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		31-Dec-14	YTD % Change	
Country	Index	7-Aug-15	14-Aug-15	Local	USD	31-Dec-14	Local	USD
Botswana	DCI	11061.14	11087.03	0.23%	0.42%	9,501.60	16.69%	10.02%
Egypt	CASE 30	8114.08	7879.82	-2.89%	-2.89%	8,942.65	-11.88%	-19.53%
Ghana	GSE Comp Index	2175.30	2148.77	-1.22%	-7.18%	2,287.32	-6.06%	-25.12%
Ivory Coast	BRVM Composite	299.30	302.97	1.23%	3.40%	258.08	17.39%	7.56%
Kenya	NSE 20	4415.09	4496.23	1.84%	1.38%	5,112.65	-12.06%	-21.52%
Malawi	Malawi All Share	16051.70	15913.90	-0.86%	-1.76%	14,886.12	6.90%	-3.50%
Mauritius	SEMDEX	1975.49	1965.02	-0.53%	0.12%	2,073.72	-5.24%	-15.64%
	SEM 10	379.70	376.36	-0.88%	-0.23%	385.80	-2.45%	-13.15%
Namibia	Overall Index	1104.56	1069.17	-3.20%	-3.35%	1,098.03	-2.63%	-11.55%
Nigeria	Nigeria All Share	31441.71	30705.62	-2.34%	-1.55%	34,657.15	-11.40%	-18.45%
Swaziland	All Share	306.63	306.63	0.00%	-0.15%	298.10	2.86%	-6.56%
Tanzania	TSI	4560.42	4611.56	1.12%	0.08%	4,527.61	1.85%	-16.70%
Tunisia	TunIndex	5626.51	5571.05	-0.99%	0.22%	5,089.77	9.46%	4.43%
Zambia	LUSE All Share	5843.63	5843.32	-0.01%	-0.04%	6,160.66	-5.15%	-22.75%
Zimbabwe	Industrial Index	143.58	141.38	-1.53%	-1.53%	162.79	-13.15%	-13.15%
	Mining Index	39.36	39.36	0.00%	0.00%	71.71	-45.11%	-45.11%

CURRENCIES

Cur-rency	7-Aug-15 Close	14-Aug-15 Close	WTD % Change	YTD % Change
BWP	10.01	9.99	-0.19	6.26
EGP	7.81	7.81	0.01	9.50
GHS	3.75	3.99	6.42	17.89
CFA	601.61	588.95	-2.11	11.49
KES	99.34	99.78	0.45	11.56
MWK	508.33	513.00	0.92	9.77
MUR	34.40	34.18	-0.65	13.07
NAD	12.75	12.77	0.15	9.91
NGN	198.21	196.62	-0.80	9.52
SZL	12.75	12.77	0.15	9.91
TZS	2,058.22	2,079.73	1.05	21.00
TND	1.97	1.95	-1.20	6.09
ZMW	7.79	7.79	0.04	22.73

SECURITIES AFRICA

Botswana

Corporate News

No Corporate News This Week

Economic News

No Economic News This Week

WEEKLY AFRICAN FOOTPRINT

TRADING

This Week's Leading Headlines Across the African Capital Markets

Egypt

Corporate News

Telecom Egypt reported a 2015 second-quarter profit after tax of 378 million Egyptian pounds ($48.28 million), up 55 percent on the year, the company said in a statement on Monday. "Retail revenues remain strong, buoyed by the increased demand for data services," Chief Executive Officer Osama Yasin said in the statement. *(Reuters)*

Egyptian auto distributor GB Auto's second-quarter net profit before minority interests dropped 65 percent from the same period last year due to a shortage of foreign currency and a particularly soft market in Iraq, the company said on Monday. Second-quarter net profit before minority interests was 22.4 million Egyptian pounds ($2.86 million) from 63.6 million in the same quarter last year. The foreign currency shortage in Egypt depleted inventory of some of its key models, the company said, adding that a decline in demand in Egypt early in the second quarter had also had an impact. However, net profit after minority interests rose 26 percent to 50.3 million Egyptian pounds ($6.42 million) from 39.9 million pounds a year ago. "Despite continued currency challenges and difficult operating environments in our expansion markets, we managed to grow sales across most of our LOBs (lines of business) in our home market of Egypt," GB Auto Chief Executive Raouf Ghabbour said in a statement. GB Auto is the Egyptian distributor of tuk-tuks and motorbikes made by India's Bajaj. *(Reuters)*

Egypt's Orascom Telecom Media and Technology Holding reported second-quarter net profit of 353.95 million Egyptian pounds versus 351.68 million a year earlier, the company said in a statement on Thursday. The company posted revenue of 725.24 million up from 689.46 million, it said. *(Reuters)*

Economic News

Egypt's annual urban consumer inflation dropped to 8.4 percent in July from 11.4 percent in June, the official statistics agency CAPMAS said on Monday. Inflation soared in Egypt after the government slashed energy subsidies in July 2014.*(Reuters)*

Egypt's Central Agency for Public Mobilization and Statistics (CAPMAS) issued a report on Tuesday a press statement on occasion of World Youth Day on August 12 of each year and approved by the United Nations in 1998, in framework of World Conference of the United Nations of Ministers Responsible for Youth to confirm importance of role of young people to achieve sustainable development and the need to invest the energies of youth, enthusiasm and creativity, and the removal of obstacles and their challenges and support them in achieving their hopes and aspirations and the development and empowerment of their abilities. CAPMAS said that the total number of young people in the age group of 18 to 29 years old reached 20.7 million people in the first of January 2015, 23.6% of the total population, pointing out that the unemployment rate among young people stood at 26.3%. CAPMAS added that 52% of young people contributing to the labor force, including 72.3% for males compared with 28.5% for females. It said that 64.4% of young people working in permanent employment, while the percentage amounted to a temporary holding about 33.4%, and that the subscriber rate in social insurance of young people in age from 18 to 29 years old reached 32.3%, and the participants in the health insurance 22.2%. *(Egypt.com)*

Ghana

Corporate News

Lead operator of Jubilee field, Tullow Oil, has cut crude production by 27,000 barrels due to the continuous reinjection of gas into the oil wells. According to the deputy Minister of Petroleum, Benjamin Dagadu, Tullow oil is now producing 76,000 barrels per day. The recent problems with the compressors on FPSO Kwame Nkrumah led to a halt in gas supply to Ghana National Gas Company which has resulted in the reinjection of gas into the wells. The Petroleum Ministry and the environmental protection agency have given the green light for Tullow to flare some gas due to the effects the continuous reinjection is having on crude production. Benjamin Dagadu reveals the Tullow has flared up to 70 million standard cubic feet of gas since July 7. "We can give permit for limited flaring when that will help the reservoir management", he stated. The minister said Tullow has reduced the gas volumes being flared to 28 million standard cubic feet. According to Mr. Dagadu, gas supply has been restored to the GNGC, after challenge with the compressor on the FPSO was addressed. But he stated that Tullow is yet to get confirmation to supply at the optimal 120 million standard cubic feet. Meanwhile, the Ghana National Gas Company has confirmed to Citi Business news, it is ready to receive optimal volumes from the partners. But the Communication Manager of Ghana Gas, Alfred Ogbamey, said: "We are eager to take up those volumes however whatever volumes we process is dependent on two things, the ability of the upstream supply, Tullow and partners to give us those volume is one and the ability of the downstream off takers , VRA to take those volumes give us those volume is one." According to GNGC it is supplying Volta River Authority with 64 million standard cubic feet of gas. *(Peace)*

Economic News

The Bank of Ghana has announced some new measures that will go a long way to better manage the amount of cedis in circulation. The move will see the central bank merge its policy rate and reverse repo rate, (the effective rate the Bank of Ghana lends to commercial banks in the country). According to the Bank of Ghana, this will be effected from tomorrow August 13. Below is a statement from the Bank of Ghana; Following the outcome of the recent Monetary Policy Committee meetings, the Bank has decided to merge the Monetary Policy Rate and the Reverse Repo Rate (the effective rate at which Bank of Ghana lends to commercial banks) with effect from August 13, 2015. The merged rate shall continue to be referred to as the Monetary Policy Rate and will be positioned at 24 per cent. This merger is to ensure transparency in the monetary policy stance of the Bank of Ghana. These changes, in effect, do not reflect a change in monetary policy stance, since the maximum lending rate of the Bank of Ghana remains unchanged at 25 per cent. The Bank has also introduced a 7-day Reverse Repo (lending) Facility, available to all banks to help them manage liquidity more effectively. The Reverse Repo Facility is the principal instrument through which Bank of Ghana will inject liquidity into the banking system during periods of general liquidity shortage. The detailed modalities and procedures for accessing the facility have already been communicated to the banks. *(Ghana Web)*

