



## Africa Weekly: OPEC accord to be extended after YE2017?

### Politics

**South Africa's** High Court announced that President Jacob Zuma is legally required to show he acted rationally when he dismissed Finance Minister Pravin Gordhan and reshuffled other members of his administration. This announcement followed the lawsuit filed by the main opposition party, the Democratic Alliance, forcing Zuma to explain the reasons for his decisions. Meanwhile, Deputy President Cyril Ramaphosa has intensified his campaign to become the ANC's next leader and become the country's next president, as he started travelling throughout the country to speak out against corruption. Ramaphosa has already received the support from labor unions, church leaders and some of the ANC's most respected leaders. **Nigeria's** Senate approved a 21% increase in public expenditures in the 2017 budget in order to try to boost economic activity. About 30% of the budget will be spent on roads, rails, ports and power to help improve business activity. The budget assumes daily oil production of 2.2mn barrels/day sold at US\$42.5/barrel and an exchange rate of 305 naira/dollar. **Angola's** lawmakers plan to vote a proposal to amend the tax law that will allow taxpayers earning more than 60% of their income in foreign currency to pay taxes in that currency and not only in kwanzas, as stated by the current law.

### Economy

The IMF said that growth momentum in **Sub-Saharan Africa** remains fragile after growth in the region decelerated to 1.4% in 2016, the lowest level in more than two decades. The Fund added that a modest recovery of about 2.6% is expected in 2017, but this falls short of past trends and is too low to put the region back on the path of rising living standards. Growth this year will be driven by better oil production in Nigeria, higher public spending ahead of the elections in Angola and the fading of drought effects in South Africa. The IMF warned that strong and sound domestic policy measures are needed to restart the region's growth engine. The World Bank agreed a new country partnership framework with **Mozambique** worth US\$1.7bn for 2017-20. None of the funds will be in the form of budgetary support, but in concessional loans to support projects in key growth-enhancing sectors such as agriculture and energy. **Ivory Coast** has lowered its 2017 growth forecast to 8.5% from 8.9% to take into account the sharp drop in cocoa prices this year, which have been impacting public revenues.

### Commodities

**OPEC** discussed the possibility of increasing output cuts, in addition to the potential extension of its agreement into 2018. No conclusion was reached, however, with discussions likely to continue at its next official meeting to be held in Vienna on May 25. Saudi Arabia and Russia have suggested they could be willing to prolong the production cuts into 2018, intensifying efforts to rebalance the global oil market. **Libya** has reportedly raised its oil production to 780k barrels/day (from 700k at the end of April), its highest level since end-2014, and undermining the aforementioned efforts currently being carried out by OPEC and its partners. This largely resulted from the resumption of production at Sharara, the country's largest oil field, and its crude flowing to the Zawiya refinery after a three-week closure and the restart of El Feel last month, which was closed since April 2015.

### Eurobonds

**Ivory Coast** has reportedly raised its target for a planned Eurobond to US\$1.25bn from US\$1bn, also adding a new tranche of EUR500mn. The planned issue of a tranche in euros would be to reduce currency risk, as the CFA franc is pegged to the euro. The dollar-denominated bond will have a 15-year maturity while the euro one will be for six years. Both of them are expected to be priced in early-June.

