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:

AFRICA STOCK EXCHANGE PERFORMANCE

				WTD % Change			YTD % Change	
Country	Index	27-Oct-17	3-Nov-17	Local	USD	31-Dec-16	Local	USD
Botswana	DCI	8920.36	8907.92	-0.14	-0.03	9700.71	-8.17	-8.54
Egypt	CASE 30	13955.47	14319.34	2.61	2.57	12344.00	16.00	19.38
Ghana	GSE Comp Index	2352.11	2367.28	0.64	0.19	1689.09	40.15	34.13
Ivory Coast	BRVM Composite	229.83	232.16	1.01	2.43	292.17	-20.54	-15.29
Kenya	NSE 20	3648.31	3800.43	4.17	4.22	3186.21	19.28	16.91
Malawi	Malawi All Share	20034.82	20280.70	1.23	1.20	13320.51	52.25	50.59
Mauritius	SEMDEX	2202.70	2197.79	-0.22	-0.51	1808.37	21.53	22.59
	SEM 10	421.19	420.26	-0.22	-0.51	345.04	21.80	22.86
Namibia	Overall Index	1153.55	1175.77	1.93	1.45	1068.59	10.03	5.69
Nigeria	Nigeria All Share	36462.26	36939.59	1.31	1.27	26874.62	37.45	15.58
Swaziland	All Share	398.28	398.28	0.00	-0.47	380.34	4.72	0.58
Tanzania	TSI	3876.48	3833.73	-1.10	-8.91	3677.82	4.24	-8.94
Zambia	LUSE All Share	5123.37	5107.74	-0.31	-0.93	4158.51	22.83	20.28
Zimbabwe	Industrial Index	514.30	525.63	2.20	2.20	145.60	261.01	261.01
	Mining Index	137.25	140.50	2.37	2.37	58.51	140.13	140.13

CURRENCIES

	27-Oct-17	3-Nov-17	WTD %	YTD %
Currency	Close	Close	Change	Change
BWP	10.58	10.57	-0.11	-0.40
EGP	17.64	17.64	0.03	2.91
GHS	4.41	4.43	0.45	-4.30
CFA	591.39	583.22	-1.38	6.60
KES	103.70	103.65	-0.05	-1.99
MWK	718.69	718.87	0.02	-1.09
MUR	34.20	34.30	0.29	0.87
NAD	14.14	14.21	0.47	-3.95
NGN	360.27	360.40	0.04	-15.92
SZL	14.14	14.21	0.47	-3.95
TZS	2236.85	2428.70	8.58	-12.64
ZMW	9.95	10.02	0.63	-2.08

SECURITIES AFRICA

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Botswana

Corporate News

Botswana's Choppies plans to treble its stores in Kenya over the next three years, the retailer's chief executive told Reuters on Tuesday. "We are looking at 20 to 25 new stores in the next three years time," Choppies Chief Executive Ramachandran (Ram) Ottapathu said in a telephonic interview, adding that the company has 11 stores in Kenya. But Ottapathu said the company was not in talks about taking over leases from Kenya's Nakumatt, which filed for bankruptcy on Monday. *(Reuters)*

Economic News

No Economic News This Week

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TRADING

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Egypt

Corporate News

No Corporate News This Week

Economic News

International Finance Corporation (IFC), a member of the World Bank Group, on Sunday said it had completed a $653 million debt package to finance building 13 solar power plants near Aswan in Egypt, planned to be part of the largest solar park in the world. Generating up to 752 megawatts of solar power, the Nubian Suns Feed-in-Tariff Financing Program is targeted to provide power to more than 350,000 residents and create up to 6,000 jobs during construction. In an effort to overcome frequent energy shortages and take advantage of year-round sunshine, Egypt announced plans in 2014 to develop renewable energy, a prospect that has enticed foreign investors. IFC and a consortium of nine international banks will provide a $653 million debt package to finance construction of 13 solar power plants, which will join 19 other plants to make up the Benban Solar Park - the largest private-sector financing package for a solar photovoltaic facility in the Middle East and North Africa. The plants will cost a total of $823 million to build, IFC said in a release. The consortium includes Asian Infrastructure Investment Bank, African Development Bank, CDC, Finnfund, Oesterreichische Entwicklungsbank, Industrial and Commercial Bank of China, Europe Arab Bank, Arab Bank and Finance in Motion/Green for Growth Fund.

"This creates an ecosystem of investors for Egypt for this program and broadens the capital base for future infrastructure spending," Erick Becker, manager of infrastructure and natural resources Middle East and North Africa for IFC, told Reuters in an interview. IFC, which provided $202 million in financing for the project, was studying other potential opportunities in Egypt with renewable energy, both in solar and wind, Becker said. It has more than doubled the renewable share of its global power portfolio in the past decade. Egypt's Feed-in-Tariff program aims to use private-sector capital and expertise to help achieve its goal of providing 20 percent of its electricity from renewable resources by 2022. "The country is really trying to tap the private investment cycle as it needs a lot more jobs for its young people and the renewable-energy sector is one vehicle for doing that," Ashish Khanna, program leader of sustainable development at the World Bank, told Reuters. World Bank worked with the Egyptian government to help reform the electricity sector. The Multilateral Investment Guarantee Agency, also part of the World Bank Group, will provide $210 million in political risk insurance to 12 projects within Benban. *(Reuters)*

Egypt's government has signed agreements with the European Union for around 500 million euros ($582 million) in funding for development projects over the next three years, the Egyptian cabinet said in a statement on Monday. A year ago, Egypt signed up to a broad, three-year $12 billion IMF programme that calls for cuts in its state subsidy programmes and some tax hikes to overhaul an economy hit hard by the instability that followed its 2011 uprising. *(Reuters)*

Jordan has lifted a ban on imports of Egyptian potatoes it imposed over a year ago due to brown rot, Egypt's Agriculture Ministry said on Tuesday. Earlier this month, Bahrain, Kuwait and the United Arab Emirates agreed to lift bans on Egyptian agricultural imports like lettuce and onions put in place due to concerns of pesticide residues. Egypt has appointed an agricultural quarantine body to advise on shipments and any violations of international standards. Egypt's agricultural exports rose 13.9 percent during the first nine months of 2017, reaching 4.1 million tonnes compared to 3.6 million last year. It exports around 1.2 million tonnes of agricultural products to other Arab countries annually. *(Reuters)*

Egypt will keep its customs exchange rate unchanged at 16 pounds per dollar for November, the finance ministry said on Tuesday. "The decision to keep the customs exchange rate unchanged is in line with the stable currency rate in the past period and the stability of the Egyptian economy," Finance Minister Amr El Garhy said in the statement. Egypt began setting a monthly fixed customs exchange rate in

January, following the flotation of its pound currency last November. It has since set it each month. The pound has gradually strengthened in recent weeks, standing at about 17.63 to the dollar on Tuesday, up from about 17.71 last month. *(Reuters)*

Ghana

Corporate News

No Corporate News This Week

Economic News

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Kenya

Corporate News

Shoprite Holdings Ltd. is in talks to open its first stores in Kenya by filling retail space left empty by the struggling Nakumatt Holdings Ltd. chain. "We are currently in talks with some of the property owners but nothing has been signed," Shoprite director Gerhard Fritz said in an emailed response to questions. Africa's biggest food retailer is awaiting the outcome of merger talks between Nakumatt and local rival Tusker Mattresses Ltd. before deciding whether to proceed, he said. Taking over vacated outlets would be the preferred way for the Cape Town-based company to enter East Africa's largest economy as the retail market there is "too well established" to build new stores, said Fritz, who runs Shoprite's African operations outside its home market. The move would represent a major step in the expansion of Shoprite as it seeks to strengthen its position outside South Africa, where consumer confidence has been weak because of sluggish economic growth. The grocer had 2,689 stores in 15 countries across the continent at the end of its last fiscal year, according to its annual report.

Shoprite faces competition in Kenya from retailers including Game, owned by South African retailer Massmart Holdings Ltd., which in turn is controlled by Wal-Mart Stores Inc. Carrefour SA of France, run by franchise holder Majid Al Futtaim Holding LLC, and Choppies Enterprises Ltd. of Botswana. Local grocers include Chandarana Foodplus Supermarkets and Naivas Supermarkets Ltd. For its part, Nakumatt has shut more than a dozen branches in Kenya, Uganda and Tanzania as East Africa's biggest retailer struggles to pay suppliers and owes more than 30 billion Kenyan shillings ($289 million) to creditors. Chief Executive Officer Atul Shah, whose family controls the Nairobi-based company, said last month he was in talks with Tusker, which trades under the Tuskys brand. Shoprite also plans to buy two Nakumatt sites in Uganda, Fritz said. The South African company's shares closed 0.9 percent higher at 207.49 rand on Friday in Johannesburg, valuing the grocer at 123 billion rand ($8.7 billion). *(Bloomberg)*

KCB Group, the country's largest bank by assets, has secured a $100 million (about Sh10.37 billion) loan from the African Development Bank (AfDB) for onward lending to small and medium sized enterprises (SMEs) in the region. The AfDB board approved the long term funding on Wednesday. "The funding is aimed at supporting KCB's lending in Kenya especially to corporate businesses, small and medium enterprises (SMEs) as well as projects that are critical to the development of Kenya's economy," said the multilateral lender in a statement. "Proceeds of the line of credit will provide much-needed liquidity support to, among other sectors, infrastructure, energy and value-addition through manufacturing and important population segments like the youth." AfDB urged KCB to use the facility to also boost support for women owned businesses in its regional operations. KCB's loan book grew 11.4 per cent to Sh385.7 billion in the year ended December 2016 compared from Sh345.9 billion in the review period a year earlier. Early this month, AfDB signed a $90 million (about Sh9.29 billion) facility with Commercial Bank of Africa, the country's largest privately-owned lender with CBA eyeing to finance firms in trade, manufacturing, agriculture, infrastructure, transport, and construction. Kenya has been on a credit squeeze since September last year, with banks rationing loans following the interest rate cap. The 12-month growth of credit to the private sector recorded a slight increase to 1.6 per cent in August from 1.4 per cent in July, reversing the downward trend since August 2015. According to Central Bank of Kenya (CBK) data, private sector credit growth fell progressively in the eight months since September last year standing at 4.7 per cent in September, 4.7 per cent (October), 4.6 per cent (November), 4.3 per cent (December), 4.2 per cent (January), 3.8 per cent (February) 3.3 per cent (March) and 2.4 per cent in April. CBK estimates that 60 per cent of the credit to the private sector goes to real estate, manufacturing, trade and personal loans.*(Daily Nation)*

British oil explorer Tullow has reported a barren oil search from its latest drilling expedition in Turkana, ending its success streak for the first time this year. The firm had struck two fresh oil finds in January and May, something that emboldened it to widen its search and raised prospects of increasing the country's proven reserves. So far the country has discovered oil reserves estimated at 750 million barrels – which experts say are commercially viable for production and exports. "The Araku-1 exploration well in Suriname has been drilled to a total depth of 2,685 metres and penetrated the objectives of the Araku prospect. No significant reservoir quality rocks were encountered although logging and sampling proved the presence of gas condensate," Tullow said in its update. "The well is now being plugged and abandoned",

the firm said adding that "geological insights gained from this well offer significant future exploration potential in the Group's acreage." The Araku well was drilled in Block 54 which Tullow Oil operates jointly with partners Statoil and Noble Energy. Tullow in May announced it had struck 75 metres of oil in two zones at the Emekuya-1 well in Block 13T of the Lokichar basin, Turkana. The find came four months after the exploration company discovered another 25 metres of oil at Erut-1 well in the same block in January. Yesterday, however, the firm reported a different experience, "The Araku-1 well was an ambitious wildcat exploration well that was drilled efficiently and at very low cost. While we have not made a commercial discovery, we are encouraged by recovering gas condensate from the well and remain fully committed to exploration in Suriname and Guyana," Mr Angus McCoss, Tullow's exploration director said in the statement Kenya has announced it will resume plans for small-scale oil exports in December after suspending it in June. The country expects to move between 2,000 and 4,000 barrels of oil daily by trucks to be stored at the defunct Kenya Petroleum Refinery's storage tanks in Mombasa port city, pending shipment.
Tullow had by June already pumped out and stored 60,000 barrels of crude in Lokichar in readiness for transportation to Mombasa port by trucks. *(Daily Nation)*