The Bank of Ghana said the yield on its 91-day bill rose to 25.215 percent at an auction on Friday, from 25.201 percent at the last sale. The bank said it accepted 970.1 million cedis ($249 million) worth of the 991.38 million cedis in bids tendered for the 91-day paper. *(Reuters)*

Ghana's benchmark stock index headed for its longest losing streak on record as rising bond yields in the West African nation drew investors to fixed income and away from equities. The Ghana Stock Exchange Composite Index dropped for an 11th day, losing 0.2 percent to 2,170.32 by the close in the capital Accra. That's the longest losing streak since the gauge was introduced in January 2011, according to data compiled by Bloomberg. The index, which tracks the performance of 35 companies, has lost 4 percent this year as accelerating inflation and a depreciating cedi damped demand for the nation's stocks. "Investors are interested in the fixed-income market currently," said Afua

Mensa-Bonsu, a research analyst in Accra at Databank Group Ltd., Ghana's biggest private fund manager. "Yields on fixed income in the secondary market are going up so it looks attractive to foreign investors." Yields on Ghana's three-year notes, the longest duration open to foreign investors, climbed 60 basis points in the past 11 trading days to 24.6 percent, according to data from the local unit of Standard Chartered Bank Plc on Bloomberg. That compares with 23 percent when it was issued in February 2014. *(Bloomberg)*

Government plans to issue a new five-year bond to raise GH₵ 500 million in August to help reorganise its debt, Finance Minister Mr Seth Terkper said on Tuesday. The bonds would be available for investment through the Bank of Ghana (BoG) appointed primary dealers and be listed on the Ghana Stock Exchange. Currently, short term debts accounts for about 42 per cent of the total domestic debt. "It is our plan to gradually shift from the issuance of short-term instruments for capital expenditure to medium and longer-term debt issuance using the book runner system to extend maturities," Mr Terpker told investors and media at the launch. The book building approach, compared to the auction process, involves more intensive engagement with the likely clientele for the medium to long-term instruments- institutional investors such as pension funds, insurance companies, mutual funds, provident funds and unit trusts. Government has appointed Barclays, BoG, Stanbic Bank Ghana and Strategic African Securities as joint book runners to rally investors for the bond. The book runners approach would be used for medium and long-term securities and would run on a pilot basis alongside the existing central bank auction system. Mr Terpker explained that the book-building approach was designed to be complementary to the established BoG methods of issuance and not a replacement. "The issuance of short-term instruments will continue through the weekly Bank of Ghana auction. Following a successful pilot, this approach will eventually be used for the medium to long-term issues," he said.

"This is part of the debt management initiatives outlined in the Budget such as the Ghana Infrastructure Investment Fund, Sinking Fund, Ghana Exim, Escrow and on-lending," Mr Terpker added. Mr Terkper said a key objective of public debt management is to promote the development of an efficient primary and secondary domestic securities market that would provide benchmark rates for the entire economy and across maturity spectrum. Dr Sam Mensah, a government advisor on securities, said the medium to long-term bonds would help in infrastructural development while the short-term issues could be used primarily to boost liquidity. *(Peace)*

Ghana is making an improved credit rating a long-term goal after downgrades in the past year for West Africa's second-biggest economy, Finance Minister Seth Terkper said. "My long-term goal, to regain my rating," Terkper said in an interview in London on Wednesday. Moody's Investors Service cut Ghana's credit rating twice in the past year to B3, six levels below investment grade, and warned in March of further downgrades as tumbling oil prices cut government revenue. President John Dramani Mahama said on Wednesday that Ghana is on track for a budget deficit of 7.2 percent of GDP this year, lower than the figure of 7.3 percent given by Terkper last month. The country took an emergency loan from the International Monetary Fund of almost $1 billion in April and the World Bank agreed to give it $220 million in transport and budget support earlier this month. Public debt has almost doubled since 2007 to reach 68 percent of gross domestic product.
Ghana, which started pumping oil in 2010, is contending with a more than 50 percent drop in crude prices since last year's peak and a 20 percent slump in the value of its currency against the dollar in the first half of 2015. The cedi gained 0.7 percent against the dollar to 3.9818 as of 3:31 p.m. in Accra. Government debt is "a concern" though the country still plans to sell $1.5 billion Eurobond this year, Terkper said. "We are going to see a combination of debt management measures." After posting the fastest economic growth in Africa in 2011, Ghana's expansion of 4 percent in 2014 was the slowest in 20 years. Growth will probably slow to 3.5 percent this year, before accelerating to 5.7 percent next year and 9.4 percent in 2017, Terkper said. "Next year we are seeing the turnaround," he said. "We'll see a more diversified growth. Oil and gas will be the key one to give it a boost." *(Bloomberg)*

Ghana is on track to report a budget deficit below its target this year because of more disciplined government spending, President John Dramani Mahama said. The gap will fall to 7.2 percent of gross domestic product, Mahama said in an interview broadcast on Joy FM on Wednesday. Minister of Finance Seth Terkper set a target of 7.3 percent last month. "We have taken some tough decisions," Mahama said. "We are seeing a turnaround. The second-quarter figures look even better than the first quarter. Fiscal consolidation is taking place." Ghana is battling to jumpstart economic growth because of surging inflation, the highest borrowing costs in Africa and a currency that has whipsawed between the best and worst performer on the continent this year. The second-largest economy in West Africa will expand 3.5 percent this year, the slowest pace in two decades, according to the government. Ghana agreed to terms with the International Monetary

Fund for a loan of about $1 billion this year to stabilize the currency, which has fallen 18 percent against the dollar this year, and narrow the budget gap. The cedi dropped 1.1 percent to 4.055 per dollar at 11:25 a.m. in Accra, the capital. The nation's currency is stabilizing and inflation will slow before the end of the year, pushing borrowing costs lower, Mahama said. Inflation quickened to a five-year high of 17.9 percent in July from 17.1 percent in June, the statistics service said on Wednesday. The government has made difficult decisions that were necessary, including ending fuel subsidies, he said. The budget gap for the first five months of the year was 1.9 percent, below the target of 3.4 percent, the Ministry of Finance said on Wednesday.
Ghana is "coming out of the woods," Mahama said. "We are being more disciplined with government expenditure and working to increase revenues."*(Bloomberg)*

Ghana National Petroleum Corporation (GNPC) has appointed Japan-based trading company Mitsui & Co Limited to help develop infrastructure for its natural gas production, the government ministry said on Wednesday. Mitsui will assess how best to construct a second plant to process raw natural gas from the Tano basin, the petroleum ministry said in a statement after a memorandum was signed.
Ghana, which exports cocoa, gold and oil, is expected to produce about 250 million cubic feet of gas daily by 2018 from its main west Tano basins. State-owned GNPC has stakes in Ghana's major oil and gas blocks, including the flagship Jubilee field, and it has plans to become a national supplier of gas. The West African nation produces an average of 100,000 barrels of oil daily and 140 million cubic feet of gas from the Jubilee field, operated by a consortium led by Tullow Oil. Two other fields, Tweneboa-Enyenra-Ntomme, operated by the consortium, and Sankofa, operated by Italy's ENI, are expected to come on stream next year and 2017 respectively. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Kenya

Corporate News

Kenyan oil marketer KenolKobil said on Monday its first half 2015 pretax profit had risen 69 percent to 1.35 billion shillings ($13.36 million) as the cost of servicing its loans fell. It said in a statement total sales fell to 34.9 billion shillings from 43.2 billion shillings, while the cost of sales dropped to 31.9 billion shillings from 40.63 billion shillings. KenolKobil, which also operates in Uganda, Tanzania, Rwanda, Zambia, Ethiopia, Burundi, Mozambique and Democratic Republic of Congo, said finance costs fell to 379.5 million shillings from 669.33 million shillings. *(Reuters)*

