SECURITIES AFRICA
RESEARCH & CAPITAL MARKETS

PAN-AFRICA

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

TRADING

We have included summaries for the countries listed below, please click on the country name should you wish to navigate to it directly:

- ⇒ **Botswana**
- ⇒ **Egypt**
- ⇒ **Ghana**
- ⇒ **Kenya**
- ⇒ **Malawi**
- ⇒ **Mauritius**
- ⇒ **Nigeria**
- ⇒ **Tanzania**
- ⇒ **Zambia**
- ⇒ **Zimbabwe**

AFRICA STOCK EXCHANGE PERFORMANCE

				WTD % Change			YTD % Change	
Country	Index	8-Sep-17	15-Sep-17	Local	USD	31-Dec-16	Local	USD
Botswana	DCI	8985,48	8980,82	-0,05%	-1,35%	9700,71	-7,42%	-3,24%
Egypt	CASE 30	13432,69	13610,61	1,32%	1,33%	12344,00	10,26%	13,65%
Ghana	GSE Comp Index	2374,45	2310,28	-2,70%	-3,22%	1689,09	36,78%	30,89%
Ivory Coast	BRVM Composite	239,35	238,38	-0,41%	-1,10%	292,17	-18,41%	-8,03%
Kenya	NSE 20	3839,99	3783,98	-1,46%	-1,12%	3186,21	18,76%	19,25%
Malawi	Malawi All Share	19955,52	19948,97	-0,03%	-0,08%	13320,51	49,76%	47,89%
Mauritius	SEMDEX	2165,95	2186,67	0,96%	0,03%	1808,37	20,92%	30,30%
	SEM 10	415,31	421,20	1,42%	0,49%	345,04	22,07%	31,54%
Namibia	Overall Index	1140,51	1120,77	-1,73%	-4,22%	1068,59	4,88%	8,91%
Nigeria	Nigeria All Share	35953,44	35005,57	-2,64%	-2,35%	26874,62	30,26%	10,80%
Swaziland	All Share	395,59	395,59	0,00%	-2,53%	380,34	4,01%	8,00%
Tanzania	TSI	3842,48	3704,45	-3,59%	-3,87%	3677,82	0,72%	-3,93%
Zambia	LUSE All Share	4926,50	4925,42	-0,02%	-2,87%	4158,51	18,44%	23,85%
Zimbabwe	Industrial Index	286,63	400,03	39,56%	39,56%	145,60	174,75%	174,75%
	Mining Index	82,20	91,46	11,27%	11,27%	58,51	56,32%	56,32%

CURRENCIES

Cur-rency	8-Sep-17 Close	15-Sep-17 Close	WTD % Change	YTD % Change
BWP	9,94	10,07	1,31	4,52
EGP	17,62	17,62	-0,00	3,07
GHS	4,40	4,43	0,54	-4,30
CFA	547,67	551,53	0,71	12,73
KES	101,52	101,17	-0,34	0,41
MWK	719,71	720,02	0,04	-1,25
MUR	31,81	32,11	0,93	7,75
NAD	12,81	13,14	2,60	3,84
NGN	357,30	356,27	-0,29-	14,94
SZL	12,81	13,14	2,60	3,84
TZS	2218,07	2224,48	0,29	-4,62
ZMW	9,11	9,38	2,94	4,57

SECURITIES AFRICA

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Botswana

Corporate News

No Corporate News This Week

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Egypt

Corporate News

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Economic News

Egypt's financial regulator has approved the stock exchange's decision to reduce trading halt times to 15 minutes, down from 30 minutes, as of Tuesday's session, the exchange said on Monday, in an effort to boost market activity. The decision will lead to a "shortening of the time for which trading can be temporarily halted on a security during a session due to a price change ... and will provide the bourse management the flexibility to increase or decrease halt times within a 15-30 minute range," it said in a statement. The exchange currently suspends trading on stocks that rise or fall by over 5 percent for more than 30 minutes. It said on Monday the decision to halve the suspension time was aimed at increasing market activity and attracting foreign investors. *(Reuters)*

Average yields on Egypt's three-month and nine-month treasury bills fell at an auction on Sunday, data from the central bank showed. The average yield on the 91-day bill slipped to 18.976 percent, from 19.501 percent at the last similar auction and the yield on the 266-day bill fell to 18.661 percent from 19.356 percent. Demand for Egypt's domestic debt has grown since the central bank raised key interest rates by 2 percentage points in July, its third increase since the country floated its currency in November last year. *(Reuters)*

Egypt's state buyer, the General Authority for Supply Commodities (GASC), said on Saturday it was seeking crude soy oil and sunflower oil in an international tender. GASC said it was seeking offers for 10,000 tonnes of sunflower oil for arrival Oct. 25 to Nov. 10 and 30,000 tonnes of soy oil for arrival Nov. 5-20. The agency is also seeking offers for 10,000 tonnes of soy oil in Egyptian pounds. The deadline for offers is Sept. 12, it said. *(Reuters)*

Egypt's current account deficit narrowed by 50 percent in the fourth quarter of 2016-2017 to stand at $2.4 billion from $4.8 billion a year earlier, boosted by last year's decision to float the Egyptian pound, the central bank said on Monday. The country's fiscal year runs from July to June so the fourth quarter is April, May and June. Egypt floated its pound currency in November which helped it clinch a $12 billion International Monetary Fund loan aimed at boosting the economy. The pound has since halved in value and this has helped narrow the country's trade deficit and attract badly needed foreign currency dried up by a 2011 uprising that drove tourists and investors away. The trade deficit declined by 8.4 percent in the 2016-17 fiscal year, standing at $35.4 billion from $38.7 billion a year earlier. It stood at $8.4 billion in the fourth quarter down from $8.8 billion in the same period of the previous year. Egypt has been trying to narrow its trade deficit by tightening restrictions on imports and stepping up its exports. Egyptian exports have found new markets since the floating of the pound slashed its value by half. Exports grew by $5.7 billion in the fourth quarter of the 2016-2017 fiscal year. Foreign direct investment grew by $1.35 billion in the fourth quarter compared to $1.05 billion the previous year. Portfolio investment in Egypt stood at $8.18 billion in the fourth quarter of 2016-2017, up from $214.6 million in the same period of the previous year. The central bank has raised interest rates by 700 basis points since the float in November, encouraging investors to buy up the country's debt. *(Reuters)*

Egypt's net foreign direct investment (FDI) rose by 14.5 percent to $7.9 billion in the 2016-2017 fiscal year that ended on June 30, the central bank said. That was well below Egypt's target of $10 billion as the north African country continues to struggle to attract foreign investment following a 2011 uprising. There was a "$2.3 billion rise in net inflows for oil sector investments to $4 billion," the bank said in a statement. Egypt paid about $2.2 billion in arrears owed to foreign oil companies in the second half of 2016-2017, which helped attract investors to the sector. *(Reuters)*

Egypt aims to increase its corn farming area by two thirds by the 2018/2019 fiscal year to help reduce the country's reliance on imports, the agriculture ministry said on Tuesday. It said it targeted increasing the farming area by 800,000 feddans (830,300 acres) to bring the total area to 2 million feddans (2.1 million acres) by the end of the financial year finishing in June 2019. In July, Agriculture Minister Abdel Moneim Al-Banna said Egypt would offer farmers about twice as much per tonne for their corn this fiscal year - 3,400 Egyptian pounds ($192.96) compared with about 1,700 last year. The higher procurement price is expected to help boost the total area of corn planted. Egypt is one of the world's biggest buyers of corn but has been trying to reduce its reliance on imports after a shortage of foreign currency in recent years sapped its ability to purchase from abroad and hampered economic growth. The country imports 8.5 million tonnes of corn a year for approximately $1.6 billion. *(Reuters)*

Egypt's budget deficit stood at 9.5 percent during the fourth quarter of the 2016-2017 fiscal year that ended in June, down from 11.5 percent during the same quarter last year, President Abdel Fattah al-Sisi said on Thursday. Egypt has been looking to tighten control of its finances as it pushes ahead with ambitious economic reforms tied to a $12 billion three-year International Monetary Fund lending programme it agreed last year. *(Reuters)*

Ghana

Corporate News

No Corporate News This Week

Economic News

Ghana's central bank has raised the minimum capital required for banks three-fold to 400 million cedis ($90.2 million) as part of measures to ensure financial stability, its spokesman said on Tuesday. "With immediate effect, the Bank of Ghana has set out a new minimum capital requirement of 400 mln cedis for banks as part of a holistic financial sector reform," Bernard Otabil said. The previous capital requirement for banks and new entrants was 120 million cedis. Otabil said the increases took effect from Sept. 11 and that the lenders have up to the end of 2018 to meet them. The central bank last month revoked the licenses of two banks and transferred their deposits and selected assets to state-owned GCB Bank in order to protect financial stability. The new government of Nana Akufo-Addo has vowed to restore financial stability and fiscal discipline to stabilise the major commodity exporter's economy. Ghana has been dogged by high public debt and budget deficits, forcing it to sign a credit programme with the IMF in 2015. "Going forward, banks will require a more sophisticated and robust capital framework ... consistent with the growing risks ... banks are currently facing," a statement by the regulator seen by Reuters said. *(Reuters)*

Ghana's annual consumer price inflation rose to 12.3 percent in August from 11.9 percent the previous month, the statistics office said on Wednesday. The major commodity exporter is following a $918 million credit programme with the International Monetary Fund that aims to restore fiscal balance with a medium-term inflation target of 8 percent plus or minus 2 percentage points in 2018. *(Reuters)*

Ghana will keep the price it pays cocoa farmers unchanged or even increase it for the 2017/18 season, which starts next month, despite a drop in world prices, industry regulator Cocobod said on Thursday. Bumper crops in major producers have created a supply glut this season, with the International Cocoa Organization predicting a global surplus of 371,000 tonnes of beans. The resulting decline in prices forced top grower Ivory Coast to slash its farmers price by 36 percent in March. But Ghana, the world's number two producer, has kept its price unchanged since October. "As for the farmers' price, it is non-negotiable ... We're determined to at least keep it at current levels if we cannot increase it," Joseph Boahen Aidoo, CEO of sector regulator Cocobod told Reuters in an interview. He said Ghana expected to produce 950,000 tonnes of beans in the current season, its highest output since a record 2010/11 season yielded 1 million tonnes. "Overall, the goal is to increase productivity per hectare and boost national output," Aidoo said. *(Reuters)*

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Kenya

Corporate News

Longhorn Publishers targets further expansion across Africa buoyed by its new digital products, the company said. Besides its Kenyan operations, Longhorn has subsidiaries in Uganda, Tanzania and Rwanda and has entered into strategic partnerships in Senegal, the Democratic Republic of the Congo (DRC), Malawi, Zambia and Ethiopia. "We have already started Francophone expansion and that's why we are in Senegal. From there we are poised to expand to Burkina Faso, Djibouti and Congo through distributor models. After that we will go to Arabic Africa," the group managing director Simon Ngigi said on the sidelines of an investor briefing in Nairobi on Friday. Digital publications are more efficient and cheaper to distribute across markets compared to the hard copy products. The Centum-owned publisher on Friday announced a 29 per cent rise in profit after tax for the year ended June 30, 2017 powered by cost-savings and strong regional sales. The NSE-listed firm's net profit increased to Sh133.87 million in the period compared to Sh104 million a year earlier even as its turnover went down marginally.

Its turnover dropped 3 per cent to Sh1.4 billion in the period as reduced sales in Kenya took its toll on the publisher's bottom line. However, regional diversification paid off as total regional sales in Uganda, Tanzania, Malawi, Zambia, Rwanda and Senegal contributed 30 per cent of the group's turnover as compared to 20 per cent in the previous year. A 9 per cent drop in production and operating expenses boosted the company's performance. Longhorn recently laid off workers to stem costs and increase efficiency with Mr. Ngigi setting savings at Sh80 million during the reporting period. "Despite the reduction in turnover, the group improved its profitability due to an increased emphasis on cost management and production efficiencies," said the company. The firm said it will boost new revenue streams in line with its plan to shift its content to digital platforms with an eye on the multi-billion shilling primary schools computerisation programme. *(Business Daily)*

Kenya Breweries Ltd (KBL) has raised the output of a lower-taxed Senator Keg brand by 20 per cent to drive sales amid higher excise duty on mainstream brands. The brewer installed new rackers — equipment used to fill kegs or containers with beers — in a Sh800 million upgrade of its Ruaraka plant. KBL managing director Jane Karuku said the upgrade is among the stop-gap measures the brewer has put in place ahead of commissioning the Sh15 billion brewery in Kisumu within two years. Mainstream beer sales have come under pressure from excise tax increases in recent years that has raised consumer prices. "Demand for Senator has been growing faster than we expected in the past year as more consumers trade up from illicit brews," said Ms Karuku. "We have responded with the newly-commissioned rackers project meant to lift our production capacity. We hope to meet demand with this," said Ms Karuku. Senator Keg has emerged as beer volume driver for the regional brewer due to its lower purchase price. The brewer plans to boost the output of its cheaper Senator Keg beer, which is taxed at a rate of Sh20 per litre, to offset the impact of the taxes on mainstream and premium beers.