The wealth of investors at the Nairobi bourse continued to be concentrated in five blue-chips in the quarter ended September, underlining the struggle by the regulator to attract large firms. Safaricom , East African Breweries , Equity , KCB and British American Tobacco (BAT) Kenya marginally increased their share at the Nairobi Securities Exchange to an average of 65.88 per cent from 65.67 per cent. The five accounted for Sh1.584 trillion of the market capitalisation, Sh202.51 billion more compared to the April-June period, according to the Capital Markets Authority's (CMA) latest quarterly bulletin released last week. The market cap grew by Sh300.70 billion or 14.29 per cent to Sh2.404 trillion in the review period despite heightened poll jitters, largely driven by renewed interest by institutional investors. CMA chief executive Paul Muthaura has backed Global Depository Receipts (GDRs) rules, which were effected on July 13, to help attract large multinationals operating in Africa to Nairobi and reduce the concentration risk. GDRs provides a lower-cost route for international companies to trade shares on a bourse without having to physically list. "With introduction of the GDRs, we are hoping that we will allow large companies that are operating on the African continent to cross-list into Kenya or to do their primary listing using the GDR framework because it is slightly easier than doing a full local listing," Mr Muthaura said in an earlier interview. Safaricom accounted for an average 41.5 per cent of the NSE wealth, a slight rise from 40.78 per cent three months earlier. The share of EABL in the quarter reduced to 8.48 from 9.15 per cent, Equity's to 6.45 from 6.50 per cent while KCB and BAT rose to 5.39 and 4.05 per cent, respectively, from 5.30 and 3.94 per cent. "Safaricom is the ''elephant in the room'' when it comes to the NSE, and we have to focus on building more Safaricoms," investment analyst Aly-Khan Satchu, who runs Rich Management, said in a past interview. *(Business Daily)*

Equity Bank is looking to transactions income and regional subsidiaries to grow its earnings as the cap on cost of loans and a charged political environment cut its interest income and shaved its profit for the nine months to September. The largest bank by customer base Monday reported a three per cent drop to Sh14.6 billion in third quarter after tax profit as its interest income fell 11 per cent to Sh35.4 billion. Transactions income, which increased 28 per cent to Sh21.3 billion, cushioned the lender's bottom line. The non-funded income included earnings from foreign exchange trading, mobile banking and diaspora remittances. "The engines of the private sector are closing off," said Equity Group CEO James Mwangi said about the slowing credit growth in Kenya. "The wind has been taken out of the sail by these temporary headwinds." Equity's investment in government securities jumped 37 per cent from Sh93.1 billion to Sh127.7 billion. Mr. Mwangi attributed the increased investment in fixed income to higher returns than on new loans. "This is not lazy banking because the return on government securities is higher," he said. "We are not able to lend to the micro borrowers whose default rate is as high as 80 per cent."

The Equity CEO said the bank is looking to grow its share of diaspora remittances to half of the money sent to the country every month. It handled $48 million of diaspora remittances in September alone, up from $12 million in July. "We are looking to handle $60-$70 million of the flows coming to the country. "That will effectively make us a big player in the foreign exchange market," All the regional subsidiaries, apart from Democratic Republic of Congo (DRC), posted double digit growth in profitability. Mr. Mwangi attributed the challenging political environment in DRC as the reason behind the dip. "Equity Bank managed to shield itself from the headwinds and that was something impressive. They adopted very fast to the environment," said Ewart Salins, executive director at Kestrel Capital. Parliament in September last year capped the interest rate payable on loans to a maximum of four percentage points above the Central Bank Rate. *(Daily Nation)*

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Telecoms operator Safaricom on Monday said chief executive Bob Collymore had taken medical leave to receive specialised treatment for a "number of months". Company chairman Nicholas Ng'ang'a made the announcement in a circular to employees, but did not disclose the nature of Mr. Collymore's sickness. "On behalf of the board, management and the entire Safaricom community, I wish Bob quick recovery and look forward to him resuming his duties as soon as the doctors allow him to do so," he said. In his absence, Safaricom chief financial officer Sateesh Kamath will take a "primary role," the circular said, adding that he will be supported by Joseph Ogutu – the company's director of Strategy and Innovation. The circular said Mr. Ogutu has taken charge of Safaricom's day-to-day operations until Mr. Collymore's return from medical leave. Mr. Collymore, 59, a Guyanan-born British citizen, took charge of Safaricom in 2010 on a three-year contract, after the company's founding CEO, Michael Joseph, retired and had his term renewed for another three years. His second term was expected to end last August, but was renewed for two more years. The extension was seen as a pointer to the telco's preference for stability rather than change as it navigated a difficult operating environment characterised by ever changing regulations. "You don't rock a boat when it is sailing smoothly and beautifully," said Mr. Ng'ang'a. Mr. Collymore's time at the helm has seen Safaricom's revenues hit Sh212.9 billion in the year to March 2017 from Sh83.96 billion in 2010.

This has enabled Safaricom to cement its leadership in mobile money even as it continues to command market leadership in voice, mobile data and SMS services. The sailing has, however, been far from smooth. Mr. Collymore took over during the heat of a price war among the different telecom operators and during his first investor briefing, he had the unenviable task of reporting a 13 per cent drop in profitability. On Monday, Safaricom share price at the Nairobi Securities Exchange (NSE) remained unchanged at close of trading at Sh25.25 compared to Friday's price. Safaricom's voice, data and M-Pesa business sustained more than 823,243 jobs in the year to March 2017, according to a study commissioned by the operator. The jobs included those held by its own workers and the linkages created by products and services such as airtime dealers, mobile money agents and distributors. More than 154,370 jobs were directly related to Safaricom's operations. Official data released in April shows that the Kenyan economy created 832,900 new formal and informal sector jobs in 2016, down from 841,600 a year earlier, meaning Kenya's most profitable company sustained almost an equal number of jobs. *(Business Daily)*

Nakumatt Holdings Ltd., East Africa's largest retailer, is seeking a court order to enter administration as part of a plan to revive its debt-laden business. The Kenyan company will go to court on Nov. 8 for a hearing on the application, which proposes that "business-turnaround professional" Peter Kahi of PKF Consulting Ltd. be appointed as administrator, according to a statement emailed Monday from the capital, Nairobi. Nakumatt is "optimistic" that the order will be granted, as it will enable the company to continue as a going concern, it said."The order will enable Nakumatt to achieve a better outcome for its creditors as a whole than would likely be the case if the company were liquidated," the company said, according to the statement. Nakumatt has been struggling to pay suppliers and owes at least 30 billion shillings ($289 million) to creditors including KCB Group, Kenya's largest lender, along with Standard Chartered Bank Kenya Ltd. and Diamond Trust Bank Kenya Ltd. The debts, which include commercial-paper loans, have forced the company to shutter branches in neighboring Uganda and Tanzania, as well as its home market of Kenya. Chief Executive Officer Atul Shah, whose family controls the Nairobi-based company, said last month he was in talks with local rival Tusker Mattresses Ltd., which trades as Tuskys, about a merger. Those talks are continuing, the company said Monday. "Tusker Mattresses has, subject to the Competition Authority of Kenya's approval, undertaken to forge ahead with its investment in Nakumatt in connection with its proposed merger," according to the statement. The anti-trust authority has yet to receive any filings from the two companies on the proposed merger, Director-General Wang'ombe Kariuki said by phone on Tuesday. "They only made an enquiry seeking guidance on how to proceed," he said.

"Whether it's a management agreement, merger or acquisition they need to seek an exemption or approval." Tuskys is willing to guarantee as much as 3 billion shillings of debt and provide 650 million shillings in additional capital to Nakumatt, the Nairobi-based Business Daily newspaper reported on Tuesday, citing an offer letter by the smaller rival. Nakumatt had 63 stores in four East African nations at the end of 2016. Shoprite Holdings Ltd. of South Africa is already in talks about opening its first stores in Kenya by filling space left empty by the Nakumatt store closures. Carrefour SA of France, run by franchise holder Majid Al Futtaim Holding LLC, has also taken up one store in Nairobi. Administration would protect Nakumatt against the enforcement of security over the company's property or right of re-entry by landlords, it said. "Nakumatt is apprehensive that in the absence of an administration order, there is a significant danger of it being wound up with the inevitable consequence that the company, its employees, lenders, landlords and suppliers would suffer significant losses, with a broader impact on thousands of farmers, small businesses and traders whose livelihoods are dependent on the business," according to the statement. *(Bloomberg)*

The stock market Tuesday shrugged off news of Safaricom chief executive Bob Collymore medical leave with the counter slightly edging up. The benchmark NSE-20 share index gained 1.49 per cent to close at 3729.62 points largely uplifted by Safaricom. The index has in recent days recovered after weeks of falling as investors hedged against political risk. Safaricom shares that accounted for nearly a fifth or 19 per cent of the total trading Tuesday closed at Sh25.50 a rise of 0.99 per cent from Sh25.25 at close of trading Monday. The telecoms firm, which is Kenya's biggest by market value, on Monday, disclosed Mr. Collymore, 59, a Guyana-born British citizen had taken medical leave to receive specialised treatment for a "number of months". Company chairman Nicholas Ng'ang'a made the announcement in a circular to employees, but did not disclose the nature of Mr. Collymore's sickness. Weighing in on the development, experts said the uncertainty associated with the sudden announcement of medical leave of a senior executive hits some firms harder than others, and the level of understanding differs widely. Globally, Google and Apple are two of the biggest tech companies to experience the effects of CEO illness. When Apple founder Steve Jobs announced that he had pancreatic cancer in January 2011, Apple investors panicked. His insistence that the cancer had been removed failed to calm their nerves. Apple shares continued to tumble and as two more bouts of medical leave were announced, investors feared that without his involvement, the company's creative edge would be lost. *(Daily Nation)*

SBM Holdings, the Mauritian lender that wants to take over troubled Chase Bank, last month suspended a planned inspection of the Kenyan firm, citing the unfavourable environment arising from a prolonged election period. Sources familiar with the transaction confirmed that SBM was initially scheduled to conduct due diligence for about a month beginning October 17, but is yet to do so. The critical review is now expected to start this week or early next week and, if the verdict is favourable, SBM is expected to then leave the Central Bank of Kenya (CBK) with a binding contract for Chase Bank, which is under receivership. "SBM representatives were expected to have started the due diligence a week after CBK announced their intention to buy Chase, but that did not happen," a source who cannot be named because he does not speak for any party to the transaction said. "The main reason behind the delay has been the extended electioneering and the uncertainties arising from it. I do not think SBM will manage to complete due diligence by November 17 as was earlier targeted." Attempts to get a comment from SBM's Mauritius and Kenya offices did not bear fruit by the time of going to press. The CBK declined to comment on the delay. SBM early last month announced that it intends to acquire the carved out assets and liabilities of Chase Bank. subject to "completion of a legal and financial due diligence exercise as well as regulatory and other approvals". The transaction, which is to happen through the bank's local subsidiary, SBM Bank (Kenya), will also see SBM absorb a "significant number" of Chase Bank's 1,300 staff working in 62 branches.

The Mauritian bank is expected to focus on elimination of overlaps between its existing branch network and that of Chase Bank in the integration plan, leading to some staff redundancies. SBM Kenya has 10 branches – six in Nairobi and four in Mombasa while Chase Bank has 62 branches in 13 towns -- most of them in Nairobi and Mombasa. The CBK, while announcing SBM's non-binding offer on October 9, said it expected the transaction, if agreeable to all parties involved, to be competed by the end of the year. In order to make its initial offer, SBM and other interested bidders mainly relied on a databank made available to them by the Kenya Deposit Insurance Corporation (KDIC), enumerating, among other things, Chase Bank's liabilities and assets. Representatives of Chase Bank and its subsidiary, Rafiki Microfinance, also made presentations to the bidders. *(Business Daily)*

Safaricom's earnings before interest, tax, depreciation and amortization (EBITDA) rose 6.8 percent in the first half ended September, the Kenyan mobile operator said on Friday. EBITDA rose to 54.27 billion shillings ($523.84 million) in the period from April 1 to Sept. 30, it said, from 50.81 billion shillings in the same period in 2016. Earnings before interest and tax at the telecom company, which has Kenya's biggest subscriber base, rose 20.6 pct to 37.5 billion shillings in the first half, Chief Financial Officer Sateesh Kamath told an investor briefing. Service revenue was up 12 percent to 109.7 billion shillings. Safaricom, which is 35 percent owned by Vodacom and 5 percent owned by Vodafone, has kept its EBIT guidance for the full year to end-March unchanged at between 71 billion shillings and 75 billion shillings, Kamath said.

