



## Africa Weekly: Oil and politics dominate news headlines

### Top Political News

**Mozambique's** main opposition party leader Afonso Dhlakama has announced a permanent truce, saying that this was the result of the discussions that both Renamo and the government have had in recent weeks. This is a positive development that could lead to the signing of an agreement between both parts for a sustainable political solution in the country. **Nigerian** President Muhammadu Buhari missed his third consecutive weekly cabinet meeting, raising concerns about his health situation and his ability to govern the country. News over the weekend also indicated that the president has travelled to London once again for another medical check-up. Also on **Nigeria**, Senate Leader Ahmad Lawan said that he hopes that the country's budget will be ready for voting by May 9. The country's lawmakers in the Senate and House of Representatives must vote on whether to accept the budget by the constitutional deadline of June 30. **South Africa's** business leaders reportedly told President Jacob Zuma in a recent meeting that trust between the government and the private sector was destroyed after the developments in recent weeks, namely his decision to dismiss Pravin Gordhan as the country's Finance minister. On this topic, a high court in South Africa ordered Zuma to explain why he made the changes to his cabinet, marking another setback for the president who continues to face increasing protests and calls to resign.

### Central Banks

**South Africa's** central bank said that the country faces a high risk and probability of further downgrades to its credit ratings after the recent downgrades to junk by both S&P's and Fitch. Moody's, which has South Africa at the second-lowest investment grade level, plans to visit the country in the coming weeks to review its rating. The central bank warned that further downgrades could trigger high levels of selling off of bonds by foreign investors, which could also result in a significant depreciation of the rand. Regarding monetary policy, central bank governor Lesetja Kganyago said that the end of the interest rate hiking cycle does not mean that the central bank will start cutting rates. Investors are currently pricing in 20bp of rate cuts by the end of the year but Kganyago warned that investors may be "running ahead of themselves". **Nigeria** may lift foreign currency restrictions for importers of certain goods and allow them to access foreign currency on the country's interbank market. This would be the central bank's latest move to ease foreign-currency restrictions after it introduced a window for portfolio investors to trade at a market-determined exchange rate at the end of April. In June 2016, Nigeria's central bank removed a 197-199 naira to the dollar currency peg.

### Commodities

**Oil** was severely under pressure last week after data showed an expansion in US output, raising fears that it could undermine the efforts being carried out by OPEC and its partners to rebalance supply and demand in the world market. WTI fell below the US\$ 45 a barrel level for the first time since the agreement to cut oil output was signed in November 2016. Brent prices slid more than 7% in the week, registering a third weekly decline, but are recovering part of the losses in today's trading session. This recent performance comes despite the increasing odds of OPEC eventually deciding to extend the agreement beyond the June deadline when it next meets in Vienna, on May 25. Russia recently stated that extending the deal could make sense given the current situation in the oil market. Meanwhile, **Nigeria's** Oil minister said that the cartel is likely to extend oil-production cuts for another six months. Minister Kachikwu also said he expects Nigeria to pump about 2.4 million barrels per day (bpd) in one year (vs. 1.6 million bpd in April).