Small and medium enterprises would soon have easier access to credit as more banks pledge financing commitments to the business segment. Barclays Bank of Kenya has stepped in with a Sh30 billion loans commitment to SMEs. Barclays Managing Director Jeremy Awori said the bank would continue to support the sector as part of its plan to help in accelerating economic growth and providing market-specific products. "Given that this sector contributes about half of the country's gross domestic product and are now providing 80 per cent of new jobs, there is a significant multiplier effect on our economy if they are funded adequately. We have therefore developed a robust, industry-leading, credit-scoring model that minimises our risk exposure while providing capital to these critical outfits," Mr Awori said on Tuesday. The financing will be channelled to different credit products designed to suit the SME segment, including asset finance, agribusiness and trade finance. Barclays, which is traditionally known to service corporate clients, has increased its focus on the SME segment lately with its "Open Doors" campaign. Its latest credit commitment will be available to SMEs with a turnover of up to Sh300 million. SMEs approaching the bank for credit will now have a single point of contact in all the bank's 121 branches countrywide.

The clients will either be served by an enterprise manager, relationship manager or branch manager to offer them more personalised services, according to the bank. "We are not just throwing money at these ventures. Our resolve is to walk with our partners through the journey. Through this offering, we will offer expert business training sessions for the SMEs as well as expose them to international business opportunities through the Barclays Business Club," Mr Awori said. Barclays reviewed its credit rules for SMEs earlier in the year by introducing a 48-hour turnaround time for loan approvals and the possibility of unsecured lending that goes up to Sh6 million depending on a customer's risk profile. The renewed focus on SMEs comes at a time other banks made similar commitments following complaints at last month's Global Entrepreneurship Summit that entrepreneurs in Kenya had poor access to capital. During the summit, Chase Bank committed to lend Sh60 billion to SMEs, with a focus on youth and women while KCB unveiled Sh1 billion in financing to the Enterprise Fund, set up by the government to provide capital to start-ups. Equity Bank has signed loan deals amounting to Sh53.49 billion for onward lending to SMEs. The funds were raised from the US Overseas Private Investment Corporation, the African Development Bank, the International Finance Corporation and the European Investment Bank. BBK head of enterprise banking Charles Kinyanji said the bank would initiate a drive to reach out to the SME segment. We are now stepping out into the customer bases to seek even deeper understanding of their unique needs." *(Nation)*

Kenyan agricultural firm Kakuzi Limited said on Tuesday its first half pretax profit fell 16 percent to 63.8 million shillings ($632,623) after drought hurt its avocado harvest. The company - which also grows tea, macadamia nuts and pineapples and rears livestock - also said in a statement that its total sales fell to 420.2 million shillings from 447.6 million shillings. Earnings per share were down to 2.22 shillings from 2.50 shillings in first half of 2014, Kakuzi said. It recommended that no interim dividend be paid, the same as last year. *(Reuters)*

Kenya Power has signed an agreement to buy 76 megawatts (MW) of electricity from two local private companies, as it races to expand supply in one of the fastest-growing economies in east Africa. Kenya Power's Chief Executive Ben Chumo said during a signing ceremony on Wednesday the power firm would buy 70 MW from a geothermal plant run by Akiira Geothermal Limited at a cost of 9.23 U.S. cents per kilowatt hour. Akiira's power plant - which uses from steam in underground water heated by the earth's core - was expected to be fully operational by the end of 2016, Chumo said. Chumo said the country's sole electricity distributor had also agreed to buy 6 MW of hydroelectric power from Kleen Energy Ltd at a cost of 9.20 U.S. cents per kilowatt hour. Kleen Energy is expected to start production in August 2016, he said. Kenya depends heavily on renewables such as geothermal and hydro power, and aims to expand its installed generation capacity to about 6,700 MW by 2017, from about 2,500 MW now. Kenya Power signed a power purchase agreement in July for 100 MW from a wind farm whose construction is expected to start later this year. Kenya's economy grew by an estimated 5.4 percent in 2014, and the World Bank forecast growth of 6.0 percent in 2015 and 6.6 percent in 2016 in its latest economic update. *(Reuters)*

Kenyan tea and coffee producer Sasini Ltd will pay an interim dividend of 1.00 shilling ($0.0099) per share next month after it sold some of its land, the company said on Wednesday. Sasini - which did not pay an interim dividend for its first half to end-March after posting a loss - said in a statement that it sold one tea estate and a portion of a second one during the period, earning the company just over 1 billion shillings. "Successful disposal of these assets in the second half yielded considerable contribution to the bottom line," it said. The interim dividend payout will consist 288 million shillings of that cash, while the rest of the funds will be invested in areas the management feels will be more productive, Sasini said without offering details. Tea growers were hurt by a drought in Kenya at the start of the year that curbed supplies but the low output is turning to a boon in recent weeks with a jump in prices of the crop. Sasini's shares are up 16.7 percent this year to trade at 15 shillings each. *(Reuters)*

Barclays Bank of Kenya posted a 5 percent increase in first-half pretax profit and said it was looking to focus on lending to the lucrative small and medium enterprise lending segment. The bank, which is a unit of Barclays Plc, said its non-interest income rose 12 percent in the period to 4.8 billion shillings, supported by new products such as insurance. Net interest income rose by 4 percent to 10 billion shillings, the bank said, helping to take its pretax profit to 6.43 billion shillings ($63.35 million). Chief Executive Jeremy Awori told investors the bank had relaxed its lending requirements for small and medium firms seeking to borrow a maximum of 15 million shillings in order to tap that area, which is a key part of the economy. Yusuf Omari, the bank's chief financial officer, said the bank had a core capital ratio of 16.4 percent, well above the regulatory requirement of 10.5 percent, giving it room for more lending. *(Reuters)*

Kenya's Diamond Trust Bank on Thursday reported a 13.9 percent rise in pretax profit for the first half of the year to 4.67 billion shillings ($46.01 million). Net interest income rose to 6.87 billion shillings from 6.06 billion shillings in the year-ago period, the bank said in a statement, reflecting growth in its loan book. Non-interest income, from activities like trading of foreign exchange, also rose during the period. Gains were tempered by an increase in operating expenses to 4.57 billion shillings from 3.80 billion shillings, Diamond Trust said. *(Reuters)*

Economic News

Kenya's central bank sought to mop up 17 billion shillings ($168.32 million) from the market on Monday saying there was excess liquidity. The bank adopted a monetary tightening stance in June to stabilise the foreign exchange rate, after the shilling fell sharply, threatening to drive up inflation. *(Reuters)*

Kenya's push to start oil production by 2017 will be delayed by at least five years going by the detailed design and construction timeline for the proposed crude oil pipeline connecting Uganda and local oil fields to Lamu. The Toyota Tsusho design released yesterday shows that the flow of the first oil is expected in October 2022 at the earliest. This will come after the commissioning of the oil pipeline in the last quarter of 2020. The design has dashed the hopes of the Kenya government, which had planned to start production by 2017. Tullow Oil Company also announced last month that the firm can only produce the first oil by 2020. "Kenya and Uganda have now settled on the route, for the oil pipeline, this is what was delaying construction and could stretch the deadlines set by both governments for first oil," said Mr Daniel Kiptoo, the petroleum legal adviser to the Cabinet secretary Ministry of Energy and Petroleum. Uganda expects its proposed oil refinery to start operations by 2018. The facility will have an initial capacity of 30,000 barrels per day, the aim being to reach 60,000 barrels by 2020. The refinery project will further help Uganda to develop its oil deposits to cut imports through domestic production. "As per the design by Toyota Tsusho, the route decision was to be made by early June, it was delayed to August," Mr Kiptoo added. The design was adopted in the Kampala bilateral meeting chaired by presidents Uhuru Kenyatta and Yoweri Museveni. The two countries now await a key decision that will open up financing and dictate construction of the pipeline. Uganda oil investors Tullow Oil Plc, Total and Cnooc Ltd, together with Kenya's Tullow Oil and Africa Oil, are expected to deliberate on this and make a final decision by October 2017.