Revenue from its mobile money services, M-Pesa, rose 16 percent to 30 billion shillings, while revenue from phone calls rose to 47.35 billion shillings from 45.7 billion shillings. Earnings per share for Safaricom, which is typically the most traded stock on the Nairobi Securities Exchange on any given day, rose to 0.65 shillings from 0.60 shillings in the same period in 2016. *(Reuters)*

At least half a million small borrowers at Kenya's biggest lender by customers, Equity , have been locked out of credit by an interest rate cap imposed a year ago, the bank's chief executive said on Thursday. Those affected were mainly small traders and informal sector employees deemed by the bank to be too risky to receive loans at or below the rate cap level, James Mwangi told Reuters. The cap, imposed in 2016 and which limits commercial rates at 4 percentage points above the central bank rate of 10 percent, was contributing to a slowdown in credit growth and economic activity, the CEO said in an interview in his office. "Initially we had up to 1.2 million outstanding loans in Kenya. We now have only 700,000. Essentially you have excluded a whole class (of borrowers)," he said. Non-performing loans in that segment jumped after the rate cap, sending overall bad debts in the industry above 10 percent. Banks have shifted funds into government securities, which offer the same yield as private sector loans, but at an eighth of the cost of risk, Mwangi said. Equity, which also operates in Uganda, Tanzania, Rwanda the Democratic Republic of the Congo and South Sudan, increased its holdings in Kenyan government debt 35 percent to 127 billion shillings ($1.23 billion) in the first nine months of this year.

The bank's loan book shrank 2 percent during the period, as interest income fell 15 percent. The decline was offset by a 28 percent jump in non-interest income, leading to flat total revenue in the same period from a year earlier. Mwangi said he still expected the group to post higher profit for the full year despite the rate cap and Kenya's slower economic growth and political turmoil over a presidential election that was re-run last week. Kenya accounts for 90 percent of the group's profit. He attributed the higher forecast to faster growth in Equity's Uganda unit, where profit grew 37 percent in the first nine months of this year to 700 million shillings and which could rise to 1.2 billion shillings by the end of the year. "We are betting on Uganda because they have accelerated their oil exploitation," he said, adding that Uganda's estimated crude deposits of 6.5 billion barrels would attract investment as the industry develops. "That type of money passing through Uganda will give the banking industry a lot of opportunity," he said. Equity was ready for a new international accounting standard that is due to come into force on Jan. 1 and requires lenders to shift their loss models from incurred to expected. "It may increase our provisions for existing loans by 15-27 percent. The board has resolved it will take a hit on shareholder funds," he said, adding the bank had adequate capital buffers of more than 20 percent of assets. *(Reuters)*

Kenya Airways' human resources director has resigned from the national carrier five months after joining from Tata Chemicals Magadi where he held a similar position. Sammy Chepkwony announced his departure through a memo to staff, explaining that he had decided to part ways with the airline effective Thursday to "pursue other interests." Mr. Chepkwony joined KQ on June 2, having been recruited to fill a position that was until then being held in acting capacity by Lucy Muhiu who has also left the company. "It has been an interesting time meeting and working with the KQ team across the network. I particularly enjoyed my participation in the transformation journey," Mr. Chepkwony said in his memo. "I take this opportunity to thank you all for your valuable support and with you all the very best in the successful turnaround of the Pride of Africa (KQ). You will in due course be notified of who will take over the leadership of the HR team." Mr. Chepkwony has more than 20 years of experience in the HR sector, having worked for companies such as James Finlay Kenya, Nairobi Bottlers and PriceWaterhouseCoopers. He holds a Bachelor of Commerce undergraduate degree and a master's degree in Business Administration from the University of Nairobi. Mr. Chepkwony is the latest in a series of executives who have left the financially-struggling airline since Sebastian Mikosz took over as chief executive from Mbuvi Ngunze. Catherine Moraa (head of internal audit), Ms Muhiu (head of employee relations), Kevin Kinyanjui (information systems director), and Brian Mbuti (in-flight and jet fuel procurement) have all left the company. Christopher Oanda, who has been in charge of KQ's supply chain department for nearly nine years, also left the airline on October 16. *(Business Daily)*

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This Week's Leading Headlines Across the African Capital Markets

Economic News

Kenyan President Uhuru Kenyatta was declared the landslide winner of a chaotic election rerun that his main rival Raila Odinga rejected as a sham. Kenyatta, 56, won 7.48 million votes, or 98.3 percent of the total cast on Oct. 26, Wafula Chebukati, the chairman of the Independent Electoral & Boundaries Commission, said Monday in Nairobi, the capital. The turnout was 38.8 percent, down from 79 percent in an Aug. 8 contest that also handed victory to Kenyatta and the Supreme Court nullified because proper voting procedures weren't followed -- a decision that's unprecedented in Africa. "I am satisfied that we were able to meet the conditions that enabled the commission to deliver what to us, and I believe to all Kenyans and observers, is a free, fair and credible election," Chebukati said. "The commission ensured that everything required of us by law was put in place for the conduct of the election." The results declaration doesn't signal an end to a political crisis that's dragged down growth in East Africa's largest economy and scarred its reputation as one of the continent's top investment destinations, with the outcome likely to be challenged again in court. Odinga, who boycotted the rerun after the electoral commission refused to heed his demands to change personnel and voting procedures, has called for a national defiance campaign against what he describes as an illegitimate administration and another vote within 90 days. About 78 people have died in election-related violence since the initial vote, mostly in clashes between the security forces and opposition supporters.

Ethnic tensions have also flared between members of Odinga's Luo community and Kenyatta's Kikuyu group, raising fears of a repetition of the more widespread violence that ensued after a contested 2007 vote and claimed at least 1,100 lives. Violent protests forced the electoral commission to cancel the ballot in the western Nyanza region -- a move that may call the vote's legitimacy into question. Legal challenges to the outcome must be lodged within seven days and the Supreme Court will have 14 days to make a ruling. While the constitution states that the election must be held in every constituency, the electoral laws allow for tallies from areas to be excluded if they won't affect the final result, said Karim Anjarwalla, managing partner at law firm Anjarwalla & Khanna in Nairobi."It is too early to say whether a future petition, if filed, may be successful," he said by email. Kenyatta said 90 percent of those who voted for him in the first round did so in the second, proving the validity of his initial victory. "I know my victory today is just part of the process that is likely to once again be subjected to a constitutional tests through our courts," he said in his acceptance speech at the national results center. "I will submit myself to this constitutional path no matter its outcome."

While Kenyatta said he would only consider entering into dialogue with the opposition after the legal process had been concluded, Odinga, 72, a former prime minister who failed to secure the presidency in elections in 1997, 2007 and 2013, has said the only thing he's willing to discuss is a date for a fresh vote. He'll announce what he plans to do next on Tuesday. "Kenyans are tired of this illegitimate regime," Odinga said in an interview with the South African Broadcasting Corp. "We do not want to institutionalize election-rigging. The moment people lose faith in the electoral process then anarchy becomes the order of the day." The standoff has unnerved investors, with the yield on the government's international bonds due in 2024 climbing 25 basis points to 6.27 percent since the election was annulled on Sept. 1. The Kenya Private Sector Alliance, a business lobby group, estimates the prolonged unrest and political uncertainty has lopped the equivalent of $6.75 billion off the nation's $71 billion gross domestic product. Many of Odinga's supporters in his stronghold of Kisumu say they are determined to get rid of Kenyatta no matter how long it takes. "All we want is fairness," said Ed Okoth, 31, a shoe salesman in the city, about 264 kilometers (164 miles) west of Nairobi. "Raila is doing the right thing. I am willing to suffer economically. I still continue to support the protesters. We are fighting for the generations to come, we are fighting for the ideal of democracy." *(Bloomberg)*

Kenya's main opposition alliance said it won't challenge the results that gave President Uhuru Kenyatta a landslide victory in last week's disputed election rerun in court and instead vowed to mobilize its supporters to press for a another vote. "This election must not stand," opposition leader Raila Odinga told reporters in Nairobi, the capital. "If allowed to stand, it will make a complete mockery of elections and might well be the end of the ballot as a means of instituting government in Kenya." Musalia Mudavadi, a senior leader of Odinga's four-party National Super Alliance, said that while private citizens may challenge the election in court, the coalition won't take legal action against the vote. Kenyatta, 56, secured 98.3 percent of the vote in an Oct. 26 election that the Independent Electoral & Boundaries Commission said was free and fair, but was boycotted by Odinga, who described it as a sham. The electoral agency said the turnout dropped to 38.8 percent from 79 percent in the Aug. 8 contest, which the Supreme Court nullified after the electoral agency failed to disprove opposition claims of rigging. The opposition's decision to shun the legal process ups the ante in a violent standoff that has seen police and opposition supporters engaging in running street battles in Nairobi's slums and Odinga strongholds in western Kenya, claiming about 78 lives since the initial vote in August. Ethnic tensions have also flared between members of Odinga's Luo community and Kenyatta's Kikuyu group, raising fears of a repetition of the widespread violence that ensued after a contested 2007 vote and claimed at least 1,100 lives. "There is an urgent need for dialog between the two sides, for institutions to be given the space and security to work with full independence, and for grievances to be addressed through democratic and judicial channels," a European Union observer mission said in a statement. Bond investors indicated that they view the declaration of Kenyatta's victory as the beginning of the end of the crisis, with the yield on the government's international bonds due in 2024 tumbling 16 basis points to 6.16 percent since the announcement of the results.

Such optimism may be misplaced, according to Ben Payton, head of Africa at U.K.-based consultancy Verisk Maplecroft, who sees a strong likelihood of more violence in Odinga strongholds over coming days and further legal challenges to the election. "Kenyatta will now rule over a country where huge swathes of the population believe he has usurped the presidency," he said in a note to clients. "Even assuming Kenyatta survives in office, the government will face a loss of authority, particularly in western Kenya. Kenya's ongoing electoral crisis demonstrates the reality that investors face an inherently volatile environment in East Africa's largest economy."The opposition alliance's plans include staging protests and economic boycotts, and setting up a national People's Assembly comprising the leaders of civil rights, business and religious groups and labor unions to press for fresh elections. It will also establish a task team that will identify weaknesses in the government and press for reforms. We-The-People, a coalition of civil rights and religious organizations, labor unions, academics and other groups, described the political standoff as "an escalating crisis" that has been exacerbated, rather than resolved, by the election rerun. "It has resulted in more disruption, death and violence," the group said on Tuesday. "Kenya is in the grip of a massive security crisis, marked by impunity in state institutions."