Sales of Senator Keg, which is dispensed in mugs from barrels in bars, recovered last year, after the government rowed back on a 2013 decision to tax it at the same rate as mainstream beers such as Tusker. Treasury last year lifted the excise tax by 43 per cent to Sh100 shillings per litre of beer, driving up retail prices by at least Sh20 per bottle. Ms Karuku said the plans are on course to expand the Senator Keg distribution and retail network. In long run, the Sh15 billion Kisumu plant will be key in driving sales. It is expected to be finished in the next two years. East African Breweries net profit for the year through June rose 6 per cent to Sh8.5 billion, helped by reduced operating costs and a slight rise in sales. Net sales in Kenya - which makes up about 70 per cent of its profits - were up 4 per cent despite higher excise duty and drought-induced inflation. Sales in Uganda rose 7 per cent and shrunk 12 per cent in Tanzania. (*Business Daily)*

Limuru Tea Company reported a loss of Sh4.5 million in the six months to June as drought took a toll on tea volumes. The company had reported a net profit of Sh4.37 million in the corresponding period in 2016. Total revenue decreased by 43 per cent to Sh34 million in the period compared to Sh59 million realised in the same period last year. "This decrease in the first half of 2017 was due to a drop in production volumes as a result of unfavourable weather conditions experienced in the first quarter," said company chairman Richard Korir in regulatory filings. During the period, the company produced 926 tons of green leaf, which in turn was manufactured into 216 tons of black tea. This was a 45 per cent decrease in made tea volumes compared to the first half of 2016. The firm's directors did not recommend an interim dividend. Mr. Korir projected that if the current weather conditions persist for the rest of the year, the full year crop is expected to be lower than last year. (*Business Daily)*

Kenya Airways is eyeing New York as its first destination when it starts direct flights to the US next year. The national carrier sees the city as a convenient East Coast aviation hub to mark its entry into the US, before spreading its wings across the world's biggest economy. The airline, which last week received regulatory approval to operate direct flights to the US, also estimates that it will move 60,000 passengers in its first year of operation on the route. "We are currently focusing on New York due to the importance of point to point traffic with Nairobi. However, we are also studying other options on the US territory as we may expand our network in the US in the near future," Kenya Airways (KQ) Commercial Director Vincent Coste said in an interview. In its submissions to the United States government, KQ had said that it plans to launch direct flights in April 2018, although the company has since indicated June 2018 as a more likely date. New York's JFK Airport was the United State's fourth-busiest airport in 2016, according to Airports Council International. The city is the country's economic hub and being on the East Coast, it would be easier to reach relative to other hubs such as Atlanta International Airport, Chicago's O'Hare, and LAX on the West Coast. KQ received a foreign air carrier permit on September 5th from the United States Department of Transportation (DOT). *(Business Daily)*

Kenyan lenders risk needing to raise expensive debt on local markets next year to shore up their core capital levels, which may be eroded by new accounting standards the country is introducing that compel banks to classify losses differently. That'll be a double whammy for an industry already reeling from the effects of interest-rate caps introduced a year ago, accelerating a decline in banks' return on earnings to 24.7 percent by the end of last year, down from as much as 30 percent five years earlier, according to Jeremy Awori, chief executive officer at Barclays Bank Kenya Ltd. The International Financial Reporting Standard 9, or IFRS 9, that comes into effect on Jan. 1 requires banks to set aside more provisions for expected losses even before loan quality deteriorates, rather than when an actual default occurs. This will increase impairments for the lenders and force them to raise fresh capital through debt. "In certain instances, depending on the quality of their books and level of impairment, they may have to raise more capital," Awori said in an interview on Sept. 13 in the Kenyan capital, Nairobi. The challenge for local banks will come when they need to raise sub-ordinated debt, which ranks after other forms of borrowings in the event of a failure, which will mean they will "have to go to the capital markets," he said. While the unit of Barclays Africa Group Ltd. is "comfortable" with its core capital, it may still raise some debt from within the group so it can "optimize our return and get a better mix between Tier 1 and Tier 2," he said. "We'll do that based on opportunity because you don't want to just raise sub-debt unnecessarily," Awori said.

Banks could have to pay more than the 14 percent prevailing commercial interest rate when raising debt if a five-year corporate bond by East African Breweries Ltd. issued earlier this year is anything to go by. The Nairobi-listed Diageo Plc unit offered a 14.17 percent fixed-annual rate for its 6 billion-shilling ($58.3 million) bond. Lenders hoping the rate cap will be scrapped when a new government is in office may have to wait longer after a Supreme Court nullified the outcome of last month's election and ordered a fresh vote on Oct. 17. Opposition leader Raila Odinga petitioned the court to cancel the re-election of President Uhuru Kenyatta, saying his Jubilee Party had hacked the electoral agency's computer systems to ensure a win. Kenyatta, 55, signed the rates law in September 2016 in fulfillment of electoral pledges to bring down the cost of credit. The move exacerbated dwindling private sector credit, whose growth slowed down to 1.6 percent in June compared with 9 percent a year earlier, according to the Treasury. The cap limits Kenyan bank charges on loans to 400 basis points above the central bank's benchmark rate, currently at 10 percent. "It doesn't matter who's in government, the status quo cannot remain because even if it's popular, even if people desire it to remain in place, certain fundamentals will have their impact," Awori said. *(Bloomberg)*

Centum Investment recorded a Sh1.1 billion gain from the sale of its 26.4 per cent stake in Kenya Wine Agencies Limited (Kwal) to South African brewer Distell in March. The transaction, alongside the sale of an eight per cent stake in microcredit firm Platcorp in which it gained Sh432 million, was one of the most profitable deals for the company in the year ended March. "During the year, we successfully exited our

26.4 stake in Kwal, which was a legacy asset in our portfolio that was no longer aligned with our … strategy, realising a gain of Sh1.1 billion," the company says in its latest annual report. "We also partially exited our stake in Platcorp, realising a gain of Sh432 million." The profit on the Kwal transaction included some Sh500 million the investment firm had received from the alcohol manufacturer as payouts to shareholders over the years. Centum had already booked major unrealised gains on the two investments, but received even higher payouts from the buyers, expanding the profits. Its interest in Kwal was carried at Sh738 million, but the company sold it to Distell for Sh1.1 billion, having acquired the stake in 1977 for Sh12.2 million un-adjusted for inflation. The Platcorp equity was valued at Sh761.1 million, but was sold for Sh813.4 million. Centum retained a 27.63 per cent ownership in the microcredit firm after the deal. Centum's report shows it is sitting on cumulative capital gains of Sh24.1 billion across its subsidiaries including Almasi Beverages and Two Rivers Development Limited, setting it up to realise significant profits in future divestitures. "Notably, realised gains from our exits from Kwal and Platcorp (partial exit) were key drivers of our performance," the company said. The gains helped mitigate a drop in income, which saw the company's net earnings decline 16 per cent to Sh8.3 billion in the year ended March. The buyout of Centum raised Distell's stake in Kwal to a controlling 52.43 per cent. Distell had spent Sh834 million to acquire its initial 26 per cent in Kwal in 2014, with the multinational paying extra in the Centum deal seen as a reflection of the brewer's growth. *(Business Daily)*

Co-operative Bank has tapped a former Central Bank of Kenya (CBK) executive to serve as its board chairman, highlighting the increased appetite for ex-public servants by listed companies. The top-tier lender on Thursday appointed John Murugu, who has previously worked at Treasury and CBK, to take over as chairman effective October 1, 2017. Long-serving Co-op Bank chairman Stanley Muchiri is retiring after attaining the mandatory age of 70, as per Capital Markets Authority code. Mr. Muchiri, 71, joined Co-op as a director in 1986 and served as chairman since 2002. "The board has deeply appreciated Mr. Muchiri's transformational leadership of the bank and wished him the very best in all his future endeavours," Co-op said in a regulatory filing. The incoming chair served as the director of debt management at the Ministry of Finance, and has more than 25 years of banking experience at CBK where he rose through the ranks to be director in charge of bank supervision. Mr. Murugu, 66, joined Co-op's board in May 2015 and is currently the of the lender's board credit committee. He holds a Bachelor of Education Degree and Masters of Arts in Economics from the University of Nairobi. Management experts reckon that listed as well as private firms routinely poach current and former top civil servants to boardrooms in order to benefit from their influence and extensive contacts in the public sector. After serving at CBK, Mr. Murugu was seconded to Treasury to spearhead public debt reforms. *(Business Daily)*

Economic News

Commercial Bank of Africa (CBA) has beaten the interest rate cap after its revenue from transactions surpassed earnings from loans. This saw the lender buck a mix of static and lower earnings among large banks to post a 14.1 per cent net profit growth in the half year ended June, helped by higher fees and commissions. The private lender, which is ranked seventh after publicly traded Diamond Trust Bank , reported a net profit of Sh2.7 billion in the period compared to Sh2.3 billion a year earlier. All its peers reported lower earnings save for KCB whose net profit was flat at Sh10.2 billion. CBA's performance was lifted by increased non-interest income, including forex trading and fees on mobile-based M-Shwari loans. Revenue from these transactions rose 16.3 per cent to Sh5.5 billion, more than compensating for a 7.7 per cent decline in net interest income to Sh4.4 billion. The fact that CBA's non-interest income has surpassed its interest earnings puts the lender in a position to shake off the effects of the interest rate caps. Other banks are also keen on growing their transaction-based income, having relied heavily on the lending business whose margins have narrowed in the wake of the rate caps. CBA's fees and commissions on loans, in particular, increased by a fifth to Sh3.1 billion, aided by a 6.9 per cent loan book expansion to Sh114.3 billion. The lender also benefited from a 2.8 drop in operating expenses to Sh6 billion, partly due to a 42 per cent fall in loan loss provision to Sh1.2 billion. The bank provided less for its stock of bad debt despite this rising 3.5 per cent to Sh12 billion. *(Business Daily)*

Kenya will sell two-year and 10-year Treasury bonds worth a total 30 billion shillings ($292 million) this month, the central bank said on Sunday. The bank said in a statement it would receive bids for the bonds until Sept. 19 and auction the two bonds on Sept. 20. The two-year bond will have a market-determined coupon, while the reopened 10-year bond has a 12.966 percent coupon, the central bank said. *(Reuters)*

Kenya is running out of time to ensure a credible rerun of presidential elections that were annulled by the nation's top court after the main opposition party alleged that they were rigged. With the next vote due in just five weeks, the electoral commission is mired in infighting over who should take the fall for last month's botched contest. Demands by ex-Prime Minister Raila Odinga, 72 and his National Super Alliance that sweeping changes be made to the commission, including the removal of its chief executive officer, have also placed them at loggerheads with President Uhuru Kenyatta's ruling Jubilee Party. "As things stand now, most of the people that ran the Aug. 8 elections are still in office and the system that they used has not been changed," Peter Wayande, a politics professor at the University of Nairobi, said by phone from the capital. "As long as that remains the case, one cannot expect credible elections. If things are not done right, there will definitely be a crisis that will result in political instability." Controversy has marred most elections in Kenya since the advent of multiparty democracy in 1991, and peaked after a disputed 2007 vote triggered two months of violence that left at least 1,100 people dead. Clashes that ensued after last month's results announcement claimed 24 lives, according to the Kenya National Commission on Human Rights, and another disputed result would elevate the risk of further violence and disruption to East Africa's biggest economy.

The prospect of protracted turmoil has weighed on financial markets, with the yield on the nation's foreign debt climbing 15 basis points since the election was annulled and the FTSE NSE Kenya 25 Index of stocks dropping 3.2 percent. Kenya hosts the regional headquarters of companies including Google Inc. and General Electric Co. and several United Nations agencies, and is the world's largest shipper of black tea. The opposition alleged that computer systems were tampered with and vote tallies were altered to ensure the re-election of Kenyatta, 55, last month. On Sept. 1 the Supreme Court ruled that the Independent Electoral & Boundaries Commission "failed, neglected or refused to conduct the election in a manner consistent with the dictates of the constitution." It's yet to release its detailed findings. A former Kenyan justice minister, Martha Karua, has also asked the nation's High Court to invalidate the outcome of the entire election, including gubernatorial, senatorial, national and county assembly, and women representative results, Nairobi-based Star newspaper reported Tuesday, citing court documents. Wafula Chebukati, the commission's chairman, has said the body was committed to holding a lawful vote and replaced six of its top managers, including the heads of operations, information technology and the national tallying center. The managers who mishandled the previous election refused to resign, according to IEBC Commissioner Roselyn Akombe.

