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	28-Apr-17	5-May-17	Local	USD	31-Dec-16	Local	USD
Botswana	DCI	9338,96	9363,91	0,27%	-1,82%	9700,71	-3,47%	-2,99%
Egypt	CASE 30	12525,69	12709,93	1,47%	1,18%	12344,00	2,96%	3,45%
Ghana	GSE Comp Index	1896,13	1884,87	-0,59%	-2,24%	1689,09	11,59%	11,17%
Ivory Coast	BRVM Composite	273,99	274,52	0,19%	-1,84%	292,17	-6,04%	-4,72%
Kenya	NSE 20	3157,58	3147,04	-0,33%	-0,26%	3186,21	-1,23%	-0,98%
Malawi	Malawi All Share	15203,97	15266,66	0,41%	0,64%	13320,51	14,61%	13,58%
Mauritius	SEMDEX	2016,94	2027,16	0,51%	-0,13%	1 808,37	12,10%	14,71%
	SEM 10	391,35	392,71	0,35%	-0,29%	345,04	13,82%	16,47%
Namibia	Overall Index	1083,37	1047,03	-3,35%	-8,11%	1068,59	-2,02%	-4,26%
Nigeria	Nigeria All Share	25767,26	26235,63	1,82%	2,25%	26 874,62	-2,38%	-4,84%
Swaziland	All Share	385,83	385,83	0,00%	-3,05%	380,34	1,44%	1,08%
Tanzania	TSI	3475,09	3497,91	0,66%	1,86%	3677,82	-4,89%	-7,58%
Zambia	LUSE All Share	4570,08	4637,85	1,48%	-1,48%	4158,51	11,53%	14,08%
Zimbabwe	Industrial Index	142,96	145,26	1,61%	1,61%	145,60	-0,23%	-0,23%
	Mining Index	66,33	70,22	5,86%	5,86%	58,51	20,01%	20,01%

CURRENCIES

Cur-rency	28-Apr-17 Close	5-May-17 Close	WTD % Change	YTD % Change
BWP	10,26	10,48	2,13	0,50
EGP	18,02	18,07	0,29	0,47
GHS	4,18	4,25	1,68	-0,38
CFA	600,64	613,11	2,07	1,41
KES	101,41	101,33	-0,08	0,25
MWK	719,11	717,50	-0,22	-0,90
MUR	33,60	33,81	0,64	2,33
NAD	13,28	13,97	5,18	-2,28
NGN	312,18	310,87	-0,42	-2,52
SZL	13,28	13,70	3,14	-0,36
TZS	2 209,56	2 183,39	-1,18	-2,82
ZMW	9,31	9,59	3,01	2,29

SECURITIES AFRICA

Botswana

Corporate News

No Corporate News This Week

Economic News

No Economic News This Week

Egypt

Corporate News

Juhayna, Egypt's biggest listed producer of packaged juice and dairy products, posted a 28 percent decline in first quarter net profits on Tuesday, saying a steep increase in the cost of raw materials had hit its bottom line. The company said in a statement that net profit for the first quarter was 58.257 million Egyptian pounds ($3.22 million), down from 80.419 million in the same period a year earlier. Sales inched up, however, reaching 1.287 billion pounds in the first quarter compared to 1.104 billion a year earlier. Food inflation has soared since import-dependent Egypt floated its pound currency in November, hitting more than 40 percent in March and hurting company profits. *(Reuters)*

Economic News

An International Monetary Fund (IMF) delegation will arrive in Cairo on Sunday to review Egypt's progress on economic reforms before it disburses the second instalment of a $12-billion loan programme, the Finance Ministry said. The IMF delegation will stay until May 11 and meet with officials from the ministry and the central bank, the ministry said in a statement. Egypt agreed the three-year programme with the IMF in November, after floating its Egyptian pound currency in a dramatic move aimed at unlocking foreign inflows and boosting exports after a long-running dollar shortage threatened to paralyse the economy. It promised a raft of tough reforms, including narrowing its budget deficit, in return for the $12-billion loan package from the IMF and a host of other bilateral backers with payments spread over three years and linked to progress on reforms. The IMF released a first instalment of $2.75 billion in November, shortly after the deal was agreed. Egypt has said it expects to receive the second instalment, worth $1.25 billion, in May or June, once the IMF review has been completed. IMF Managing Director Christine Lagarde told Reuters in February Egypt was making good progress on reforms. As part of reform efforts, Egypt has introduced a Value Added Tax (VAT) and secured $4 billion in eurobonds from international markets in an oversubscribed issuance. It is also part way through a programme to reform power and fuel subsidies and is preparing to privatise several state owned banks and energy companies. *(Reuters)*

Egypt has kept its customs exchange rate steady at 16.5 pounds per dollar, 10 percent below the market price of the dollar for May, Amr al-Munir, deputy Finance minister for fiscal policies, told Reuters. Egypt's inflation rate has soared since it floated its currency last November, with annual urban consumer price inflation hitting 30.9 percent in March - its highest level in more than three decades. The exchange rate in Egyptian banks is around 18.9 pounds per dollar. The central bank ditched its foreign exchange peg at 8.8 pounds per dollar in early November, and to help stabilise the newly-floated currency, it raised interest rates by 300 basis points. *(Reuters)*

Egypt is considering a $1.5-2 billion Eurobond offering in the coming weeks, finance minister Amr El Garhy said in a telephone interview with private television channel CBC on Saturday. Egypt sold $4 billion of Eurobonds in three tranches in January, raising twice as much as targeted and at lower yields than expected. *(Reuters)*

Egypt has procured 237,000 tonnes of wheat from farmers since the start of its local harvest earlier this month, the supply ministry said on Sunday. Egypt's supply minister said last week he expects to buy about 3.8 million tonnes from local farmers during the harvest, which runs through July. *(Reuters)*