In his acceptance speech on Monday, Kenyatta said he expected his victory to be challenged again in court and that he would only consider talks with the opposition after the legal process had been concluded. Odinga, 72, a former prime minister who failed to secure the presidency in elections in 1997, 2007 and 2013, said his alliance is open to dialog if agreement can be reached on the terms of reference. Reports of police using excessive force against protesters are deeply concerning and any officers who are found to have acted outside the law must be held to account, according to Robert Godec, the U.S. ambassador to Kenya. "We appeal for calm in the coming days," Godec said in a statement. "We call on all Kenyans to come together at this critical moment to reject the politics of hatred and division." *(Bloomberg)*

Kenya's benchmark share index NSE-20 rose 1.49 percent on Tuesday following the declaration of the result of Monday's repeat presidential election. The broader all share index NASI also rose 1.17 percent to close at 161.99 points, data from the bourse showed. On Monday, the election board declared President Uhuru Kenyatta the winner of the repeat election, which was boycotted by the main opposition. *(Reuters)*

Kenya's inflation slowed to 5.72 percent year-on-year in October to its lowest level in 17 months, driven by a fall in prices among food items, the statistics office said on Tuesday. The rate, which stood at 7.06 percent a month earlier, had shot outside of the government's preferred band of 2.5-7.5 percent earlier in the year due to a severe drought. Month on month, inflation was -0.63 percent, the Kenya National Bureau of Statistics said in a statement. Inflation for food and non-alcoholic beverages was -1.78 percent during the month. The category has a 36.04 percent weight in the goods used to calculate inflation. *(Reuters)*

The specter of political violence lingers over Kenya after two shambolic elections within three months left the East African nation no closer to resolving a stalemate over who's its rightful leader. While President Uhuru Kenyatta was declared the winner of both contests, his main rival Raila Odinga rejected the Aug. 8 vote as rigged and boycotted a court-ordered Oct. 26 rerun, saying the electoral agency ignored his demands to fire staff and change voting procedures. Opposition supporters have staged scores of protests, blockading roads and stoning police, who've responded with teargas and live ammunition. As many as 80 people have died in election-related violence since the initial vote, according to human-rights groups. The violence threatens to undermine Kenya's reputation as one of Africa's top investment destinations and a regional hub for companies such as General Electric Co. and Coca-Cola Co. The longer the standoff persists, the greater the risk of clashes escalating, according to Murithi Mutiga, an analyst with the Brussels-based International Crisis Group. "Unfortunately Kenyan elections don't tend to end with a clear winner or clear loser, they tend to end in draws," Mutiga said by phone from Nairobi, the capital. "The one that captures or retains power has access to a vast resource of patronage. No one can afford to lose. This means this will trundle on and on."Most of the clashes have been confined to Nairobi's slums, where Odinga has some support, and his strongholds in the west of the country. While political violence is likely to eventually subside, there's still a risk of sporadic clashes in Nairobi, the west and coastal regions, according to Robert Besseling, executive director of political risk advisory firm EXX Africa. "The opposition is running out of momentum in terms of political support and funding," Besseling said. "Meanwhile, the heavy-handed reaction by security forces has discouraged many" from taking to the streets, he said.

Controversy has marred five of the six elections held in Kenya since the advent of multiparty democracy in 1991, and peaked after a disputed 2007 vote that triggered two months of ethnic conflict in which at least 1,100 people died and 350,000 were forced to flee their homes. Many clashes were between members of the Kikuyu and Kalenjin communities, two of Kenya's biggest groups, whose leaders have since united under the banner of the ruling Jubilee Party. That crisis ceased with the formation of a coalition government and a prime minister post. Odinga has said he's not interested in a similar solution this time round. "This is very different from 2007, when in that election cycle we saw almost immediate and seemingly spontaneous killings between rival ethnic militias on a very shocking scale," Mutiga said. "We haven't seen anything close to that. There is not anywhere near the level of the animosity and tension that we had. Certainly the pact between the elites of the Kikuyu and the Kalenjin has helped to limit violence."

This year's contest has witnessed some ethnic tensions, with members of rival groups looting and burning each others' stores in Nairobi. Odinga's National Super Alliance also accused the government and ruling party of "ethnically profiling" the Luo people to deny them their political rights, after violence forced the cancellation of the election in 25 western constituencies where more than 1.6 million people voters were registered. William Ruto, Kenyatta's deputy, has in turn accused the opposition of unleashing its own militia to disrupt a vote it knew it couldn't win. Ultimately, Kenya's political leaders will determine whether more violence can be averted, according to Peter Alingo, a consultant to the Institute for Security Studies. "This is a country that is extremely divided and moving forward things will be extremely difficult unless we have some sense of genuine dialog," he said by phone from Nairobi. "The next one or two weeks will be critical. One way or the other, a solution will be found. The grandstanding will simmer down and they will sit down and talk. " *(Bloomberg)*

Kenya's main stock exchange index, already up 18.5 percent this year, looks set to be recharged as it recovers from months of political uncertainty, its chief executive officer said on Thursday. The Nairobi Securities Exchange's main NSE-20 Share Index closed up 17.16 points, or 0.46 percent to close at 3,776.83 points, to stand 18.5 percent higher on the year on Thursday. Geoffrey Odundo, chief executive officer of the NSE, thinks it could end up 40 percent higher. "If our political process can settle down, the market will go to that direction," said Odundo. "To attain 4,500 will not be difficult before the end of this year." The index ended 2016 at 3,186.21 having lost 20 percent. Kenya held presidential elections on Aug. 8, but the Supreme Court nullified President Uhuru Kenyatta's win and ordered a repeat election. Opposition leader Raila Odinga boycotted a Oct. 26 poll, which Kenyatta won with 98 percent of the vote. The NSE-20 Share Index lost 3.5 percent on Sept. 1 - the day of the Supreme Court judgement.

Stock market turnover has however recovered to reach 1.2 billion shillings on Wednesday, up from 303 million shillings a day before the August presidential elections. The exchange is among the most active on the continent with 64 listed companies, and another due to list early next year. The stable shilling, which has hovered just above 100 to the dollar this year, has helped attract investors, Odundo said. "Investors know as they enter, their exits will not be affected by valuation loss," said Odundo. Odundo said the exchange aims to launch a derivatives market in 2018 to boost liquidity, which would make it the second bourse in Sub Saharan Africa to do so after Johannesburg. At the moment, local institutional investors, mostly pension funds and high net worth individuals, are the main buyers, Odundo said. "They have been active in the stock market because that's where yields are looking up," he said. "The central bank rate has not been re-priced for a while so the value of bonds and other cash assets like fixed deposits have been stable and the yields are really not going very high." *(Reuters)*

Kenya's economy has weathered the election storm better than it did a decade ago, a Reuters poll of economists suggested, and they expect investment to pick up next year if calm returns to the country soon. On Monday, President Uhuru Kenyatta was declared winner of a repeat election after the result from two months ago was disputed, handing a second term to the son of the country's founding father, the late Jomo Kenyatta. "The drawn out polls have dampened economic activity and would likely weigh on fourth-quarter GDP growth," said Rafiq Raji, chief economist at Macroafricaintel in Lagos. Eight of ten analysts surveyed in the past two days said the elections would only have a slightly negative impact on growth this year and next. Just two thought it would take a severe hit, and none said it would be neutral, positive or very positive. A Reuters poll last month suggested Kenya's economy would expand 5.0 percent this year and 5.8 percent next year. Economists were not ready to quantifying the impact of the latest elections yet, after opposition leader Raila Odinga on Tuesday called for pickets and petitions, but they said they expected investors to return soon. Around 1,200 people were killed after elections in 2007 led to political protests and ethnic clashes. The latest elections in East Africa's richest economy have ignited some fears of déjà vu. The violence a decade ago was followed by economic growth plummeting to 0.2 percent in 2008 from 6.9 percent the year before.

This year's vote has seen much less violence, although about 70 people have been killed since August. Elections in 2013 passed relatively smoothly. "Market participants are likely to remain cautious until the resolution of pending issues related to the elections. So investor confidence may only improve significantly by second quarter of next year," Raji said. But Gaimin Nonyane, head of macro research at Ecobank, said the impact from elections has not been as significant as earlier expected, especially on the shilling. She noted the increased volatility saying "the currency continues to trade around the 103.4-103.8/$ range reflecting continued strong official foreign exchange intervention." Most economists said investor confidence in Kenya would improve significantly within six months. South Africa's Shoprite told Reuters on Tuesday it was hoping to open its own stores in Kenya. Raji said Shoprite's news as well as Botswana's Choppies saying on Tuesday it plans to treble its stores in Kenya over the next three years suggested the elections were unlikely to weigh on long-term investor sentiment. Retail is a red hot sector in Africa thanks to a consumer base of 1 billion people who are gaining spending power thanks to robust economic growth. Services, and especially the key tourism sector and other activities linked to it, suffered most ahead and after the elections, the survey showed. *(Reuters)*

Malawi

Corporate News

No Corporate News this week

Economic News

No Economic News this week

Mauritius

Corporate News

No Corporate News this week

Economic News

No Economic News This Week

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Nigeria

Corporate News

Nigerian Breweries Plc has announced an interim dividend of N7.997 billion for the nine months ended September 30, 2017. The dividend, which translates to N1.00 per share, was recommended following improved performance recorded by the leading brewing firm for the nine months. Nigerian Breweries posted revenue of N254.7 billion in 2017, up from N222.7 billion in the corresponding period of 2016. Cost of sale rose from N125 billion to N148 billion, while gross profit stood at N106.6 billion as against N97.4 billion in 2016. Marketing and distribution expenses rose from N43.35 billion to N49.4 billion, while administrative grew from N16.48 billion to N17 billion in line with rising inflationary trend. However, net finance charges (NFC) fell from N10.2 billion in 2016 to N7.9 billion in 2017. As a result, Nigerian Breweries ended the period with profit before tax (PBT) of N34.42 billion, showing an increase of 24 per cent above the N27.79 billion in 2016, just as profit after tax rose from N20.1 billion in 2016 to N24 billion in 2017. Commenting on the results, the Company Secretary/Legal Adviser, Nigerian Breweries Plc, Mr. Uaboi Agbebaku said: "Despite the continued challenging business environment, revenue in the first nine months of the year grew compared to the corresponding period in 2016."

According to him, following the company's continued focus on internal efficiencies under its Cost Leadership programme, results from operating activities improved, which combined with lower NFC resulted in increased profitability in the period. Agbebaku explained that the interim dividend is payable subject to deduction of withholding tax at the appropriate rates, on Thursday, 23rd November, 2017 to all shareholders registered in the books of the company at the close of business on Wednesday, 15th November, 2017. The company maintained that whilst the operating environment for the remainder of the year is expected to remain challenging, it is confident that, barring unforeseen circumstances, the company is well placed to deliver a good return on investment to shareholders. Shareholders of Nigerian Breweries Plc had last May commended the board and management of the company when the company paid a total dividend of N28.8 billion for the 2016 financial year. The shareholders, who spoke at the 71st annual general meeting (AGM) of the company held in Lagos, noted that the company's performance in spite of the challenging operating environment, showed the resilience of the company. *(This Day)*

Guinness Nigeria Plc has posted 30 per cent growth in revenue for the first quarter ended Sept. 30, 2017, the News Agency of Nigeria (NAN), reports. The company in a result declared on the Nigerian Stock Exchange (NSE) on Friday, said that the revenue stood at N29.9 billion compared to N23.02 billion achieved in the comparative period of 2016. The company's gross profit during the period under review grew by 24 per cent as against pre-tax loss profit of N2.12 billion recorded in the comparative period of 2016. It stated that the results reflected continued growth within the spirits (hot drinks) business and benefit of an expanding portfolio against the backdrop of lapping the inventory reduction in 2016. The results released to the Nigerian Stock Exchange (NSE), also saw the company's marketing expenses increase by 12 per cent, indicating continued investment behind its brands, while administrative expenses were reduced by 17 per cent driven by the organisation's Productivity Agenda. The company said that measures and strategies had been put in place to drive efficiency which would help position it for more sustainable growth. Commenting on the first quarter results, Mr. Peter Ndegwa, the company's Managing Director, said that expanding portfolio contributed to the increase in revenue. Ndegwa said; "although trading conditions continue to be difficult, we delivered a credible performance with a Net Sales growth of 30 per cent for the quarter''.

"This was against the backdrop of changes in commercial footprint in 2016, as well as benefit of an expanding portfolio. "We also continued to see value from our focus on productivity in areas like sales as we empower our teams for success on the frontline as well as driving efficiency in logistics,'' Ndegwa said. He added that the company would continue to expand its portfolio with the introduction of new brands. "A critical part of our strategy is to expand our portfolio as we continue to innovate with the introduction of new brands and formats. "Our spending on Advertising & Promotion is critical to driving growth not just for our innovation brands, but also for our core brands like Guinness and Malta Guinness," he stated. He said that the company's rights issue concluded in August was 116 per cent subscribed.