On Sept. 5, Chebukati wrote to Ezra Chiloba, the commission's CEO, asking him why a computer username had been created in his name without his consent, and to explain the failure of the election-results transmission system and other hitches during the initial vote. Four commissioners said in a statement on Sept. 7 that the electoral body hadn't sanctioned the letter and most of the issues raised by the chairman "are not factual." Odinga's alliance, known as Nasa, said it would be untenable to stage the rerun on Oct. 17 if the apparent conflict within the electoral commission isn't resolved. "It shows the commission is unable to carry out its constitutional functions without regard to political interests or causes that undermine its authority and mandate," Musalia Mudavadi, a top Nasa official, said in a letter to Chebukati. "The problem is systematic and grave and it has thrown the electoral process into a cesspool." Tushar Kanti Saha, a law professor at Kenyatta University in Nairobi, said the divisions within the commission and unresolved logistical and information-technology challenges have cast doubt over whether the election rerun will take place. "If it is held, then the question of credibility will still arise," he said. "I am not sure what direction it is going to take. It is very uncertain." *(Bloomberg)*

The National Treasury has maintained the country's inflation target range at 2.5 to 7.5 per cent for a sixth year running. The inflation target is measured by the 12 month increase in Consumer Price Index (CPI) as published by the Kenya National Bureau of Statistics (KNBS). The affirmation comes at a time when the cost of living has risen above the preferred ceiling, pushed by higher food prices as a result of drought. "The inflation target shall be five per cent, with a flexible margin of 2.5 per cent on either side in the event of adverse shocks," says Treasury secretary Henry Rotich in a notice to the CBK on the price stability target and economic policy of the government. "The flexible margin of 2.5 per cent on either side of the inflation target is to cater for effects of external shocks such as oil price variations and domestic shocks particularly weather related ones. This will help preserve macroeconomic stability and reduce undesirable fluctuations in economic performance." Under Treasury current inflation targeting regime, when inflation heads above target, the CBK would generally interpret that as a signal higher interest rates are required to cool the economy. Likewise, inflation heading below target usually signals lower rates are needed. The whole framework assumes a predictable relationship between inflation and output. CBK's base lending rate has been held at 10 per cent since September last year and is the main pricing tool for bank customer loans following the enactment of legislation capping rates in August 2016. This is in spite of inflation rising to as high as 11.7 per cent this year (in May), due to high food prices caused by a prolonged drought. Kenya's annual inflation rose to 8.04 per cent last month from 7.47 per cent in July, according to the Kenya National Bureau of Statistics (KNBS).*(Daily Nation)*

The Central Bank of Kenya (CBK) advisory committee meets next week with analysts projecting it will leave the benchmark lending rate unchanged. Ahead of the Monetary Policy Committee (MPC), analysts interviewed forecast the rate to remain steady as the shilling shows signs of resilience, with the country's foreign reserves rising gradually. The inter-bank rate is also showing stability. "I expect the Central Bank MPC to stay on the sidelines and leave interest rates unchanged," said Nairobi-based independent analyst Aly Khan Satchu. In the previous meeting held on July 17, the maximum cost of loans remained unchanged providing relief for millions of borrowers. The MPC maintained the benchmark rate at 10 per cent, saying the current monetary policy stance had reduced the threat of money-driven inflation. "My projection is for the rate to remain unchanged. There has been no major changes in the macro-economic space since the last meeting—inflation is steady, currency volatility low and market liquidity within good range," said Francis Mwangi, head of research at Standard Investment Bank on the September 18 meeting. Kenya's annual inflation rose to 8.04 per cent last month from 7.47 per cent in July, above the government's preferred band of 2.5 to 7 per cent.

The higher rate of inflation in August was attributed to an increase of 1.04 per cent in the food and non-alcoholic drinks index compared with July. "Excluding food inflation confirms that we do not have an inflation problem. The currency remains outstandingly well-behaved and its performance an affirmation of the central bank's bona fides in this regard," said Mr Satchu. Banks though continue to shy away from lending due to caps on borrowing rates. Mr Satchu said while the economy is slowing down, with private sector credit growth at a standstill, interest rate caps have interfered with monetary transmission and a rate cut to stimulate the economy is likely to get "muddied." Growth of credit to the private sector fell for the eighth straight month in May following the introduction of the law capping rates in September last year. *(Business Daily)*

The Treasury has opened the sale of a new two-year bond and re-opened a 10-year issue in a bid to raise Sh30 billion for budgetary support. The Central Bank of Kenya (CBK), the government's fiscal agent, has announced that the sale will run until September 19. Central Bank has been keeping a tight lid on rates on government bonds in recent offers by rejecting expensive bids. The last bond issued in August, a new five-year and reopened 10-year paper, fetched rates of 12.46 and 13 per cent respectively, against bond averages of 12.55 and 13.18 per cent. "The market will be keenly watching this auction to see if the CBK will allow the rate to rise further than during the last auction," said Genghis Capital Ltd in a market brief. Genghis said that the market will also be tracking developments on the political arena as the country heads to a repeat presidential poll next month, especially on how the government intends to raise the funds required for the exercise. The IEBC has announced it requires Sh12 billion to conduct the upcoming polls, which could see the government's appetite for local debt go up in order to fill this hole in the budget. *(Business Daily)*

Kenya's opposition National Super Alliance threatened to stage street protests and prevent a rerun of last month's annulled presidential election if the head of the country's electoral authority refuses to step down. Independent Electoral & Boundaries Commission Chief Executive Officer Ezra Chiloba should be removed or the opposition will hold "mass demonstrations," Norman Magaya, the CEO of the alliance, said by phone Tuesday from the capital, Nairobi. "There will be no election." The opposition group also plans to start "contempt proceedings" against the IEBC for failing to comply with a Supreme Court order to allow full scrutiny of its computer servers. Kenya's top court annulled the Aug. 8 presidential vote, won by President Uhuru Kenyatta, after finding the election hadn't been conducted in accordance with the constitution. Opposition leader Raila Odinga has called for electoral body officials including Chiloba to be removed before the rerun takes place on Oct. 17. The chairman of the authority last week wrote to Chiloba asking him to explain a series of failures in last month's ballot.

Uncertainty about the outcome of the presidential vote has clouded the outlook for East Africa's biggest economy, where growth is already slowing. Kenya is the world's largest shipper of black tea and a regional hub for companies including Google Inc. and Coca-Cola Co. The commission on Monday signaled that there will be no changes to its executive body when it announced that "one team with a common vision" will handle the Oct. 17 rerun. It said Chiloba has been tasked with assessing the "implementation challenges" in the August vote. A meeting between IEBC officials and members of the opposition and the ruling Jubilee Party that was to have taken place earlier on Tuesday to discuss plans for the rerun was postponed because of a disagreement about the agenda, Musalia Mudavadi, a co-leader of the alliance, told reporters. Odinga said his coalition wants returning officers involved in stealing votes in the Aug. 8 election removed, as he reiterated his call for Chiloba and other officials to be removed. "We are saying we are not going to an election with that team," he told thousands of cheering supporters at a rally in the Nairobi slum of Kibera, an opposition stronghold. "If the terms we have set out are not fulfilled, there will be no election." Former Kenyan Justice Minister Martha Karua has asked the country's High Court to annul the entire election, including gubernatorial, senatorial and legislation votes, citing "irregularities and illegalities," the Nairobi-based Star newspaper reported on Tuesday. *(Bloomberg)*

Kenya's main port of Mombasa handled 11.9 percent more cargo in the first half of this year, helped by increased efficiency after its handling capacity was expanded, the port's management said on Tuesday. The increase came despite uncertainty surrounding national elections in August, which have since been nullified by the Supreme Court. Kenya will hold a fresh presidential election on Oct. 17. Last year Kenya commissioned a second container terminal worth $300 million. The terminal is 900 metres long with three docking berths and provides an additional cargo-handling capacity of 550,000 TEUs (20-foot-equivalent units) per year. The port handled 15 million tonnes of cargo between January and June compared with 13.4 million in the same period last year. During first six months of 2017, imports accounted for 12.7 million tonnes against 11.3 million handled in the same 2016 period, an increase of 12 percent, the Kenya Ports Authority said in a report. It handled 1.87 million tonnes in exports, up 0.5 percent on the 1.86 million tonnes handled in the same period last year. The port, a major trade gateway to east Africa, handles imports such as fuel for Uganda, Burundi, Rwanda, South Sudan and the eastern Democratic Republic of the Congo. Investors and consumers were cautious in the run up to elections due to concerns of potential violence during the polls. About 1,250 people were killed in ethnic violence following a disputed presidential election in 2007. The Kenya Association of Manufacturers said last week business at the port had slowed down owing to election uncertainties, but port management said they were not worried. "Port operations are still running smoothly. We are posting daily improved figures in terms of tonnes of cargo handled, and we don't foresee any problems even with the repeat of elections," Hajj Masemo, a spokesman for Kenya Ports Authority, said. *(Reuters)*

The Central Bank of Kenya (CBK) has played down the impact of the ongoing political noise on the growth of the economy, contradicting economists who have projected the growth to fall below five per cent for the year. CBK governor Patrick Njoroge said the annulment of President Uhuru Kenyatta's re-election by the Supreme Court on September 1 and the ordering of a fresh poll has only delayed decision-making for "a few weeks", with no significant impact on growth. "We Kenyans tend to be very loud with our politics, but we are also very resilient as a people. The expectation is that every Kenyan will go out and vote and the outcome of that is something that we will all support because we know that this will lead to market-based policies in the next five years," Dr Njoroge told reporters in Nairobi Wednesday on the sidelines of Renaissance Capital third annual investment conference. "We have a very favourable outlook and asked them (investors) to take a long-term bet. This is the time to make a long-term bet on the economy." His sentiments come after economists at Stanbic Bank and Citi Research separately this week slashed growth outlook to below five per cent from 5.2 per cent prior to election, the slowest growth since 4.6 per cent in 2012. Dr Njoroge, however, said investors have since reacted "favourably" and have recovered following the court's decision. "we are cautiously optimistic," he said. *(Business Daily)*

Kenya borrowed Sh430.6 billion in the five months to June, highlighting the Jubilee administration's appetite for foreign money to finance mega infrastructure projects. The Treasury signed a total of 29 new loans involving bilateral, multilateral and commercial creditors. "The proceeds from all the facilities (Sh430.6 billion) are expected to finance development projects to achieve the country's development agenda," said Treasury secretary Henry Rotich in a report to Parliament on all new loans contracted by the government from February 1 to June 30, 2017. "The funds are mainly to fund infrastructure projects including roads, irrigated water and water supply, energy, health and education." Kenya has ramped up spending in recent years to build a modern railway, new roads and electricity plants, driving up the budget deficit. The World Bank recently warned that the country's growing appetite for loans, especially Chinese debt, risks hurting the economy. The country contracted Sh146.9 billion syndicated loan facilities from Citi Bank and PTA Bank for budgetary support in funding of infrastructure development. Mr Rotich said majority of the creditors are bilateral while others are multilateral and commercial. The report, tabled by the National Assembly Leader of Majority Aden Duale, shows that out of the Sh430.6 billion of the new loans, Sh156 billion from two commercial creditors have been disbursed. The Sh156 billion was secured from PTA Bank and a consortium of lenders comprising Standard Chartered Bank, Citi Bank and Rand Merchant Bank. *(Daily Nation)*

Kenya's national assembly will throw out any bill aimed at altering the interest rate cap imposed on commercial banks last year, the legislator who sponsored the rate-capping law said on Thursday. A year ago, the government capped commercial lending rates at 4 percentage points above the central bank rate, which stands at 10 percent, and also imposed a minimum deposit rate of 70 percent of the central bank rate. It accused lenders of failing to pass on the benefits of growth in the industry by charging more than 20 percent interest rates on loans. Bank bosses, who deny the claims of exploitation, say the cap has cut lending to risky borrowers like small enterprises, curbing economic growth. Central bank governor Patrick Njoroge said on Wednesday that a preliminary report on the impact of the rate cap would be ready soon. He reiterated the bank's position that lenders should reduce their lending rates voluntarily. Jude Njomo, the legislator who sponsored the rate cap bill, said there was no evidence that banks would now voluntarily reduce their rates, after dithering for many years. "I have talked to a number of members of parliament. I have talked to a number of business people and they are really against any attempt to change that law," Njomo, who was re-elected with a landslide in last month's polls, told Reuters. "It is doomed to fail." Njoroge has previously said the rate cap was making it harder to predict the impact of monetary policy decisions, since lenders are limited in their response to the bank's policy signaling. Most Kenyan banks have responded to the cap by reducing lending to the private sector and allocating higher investments to government bonds, which are perceived as risk-free. Njomo said there was no reason for the law on capping to changed since the industry was still profitable. "They may not be making the super profits that they were making before, but we have seen they are still registering good profits at the end of each financial year," he said. *(Reuters)*

