



Africa Weekly: Oil in US\$ 50-60 range in next 15 months?

Top Political News

Angolan President José Eduardo dos Santos suggested in his state of the nation speech that the worst of the economic crisis in the country may have passed. Dos Santos also said that the 2017 budget will be submitted to parliament by the end of October and will include concrete measures to solve the current crisis. Recall that Angola holds general elections next year and dos Santos said back in March that he was planning to step down from “active politics” in 2018. **Mozambican** President, Filipe Nyusi, appointed Leticia Klemens as Minister of Mineral Resources. Klemens was a board member of Millennium bim, the country’s largest bank, and will replace Pedro Couto, who was dismissed earlier this month. Among other things, Klemens will be responsible for negotiating the two gas projects with ENI and Anadarko. Also in **Mozambique**, the government and opposition resumed peace talks, but no progress on the major issues has yet been made. These include Renamo's demands for six provincial governors and the inclusion of its militia in the army and police. **Ghana**’s government will ask parliament to amend the law on central bank financing and prohibit such financing (from the current 5% cap). This is one of the conditions imposed by the IMF under the country’s existing US\$ 933 million credit program.

Top Economic News

South Africa’s annual inflation rose to 6.1% in September from 5.9% a month earlier. Although this was lower than consensus estimates of 6.2%, inflation climbed above the central bank’s target band of 3% to 6%. However, this should prove to be temporary as the increase is largely due to low base effects from a year earlier. The central bank is expected to keep monetary policy supportive of economic growth, as it sees inflation falling back to within its target by 2Q17. **Mozambique**’s central bank raised its key rate by 600bp to 23.25% at its latest meeting. This was the fifth time it raised interest rates this year for a total of 1,350bp. The central bank stated that this decision was taken to stabilize the exchange rate and tame inflation.

Commodities

Saudi Arabia and Kuwait projected an **oil price** range of US\$ 50 to US\$ 60 a barrel for the next 15 months, suggesting that this range is “logical” and “acceptable” and would ensure adequate global supply in the oil market. Italy’s Eni announced that it will begin to extract more oil in the **Angolan** sea, with the future entry into operation of a floating production, storage and offloading (FPSO) vessel. The extraction will take place in Block 15/06, which is located 350km north of Luanda, while the FPSO vessel has a maximum storage capacity of 1.8 million barrels of oil. The chairman of **Mozambican** state-owned company ENH confirmed that Exxon Mobil has acquired a majority stake in Eni’s gas projects in Area 4 of the Rovuma Basin, in the northern part of the country, for an undisclosed amount. Recall that back in July there were rumors that Exxon and Eni were negotiating such a deal, but no confirmation was made at the time. Exxon is also said to be in talks to acquire a stake in Anadarko’s adjacent Area 1.

Credit Ratings

Moody’s said an agreement between **Mozambique** and the IMF on an independent audit could pave the way for the country to start receiving international aid again and is positive for its sovereign debt. The resumption of financial aid flows would help lower the substantial fiscal pressures currently faced by the government and could also increase foreign exchange reserves at the central bank. Moody’s currently has a Caa3 rating on Mozambique with a negative outlook.