The governments of Uganda and Kenya have a production-sharing contract with respective investors that will dictate the actual cost of the oil pipeline and how to share the revenue. The two presidents announced that the oil pipeline will take the northern route through Hoima-Lokichar-Lamu. However, Uganda wants Kenya to ensure constant security and financing for the project. "We are going to build pipelines for crude oil and refined petroleum products, as well as to join you, alongside our other East African partners, in the development of an oil refinery here in Uganda whose impact will be regional," President Kenyatta said while addressing the Ugandan parliament on Monday. The decision followed an announcement by Uganda's ministry of energy and mineral development that it had awarded the United Kingdom's Ramboll a contract to conduct an early-phase study for the 'Hoima–Kampala Refined Petroleum Products Pipeline' in Uganda. The proposed pipeline will transport crude oil products from the Uganda Oil Refinery in Hoima to a distribution terminal that will be constructed in Buloba, west of Kampala. Uganda initially insisted on the Hoima-Eldoret-Lamu/Mombasa route, arguing that it increases the value of its resources. Further, Uganda said the northern route adds an extra 900 kilometres to the coastline. *(Nation)*

Malawi

Corporate News

No Corporate News this week

Economic News

No Economic News this week

Mauritius

Corporate News

Air Mauritius posted a first quarter 2015 pretax loss of 9.62 million euros versus a loss of 6.67 million euros a year earlier despite rising passenger numbers, and blamed a weak euro for the downturn. Mauritius is a popular holiday destination, but the fragile European economic situation and the weak euro have hit the airline and the island's tourism industry hard. The airline said in a statement on Thursday the loss per share widened from 0.07 to 0.09 euros. "The results for the quarter under review have been impacted by the depreciation of the euro, when compared to the same period of last year," it said, adding the average euro/dollar rate stood at 1.11 compared with 1.37 in first quarter 2014. The number of passengers it carried increased 5.5 percent to 315,098 in its first quarter ending June 30 against 298,624 in the same period a year ago. Air Mauritius said it is taking initiatives to boost traffic on its network and to reduce its cost base which are starting to yield some positive results. In spite of fiercer competition in its main markets, the national airline said it was committed to improve its financial performance for this year. *(Reuters)*

Economic News

No Economic News This Week

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Nigeria

Corporate News

Transnational Corporation of Nigeria Plc plans to merge its power business subsidiaries, Transcorp Ughelli Power Limited and Ughelli Power Plc. While Transcorp Ughelli Power is a wholly owned special purpose vehicle of the company, Ughelli Power Plc is the owner and operator of the Ughelli Power Plant. Trancorp notified the Nigerian Stock Exchange of the plan in a letter dated Friday, August 7, 2015, which was addressed to the Exchange's Chief Executive Officer, Mr. Oscar Onyema. Transcorp informed the NSE in the letter, which was signed by the Company Secretary, Transcorp Ughelli Power Limited, Chinedu Eze, that the proposed merger had been approved in principle by the Securities and Exchange Commission. The letter read in part, "The Securities and Exchange Commission on August 6, 2015 granted an approval-in-principle to the proposed merger of the power business subsidiaries of Transnational Corporation of Nigeria Plc, being Transcorp Ughelli Power Limited (a wholly owned SPV) and Ughelli Power Plc (owner and operator of Ughelli Power Plant). According to the letter, the next step for the merging subsidiaries of Transcorp will be to hold a court-ordered meeting in accordance with and subject to an order that will be granted by the Federal High Court for the meeting. "The proposed merger is expected to bring overall management and operational efficiency to the power business of Transcorp," it added. Transnational Corporation of Nigeria Plc is a diversified conglomerate. According to it, its focus is on acquiring and managing strategic businesses that create long-term shareholder returns and socio-economic impact. Its business interests are in four sectors: power, oil and gas, hospitality and agriculture. Incorporated on November 16, 2004 and quoted on the Nigerian Stock Exchange, Transcorp has a shareholder base of about 300,000 investors, the largest of which is Heirs Holdings Limited, a pan-African proprietary investment company.*(Punch)*

Stanbic IBTC Holdings Plc says a proposal by the Board of Directors for shareholders to receive new ordinary shares, instead of the whole or any part of the interim dividend to be declared for the financial year ending December 31, 2015, has been approved by the shareholders. A statement by the Stanbic IBTC Holdings, which was made available to our correspondent on Sunday, said the shareholders approved the proposal at the company's extra-ordinary general meeting in Abuja. According to the statement, as part of the Stanbic IBTC scrip dividend scheme, the new ordinary shares will be credited as fully paid, and will rank pari passu with existing ordinary shares of the group. The Chairman, Stanbic IBTC Holdings, Mr. Atedo Peterside, was quoted as saying that approvals were required in compliance with resolutions adopted at the company's Annual General Meeting, which was held on June 3, 2015. At the AGM, the board was authorised to offer additional shares to shareholders, who so choose, instead of cash in respect of any dividends. Peterside said, "Shareholders have a choice of receiving their interim dividends in cash and may periodically elect to receive future dividends as new shares in the group, for any scrip dividend proposed by the board."*(Punch)*

Dangote Cement posted a profit after tax (PAT) of N121.808 billion in the six-month period ended June 30, 2015, indicating a 21.65 per cent increase over the N95.440billion announced for the same period of 2014. According to the half results released on the floor of the Nigerian Stock Exchange at the weekend, the cement company achieved a 20.23 per cent growth in profit before tax. Its Profit before Tax grew from N107.070billion to N128.726billion in the period under review. This followed a 15.94 per cent rise in revenue, with the company realizing N242.215billion revenue as against N208.909billion in the first half of 2014. Dangote Cement grew its revenue to N114.7bn from N103bn in the first quarter of 2015 on the back of its expansion programme, which saw it commence operations in some African countries. Its net profit for the quarter also rose by 44.1 per cent to N68.6billion from N47.62billon in the first quarter of 2014. Speaking on the results, Chief Executive Officer, Dangote Cement, Onne van der Weijde, said "Our new plants have made excellent starts across Africa in the first half of 2015 and our operations now stretch from Senegal across to Ethiopia and down to South Africa, making us a truly Pan-African leader in cement.

"Our strategy has been to enter markets with higher-quality cement produced at lower-cost factories and as a result we are building strong shares in key African markets, despite well-established competition. The increasing diversity of our business is demonstrated by the fact that 22 per cent of volumes were sold outside of Nigeria and this has helped to offset some of the uncertainties in our home market. We will build on these early successes in Africa as we continue to expand our business across the continent."He said the 1.5mt factory in Senegal, which opened in January, made an excellent start, particularly in the second quarter, and provides more than 30 percent of all cement sold in Senegal while the new 1.5 million tonne cement-grinding facility in Cameroon began operation in late March. Dangote Cement is Africa's leading cement producer with 40mt of capacity operational, including three plants in Nigeria, an import terminal and Ghana and recently opened factories in Ethiopia, Zambia, South Africa, Senegal and Cameroon. It is a fully integrated quarry-to-customer producer with production capacity of 29.25 million tonnes in Nigeria. The Obajana plant in Kogi state, Nigeria, is the largest in Africa with 13.25 million tonnes of capacity across four lines. The Ibese plant in Ogun State has four cement lines with a combined installed capacity of 12 million tonnes. The Gboko plant in Benue state has 4 million tonnes of capacity. Through recent investments, Dangote Cement has eliminated Nigeria's dependence on imported cement and is transforming the nation into an exporter serving neighbouring countries. *(This Day)*

The Nigerian affiliate of Etisalat has completed the transfer of 555 telecom towers to Africa's IHS, the second tranche of a sale and leaseback deal announced last year, the Gulf's biggest telecommunications operator said on Monday. The deal, for which no financial value was given, is part of Etisalat's strategy to improve the quality of its network and to accelerate the roll-out of 2G, 3G and 4G coverage in Nigeria, Etisalat said in a statement. Following the deal, IHS, the biggest tower company in Africa, will own and manage more than 15,500 of the installations in Nigeria and more than 23,100 in Africa as a whole. Last August, Etisalat Nigeria agreed a deal to sell 2,136 of its towers to privately-held IHS and lease them back as part of plans to expand its coverage in Africa's biggest economy. Mobile phone operators have been selling or leasing towers to specialist companies, to reduce building and maintenance, associated with security costs and electricity shortages, as revenue per user falls. India's Bharti Airtel Ltd in November said it will sell more than 4,800 mobile phone masts in Nigeria to American Tower Corp for $1.05 billion, as part of its plan to cut costs and pare debt.*(Reuters)*