Egyptian private-sector activity shrank at the slowest pace in nine months in April as output and new orders continued to decline, a survey showed on Wednesday. The Emirates NBD Egypt Purchasing Managers' Index (PMI) for the non-oil private sector stood at 47.4 points, up from 45.9 in March but remaining below the 50 point mark separating growth from contraction for the 19th month in a row. New orders continued to decline but at a slower pace, with the related subindex reaching 46.3 points in April compared with 43.8 points the previous month. New export orders grew for the first time in almost two years, at 51 points in April from 48.9 points in the previous month. Egypt has struggled to revive its economy since a popular uprising in 2011 drove away investors and tourists, hitting inflows of foreign currency it needs to import raw materials and jumpstart its domestic industries. It allowed its currency to float freely on exchange markets on Nov. 3, in a bid to unlock foreign currency inflows and encourage exports of Egyptian products. "The slower pace of deterioration in the headline Egypt PMI... reinforces the perception that after bottoming in Q4 2016 the economic situation in Egypt is beginning to stabilize," said. Tim Fox, Head of Research and Chief Economist at Emirates NBD. "As well as being the strongest overall reading in nine months, particular comfort can be taken from the fact that the new export orders index grew for the first time in nearly two years, which is likely to reflect the positive impact of a weaker exchange rate," he added. Output levels reached 46.2 points in April, up from 44 points in March. "The rate of decrease (in output) eased to the slowest in nine months, but was marked overall. A number of monitored firms attributed the fall in activity to weak underlying demand and unfavourable economic conditions," said Markit, which compiled the data. *(Reuters)*

Ghana

Corporate News

After recording impressive performances at a time that some banks are struggling in the last three years, CAL Bank has recorded over a ninety percent drop in profits for 2016. According to the bank's 2016 financial results, its profit dropped from 160 million cedis in 2015 to 7.2 million cedis in 2016. This was largely due to the high provision for impairments which amounted to almost 200 million cedis. Although the bank is among banks affected by the huge energy sector debts, its profits increased by over 50 percent and 14 percent in 2014 and 2015 respectively. The profit for 2015 recorded GH¢160,042,000 compared to GH¢ 140,352,000 in 2014. Also, the 2014 profits of GH¢ 140,352,000 represented a 52.6% increase from the GH¢92,010,000 in 2013. Total income for 2016 amounted to 357.4 million cedis from 388.4 million cedis the previous year. With the exception of the interest income that made some gains in 2016, the bank's net fees and commissions, net trading income as well as other operating income such as corporate finance and advisory services all recorded a drop between 2015 and 2016. Total operating expenses increased by over ninety-seven percent between 2015 and 2016. The expenditure increased from 175.2 million cedis to 345.3 million cedis for the period. This was also largely accounted for by the provision for impairment on financial asset of 199.2 million cedis from 35.6 million cedis the previous year. Meanwhile the bank increased total assets under management from 3.35 billion cedis to 3.59 billion cedis between 2015 and 2016. Its liabilities also increased from 2.84 billion cedis to 3.09 billion cedis in 2016.

Explaining CAL Bank's 2016 performance, its Managing Director Frank Adu told Citi Business News he is confident of a turnaround with the repayment of debts owed in the energy sector. "I think while shareholders were not happy about the fact that they were not going to receive dividends, they are also smart; they understand that you are also cleaning up the mess and that it is better to be prudent and protect the balance sheet than to go and pay dividends when you are not in the position to do so," he stated. "You are in a business where the bank has been entrusted to you to grow it. All financial institutions which gallop fail; you do not sell money the way you sell other commodities; it's risky so you take your time," he added. Shareholders could not receive any dividends this time round. As at close of trading on Tuesday, CAL Bank's share prices were trading at 69 pesewas. *(Ghana Web)*

Economic News

No Economic News This Week

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TRADING

Kenya

Corporate News

Barclays Bank of Kenya has become the second lender to predict a drop in earnings this year, attributing the gloomy outlook to the interest rates cap law which has narrowed the lenders' profit margins. The bank has projected a drop in full-year revenue in the range of 15 to 25 per cent. This year marks the first full 12 months under the law that caps interest rates at four percentage points above the Central Bank of Kenya signal rate. "To mitigate we need to adapt our business models. We don't know what the future holds with regard to this law," Barclays Kenya managing director Jeremy Awori told shareholders at the bank's Friday annual general meeting. KCB Group , Kenya's largest lender by assets, last week said it anticipates net interest margin will drop by one per cent this year, with return on equity tanking by up to four per cent impacted by the law capping rates, which narrowed banks' interest rates spread. Barclays' revenue grew nine per cent to hit Sh37.47 billion in the period to December 2016. After-tax profit dropped 12 per cent to Sh7.3 billion. KCB reported an after-tax profit of Sh19.72 billion in 2016. Barclays chief financial officer Yusuf Omari told shareholders at the AGM that the lender was turning to new revenue streams to compensate for the expected drop in earnings. "The key challenge is how to balance and diversify into other streams such as bancassurance and stockbroking," he said at the meeting held at the Barclays Bank Sports Club in Ruaraka. The bank, controlled 68.5 per cent by Johannesburg Stock Exchange-listed Barclays Africa, saw its staff count drop by 171 workers last year. *(Business Daily)*

TransCentury Ltd says it will delay publishing results for the financial period ended December 31, 2016 due to delays in completing the sale of the company's shareholding to a private equity firm. The loss-making infrastructure-focused company says the results will be published by end of June. New York-based private equity firm Kuramo Capital bailed out TransCentury with Sh2 billion ($20 million) in return for a 25 per cent stake. "This is attributed to the conclusion of the equity transaction which was finalised on April 3, 2017. The company wishes to assure the public that the audited financial statements shall be published no later than June 30, 2017," the investment firm said in notice to shareholders Tuesday. NSE-listed companies have a four-month window after close of their financial year to publish results. This means firms whose fiscal years end in December have up to end of April to publicly announce their performance. *(Business Daily)*

