. -0.012%	n.a. -0.012%	7.874% -0.886%	0.143% -0.012%	93.122 7.684%	101.003 8.785%
<b>South Africa</b> (16/09/2025; 5.875%)	109.125 4.583%	0.368% -0.055%	2.010% -0.280%	n.a. -0.900%	1.986% -0.276%	101.250 3.686%	117.370 5.703%
<b>Zambia</b> (30/07/2027; 8.97%)	98.569 9.185%	-1.805% 0.280%	-0.663% 0.103%	40.474% -3.300%	-0.508% 0.079%	65.356 8.666%	102.362 15.426%

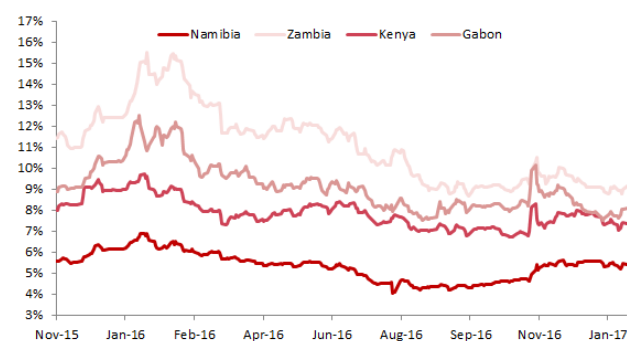
Sources: Bloomberg and Eaglestone Securities.

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



Sources: Bloomberg and Eaglestone Securities.

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



Sources: Bloomberg and Eaglestone Securities.

## AFRICA SOVEREIGN RATINGS

23/01/2017	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**)

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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.

## EAGLESTONE SECURITIES

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