### Capital Markets

08 May 2017

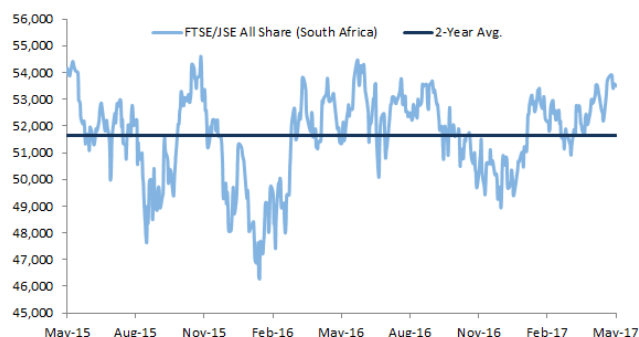
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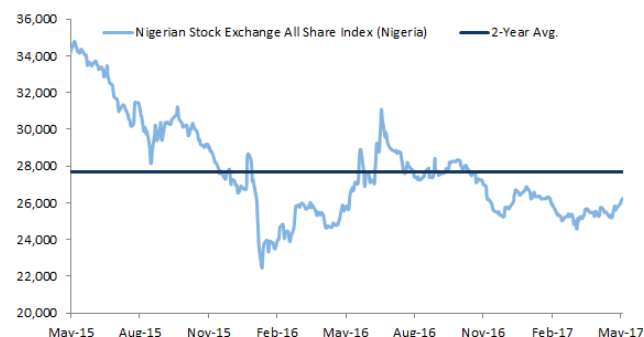
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Stock Markets Index (Country)	08/05/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Africa</b>							
FTSE/JSE All Share (South Africa)	53,509.55	-0.57%	1.24%	4.07%	5.64%	48,935.90	54,704.22
EGX 30 (Egypt)	12,692.15	1.33%	-3.10%	67.63%	2.81%	6,831.59	13,544.42
Gaborone Domestic Index (Botswana)	9,363.92	0.39%	1.11%	-9.18%	-0.39%	9,005.95	10,315.38
Nairobi SE All Share (Kenya)	135.22	1.46%	1.71%	-7.14%	1.41%	119.62	147.50
All Share Index (Nigeria)	26,235.63	1.87%	1.90%	2.08%	-2.38%	24,547.37	31,073.32
Ghana Stock Exchange (Ghana)	1,884.87	-0.03%	-0.71%	4.64%	11.59%	1,507.84	1,907.86
Namibia Overall Index (Namibia)	1,047.25	-3.33%	-0.10%	9.85%	-2.00%	924.79	1,143.91
Tanzania All Share Index (Tanzania)	2,328.02	4.81%	1.34%	-6.45%	5.90%	1,978.68	2,829.99
<b>Americas</b>							
Dow Jones Industrial Avg. (USA)	21,006.94	0.32%	1.70%	18.41%	6.30%	17,063.08	21,169.11
S&P 500 (USA)	2,399.29	0.63%	1.86%	16.63%	7.17%	1,991.68	2,400.98
Nasdaq (USA)	6,100.76	0.88%	3.79%	28.81%	13.33%	4,574.25	6,102.72
Ibovespa (Brazil)	65,709.73	1.60%	1.73%	27.05%	9.10%	48,066.67	69,487.58
<b>Europe</b>							
Euro Stoxx 50 (Europe)	3,646.56	2.44%	4.31%	24.17%	10.82%	2,678.27	3,666.80
FTSE 100 (UK)	7,292.20	1.23%	-0.78%	19.04%	2.09%	5,788.74	7,447.00
DAX (Germany)	12,708.19	2.17%	3.95%	28.76%	10.69%	9,214.10	12,762.04
PSI 20 (Portugal)	5,265.54	4.61%	5.72%	5.51%	12.53%	4,175.28	5,274.45
IBEX 35 (Spain)	11,111.10	3.69%	5.53%	27.68%	18.81%	7,579.80	11,184.40
CAC (France)	5,398.12	2.48%	5.12%	25.50%	11.02%	3,955.98	5,442.10
SMI (Switzerland)	9,010.44	2.24%	4.28%	16.48%	9.62%	7,475.54	9,016.96
<b>Asia</b>							
Nikkei 225 (Japan)	19,895.70	3.14%	4.81%	23.21%	4.09%	14,864.01	19,929.48
Topix (Japan)	1,585.86	3.15%	4.54%	21.99%	4.43%	1,192.80	1,587.23
Hang Seng (Hong Kong)	7,053.81	-1.67%	-1.21%	20.51%	10.16%	5,715.15	7,322.13
Shanghai All Share (China)	3,223.88	-2.41%	-6.33%	5.75%	-0.79%	2,910.50	3,456.92
CSI 300 (China)	3,358.81	-2.35%	-4.51%	7.30%	1.47%	3,027.44	3,583.72

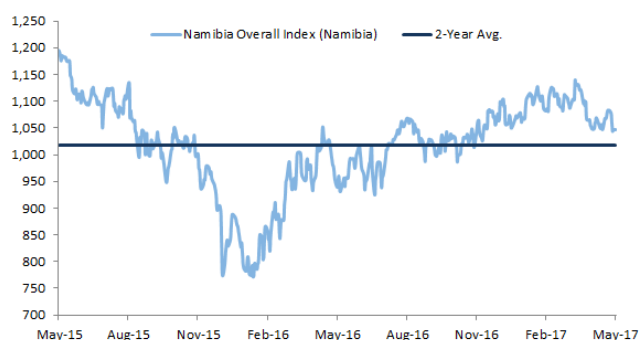
Sources: Bloomberg and Eaglestone Securities.

**JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX**

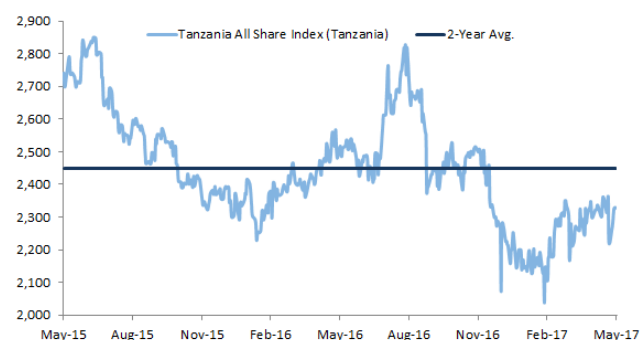
Sources: Bloomberg and Eaglestone Securities.

**NIGERIA STOCK EXCHANGE INDEX**

Sources: Bloomberg and Eaglestone Securities.

**NAMIBIA OVERALL INDEX**

Sources: Bloomberg and Eaglestone Securities.

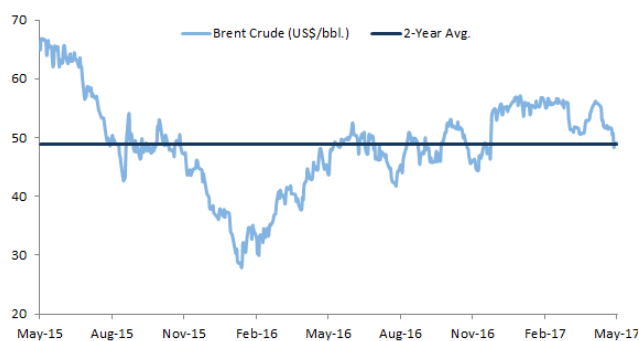
**TANZANIA ALL SHARE INDEX**

Sources: Bloomberg and Eaglestone Securities.

Commodities	08/05/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Energy</b>							
WTI Crude (US\$/bbl.)	46.11	-5.59%	-11.73%	3.25%	-14.17%	39.19	55.24
Brent Crude (US\$/bbl.)	49.01	-4.87%	-11.28%	8.02%	-13.75%	41.51	58.37
Natural Gas (US\$/MMBtu)	3.24	0.68%	-0.74%	54.07%	-13.08%	1.91	3.99
Gasoline (US\$/gal.)	150.41	-1.51%	-13.86%	0.53%	-9.67%	126.68	177.10
Coking Coal (US\$/ton)	184.37	-22.73%	-2.35%	94.71%	-20.11%	82.56	308.80
<b>Precious Metals</b>							
Gold (US\$/oz.)	1,231.40	-1.92%	-1.83%	-4.84%	6.92%	1,123.90	1,377.50
Silver (US\$/oz.)	16.34	-2.62%	-9.98%	-6.67%	2.20%	15.70	21.09
Platinum (US\$/oz.)	917.25	-1.52%	-2.33%	-12.21%	1.57%	889.73	1,194.64
<b>Other Metals</b>							
Copper (US\$/lb.)	248.00	-6.42%	-6.31%	15.30%	-1.02%	201.30	282.30
Aluminum (US\$/MT)	1,903.00	-1.09%	-2.96%	18.31%	12.40%	1,531.00	1,981.00
Zinc (US\$/MT)	2,582.00	-0.58%	-7.06%	38.74%	0.23%	1,809.00	2,985.00
Tin (US\$/MT)	19,575.00	-1.26%	-2.64%	12.82%	-7.34%	15,425.00	22,000.00
Iron Ore (US\$/ton)	61.73	-10.28%	-24.29%	2.46%	-21.73%	48.18	94.86
<b>Agriculture</b>							
Cocoa (US\$/MT)	1,866.00	1.19%	-11.61%	-40.40%	-12.23%	1,805.00	3,237.00
Coffee (US\$/lb.)	133.10	1.56%	-3.06%	10.09%	-2.88%	120.80	176.00
Sugar (US\$/lb.)	15.42	-4.70%	-8.05%	-2.03%	-20.96%	15.12	23.90
Cotton (US\$/lb.)	79.76	-0.59%	6.53%	29.42%	12.89%	60.25	81.56
Corn (US\$)	359.50	-2.64%	0.00%	-4.39%	2.13%	301.00	439.25
Wheat (US\$)	426.00	-3.78%	0.47%	-6.01%	4.41%	359.50	524.00
Soy (US\$)	960.25	0.13%	1.94%	-6.43%	-3.64%	929.75	1,208.50