Capital Markets

24 October 2016

Tiago Bossa Dionísio

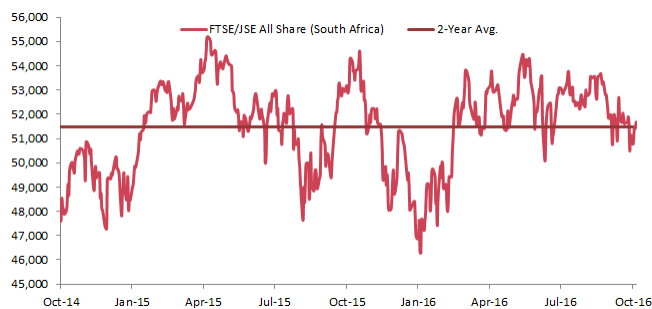
(+351) 211 214 431

tiago.dionisio@eaglestone.eu

Stock Markets Index (Country)	24/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Africa							
FTSE/JSE All Share (South Africa)	52,007.61	2.44%	0.02%	-4.22%	2.59%	45,975.78	54,760.91
EGX 30 (Egypt)	8,219.66	-0.29%	3.86%	8.00%	17.32%	5,526.02	8,613.44
Gaborone Domestic Index (Botswana)	9,710.12	-0.01%	-0.58%	-8.35%	-8.42%	9,504.24	10,654.72
Nairobi SE All Share (Kenya)	135.79	-1.27%	1.25%	-2.69%	-6.80%	129.65	147.63
All Share Index (Nigeria)	27,596.82	-0.95%	-2.30%	-8.05%	-3.65%	22,330.96	31,073.32
Ghana Stock Exchange (Ghana)	1,747.87	-1.28%	-1.54%	-12.05%	-12.38%	1,746.42	2,014.93
Namibia Overall Index (Namibia)	1,033.19	3.19%	-0.39%	-0.04%	19.38%	766.67	1,072.14
Tanzania All Share Index (Tanzania)	2,453.95	2.93%	0.83%	2.20%	5.15%	2,172.97	5,004.67
Americas							
Dow Jones Industrial Avg. (USA)	18,145.71	0.04%	-0.63%	2.83%	4.14%	15,450.56	18,668.44
S&P 500 (USA)	2,141.16	0.38%	-1.09%	3.18%	4.76%	1,810.10	2,193.81
Nasdaq (USA)	5,257.40	0.83%	-0.91%	4.48%	4.99%	4,209.76	5,342.88
Ibovespa (Brazil)	64,108.08	3.79%	9.22%	34.69%	47.88%	37,046.07	64,371.80
Europe							
Euro Stoxx 50 (Europe)	3,102.13	3.10%	2.30%	-9.45%	-5.06%	2,672.73	3,524.04
FTSE 100 (UK)	7,037.78	1.30%	1.86%	9.21%	12.74%	5,499.51	7,129.83
DAX (Germany)	10,800.37	2.83%	1.63%	0.05%	0.53%	8,699.29	11,430.87
PSI 20 (Portugal)	4,750.48	3.28%	3.81%	-12.40%	-10.59%	4,175.28	5,625.06
IBEX 35 (Spain)	9,209.10	5.36%	4.37%	-12.10%	-3.51%	7,579.80	10,631.60
CAC (France)	4,567.07	2.63%	1.75%	-7.24%	-1.51%	3,892.46	5,011.65
SMI (Switzerland)	8,035.63	0.43%	-2.87%	-9.82%	-8.87%	7,425.05	9,080.56
Asia							
Nikkei 225 (Japan)	17,234.42	1.98%	2.87%	-8.45%	-9.45%	14,864.01	20,012.40
Topix (Japan)	1,367.61	1.11%	1.34%	-11.64%	-11.61%	1,192.80	1,609.76
Hang Seng (Hong Kong)	6,814.68	1.90%	-0.49%	-1.85%	5.06%	5,261.43	7,072.10
Shanghai All Share (China)	3,275.27	2.86%	3.13%	-8.35%	-11.58%	2,760.92	3,856.74
CSI 300 (China)	3,367.58	2.74%	2.81%	-5.70%	-9.74%	2,821.22	3,926.69

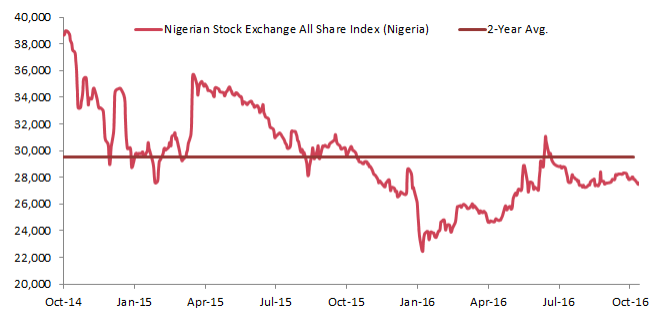
Sources: Bloomberg and Eaglestone Securities.

JOHANNESBURG STOCK EXCHANGE ALL SHARE INDEX



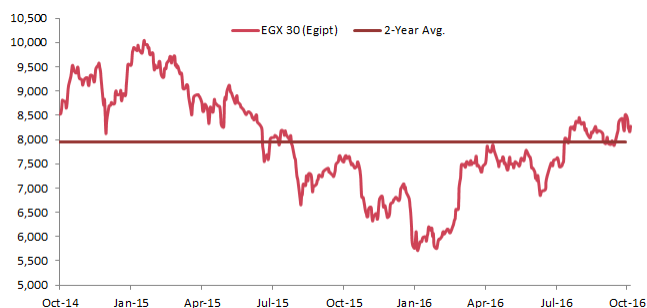
Sources: Bloomberg and Eaglestone Securities.