### Capital Markets

15 May 2017

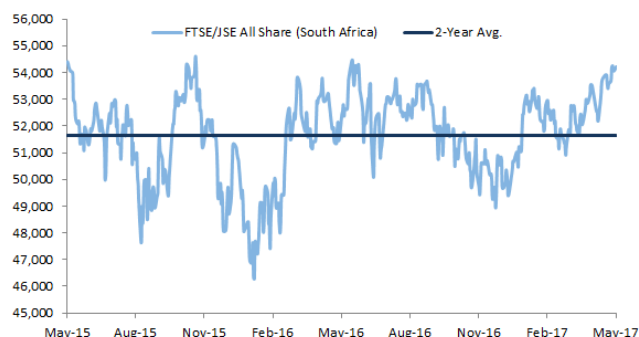
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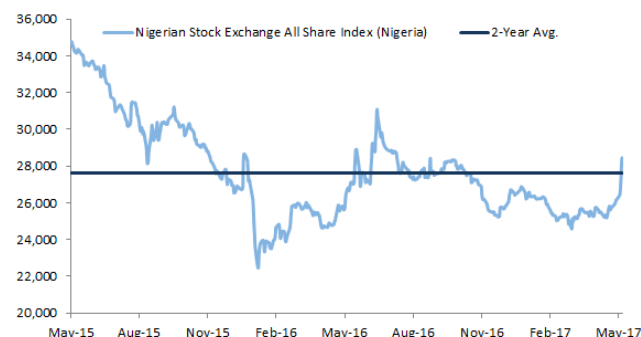
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Stock Markets Index (Country)	15/05/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Africa</b>							
FTSE/JSE All Share (South Africa)	54,194.63	0.93%	1.28%	5.02%	6.99%	48,935.90	54,704.22
EGX 30 (Egypt)	12,870.91	1.41%	-0.74%	74.57%	4.26%	6,831.59	13,544.42
Gaborone Domestic Index (Botswana)	9,377.01	0.14%	1.18%	-8.31%	-0.25%	9,005.95	10,213.02
Nairobi SE All Share (Kenya)	137.80	0.72%	2.01%	-6.07%	3.34%	119.62	147.50
All Share Index (Nigeria)	28,192.46	7.46%	10.52%	6.62%	4.90%	24,547.37	31,073.32
Ghana Stock Exchange (Ghana)	1,899.68	0.79%	0.94%	6.19%	12.47%	1,507.84	1,907.86
Namibia Overall Index (Namibia)	1,064.97	1.67%	-0.34%	14.40%	-0.34%	924.79	1,143.91
Tanzania All Share Index (Tanzania)	2,311.10	-1.66%	-1.07%	-8.03%	5.13%	1,978.68	2,829.99
<b>Americas</b>							
Dow Jones Industrial Avg. (USA)	20,896.61	-0.53%	2.17%	19.17%	5.74%	17,063.08	21,169.11
S&P 500 (USA)	2,390.90	-0.35%	2.66%	16.82%	6.79%	1,991.68	2,403.87
Nasdaq (USA)	6,121.23	0.34%	5.44%	29.75%	13.71%	4,574.25	6,133.00
Ibovespa (Brazil)	68,221.94	3.82%	8.59%	31.69%	13.27%	48,066.67	69,487.58
<b>Europe</b>							
Euro Stoxx 50 (Europe)	3,639.50	-0.07%	5.55%	23.10%	10.61%	2,678.27	3,666.80
FTSE 100 (UK)	7,458.11	2.15%	1.78%	21.50%	4.41%	5,788.74	7,460.20
DAX (Germany)	12,803.16	0.86%	5.73%	28.64%	11.52%	9,214.10	12,832.29
PSI 20 (Portugal)	5,226.50	-0.11%	5.32%	6.87%	11.70%	4,175.28	5,291.59
IBEX 35 (Spain)	10,936.60	-1.44%	5.91%	25.40%	16.94%	7,579.80	11,184.40
CAC (France)	5,408.45	0.47%	6.65%	25.20%	11.23%	3,955.98	5,442.10
SMI (Switzerland)	9,129.76	1.00%	5.80%	15.19%	11.07%	7,475.54	9,134.36
<b>Asia</b>							
Nikkei 225 (Japan)	19,869.85	-0.13%	8.37%	21.07%	3.95%	14,864.01	19,989.94
Topix (Japan)	1,580.00	-0.37%	8.29%	19.68%	4.04%	1,192.80	1,588.84
Hang Seng (Hong Kong)	7,290.48	3.32%	2.41%	26.61%	13.86%	5,715.15	7,322.13
Shanghai All Share (China)	3,236.20	0.38%	-4.80%	9.38%	-0.41%	2,910.60	3,456.92
CSI 300 (China)	3,399.19	1.20%	-2.50%	10.55%	2.69%	3,027.44	3,583.72

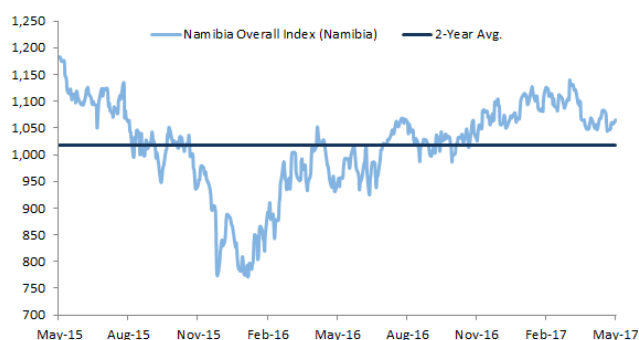
Sources: Bloomberg and Eaglestone Securities.

**JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX**

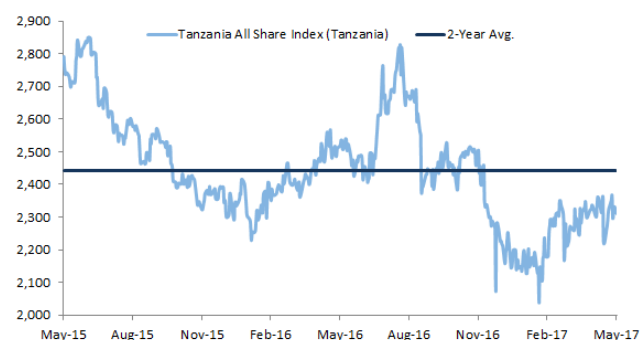
Sources: Bloomberg and Eaglestone Securities.

**NIGERIA STOCK EXCHANGE INDEX**

Sources: Bloomberg and Eaglestone Securities.

**NAMIBIA OVERALL INDEX**

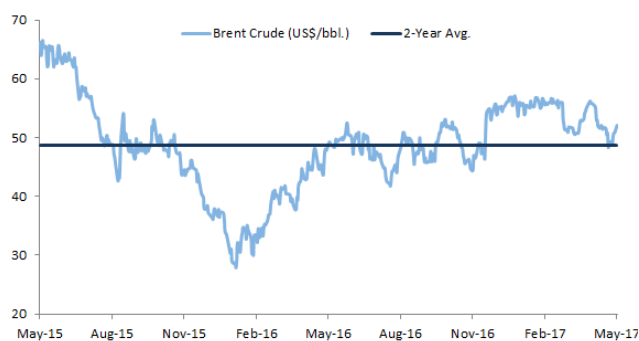
Sources: Bloomberg and Eaglestone Securities.

**TANZANIA ALL SHARE INDEX**

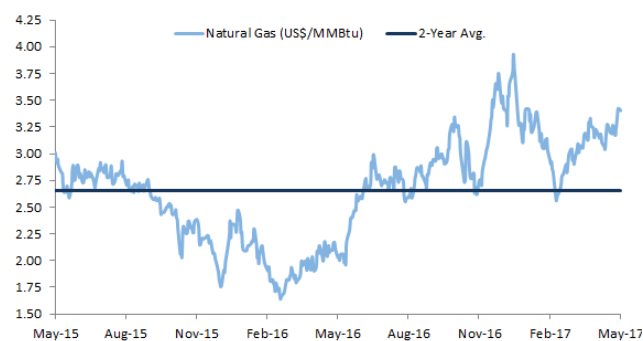
Sources: Bloomberg and Eaglestone Securities.

