



Africa Weekly: SA's Gordhan said he is "here to stay"

Top Political News

South Africa's Finance Minister Pravin Gordhan was summoned to appear in court early next month over fraud charges. This news initially had a significant impact on the rand as it is seen as a major setback in the country's efforts to keep its investment grade rating in a review due later this year. He later said that he has no intention of quitting his post unless instructed otherwise by President Zuma. A UN envoy stated there is "extreme risk" to the stability of the **Democratic Republic of Congo** as the rising political differences over President Kabila's future will likely lead to large-scale violence in the country. Also on this topic, the European Union is reportedly preparing to issue economic sanctions to the DRC unless its ruling coalition holds elections early next year. German Chancellor Angela Merkel said that she plans to make **Africa** a priority for Germany's G20 presidency next year and outlined plans for a conference to be held in Berlin in mid-2017. **Ethiopia's** government blamed Egypt for supporting rebels in widespread anti-government protests that forced the declaration of the country's first state of emergency in a quarter-century.

Top Economic News

Mozambique's annual inflation rose to 24.9% in September (vs. 21.96% in Aug). The government recently stated that it expects inflation to reach 18% by year-end. In **Angola**, consumer prices were up 39.44% YoY last month from 38.18% in August. Consumer prices in Mozambique and Angola have surged in recent months largely as a result of the strong depreciation of the currency of both countries this year.

Commodities

The IEA announced that **OPEC** crude production rose to a record 33.64 million bpd last month (vs. 33.48 million in Aug and 33.43 million in July). Libyan production improved as port blockades ended while Iran pumped crude exceeding the 2011 pre-sanction levels. Saudi Arabia, Kuwait and UAE also kept supply at or near all-time highs in September. **Angola** is reportedly reassessing iron-ore projects due to the strong decline in prices. Ferrangol, the state-owned company, has stakes in Cassinga iron-ore mines that have been dormant for two years because of the slump in prices. Despite the near 30% year-to-date recovery to around US\$ 57 per ton in 2016, prices are significantly lower than the US\$ 150 level in early 2013. Ferrangol reportedly has no exact date to resume exploration activities. The **Mozambican** government is negotiating with Vale Mozambique the restart of transport of coal mined in Moatize, Tete province, along the Sena railway. The local authorities stated that they will ensure protection to allow railway operations to resume. Recall that Vale Mozambique decided to suspend coal shipment to the port of Beira for about two months following attacks against rail cars that resulted in some minor injuries to workers. The stoppage of these operations is reportedly causing Mozambique's state port and rail company CFM an estimated US\$ 50 million.

Credit Ratings

S&P's said the summons of Pravin Gordhan was not a huge surprise and considers it a distraction. It also said that **South Africa** needs to stick to its fiscal targets set in the budget in February in order to retain its investment grade credit rating. S&P's currently has a BBB- rating and negative outlook on South Africa.

Eurobonds

Nigeria's Debt Management Office said that it plans to raise as much as US\$ 4.5bn in the international market through 2018, starting with a US\$ 1bn Eurobond issue expected this year. Russia's VTB Group, who helped restructure **Mozambique's** debt, said that it doesn't know if the country can make the next coupon payment on its Eurobond due in January.