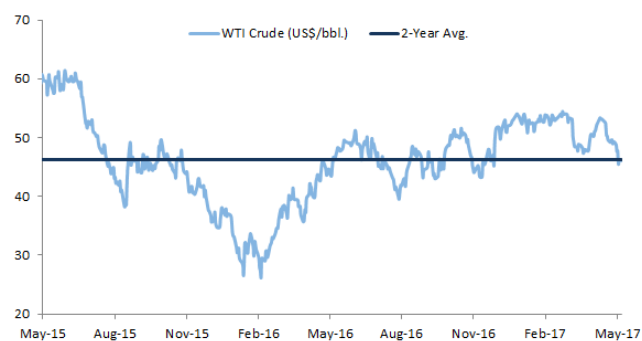
Sources: Bloomberg and Eaglestone Securities.

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



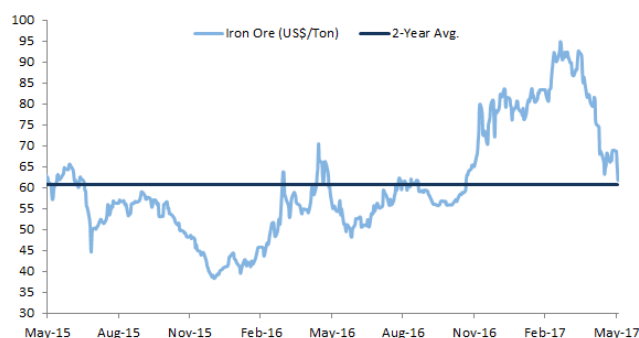
Sources: Bloomberg and Eaglestone Securities.

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



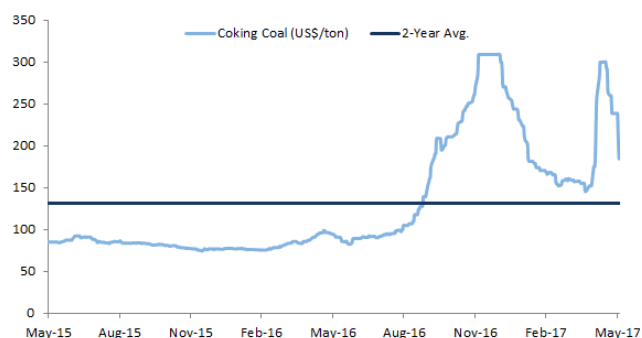
Sources: Bloomberg and Eaglestone Securities.

**IRON ORE (US\$/TON)**



Sources: Bloomberg and Eaglestone Securities.