Co-operative Bank of Kenya #ticker:COOP plans to raise its authorised shares by 50 per cent or 2.5 billion units to cater for its upcoming bonus issue and future capital raising. The lender has asked shareholders to pass a resolution increasing its authorised share capital from five billion shares to 7.5 billion at an annual general meeting to be held later this month. This will partly pave the way for issuance of the 977 million shares for its one-for-five bonus bonus. The top-tier lender currently has 4.89 billion issued shares meaning the unissued balance of authorised stock — at just 110.6 million shares — is insufficient to cover the bonus issue. "The increase in authorised share capital is to accommodate the new shares to be created by the proposed one-for-five bonus issue. It also gives headroom for future capital issues, but we do not have a rights issue planned," said Co-operative Bank in response to the Business Daily queries. At a par value of Sh1 each, the bonus shares will see the lender convert Sh977 million worth of reserves into capital, with the new shares expected to be credited to shareholders on June 30 subject to approval of the Capital Markets Authority. Cooperative Bank has in recent years adopted a conservative dividend policy coupled with issuance of bonus shares to retain more capital for expansion.

In 2014, the bank issued a bonus share at the rate of one for every six held, which saw it capitalise a total of Sh698.5 million. As a result of the retention policy, the lender's shareholder funds grew by 22 per cent from Sh50.2 billion in 2015 to Sh61.3 billion at the end of 2016. Co-op has mainly used the additional funds to finance its regional expansion. In addition to the bonus shares, the lender's owners will be paid a dividend of 80 cents a share for the 2016 financial year, unchanged from the previous year. Co-op reported an 8.2 per cent net profit growth to Sh12.6 billion in the year ended December 2016, on the back of a 14.8 per cent increase in total interest income to Sh42.2 billion and a six per cent drop in interest expenses to Sh12.7 billion. The banks is, however, likely to take a hit from the interest rate controls. *(Nation)*

Economic News

Twelve parties, including local and foreign banks, have expressed interest in taking a stake in Kenya's Chase Bank, the central bank said late on Tuesday. Regulators placed the mid-sized lender under receivership in April 2016 after an unexplained loss of billions of Kenyan shillings. The Kenyan bank is not associated with JP Morgan Chase & Co. The central bank invited expressions of interest in the Chase Bank stake at the end of March. The applicants included three Kenyan banks, four foreign lenders and other parties, it said. It said it had short-listed an unspecified number of applicants to move to the next stage. "Short-listed investors will be granted access to comprehensive confidential data that will allow them to develop a formal proposal for taking an equity interest," the central bank said in a statement. They must submit formal bids by June 9. Chase is in the hands of the Kenya Deposit Insurance Corporation (KDIC), a state body that protects depositors in case of a bank failure. The central bank wants to find a strategic investor for Chase but has not specified what size stake it will sell. The temporary closure of Chase, followed the closure of another mid-sized lender, Imperial Bank, and smaller lender Dubai Bank Kenya. The string of closures knocked confidence in Kenya's banking sector, which has also seen a jump in bad debts. *(Reuters)*

Malawi

Corporate News

No Corporate News this week

Economic News

No Economic News this week

Mauritius

Corporate News

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Economic News

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Nigeria

Corporate News

Oando Plc posted a profit after tax of N1.7bn for the first quarter of 2017. The oil and gas company said in a statement on Monday that it recorded the feat amid low oil prices, production disruptions, reduced oil exports and the attendant economic recession that plagued the oil and gas industry as well as the overall Nigerian economy in the period. The company announced a turnover of 116 per cent to N138.4bn, with gross profit rising by 53 per cent to N13.4bn compared to the first quarter result of 2016. It attributed the earnings growth to proactive measures put in place to enable the business to cushion the effect of continued economic headwinds. Through its upstream subsidiary, Oando Energy Resources, the company said it had consistently adopted a hedge mechanism that ensured the business was protected from fluctuating oil prices. Approximately 66 per cent of the company's crude production was hedged with 9,590 barrels of oil per day of crude oil production hedged at $65 per barrel (average) with expiries ranging from July 2017 to January 2019, it explained. Commenting on the result, the Group Chief Executive, Oando Plc, Mr. Wale Tinubu, was quoted as saying, "Following a successful restructuring in 2016, we are pleased with our Q1 2017 results, which reflect a return to normalcy and growth in spite of continued security challenges, economic headwinds and a fluctuation in crude prices." The company has continued to reduce its net debt, quelling any concerns of critiques; as of March 2017, it stood at N225.9bn, a 29 per cent reduction from N316.6bn in March 2016. "In the upstream, production in the first quarter of 2017 decreased to 38,125 barrels of oil equivalents per day compared to 49,365 boe/day in Q1 2016. However, due to decreased production expenses, Oando Energy Resources recorded a profit of N4.96bn in the first quarter of 2017 compared with a profit of N815.5m in the prior year comparative period. "In the midstream following the partial divestment of Oando Gas and Power to Helios Investment Partners, we successfully concluded the sale of Alausa IPP for a transaction price of N4.6bn. In the downstream, our trading business through direct sale and direct purchase and offshore processing agreement yielded N115.6bn compared to N4.4bn in 2016." *(Punch)*

