



## Africa Weekly: South Africa President Replaces Fin Min

### Top Political News

**South African** President Jacob Zuma fired Finance Minister Pravin Gordhan and made a significant reshuffle to his cabinet. This move could threaten the country's investment grade rating and sent the rand lower, with the local currency posting its worst week in more than a year. Zuma's decision to replace Gordhan, who is popular among investors, is considered very risky as it could lead to several members of the ANC to eventually turn against the President. Indeed, the country's parliamentary speaker Baleka Mbete said she's considering a request by the opposition to recall lawmakers to debate a motion of no confidence in the president. Zuma and his cabinet would have to resign if a no-confidence motion succeeds.

### Top Economic News

The IMF expects real GDP in **Nigeria** to advance 0.8% this year, following a 1.5% contraction in 2016, and inflation to decelerate to 17.5% from 18.6% in 2016. At the end of its consultation with Nigeria, the IMF urged the local authorities to remove the remaining restrictions and multiple currency practices in order to unify the FX market and help regain investor confidence. The Fund also called on the country to continue its fiscal consolidation and tighter monetary policies in order to anchor inflation expectations and limit the risk of exchange rate overshooting. The World Bank announced it will resume support to **Mozambique's** state budget this year and expects to provide US\$2 billion over the next five years. The World Bank, along with the IMF and other donors suspended financial cooperation with the country after the discovery of undisclosed loans in April 2016. They are now expecting the results of an audit of Mozambique's public debt due to be released at end-April.

### Central Banks

**South Africa's** central bank left its benchmark interest rate unchanged at 7% for the sixth straight meeting, in line with expectations. The central bank also said it may have reached the end of its rate tightening cycle. A future rate cut is now dependent on the evolution of the rand, and its risk to inflation, and where the country stands politically. **Ghana's** central bank lowered its interest rate from 25.5% to 23.5%. This was the second rate cut in four months and comes after the local currency recovered from record lows and inflation slowed to its lowest level in more than three years. **Kenya's** central bank left its interest rate unchanged at 10%, as inflation rose to 9% in February and stood above the central bank's upper target of 7.5% for the first time in 13 months. **Nigeria's** central bank said that it will start twice weekly FX sales to money changers. It also increased the amount that each FX bureau can bid from US\$ 8,000 to US\$ 10,000.

### Commodities

**Oil** prices rose significantly last week after further disruptions in Libya's production eased investor concerns that stronger US supply was hurting the efforts of OPEC and its partners to rebalance the global oil market. Libya's output was said to have fallen 20% (from 700k barrels per day to 560k barrels) after a pipeline carrying crude from its biggest oil field stopped operating.

### Debt Markets

**Nigeria** raised US\$500 million by issuing a 15-year Eurobond with a yield of 7.5%. The deal reportedly received orders of around US\$3 billion. The money from the new bond, which follows an also oversubscribed US\$1 billion Eurobond issue last month, will reportedly help fund infrastructure development work outlined in last year's budget. Fitch announced that it may review its assessment of **South Africa's** sovereign rating after the recent political developments in the country.