Commodities	15/05/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Energy</b>							
WTI Crude (US\$/bbl.)	49.02	5.58%	-7.82%	6.08%	-8.75%	39.19	55.24
Brent Crude (US\$/bbl.)	52.09	5.57%	-6.80%	8.91%	-8.32%	41.51	58.37
Natural Gas (US\$/MMBtu)	3.41	7.35%	5.52%	62.45%	-8.57%	1.91	3.99
Gasoline (US\$/gal.)	160.84	5.97%	-7.29%	1.27%	-3.41%	126.68	177.10
Coking Coal (US\$/ton)	183.50	-9.45%	-38.80%	101.76%	-20.49%	82.56	308.80
<b>Precious Metals</b>							
Gold (US\$/oz.)	1,230.30	0.26%	-4.32%	-3.33%	6.82%	1,123.90	1,377.50
Silver (US\$/oz.)	16.54	2.11%	-10.64%	-3.36%	3.45%	15.70	21.09
Platinum (US\$/oz.)	927.98	1.03%	-5.70%	-11.65%	2.76%	889.73	1,194.64
<b>Other Metals</b>							
Copper (US\$/lb.)	253.30	1.91%	-1.46%	22.07%	1.10%	201.30	282.30
Aluminum (US\$/MT)	1,891.00	-0.63%	-0.37%	22.39%	11.70%	1,532.00	1,981.00
Zinc (US\$/MT)	2,554.00	-1.08%	-1.84%	36.58%	-0.85%	1,809.00	2,985.00
Tin (US\$/MT)	19,845.00	1.38%	2.27%	19.01%	-6.06%	15,425.00	22,000.00
Iron Ore (US\$/ton)	61.38	-0.57%	-9.79%	11.50%	-22.18%	48.18	94.86
<b>Agriculture</b>							
Cocoa (US\$/MT)	2,045.00	9.59%	5.36%	-32.24%	-3.81%	1,805.00	3,237.00
Coffee (US\$/lb.)	132.60	-0.38%	-4.12%	3.43%	-3.25%	120.80	176.00
Sugar (US\$/lb.)	15.59	1.37%	-6.08%	-6.87%	-20.09%	15.12	23.90
Cotton (US\$/lb.)	84.93	10.61%	12.31%	40.10%	20.21%	60.60	85.09
Corn (US\$)	370.25	3.78%	-0.20%	-3.08%	5.18%	301.00	439.25
Wheat (US\$)	428.50	2.51%	-0.29%	-7.85%	5.02%	359.50	524.00
Soy (US\$)	964.75	0.89%	0.97%	-8.55%	-3.19%	929.75	1,208.50

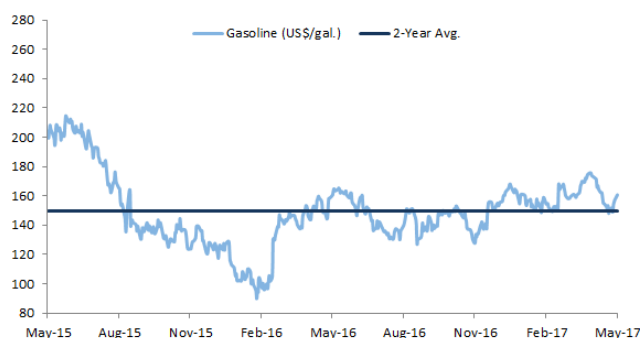
Sources: Bloomberg and Eaglestone Securities.

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

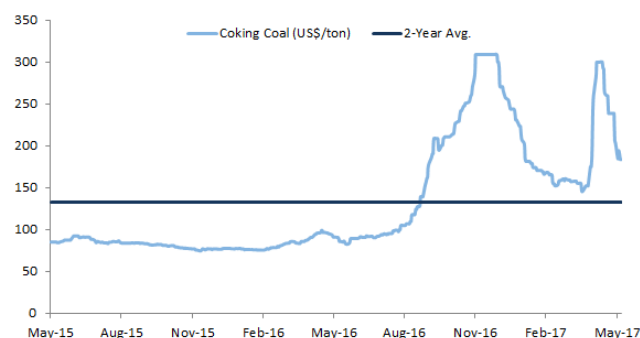
Sources: Bloomberg and Eaglestone Securities.

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

Sources: Bloomberg and Eaglestone Securities.

**GASOLINE (US\$/GAL)**

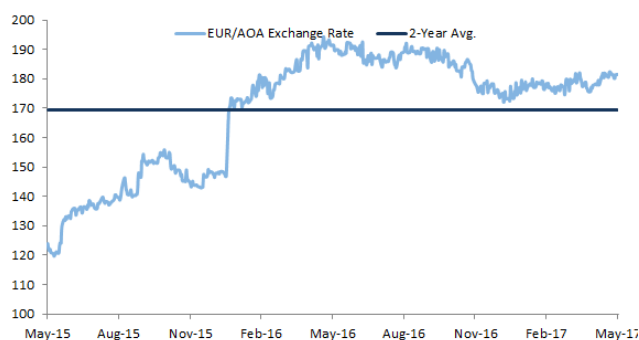
Sources: Bloomberg and Eaglestone Securities.