Sales recorded by Dangote Plants across Africa has significantly impacted on the revenue of the company for the first quarter ended on March 31, 2017 by 74 per cent to a whopping N208.2billion. Chief executive officer of Dangote Cement, Onne van der Weijde, who revealed this while presenting the company's first quarter results to the Nigerian Stock Exchange (NSE), also stated that the company's earnings per share for the first quarter increased by up 36.2 per cent to ₦4.25. According to him, "Dangote Cement produced record financial results in the first three months of 2017. Despite lower Group volumes, we delivered significantly higher revenues and EBITDA after realigning prices late in 2016. Our new pricing strategy meant every tonne worked harder for us in Nigeria, delivering 78.4 per cent more EBITDA per tonne than the same quarter last year. We have now begun sourcing a significant amount of coal from Nigerian mines owned by our parent, Dangote Industries, and this has not only helped us to improve margins but also reduced our need for imported coal and the foreign currency needed to buy it. Our Pan-African operations performed strongly, increasing sales volumes by 21.0 per cent and revenues by 74.2 per cent. Pan-African operations now contribute nearly 28 per cent of Group revenues and we are pleased to report a good start for our new import facility in Sierra Leone. We will begin operations in Congo in the coming weeks, further consolidating our position as Sub-Saharan Africa's leading supplier of cement." The federal government recently lauded Dangote Cement for its efforts in making the country to be self-sufficient in cement production. The government confirmed that Nigeria has attained self-sufficiency in the production of cement and is now an exporter of the commodity, ascribing the feat to Dangote Cement which spearheaded the "backward integration policy" introduced by the government.

The Minister for Solid Minerals Development, Kayode Fayemi, who led a government team to the Dangote Cement plants in Ibese, Ogun State, said the government was happy with the leadership role played by Dangote Cement in executing the backward integration policy in the cement industry. The minister said it is a success story that Nigeria, which few years ago imported over 60 per cent of her cement needs, now can produce to meet local demands and still export to other nations. He said: "As you all know, as the Federal government moves to diversify the economy away from oil, two areas the government is focusing on are agriculture and solid minerals, this is why we are embarking on tour of mining operations across the country to know the challenges they face and what could be done to tackle those challenges. "What Dangote is doing is marvelous. We need to commend them for the way they led the backward integration policy to turn around our fortunes in the cement industry. I am delighted to see the development here bigger than what I saw the last time. And we are looking at how we can replicate the successes in the cement industry in other non-oil sectors of our economy." Dangote Cement is Africa's leading cement producer with nearly 46Mta (million metric tons per annum) capacity across Africa, a fully integrated quarry-to-customer producer with production capacity of 29.25Mta in Nigeria. Its Obajana plant in Kogi state, Nigeria, is the largest in Africa with 13.25Mta of capacity across four lines. The Director-General of the Nigerian Tourism Development Cooperation (NTDC), Mr. Folorunsho Coker, has stressed the need to redefine the tourism sector. We need "a redefinition of what tourism is as an industry, as a site and as a channel through which we drive the increase in consumption of tour-ism assets in Nigeria. Our initial focus is on domestic tourism, to make the best use of what we have and consume more of Nigeria", he said. Coker made the remark while receiving an eight-man team of the National Association of Nigeria Travel Agencies (NANTA) that paid him a courtesy visit at the NTDC's headquarters in Abuja. The NTDC boss, who described the Corporation as a corporate member of NANTA, expressed the readiness of the Corporation to be a worthy partner to NANTA in championing the course of tourism in Nigeria as well as collaborating with the association on the area of statistics and data collection, to enable private investors know which state has potential to explore and develop. He further asked for a working partnership between private and public sector in the development and promotion of tourism in Nigeria, stating that public/private partnership will boost the tourism agenda of Nigeria.

The President of NANTA, Mr. Bankole Bernard, earlier in his speech, described the appointment of Coker as a blessing to the tourism sector, saying, "I am sure that the good work he did with the Lagos tourism, would be replicated in the 36 states in Nigeria." Bernard expressed dissatisfaction with the manner in which the promotion of tourism is being managed in Nigeria, saying: "Tourism has not been well developed, promoted and packaged because the country had wholly depended and focused on the oil sector. Tourism is everything. We all have to embrace it and take it seriously". Bernard, who called for a conscious investment in the promotion of domestic tourism in Nigeria, described the country as a potential tourism market, with a vibrant and dynamic business environment especially with the improved Nigerian's image under the present administration. More than 2,550 members of the Tools and Hardware Dealers Association of Nigeria (TAHDAN) have moved out of Idumota, shutting down business activities at the ever busy Agarawu Street Tools Market on the Lagos Island. This followed TAHDAN's successful completion and opening of its new ultra modern Tools And Hardware Center" sited inside the Lagos International Trade Fair Complex along Badagry Express Way, which gulped about N3.56billion. Commenting on the development Thursday, President of the association, Chief Jude Obika commended members of the association for their commitment and selfless sacrifices during the construction of the market. He said: "This is a great and unimaginable effort of which we are already reaping the dividends, and this will pass on to the future and unborn generations. But my greatest joy is that we have been able to contribute to building our dear nation Nigeria by humbly erecting this monumental center for international trade, economic empowerment, massive employment and industrial growth.

TAHDAN scribe, Felix Nnadi, who spoke in a separate interview with journalists said: "The Tools and Hardware Dealers Association is made up of over 2,550 members excluding apprentices. Each member contributed a minimum of N850,000 to own a shop here, while personal plazas cost from N120million and above depending on the size or design of each structure. There are 3,000 lock up shops and 26 personal plazas in all." The multibillion Tools And Hardware Center is comfortably located on 5,000square meter area of land formally known as Swiss Park facing the Progressives Jewelry Market. Apart from providing adequate and spacious shops for use as showroom, packing store and office apartments for all the traders and importers in particular; the Vice President of TAHDAN Kenneth Ugbajah enumerated other gains which accompany the traders movement: "Here, we also enjoy freedom from landlords and Area Boys harassments; free space for car park, shopping and vehicular movement; very clean and business friendly environment; and above all, the gesture is in support of the Lagos State government's Mega City transformation agenda which aims at decongesting and ending street trading everywhere in Lagos." *(This Day)*