Fitch Ratings' negative outlook on Kenya's sovereign debt could be withdrawn if a re-run presidential election goes "relatively" smoothly and debt to GDP levels fall, Fitch said on Thursday. Fitch currently rates Kenya as B+ with a negative outlook, and this has not been altered since the decision by the Supreme Court to nullify the presidential election, citing irregularities. A new election has been tentatively scheduled for Oct. 17. It means voters will again have to choose between President Uhuru Kenyatta, 55, and veteran opposition leader Raila Odinga, 72. "If the second election goes relatively smoothly and ... if they achieve a decline in their debt to GDP levels it could lead to a withdrawal of the negative outlook," said Jan Friederich, a Fitch analyst for the Middle East and Africa. *(Reuters)*

On Monday, Kenya's central bank may have little choice but to do what the rest of the country is stuck with: waiting for a rerun of its presidential election. With political limbo reigning since the Supreme Court's annulment of the previous attempt at a national vote on Aug. 8, officials are left contemplating the effects of prolonged uncertainty on an economy that also faces slowing growth and persistent inflation. Economists say that quandary will force them to opt for no change in the benchmark interest rate at 10 percent, where it's been for a year. The Central Bank of Kenya's options are hamstrung by the "reemergence of political risk," Jibran Qureishi, an economist for East Africa at Stanbic Holdings Ltd., said by phone from the capital, Nairobi. "When you have prolonged political uncertainty, one of the biggest concerns is whether there could be any risk to the exchange rate. Currently, there is no reason for them to do anything differently." Monday would mark the sixth consecutive meeting when the central bank's rate-setting committee, led by Governor Patrick Njoroge, has left rates frozen in Kenya. The economy of the world's largest shipper of black tea has been hit by the worst drought in three decades -- a crisis that's curbed output of the staple corn, pushing up consumer prices. The Supreme Court's decision to annul President Uhuru Kenyatta's victory followed its finding that the election hadn't been conducted in accordance with the constitution.

The ruling marked the first time an African court overturned the results of a presidential election. That watershed for its judges isn't making it any easier for its monetary policy makers. They're already contending with an inflation rate that accelerated to 8 percent in August, while gross domestic product expanded at the slowest pace since 2014 in the first quarter as farming output shrank. A rerun of the election is due on Oct. 17. But while that vote could clear the political clouds hanging over the economy, it also carries with it the risk of instability and violence that hung over the last attempt -- yet more for the central bank to worry about. New elections mean potential investments are delayed until a new government is in place and policy certainty is assured, compounding growth woes, said Razia Khan, chief economist for Africa at Standard Chartered Bank Plc in London. The stasis delays amendments to a law that caps bank-loan rates and has choked off lending, worsening the economic slowdown, Khan said. Kenyatta's legislation limited borrowing costs to 400 basis points above the benchmark rate a year ago as he sought to fulfill a 2013 election pledge to lower the cost of credit. East Africa's largest economy has struggled to gain any real momentum after the first quarter and will "move on a modest downward trajectory" this year, said David Cowan, an Africa economist at New York-based Citigroup Inc. While the government forecasts expansion of 5.5 percent in 2017, GDP may rise less than 5 percent, he said. "The real question about where the economy goes into 2018 is unresolved, given that the new political uncertainty will now cast its shadow over much of the second half of 2017," Cowan said. *(Bloomberg)*

Kenya's government cut its 2017 economic growth forecast on Friday to 5.5 percent from an initial 5.9 percent, a senior Treasury official said. Kamau Thugge, the principal secretary in the ministry finance, said growth would then rise to 6.5 percent per year in the medium term. "This is contingent on having good weather," he told a meeting convened to discuss budget preparation. Thugge later told Reuters this year's forecast was reduced due to a severe drought in the first half of 2017. *(Reuters)*

Malawi

Corporate News

No Corporate News this week

Economic News

Malawi's consumer inflation slowed to 9.3 percent year-on-year in August from 10.2 percent in July, official data from the National Statistical Office showed on Thursday. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Mauritius

Corporate News

No Corporate News this week

Economic News

Mauritius is to provide foreign currency support to its sugar and other export-oriented sectors to cushion them against the impact of a strong rupee, the Finance Ministry said on Friday. Businesses have been calling on policymakers to intervene over recent weeks after export revenues fell 8 percent to 20.5 billion rupees year on year in the six months to end June. Pravind Kumar Jugnauth, who is both prime minister and finance minister, told business executives on Friday the government would introduce an exchange rate support scheme, a statement from the Finance Ministry said. The rupee traded at 32.34 rupee against the dollar and at 38.92 against the euro on Friday. The rupee is 9 percent up against the dollar so far this year, and 5 percent down against the euro. The statement gave no overall support amount, but said the support will be provided based on a difference between the rate at which an exporter exchanged their dollars and a reference rate of 34.50 rupees per dollar. The ministry said it would set a maximum support of 2.50 rupees per dollar and the scheme would start on Sept. 11 and run for six months. Under the programme, sugar planters and millers will be provided with a financial support of 1,250 rupees per tonne of sugar. On Wednesday, the Bank of Mauritius slashed its key repo rate by 50 basis points to try to stimulate the Indian ocean island's economy. Famed for its white sand beaches and luxury spas, the Indian Ocean island nation is diversifying its economy away from sugar, textiles and tourism into offshore banking, business outsourcing, luxury real estate and medical tourism. *(Reuters)*

Mauritius cut its 2017 sugar production forecast by 2.7 percent on Tuesday, blaming above average rainfall for a poor harvest. The Chamber of Agriculture said it now expects sugar production of 350,000 tonnes this year, down from a previous forecast of 360,000 tonnes. "Rainfall in the month of May was well above average representing 272 percent of the long-term average while the island received only 90 percent of the normal sunshine," the Chamber said in a statement. Mauritius produced 386,277 tonnes of sugar in 2016. Sugar contributes about 1 percent of the Indian Ocean island's $13 billion gross domestic product. Sugar processors in Mauritius include Omnicane, Alteo Ltd and Terra Mauricia. Once focused on sugar and textiles, Mauritius has diversified into tourism, offshore banking and business outsourcing to cement its reputation as one of Africa's most stable and prosperous economies. *(Reuters)*

Nigeria

Corporate News

Aliko Dangote, Africa's richest man, is among those considering counteroffers for PPC Group Ltd. that could signal a bidding contest for South Africa's largest cement maker, according to people familiar with the matter. Dangote Cement Plc sees a bid for the Johannesburg-based company as a way to accelerate expansion outside its home market of Nigeria, said the people, who asked not to be named as the matter is private. PPC will consider any rival offers to the joint approach by Canada's Fairfax Financial Holdings Ltd. and domestic rival AfriSam Group Pty Ltd. and present them to shareholders in early October, one of the people said. PPC shares jumped 2.9 percent to 6.38 rand as of 3:30 p.m. in Johannesburg, on track for the highest on a closing basis since April 25. That values the company at 10.2 billion rand ($792 million). LafargeHolcim Ltd., the world's biggest cement maker based in Jona, Switzerland, and Germany's HeidelbergCement AG are also monitoring PPC's situation, the people said. Titan Cement Co. SA of Greece is looking at the South African company, according to one of the people. The cement makers' interest was sparked after Toronto-based Fairfax offered to buy 2 billion rand of PPC's shares and support a merger with AfriSam earlier this week, the people said. The proposal "significantly undervalued" the business, PPC said at the time. Spokespeople for Dangote, LafargeHolcim, HeidelbergCement, Titan, Fairfax and PPC declined to comment. The future ownership of PPC is up for grabs after merger talks with AfriSam failed for a second time last month following two-and-a-half years of on-off negotiations.

Both companies have been struggling with high debt levels, which Fairfax offered to resolve with its unexpected entrance to the saga this week. The Toronto-based company said it would recapitalize AfriSam, enabling it to settle outstanding loans, and buy 2 billion rand worth of PPC shares at 5.75 rand each. PPC's current share price of 6.38 rand suggests investors expect a higher offer to emerge. The Fairfax proposal would give the Canadian company a stake of more than 30 percent stake in the combined entity, said two of the people. The value of the bid would rise when savings generated by sharing PPC and AfriSam infrastructure are taken into account, they said. The Public Investment Corp., the biggest shareholder in both PPC and AfriSam, would prefer a higher cash component of more than 6 rand a share, the people said, adding that Fairfax hasn't ruled out increasing its offer. Aliko Dangote, who has interests in sugar, flour and packaged food businesses as well as cement, has a net worth of $11.4 billion, according to the Bloomberg Billionaires Index. Dangote would be open to a sale of all or part of its cement operations in Pretoria-based Sephaku Holdings Ltd. unit to win regulatory approval for a takeover, two of the people said. Separately, PPC said it had reduced capital expenditure targets for fiscal years 2018 and 2019. The company sees spending of as much as 900 million rand in year through March 2018, rising to as much as 1 billion rand the following year, PPC said in a presentation to investors on Friday. The cement maker also said debt would probably fall in the current year. *(Reuters)*

The United Bank for Africa (UBA) Plc has described the Republic of Chad as one of its subsidiaries in the continent and urged potential investors to look into the country as an investment destination. The pan-African bank was present at a roundtable organised in Paris recently, by the government of the Republic of Chad, on the financing of the country's National Development Plan (2017- 2021). The forum was opened and closed by the Chadian President, Idris Deby Itno. In attendance were the President of Mauritania, Moamed Ould Abdel Aziz; all the Chadian cabinet ministers, representatives from various governments, including the governments of Japan, Canada, the United States, Saudi Arabia, Switzerland and from the African Union, AfDB, EU, IMF, the IFC and many others. A statement from the bank explained that the Chairman of UBA Group, Mr. Tony Elumelu. was represented by the CEO, UBA Francophone Africa, Emeke E. Iweriebor. Iweriebor who spoke at a session during the forum stated that UBA's decision to invest in Chad a decade ago turned out to be a very sound investment decision. He said UBA Chad had contributed to the growth of the Chadian economy through financing infrastructure, a critical lever in sustainable development.

The statement went further to describe UBA Chad as one of the Pan-African bank's high performing subsidiaries in the continent and encouraged potential investors to look into Chad as an investment destination. "With presence in 19 African countries and in London, Paris and New York, UBA has supported several projects in Tchad including a 60 Mega Watt Central Electricity power plant in Farcha. UBA contributed $18.5million and led the syndication that raised $80 million for the project resulting in an improvement in the access to electricity in Chad by 3.9 per cent. "The bank continues to support the government of Chad in its development initiatives in the areas of infrastructure, oil and gas and other key sectors of the economy," he added. The forum on the National Development plan saw many organisations and countries pledging to support Chad with about $20 billion having been raised. Ending the forum, the Chadian President Itno thanked all the people and organisations present who had come to support the country, promising that the administration was going to put in the maximum effort to ensure that the development plan is successful. "This administration is a transparent one that is working with partners to ensure successful implementation of all the projects. It is the responsibility of the government to lead the country to sustainable development," he said. *(This Day)*

Flour Mills of Nigeria Plc (FMN) has reiterated its resolve to continue to invest in local production, in line with the drive of the federal government. The Chairman of the FMN Group, Mr. John Coumantaros, said this in his speech at the company's 57th annual general meeting that took place in Lagos recently. Though the operating environment had been tough and challenging, Coumantaros urged shareholders of the company to look to the future with confidence that the Group's prospects were promising and bright while the fundamentals were strong. He said FMN was determined to continue to feed the nation every day. Coumantaros said to further the Group's vision to be involved at all stages of the food chain value –from farm to table -raw materials were being produced locally to ensure that good quality and fair value products were developed through the food supply chain to final consumers. "We shall keep maintaining our wide portfolio of high quality consumer food options and step up our input of locally sourced raw materials, thereby supporting the livelihood of Nigerian businesses.