### Capital Markets

03 April 2017

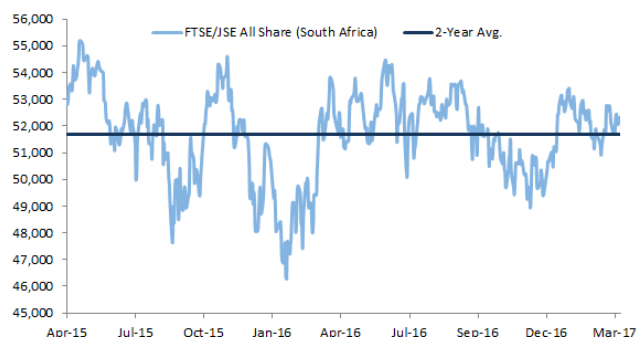
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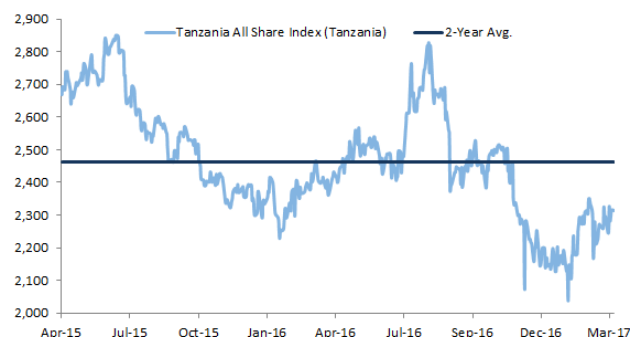
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Stock Markets Index (Country)	03/04/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Africa</b>							
FTSE/JSE All Share (South Africa)	52,344.19	1.20%	1.23%	1.47%	3.34%	48,935.90	54,704.22
EGX 30 (Egypt)	12,912.27	-0.44%	4.89%	71.68%	4.60%	6,831.59	13,544.42
Gaborone Domestic Index (Botswana)	9,225.22	0.50%	1.25%	-9.57%	-1.87%	9,005.95	10,317.66
Nairobi SE All Share (Kenya)	130.51	-0.69%	7.21%	-11.24%	-2.12%	119.62	147.55
All Share Index (Nigeria)	25,516.34	0.24%	2.02%	0.04%	-5.05%	24,547.37	31,073.32
Ghana Stock Exchange (Ghana)	1,865.01	-1.35%	-0.17%	-2.33%	10.42%	1,507.84	1,910.55
Namibia Overall Index (Namibia)	1,059.30	-3.32%	-4.62%	8.95%	-0.87%	924.79	1,143.91
Tanzania All Share Index (Tanzania)	2,313.91	3.04%	-0.91%	-4.70%	5.25%	1,978.68	2,829.99
<b>Americas</b>							
Dow Jones Industrial Avg. (USA)	20,663.22	0.32%	-1.63%	16.13%	4.56%	17,063.08	21,169.11
S&P 500 (USA)	2,362.72	0.80%	-0.86%	13.99%	5.53%	1,991.68	2,400.98
Nasdaq (USA)	5,911.74	1.42%	0.70%	20.29%	9.82%	4,574.25	5,928.06
Ibovespa (Brazil)	64,984.07	1.77%	-2.70%	28.52%	7.90%	47,873.65	69,487.58
<b>Europe</b>							
Euro Stoxx 50 (Europe)	3,501.72	1.88%	2.89%	18.57%	6.42%	2,678.27	3,508.11
FTSE 100 (UK)	7,325.57	0.44%	-0.66%	19.19%	2.56%	5,788.74	7,447.00
DAX (Germany)	12,354.92	2.99%	2.72%	26.14%	7.61%	9,214.10	12,375.58
PSI 20 (Portugal)	5,006.41	6.06%	7.42%	0.33%	6.99%	4,175.28	5,125.03
IBEX 35 (Spain)	10,427.00	1.20%	6.41%	21.21%	11.49%	7,579.80	10,462.90
CAC (France)	5,121.48	2.07%	2.53%	18.49%	5.33%	3,955.98	5,132.93
SMI (Switzerland)	8,674.76	0.93%	0.05%	12.83%	5.53%	7,475.54	8,710.26
<b>Asia</b>							
Nikkei 225 (Japan)	18,983.23	-0.01%	-2.50%	17.44%	-0.69%	14,864.01	19,668.01
Topix (Japan)	1,517.03	-0.48%	-2.63%	16.57%	-0.10%	1,192.80	1,578.51
Hang Seng (Hong Kong)	7,129.20	0.00%	3.12%	17.58%	11.34%	5,715.15	7,322.13
Shanghai All Share (China)	3,374.67	-1.43%	0.14%	7.15%	3.85%	2,910.50	3,456.92
CSI 300 (China)	3,456.05	-0.96%	0.82%	7.27%	4.41%	3,027.44	3,583.72

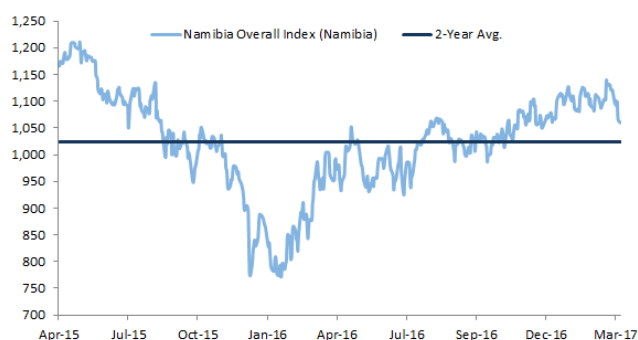
Sources: Bloomberg and Eaglestone Securities.

**JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX**

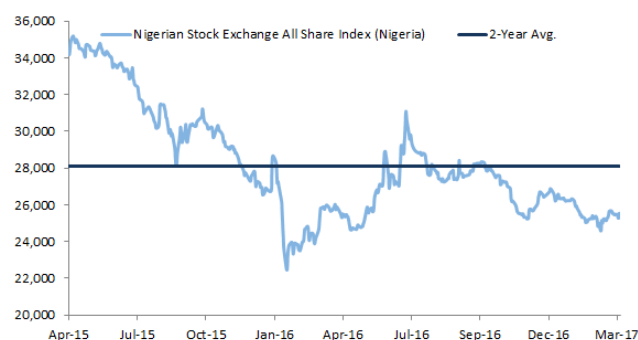
Sources: Bloomberg and Eaglestone Securities.

**TANZANIA STOCK EXCHANGE INDEX**

Sources: Bloomberg and Eaglestone Securities.

**NAMIBIA OVERALL INDEX**

Sources: Bloomberg and Eaglestone Securities.

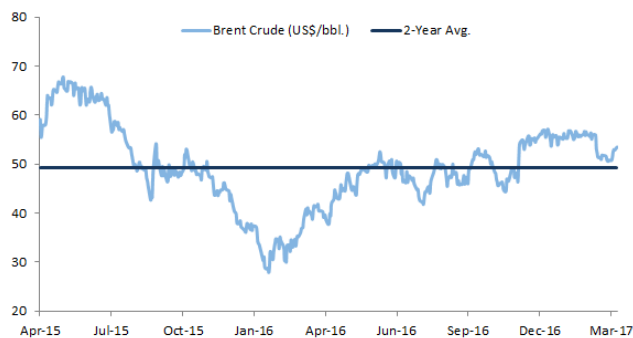
**NIGERIA STOCK EXCHANGE INDEX**

Sources: Bloomberg and Eaglestone Securities.

Commodities	03/04/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Energy</b>							
WTI Crude (US\$/bbl.)	50.60	6.01%	-5.12%	37.54%	-5.81%	35.24	55.24
Brent Crude (US\$/bbl.)	53.45	5.32%	-4.38%	38.22%	-5.93%	37.27	58.37
Natural Gas (US\$/MMBtu)	3.22	5.64%	14.04%	64.83%	-13.43%	1.87	3.99
Gasoline (US\$/gal.)	169.84	4.91%	2.74%	21.18%	2.00%	126.68	172.57
Coking Coal (US\$/ton)	151.91	4.44%	-5.25%	77.88%	-34.18%	82.56	308.80
<b>Precious Metals</b>							
Gold (US\$/oz.)	1,244.40	-0.90%	1.46%	1.82%	8.05%	1,123.90	1,377.50
Silver (US\$/oz.)	18.18	0.55%	2.73%	20.83%	13.70%	14.90	21.09
Platinum (US\$/oz.)	952.56	-1.64%	-4.62%	1.15%	5.48%	889.73	1,194.64
<b>Other Metals</b>							
Copper (US\$/lb.)	265.45	1.12%	-1.21%	22.72%	5.95%	201.30	282.30
Aluminium (US\$/MT)	1,962.50	1.21%	2.00%	29.11%	15.92%	1,495.50	1,981.00
Zinc (US\$/MT)	2,771.00	-2.12%	-1.91%	52.50%	7.57%	1,742.50	2,985.00
Tin (US\$/MT)	20,175.00	1.64%	4.94%	20.81%	-4.50%	15,425.00	22,000.00
Iron Ore (US\$/ton)	80.39	-5.49%	-11.92%	49.56%	1.93%	48.18	94.86
<b>Agriculture</b>							
Cocoa (US\$/MT)	2,095.00	-1.69%	7.82%	-28.98%	-1.46%	1,881.00	3,237.00
Coffee (US\$/lb.)	139.30	1.24%	-1.00%	9.30%	1.64%	118.70	176.00
Sugar (US\$/lb.)	16.89	-4.58%	-13.47%	11.26%	-13.43%	14.00	23.90
Cotton (US\$/lb.)	77.71	1.00%	0.56%	31.27%	9.99%	58.54	78.89
Corn (US\$)	366.75	3.09%	-2.13%	3.60%	4.19%	301.00	439.25
Wheat (US\$)	430.50	2.32%	-0.75%	-9.51%	5.51%	359.50	524.00
Soy (US\$)	947.00	-2.52%	-7.79%	3.13%	-4.97%	901.00	1,208.50