Capital Markets

17 October 2016

Tiago Bossa Dionísio

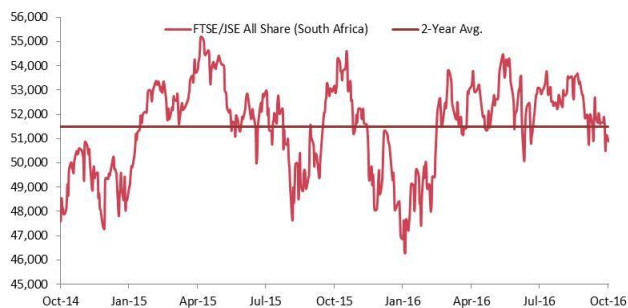
(+351) 211 214 431

tiago.dionisio@eaglestone.eu

Stock Markets Index (Country)	17/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Africa							
FTSE/JSE All Share (South Africa)	50,873.94	-1.55%	-1.85%	-3.91%	0.36%	45,975.78	54,760.91
EGX 30 (Egypt)	8,432.41	0.82%	5.68%	11.03%	20.36%	5,526.02	8,613.44
Gaborone Domestic Index (Botswana)	9,710.83	-0.81%	0.78%	-8.34%	-8.41%	9,504.24	10,654.72
Nairobi SE All Share (Kenya)	137.53	-0.45%	4.52%	0.43%	-5.61%	129.65	147.63
All Share Index (Nigeria)	27,861.03	0.09%	0.01%	-6.61%	-2.73%	22,330.96	31,073.32
Ghana Stock Exchange (Ghana)	1,770.56	0.14%	-0.81%	-10.93%	-11.25%	1,746.42	2,014.93
Namibia Overall Index (Namibia)	999.24	-3.20%	0.20%	-2.11%	15.45%	766.67	1,072.14
Tanzania All Share Index (Tanzania)	2,399.28	-2.75%	0.21%	0.36%	2.81%	2,172.97	5,004.67
Americas							
Dow Jones Industrial Avg. (USA)	18,138.38	-0.56%	0.08%	5.36%	4.09%	15,450.56	18,668.44
S&P 500 (USA)	2,132.98	-0.96%	-0.29%	4.91%	4.36%	1,810.10	2,193.81
Nasdaq (USA)	5,214.16	-1.48%	-0.58%	6.70%	4.13%	4,209.76	5,342.88
Ibovespa (Brazil)	61,767.22	1.85%	8.21%	30.76%	42.49%	37,046.07	62,038.64
Europe							
Euro Stoxx 50 (Europe)	3,020.59	-0.50%	2.91%	-7.48%	-7.56%	2,672.73	3,524.04
FTSE 100 (UK)	6,989.14	-1.53%	4.16%	9.58%	11.96%	5,499.51	7,129.83
DAX (Germany)	10,561.94	-0.58%	2.78%	4.53%	-1.69%	8,699.29	11,430.87
PSI 20 (Portugal)	4,619.05	1.60%	3.32%	-14.28%	-13.06%	4,175.28	5,625.06
IBEX 35 (Spain)	8,767.40	0.76%	1.55%	-14.31%	-8.14%	7,579.80	10,631.60
CAC (France)	4,465.12	-0.71%	3.06%	-5.05%	-3.71%	3,892.46	5,011.65
SMI (Switzerland)	8,064.19	-1.32%	-0.81%	-7.48%	-8.55%	7,425.05	9,080.56
Asia							
Nikkei 225 (Japan)	16,900.12	0.24%	2.31%	-7.61%	-11.21%	14,864.01	20,012.40
Topix (Japan)	1,352.56	0.14%	3.13%	-10.18%	-12.59%	1,192.80	1,609.76
Hang Seng (Hong Kong)	6,640.68	-3.51%	-0.94%	-4.19%	2.38%	5,261.43	7,072.10
Shanghai All Share (China)	3,184.15	-0.21%	1.30%	-10.35%	-14.04%	2,760.92	3,856.74
CSI 300 (China)	3,277.88	-0.49%	1.21%	-7.25%	-12.14%	2,821.22	3,926.69

Sources: Bloomberg and Eaglestone Securities.

JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



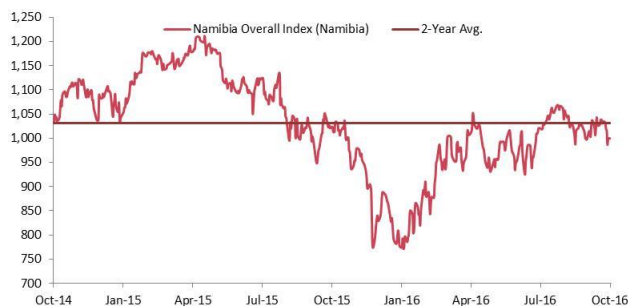
Sources: Bloomberg and Eaglestone Securities.