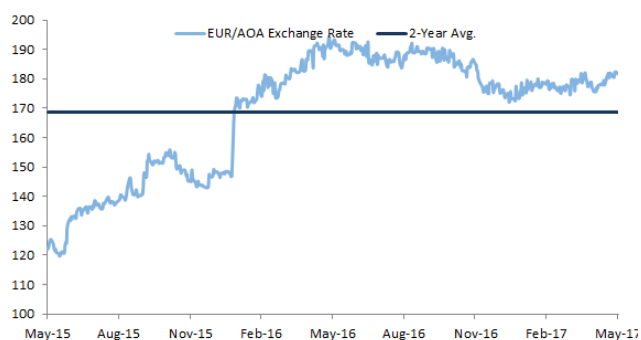
**COKING COAL (US\$/TON)**



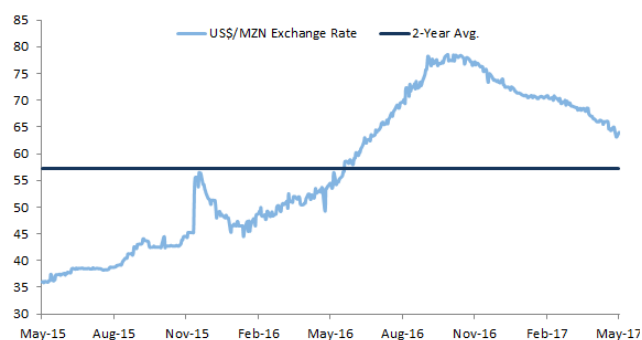
Sources: Bloomberg and Eaglestone Securities.

Currencies	08/05/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Kwanza (Angola)</b>							
Dollar (USA)	166.95	0.09%	0.42%	1.36%	0.80%	163.78	169.65
Euro	181.79	-0.53%	-3.36%	5.94%	-4.10%	171.73	193.68
Sterling (UK)	215.34	-0.72%	-4.40%	13.20%	-4.98%	198.78	253.90
Rand (South Africa)	12.28	0.83%	-3.17%	-9.15%	-1.35%	10.59	13.58
Real (Brazil)	52.24	-0.02%	1.33%	-7.90%	-2.47%	46.13	54.88
<b>Metical (Mozambique)</b>							
Dollar (USA)	64.00	1.56%	3.13%	-14.86%	11.53%	49.25	79.38
Euro	69.47	1.16%	0.67%	-10.73%	8.08%	54.98	89.22
Sterling (UK)	81.94	1.42%	0.02%	-4.18%	7.57%	71.74	104.52
Rand (South Africa)	4.74	2.41%	-0.08%	-24.16%	10.14%	0.48	5.82
<b>Rand (South Africa)</b>							
Dollar (USA)	13.51	-0.74%	3.26%	12.25%	1.69%	12.31	15.98
Euro	14.81	-1.27%	-0.17%	16.54%	-2.41%	13.38	17.94
Sterling (UK)	17.54	-1.46%	-1.23%	24.68%	-3.39%	15.45	23.34
Real (Brazil)	4.26	-0.86%	4.63%	1.37%	-1.13%	3.92	4.69
<b>Naira (Nigeria)</b>							
Dollar (USA)	316.99	-2.05%	-0.63%	-37.23%	-0.52%	197.00	350.25
Euro	345.45	-0.94%	-3.42%	-34.42%	-4.00%	220.58	390.34
<b>Euro</b>							
Dollar (USA)	1.10	0.55%	3.43%	-3.72%	4.20%	1.03	1.14
Sterling (UK)	0.84	0.17%	1.09%	-6.42%	1.09%	0.76	0.94
Franc (Switzerland)	1.09	-0.04%	-1.62%	1.76%	-1.31%	1.06	1.11
Yen (Japan)	123.33	-1.14%	-4.68%	-0.02%	-0.29%	109.57	124.65

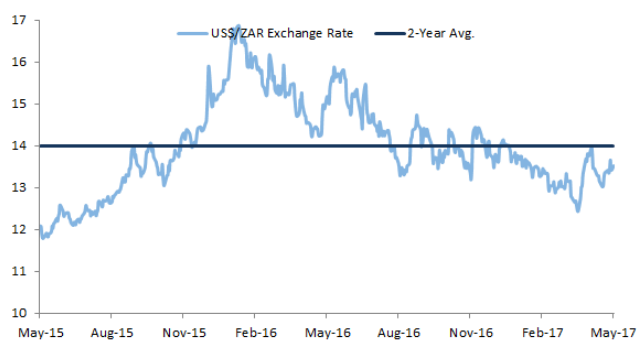
Sources: Bloomberg and Eaglestone Securities.