Nigeria's Skye Bank is in talks with existing and new investors to raise 30 billion naira ($150.75 million) before year-end to bolster its capital base, its chief executive officer said on Monday. CEO Timothy Oguntayo said the central bank was restructuring 27 billion naira short-term loans it made to Nigerian state governments to 20-year maturities, paying a 16 percent coupon. Nigeria's 36 states have debts of 658 billion naira ($3.3 billion), and one way out of the credit crunch would be for banks to extend the maturity of loans made to them as much as 20 years, one of the state governors has said.*(Reuters)*

Wapic Insurance Plc, in its unaudited financial statement for year ended June 30th, 2015 announced gross premium of N4billion. This represents eight per cent increase in the company's gross premium in the corresponding period 2014. The company however suffered three per cent decline in its Underwriting Profit for the period under review as it stands at N0.83bn just as it witnessed 53 per cent decline in its profit before tax, which stood at N109 million. Explaining the decline in the company's profit, Deputy Managing Director of the company Mr. Bode Ojeniyi said operations of Wapic Insurance during the period was driven by higher reinsurance expenses and a slight increase in the movement, in unearned premium. He also attributed the situation to increase in operating expenses, adding that the company focused on improving the customer experience; strengthening capacity; ensuring operational alignment and advertising expenses for launch of its innovative product- MOOV). He said quantum of claims paid by the company within the period stood at N0.6bn adding that this represents 19% reduction in the claims paid by the company 2014.Gross claims ratio improved closing at 14% in 2015 against 19% in 2014. Solvency Ratio of 176% remained well above regulatory levels and was one of the strongest in the industry, the Wapic Insurance boss said. He said the company was rated B- by AM Best in terms of financial strength. Announcing the performance of the company's subsidiaries, Ojeniyi said Wapic Insurance life achieved 41% increase in Gross Written Premium to close at N674m in 2015. According to him, the company's underwriting profit increased by 184 per cent, standing at N169m in 2015 against N60m in 2014.

Also, profit before tax of the company witnessed 675per cent increase during the period closing at N178m 2015 adding that the Claims paid by the company for the period reduced by 12 per cent to N153million in 2015. Ojeniyi said the company's offshore investment Wapic Insurance Ghana, during the period witnessed Gross Written Premium of N330m, showing 18 per cent decline in 2015 just as its underwriting Profit reduced by 28 per cent to stand at N75million in 2015. Profit before Tax (PBT) stood at N74million, signifying a 28 percent decline from 2014 figure. While total claims paid by the company in the period stood at N96million representing 4 per cent increase from what it paid in 2014 . Commenting on the result, Oneniyi said: Against the backdrop of the political transition in the first half of the year and the attendant slowdown in the general business environment, we were able to achieve growth across our key operational metrics. Gross written premium for 2015 grew by 8 per cent, over the same period in 2014 to N4.0bn while net income was on the upside with an increase of 14 per cent to N1.8bn against 2014 performance. *(This Day)*

Flour Mills of Nigeria has sought approval from the stock exchange to list 30.06 billion naira ($151 million) shares from a rights issue, the food manufacturer said on Wednesday. The company issued 1.09 billion ordinary shares at 27.50 naira each on the basis of five new shares for every 12 held, it said in its application to the Nigerian Stock Exchange. Shares in Flour Mills shed 4.98 percent to 28.03 naira, weaker than the broader index, which is down 0.26 percent on Wednesday. *(Reuters)*

Nigeria's Zenith Bank posted a 24.8 percent rise in first-half pretax profit to 72.2 billion naira ($363 million) and declared an interim dividend of 0.25 naira, the top tier lender said on Thursday. Gross earnings rose to 229.08 billion naira during the six month to June 30 from 184.44 billion naira a year earlier, it said in a statement. *(Reuters)*

The new head of the Nigerian National Petroleum Corp said on Thursday that he had started a three-pronged restructuring of the state-owned company that should lead to "a new NNPC". President Muhammadu Buhari appointed Emmanuel Kachikwu last week with a brief to root out corruption and mismanagement at the NNPC, which has been accused of failing to account for tens of billions of dollars in recent years. The former Exxon Mobil executive has already dismissed all of the company's executive directors and other top layers of management. "There's a people aspect which we are dealing with now," he said after a meeting with Buhari. "After the people at the right places, we are going to get a forensic audit done ... that will cover us all the way to 2014, 2015." In the final stage, the NNPC will review all existing contracts, including production sharing contracts with independent oil companies, and analyse the plunge in crude oil prices to improve revenue for the government. "Over the next five-six months, you will begin (to) see emerging a new NNPC," Kachikwu said. The NNPC has not been publishing annual reports and its bookkeeping has been criticised as opaque, which appears to have allowed billions of dollars to disappear. It is supposed to remit all revenues to the country's treasury but is allowed to keep what it needs to cover costs with little oversight. The result is a legal grey area that has been open for abuse for decades. The president on Sunday ordered ministries including the NNPC to use only approved government bank accounts to make payments, as part of efforts to improve transparency and clamp down on corruption. "The reality is that to run an oil company, you've got to have funds to do it. If you don't, you close down the corporation and the production system will close down," he told reporters in the capital Abuja. *(Reuters)*

Flour Mills of Nigeria Plc (FMN) has announced plan to conduct a restructuring by merging five of its subsidiaries with its holding company under a scheme of External Restructuring. Announcing the plan, the Group Managing Director, Flour Mills, Mr. Paul Miyonmide Gbededo, was quoted in a statement to have revealed that the company had obtained the approval-in-principle of the Securities and Exchange Commission (SEC) to merge five of its wholly owned subsidiaries - Golden Noodles Nigeria Limited, Golden Transport Company Limited, FMN Cement Industries (Nigeria) Limited, New Horizon Flour Mills Limited and Quilvest Properties Limited with Flour Mills of Nigeria Plc. According to Gbededo, the principal reason for the restructuring was as a result of the need to streamline operations, reduce administrative costs, improve operating efficiency and derive full benefits of synergy in line with the company's long term strategic thrust. "The enlarged FMN, upon completion of the restructuring would be able to eliminate transfer costs of materials and operate at a higher level of efficiency which will drive down costs, make product pricing more competitive, improve profitability and enhance the bottom line for the benefit of all stakeholders" Mr. Gbededo said. Also commenting on the project, the Company Secretary, Alhaji Olalekan Saliu, stated that the management of the various companies had jointly obtained an order of the Federal High Court directing that a Court Ordered Meetings of their respective shareholders be held on Wednesday 9th September, 2015, for the purpose of approving the restructuring. Where the shareholders give the requisite approval, the final approval of SEC would be sought and the Federal High Court will thereafter be approached to sanction the merger. The restructuring is expected to be concluded in October 2015. *(This Day)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Economic News

Nigeria's President Muhammadu Buhari has ordered ministries to use only approved government bank accounts to make payments, the vice president's office said on Sunday, part of a drive to improve transparency and clamp down on corruption. Buhari, who took office in May after being elected on promises to fight endemic graft in Africa's biggest economy, has said he believes officials have stolen around $150 billion from the public purse over the past decade. Under the new system, all receipts due to the government or any of its agencies must be paid into accounts maintained by the central bank unless specific permission has been granted not to do so. "President Muhammadu Buhari has ordered each and every federal government ministry, department or agency to start paying into a Treasury Single Account (TSA) for all government revenues, incomes and other receipts," said Laolu Akande, a spokesman for Vice President Yemi Osinbajo. "This measure is specifically to promote transparency," he said, adding that the TSA would be linked to other government bank accounts. Akande said the new system would end the use of "several fragmented accounts for government revenues", which he said had led to "the loss or leakages of legitimate income meant for the federation account". The effectiveness of this change in public accounting remains to be seen since corruption and mismanagement of public funds have been entrenched in Nigeria's political system for decades. Last month Buhari said his administration would trace and recover what he called "mind-boggling" sums of money stolen from the oil sector, which provides about 70 percent of revenues of the government in Africa's biggest crude producer. *(Reuters)*