NIGERIA ALL SHARE INDEX



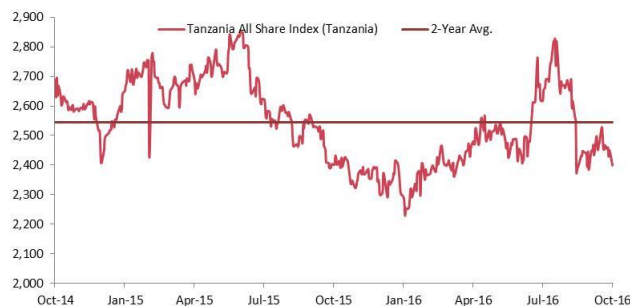
Sources: Bloomberg and Eaglestone Securities.

NAMIBIA OVERALL INDEX



Sources: Bloomberg and Eaglestone Securities.

TANZANIA ALL SHARE INDEX

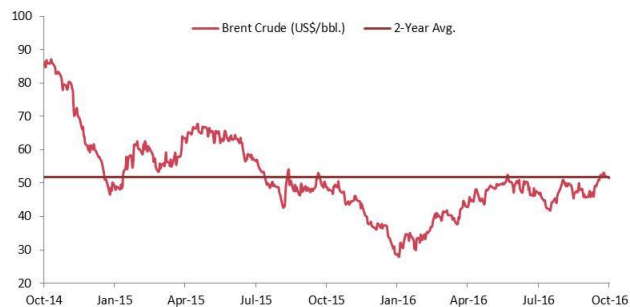


Sources: Bloomberg and Eaglestone Securities.

Commodities	17/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Energy							
WTI Crude (US\$/bbl.)	50.02	-2.59%	16.24%	5.84%	35.04%	26.05	51.67
Brent Crude (US\$/bbl.)	51.61	-2.88%	12.76%	2.28%	38.44%	27.10	53.73
Natural Gas (US\$/MMBtu)	3.24	-1.19%	9.77%	33.17%	38.47%	1.61	3.37
Gasoline (US\$/gal.)	149.15	-0.38%	2.05%	12.31%	17.71%	89.75	166.64
Coal (US\$/ton)	75.40	-1.76%	25.25%	45.98%	57.58%	42.65	77.00
Precious Metals							
Gold (US\$/oz.)	1,249.90	-0.60%	-4.31%	5.60%	17.89%	1,046.20	1,377.50
Silver (US\$/oz.)	17.43	-1.33%	-7.22%	8.14%	26.24%	13.64	21.09
Platinum (US\$/oz.)	938.36	-2.76%	-8.09%	-7.35%	5.25%	810.75	1,194.64
Other Metals							
Copper (US\$/lb.)	211.20	-3.89%	-1.84%	-12.13%	-1.08%	193.55	241.80
Aluminum (US\$/MT)	1,675.00	0.00%	5.61%	5.15%	11.15%	1,432.50	1,709.00
Zinc (US\$/MT)	2,258.00	-2.84%	-0.70%	24.27%	40.34%	1,444.50	2,418.00
Tin (US\$/MT)	19,450.00	-2.75%	1.30%	20.81%	33.63%	13,085.00	20,150.00
Iron Ore (US\$/ton)	57.28	2.54%	2.34%	3.92%	31.47%	38.30	70.46
Agriculture							
Cocoa (US\$/MT)	2,718.00	-2.41%	-4.60%	-12.58%	-15.35%	2,625.00	3,422.00
Coffee (US\$/lb.)	155.40	5.00%	5.14%	15.41%	22.65%	111.05	160.90
Sugar (US\$/lb.)	23.03	-0.43%	5.74%	61.39%	51.12%	12.45	23.90
Cotton (US\$/lb.)	70.38	4.48%	3.90%	10.23%	11.22%	55.66	77.80
Com (US\$)	356.00	3.71%	5.64%	-5.51%	-0.77%	301.00	439.25
Wheat (US\$)	422.50	4.64%	4.77%	-14.17%	-10.11%	359.50	530.75
Soy (US\$)	972.00	1.83%	0.62%	8.21%	11.56%	844.25	1,208.50