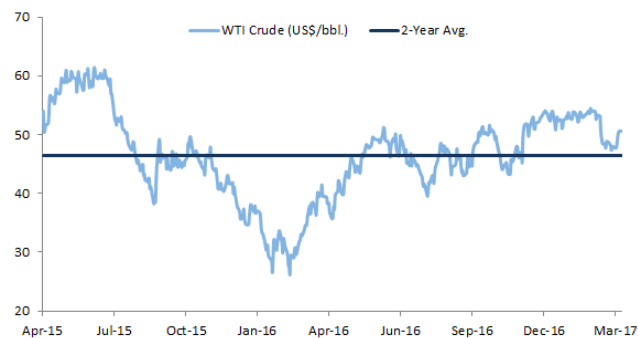
Sources: Bloomberg and Eaglestone Securities.

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



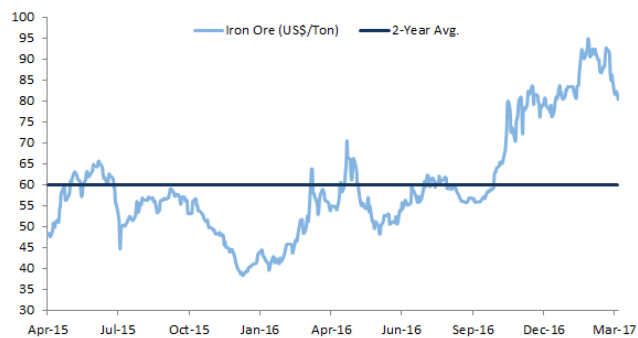
Sources: Bloomberg and Eaglestone Securities.

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



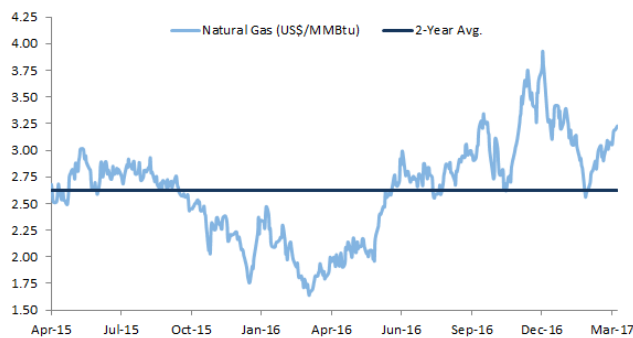
Sources: Bloomberg and Eaglestone Securities.

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



Sources: Bloomberg and Eaglestone Securities.