Nigeria's Federal Inland Revenue Service (FIRS) said on Friday it would crack down on tax evaders by denying access to banking facilities for individuals and companies that failed to join its register. FIRS chairman Sunday Ogungbesan told a news briefing in Lagos there were more than 440,000 companies in the country, which has Africa's biggest economy, but only about 120,000 paid taxes. Ogungbesan said it was difficult to track the financial activities of those who did not pay taxes, most of whom said their firms were not active. "We are collaborating with the central bank to enforce compulsory registration with the tax authority by companies and individuals before they can access their bank accounts," said Ogungbesan. Tax identification numbers were introduced for corporate bank accounts in 2012 but some firms whose accounts pre-date the system are currently not obliged to have one. President Muhammadu Buhari, who took office two months ago, was elected in March after vowing to crack down on corruption. "There is a need to review our tax laws," said Ogungbesan, adding they were not stringent enough to deter evaders. Tax evasion can be punished with up to five years in prison. *(Reuters)*

Nigerian inflation was unchanged in July, ending a seven-month period of acceleration that pushed the rate outside the central bank's target band. Consumer prices rose 9.2 percent from a year ago, the National Bureau of Statistics said in an e-mailed report on Wednesday. The inflation rate rose 0.7 percent in the month. The Central Bank of Nigeria kept its benchmark interest rate unchanged at 13 percent in July even as inflation breached the target range of 6 percent to 9 percent in the previous month. While Governor Godwin Emefiele said he was "concerned about the gradual but steady increase in headline inflation," pressure was mainly coming from rising food and energy costs, which he said were temporary. Food prices rose 10 percent in July from a year ago, the same pace as in June, the statistics office said. Inflation has been fueled by the naira's 7.8 percent slump against the dollar this year. *(Bloomberg)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

TRADING

Tanzania

Corporate News

The National Microfinance Bank (NMB) pre-tax profit has slightly gone down by some 7.0 per cent, but continue to maintain its pole position as the most profitable bank. The bank in the first half of this year generated a pre-tax profit of 110.03 bn/- in this year's first half slightly below 117.88 bn/- of same period last year. The profitability level attained in the first six months are indicating that the bank will surpass its own full-year profit gained last year of 156 bn/-. The profitability was somewhat chewed down by operation expenses that went up by 6.5 per cent after expansion that saw the network expanded to reach 167 branches from 154 branches. The expenses also went up after the number of workers increased by 99 to 3,028 staff at the end of June. The NMB's financial statement shows that the bank net interest income has gone down by 4.2 per cent to 179.96 bn/- while non interest income rose by almost 2.0 per cent to 80.48 bn/-. The loan portfolio went up to 2.16 tri/- as at the end of June from 2.07tri/- at the end March the same year while deposits stands at 3.09 tri at the end of this June. The listed bank at Dar es Salaam Stock Exchange (DSE) maintains prudent lending as its non-performing loans ration is still one of the lowest at 2.8 per cent compared to the industrial rate of 5.0per cent. The nearest bank closes to NMB profit is CRDB which posted a pre-tax profit of 92.5 bn/- which went up from 58.81 bn/- of same period last year.*(Daily News)*

Economic News

Tanzania will invest 800 billion shillings ($380 million) over the next eight years in a new state-run agriculture bank to boost growth in the sector, which has long been stifled by low productivity and a lack of financing. President Jakaya Kikwete launched the Tanzania Agricultural Development Bank (TADB) on Friday after the government provided 60 billion shillings in seed capital for its establishment. "Around 75 percent of Tanzanians depend on agriculture for their livelihoods and the sector contributes to 25 percent of our gross domestic product (GDP) and accounts for 34 percent of the country's export earnings," Kikwete said in a statement. The bank will help to modernise the country's agriculture sector and boost productivity by providing short, medium and long-term financing, the government said. It will target the production of maize, rice, sugarcane, oilseeds, meat, dairy and poultry, as well as horticulture, fish farming and beekeeping, the government said. *(Reuters)*

Tanzania's inflation rose to 6.4 percent year-on-year in July, from 6.1 percent in June, the statistics office said on Monday. *(Reuters)*

Slower growth in Tanzania's mining, manufacturing and agriculture sectors reduced growth in the first quarter versus the same period a year ago, official data showed on Thursday. The economy grew 6.5 percent year-on-year in the first quarter of 2015 from a revised 8.6 percent in first quarter 2014, the state-run National Bureau of Statistics (NBS) said. Mining, a key source of foreign exchange, fell sharply to 0.6 percent in January to March 2015 from 19.7 percent a year ago, due to a decline in gold, diamond and tanzanite production, the NBS said in a statement. Gold output fell to 10,458 kg in the first quarter from 10,710 kg a year ago, diamond production dropped to 72,086 carats compared with 94,278 carats, while tanzanite production sunk to 1,606 kg from 4,118 kg, the NBS said. Tanzania has recorded declining revenues from the precious metal over the past two years due to the closure of two mines at the end of their mine life and lower global metal prices. "The value of the gross domestic product (GDP) at current prices in absolute terms was 21.9 trillion shillings ($10 billion) compared to 18.6 trillion shillings recorded in the corresponding period in 2014," the NBS said. Manufacturing expanded by 5.7 percent in the first quarter versus 8.2 percent previously, while agriculture, the biggest contributor to the GDP, slowed to 2.6 percent from 3.4 percent. Construction expanded by 8.8 percent in the first quarter versus a 21.4 percent previously. Tanzania's government has forecast that the economy will grow by 7.4 percent this year from an estimated 7.2 percent in 2014, due to expected strong performance of agriculture, construction and manufacturing sectors. Tanzania rebased the method of calculating its GDP data in December, which saw its economy expanding by 32 percent to $41.33 billion in 2013. *(Reuters)*

Tanzania's current account deficit narrowed 22.5 percent in the year to June, helped by a decline in oil imports and improved performance of tourism and manufacturing sectors, the central bank said on Thursday. The gap narrowed to $4.091 billion in the 12 months to June from $5.281 billion in the same period last year, the bank the said in its latest monthly economic report. Imports of goods and services fell to $13.37 billion from $13.96 billion previously, while total exports rose by 9.4 percent to $9.39 billion, the bank said. "The decrease in imports was mostly driven by a decrease in intermediate goods, particularly oil and fertilizers," it said. Earnings from tourism, the east African country's main foreign exchange source, rose to $2.19 billion from $1.97 billion previously due to more visitor arrivals, it said. Oil imports fell by 27.2 percent to $3.06 billion in line with falling import volumes and declining global oil prices. Earnings from gold, the other main source of foreign income, fell to $1.22 billion from $1.47 billion a year ago, reflecting lower export volumes and global prices. Gross official foreign exchange reserves held by the central bank in the year to June amounted to $4.4 billion, or about four months of import cover, the central bank aid. *(Reuters)*

Zambia

Corporate News

No Corporate News This Week

Economic News

Zambia's central bank left its benchmark lending rate unchanged at 12.5 percent on Tuesday, saying it predicted inflation would breach the regulator's target by the end of the year. "In the third quarter of 2015, annual inflation is projected to be slightly above the end year target of 7.0 percent," Bank of Zambia governor Denny Kalyalya said at a press conference. Consumer prices declined marginally to 7.1 percent year-on-year in June from 7.2 percent in May, due mainly to tight monetary conditions, Kalyalya said. Zambia's economy would benefit from government interventions to stabilize the economy of Africa's second-largest copper producer, governor Kalyalya added, a week after the state intervened to restore electricity supply to mines amid serve power constraints in recent months. "We welcome these actions by the government, as fiscal consolidation along with monetary policy action will support macroeconomic stability and growth," said Kalyalya. On fiscal consolidation, he was referring to plans by the government to cut non-essential expenditure in the wake of a budget deficit. Zambia's power utility Zesco Ltd says it has had to limit power supply to customers, including Copperbelt Energy Corp (CEC) which supplies mining companies, after water levels at its hydro-electric plants fell due to a drought in March. *(Reuters)*