NIGERIA ALL SHARE INDEX



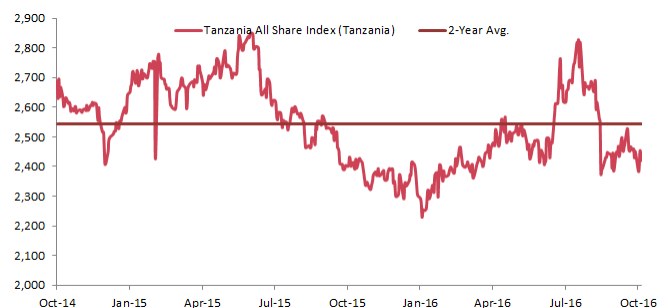
Sources: Bloomberg and Eaglestone Securities.

EGYPT EGX 30 INDEX



Sources: Bloomberg and Eaglestone Securities.

TANZANIA ALL SHARE INDEX

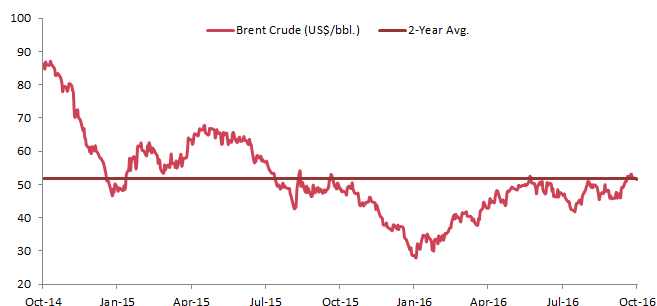


Sources: Bloomberg and Eaglestone Securities.

Commodities	24/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Energy							
WTI Crude (US\$/bbl.)	50.93	1.98%	14.50%	14.19%	37.50%	26.05	51.93
Brent Crude (US\$/bbl.)	51.95	0.83%	13.21%	8.25%	39.35%	27.10	53.73
Natural Gas (US\$/MMBtu)	3.01	-7.18%	1.90%	31.71%	28.84%	1.61	3.37
Gasoline (US\$/gal.)	153.00	2.52%	11.12%	17.37%	20.75%	89.75	166.64
Coal (US\$/ton)	79.25	5.53%	31.64%	52.55%	65.62%	42.65	79.25
Precious Metals							
Gold (US\$/oz.)	1,265.90	1.02%	-4.62%	8.42%	19.40%	1,046.20	1,377.50
Silver (US\$/oz.)	17.64	0.92%	-10.63%	11.42%	27.76%	13.64	21.09
Platinum (US\$/oz.)	938.05	0.04%	-9.80%	-5.82%	5.22%	810.75	1,194.64
Other Metals							
Copper (US\$/lb.)	209.65	-0.50%	-4.38%	-10.79%	-1.80%	193.55	238.10
Aluminum (US\$/MT)	1,625.00	-2.99%	2.59%	7.26%	7.83%	1,432.50	1,709.00
Zinc (US\$/MT)	2,261.50	0.16%	-0.51%	30.72%	40.55%	1,444.50	2,418.00
Tin (US\$/MT)	19,925.00	2.44%	3.24%	25.12%	36.89%	13,085.00	20,150.00
Iron Ore (US\$/ton)	58.72	2.51%	5.10%	11.23%	34.77%	38.30	70.46
Agriculture							
Cocoa (US\$/MT)	2,725.00	0.26%	-5.28%	-13.38%	-15.14%	2,625.00	3,422.00
Coffee (US\$/lb.)	156.80	-0.19%	3.57%	32.38%	23.76%	111.05	160.90
Sugar (US\$/lb.)	22.91	-1.08%	3.52%	60.43%	50.33%	12.45	23.90
Cotton (US\$/lb.)	68.87	-3.26%	-0.30%	9.74%	8.83%	55.66	77.80
Com (US\$)	353.75	-0.07%	5.13%	-6.85%	-1.39%	301.00	439.25
Wheat (US\$)	415.75	-1.89%	2.72%	-15.24%	-11.54%	359.50	530.75
Soy (US\$)	994.25	1.64%	4.11%	11.03%	14.12%	844.25	1,208.50