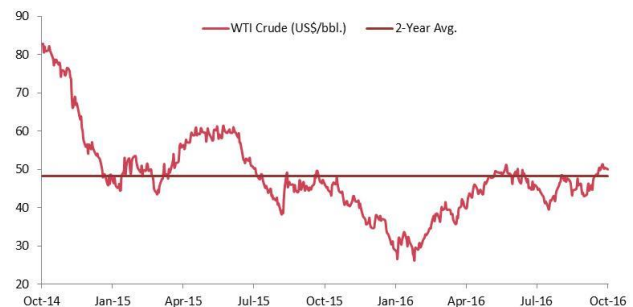
Sources: Bloomberg and Eaglestone Securities.

BRENT CRUDE (US\$/BARREL)



Sources: Bloomberg and Eaglestone Securities.

WTI CRUDE (US\$/BARREL)



Sources: Bloomberg and Eaglestone Securities.

PLATINUM (US\$/OZ.)



Sources: Bloomberg and Eaglestone Securities.

COPPER (US\$/LB.)

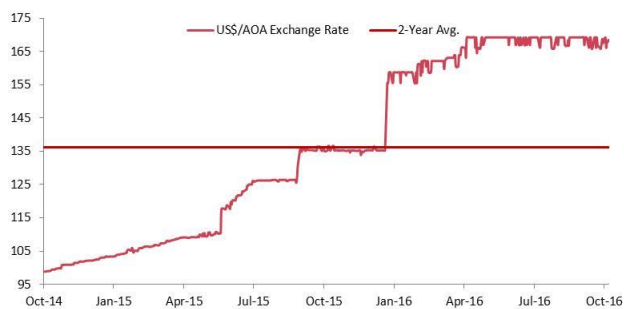


Sources: Bloomberg and Eaglestone Securities.

Currencies	17/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Kwanza (Angola)							
Dollar (USA)	168.51	-0.61%	0.42%	-19.23%	-19.75%	133.90	169.43
Euro	181.87	3.65%	2.07%	-15.72%	-19.27%	141.65	196.44
Sterling (UK)	201.52	3.81%	7.41%	3.83%	-1.11%	198.23	253.90
Rand (South Africa)	11.55	6.03%	2.60%	-11.89%	-24.38%	8.43	12.82
Real (Brazil)	51.74	1.97%	-1.85%	-32.70%	-34.01%	33.50	54.37
Metical (Mozambique)							
Dollar (USA)	77.77	-0.36%	-0.46%	-45.06%	-38.28%	42.42	79.20
Euro	86.06	-0.72%	0.52%	-43.76%	-39.44%	46.69	89.22
Sterling (UK)	95.95	-1.21%	5.12%	-31.14%	-26.28%	62.67	104.52
Rand (South Africa)	5.42	3.48%	1.90%	-40.71%	-42.79%	0.48	5.79
Rand (South Africa)							
Dollar (USA)	14.35	-3.74%	-2.30%	-7.36%	7.82%	13.01	17.92
Euro	15.74	-2.29%	-0.52%	-4.37%	6.84%	14.77	19.59
Sterling (UK)	17.44	-2.13%	4.68%	17.83%	30.73%	16.63	26.02
Real (Brazil)	4.47	-3.75%	-4.28%	-23.56%	-12.67%	3.32	4.69
Naira (Nigeria)							
Dollar (USA)	320.68	-2.07%	-1.69%	-37.87%	-37.85%	196.48	350.25
Euro	345.93	0.73%	4.66%	-34.77%	-37.45%	162.80	390.34
Euro							
Dollar (USA)	1.10	-1.50%	-1.82%	-3.13%	1.01%	1.05	1.16
Sterling (UK)	0.90	-0.15%	-4.96%	-18.83%	-18.33%	0.70	0.94
Franc (Switzerland)	1.09	0.71%	0.78%	-0.33%	0.13%	1.06	1.12
Yen (Japan)	114.36	0.92%	-0.40%	18.36%	14.24%	109.57	136.39