Zambian power companies will cut electricity supply to mining firms by 30 percent due to a power deficit which threatens to bring the economy of Africa's No.2 copper producer to its knees, an industry official said on Wednesday. The decision was reached on Tuesday in a meeting involving mining companies, state power utility Zesco Ltd and the largest supplier of power to the mines, Copperbelt Energy Corp, Zambia Chamber of Mines president Jackson Sikamo told Reuters. Zesco Ltd, which generates most of Zambia's electricity, is limiting supplies due to a 30 percent deficit after water levels at its hydro-electric plants fell due to drought, he said. "Both Zesco and CEC have indicated that they will make available 70 percent of the power and the remaining 30 percent will have to be imported at higher cost," Sikamo said. Individual mining companies were expected to inform their power suppliers how much of the imported power they need this week and agreements may be signed by next week, he said. The power imports would mainly be sourced from coal-fired and diesel-powered thermal plants within the region, he said. "This is very urgent because water levels continue going down and if there are no cut backs now, Zambia may be plunged into a total blackout by October," Sikamo said. Mining companies operating in Zambia include First Quantum Minerals, Vedanta Resources, Glencore, Barrick Gold and VALE. *(Reuters)*

Zimbabwe

Corporate News

MIMOSA Platinum Mine's revenue for the full-year to June rose five percent to $272 million as it delivered all time record production of over 236,000 ounces of platinum group metals. Bermuda-headquartered platinum miner, Aquarius Platinum said 4E production at its 50 percent owned Zimbabwe unit was higher at 236,067oz from 221,359oz in the previous year. Platinum output for the year stood at 117,355oz, compared to 110,158oz. For palladium, output increased to 92,705oz from 87,037oz. About 118,033 PGM ounces were attributable to Aquarius, with 50 percent partner Impala getting an equal share. Earnings before interest, taxes, depreciation, and amortization (EBITDA) profit attributable to Aquarius stood at $42 million but the mine suffered a net loss before tax of $5 million after discounting $29 million (on a 50:50 basis) owed by the Reserve Bank of Zimbabwe. "In view of the difficulty in reliably estimating the time frame to secure full settlement of the RBZ debt, Aquarius has recognised a non-cash expense of $28,5 million in the share of loss from joint ventures, equal to its share of the full amount of the RBZ receivable," Aquarius said in the financial results released on Wednesday. South Africa's Implats Platinum holds the other 50 percent in the platinum miner. The seven percent increase in production and lower unit costs, which were down by nine percent, helped mitigate the five percent fall in the average PGM basket price, it added. Aquarius noted that at the release of the financials, the deferral of the 15 percent export tax in Zimbabwe had not been formalised and as a result, had accrued $4,5 million for the year. The company said it had received a dividend of $20 million from Mimosa and that the mine had cash holdings of $10 million as at June 30. The mine also paid $3 million to the Zvishavane Community Share Ownership Trust in the year. *(The Source)*

Zimbabwe's largest seed producer, SeedCo, has so far collected $16,2 million from a total of $56 million owed by creditors, a company official has said. Chief executive Morgan Nzwere journalists on the side-lines of the company's Annual General Meeting on Wednesday that the company is employing various strategies to recover its money. "Out of the total amount owed of around $56 million in terms of trade and other receivables, about $16,2 million has been recovered. By year end, we expect to have recovered everything because ideally this is what we set out to do at the beginning of each year," he said. Nzwere noted that the company had registered a 11 percent revenue improvement in the full-year to March on the back of good performance in the Zambian market. "In Zambia we had a rebound, the Zambia National Commercial Farmers Union had a very flexible credit scheme and also last year, stocks were affected by the fact that the farmers were sitting on rich carryover stocks which they then planted last year so this year they had to buy new stocks which improved the wheat sales," he said. SeedCo registered a 56 percent reduction in finance charges as a result of the debt collected and a $27 million injection from Limagrain, the seed producer's technical partner, in the year to March 2015. The seed producer also posted a profit of $15 million in the period under review, from $11,8 million with a dividend of $0,01 per share being declared for the period. Revenue for the period stood at $94,6 million down from $106,5 million recorded in the prior period, while gross profit was $ 43,5 million. Turnover fell by 11 percent to $95 million from $106 million, a development attributed to a shift in consumer demand to short-term season varieties. Operating costs also slumped 11 percent to $31,2 million.*(The Source)*

DIVERSIFIED conglomerate starafrica corporation has said the recent introduction of duty on imported products would boost sugar sales to industrial customers. In his mid-term fiscal policy review, Finance minister Patrick Chinamasa introduced a 10% custom duty plus $100 per tonne on imported sugar saying there was need to curtail sugar imports as local producers had the capacity to supply the local market and export the surplus. Chinamasa said the importation of sugar into the already saturated market threatened the viability of the industry, thereby jeopardising the future of about 20 000 workers and livelihoods of thousands of outgrower farmers. In a statement accompanying starafrica corporation's financial results for the year ended March 31, 2015, board chairman Joe Mutizwa said measures by Chinamasa were a boon for sugar producers. "This will go a long way in boosting our sales of sugar to industrial customers. The cost reduction measures being undertaken and a stable economic market for sugar will result in the company operating viably," he said. The company narrowed its loss after tax to $7,2 million from $12,8 million same period last year. Finance costs for the group were down to $3,9 million compared to $4,8 million the prior year.

Mutizwa said production at Gold Star Sugars Harare (GSSH) was 7 743 tonnes, an increase of 68% on prior year, and sales volumes were impacted by low production and low offtake from the market due to lower-priced imported sugar. "The sugar industry continues to lobby government for the levelling of the playing field so as to make locally produced sugar competitive against imported sugar, in light of the fact that the local sugar industry now produces good quality sugar that meets all market segment requirements and in quantities that meet market demand," he said. The company said plans to dispose of Bluestar Logistics (BSL) and the company's 33,3% shareholding in Tongaat Hulett Botswana Proprietary Limited (TBH)to fund the requisite part settlements to lenders and creditors were still underway. Mutizwa said consequent upon delays that have been experienced with the GSSH plant upgrade and the disposal of THB and BSL and the downward movement of prices of sugar, the company is in consultation with creditors on proposals relating to the Scheme of Arrangement with a view to holding a Scheme Meeting on a date to be advised. Starafricacorporation went into a Scheme of Arrangement with creditors and lenders and it's in force and debt settlement period rounds up to 24 months for secured creditors and up to 36 months for concurrent. *(News Day)*

TROUBLED Tetrad Investment Bank (TIB) is up for sale and interested parties have up to August 21 to submit their bids, transaction advisers BDO Zimbabwe Chartered Accountants said yesterday. Tetrad is under the provisional judicial management of the Deposit Protection Corporation (DPC). This followed the resignation of the previous provisional judicial manager Winsley Militala who had battles with the bank's shareholders on how the institution would be resuscitated with the latter accusing Militala of pushing for the liquidation of the bank. In a notice yesterday, BDO said: "Tenders are hereby invited from interested parties to acquire the entire shareholding in Tetrad." It said interested parties have to complete registration forms and pay a non-refundable fee of $10 000. Interested parties have to also sign a non-disclosure and confidentiality agreement prior to receiving the bank's information memorandum and other relevant documentation. Last year, the Reserve Bank of Zimbabwe suspended Tetrad from normal banking activities such as taking deposits and issuing out loans.