"We shall continue to invest in our growing portfolio of localised products in support of the nation's economy. "As we strive to further restructure our operations, streamline our business operations to focus on core businesses, constantly monitor and manage our costs optimally, improve and re-engineer our existing product range, we will focus on innovation and develop new strategies for the market, making our products more visible and available at points of sale," he added. He said the Group would also continue to improve sales, merchandising, redistribution personnel and activities. Furthermore, he pointed out that in its continued support of the federal government's backward integration policy, it was determined to ensure that its agro-allied strategy provides sustainable returns on capital invested by maximising local content in Group products. "By our policy of aggregating grains and local farm products, we are creating jobs and boosting rural economy. "We are determined to continue to ensure that our investments and processes aside from ensuring value for shareholders and other stakeholders continue to enrich the lives of our consumers, farmers, suppliers and other relevant stakeholders," he added. Flour Mills posted revenue of N375 billion in 2016, representing a growth by 51 per cent, over the N284 billion recorded last year. Its profit before tax was N11 billon, compared with the N6.2 billion it made the previous year. *(This Day)*

The successful conduct of the 40th annual general meeting (AGM) of Oando Plc on Monday has been described as a good development that would impact positively on the operations of the company going forward. The founding National Coordinator of the Independent Shareholders Association of Nigeria (ISAN), Sir Sunday Nwosu, stated that he was excited at the outcome of the meeting. While the meeting was going on in Ibom Hall, Uyo, AkwaIbom State, there was a protest outside the venue by some aggrieved shareholders, under the aegis of Oando Shareholders Solidarity Group. However, Oando Plc had said in a statement that all shareholders were allowed access to the venue to raise their legitimate concerns to management and the Board. According to the company, the protest lost steam after 15 minutes as the protesters quietly dispersed without causing any disruption to the AGM. "However before dispersing key representatives of the shareholder associations addressed the protestors asking that they raise their concerns the legitimate way either via writing to the company or by attending the AGM," the company said. Expressing excitement on the successful AGM, Nwosu said: "The AGM was very successful, nothing more. We discussed all the issues that needed to be discussed and we voted to keep the management and the Board.

The protest that happened outside the venue was carried out by non-shareholders who did not have any business being there in the first place. I went out and spoke with the protesters. I told them that if they were shareholders, they would have known that the right way to raise their concerns about Oando is to officially write to the company secretary. The protest did not disrupt the meeting in anyway." The Group Chief Executive Officer of Oando, Mr. Wale Tinubu, at the AGM thanked the shareholders for their continued support of the company in the challenging times and assured them that the management team would focus on sustaining the company's profitability and ensuring returns to shareholders. "As your management team, we assure you that our main focus will continue to be geared towards sustaining your company's profitability and ensuring adequate return for you our esteemed shareholders," he said. Speaking on the attempts to stop the AGM through petitions, Tinubu said: "The petitioners requested a postponement of our AGM, but we provided the Securities and Exchange Commission (SEC) with all the information required and we were cleared to hold the AGM." *(This Day)*

Nigeria's Stanbic IBTC Bank said on Thursday it will offer shareholders the option to receive scrip dividends in lieu of cash dividends over the next three years after it declared an interim dividend. The mid-tier lender, which is part of South Africa's Standard Bank, did not provide a reason for the move. The bank declared a interim dividend of 0.60 naira for its half-year to June 30. *(Reuters)*

Economic News

The Central Bank of Nigeria (CBN) at the weekend assured members of the public of its continued intervention in the interbank foreign exchange market in order to sustain liquidity and stability in the sector. The Acting Director, Corporate Communications Department at the Bank, Mr. Isaac Okorafor, who gave the assurance in Abuja, said measures taken by the Bank had yielded positive results as far as forex supply was concerned. While acknowledging a marginal fluctuation in the exchange rate, he noted that the naira remained stable against other major currencies around the world; even as he observed that activities in the foreign exchange market remained dynamic. According to him, the interventions of the central bank were in line with its commitment to sustain liquidity in the market to meet genuine requests as well as deepen flexibility in the foreign exchange market. However, Okorafor warned speculators against nefarious activities, adding that the CBN had put necessary checks in place to guard against sharp practices in the forex market.

While stressing that there was nothing to suggest that the CBN planned to discontinue its forex intervention, he noted there had been accretions in the country's foreign reserves from $30 billion to about $32 billion. Okorafor therefore urged those who genuinely require foreign exchange for their transactions to approach their banks, noting that the banks had enough forex to meet the demands for foreign exchange. The central bank had consistently injected funds into in the interbank foreign exchange market, which received a boost of $547million in the last round of intervention. Meanwhile the naira exchanged at the rate of N363 to the US dollar in the Bureau de Change segment of the market last Friday. It however closed at N358.50 to the dollar on the Investors and Exporters' window where turnover as at Friday was $231.23 million. As part of efforts to mitigate risk by bank customers that carry out transactions through Unstructured Supplementary Service Data (USSD), the CBN last week unveiled to members of the public an exposure draft on the regulatory framework for banking platform. It pointed out that the implementation of the system in Nigeria has created multiple USSD channels to customers, thereby increasing their exposure to risk, without common standard for all. *(This Day)*

Nigerian energy company Shoreline has signed a $300 million agreement with the local unit of Shell to develop gas infrastructure around the commercial capital, Lagos, both companies said on Monday. Shell said in June that it would place more emphasis on gas rather than oil in the West African country, which has the world's ninth-largest proven gas reserves at 187 trillion cubic feet. Shoreline said the agreement was to develop, buy, market, distribute and sell natural gas in the Victoria Island, Ikoyi, Lekki and Epe districts -- areas that contain the city's business hub and some of the country's most expensive residential properties. It said the agreement provided exclusive rights to distribute and sell gas in those areas. "The partnership is a significant boost to the gas supply efforts of the Federal and Lagos State governments and will deliver tangible benefits to companies and households in Lagos," said Shoreline's chairman, Kola Karim. A spokesman for Shell's Nigeria subsidiary, the Shell Petroleum Development Company of Nigeria, said the company was "exploring a downstream gas opportunity" in partnership with Shoreline. *(Reuters)*

The Central Bank of Nigeria on Monday intervened with another sum of $250m in the foreign exchange market. The regulator said in a statement that the move was meant to keep the inter-bank foreign exchange market liquid. A breakdown of Monday's intervention indicated that the wholesale sector was offered the sum of $100m, just as the Small and Medium Enterprises window received a boost of $80m. Those requiring foreign exchange to address needs such as Business/Personal Travel Allowances, school tuition, medicals, among others, were allotted the total sum of $70m. The bank's Acting Director in charge of Corporate Communications, Isaac Okorafor, said the interventions had ensured stability in the market, even as he stressed that the CBN remained committed to maintaining transparency in the market. According to him, CBN has taken measures to check the activities of speculators and shield the currency from attacks, while also maintaining the international value of the naira. While assuring that authorised dealers had enough funds to meet the foreign exchange needs of customers, Okorafor urged all to adhere to the extant guidelines on the sale of forex in the nation's forex market. He therefore advised those in genuine need of forex to continue to approach their respective banks for purchase. He said the bank remained very optimistic that the Nigerian currency would fare strongly against other notable currencies around the world. On the convergence target of the bank between the forex rates at the inter-bank and the Bureau de Change, he said the goal would be attained if all stakeholders played by the rules. The CBN last week assured customers of adequate foreign exchange in the market, dispelling fears of a scarcity of foreign exchange in the Nigerian forex market. Meanwhile, the naira exchanged at the Bureau de Change segment of the market on Monday, at the rate of N365/$1. *(Punch)*

The Federal Government on Tuesday said that the low revenue generation by its Ministries, Departments and Agencies was affecting the implementation of the 2017 budget. It lamented that with about four months to the end of the year, only 25 per cent or N120bn out of the target of N807bn set for agencies generating revenue only for the Federal Government under the Fiscal Responsibility Act had been realised. Speaking in Abuja on Tuesday at a workshop on compliance with the Fiscal Responsibility Act, which was organised for senior officers of the MDAs, the Accountant-General of the Federation, Mr. Ahmed Idris, said there was a need for improvement in revenue generation in order to meet the targets set for this year. Some of the agencies generating revenue for the Federal Government alone under the FRA are the Central Bank of Nigeria, Joint Admissions and Matriculation Board and the Nigerian Maritime Administration and Safety Agency. Idris lamented that in 2016, the government fixed a revenue target of N1.3tn for the agencies, adding that only 35 per cent of the target was realised. He said the development made the government to reduce this year's target to N807bn, with only about 25 per cent so far generated. Idris stated that the inability of the agencies to meet the expected revenue target had taken its toll on disbursements to the MDAs. He said, "We only realised 35 per cent of the N1.3tn revenue estimated for 2016.

For 2017, it has been lowered to about N807bn and we are now in the third quarter of the year. But what we have been able to realise to date is about N120bn. "We are now in September, which means we have not even gone half way; we are just hovering around 25 per cent of the estimated revenue for this year as far as Internally Generated Revenue for this year is concerned." He added, "We must go back and see what we can use to enhance our revenue generation, otherwise the budget will not be funded and that is why we have gaps in terms of releases. Agencies wonder why certain components of the releases are not made 100 per cent, but this is partly the reason. "The estimated revenue is not really achieved as expected and therefore the releases could not be made as expected." Idris, however, urged the heads of the government agencies to be more creative in revenue generation efforts so that they could meet their individual targets and collectively meet the targeted revenue to fund the budget. The Minister of Finance, Mrs. Kemi Adeosun, urged government agencies to recognise the current financial priorities of the nation and therefore cut their costs, eliminate wastage and block revenue leakages. She warned heads of the agencies that under the President Muhammadu Buhari-led administration, the issue of transparency and accountability in the management of government resources would not be compromised.

Adeosun explained that many agencies were engaged in quasi-commercial activities on behalf of the government and were therefore expected to manage those organisations in a manner that would maximise the operating surplus. She noted that in other countries like the United Kingdom and the United States, government functions such as visa processing, passport issuance, company registration and regulation were major revenue earners. However, the minister lamented that in Nigeria, many agencies were operating in such a manner that returned minimal funds to the government. Adeosun said the cause of the dwindling revenue included wastage, illegal recruitments, bloated expenses, loans to employees and use of expensive consultants. The minister reminded the agencies that a circular had been issued restricting allowable expenses in line with reforms occurring across government business. She informed the agencies that compliance checks would be undertaken regularly to ensure that all agencies adhered to the new requirements. Adeosun also commended a number of the agencies that had improved considerably in their revenue remittance to the Consolidated Revenue Fund. These agencies, according to her, include JAMB, which has remitted over N5bn, and NIMASA, which has significantly improved its remittances. Adeosun encouraged other agencies to urgently review their operational costs and revenues with a view to increasing remittances to government coffers. She informed the participants that the Ministry of Finance planned to publish the performance of the agencies. *(Punch)*

Nigeria plans to sell 140.9 billion naira ($433.5 million) worth of treasury bills at an auction next week, the central bank said on Wednesday. The bank said it plans to offer 28.12 billion naira of three-month debt, 23.68 billion in six-month bills and 89 billion in one-year notes, using the Dutch auction system, on Sept 21. Settlement will be made next day after the auction. The central bank issues treasury bills twice a month to help the government fund its budget deficit, support commercial lenders in managing liquidity and curb inflation. Africa's biggest economy has a series of debt issues lined up this year, including a 100 billion naira debut domestic sukuk it is marketing to fund infrastructure projects. *(Reuters)*

The naira weakened to 367 per United States dollar at the parallel market on Wednesday, after closing flat at 365/dollar in the past one week. This was despite a $250m injection into the foreign exchange market by the Central Bank of Nigeria on Monday. A breakdown of Monday's intervention indicated that the wholesale sector was offered the sum of $100m, just as the Small and Medium Enterprises window received a boost of $80m. Those requiring foreign exchange to address needs such as Business/Personal Travel Allowances, school tuition, medicals, etc. were allotted the total sum of $70m. The CBN has managed to keep the exchange rate within the 365/dollar to 370/dollar band in the past few months, thanks to its billions of dollar worth of market interventions. The central bank had also two week ago reportedly injected $297m into the Retail Secondary Market Intervention Sales segment, raising the total intervention for the week to the sum of $547m. Last week, the regulator also injected $250m into the market. Analysts believe the reason the local unit has not appreciated significantly against the greenback is because the CBN has reduced the value and frequency of its interventions in the forex market. The bank's spokesman, Isaac Okorafor, hinged that the economy's recent exit from recession to the regular intervention of the CBN in the forex market. He added that the timely execution and settlement for eligible transactions as well as the forex available to the real sector and industrial capacities were factors that boosted the economy. But analysts believe that improvement in the oil sector in terms of output and price led the economy out of recession in the second quarter of this year. The National Bureau of Statistics report last Tuesday showed that the economy recorded a positive growth of 0.55 per cent in the Q2. The positive growth, which took the country out of recession, was the first in the past six quarters. The economy had recorded five quarters of negative growth. *(Punch)*

Nigeria recorded a total of N2.43 trillion crude oil exports in the second quarter (Q2) of 2017 as total trade hit N5.69 trillion. The value of petrol imports also stood at N556.1 billion in the review period. Of the N5.69 trillion trade posted in the quarter, total exports stood at N3.10 trillion while imports recorded N2.59 trillion. According to the National Bureau of Statistics (NBS), the total export value of N3.10 trillion in Q2 2017 represented an increase of 3.2 per cent over Q1 2017 and 73.48 per cent over the first quarter of 2016. Giving further insight into the trade figures, the total trade of N5.69 trillion in Q2 2017 was 7.7 per cent higher than the value recorded for Q1 2017 and 37.3 per cent higher than the value of trade in Q2 2016. Trade balance, accordingly, stood at a surplus of N506.5 billion in Q2 2017 compared to a surplus of N719.4 billion recorded in the preceding quarter and a trade deficit of N572.12 billion in the corresponding quarter last year. Non-crude oil exports was N676.81 billion while The NBS in its "Foreign Trade in Goods Statistics" for the second quarter of 2017 said the country recorded a positive trade balance as merchandise trade grew marginally quarter-on- quarter but significantly year-on-year. Value of imported agricultural goods were 16.01 per cent higher than the value recorded in Q1,2017 but 61.02 per cent higher than Q 2 2016. Value of raw material imports were 17.4 per cent more than Q1,2017 but 63.20 per cent higher than the value in Q2 2016. Solid minerals imports in Q2 2017, increased by 1,527.44 per cent compared to Q1 2017 but was 1,947.52 per cent higher than Q2 2016.