FBN Merchant Bank Limited, a subsidiary of FBN Holdings Plc recently held its second annual general meeting, where it declared a profit before tax (PBT) of N4.92 billion in the financial year ending December 31, 2016. This was 28% above the prior years' PBT of N3.83 billion. FBN Merchant Bank said it recorded strong top-line growth driven by the diversified nature of its businesses, with key drivers of revenue being the fixed income, corporate and investment banking businesses. The Chairman of FBN Merchant Bank, Mallam Bello Maccido, explained in a statement that despite the challenging macroeconomic climate in 2016, FBN Merchant Bank remained resilient and focused on delivering strong results. The MD/CEO of FBN Merchant Bank, Mr. KayodeAkinkugbe, expressed his appreciation to all staff for their hard work, passion, and commitment to fostering a culture with a winning mindset. He also thanked the shareholders and esteemed Board of Directors for their continued support and guidance. Akinkugbe further said: "The consistent growth in profitability of the bank since the commencement of our merchant banking business in 2015 is a validation of our commitment to adding value to our customers, as we remain firmly on the path to building the leading merchant bank in Africa. We will continue to grow our market share in key strategic segments, while harnessing opportunities in select industries to improve our earnings. We are fully committed to breaking new grounds with innovative solutions, products and services that will deliver positive returns." *(This Day)*

Dangote Sugar Refinery (DSR) Plc plans to invest N106 billion in the expansion of operations in the next six years and as it targets to produce 1.5 million tonnes of refined sugar from locally grown sugarcane during that period. The acting Managing Director of DSR, Abdullahi Sulestated this yesterday at the company's fact behind the figures, adding the company is projecting to produce 130 million liters of ethanol potential across all its sites. "We are going to spend about N106 billion to expand its operation during the preview period of which 20 per cent of the fund will come from equity. The board of directors will decide the direction of the 20 per cent," he said. He, however, promised that the company will continue to pay dividend which it has remained consistent since inception. "We are confident that this ambitious goal is achievable and will leave no stone unturned in seeing that it becomes a reality," he added. He noted that during the year under review, the company continued its journey towards the actualisation of its backward integration project (BIP) targets, which according to him has been challenging. "To date about N101 billion has been committed towards the actualisation of these projection equipment purchase, land studies and survey, sensitisation campaign for the local communities, rehabilitation and expansion of Savannah Sugar company. As such we further realigned the BIP strategy during the year under review and our focus is now on the full expansion of Savannah Sugar Company Limited, the Greenfield project in Nasarawa State and the Lau/Tau project in Taraba State," he said. Sule noted that the company remained committed to delivering superior returns to its shareholders, and the board recommended a total payout of N7.2 billion for the shareholders. This, he said translates to a dividend of 60 kobo per share for every share of 50 kobo held in the company.

"Achievement of our BIP plan and growing our market share remains our focus. Efforts are geared towards achievements of these through effective resource optimisation and cost management, drive for greater efficiency especially in supply chain, human capacity building and route to market redefinition. Among others," he said. The Chairman of DSR, Alhaji Aliko Dangote said last week that the company was in a position to pay a higher dividend but it retained some part of its earnings for investment in its backward integration programme. DSR's gross revenue rose by 68 per cent from N101.06 billion in 2015 to N169.72 billion for the 2016. Profit before tax stood at N19.61 billion, up from N16.16 billion, while PAT grew to N14.4 billion as against N11.4 billion in 2015. Earnings per share similarly rose from 93 kobo to 120 kobo. Dangote explained that the performance reflected the outcome of the company's strategic initiatives being implemented over the past two years, to ensure that company sustains this performance in the face of economic downturn. *(This Day)*

Economic News

Nigeria and the World Bank have taken further steps to close out a harmonious deal on a recovery plan to bail out the country's ailing electricity market. Accordingly, both the Federal Government of Nigeria and the World Bank Group held a high level consultation meeting to discuss World Bank Group support for the government's power sector recovery programme during the last Spring Meeting of the World Bank and International Monetary Fund (IMF) in Washington, United States. The programme was approved by the Federal Executive Council (FEC) on March 22, 2017. A statement from the World Bank stated that the current status of Nigeria's power sector was characterised by poor service and lack of liquidity, adding that it was a source of macro-economic imbalances and a binding constraint to the revival of growth for Nigeria. The Bank thus stated that power sector recovery programme would focus on supporting the implementation of power sector reform, reducing losses in the electricity distribution companies (Discos), enhancing the sector's financial viability, increasing access to electricity services, and mobilising private sector investment. It in this regards indicated that a deal on this was imminent and that both parties were committed to seeing it out soon. The statement quoted the Minister of Power, Works and Housing, Mr. Babatunde Fashola, to have said that: "The approval of the power sector recovery programme by the Federal Executive Council demonstrates that the Federal Government is committed to the sustainable development of the power sector. The implementation of the program is critical to achieving the objectives of the government's Economic Growth and Recovery Plan."

Similarly, the Minister of Finance, Mrs. Kemi Adeosun, reportedly said at the meeting that: "There is need for well-designed derisking in order to attract private investors to the sector. All the agencies of government will work in concert to ensure implementation of the power sector recovery program." According to the statement, the plan also got a legislative backing with the Senate Committee Chairman on Power, Steel and Metallurgy, Senator Enyinnaya Abaribe allegedly saying that: "The legislative arm of the Nigerian government is fully committed to the successful implementation of the power sector recovery program." Also giving further legislative backing to the plan was the Chairman, House of Representatives Committee on Power, Hon. Dan Asuquo, who said: "We will make sure our oversight functions focus on the completion of projects and initiatives that support the effectiveness of the power sector recovery program." On the art of the World Bank Group, the statement noted that it congratulated Nigeria on its commitment to the program, and stressed the critical importance of the power sector to Nigeria's development and for restoring macroeconomic resilience and growth. The meeting, it explained discussed the action plan set out in the program, as well as indicating the need for strong interagency coordination to ensure that it attains its aims. "Controlling the cost of electricity supply is a critical element of the recovery program that will require close attention to prioritising investments based on least cost power development investment planning principles," said the World Bank Senior Director for Energy and Extractive Industries, Riccardo Puliti, in the statement.