"The funds raised from the rights issue will be used to reduce the level of borrowings and consequently our funding cost. "In particular, we have used the funds to reduce our foreign currency loan by 60 per cent which in turn will reduce the foreign currency volatility on our balance sheet," he said. *(The Guardian)*

Nigeria's Access Bank plans to pursue organic growth in Ghana rather than mergers or acquisitions after the central bank raised the minimum capital requirement for lenders in the West African country, its group chief executive said on Tuesday. Ghana's central bank in September raised the minimum capital required for banks threefold to 400 million cedis ($92 million) as part of measures to ensure financial stability, its spokesman said. Lenders have until the end of 2018 to comply. The previous capital requirement for banks and new entrants in Ghana was 120 million cedis. Access Bank's group CEO Herbert Wigwe said the recapitalisation would strengthen Ghana's banking sector and that customers will move to lenders that have met the requirement, potentially helping the company's Ghanaian business to gain market share. Access Bank owns 91 percent of Access Bank Ghana, which has 230.67 billion naira ($699 million) in total assets. "We have no interest whatsoever in doing any form of combination in Ghana. We think it will be safer and better for us to grow organically," Wigwe said on an analyst call. Access Bank posted a 5.7 percent rise in nine-month pretax profit to 72.91 billion naira last week, with the Ghana unit contributing 3.88 billion naira. Shares in Access Bank, up 67 percent this year, fell 0.2 percent on Tuesday to 9.86 naira. The company completed an initial public offering for its Ghana subsidiary in March, selling a 6 percent stake for $6 million. The group said at the time that it wanted to bolster the capital base of Access Bank Ghana in the event of a deterioration of the Ghana economy. The new government of Nana Akufo-Addo has vowed to restore financial stability and fiscal discipline to stabilise the economy. Ghana has been dogged by high public debt and budget deficits, forcing it to sign a credit programme with the IMF in 2015. *(Reuters)*

The prospects are getting brighter for Oando Plc as the company has reported a profit after tax of N7.1 billion for the nine months ended September 30, 2017, compared with a loss of N35.886 billion in the corresponding period of 2016. According to the results, released yesterday, Oando's financials show positive performance across all financial indices. Turnover increased by 16 to N383.5 billion from N329.9 billion in comparative period of 2016, gross profit increased by 148 per cent to N71.2 billion from N28.6 billion while profit-after-tax increased by 120% to N7.1 billion from a loss of (N35.8 billion) in Q3 2016. Commenting on the results, Group Chief Executive, Oando Plc, Wale Tinubu said: "After five consecutive quarters of contraction, Nigeria's official exit from the recession buoyed by improved performance in the oil, agriculture, manufacturing and trade sectors of the economy is laudable news. The continued increase in oil prices to a 2017 high of $58 in September, coupled with ongoing peace efforts in the Niger Delta have significantly impacted our 4th successive profit declaration." He said Oando continues to keep to the promise it made to shareholders during its 39th annual general meeting in 2016with the declaration of its fourth consecutive profit. The company was proactive in its approach to cushion the effect of the oil downturn by immediately implementing its strategic growth initiatives. "Our third quarter financials are reflective of the continued implementation of our strategic initiatives of growth through our dollar earning upstream portfolio. Deleverage through recapitalisation and asset divestments and the expansion of our oil export trading business. The proceeds from our business restructuring and asset sales have been successfully used to improve our balance sheet with a reduction of N18 billion in our debt position from N247 billion as at December 2016 to N229 billion today," he added. Speaking on the future of the company, Tinubu said the company's tenacity to continuously create value despite prevailing headwinds is evident in the improved performance four quarters in a row. "We remain optimistic about our future performance and focused on delivering robust returns to shareholders,'' he stated. Capital market operators said Oando's results defied the speculation of many who watched the company and its management come under scrutiny in the past months. It also comes as a relief to aggrieved shareholders who have in the past months expressed their dissatisfaction on the damage the SEC probe caused to brand value and the company's share price. *(This Day)*

Flour Mills of Nigeria plans to sell shares via a rights issue to cut debt and is registering a 70 billion naira ($223 million) bond programme to refinance short-term loans, the conglomerate said on Wednesday. Several Nigerian companies have tapped capital markets this year to shore up their balance sheets after a currency crisis in 2015 dragged the country's economy into recession and stoked inflation, frustrating businesses and consumers. Nigeria's economy has since recovered, but growth is fragile and although Flour Mills expects consumer activity to pick up, it said confidence was only slowly improving, with personal incomes under pressure and not keeping pace with inflation. The conglomerate, which has interests in food manufacturing, agro-business, packaging and logistics, said it was in the process of concluding the timing and size of the share sale. Flour Mills registered plans with regulators to raise up to 40 billion naira in equity over a three year period and obtained approval from shareholders last year to sell shares, but weak capital markets delayed its launch. Last year, it said it had $20 million in foreign currency loans and was exploring alternative financing sources to mitigate higher costs from a weak naira. The company posted a 53.1 percent rise in six month pretax profit to 13.48 billion naira, but said finance costs rose 48.9 percent to 16.27 billion naira. It said food manufacturing was the main driver of growth and accounted for 78 percent of its revenues. Shares in the company, which has gained 70.4 percent so far this year, rose 1.94 percent on Wednesday to 33.08 naira. *(Reuters)*

MTN Group Ltd. is focused on laying the groundwork for an initial public offering of its Nigerian business and should complete the process in the next six months, Chief Executive Officer Rob Shuter said. "We have a lot of advisers running around getting everything ready," he said in an interview with Bloomberg TV on Wednesday. "It's a complicated process and there's a lot of regulation that needs to be arranged. We are moving forward well with the project and anticipate concluding that in the next six months or so." MTN agreed to the Lagos IPO as part of the settlement of a $1 billion fine imposed by Nigerian regulators on MTN in 2015. Africa's biggest wireless operator by sales incurred the penalty after missing a deadline to disconnect unregistered subscribers amid a security crackdown in the west African country. Since then, the CEO said he's been "pleased" with MTN's operation in Nigeria, the biggest of the Johannesburg-based company's 22 markets across Africa and the Middle East. Shuter, 50, joined MTN in March after holding executive roles at Vodafone Group Plc in Europe. He is the permanent replacement for Sifiso Dabengwa, who resigned after the Nigerian fine was imposed. Chairman Phuthuma Nhleko had run the company in the interim period. MTN Names Vodafone Executive as CEO in Wake of Nigeria Fine.

MTN's two other main countries are Iran and South Africa. In the former, Shuter said the company isn't "holding back" on expansion plans even as U.S. President Donald Trump objects to the terms of a nuclear deal that led to the lifting of economic sanctions last year. MTN has about 49.5 million customers in Iran, just under Nigeria's 50.3 million., and has repatriated almost $1 billion from the country in the last 12 months. "We are putting a lot of investment into the ground in Irancell," Shuter said. "There is a huge demand for mobile data there, its one of our fastest growing data markets. It is business as usual." MTN has no immediate plans to expand into new countries, and is instead focused on improving operations in existing markets, which include conflict areas such as Afghanistan and South Sudan, according to the CEO. The company needs to "build what we need to and get our networks into shape," Shuter said. "In months to come I think there will be an opportunity to participate in the consolidation of the market." MTN shares rose 0.2 percent to 122.96 rand as of 10:53 a.m. in Johannesburg, valuing the company at 231 billion rand ($16.3 billion). *(Bloomberg)*

MTN Group in South Africa has reiterated its commitment to list its Nigerian subsidiary on the Nigerian Stock Exchange (NSE) in the next six months as part of the settlement of the $1 billion fine imposed on it in 2015 by the Nigerian Communications Commission (NCC) over the failure by the telecoms company to deactivate 5.2 million unregistered SIM cards on its network. The chief executive of MTN Group, Rob Shuter, made the disclosure during an interview with Bloomberg Television on Wednesday. According to him, "MTN Group Ltd. is focused on laying the groundwork for an initial public offering of its Nigerian business and should complete the process in the next six months. "We have a lot of advisers running around getting everything ready. It's a complicated process and there's a lot of regulation that needs to be arranged. "We are moving forward well with the project and anticipate concluding that in the next six months or so." MTN agreed to the Nigerian initial public offer (IPO) as part of the settlement of a $1 billion fine imposed by the NCC on MTN in 2015. Africa's biggest wireless operator by sales and subscriber number incurred the penalty after missing a deadline to disconnect unregistered subscribers amid a security crackdown. According to NCC, each contravention on SIM card registration attracts N200,000 and MTN had 5.2 million unregistered SIM cards that were detected on its network in 2015, amounting to a fine of N1.04 trillion ($5 billion) at the time. The fine was however reduced by 25 per cent, following pleas from MTN. The firm got a further reduction to N780 billion, which was spread over a three-year period to ease payment. MTN has since commenced payment of the fine and is expected to complete payment in 2018. Since then, the CEO said he has been pleased with MTN's operations in Nigeria, the biggest of the Johannesburg-based company's 22 markets across Africa and the Middle East. Shuter joined MTN in March after holding executive roles at Vodafone Group Plc in Europe. He is the permanent replacement for Sifiso Dabengwa, who resigned after the Nigerian fine was imposed. Chairman Phuthuma Nhleko had run the company in the interim period. Shuter said his company was not holding back on expansion plans in the Middle East, even as U.S. President Donald Trump objected to the terms of a nuclear deal with Iran that led to the lifting of economic sanctions last year. MTN has about 49.5 million customers in Iran, just under Nigeria's 50.3 million and has repatriated almost $1 billion from the country in the last 12 months. Shuter said: "In months to come I think there will be an opportunity to participate in the consolidation of the market." MTN shares rose 0.2 per cent to 122.96 rand as of 10:53 a.m. on Wednesday in Johannesburg, valuing the company at 231 billion rand ($16.3 billion). *(This Day)*

Lafarge Africa Plc has formally applied to the Nigerian Stock Exchange (NSE) to raise N132 billion fresh capital from existing investors through a Rights Issue. Shareholders of the cement manufacturing firm had in June approved the proposal by the company to raise about N140 billion. However, the company has formally applied to raise about N132 billion through the issuance of 3,097,653,023 ordinary shares of 50 kobo each at N42.50 per share on the basis of five new ordinary share for every nine ordinary shares held as at November 1, 2017. Shareholders of the company had given the approval for the rights issue with a charge to the directors that the company would remain listed on the NSE. The Chairman of Lafarge Africa, Mr. Bolaji Balogun, had said that the rights issue, which is the first since 2005, represents an important step in resolving the company's foreign currency exposure and impact on its earnings. According to him, apart from reducing debt of the company, the right issue provides all shareholders opportunity to increase their investment in the company. "The recapitalisation is positive and our largest shareholder, LafargeHolcim has committed to subscribing to their rights in full through a conversion of existing shareholder loans.

This investment is a strong indication of the groups' continued belief in the Nigerian story. It is the largest right issue and the largest investment in a listed company by an investor. It reduces our foreign currency exposure by approximately half, improves our cash flow and positions the company for our future capacity expansion plans," he said. Responding to request by the shareholders that the company should not be delisted after the right issue, Balogun said if the LafargeHolcim was considering that option, it would not commit to make such huge investment in the company. Speaking on the company's turn-around plan launched in the third quarter of 2016, the chairman said it has started yielding results. "The plan revolves around achieving high reliability across our production facilities, increasing the use of alternative fuel(biomass) and locally sourced coal as a way to mitigate disruption of production by gas supply shortages and the impact of devaluation on cost of gas. We have increased local sourcing of critical materials to lower foreign exchange component of our operational costs. Finally, we are working on a new route to market initiative and improvements in logistics with increased vehicle turn-around and size of fleet of third party providers," Balogun said. *(This Day)*

Economic News

The International Monetary Fund has advised the Federal Government to urgently revisit tax holidays and exemptions given to companies. It specifically urged Nigeria to implement a reform that would see it phase out tax holidays and exemptions eroding the Company Income Tax base. Successive governments had granted controversial tax holidays and waivers, which were described as forms of corruption The Washington-based Fund also asked the Federal Government to increase taxes imposed on tobacco and alcohol, emphasising the need for socially responsible fiscal adjustment based on revenue mobilisation. The Senior Resident Representative and Mission Chief for Nigeria, Africa Department, IMF, Mr. Amine Mati, who said this in Lagos on Saturday, also stated that the Federal Government needed to reduce interest payments on borrowed funds to about 30 per cent of the country's revenue. According to Mati, there is also a need for Nigerian policymakers to move beyond voluntary compliance measures in tax matters in order to mobilise non-oil revenue and increase the fiscal space. The IMF chief spoke while making a presentation at a forum organised by the Chartered Institute of Bankers of Nigeria. In the presentation, he stressed the need to embark on full Value Added Tax and broaden it. On monetary policy, Mati welcomed the recent "de facto" tighter monetary policy stance and said there was a need to "stop the financing of the central bank to the government and strengthen the monetary policy framework." On exchange rate, the IMF chief told the Central Bank of Nigeria that the "recent introduction of the Investors and Exporters FX window is welcomed and there is a need to address market segmentation; remove FX restriction; simplify/unify the FX market; and improve operations of the FX market in line with market fundamentals." Mati said there were significant economic headwinds amid challenges and elevated risks for the country. He noted that the Federal Government's Economic Recovery and Growth Plan was an important step forward, adding that important policies and steps had been taken but policy action remained urgent. "Comprehensive policy package is needed, including front-loaded non-oil revenue mobilisation, greater exchange rate stability." A former President of the Chartered Institute of Taxation of Nigeria, Chief Mark Dike, described tax as a compulsory levy imposed by the government on individuals and companies for the provision of public goods and services. As a result, he said he was of the opinion that the government should create an enabling environment and provide general incentives for companies, adding that tax waivers and holidays could create a lack of level playing field. According to him, the government can reduce the tax rate to enable every company and individuals to pay. In terms of using tax to generate employment in some sectors, Dike said questions had arisen on the number of jobs being created in such sectors.