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

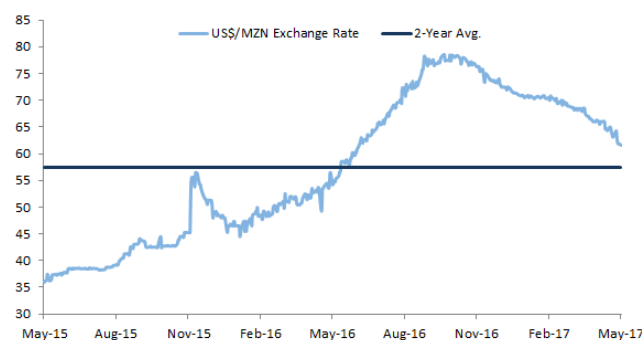
Sources: Bloomberg and Eaglestone Securities.

Currencies	15/05/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Kwanza (Angola)</b>							
Dollar (USA)	167.16	-0.74%	0.27%	1.23%	0.67%	163.78	169.65
Euro	181.52	-0.15%	-1.74%	5.54%	-3.95%	171.73	193.36
Sterling (UK)	214.44	0.12%	-1.81%	13.64%	-4.58%	198.78	253.90
Rand (South Africa)	12.51	-2.67%	0.74%	-13.57%	-3.22%	10.59	13.58
Real (Brazil)	53.13	-2.33%	1.79%	-9.04%	-4.09%	46.13	54.88
<b>Metical (Mozambique)</b>							
Dollar (USA)	61.61	3.88%	7.13%	-11.98%	15.86%	49.25	79.38
Euro	67.40	4.56%	4.22%	-8.92%	11.39%	54.98	89.22
Sterling (UK)	79.64	4.83%	4.13%	-1.93%	10.68%	71.74	104.52
Rand (South Africa)	4.65	1.11%	6.85%	-25.41%	12.24%	0.48	5.82
<b>Rand (South Africa)</b>							
Dollar (USA)	13.26	2.73%	0.28%	18.05%	3.62%	12.31	15.98
Euro	14.51	2.57%	-2.43%	22.26%	-0.38%	13.38	17.94
Sterling (UK)	17.14	2.87%	-2.53%	31.54%	-1.13%	15.45	23.34
Real (Brazil)	4.25	0.34%	1.03%	5.44%	-0.90%	3.92	4.69
<b>Naira (Nigeria)</b>							
Dollar (USA)	317.49	0.47%	-3.51%	-37.27%	-0.68%	197.00	350.25
Euro	344.88	1.23%	-5.50%	-34.66%	-3.84%	220.58	390.34
<b>Euro</b>							
Dollar (USA)	1.09	0.15%	2.79%	-3.37%	4.02%	1.03	1.14
Sterling (UK)	0.85	-0.26%	0.06%	-7.13%	0.84%	0.76	0.94
Franc (Switzerland)	1.09	-0.33%	-2.32%	1.11%	-2.05%	1.06	1.11
Yen (Japan)	124.37	-0.52%	-6.80%	-0.76%	-1.13%	109.57	124.59

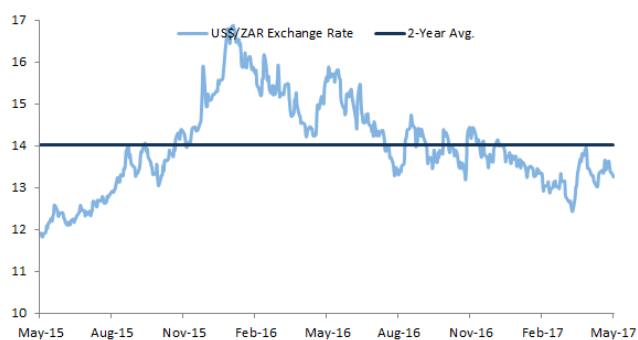
Sources: Bloomberg and Eaglestone Securities.