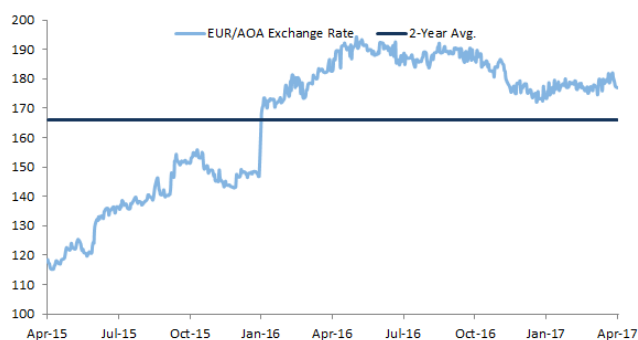
**NATURAL GAS (US\$/MMBTU)**



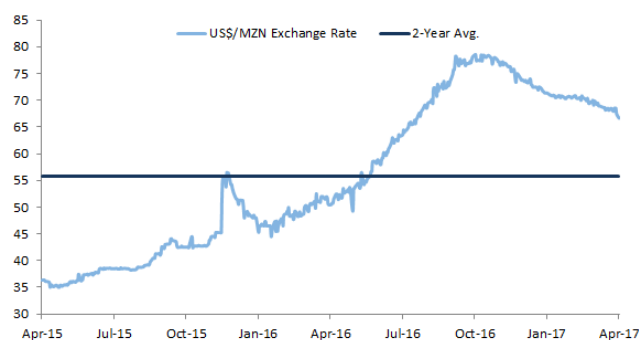
Sources: Bloomberg and Eaglestone Securities.

Currencies	03/04/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Kwanza (Angola)</b>							
Dollar (USA)	166.19	-0.04%	0.27%	-1.38%	1.26%	158.66	169.65
Euro	176.96	2.87%	0.56%	3.36%	-1.48%	171.73	196.44
Sterling (UK)	207.91	1.22%	-0.95%	10.17%	-1.58%	198.78	253.90
Rand (South Africa)	12.22	7.48%	5.21%	-11.14%	-0.93%	10.59	13.58
Real (Brazil)	53.13	0.88%	1.17%	-16.54%	-4.11%	44.07	54.88
<b>Metical (Mozambique)</b>							
Dollar (USA)	66.66	1.91%	4.82%	-24.32%	7.08%	46.46	79.38
Euro	71.10	3.79%	4.39%	-19.18%	5.60%	54.98	89.22
Sterling (UK)	83.54	2.11%	2.87%	-13.87%	5.50%	70.99	104.52
Rand (South Africa)	4.91	8.44%	9.23%	-30.52%	6.19%	0.48	5.82
<b>Rand (South Africa)</b>							
Dollar (USA)	13.57	-6.14%	-4.03%	8.91%	1.22%	12.31	15.98
Euro	14.48	-4.39%	-4.42%	16.29%	-0.18%	13.38	17.94
Sterling (UK)	17.01	-5.94%	-5.84%	24.02%	-0.39%	15.45	23.34
Real (Brazil)	4.35	-6.27%	-3.86%	-6.14%	-3.22%	3.92	4.69
<b>Naira (Nigeria)</b>							
Dollar (USA)	314.09	0.29%	0.45%	-36.56%	0.39%	197.00	350.25
Euro	335.97	1.81%	-0.48%	-32.45%	-1.29%	220.58	390.34
<b>Euro</b>							
Dollar (USA)	1.07	-1.82%	0.41%	-6.36%	1.42%	1.03	1.16
Sterling (UK)	0.85	1.64%	1.42%	-6.18%	0.29%	0.76	0.94
Franc (Switzerland)	1.07	0.16%	0.10%	2.16%	0.27%	1.06	1.11
Yen (Japan)	118.84	1.17%	1.93%	6.71%	3.48%	109.57	127.36

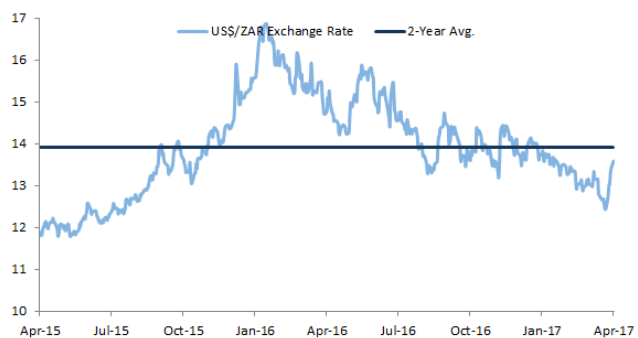
Sources: Bloomberg and Eaglestone Securities.