The Director-General, West Africa Institute for Economic Management, Prof. Akpan Ekpo, said the government might still need to give little tax holidays in order to encourage foreign direct investments and domestic investments in certain sectors. He, however, said that such tax holidays and exemptions should be given for only a short and definite period of time, and to only very few credible companies that had proven records. According to him, tax holiday and waivers have been abused in Nigeria and the government needs to watch the manner such are given. On the need to increase taxes on alcohol and tobacco, Ekpo stated that it was necessary owing to the health hazards they pose. An economic analyst and Chief Executive Officer of Cowry Asset Management Limited, Mr. Johnson Chukwu, said there was a need for the Federal Government to overhaul the entire tax holiday system, especially in the pioneer sectors, because the current system allowed corruption. According to Chukwu, there is a need to still give tax holidays and exemptions but it has to be only for a short period on an initial investment. *(Punch)*

The nation's external reserves have hit $34bn from $33.6bn attained on October 25, the Central Bank of Nigeria has stated. The reserves have been appreciating very fast after hitting $32bn on September 18. The Deputy Governor, Financial System Stability, CBN, Dr. Joseph Nnanna, who disclosed the latest figure in Lagos on Saturday, said the exchange rate stability achieved so far by the apex bank had come to stay. He expressed confidence that the usual end-of-the-year rush would not push up the naira-dollar exchange rate contrary to some people's expectations. The CBN deputy governor said this while fielding questions from journalists at a forum organised by the Chartered Institute of Bankers of Nigeria. Nnanna was among the chief executive officers of companies who were conferred with the CIBN Fellowship Awards. Asked if the exchange rate would go up as the end of the year was approaching, Nnanna said, "No, the rate will not go up, take it from me. We have achieved stability and the stability is here to stay. "The sustainability is already evident, the reserves are growing. As I speak, the reserves are $34bn. When we had volatility, the reserves were as low as $20bn. But let me say one thing: Nigeria can make do with a reserve level of $20bn but it is the press who gives the impression that if the reserves fall below $30bn, then there is a problem. "No, there is no problem. All we need to manage the economy and manage it properly is reserves that can cover at least three months of import. And in fact, as it is, $10bn or $12bn can give us reserve coverage of four months."

The CBN chief said the Investors and Exporters foreign exchange window had performed beyond the bank's expectations, adding that forex inflows in the past few months were huge. Nnanna stated, "Our exchange rate is convergent; we are getting southward. In the IMF, they talk about the need to have one rate. The one rate can happen organically or inorganically. For us at the CBN, we believe that organic convergence is the way to go. Inorganic convergence, which is forced, will always produce an arbitrage and that we don't want. The President, CIBN, Prof. Segun Ajibola, said a flexible exchange rate was helpful in an environment that lacked hiccups in forex management and supply strategies. He stated, "But in an environment that is so susceptible to the vagaries of foreign exchange market, in terms of inflow of foreign exchange income and over-reliance on basic items for importation, you run the risk of allowing the exchange rate to go to the rooftop, if you free it absolutely. "Normally, you hardly find any economy where the foreign exchange management succumbs totally to the forces of demand and supply. The best that we have seen is managed floating, which is what the Central Bank of Nigeria introduced in February this year. But as the economy stabilises and is diversified, and as we see more sources of forex earnings stabilising, especially the non-oil export, then we can be more and more flexible in our foreign exchange management policy." *(Punch)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Russia has signed agreements with Nigeria to build and operate a nuclear power plant in the oil-rich West African nation that has a deficit of reliable power and faces security challenges by Islamist militants in the far northeast. Feasibility studies for the plant and a research center construction will include site screening, capacity, financing, and time frames of the projects, state-owned Russian nuclear company Rosatom said in an emailed statement. The nations in 2009 signed an intergovernmental agreement on cooperation in the field of the peaceful usage of nuclear technologies. Nigeria in 2015 was in talks with Rosatom to build as many as four nuclear power plants costing about $20 billion, the Nigeria Atomic Energy Commission said at the time. Nigeria, Africa's most populous nation, distributes an average of 4,500 megawatts of electricity. Half the output of the Egbin power plant, the nation's biggest, is lost because of inadequate transmission infrastructure, its chief officer said last month. Rosatom is seeking to build nuclear power plants in other countries on the continent including South Africa. *(Bloomberg)*

The Securities and Exchange Commission on Monday launched the Nigerian Capital Market Development Fund to provide funding for the developmental initiatives of the capital market. The move, according to the former Chairman of the commission, Dr. Suleyman Ndanusa, is imperative as it will spur the growth of the capital market and the Nigerian economy. The Board of the fund, chaired by the Director-General of SEC, Mr. Mounir Gwarzo, was also inaugurated at the event. The establishment of the fund was part of the commission's strategic efforts in deepening its statutory mandate of developing and building a robust mechanism to facilitate the growth of the capital market. The NCMDF is expected to initiate and carry out plans and programmes aimed at the development of the capital market, generate and provide funds for financing of market development programmes, facilitate the introduction of new products aimed at deepening the market, and also undertake and sponsor research and scholarly projects aimed at advancing knowledge and understanding of the capital market. *(Punch)*

The Central Bank of Nigeria (CBN), on Tuesday injected another $195 million into the interbank foreign exchange market. The central bank offered the sum of $100 million to the wholesale window and intervened in the small and medium enterprises (SMEs) segment with $50 million. The invisibles segment, comprising tuition, medical payments and Basic Travel Allowance received $45 million. Confirming the figures, the Bank's acting Director, Corporate Communications Department, Mr. Isaac Okorafor, reiterated CBN's capacity to sustain the ongoing foreign exchange intervention especially now that the nation's external reserve is on the upward climb, and stands at $34 billion. Okorafor urged banks to continue to honour requests from customers with genuine needs, noting that the Bank will continue to sustain liquidity in the foreign exchange market. He also restated the Bank's determination to achieve its objective of rates convergence, hence the consistent intervention in the foreign exchange market. Meanwhile, the nation's currency maintained its stability in the forex market, exchanging at an average of N360/$1 in the BDC segment of the market. *(This Day)*

The African Development Bank said on Tuesday it could consider an additional $400 million for Nigeria to support its growth and recovery efforts and was in talks with the government on how to help it reinvigorate Africa's largest economy. The bank had been in talks with Nigeria for around a year to lend $400 million, the second tranche of a $1 billion loan, to shore up the country's budget deficit. On Monday, a vice president at the bank, Amadou Hott, told Reuters that the money was no longer for budget support and would instead be redirected to specific projects. Hott is vice president for power, energy, climate change and green growth. In a statement on Tuesday, the bank said: "An additional $400 million in support could be considered, if requested and approved by the Board, as part of a larger coordinated effort with other development partners, including the World Bank and the International Monetary Fund." The lender did not say whether the money that could be released would be in the form of budget support.*(Reuters)*

Nigeria plans to establish a $1 billion crop-processing park with Turkish investors in the country's north as part of efforts to improve value and boost agricultural exports, according to the country's investment-promotion agency. The Badeggi Crop Processing Zone in Niger state is expected to start in June next year, with an initial investment of $250 million by a Turkish investor, deputy director at Abuja-based Nigerian Investment Promotion Council, Aminu Takuma, said in an Oct. 30 interview. Additional funds of $800 million will follow and the investor will operate the park on completion, he said without identifying the Turkish partner, citing confidentiality obligations. The facility will process more than 750,000 metric tons of crops including rice, maize, yam, cassava, groundnuts and peas every year, according to the agency. The government plans to set up 15 similar crop zones across the country of more than 180 million people, including one in Lagos, the country's commercial capital. President Muhammadu Buhari is trying to end the country's dependence on oil as it emerges from its worst economic slump in 25 years caused by a drop in the output and price of crude, which accounts for more than 90 percent of foreign income. The government's economic growth plan seeks to increase the contribution of agriculture to gross domestic product to more than 8 percent by 2020, from about 4 percent this year. Goods will be transported from the crop-processing zone through the nearby Baro inland port on the Niger River, taking them down to the coast for shipment abroad, Takuma said. *(Bloomberg)*

A draft law to ease a dollar shortage by restricting movement of hard currency in and out of Nigeria passed its second parliamentary reading on Wednesday. A dearth of dollars since crude prices slumped in 2014, slashing government revenues, prompted a recession in 2016 that Africa's largest economy exited in the second quarter of this year. Oil sales are Nigeria's main source of foreign exchange. During the currency crunch most businesses have sought dollars on the black market where the local naira, at the start of the year, traded around 30 percent weaker than on the official market. To try resolve the currency crisis, the OPEC member state has set up at least different six exchange rates. The bill, read in the House of Representatives, is designed to replace a law passed in 2004. It would ban individuals and companies from exporting more than $50,000 in cash without written approval of the central bank, with contraventions punishable by up to two years in prison. Anyone importing more than $10,000 would have to disclose the source of and use for the funds, according to a copy of the bill seen by Reuters on Wednesday. The bill, which would have to be passed by the upper house to become law, also seeks to extend the time for issuance of capital importation certificates to 72 hours from 48 hours. The upper house of parliament agreed in September 2016 to investigate whether Africa's biggest telecoms company, MTN, unlawfully repatriated $13.92 billion between 2006 and 2016, because it allegedly did not obtain certificates declaring it had invested foreign currency within the deadline. MTN denied any wrongdoing. Nigeria's multiple exchange rates have come close to converging in the last few months as increased oil production, linked to the cessation of militant attacks on energy facilities in the Niger Delta, has seen the supply of dollars improve. *(Reuters)*

Nigeria's President Muhammadu Buhari will present the 2018 budget to parliament on Nov 7, he said in a letter on Thursday, seeking to avoid the delays that have plagued previous budgets, not passed until well into the years they targeted. The letter was read in the lower house of parliament by the chamber's speaker, Yakubu Dogara. Nigeria, with Africa's largest economy, is seeking to spend heavily to promote growth. The country only just climbed out of its first recession in 25 years in the second quarter of 2017, but still grew at a slow clip. Each of Buhari's budgets has set a record high level of spending, but economists say implementation, particularly on capital expenditure that is meant to jump-start infrastructure building, has been lacking. At the same time, previous budgets have been beset by wrangling with lawmakers over line items. The 2017 budget was not signed into law until halfway through the year, and even then certain spending was still being debated. Although Buhari did not disclose details of the budget, the government last month published a document that said the budget would be a record 8.6 trillion naira ($27.3 billion) in 2018, up 15.5 percent from this year. Once Buhari has presented the 2018 budget to lawmakers, it must still be approved by the lower and upper chambers of parliament before it can be signed into law, a process that can take many months. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Tanzania