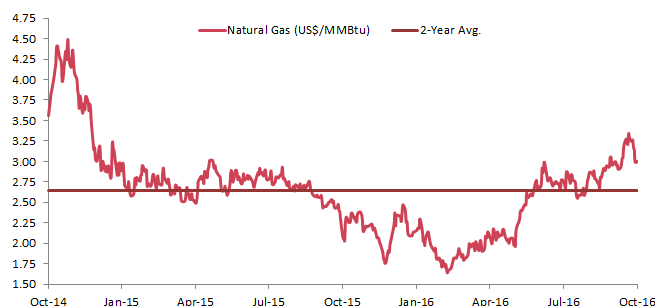
Sources: Bloomberg and Eaglestone Securities.

BRENT CRUDE (US\$/BARREL)



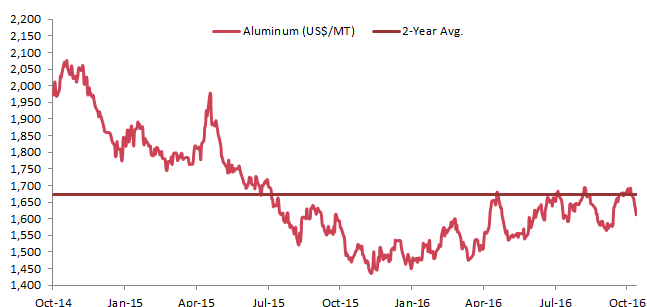
Sources: Bloomberg and Eaglestone Securities.

NATURAL GAS (US\$/MMBTU)



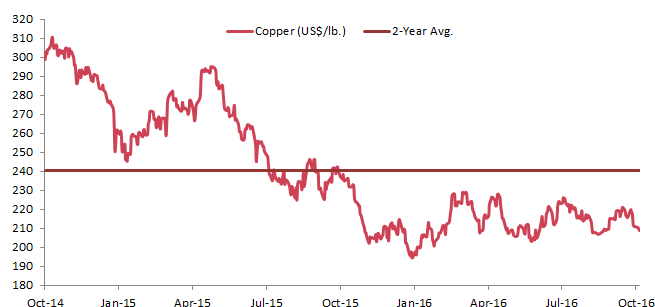
Sources: Bloomberg and Eaglestone Securities.

ALUMINUM (US\$/MT)



Sources: Bloomberg and Eaglestone Securities.

COPPER (US\$/LB.)

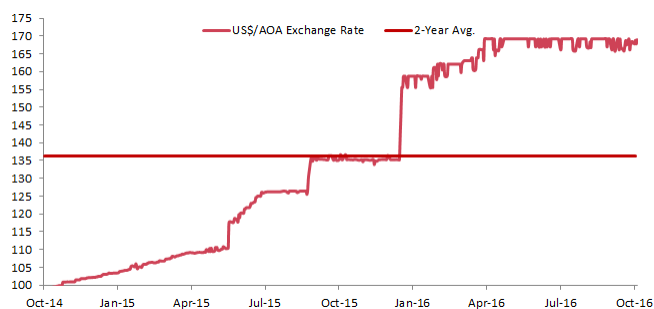


Sources: Bloomberg and Eaglestone Securities.

Currencies	24/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Kwanza (Angola)							
Dollar (USA)	168.09	0.25%	0.67%	-18.75%	-19.55%	133.90	169.43
Euro	184.25	1.03%	3.36%	-18.33%	-20.32%	141.65	196.44
Sterling (UK)	206.98	-0.40%	6.08%	0.94%	-3.72%	198.23	253.90
Rand (South Africa)	12.19	-1.93%	1.34%	-18.18%	-28.35%	8.43	12.82
Real (Brazil)	53.70	-1.58%	-2.82%	-35.12%	-36.42%	33.50	54.37
Metical (Mozambique)							
Dollar (USA)	76.51	1.99%	0.52%	-44.14%	-37.26%	42.65	79.38
Euro	83.30	3.03%	3.90%	-43.27%	-37.43%	46.69	89.22
Sterling (UK)	93.58	1.58%	7.28%	-29.90%	-24.41%	62.67	104.52
Rand (South Africa)	5.51	0.02%	1.87%	-43.17%	-43.74%	0.48	5.79
Rand (South Africa)							
Dollar (USA)	13.88	1.97%	-1.41%	-1.70%	11.48%	13.20	17.92
Euro	15.11	3.03%	1.96%	-0.18%	11.34%	14.77	19.59
Sterling (UK)	16.97	1.58%	4.74%	23.39%	34.39%	16.63	26.02
Real (Brazil)	4.40	0.32%	-4.04%	-20.74%	-11.28%	3.48	4.69
Naira (Nigeria)							
Dollar (USA)	309.75	1.86%	1.53%	-36.07%	-35.66%	196.48	350.25
Euro	343.28	1.09%	3.10%	-35.89%	-36.97%	162.80	390.34
Euro							
Dollar (USA)	1.09	-1.02%	-3.25%	-1.54%	0.24%	1.05	1.16
Sterling (UK)	0.89	1.41%	-2.58%	-19.09%	-17.21%	0.70	0.94
Franc (Switzerland)	1.08	0.49%	0.76%	0.46%	0.52%	1.06	1.12
Yen (Japan)	113.15	0.99%	-0.21%	18.35%	15.46%	109.57	134.60