**EUR/AOA EXCHANGE RATE**

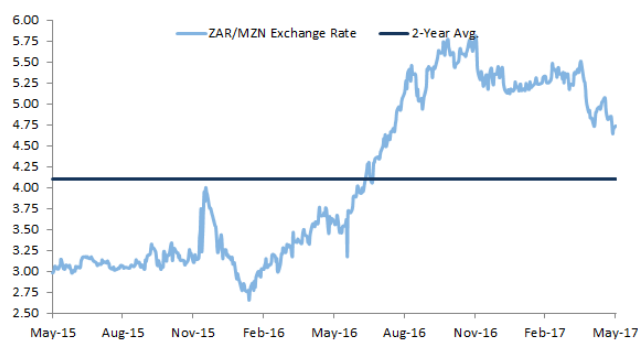
Sources: Bloomberg and Eaglestone Securities.

**US\$/MZN EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

**US\$/ZAR EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

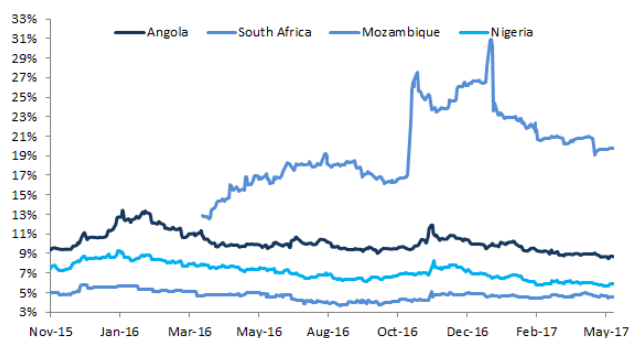
**ZAR/MZN EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	08/05/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Angola</b> (12/11/2025; 9.5%)	104.754 8.697%	-0.174% 0.029%	1.181% -0.199%	6.892% -1.001%	7.708% -1.110%	85.813 8.475%	106.125 11.916%
<b>Dem. Republic of Congo</b> (30/06/2029; 4.0%)	76.920 9.149%	0.720% -0.123%	2.646% -0.281%	5.551% -0.190%	18.484% -1.607%	63.918 9.149%	76.920 11.248%
<b>Ethiopia</b> (11/12/2024; 6.625%)	99.614 6.689%	-0.094% -0.075%	2.255% -0.356%	10.515% -1.265%	7.585% -1.024%	87.005 6.532%	100.542 8.836%
<b>Gabon</b> (16/06/2025; 6.95%)	99.395 7.048%	0.019% -0.003%	0.716% -0.113%	15.074% -1.643%	5.614% -0.775%	81.096 6.808%	100.875 10.115%
<b>Ghana</b> (07/08/2023; 7.875%)	98.484 8.186%	-0.661% 0.140%	-0.460% 0.098%	22.772% -2.620%	-0.386% 0.089%	79.958 7.652%	101.277 12.103%
<b>Ivory Coast</b> (03/03/2028; 6.375%)	100.456 6.315%	-0.595% 0.078%	0.959% -0.121%	6.646% -0.705%	2.335% -0.281%	94.100 5.551%	107.735 7.103%
<b>Kenya</b> (24/06/2024; 6.875%)	101.404 6.623%	-0.227% 0.041%	0.898% -0.157%	8.741% -1.153%	6.536% -0.952%	90.762 6.489%	102.167 8.397%
<b>Mozambique</b> (18/01/2023; 10.5%)	72.378 19.764%	0.062% 0.099%	5.338% -0.962%	-7.799% 4.561%	19.801% -5.143%	53.636 15.820%	83.477 30.906%
<b>Namibia</b> (29/10/2025; 5.25%)	101.517 5.028%	-0.025% 0.003%	1.327% -0.187%	3.073% -0.395%	3.907% -0.500%	97.369 4.183%	108.164 5.629%
<b>Nigeria</b> (12/07/2023; 6.375%)	102.660 5.853%	-0.696% 0.140%	0.456% -0.093%	10.296% -1.371%	5.702% -0.910%	89.933 5.688%	103.594 8.233%
<b>Rwanda</b> (02/05/2023; 6.625%)	102.143 6.190%	#VALUE! -0.030%	0.510% -0.105%	4.807% -0.788%	2.388% -0.445%	93.364 6.052%	103.140 7.857%
<b>Senegal</b> (30/07/2024; 6.25%)	102.863 5.758%	0.377% -0.065%	0.937% -0.160%	8.719% -1.104%	2.665% -0.425%	91.875 5.382%	105.862 7.600%
<b>Seychelles</b> (01/01/2026; 7.0%)	103.123 7.405%	-0.310% 0.052%	0.225% -0.027%	6.041% -0.708%	2.401% -0.319%	96.748 7.330%	103.662 8.160%
<b>South Africa</b> (16/09/2025; 5.875%)	108.875 4.582%	0.577% -0.087%	1.991% -0.176%	0.577% -0.180%	1.752% -0.276%	105.750 3.686%	117.370 5.058%
<b>Zambia</b> (30/07/2027; 8.97%)	106.738 7.990%	-0.400% 0.059%	1.473% -0.215%	33.589% -2.807%	7.738% -0.980%	79.487 7.806%	108.282 12.383%