Corporate News

CITIBANK Tanzania net profit has slumped down by almost half after net interest income slide down by a third in this year's quarter three. The corporate bank, with a single branch, posted a net profit of 2.74bn/- in Q3 down from 4.90bn/- similar period last year. The profit slump, according to financial statement, was mainly attributed to dropping of net income revenue by a third to 6.61bn/- from 9.63bn/-. The loan revenue went down after the amount lent out dropped to 176.13bn/- from 195.77bn/-. The bank, despite reducing the amount loaned out, assets grew 11.6 per cent to 659.03bn/-, thanks to increase balances with central bank and investment in government securities. Citibank boasts one of the lowest nonperforming loans in the country after dropping to 0.1per cent in Q3 from 4.5per cent of Q2. Customer deposits have increased by 12.8 per cent to 476.57bn/- in three months to September from 413.64bn/- at the end of June. Nevertheless, non-interest revenue increased slightly to 4.58bn/- from 4.45bn/- pushed up mainly by foreign currency dealings. On current year cumulative to September, the Citibank profit also went down by over 30 per cent to 10.62bn/- from 15.11bn/The profit slumping was due to drop of net interest income to 23.34bn/- from 28.88bn/-. Citi is the only U.S. bank in Tanzania, where which has been operating since 1995. Citi in Tanzania is part of the Citi East African network which includes Kenya, Uganda and Zambia.*(Daily News)*

The downfall of Acacia Mining Plc took a new turn as the company's top executives resigned, bringing fresh uncertainty to the future of the Tanzanian miner owned by Barrick Gold Corp. Chief Executive Officer Brad Gordon and Chief Financial Officer Andrew Wray will step down on Dec. 31, the gold miner said in a statement. The miner's top three executives are planning to leave, as Chief Operating Officer Mark Morcombe said last month he would resign. The departures suggest Acacia's relationship with Barrick, its majority shareholder, is worsening during a long-running dispute with the Tanzanian government. Barrick last month reached a preliminary agreement with the Tanzanian government to resolve a $190 billion tax penalty, but didn't tell Acacia about the terms of the settlement until after the deal was announced. Acacia shares have lost about half their value this year as Tanzania banned exports of unprocessed gold in March and claimed the company had under-declared export revenue since 2000. "We can only assume that the lack of control over the negotiations with the Tanzanian government made their positions untenable," said Michael Stoner, an analyst at Berenberg Bank, referring to the resignations. "We view this as negative news for the company." Barrick Chairman John Thornton agreed last month that Acacia would establish a new operating model to share the economic benefits from the mines equally with the Tanzanian government and pay $300 million to the state as a "show of good faith." A spokesman for Barrick declined to comment on the resignations.

Though the exact terms of the deal are still to be agreed, it will include the creation of a Tanzanian operating company with substantial decision-making power, leaving little room for Acacia's international executives, said Andrew Breichmanas an analyst at BMO Capital Markets Ltd. It's "clearly not a positive given the depth of experience that Brad and Andrew have, but it could appease the Tanzanian government," Investec analysts wrote in a report. "Barrick will be able to say how they are sorting things out." Gordon was appointed CEO in 2013, and was successful in increasing production while reducing costs, said Breichmanas of BMO. "The current Acacia executives have delivered an incredible turn around in terms of the performance of the operations," he said. "Given the history of the assets, there should be a decent amount of skepticism about how they are going to perform in the future under a new management team and a new structure." Barrick's time in Tanzania has been difficult since it entered the country in 1999. It spun off the business to create African Barrick Gold Plc, later renamed Acacia, but struggled to manage costs and community relations. Barrick holds a 64 percent stake in the company. Under last month's deal, Tanzanian and Barrick representatives still need to work out the details and payment terms of an agreement. Acacia's board appointed Peter Geleta, head of organizational effectiveness, as interim CEO. Jaco Maritz, the general manager for finance, will be CFO starting Jan. 1. Gordon is leaving to spend more time with his family, while Wray is a pursuing a new opportunity elsewhere, the company said in a statement on Thursday. Both will remain with the business until the end of the year to ensure "a smooth transition," it said. *(Bloomberg)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Economic News

Tanzania's opposition Alliance for Change and Transparency said its leader, Zitto Kabwe, was arrested on Tuesday and is being questioned over a speech he gave on Oct. 29. "He talked about the quality of life of Tanzanians, the state of the economy and how to defeat the ruling party," Abdallah Khamis, the party's spokesman, said by phone. Kabwe has been arrested at least twice this year in a series of detentions of opposition figures who have become more vocal in their criticism of President John Magufuli's administration. In July, more than 50 members of the main opposition Chama Cha Demokrasia Na Maendeleo, or Chadema, were charged in court for unlawful assembly. Chadema's chief whip, Tundu Lissu, was arrested in July for allegedly calling Magufuli a dictator. He was shot in September by unidentified gunmen and was airlifted to a hospital in neighboring Kenya. The detentions and closure of several newspapers have stoked fears of a crackdown on dissent. Lazaro Nyalandu, a Chama Cha Mapinduzi lawmaker since 2000, quit the ruling party and joined Chadema over what he described as the deteriorating political situation in East Africa's second-biggest economy. He cited reports of human-rights violations and a lack of separation of powers between the government, parliament and the judiciary were behind his decision. The former natural resources and tourism minister's resignation is the first significant defection from the ruling party since the president took office in late 2015. Elected after promising to fight endemic corruption, Magufuli has cut government waste and demanded more revenue from companies mining gold and diamonds such as Acacia Mining Plc. *(Bloomberg)*

Tanzania's energy regulator raised the maximum price for petrol, diesel and kerosene on Wednesday to reflect higher crude prices and a weaker local currency, in a move likely to lift inflation. Fuel prices have a big influence on the inflation rate in East Africa's second biggest economy, which rose to 5.3 percent in the 12 months through September from 5.0 percent the previous month. Tanzania's Energy and Water Utilities Regulatory Authority (EWURA) raised the maximum retail price of petrol by 2.69 percent and increased the cap for diesel by 2.43 percent. The maximum kerosene price was lifted 4.35 percent in the latest monthly price decisions, which take immediate effect. "The increases in local prices have been caused by increases in world oil market prices and the depreciation of the Tanzanian shilling against the U.S. dollar," EWURA said in a statement. The regulator increased the price of petrol in the commercial capital Dar es Salaam by 55 shillings ($0.0246) per litre to 2,118 shillings, and the price of diesel in the capital by 46 shillings to 1,954 shillings per litre. Kerosene prices in the city rose 81 shillings to 1,939 shillings per litre. *(Reuters)*

Zambia

Corporate News

No Corporate News This Week

Economic News

No Economic News This Week

Zimbabwe

Corporate News

Econet has released its results for the half year ended August, 31, 2017 showing significant growth in both revenue and profits. Revenue for the period was up by 17 percent to $353 million while profit was up 228 percent to $49 million from $14,9 million prior year comparative. The company's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) rose by 31 percent to $139 million from $106 million recorded in the same period last year. The results also reflects the reduction in the group's finance costs following its $130 million capital raise which was used to pay off its foreign debts. Econet managed to reduce its finance costs during the reported period by $ 10,7 million after repaying its US dollar debt with the funds raised from its Rights Offer, which was concluded earlier in the year. In the first half of 2016, the company paid $15,2 million in finance costs. Chief Executive Officer, Douglas Mboweni attributed the strong performance to continued innovation within the business with non-voice products increasing their contribution. "Our focus is to use technology to transform, in a deep, meaningful and fundamental way, how our customers transact and do business, and to provide convenience through technology," said Mr. Mboweni. "In line with our TMT strategy, we recently launched Kwesé TV in Zimbabwe, in partnership with Econet Media Limited. We are encouraged by the employment opportunities and new skills that have been created in our country as a result," Mr. Mboweni said. Data, Ecocash and other non-voice products now constitute 63 percent of the company's total revenues. Consistent with the rapid growth in data usage and increased smartphone penetration, data revenue grew by 9 percent, from $52,8 million to $63,4 million during the period under review.

Mobile financial transacting service EcoCash's revenues rose by 45 percent, from $39,2 million to $57,1 million. Commenting on the results, Econet Wireless Zimbabwe's Finance Director Roy Chimanikire said the company continued to grow shareholder value in a difficult operating environment. "Our results demonstrate diligent execution of our strategy. Our key message has been that we are growing the non-voice elements of our business. The trends that we are seeing are very encouraging. As we continue to evolve into a fully converged TMT business, we see our business changing in the depth and quality of its revenue streams and its return potential. We are well positioned to take advantage of the opportunities that are available to us in this market," said Mr. Chimanikire. "Our Rights Offer, which raised $130 million to settle all our United States Dollar debt, enabled us to avert a potentially disastrous situation for the business, had we defaulted on our debt obligations," he said. Commenting on the business outlook, Mr. Mboweni said the future looked bright. "Going into the future, we will continue to strive to deliver more value to our customers through tailor made product offers, as well as market segmentation and product bundling across all the three pillars of our TMT model. In view of the current cash shortages, and the growing use of digital financial transactions, our solutions are now a preferred mode of transacting, and we are working on further scaling up our mobile transacting and banking systems to accommodate increased demand," said Mr. Mboweni.*(Herald)*

Steward Bank on Tuesday said its after tax profit more than trebled to $8,5 million in the six months to August from $2,6 million in the comparable period last year, driven by a significant increase in revenue. Revenue increased by 93 percent to $29 million from $15 million in the same period last year , chiefly on increased non-interest income. "Overall performance was largely driven by a strong growth in non-interest income which grew 112 percent from prior year due to a surge in transactional volumes, notably on cards, POS and mobile banking transactions," chairman Bernard Chidzero said in a statement accompanying the bank's results. Net-interest income also increased by 34 percent to $4,84 million from $3,6 million in the comparable period last year. However, operating expenditure increased to $15 million from $9,7 million in the same period last year. Total deposits increased by 14,5 percent to $165,7 million from $144,6 million recorded in the prior year as a result of an increase in individual deposits while loan and advances to customers declined by 1,5 percent to $52,8 million from $53,6 million. Total assets increased by 12,5 percent to $254,4 million from $226,1 million mainly on the back of an increase in financial assets. The equity position improved to $83,5 million from $75 million with accumulated losses declining from $35 million last year to $25,9 million as at August 31. The bank's cost to income ratio improved to 52 percent from 64 percent on improved efficiencies in service delivery. Loans and borrowings increased to $1,3 million from $280,000 in the same period last year. Steward bank's capital adequacy ratio increased to 57 percent from 45 percent.

Additionally, the bank's liquidity ratio stood at 83 percent, which is more than double the minimum regulatory ratio of 30 percent.(*The Source)*

Regional cement maker Pretoria Portland Cement (PPC) says it has received an offer from a global building materials and solutions company, LarfargeHolcim, challenging an earlier offer from Fairfax. PPC, which operates 11 cement factories in South Africa, Botswana, the Democratic Republic of Congo, Ethiopia, Rwanda and Zimbabwe is subject of several takeover bids, including from Nigeria's Dangote. LafargeHolcim is a leading global building materials and solutions company which produces cement, aggregates and ready-mix concrete, with a footprint in 80 countries. Acquiring PPC will see the Swiss-based firm combining its African assets with South Africa's largest cement maker. Both Larfarge and PPC have operations in Zimbabwe. "PPC shareholders are advised that PPC has received a non-binding expression of interest ("EOI") from LafargeHolcim, which contemplates a combination of certain African assets, a partial cash offer and a special dividend," PPC said in a statement on Friday. PPC said LafargeHolcim intended to submit a firm offer next month after a due diligence process. "LafargeHolcim intends to submit a Firm Intention Offer during the week commencing 20 November 2017, following the completion of a due diligence process," PPC said. PPC said the Fairfax Africa Investments Proprietary Limited (Fairfax) partial offer, which was announced early last month, was still proceeding in accordance with the independent board process. It has previously indicated that Fairfax's R2 billion offer undervalues the company. Dangote Cement made its pitch to acquire the company's entire share capital, also last month. Last month PPC reported that volumes at its Zimbabwe operation rose 25 percent in the period between January to August on increased production at its new Harare mill. *(The Source)*