Energy goods imports in Q2 2017 were 177.77 per cent higher than Q1 2017 and compared to Q2 2016 when no energy goods imports were recorded. The value of manufactured goods imports was 9.5 per cent higher in Q2 2017 than the level in Q1 2017 but -18.33 per cent lower than Q1 2016. Other oil products imports value was 6.4 per cent lower than in Q1 2017 and 18.48 per çent higher than Q2 2017. Similarly, the value of agricultural goods export in Q2 2017 was -1.03 per cent lower than Q1 2017 but 94.05 per cent higher than Q2 2016. The NBS' report noted that Nigeria's import trade of N2.59 trillion at the end of Q2, 2017, showed an increase of 13.5 per cent from the value (N2,286 trillion) recorded in the preceding quarter. The structure of Nigeria's import trade by section was dominated by the imports of "Mineral products" which accounted for 34.7 per ceñt of the total value of import trade in Q2, 2017. Other commodities which contributed noticeably to the value of import trade during the review period were "boilers, machinery and appliances; parts thereof" (15.8 per cent). Also, "products of the chemical and allied industries" accounted for 9.1 per cent, "prepared foodstuffs; beverages, spirits and vinegar; tobacco" (8.0 per cent) while "vegetable products" recorded 6.0 per cent. The import trade classified by broad economic category, revealed that "Industrial Supplies", ranked first with N785.6 billion or 30.3 per cent. This was followed by "Fuels and lubricants" with a value of N694.6 billion or 26.8 per cent, and "Food and Beverage" with N443.8 billion or 17.1 per cent. Nigeria's import trade by direction showed that the country imported goods mostly from China, Belgium, Netherlands, the United States and Italy, which respectively accounted for N414.7 billion or 16.0 per cent; N319.2 billion or 12.3 per cent; N250.8 billion or 9.7 per cent; N193.8 billion or 7.5 per cent, and N161.5 billion or 6.2 per cent. These five countries accounted for 51.6 per cent of total imports, while all other countries of the world accounted for N1,255.4 billion or 48.4 per cent of the total value of goods imported during the quarter. Further analysis of Nigeria's imports by çontinent revealed that the country consumed goods largely from Europe with import value of N1,432.0 billion or 55.2 per cent. The country also imported goods valued at N733.3 billion or 28.3 per cent from Asia and N312.4 billion or 12.0 per cent from America. Import trade from Africa stood at N79.0 billion or 3.0 per cent while imports from the ECOWAS' region amounted to N12.1 billion. *(This Day)*

Nigeria plans to shut its three refineries for a total overhaul, a spokesman for the Nigerian National Petroleum Corporation (NNPC) said on Thursday. Ndu Ughamadu said a date had not been decided for when the work would be carried out at the refineries in Warri, Port Harcourt and Kaduna. He said the aim was to meet a target to have them operating at 90 percent capacity by the end of 2019. He said they currently operate at about 60 percent capacity. *(Reuters)*

Nigeria has started the sale of a 100 billion naira ($326 million) debut sovereign sukuk on the local market to fund road infrastructure, the Debt Management Office said on Thursday. The seven-year Islamic bond which is structured as a lease will yield a 16.47 percent rental rate, payable semi-annually. Subscription for the bond, which is guaranteed by the government, will close on Sept 20. The debut sukuk was originally planned to go on sale in June for three days via book building. Africa's biggest economy has a series of debt issues lined up this year, including a 20 billion naira in "green bond". The West African country raised $1.5 billion Eurobond in the first quarter and sold another $300 million to its Diaspora. Nigeria plans to borrow both locally and from offshore sources to help fund a budget deficit worsened by lower oil prices which have slashed government revenues and weakened its naira currency. The country grew out of recession in the second quarter as oil revenues rose, but the pace of growth was slow, suggesting a fragile recovery. The planned sukuk issue will target retail and institutional investors, with First Bank and Islamic wealth manager Lotus Capital managing the sale.

Nigeria is home to the largest Islamic population in sub-Saharan Africa, with about half of its 180 million people Muslims. It is also home to one of Africa's growing consumer and corporate banking sectors. The DMO said the bond will be tradable on the Nigerian Stock Exchange and on FMDQ over-the-counter platform and that it may re-open the offer in case of an undersubcription. The Islamic bond sale is part of plans to develop alternative funding sources for government and to establish a benchmark curve for corporates to follow, the DMO has said. In 2013, Nigeria's Osun State issued 10 billion naira worth of sukuk, but no other sukuk transactions followed. Nigeria's central bank has been working to set regulatory ground rules for such things as Islamic bonds (sukuk) and insurance (takaful) to try to emulate the success of the industry in Malaysia. The bank has set up liquidity support systems to its non-interest lenders after it issued guidelines last year to enhance the quality of sukuk instruments and grant the Islamic bond liquidity status at its discount window. *(Reuters)*

Nigeria should see a bumper cocoa harvest in the coming season as late rains have helped boost pod production, the head of the cocoa association said on Thursday. Sayina Riman, president of the Cocoa Association of Nigeria (CAN), expects output for the new season which starts in October to hit between 300,000 tonnes and 320,000 tonnes, up sharply from the season just ended which was blighted by poor weather. The cocoa season in Nigeria, the world's fourth biggest producer, runs from October to September, with an October-to-February main crop and a smaller light or mid-crop that begins in April or May and runs through September. The 2016/17 season started at a slow pace after drought cut the mid-crop harvest by 40 percent. Output for that season was estimated to reach 260,000 tonnes, Riman said, lower than a revised forecast of 280,000 tonnes and down from 340,000 tonnes forecast at the start of the season. "We have late rains which has affected production. We are hoping that from the first week of October, we should be talking of increased yield," Riman told Reuters. The International Cocoa Organization (ICCO), however, gives much lower estimates of Nigerian cocoa output. It forecast last season's production at 220,000 tonnes. Riman did not give a reason for the discrepancy. Nigerian government production figures are also significantly higher than ICCO estimates. "We are looking at new plantations ... rehabilitation of old farms, the level of youth coming into farming and the recovery rate of abandoned farms," he said by phone.

Farmers across Nigeria's main growing regions were optimistic as some had used the drought to prepare their farms, Riman said, but some have been stuck with about two-thirds of their produce due to the glut in the world market. World cocoa prices have declined by a third in the last year amid a global supply glut after record production from top growers Ivory Coast and Ghana. ICCO predicts a global surplus of 371,000 tonnes for 2016/17.Demand for the London September contract has been dampened by the prospect of receiving cocoa from Nigeria and Cameroon where buyers have less control over the quality of beans. Cocoa trees need a delicate balance of rainy and dry weather. Too little rain and they wither; too much and they become susceptible to insects or fungal black pod disease. Beans can also go mouldy if small farmers are unable to dry them outside. One farmer in the southeast region said prices dropped from a high of 1.2 million naira ($3,922) earlier this year to 400,000 naira within a six-month period. Riman says the West African country needed to develop its local markets. "All of us in producing countries have realised that you need local consumption to make cocoa farming sustainable." *(Reuters)*

Annual inflation in Nigeria stood at 16.01 percent in August, compared with 16.05 percent in July, the National Bureau of Statistics said on Friday in a report. A separate food price index showed inflation fell to 20.25 percent in August, down from 20.28 percent in July. *(Reuters)*

Tanzania

Corporate News

Petra Diamonds Ltd. halted production at its mine in Tanzania after the government seized a parcel of diamonds suspected of being undervalued, as a dispute between the state and foreign-owned mining companies widens. Petra shares fell the most in 16 years. Employees of the Johannesburg-based company are cooperating with the authorities in the East African nation who are investigating a shipment of 71,654 carats of gems that was blocked from export to Petra's offices in Antwerp, according to a statement released in London on Monday. Finance Minister Philip Mpango on Saturday threatened to nationalize the consignment after the government found the parcel of gems was worth more than the company said it was. "Certain key personnel from Williamson are currently being questioned by the authorities," according to the Petra statement. "Operations at Williamson have temporarily been stopped for health and safety and security reasons." Tanzanian President John Magufuli is overhauling the mining industry as the government targets doubling its contribution to gross domestic product to 10 percent by 2025. In March, he banned mineral exports and ordered an audit that found London-based Acacia Mining Plc understated the taxes it owes Tanzania, a finding the company refuted.

The government in July approved laws that would enable the state to renegotiate contracts with mining and energy companies. Petra shares fell as much as 28 percent on Monday morning, the biggest intraday plunge since June 2001. The shares were 16 percent lower by 8:19 a.m. in London. Petra said in its statement a government agency is responsible for valuing gem parcels that are exported to Antwerp, not the company. Two Tanzanian ministers resigned last week after Magufuli told government officials suspected of wrongdoing in an investigation into the nation's diamond- and Tanzanite-mining industries to step down. Edwin Ngonyani, a deputy minister of works, transport and communication, said he quit on Sept. 7. George Simbachawene, a minister in the office of the president in charge of regional administration and local government, announced his departure in a YouTube video. Tanzanite, a blue gem, is only found in Tanzania. The nation also produces so-called "bubblegum" pink diamonds, including a 23-carat stone extracted from the Williamson mine, according to Petra's website. *(Bloomberg)*

Economic News

DAR ES SALAAM Stock Exchange (DSE) equity market weakened by 21 per cent last week closing at turnover of 8.52bn/- compared to 10.75bn/- posted on the preceding period. According to Zan Securities Limited weekly wrap-ups, top trading equities that dominated during the week were Tanzania Breweries Limited (TBL) at 92 per cent and self-listed Dar es Salaam Stock Exchange (DSE) at 6 per cent of the market share. Top gainers for the week was the self-listed Dar es Salaam Stock Exchange (DSE) appreciating in value by 2.74 per cent to close the week at 1,500/- per share. Total market capitalisation decreased by 0.36 per cent to close the week at 20.67tri/-, while domestic market capitalisation increased by 0.01 per cent to 10tri/-. Comparatively, the key benchmark indices were in the green territory with the Tanzania Share Index (TSI) capping at 3,842.20 points, the same as the preceding week. The All Share Index (DSEI) closed at 2,149.19 points, 0.36 per cent lower than last week. Similarly, the three sector indices were in the green territory with the Industrial and Allied Index closed at 5,052.35 points, the same as last week. Banks, finance and investment index closed at 2,608.29 points up by 0.04 per cent while commercial services sector index remained constant this week, closing at 5,329.38 points. Looking forwards, Zan Securities analysts said this is time to begin staging in purchasing the best-quality stocks that have been beaten down. *(Daily News)*

Zambia

Corporate News

No Corporate News This Week

Economic News

Zambia's economy will grow by 5.0 percent in 2018, 5.1 percent in 2019 and 6.1 percent in 2020, up from 4.3 percent in 2017, the ministry of finance said in a statement on Sunday. The country's fiscal deficit is expected to be 7.0 percent in 2017, 6.3 percent in 2018 and 4.3 percent in 2019, then drop to 2.6 percent in 2020, it said. Inflation is expected to remain 6 to 8 percent from 2017 to 2020, the statement said. *(Reuters)*