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

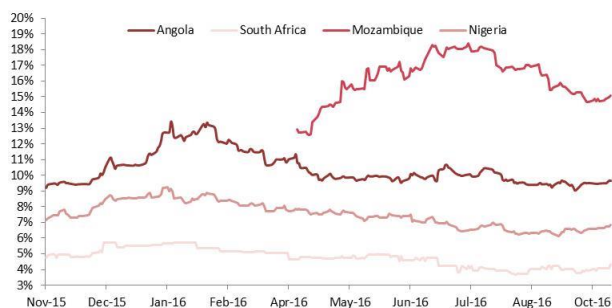


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	17/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Angola (12/11/2025; 9.5%)	98.892 8.684%	-1.116%	-0.496%	n.a.	6.507%	78.546	102.821
Dem. Republic of Congo (30/06/2029; 4.0%)	69.400 10.153%	-0.058%	0.875%	-16.428%	-11.698%	65.690	83.906
Ethiopia (11/12/2024; 6.625%)	95.423 7.381%	-3.828%	-2.361%	-1.031%	8.017%	81.873	100.526
Gabon (16/06/2025; 6.95%)	91.753 8.302%	-0.751%	1.027%	4.861%	15.012%	69.539	96.907
Ghana (07/08/2023; 7.875%)	94.883 8.890%	0.632%	3.066%	9.480%	19.605%	65.580	95.728
Ivory Coast (31/12/2032; 5.75%)	99.117 5.879%	-0.300%	0.175%	9.320%	11.114%	83.387	101.672
Kenya (24/06/2024; 6.875%)	98.459 7.137%	-0.011%	0.317%	5.680%	11.780%	83.891	100.892
Mozambique (18/01/2023; 10.5%)	81.824 15.051%	-1.430%	2.830%	n.a.	n.a.	69.252	91.006
Namibia (29/10/2025; 5.25%)	104.578 4.624%	-1.157%	-1.783%	n.a.	11.908%	88.305	108.164
Nigeria (12/07/2023; 6.375%)	96.812 6.974%	-1.205%	-2.295%	1.567%	9.541%	84.477	101.497
Rwanda (02/05/2023; 6.625%)	101.036 6.428%	-0.047%	-0.480%	2.552%	5.212%	91.981	103.140
Senegal (30/07/2024; 6.25%)	103.020 5.761%	-0.464%	0.263%	10.035%	14.876%	84.554	105.862
Seychelles (01/01/2026; 7.0%)	101.315 7.623%	#VALUE!	0.525%	7.992%	9.341%	92.105	102.877
South Africa (16/09/2025; 5.875%)	111.250 4.338%	-1.766%	-2.198%	n.a.	8.273%	98.300	117.370
Zambia (30/07/2027; 8.97%)	98.470 9.193%	-0.378%	0.189%	18.639%	24.029%	65.245	102.362
		0.056%	-0.027%	-1.942%	-2.357%	8.666%	15.463%

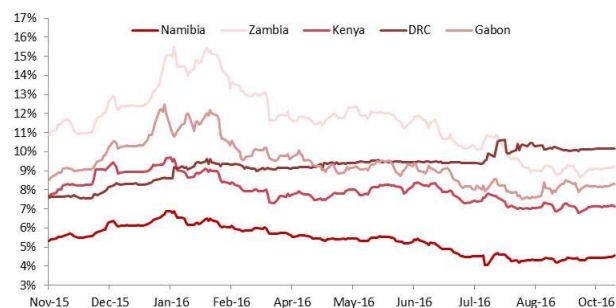
Sources: Bloomberg and Eaglestone Securities.

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

17/10/2016	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	CCC	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	B1	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.

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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