**EUR/AOA EXCHANGE RATE**

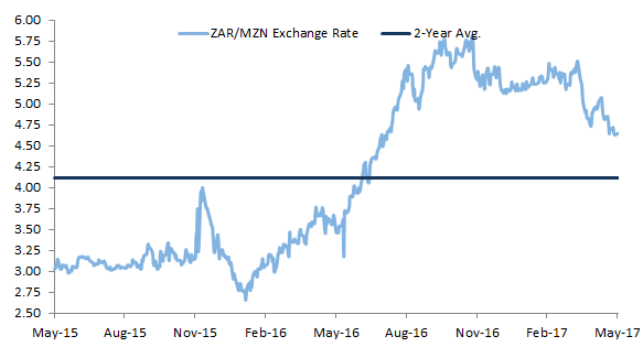
Sources: Bloomberg and Eaglestone Securities.

**US\$/MZN EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

**US\$/ZAR EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

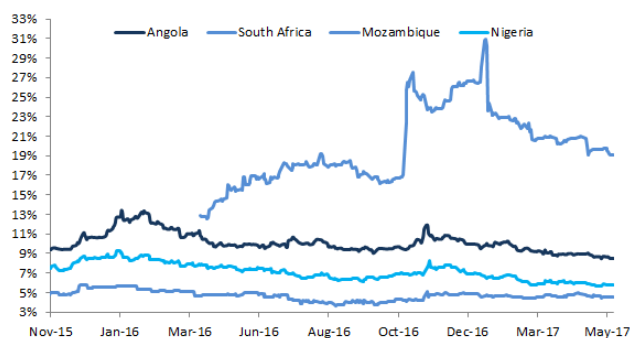
**ZAR/MZN EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	15/05/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Angola</b> (12/11/2025; 9.5%)	105.985 8.495%	0.878% -0.149%	2.648% -0.428%	7.650% -1.096%	8.974% -1.256%	85.813 8.475%	106.125 11.916%
<b>Dem. Republic of Congo</b> (30/06/2029; 4.0%)	78.500 8.903%	2.038% -0.238%	4.587% -0.496%	8.738% -0.528%	20.918% -1.762%	63.918 8.903%	78.688 11.248%
<b>Ethiopia</b> (11/12/2024; 6.625%)	101.050 6.446%	0.545% -0.091%	3.575% -0.544%	9.921% -1.213%	9.136% -1.185%	87.005 6.427%	101.168 8.836%
<b>Gabon</b> (16/06/2025; 6.95%)	100.460 6.873%	0.900% -0.143%	2.478% -0.377%	16.045% -1.715%	6.745% -0.907%	81.096 6.808%	100.875 10.115%
<b>Ghana</b> (07/08/2023; 7.875%)	100.091 7.852%	1.358% -0.268%	0.425% -0.086%	19.318% -2.337%	1.239% -0.238%	81.913 7.652%	101.277 11.564%
<b>Ivory Coast</b> (03/03/2028; 6.375%)	100.749 6.277%	0.153% -0.020%	n.a. -0.173%	5.222% -0.572%	2.633% -0.315%	94.100 5.551%	107.735 7.099%
<b>Kenya</b> (24/06/2024; 6.875%)	102.525 6.425%	0.854% -0.149%	2.204% -0.369%	8.143% -1.097%	7.714% -1.088%	90.762 6.413%	102.614 8.397%
<b>Mozambique</b> (18/01/2023; 10.5%)	74.397 19.100%	2.617% -0.598%	8.541% -1.686%	-5.677% 3.676%	23.143% -5.445%	53.636 15.854%	83.477 30.906%
<b>Namibia</b> (29/10/2025; 5.25%)	102.179 4.931%	0.606% -0.088%	2.658% -0.359%	2.600% -0.348%	4.584% -0.575%	97.369 4.183%	108.164 5.629%
<b>Nigeria</b> (12/07/2023; 6.375%)	103.233 5.742%	0.441% -0.087%	1.121% -0.216%	9.162% -1.264%	6.292% -0.985%	89.933 5.688%	103.594 8.233%
<b>Rwanda</b> (02/05/2023; 6.625%)	102.764 6.065%	0.584% -0.118%	1.211% -0.240%	4.043% -0.695%	3.010% -0.550%	93.364 6.051%	103.140 7.857%
<b>Senegal</b> (30/07/2024; 6.25%)	104.438 5.494%	1.333% -0.221%	2.421% -0.388%	9.830% -1.210%	4.237% -0.639%	91.875 5.382%	105.862 7.600%
<b>Seychelles</b> (01/01/2026; 7.0%)	103.445 7.357%	0.312% -0.048%	0.462% -0.065%	6.145% -0.723%	2.720% -0.363%	96.750 7.330%	103.662 8.160%
<b>South Africa</b> (16/09/2025; 5.875%)	108.925 4.573%	-0.069% 0.008%	1.680% -0.246%	n.a. -0.114%	1.799% -0.284%	105.750 3.686%	117.370 5.058%
<b>Zambia</b> (30/07/2027; 8.97%)	107.358 7.903%	0.392% -0.059%	3.259% -0.453%	30.455% -2.638%	8.364% -1.045%	80.679 7.806%	108.282 12.133%