Similarly, the statement quoted the Global Director for Infrastructure and Natural Resources at the International Finance Corporation (IFC), Bernard Sheahan, to have said at the meeting that: "A turnaround of the power sector will require the expertise and financing of the private sector." Sheahan added that: "This would require continuous improvement in the investment climate in Nigeria and strong communications among stakeholders of the sector reform plan during its implementation." Also speaking at the meeting, the Director of Operations at the Multilateral Investment Guarantee Agency (MIGA), Sarvesh Suri, explained that: "A full range of instruments will be deployed to help the government mobilise investments directly from the private sector and through private sector guarantees." Accordingly, the World Bank Group also reaffirmed its strong partnership with Nigeria in addressing the challenges in the power sector. It said it would bring its experience in developing financing solutions and attracting private sector capital in Nigeria, adding that the meeting resulted in agreement on the next steps in developing the World Bank Group's support, recognising the need for concerted efforts to accelerate its preparation. *(This Day)*

Nigeria is working to replace a controversial list of 41 import items for which local firms cannot get hard currency from the central bank, Vice President Yemi Osinbajo said on Tuesday. Nigeria planned instead "more trade policy-driven restrictions taking into account those items that are required and locally unavailable raw materials," Osinbajo said, according to a statement by the presidency. *(Reuters)*

Tanzania

Corporate News

A LEADING electronic payment solutions provider, Maxcom Africa, bid to go public has reached an advanced stage and its public offer is expected in this year. Maxcom, trading as MaxMalipo, filed its prospectus early March to Capital Markets and Securities Authority (CMSA). Yesterday, during the launch of the Maxcom Board of Directors, the new board chair Prof Samwel Wangwe said the IPO application has reached a good stage. "The listing will make sure our company operates per stipulated country's laws and regulations," Prof Wangwe, an economist, said. The firm is operating in six African countries namely Tanzania, housing the firm headquarters, Rwanda, Kenya, Uganda, Zambia and Burundi. The application to go for IPO is to conform with Electronic and Postal Communication Act of 2010 and the Finance Act 2016 which require communication operators to offload 25 per cent of their shares to public. Capital Markets and Securities Authority (CMSA) Principal Public Relation Officer, Charles Shirima confirmed that Maxcom prospectus was at advanced stages. "At the moment we are working on the prospectus. Other information are confidential until the document is approved," he said. Prof Wangwe, who replaced Eng Hashim Lema as board chair, did not want to reveal more information regarding neither the size of the IPO nor the price per share. The IPO fund also expected to boost the firm expansion ambition in Africa. "We want by 2020 to provide not less than 100,000 employments in and outside the country," Prof Wangwe said "currently we have a workforce of some 16,000 people." *(Reuters)*

NATIONAL Microfinance Bank (NMB) has posted a 4 per cent increase in net profit in the first quarter this year 40.9bn/- compared to 39.3bn/- of the corresponding period in 2016. The NMB Managing Director Ms Ineke Bussemaker attributed the good start of the year to improved operating income and increased recoveries of previously non-performing loans. Ms Bussemaker said that total operating income rose by 4.6 per cent to 58.7bn/- in the quarter under review from 56.1bn/- posted in the corresponding period 2016. This growth was driven by an increase in both the net interest income as well as the foreign exchange revenue which increased by 41 per cent from to 4.9bn/- in the first quarter from 3.5bn/-. "Net interest income for the first quarter was 115.9bn/-, a 9.4 per cent increase from 106bn/- for the same period in 2016 and 0.9 per cent increase compared to 114.9bn/- registered in the last quarter of 2016," she said. The banks financials also indicates that Non-interest revenue (NIR) increased from what was recorded in the same period in 2016 as well as the previous quarter. The bank's NIR rose by 5.3 per cent to 41.5bn/-in the quarter under review from 39.4bn/- in the corresponding period last year and by 4 per cent from 39.9bn/- recorded in the 4th quarter of 2016. Customer deposits only grew by 0.9 per cent to 3.75tri/- from 3.71tri/- in the last quarter of 2016. "To grow the customer base and subsequently the deposit base, the bank is deploying more agents. NMB Wakala across the country. The goal is to have a total of 4,500 agents by the end of the year," she said. The ongoing market-wide liquidity shortage has forced the bank to prudently slow down on the lending. Loans and advances extended to customers in the quarter decreased by 1.2 per cent to 2.76tri/- from 2.79tri/-recorded in the previous quarter. Our loan to deposit ratio remains healthy at 74.6 per cent. "Our loan recovery efforts are reflected by the Non- Performing Loans (NPL) ratio which has decreased to 4.6 per cent from 4.8 per cent which was recorded in the previous quarter. "This is a good start to the year. The management team is committed to deliver good returns to our shareholders for the year 2017," she said. *(Daily News)*

Economic News

DAR ES SALAAM Stock Exchange all share index (DSEI) registered almost two months low after losing 5.91 per cent or 139.55 points last Friday. The bourse fall to 2,221.26 points was last experienced in the first week of March this year. However the drop is among the heaviest since the year began. The DSEI fall was the highest in Africa at 5.91 per cent compared to other bourses on the continent. The nearest was BVRM Stock Exchange fall by 1.48 per cent to 247.01 points. The last Friday was attributed to fall of stock prices of Acacia Mining, TBL, DSE, KCB Bank and Jubilee Holdings Limited (JHL). According to DSE daily market report, JHL share price went down 20.47 per cent to 10,140/-, the heaviest fall last Friday. JHL was followed by Acacia that dropped by 13.05 per cent to 11,390/- then KCB Bank that went down 9.21 per cent to close at 690/-. Others were TBL sunk by 5.83 per cent to 11,300/- and DSE by 3.23 per cent to 1,200/-. The gaining of some stocks, NMG 10.22 per cent to 2,050/- and Kenya Airways 8.33 per cent to close at130/-, the surge failed to knockoff the fall of 5.91 per cent. The fall also was felt on Tanzania Share Index (TSI) after losing by 98.63 points to 3,475.09 points. The TSI was affected by TBL and DSE share price fall as well. The bourse total market capitalization fell to 19.32tri/- at the end of April from 20.13tri/- at end of March. On month-to-month domestic market cap sunk to 7.3tri/- from 7.5tri/-. *(Daily News)*