Also last year, the bank had to seek the protection of the courts to ward off creditors and depositors who had obtained writs of execution to attach the bank's assets after it had failed to honour its obligations. A Russian investor, Horizon Capital Consortium, had shown interest in the troubled bank with a promise to inject $150 million. A representative of the Russian investor, Munyaradzi Kereke, told a meeting of shareholders in April that the transaction was being considered at various levels in government. It could not be ascertained yesterday whether Horizon Capital Consortium would submit a bid to buy the troubled bank. The bank has assets worth $42,7 million against liabilities of $70 million. The proposed sale of the bank comes as some creditors of the institution are pushing for a forensic audit into the affairs of the bank to improve the potential for recovery and accountability for assets. The creditors, Tetrad Creditors Group, are owed a combined $8 million. *(News Day)*

Economic News

Zimbabwe has suspended a 15 percent tax on raw platinum exports after mining companies asked the government to give them two years to set up smelters and refineries, the Minister of Mines told the state-owned Herald newspaper on Monday. President Robert Mugabe's government introduced the levy on unrefined platinum in January to encourage local processing of the metal. Miners, however, said this would slash their margins at a time global prices were falling. Anglo American Platinum (Amplats), Impala Platinum Holdings and Aquarius Holdings own mines in Zimbabwe, which holds the second-largest reserves of the metal. Mines Minister Walter Chidhakwa told the Herald, which reflects government thinking, that he had presented the mining companies' request to defer the tax in a report to Mugabe's cabinet and the cabinet had accepted it. "On the strength of that, Cabinet allowed that they (companies) be given two years to implement their plans. We are confident that we will ensure that they do so not only in two years, but even within a shorter period," Chidhakwa said. Chidhakwa could not be reached for comment on Monday. Amplats unit Unki Mines said in March it would take two years to build a new smelter to comply with the government's demands for firms to process platinum locally. Implats, which owns the largest platinum miner in Zimbabwe, Zimplats, is refurbishing a base metals refinery, which is expected to be completed in the middle of next year. Zimbabwe's finance minister said last month that platinum production fell 6.4 percent to 5.9 tonnes during the first half of this year, hit by low prices of the metal.*(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

TRADING

Government and parastatals bonds will be listed on the Zimbabwe Stock Exchange (ZSE) and agencies will be registered to rate bonds listed on the bourse in far-reaching reforms to boost the capital markets. Finance minister Patrick Chinamasa said the debt market was an ideal platform for the government to source long-term funding for infrastructural projects. A bond is a debt investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate. "In order to stimulate the capital markets, I am proposing that all government and parastatals bonds be listed on the ZSE," he said. "The government, through the Reserve Bank, will also facilitate the registration of rating agencies in the country to ensure that the listed bonds would have been rated." The Infrastructure Development Bank of Zimbabwe (IDBZ) has been issuing out bonds to finance infrastructure projects. Its $30 million maiden bond floated in 2012 to fund the energy sector was fully subscribed. IDBZ BANK 2 Last year, IDBZ floated two bonds with a combined value of $65 million and plans to issue more bonds this year to fund projects in housing, ICT, transport, and water and sanitation sub sectors. The listing of government and parastatal bonds on the stock exchange is also meant to align the bourse with other capital markets such as South Africa and Nigeria. In South Africa, government entities issue bonds and list them on the JSE Debt Board to raise funds for large capital projects such as roads, power stations and hospitals. Government entities have been using that route since the inception of the JSE Debt Board in 1994. Investors lend money to these entities by buying the bonds they issue and list on the JSE Debt Board.

"Listing the bond on the JSE Debt Board improves the entities' ability to raise finance because it allows investors to sell the loan to other investors should they wish to. Investors buy government bonds in order to earn for regular interest payments and receive the money they have lent back after a predetermined period," the JSE Debt Board said. It is estimated that more than R1 trillion is listed on the JSE's Debt Board, accounting for 90% of all liquidity reported to the JSE. In Nigeria, government or State bonds listed on the Nigerian Stock Exchange (NSE) include Federal Government Bonds and State/Local Government Bonds. Statistics from NSE showed that as at June there were 15 Federal Government of Nigeria bonds listed on the stock exchange with a market capitalisation of $24,27 billion. There were 22 listed State and municipal bonds with a market capitalisation of $2,76 billion. *(News Day)*

Disclosures Appendix

This Publication is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of any jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject Securities Africa Limited, or its subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction. Neither this Publication nor any copy of it may be distributed in any jurisdiction where its distribution may be restricted by law and any persons into whose possession this Publication comes should inform themselves about, and observe, any such restrictions.

The information contained in this Publication or on which this Publication is based has been derived from sources believed to be reliable and accurate however no representation or warranty, express or implied, is made as to the fairness, completeness, accuracy, timeliness or otherwise of the information or opinions contained in this Publication and no reliance should be placed on such information or opinions. The information contained in this Publication has not been independently verified by Securities Africa Limited. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted as to or in relation to the fairness, completeness, accuracy or timeliness or otherwise of this Publication or as to the reasonableness of any assumption contained, nor for errors of fact or omission or for any opinion expressed in this Publication.

Past performance should not be taken as an indication of future performance, and no representation of any kind is made as to future performance. The information, opinions and estimates contained in this Publication are provided as at the date of this Publication and are subject to change without notice. Distribution of this Publication does not constitute a representation, express or implied, by Securities Africa Limited, or its advisers, affiliates, officials, directors, employees or representatives (the "Parties") that the information contained in the Publication will be updated at any time after the date of the Publication. The Parties expressly do not undertake to advise you of any information coming to any or all of their attention.

Any opinions expressed in this Publication may differ or be contrary to opinions expressed by other business areas or groups of Securities Africa Limited as a result of using different assumptions and criteria. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results.

All projections and forecasts in this Publication are illustrative only. The actual results may be materially affected by changes in economic or other circumstances, which cannot be foreseen. No representation or warranty is made by any of the Parties as to the achievability or reasonableness of any projection or forecast contained in this Publication.

This publication is provided to you for information purposes only on the understanding that Securities Africa Limited is not acting in a fiduciary capacity. It does not address specific investment objectives or financial situations, and any investments discussed may not be suitable for all investors. Prospective investors must make their own examination and evaluation of the merits and risks involved in the securities set out in this Publication including any legal, taxation, financial and other consequences of investment and should not treat the contents as advice relating to legal, taxation or other matters. This report is not to be relied upon in the substitution of independent judgment with respect to any investment decision. Investors should consider this Publication as only a single factor in making their investment decision, and as such, the Publication should not be viewed as identifying all risks, direct or indirect, that may be associated with any investment decision.

Foreign currency-denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk.

Securities Africa Limited conducts designated investment business only with eligible counterparties and professional clients. To the extent permitted by law and regulation, Securities Africa Limited accepts no liability whatsoever for any loss howsoever arising, directly or indirectly, from any use of this Publication or its contents or otherwise arising in connection with that. This Publication is not intended for distribution to retail clients.

By receiving this Publication, the recipient agrees to keep confidential the information contained in this Publication together with any additional information made available following further inquiries. None of the material, nor its content, nor any copy of it, may be altered in any way, disclosed, published, reproduced or distributed to any other party, in whole or in part, at any time, without the prior written permission of Securities Africa Limited.

Nothing in this Publication constitutes or forms part of, and should not be construed as, an offer for sale or subscription of, or solicitation of any offer to buy, sell or subscribe for, the securities of the Company, nor should it or any part of, form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

Securities Africa Limited and/or its associates and/or any of their respective clients may have acted upon the information or opinions in this Publication prior to your receipt of it. Securities Africa Limited and/or its associates may provide investment banking services to the Company and in that capacity may have received confidential information relevant to the securities mentioned in this Publication which is not known to the researchers who have compiled this Publication.

Securities Africa Limited and/or its associates and/or their officers, directors, employees or representatives may from time to time purchase, subscribe for, add to, dispose of or have positions or options in or warrants in or rights to or interests in the securities of the Company or any of its associated companies mentioned in this Publication (or may have done so before publication of this Publication) or may make a market or act as principal or agent in any transactions in such securities.

This report may not have been distributed to all recipients at the same time. This report is issued only for the information of and may only be distributed to professional investors (or, in the case of the United States, major US institutional investors as defined in Rule 15a-6 of the US Securities Exchange Act of 1934) and dealers in securities and must not be copied, published or reproduced or redistributed (in whole or in part) by any recipient for any purpose.

English law governs the issue, publication and terms of this Publication and any disputes arising in relation to any of them will be subject to the exclusive jurisdiction of the English courts.

By accepting this Publication, you agree to be bound by the foregoing limitations. No part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed without the prior written consent of Securities Africa Limited.

SECURITIES AFRICA®