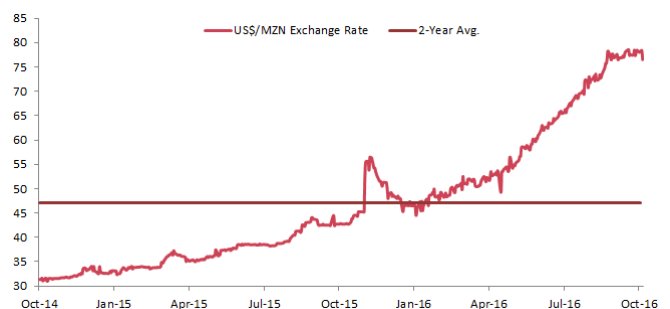
Sources: Bloomberg and Eaglestone Securities.

US\$/AOA EXCHANGE RATE



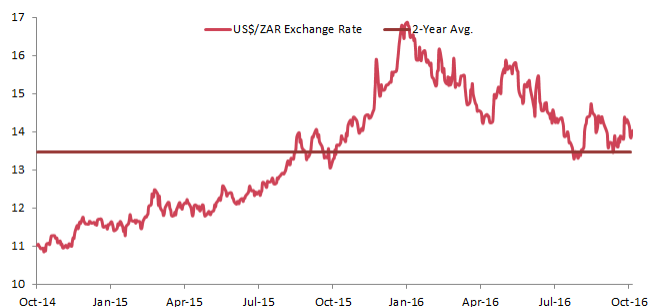
Sources: Bloomberg and Eaglestone Securities.

US\$/MZN EXCHANGE RATE



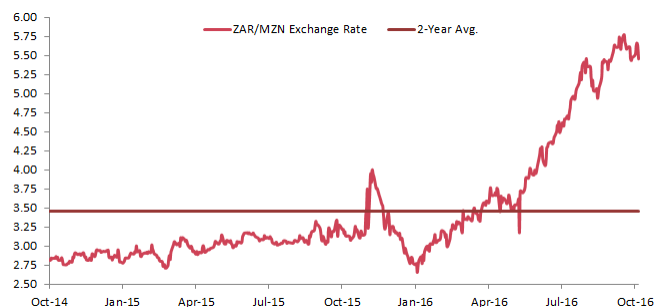
Sources: Bloomberg and Eaglestone Securities.

US\$/ZAR EXCHANGE RATE



Sources: Bloomberg and Eaglestone Securities.

ZAR/MZN EXCHANGE RATE

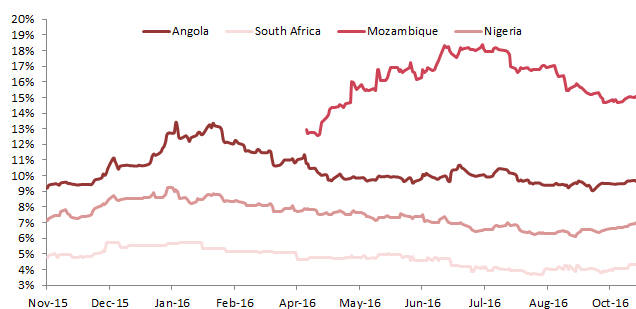


Sources: Bloomberg and Eaglestone Securities.