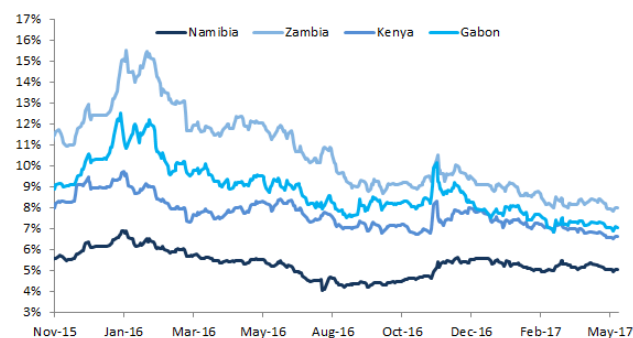
Sources: Bloomberg and Eaglestone Securities.

## 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

08/05/2017	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**)

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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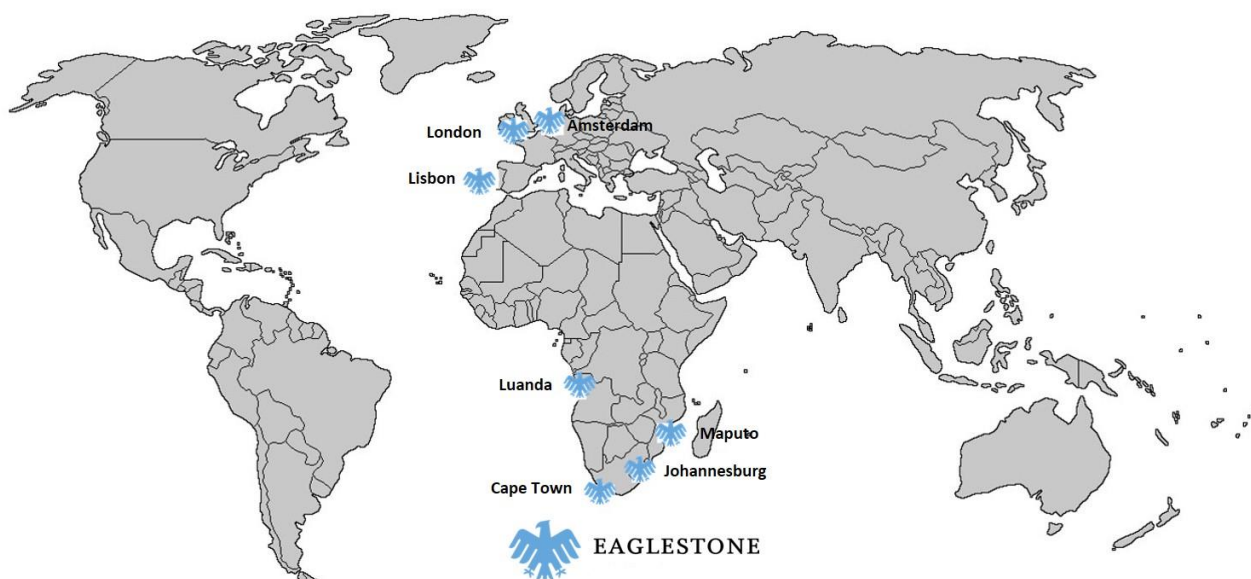
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## Disclosures

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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