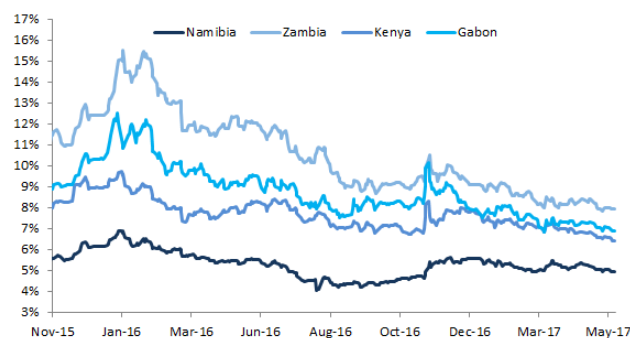
Sources: Bloomberg and Eaglestone Securities.

## 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

15/05/2017	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	SD	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	Ba3	B+	NR	NR	B	NR
Seychelles	NR	NR	BB-	NR	NR	B
South Africa	Baa2	BB+	BB+	P-2	B	B
Tunisia	Ba3	NR	B+	NR	NR	B
Uganda	B2	B	B+	NR	B	B

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

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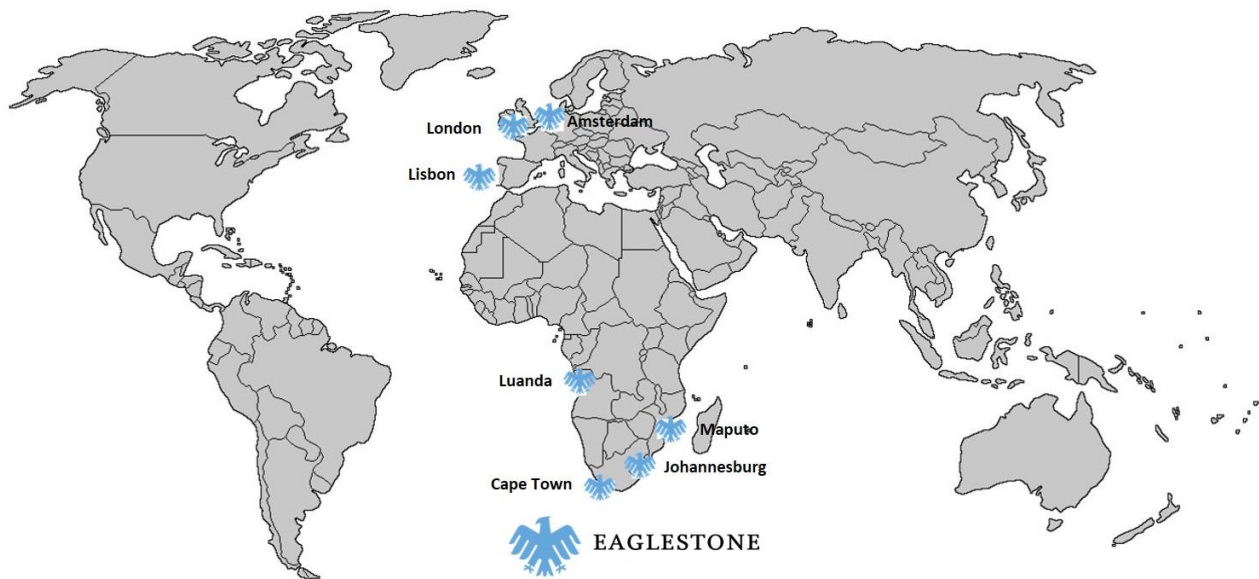
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## Disclosures

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, Johannesburg, Lisbon, London, 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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