Zambia has awarded a Chinese firm a $1.2 billion contract to expand part of a key road linking Zambia to the Democratic Republic of Congo and southern African neighbors, President Edgar Lungu said on Friday. China Jiangxi Corporation for International Economic and Technical Cooperation (CJIC) will build the 321 km (200 mile) Lusaka-Ndola dual carriageway over four years, Lungu said during the launch. Zambia is Africa's second biggest copper producer and Ndola is the capital of the nation's copperbelt region. Chinese investment in Zambia already includes roads, agriculture, mining and energy projects such as a 750 megawatt-hydro-power station in the south of the country. "The Lusaka-Ndola dual carriageway will improve the flow of traffic, thereby drastically reducing road traffic accidents on our roads," Lungu said, without stating how it will be financed. "Increased traffic on our roads due to the booming economic activities in various sectors, especially in the mining sector, require an appropriate response such as this one," he said. The project, one of the biggest in Zambia's history, is expected to create more than 3,000 jobs during the construction phase, Lungu said. Chinese President Xi Jinping said in 2015 the country would plough $60 billion into African development projects to boost agriculture, build roads, ports and railways and cancel some debt. *(Reuters)*

Zambia's economy will grow 4.3 percent this year and 5.1 percent in 2018, boosted by improved agriculture and mining output and a recovery in electricity generation, the central bank said on Monday. "There has been strengthening confidence in Zambia's medium to long -term economic prospects as reflected by the participation of non-resident investors in the Government securities markets," the Bank of Zambia said in a report surveying the first half of 2017. *(Reuters)*

Zambia's copper production is expected to inch lower this year mainly due to lower output from Konkola Copper Mines, a subsidiary of London-listed Vedanta Resource, the mines ministry said on Monday. Total copper production is forecast to fall to 753,992 tonnes from 774,290 in 2016, Ministry of Mines Permanent Secretary Paul Chanda told reporters. Production at Konkola Copper Mines will fall by 40 percent while output at Lumwana Mine, owned by Barrick Gold, should decline by 15 percent, Chanda added. "Konkola Copper Mines appear to be more experienced in processing than mining and as for Lumwana it is because of declining ore grades," Chanda told Reuters. The government had said in June that copper production was expected to rise to 850,000 tonnes in 2017 owing to expansion at existing mines and ongoing greenfield projects. The Zambia Chamber of Mines, an industry body, said output would depend on power supply, infrastructure and stability of the fiscal and regulatory regime. "Resolution of the pricing and provision of power remain paramount to the immediate future of mining in Zambia," Chamber of Mines President Nathan Chishimba told Reuters on Monday. Glencore's Zambian unit Mopani Copper Mines will pay increased electricity prices caused by the removal of state energy subsidies, the mines minister said. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Zimbabwe

Corporate News

Masawara Plc reported a 57 percent increase in after tax profit to $3,6 million in the six months to June from $2,3 million in the comparable period last year. Masawara, is an investment holding company with interests in property, insurance and hospitality in the southern African region. Total revenue increased by 6 percent to $52,2 million from $49,2 previously. The insurance division saw a marginal increase in after tax profit to $6,6 million from $6,7 million in the same period last year. Joina City a mixed use complex in Harare saw occupancy decline to 54 percent from 60 percent in the same period last year owing to cancellation of leases by non-performing tenants. "Although the ratio of debtors as a percentage of revenue increased by 10 percent, this ratio is expected to improve as a result of the unit's strategy which focuses on retaining performing tenants," the group said in statement accompanying interim results on Monday. The hospitality unit, Cresta Zimbabwe narrowed its loss to $15,000 from $232,000 in the same period last year as a result of "cost reduction initiatives". Cash and cash equivalents declined to $27,4 million from $29,1 million previously. "The decline in cash and cash equivalents was driven by cash utilised in investing activities of $9,3 million."

"The cash utilised in investing activities was mainly the result of the purchase of financial instruments of $15,4 million. Net cash from financing activities includes proceeds from borrowings of $2,4 million, the repayment of borrowings of $1,5 million and the payment of dividends to non-controlling shareholders amounting to $0,2 million." The agrochemicals segment saw a 46 percent decline in after tax profit to $1,3 million from $2,3 million in the comparable period last year. Masawara has a 22.5 percent interest in Zimbabwe Fertilizer Company (ZFC) and a 50.6 percent interest in Sable Chemicals. Sable commenced production under the full importation model in November 2016 but revenues remained depressed resulting in a loss before tax of $1.5 million. The group's total assets increased to $312,9 million from $288 million previously. *(The Source)*

GWERU-based chrome smelting company Zimbabwe Alloys Pvt Ltd has finally ceded 50 percent of its chrome mining claims to Government in compliance with the Mine and Mining development Ministry's directive to surrender some of its claims to enable a wider inclusion of locals in the sector. ZimAlloys had been reluctant to comply but has been forced to comply after an Indian investor, gave a conditions that they should comply with Government rules. ZimAlloys Judicial Manager, Mr. Reggie Saruchera told The Herald Business yesterday that the ferrochrome producer had fully complied with the Government directive and had ceded 50 percent of its claims to the ministry more than month ago. "We have ceded 50 percent of our mining claims to Government as advised. I do not have the actual figure in terms of the number of claims but we have ceded the claims to Government about a month and a half ago," said Mr. Saruchera. ZimAlloys has a total of 39 175 hectares. The company together with Zimasco jointly controlled about 80 percent of Zimbabwe's chrome ore claims, mostly found along the Great Dyke. Government has, since 2015, pressed the two miners to release some ground but ZimAlloys had been reluctant to comply with the directive. The Mines Ministry once wrote to ZimAlloys, giving the company up to mid-year 2017 to cede half of its claims.

"Please be advised that the Government, through the Ministry of Mines and Mining Development, reiterates its position that it will be acquiring 50 percent of all mining claims held by ZimAlloys in line with Government policy to increase the number of players in the chrome mining industry," reads part of the letter, signed by the ministry's permanent secretary Francis Gudyanga. "Despite repeated efforts to have a common understanding, you have remained evasive with regards to this matter. Therefore, we will be giving you to June 7, 2016 to present the claims, or risk the claims being acquired at our discretion and without notice." Mr. Saruchera said Zim Alloys was finalising the deal with an Indian investor who has committed to injecting $ 100 million to recapitalise the giant ferrochrome producer. He said the deal will be concluded soon. Mr. Saruchera said once the deal was consummated, the company would re-engage its former employees. "We are now finalising the deal and soon we would have concluded it. We are also going to re-engage our former employees. We did the same with Zimasco and we want Zim Alloys to start operating on full throttle and that is my priority at the moment," he said. The firm was placed under judicial management in 2013 as weak commodity prices and lack of capital affected the business' viability. *(Herald)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

First Mutual Holdings' subsidiary Pearl Properties Limited has changed name to First Mutual Properties (FMP) as part of the group's rebranding strategy. FMP, which is due to announce its 2017 interims on Wednesday afternoon, is separately listed on the Zimbabwe Stock Exchange (ZSE) and the listing has since been amended. "Shareholders are advised that the name of Pearl Properties has been changed to First Mutual Properties Limited. "The listing on the ZSE has been amended with effect from 13th of September 2017 and the abbreviation is FMP and FMP.ZW on the ZSE Data Portal," said company secretary Sheila Lorimer in a notice to shareholders. She added that new share certificates will be issued as and when the company's shares are traded on the ZSE. As at May 2017, Pearl's rental income declined 5 percent to $2.85 million compared to $2.8 million mainly due to declining rentals, lower occupancies and increased voids. FML recently got shareholders' approval to raise $17,25 million through a rights issue which will finance the acquisition of a 80,92 percent stake in Zimbabwe's largest short-term insurer NicozDiamond. FML intends to acquire the 80,92 percent stake in NicozDiamond from the state-run pension fund, National Social Security Authority (NSSA), in exchange for one FML share for every 5,02 NicozDiamond shares already held. In addition to that, FML's wholly owned subsidiary Tristar Insurance will be merged with NicozDiamond. *(The Source)*

Zimbabwe's Zimplats, which is majority controlled by Impala Platinum, posted a sharp increase in full-year profit as higher platinum prices and recouped Treasury bills offset lower production, the company said on Wednesday. Zimplats reported profit before tax of $101 million in 2017, up from $29.3 million in 2016. Platinum output slid to 281,080 ounces from 290,410 ounces last year, the company said. *(Reuters)*

Zimplats says it has agreed to give up 28,000 hectares of land, more than half of its idle mining claims to government, ending a five-year row but analysts say the latest land grab could spook foreign investors. President Robert Mugabe last year approached the courts seeking to compel the Implats subsidiary to cede its unused mining claims to government for redistribution to new players in the sector despite failing to utilise previously acquired land. It is not clear if the Administrative Court, which was hearing the case, passed judgment. In 2006, Zimplats, the country's biggest mining business gave up ground covering 51 million ounces (36 percent of its total resource) out of a total 141 million ounce resource. Chief executive Alex Mhembere told The Source on Wednesday that Zimplats "was on the same page with government." "In terms of the lease we have agreed that we will give government the land. What is outstanding is just the administrative processes on how that transaction will be consummated," he said. "We are not pressing on any onerous conditions we are working with government but for there to be any transfer of that asset, we will have to go through the normal processes of going through the mining affairs board." Asked if Zimplats would be expecting any compensation Mhembere said: "We are not looking at it at this stage, we will look at it at a later point in time." Under its 'use it or lose it' policy, government has recently moved to expropriate a combined 42,000 hectares from the country's two largest ferrochrome producers – Zimbabwe Mining and Smelting Company and Zimbabwe Alloys, saying it needs to open the sector up to new players. However, the Zimplats land grab raises questions about the government's commitments to investment agreements. *(The Source)*

First Mutual Life (FML) reported a 63 percent increase in after tax profit in the six months to June from $2,6 million last year to $4,3 million driven by high returns from investment securities. FML chief executive, Douglas Hoto told analysts on Wednesday that the stock market rally had significantly contributed to the group's bottom line. Profit on investments increased to $13 million compared to $500,000 in the same period last year. Gross premium written (GPW) increased marginally from $60,6 million in the same period last year to $61,5 million. Life assurance registered a 7 percent increase in GPW to $7,3 million while Health insurance GPW stood at $28,1 million compared to $26 million in the same period last year. "Operating profit went down 61 percent to $1,6 million due to high agribusiness claims under property and casualty reinsurance business and a higher claims ratio in heath insurance business ," Hoto said. Total expenses increased to $68,3 million from $53,9 million in the same period last year. The group's assets grew to $247,6 million from $229,7 million previously. The group's subsidiary First Mutual Properties, formerly Pearl Properties, posted an after tax profit of $808,000 in the half year from a loss of $1,19 million in the same period last year following a marked improvement in fair value adjustments. Rental income decreased by 8 percent to $3,7 million from $4 million. Occupancy levels improved from 71 percent to 74 percent as at December 31. Both the companies did not declare dividend. *(The Source)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

RioZim Limited after tax profit for the half year ended 30 June 2017 increased to $2,9 million compared to a loss position of $403, 000 in the same period last year largely driven by improved revenues. According to a statement of the financials, Group revenue grew 16 percent to $37,8 million from $32,6 million in 2016. Chairman Lovemore Chihota said the growth was achieved notwithstanding the adverse weather which was experienced during Q1 and resulted in extreme flooding across operations and frequent power outages. "The acquisition of Dalny mine which was concluded in the second quarter and the commissioning of Cam & Motor Mine contributed to the growth," he said, adding that Murowa Diamond also reverted to profitability and contributed a share of profit of $583,000 compared to a share loss of $199,000 in the prior year. The group recorded a profit before tax of $2,9 million, an increase of 822 percent compared to a loss before tax position of $403,000 last year. Cumulative gold production increased 13 percent to 873 kg compared to 775 kg in 2016 same period comparable. Renco mine produced 316 kg of gold, which was 15 percent lower than prior year's 370 kg. Cam & Motor mine produced 361 kg and Chihota said the mine was subject to various equipment failures resulting in significant loss of plant running time while Dalny mine produced 196 kg. During the period under review, Empress Nickel Refinery remained under care and maintenance due to unavailability of matte. However, other income generating activities at the plant generated $4,2 million which was sufficient to partially cover maintenance costs. Production at Murowa Diamonds was also affected by the rains and development of new a mining plan but expansion of the plant increased the company's share of associate profit to $583,000. RioChrome is still in the preliminary stages of various projects which are expected to result in profitable utilisation of chrome assets. This follows government's decision to uplift the ban on export of raw chrome. RioEnery remains under feasibility and investor engagement stage. *(The Source)*