COMMERCIAL banks have increased interest rates on time deposits in a bid to fill the gap of acute shortage of liquidity affecting most financial institutions. According to the Bank of Tanzania (BoT) monthly economic review for March this year shows that the overall interest rate on time deposits rose to around 10.29 percent compared with 8.99 percent in the previous month and 9.14 percent in corresponding period 2016. Lending rate rose to an average of 17.66 percent compared with 16.01 and percent 16.43 percent, respectively. The rise in deposit interest rates is associated with the efforts of commercial banks to attract deposits in the wake of transfer of public deposits to the BoT whilst that of lending rate is attributable to an increased risk of premium following a rise in non-performing loans in the recent months. Consistent with the high demand for treasury bills, the overall weighted average yield fell to an average of 15.02 percent in February 2017 from the 15.27 percent in the corresponding period in 2016. The yield was also lower than 18.52 percent last year. The overnight inter-bank cash market rate decreased to 7.93 percent in February 2017 from 10.07 percent in the preceding month. The overall inter- bank cash market rate fell to 8.68 percent from 10.50 percent. *(Reuters)*

Zambia

Corporate News

No Corporate News This Week

Economic News

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WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

TRADING

Zimbabwe

Corporate News

Turnall acting finance director, Samson Mavende has said the move to restructure the company's balance sheet was done to save the company from going under judicial management. Mavende's remark comes after the company is reportedly restructuring its balance sheet by engaging its creditors for a possible debt-to-equity swap to ward off creditors jostling for its assets. "This is why we have to be proactive and go for this [balance sheet restructuring] no one talked about it (judicial management route), but were now under a lot of pressure people saying we are going to attach this because we couldn't pay their debts. So the only way was to come up with this structure otherwise we would have gone that way, (judicial management)," he said. In terms of Section 300 of the Zimbabwean Companies Act (Chapter 24:03), the court may grant a judicial management order when by reason of mismanagement or for any other cause a company is unable to meet its obligations, but it has not become or is prevented from becoming a successful concern. Though Mavende could not divulge details of the restructuring exercise, NewsDay has it on good authority that the company wrote to its creditors proposing that they receive shares in full and final settlement of the outstanding balance with the number of shares basing on the conversion price determined by the intrinsic value of the company, insiders have said. Turnall also gave creditors an option to either receive and hold shares or alternatively match the receipt of shares with the immediate disposal of the same shares to a third party. The manufacturing firm's current liabilities stand at $18 million as of December 2016 against total assets of $35 million in 2015. Furthermore, the company registered a 41% turnover decline to $16,9 million during the period from $29 million in 2015 attributed to subdue demand, uncompetitive pricing and liquidity constraints. Sales volumes were 41% down to 36 791 tonnes in 2016 from 62 631 tonnes in the prior year. Mavende said the balance sheet restructuring exercise, to be completed by June, would give a lifeline to the company. *(News Day)*

State-run pension fund, National Social Security Authority (NSSA) has increased its stake in Zimbabwe's largest short-term insurer NicozDiamond to 50,9 percent after eight percent of minority shareholders accepted its mandatory offer. NSSA was compelled to make an offer to minorities after it purchased stakes held by LAG Malta belonging to foreign investor Noel Hayes (4,3 percent) and part of the stake held by Bruce Campbell who held just over 10 percent. On the 7th, 21st and 24th of November last year, NSSA bought a total of 88,974,652 shares of NicozDiamond, representing 15,7 percent of the total issued share capital of the company. This increased its total shareholding in the insurer to 44,85 percent, triggering the mandatory offer on March 27 this year. About 46,077,100 shares of the 312,578,689 shares held by minorities were offered to NSSA, representing 8 percent of the shares eligible for the mandatory offer. NSSA said prior to the offer that it did not intend to delist NicozDiamond from the local bourse and had arranged $8,6 million from its own funds to pay for the offer at an offer price of 2,75 cents per share. The pension fund has 70 percent of its investments in the equities market, with interests in 53 of the 60 companies listed on the Zimbabwe Stock Exchange. It holds at least 10 percent shareholding in 12 counters. NSSA is also among the largest shareholders in RTG, Turnall and ZB Financial Holdings where it owns 36 percent, 32 percent and 38 percent respectively. *(The Source)*

ECONET Wireless Zimbabwe's revenue is set to tumble 8,9% year-on-year to $584 million in 2017 before waning further in 2018 on the back of economic headwinds and regulatory interventions, stockbrokers IH Securities has projected. In an update after Econet successfully raised $130 million through a rights offer of ordinary shares and linked debentures to pay its foreign obligations, the equity research firm said liquidity challenges, regulatory interventions and low disposable income were likely to persist in the medium-term. "We forecast a decline in revenue of 8,9% y/y [year on year] for FY17 [full year] to $584 million and a further 0,7% y/y decline for FY18 to $580 million. Post FY18, we anticipate continuous innovation, and greater contribution from EcoCash and broadband, will uplift revenue beyond the $600 million mark, growing CAGR [compound annual growth rate] 2% to 2022," IH said. IH added that cash flow was envisaged to remain affirmative, but there was no anticipated redemption of the proposed debenture in the medium-term as the liquidity crisis inhibiting remittance of forex abroad was expected to continue. "While we expect sturdy EBITDA [earnings before interest taxation, deductions and amortisation] margins going forward, with slight improvements initially due to continuous cost rationalisation efforts, our net income estimate for FY18 at $50,5 million is a 56,6% y/y jump from our FY17 estimate of $32,9 m (-17.9% y/y)," it said.