**EUR/AOA EXCHANGE RATE**

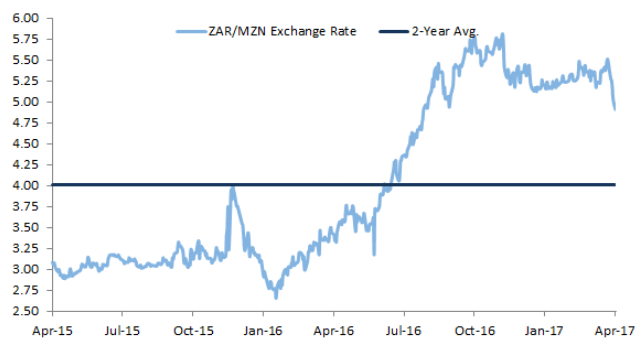
Sources: Bloomberg and Eaglestone Securities.

**US\$/MZN EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

**US\$/ZAR EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

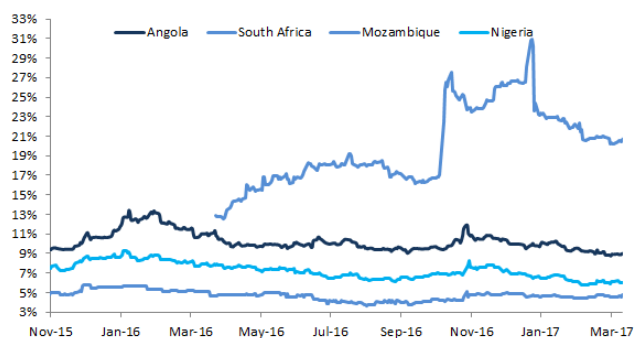
**ZAR/MZN EXCHANGE RATE**

Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	03/04/2017	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
<b>Angola</b> (12/11/2025; 9.5%)	103.043 8.982%	-0.201% 0.034%	1.688% -0.278%	13.442% -1.695%	5.949% -0.890%	85.813 8.748%	104.617 11.916%
<b>Dem. Republic of Congo</b> (30/06/2029; 4.0%)	74.539 9.497%	1.155% -0.136%	7.513% -0.808%	0.052% 0.478%	14.817% -1.372%	63.918 9.060%	75.375 11.248%
<b>Ethiopia</b> (11/12/2024; 6.625%)	96.148 7.286%	0.545% -0.090%	1.475% -0.234%	4.573% -0.586%	3.842% -0.564%	87.005 6.543%	100.526 8.836%
<b>Gabon</b> (16/06/2025; 6.95%)	97.787 7.311%	0.006% 0.000%	-1.722% 0.294%	17.735% -1.847%	3.905% -0.560%	81.096 6.808%	100.875 10.115%
<b>Ghana</b> (07/08/2023; 7.875%)	96.543 8.590%	-2.111% 0.460%	-0.642% 0.138%	21.885% -2.564%	-2.350% 0.522%	76.438 7.652%	101.277 12.887%
<b>Ivory Coast</b> (03/03/2028; 6.375%)	97.905 6.647%	0.672% -0.085%	-1.231% 0.164%	3.284% -0.359%	-0.264% 0.039%	93.887 5.551%	107.735 7.145%
<b>Kenya</b> (24/06/2024; 6.875%)	99.424 6.975%	0.142% -0.025%	0.386% -0.067%	5.164% -0.724%	4.456% -0.685%	90.762 6.711%	101.276 8.397%
<b>Mozambique</b> (18/01/2023; 10.5%)	68.181 20.897%	-1.187% 0.426%	1.009% 0.148%	n.a. 13.228%	12.854% -4.552%	53.636 12.625%	91.006 30.906%
<b>Namibia</b> (29/10/2025; 5.25%)	100.816 5.131%	0.190% -0.028%	-0.837% 0.124%	3.224% -0.402%	3.189% -0.415%	96.902 4.183%	108.164 5.649%
<b>Nigeria</b> (12/07/2023; 6.375%)	101.707 6.042%	0.721% -0.138%	-0.577% 0.110%	9.768% -1.308%	4.721% -0.775%	89.933 5.740%	103.593 8.233%
<b>Rwanda</b> (02/05/2023; 6.625%)	100.730 6.476%	-0.202% 0.041%	-0.670% 0.136%	3.409% -0.565%	0.971% -0.188%	93.364 6.052%	103.140 7.857%
<b>Senegal</b> (30/07/2024; 6.25%)	100.887 6.096%	0.042% -0.007%	-0.604% 0.103%	7.482% -0.965%	0.693% -0.118%	91.875 5.382%	105.862 7.600%
<b>Seychelles</b> (01/01/2026; 7.0%)	102.018 7.566%	-0.004% 0.002%	0.023% 0.004%	6.989% -0.804%	1.304% -0.168%	95.011 7.550%	102.362 8.521%
<b>South Africa</b> (16/09/2025; 5.875%)	107.875 4.732%	-1.371% 0.213%	-1.259% 0.186%	n.a. 0.065%	0.818% -0.140%	105.750 3.686%	117.370 5.058%
<b>Zambia</b> (30/07/2027; 8.97%)	103.817 8.406%	-1.887% 0.291%	-1.595% 0.240%	24.162% -2.315%	4.789% -0.646%	79.351 7.975%	107.254 12.383%