Makomo Resources says production at its Hwange mine has recovered to a static 150,000 tonnes per month from June to August, following a slow start to the year. The coal miner produced an average of 80,000 tonnes in the first quarter of the year, recovering to 140,000 tonnes in May. "Our production is now consistent at 150,000 tonnes per month and we were producing the same last year. The market is not picking up and our supply is the same," operations manager Kudakwashe Nyabonda told The Source on Wednesday. "Unless our biggest buyer ZPC (Zimbabwe Power Company) increases its coal demand, our production will remain at 150,000 tonnes a month," said Nyabonda. Makomo supplies about 85 percent of it's total production to ZPC which uses between 3,000 and 4,000 tonnes of coal per day and requires around 120,000 tonnes per month. Nyabonda said the company also supplies tobacco farmers and industries while exporting one percent of its production. The coal miner expects to reach 1,5 million tonnes by the end of the year. *(The Source)*

Fixed telecom operator, TelOne, has applied for a licence to set up a Video On Demand (VOD) Service in the country as it seeks to transform its business model to a converged information and communications technology firm. VOD is an interactive entertainment system that allows viewers to choose material they want to watch at particular times, usually via internet. "Complete details of the application have been lodged with the Broadcasting Authority of Zimbabwe," the Broadcasting Authority of Zimbabwe said in a statement on Wednesday. The company said the licence area will be national. The parastatal had planned to launch the service in June, but has had to postpone pending licensing by the regulator. In 2010, TelOne was granted a license to operate a GSM mobile network by the Postal and Telecommunications Regulatory Authority of Zimbabwe (Potraz) but it is yet to take off. *(The Source)*

Plastics manufacturer, Proplastics's net income for the six months to June grew nearly threefold to $352, 946 from $91,243 reported in the same period last year on increased sales and lower finance costs. Revenue increased by 7 percent to $6,2 million from $5,8 million in the comparable period last year. Sales volumes went up by four percent to 2,037 tonnes from 1,967 tonnes reported in the previous period. Overheads increased by five percent from prior year as the group sort to increase in marketing costs. Finance costs went down by 77 percent to $6,954 from $28,130 incurred in the same period last year. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 71 percent to $903,324 on interest earned from investment securities. Chief executive Kudakwashe Chigiya said the company wants to improve its export contribution to turnover to 10 percent from the current two percent. "We are targeting a 10 percent contribution to turnover from our exports …. Our key markets are Zambia ,Mozambique and Sierra Leone and right now we are getting enquiries from as far as Angola.
We are willing to sell (export) at breakeven in order to bring the much needed foreign currency into the economy since we are also benefiting from the 5 percent export incentive from the central bank," Chigiya said. *(The Source)*

WEEKLY AFRICAN FOOTPRINT

TRADING

This Week's Leading Headlines Across the African Capital Markets

Economic News

President Robert Mugabe said on Friday that Zimbabwe's economy, hobbled by foreign currency shortages and a widening budget deficit, was slowly rebounding and would be driven by mining and agriculture. Without giving details, Mugabe told a meeting of the ruling ZANU-PF's Soviet-style central committee that the former British colony was on the way to regaining its status as a regional breadbasket and was expecting a bumper harvest of the staple maize in 2017. Zimbabwe generates half of its export earnings from mining, particularly gold and platinum, but diamond output fell to 961,000 carats last year from 3.5 million the year before, after the government seized all gem mining in the east of the country. "We are going to leverage on diamonds and other minerals, alongside agriculture, so that together they drive our economic recovery trajectory," Mugabe said. "Our economy is slowly on the rebound, I am sure you will agree we are improving," the 93-year-old leader said. The International Monetary Fund expects Zimbabwe's economy to grow by 2.8 percent this year after 0.7 percent in 2016, thanks to a rebound in agriculture, while the government has forecast a 3.7 percent expansion. But on Thursday, business leaders told Mugabe that his government's expanding fiscal deficit and domestic borrowing were unsustainable and could destabilise the bank sector. Zimbabweans are unable to withdraw money from banks and spend long hours in queues for as little as $20 while businesses face long delays in paying for imports. Retailers have warned that the delays could cause shortages of basic goods. Zimbabwe has not been able to borrow on international financial markets since 1999. Last month, the central bank ordered platinum and chrome miners, Zimbabwe's main foreign currency earners, to surrender 80 percent of their export earnings — up from 50 percent — to contain the dollar shortage. *(The Source)*

The Zimbabwe Stock Exchange (ZSE) market capitalisation increased by $1,37 billion in the week to close at $8,12 billion on Friday, from $6,74 billion in the previous week. The ZSE industrial index advanced 20,43 percent to close the week on 286,63 points, pushed by significant gains in heavyweight counters while mining index also gained 11,01 percent to close on 82,2 points. Total market turnover nearly doubled to $8,13 million from $3,82 million recorded in the previous week. The largest company by market capitalisation, Delta gained 21,97 percent to close at 173,92 cents in the week while Padenga and Simbisa gained 76,47 percent and 37,98 percent to close at 79,18 cents and 64,85 cents respectively. Econet and Hippo gained 32 percent and 22,4 percent to close at 66 cents and 117,5 cents respectively. Old Mutual and Innscor picked up 14,92 percent and 9,84 percent to close at 490,71 cents and 87,05 cents in that order. SeedCo and BAT advanced 5,35 percent and 0,27 percent to settle at 183,47 cents and 1,819.84 cents respectively. National Foods remained unchanged at 381,5 cents. Among the top gainers pack were OK Zimbabwe and Barclays whose share prices rose 60 percent and 57,89 percent to close at 24 cents and 6 cents respectively.

Axia, Meikles and Ariston gained 43,21 percent, 38,14 percent and 27,27 to settle at 24,36 cents, 29,01 cents and 1,4 cents in that order. Additionally, Afdis and NMB advanced 26,87 percent and 20,56 percent to close at 85 cents and 6,51 cents while African Sun and Cafca added 20 percent apiece to close at 2,4 cents and 24 cents respectively. TSL, ZB Financial Holdings and Mashonaland Holdings also gained 18,58 percent, 14,81 percent and 14,72 percent to close at 30 cents, 21,24 cents and 2,65 cents respectively. Partially offsetting the gains recorded by the industrial index were CFI and Willdale whose share prices fell 12,73 percent and 12,5 percent to close at 60 cents and 0,35 cents respectively. On the mining space, Riozim, Bindura and Falcon pushed the resource index higher after gaining 4,05 percent, 28 percent and 66,67 percent to settle at 67,89 cents, 3,2 cents and 2 cents in that order. Hwange remained unchanged at 2,6 cents in the week. Foreigners remained net sellers in the week, disposing of shares worth $8,13 million compared to buys of $138,422. *(The Source)*

Walking through rows of macadamia trees on her farm in eastern Zimbabwe, Shalet Mutasa proudly displays a set of soil-quality results showing the fields' conditions are improving. This will be her third harvest of the creamy white nuts after switching from less-profitable corn. Mutasa, who is in her mid-50s and was allocated the previously white-owned land by the government, is targeting 20 metric tons of production. That's nearly double last year's crop and a big jump from the half a ton she managed the first year. "It will be third-time lucky,'' she said. "We initially grew maize but later realized the crop wasn't rewarding financially," she said, using another name for corn. The expansion of niche and export-oriented crops like macadamias and flower seeds may signal the sustained return of Zimbabwean farm products to international markets after a 16-year hiatus caused by the turmoil of the government's land reform program. In 2000, President

Robert Mugabe's supporters began an often-violent seizure of most of the country's white-owned farm land. The program drew international condemnation of Zimbabwe's government and slashed agricultural production, decimating foreign-exchange earnings from tobacco and turning the country from a corn exporter to an importer of its staple food. As a percentage of gross domestic product, "Zimbabwe's agricultural sector remains low at around 10 percent -– obviously much lower than at the start of the 21st century," Chantelle Matthee, an economist at NKC African Economics in Paarl, South Africa, said by email. "Nevertheless, a large proportion of the population is currently dependent on agricultural activities, which is important for income generation." In western Zimbabwe, Netsai Sibanda oversees almost 20 workers harvesting marigolds on her three-hectare farm. Sibanda, who also switched from a more traditional crop -– in this case cotton -- grows the flowers to extract seeds that she sells to a Dutch distributor which ships them all over the world. Just two decades ago, Zimbabwe was the world's sixth-biggest rose producer, sending the flowers to Europe from greenhouses and storage centers that were among the most advanced in Africa. The picture today is vastly different, as small-scale black farmers focus rather on flower seeds, using varieties and species that don't require greenhouses or sophisticated irrigation systems.

Zimbabwe's economy has halved in size since 2000 and the country faces deepening unemployment, the collapse of basic services and a cash shortage after abandoning the Zimbabwean dollar in 2009 in favor a basket of currencies, including the U.S. dollar and South Africa's rand. The decline of farming output was a forerunner of the country's economic collapse. About one in four Zimbabweans is dependent on some form of aid to feed themselves, according to the United Nations. Sibanda and her fellow growers in Gokwe are expected to produce as much as six tons of flower seeds, according to Charlene Mathonsi, a coordinator for Lion Farm, which contracts the farmers. The crop is more attractive than cotton because prices are agreed upfront, Sibanda said. "Flowers are smart, they give life to the area,'' she said in an interview. "When they saw what we were getting paid, now others want to go in and grow flowers.'' While the flower seeds are shipped to the Netherlands before distribution all over the world, most of Zimbabwe's macadamia exports are to China, said Lazarus Dhliwayo, a technical adviser to the growing association in Chipinge where Mutasa's farm is located. The group, which includes large-and small-scale farmers, is targeting production of 15,000 tons of macadamias this year, compared with 8,000 tons in 2016, he said. Moses Mabvuu, a 66-year-old pensioner, planted 750 macadamia trees on his three-hectare farm in 2014 and plans to add another 100 trees next year, he said. "It's almost goodbye for growing maize,'' Mabvuu said. *(Bloomberg)*

Zimbabwe's stock market hit a record high on Monday, propelled by local investors seeking a safe haven in an economy suffering acute shortages of foreign exchange. The Zimbabwe Stock Exchange's (ZSE) main industrial index touched 301.03 points, the highest since it was rebased in 2009 when Zimbabwe dumped its hyperinflation-hit currency in favour of the U.S. dollar. Market capitalisation reached $8.5 billion. It has more than doubled since January and added $1.77 billion in the past week. Businesses and individuals struggling to access cash from banks have found the stock market a safe bet for maintaining the value of their money, analysts said. ZSE data showed the industrial index has since January risen 108 percent, putting it among the world's best performers. In the last week alone, the index is up 26 percent. The rally is being driven by stocks such as brewer Delta Corporation, crocodile skin exporter Padenga and telecoms firm Econet Wireless. Shares in the firms have more than doubled in value this year. "Stocks have become attractive as a store of value given the failing monetary system where your U.S. dollars in the bank now have less value than the physical dollar," said an equities analyst with a Harare stockbroking firm. Cash has been the preferred mode of payment in Zimbabwe's largely informal economy but shortages of money have seen the population struggling to adjust to card and mobile money payments, which the central bank is encouraging. The surrogate bond note currency introduced last year has not eased cash shortages, while U.s. dollars have largely disappeared from banks. Some businesses are buying the greenback at a premium on the black market to pay for imports. *(Reuters)*

Zimbabwe Stock Exchange market capitalisation on Wednesday rose to an all-time high of $10,7 billion, as the mainstream index advanced 9,30 percent to 379,95 points on gains recorded by mainly Delta, Innscor and CBZ. The mining index also added 84,65 percent to close at 0,11 points as the local bourse recorded a market turnover of $5,2 million in the day. Beverage manufacturer, Delta gained 20 percent to 266,56 cents while Innscor and Econet advanced 11 percent and 3,1 percent to settle at 139,91 cents and 79,5 cents respectively. Padenga added a marginal 0,2 percent to 100 cents. Retail giant, OK Zimbabwe advanced 11,8 percent to trade at 34,55 cents while Simbisa gained 7 percent to 77 cents. Old Mutual also advanced 19,9 percent to settle at 663 cents. The day's biggest gains were by Willdale and CBZ which advanced 26,58 percent and 20 percent to settle at 1 cent and 14,4 cents respectively. NamPak and First Mutual Properties both gained 20 percent to trade at 12 cents and 4,8 cents respectively. Additionally, Old mutual gained 19,93 percent to settle at 663 cents. On the mining space, Riozim gained a marginal 0,2 percent to trade at 68 cents while Falgold, Hwange and RioZim remained unchang ed. Foreigners disposed shares worth $4,3 million compared to buys worth $1,5 million. *(The Source)*

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