"The rapid jump in FY18 can be attributed to the lower effective interest rate assumed (7,5%) as well as lower debt levels. Cash flows are anticipated to remain positive, but we do not anticipate redemption of the proposed debenture in the medium-term nor a rapid increase in the dividend yield, as the current liquidity crisis preventing the remittance of forex abroad is expected to continue." The firm said that given major shareholder Econet Global had exceeded 35%, the move triggers a mandatory offer to minorities. IH Securities said Econet has since expanded into new areas (over the top) in a bid to diversify its revenue streams, but these have lower margins hence an impact on profitability further accompanied by the general migration from higher margin voice product to data solutions. "With the voice and SMS segment expected to continue on a downward trajectory, we expect management to focus on broadband and EcoCash during second half of 2017. In the first half, Econet successfully concluded a network modernisation project, resulting in the deployment of over 400 new LTE sites as well as upgrades to over 250 3G sites," the equity firm said. *(News Day)*

Turnall Holdings on Tuesday reported a loss of $4 million in the full-year to December 2016 from a profit of $106,938 in the prior year, due to low consumer demand. Sales volumes declined by 39 percent to 36,791 tonnes from 60,451 tonnes the previous year, while export sales contribution dropped to 0,52 percent from 1,82 percent the prior year. Turnover during the period dropped by 41 percent to $16,99 million from $29 million in 2015. The group recorded an operating loss of $5,12 million from a profit of $1,5 million while retrenchment costs for the year were $480,000. Finance costs declined to $1,15 million from $1,45 million during the comparative year. However the group is negotiating with banks to reduce interest charges and increase loan tenures to further reduce finance costs. *(Reuters)*

Economic News

Kenya Airways launched its first direct flights between Nairobi and Zimbabwe's resort town of Victoria Falls on Monday, becoming the second regional airline to introduce new frequencies on the route this year. Ethiopian Airlines introduced a new flight into the resort town in March, a few weeks after South African Airways introduced a wide-bodied Airbus A330. Major airlines have been lining up to increase flights into Victoria Falls after a $150 million expansion of Victoria Falls International Airport was completed last November. The project involved the extension of the runway to four kilometres, from one and half kilometres, and increased annual passenger capacity to 1,5 million, from 500 000. The new route between Nairobi and Victoria Falls will operate three times a week on Monday, Thursday and Saturday and will link the resort town with Cape Town in South Africa. Kenya Airways chief executive officer, Mbuvi Ngunze said the new route would connect the continent and bring flexibility to air travel. "In addition to enhancing Africa integration, this new route will provide room for Zimbabwe's tourism industry as it establishes vital links between the majestic Victoria Falls and the tourism source markets in our global network. The resultant benefit of our wide route network is increased connectivity, flexibility and traveling convenience to visitors from across the world visiting Victoria Falls and onwards to other destinations," Mbuvi said. The new route also highlights the airline's strategy to continue winning in Africa by opening up the region, he added. Following the launch, the airline, one of Africa's largest, would be the only carrier operating flights between Victoria Falls and Cape Town. Kenya Airways will operate an Embraer E190 for the route, with a configuration of 12 Business class seats and 84 economy class seats. *(The Source)*

The Zimbabwe Stock Exchange mainstream index advanced 2,88 percent in April to close at 142,96 points as eight of the top 10 counters by market capitalisation all recorded gains. The mining index advanced 13,27 percent to close at 66,33 points on the back of the gains in RioZim following its acquisition of Falcon Gold's Dalny Mine, in a deal which will double its asset value and increase gold output by 100 kilogrammes per month by end of the year. Market capitalisation increased by 8,05 percent, from $3,87 billion in the previous month to $4,18 billion, mirroring the gains in the mainstream index. However total market turnover fell 58,4 percent to $11,2 million from $26,9 million recorded in the previous month. Delta gained 0,29 percent to close at 86,25 cents while Econet added 12,5 percent to close at 18,04 cents. Padenga and Simbisa gained 9,59 percent and 3,8 percent to close at 20 cents and 17,75 cents respectively. Innscor , Old Mutual and National Foods advanced 4,33 percent, 2,41 percent and 1,76 percent to settle at 46,95 cents, 364,76 cents and 360 cents respectively. BAT and Hippo also added 1,31 percent and 17,95 percent to trade at 1550.0 cents and 46 cents respectively. Among the top gainers were Willdale, Masimba and Barclays after adding 40 percent, 26,32 percent and 20 percent to settle at 0,35 cents, 2,4 cents and 3,6 cents in that order. Ariston and ZB Holdings advanced 20 percent and 18,64 percent respectively while PPC and Fidelity put on 3,15 percent and 10 percent respectively. Meikles and FBC also added 9,58 percent and 7,48 percent respectively while Nampak and TSL gained 6,67 percent and 6,28 percent respectively.

CFI, Axia and Dawn put on 4,94 percent, 4,29 percent and 4 percent in that order. One heavyweight, Seedco made a loss after easing 0,26 percent to trade at 94,75 cents. Zimre Holdings was the worst performer in the month after shedding 15,15 percent to close at 1,4 cents. Zimre Holdings on Friday reported that its loss narrowed by 90 percent to $2,2 million for the full-year to December, from $23,1 million recorded in the preceding year on increased business retention and cost containment measures. StarAfrica and Lafarge also shed 10,71 percent and 6,77 percent to trade at 1 cent and 44,75 cents respectively. Colcom ,NMBZ and CBZ lost 0,67 percent,0,6 percent and 0,3 percent in that order. On the mining space, RioZim added 25 percent to settle at 50 cents while Bindura, Falgold and Hwange remained unchanged at 3 cents , 1 cent and 2,9 cents respectively. Foreigners remained net sellers in the month, disposing of shares worth $8,1 million and buying shares worth $1,4 million. *(The Source)*

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