African Eurobonds	24/10/2016	Change				52 Week Range	
		1 Week	1 Month	1 Year	Year to Date	Low	High
Angola (12/11/2025; 9.5%)	100.632 9.393%	1.907% -0.305%	-1.864% 0.323%	n.a. 0.011%	8.381% -1.137%	78.546 9.037%	102.821 13.414%
Dem. Republic of Congo (30/06/2029; 4.0%)	69.643 10.120%	0.350% -0.033%	-0.224% 0.071%	-16.219% 3.283%	-11.389% 2.176%	65.690 7.570%	83.906 10.613%
Ethiopia (11/12/2024; 6.625%)	96.449 7.208%	1.348% -0.210%	-3.574% 0.642%	1.126% -0.117%	9.178% -1.105%	81.873 6.543%	100.526 9.679%
Gabon (16/06/2025; 6.95%)	93.382 8.024%	1.871% -0.282%	-0.073% 0.019%	6.570% -0.778%	17.054% -1.806%	69.539 7.496%	96.907 12.381%
Ghana (07/08/2023; 7.875%)	97.583 8.345%	2.190% -0.400%	2.739% -0.488%	12.827% -1.681%	23.009% -2.596%	65.580 8.345%	95.728 15.667%
Ivory Coast (31/12/2032; 5.75%)	99.784 5.780%	0.740% -0.107%	-0.084% 0.013%	10.462% -1.123%	11.862% -1.254%	83.387 5.525%	101.672 8.385%
Kenya (24/06/2024; 6.875%)	100.692 6.756%	2.020% -0.323%	0.441% -0.074%	7.548% -0.981%	14.315% -1.632%	83.891 6.756%	100.892 9.700%
Mozambique (18/01/2023; 10.5%)	81.844 15.058%	-0.061% 0.027%	0.757% -0.125%	n.a. 2.709%	n.a. 2.709%	69.252 12.562%	91.006 18.392%
Namibia (29/10/2025; 5.25%)	104.806 4.592%	0.075% -0.011%	-1.974% 0.288%	n.a. -0.577%	12.152% -1.162%	88.305 4.183%	108.164 6.885%
Nigeria (12/07/2023; 6.375%)	97.428 6.857%	1.036% -0.186%	-2.442% 0.493%	2.473% -0.341%	10.238% -1.324%	84.477 6.122%	101.497 9.257%
Rwanda (02/05/2023; 6.625%)	101.352 6.368%	0.258% -0.049%	-1.512% 0.300%	3.342% -0.540%	5.541% -0.838%	91.981 6.052%	103.140 8.059%
Senegal (30/07/2024; 6.25%)	103.744 5.646%	0.690% -0.111%	-1.242% 0.204%	10.983% -1.260%	15.684% -1.627%	84.554 5.382%	105.862 8.868%
Seychelles (01/01/2026; 7.0%)	101.897 7.538%	-0.239% 0.039%	0.020% 0.005%	8.491% -0.942%	9.969% -1.116%	92.105 7.401%	102.877 8.937%
South Africa (16/09/2025; 5.875%)	112.375 4.192%	1.011% -0.141%	-2.916% 0.449%	n.a. -0.286%	9.367% -0.999%	98.300 3.686%	117.370 5.738%
Tanzania (09/03/2020; 7.25%)	104.869 5.685%	0.302% -0.110%	-0.118% 0.026%	6.814% -1.079%	10.434% -1.778%	92.414 5.255%	106.440 8.959%
Zambia (30/07/2027; 8.97%)	100.312 8.921%	1.792% -0.236%	-0.455% 0.066%	20.430% -2.063%	26.349% -2.483%	65.245 8.666%	102.362 15.463%

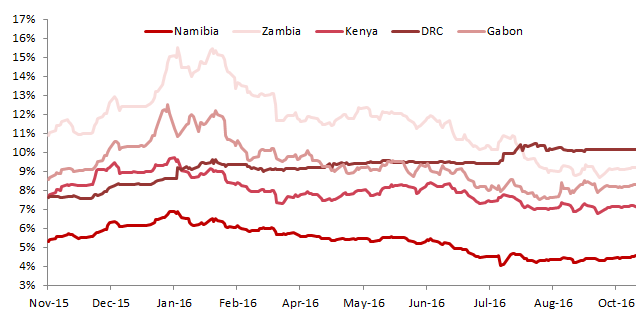
Sources: Bloomberg and Eaglestone Securities.

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

24/10/2016	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**)

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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.

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

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