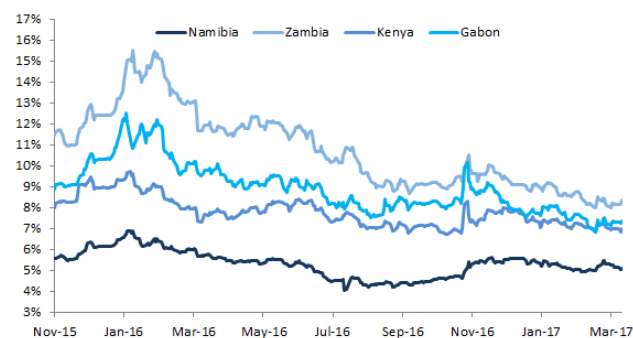
Sources: Bloomberg and Eaglestone Securities.

## 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

03/04/2017	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	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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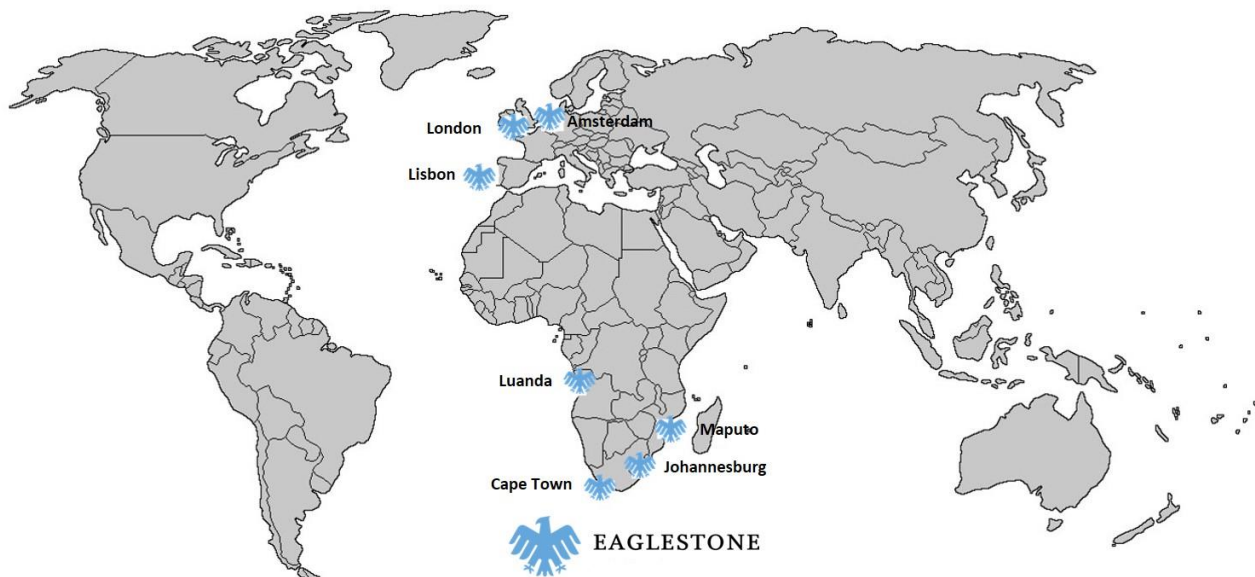
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## Disclosures

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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