Zimbabwe's largest platinum mine, Zimplats recorded a 0.8 percent decline in output while the second largest Mimosa in Zvishavane recorded a 3.9 percent increase in the first quarter ended 30 September 2017. In a production report released on Tuesday, the world's second largest platinum miner, Impala Platinum said output at its 87 percent owned Zimplats was down from 1,7 million tonnes recorded in the corresponding period last year, to 1,69 million tonnes. Production at Mimosa mine in which Implats holds a fifty percent stake, went up to 717 000 tonnes compared to 690 000 tonnes in the previous comparable quarter. Implats said Zimplats sustained operational performance at above design capacity with mill throughput and grade largely unchanged at 1.69 million tonnes and 3.49 g/t (6E) respectively during the quarter. "As a result, platinum in concentrate produced at the operation during the quarter remained unchanged at 71 000 ounces. However, platinum in matte was again impacted by scheduled furnace maintenance during the quarter. The furnace was switched off for a planned 49-day sidewall reline at the end of August 2017," the company said. Implats added that metal produced from the concentrators during the shutdown period would be exported as concentrate during the quarter ending December 2017. "Consequently, matte production during the quarter reduced by 7.8 percent to 47 000 ounces, compared to 51 000 ounces in the prior corresponding period. At Mimosa, the company continued a strong operational performance which also saw platinum production in concentrate increase by 5.6 percent to 32 200 ounces from 30 500 ounces in the prior corresponding period on the back of improved tonnage and a higher mill grade. *(The Source)*

Australian junior miner Prospect Resources said it has been granted national project status for its Arcadia Lithium project in Harare by the Zimbabwe government. National Project Status is often applied to projects which have a large capital cost with a large portion of this cost being equipment and services not available in Zimbabwe. Prospect is currently negotiating with potential investors to raise $55 million to construct a concentrate plant for its Arcadia lithium project in Harare. In a statement on Tuesday company chairman Hugh Warner said Prospect would be exempted from paying duty on capital equipment over a five year period. "National Project Status is another confirmation of the support we are receiving from the Zimbabwe Government to develop Arcadia. Our lithium deposit is covered by mining claims, our environmental approvals are in place and now we can add National Project Status which will help keep the upfront capital costs down," said Warner. "Once we settle off-take discussions and finance, we plan to begin construction of our Arcadia Lithium Deposit." *(The Source)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Economic News

Renowned professor at The John Hopkins University, Steve Hanke suggests in his latest note that Zimbabwe's inflation has in fact, reached 332,62 percent, not the official 0,78 percent. Hanke's calculations are based on the application of Purchasing Power Parity (PPP) on the stock price of the insurance and investment company Old Mutual, which is listed on both the London Stock Exchange and the Zimbabwe Stock Exchange. "Each share of Old Mutual commands the same claim on the company's earnings and assets, irrespective of the market it is traded on. The only difference between Old Mutual shares traded on different exchanges is that the shares traded in London are denominated in British pounds sterling; whereas, those traded in Harare are denominated in Zimbabwe dollars.," he says. "Therefore, if price arbitrage works and PPP holds, the ratio of the Old Mutual share price in Harare to that in London equals the Zimbabwe dollar/sterling exchange rate. To convert the resulting Zimbabwe dollar/sterling exchange rate to a Zimbabwe dollar/U.S. dollar rate, I multiplied the Zimbabwe dollar/sterling rate by the sterling/U.S. dollar rate, creating what is known as the Old Mutual Implied Rate (OMIR)." At the height of Zimbabwe's hyperinflation, which ended in February 2009 when the country dollarised, the bulk of transactions between the fast-devaluing Zimbabwe dollar and other currencies, primarily the US dollar, were calculated using an Old Mutual Implied Rate. This market-driven rate used the price of the Old Mutual share on the LSE against the corresponding price on the ZSE. Since the introduction of the surrogate currency, bond notes, last year and Old Mutual started to trade at a premium relative to its price on other stock exchanges, analysts started using the OMIR as a gross indicator to measure how Zimbabwe assets are overvalued. According to Hanke, it is also a reliable indicator of Zimbabwe's true inflation rate.

According to ZimStat, inflation rose to 0,78 percent in September on a year- on-year basis, from 0,14 percent in August. This implies that prices as measured by consumer prices index (CPI) rose by a 0,78 percent in the period between September 2016 to September this year. On a month on month basis, inflation rose to 0,38 percent. The International Monetary Fund has projected inflation to close the year at 7 percent while the government expects it to be between 3 percent and 4 percent. Experts said inflation figures reported by Zimstat, the official provider of statistics, do not capture the high prices borne by the consumer as prices of most items have risen by approximately 20 to 70 percent in retail outlet across the country. "There is a mismatch between what the consumers are facing (in terms of the prices of products) and what is reported by ZIMSTAT, clearly the inflation figures do not reflect the price increases we are witnessing in the economy," an economist said. "Most of the prices have moved up by at least 20 percent to 50 percent in line with the parallel exchange rate." However some analysts said it's important to evaluate the individual items that makes up the final inflation figure. "The problem is that our inflation basket captures too many things and so the quantum of items that are included in the basket dilute the increases of some products, in particular basic commodities," an analyst said. According to ZimStat's latest numbers for September, food and non alcoholic beverages contributed 33,5 percent while housing water, electricity and other fuels contribute 17,7 percent. Other major contributors include furniture and household equipment which have a weight of 9,9 percent while transport contribute 9,8 percent.

According to Zimstat food inflation has remained in the positive territory since February. However, non food inflation has largely remained in the negative territory due to waning disposable incomes which have left consumers with little money to spend on basic commodities. Huge discounts obtaining on cash purchases on durable goods and other services also contributed to a negative non food inflation. A report by local research firm, Econometer Global Capital says the reported inflation figures do not adequately capture the ongoing price increases. "Official data fail to justify the reality of an increase in prices when paid for using electronic channels and bond notes. There is growing disparity between official data and what is happening on the ground as official data measure inflation using quoted and displayed hard currency cash prices," it said in recent research note. Based on its tracked consumer basket, year-on-year inflation topped 65 percent in September, reflecting the sudden increase in prices caused by panic buying in the same month. The Consumer Council of Zimbabwe (CCZ), which carries a survey every month to assess the consumer basket, also witnessed a significant increase in prices. "We are witnessing a considerable change in the prices of basic commodities on a monthly basis , especially from the survey we did in September. Prices have increased significantly although some items remain unchanged. Moreover, there are no price decreases at the moment, it's either an increase or the price remains unchanged," an official from CCZ said. Some analysts say the October inflation figures should fairly reflect what is really happening on the ground following the panic buying that happened last month.

"The inflation figures are not reflecting what is happening on the ground, which makes us doubt the authenticity of these statistics. However the October figures should capture the price increases that have happened, especially after the panic buying that happened in September," an analyst said. The rise in prices is largely attributed to the shortage of cash in circulation as retailers buy hard currency at a premium from the black market to pay suppliers and eventually pass the cost to the consumer. RTGS and mobile money transactions attract a premium of up to 70 percent. However some analysts said although the 'premium' charged to obtain the greenback on the black market give rise to cost push inflation, it is not adequate to measure inflation. "Although the premium charged on the parallel market for RTGs and bond notes might give a better picture on inflation rate, it's not a credible measure because inflation rate has to be derived using a systematic way which measures price changes on different items over time," another analyst said. Which bring us back to the Old Mutual Implied Rate. "The Old Mutual Implied Rate is a leading indicator of where our inflation is going in the near future," an analyst said. So, is inflation really at 332 percent? Analysts say the Old Mutual implied rate should be used with caution, as the current bull run on the stock market is misleading and relying on that rate will not fairly capture the rate at which consumer prices are increasing. Although the inflation basket is broad, in general prices of almost everything has increased at a greater pace than the obtaining inflation figures. As such, the October inflation rate should give us a better reflection of what is happening on the ground, if ZimStat is to be believed. *(The Source)*

The Zimbabwe Stock Exchange Industrial Index opened the week higher after adding 0,21 percent to close at 515,36 points on Monday. The mining index lost 3,62 percent to close at 132,28 points. Market capitalization stood at $14 billion while market turnover amounted to $3,5 million. Beverage maker, Delta advanced 0,04 percent to settle 306,11 cents. OK Zimbabwe, Old Mutual and SeedCo added 6,56 percent, 0,07 percent and 0,19 percent to trade at 24,05 cents, 1,430 cents and 310,61 cents respectively. Simbisa also gained 0,95 percent to settle 65,62 cents. NMB advanced 5,58 percent to close at 10,03 cents while Meikles advanced 13,99 percent to settle at 48,48 cents. Edgars also advanced 0,34 percent to settle at 5,82 cents. Partially offsetting the small gain recorded by the mainstream index, Axia and Innscor eased 1,85 percent and 0,29 percent to settle at 26,01 cents and 166,51 cents respectively. Innscor also sheds 0,29 percent to settle at 166,51 cents in the day. On the resources space, Bindura eased 11,64 percent to trade at 4,78 cents while Hwange, Riozim and FalGold remained unchanged at previous prices. Foreigners were sellers disposing shares worth $483,109 compared to buys of $244,946. *(The Source)*

Zimbabwe is among the 10 sub-Saharan Africa economies which have deteriorated significantly despite a positive outlook for the region, the International Monetary Fund (IMF) said on Monday. The southern African country is expected to grow by 2,8 percent this year before slowing to 0,8 percent in 2018, according to the IMF, as its reform programme stalls due to political, and governance challenges. With borrowings of $13 billion, 70 percent of GDP, Zimbabwe is among countries in the region with highest levels of debt. The country undertook an IMF staff monitored programme between 2013 and 2015 but failed to implement key reforms, notably of its civil service, which gobbles 80 percent of its budget. "In particular, the economic outlook for Burundi, Eritrea, São Tomé and Príncipe, Togo, and Zimbabwe is complicated by high levels of public debt, while climate change risks are also important for Burundi, Eritrea, Madagascar, and Malawi," the IMF said in a report launched in Harare. Zimbabwe, along with Burundi, Chad, the Democratic Republic of the Congo, the Republic of Congo, Eritrea, The Gambia, Liberia, Sierra Leone, South Sudan, experienced a rather marked deterioration in their economic performance, IMF said. The sub-Saharan economy is expected to grow 3,4 percent in 2018 up from 2,6 percent in this year. The region's growth slowed sharply in 2016, averaging 1.4 percent, the lowest in two decades as about two-thirds of the countries in the region which account for 83 percent of the region's GDP, slowed down. Sub-Saharan population growth averaged 2.7 percent, according to a 2015 World Bank estimate.

Presenting the IMF's latest economic outlook report on Monday in Harare, director of the IMF's African Department Abebe Selassie said the broad based slowdown in the region was easing but the underlying situation remains difficult. "We seeing a pickup in activity to 2,6 percent this year which is encouraging. Notwithstanding this recovery we are still going to have a situation where 12 out of the 45 countries will not be enjoying increased per capita income this is about 40 percent of the population in the region," he said. "Beyond this year to 2018 we see growth accelerating to around 3,5 percent which is good news but short of the 5 percent which the region was enjoying in 2013.A lot of work needs to be done to put in place policies to get growth to 5-6 percent which we need to make a significant dent on poverty going forward." Selassie warned that increasing levels of public debt were amplifying the strain on the financial sector. "The maiden level of public sector debt in sub-Saharan Africa rose from about 34 percent of GDP in 2013 to 48 percent in 2016, and is expected to exceed 50 percent in 2017….This was driven by slow growth, a slump in commodity prices, widening fiscal deficits and in some cases sharp exchange rate depreciations." *(The Source)*

Zimbabwe has earned $666,8 million from 123,7 million kilogrammes of tobacco exported mainly to South Africa and China since the beginning of 2017. Statistics from the Tobacco Industry Marketing Board's latest weekly bulletin show that China accounted for over 27,4 million kg valued at $217,4 million while South Africa bought 17,8 million kg for $52,5 million. With an estimated 350 million smokers, China has been spending over $200 million per annum on Zimbabwean tobacco. Part of the TIMB weekly bulletin reads: "As of last week (Thursday) October 26, 123,7 million kg were exported to more than 60 countries so far, generating $666,8 million into the local economy. "During the same period last year tobacco exports generated $591,6 million from 111,9 million kg. The golden leaf is presently being exported to these countries at an average price of $4,49 a kg compared to $5,28 (in) the same period last year."Belgium has so far bought 16,8 million kg worth $50,2 million (average price of $5,14/kg), followed by Indonesia, which has spent $33,3 million on 7,9 million kg, while United Arab Emirates stands at 7,5 million kg worth $14,6 million. Other buyers include Russia, Bulgaria, Vietnam, Hong Kong, France, Netherlands, Germany, Holland, Sudan, Spain and Tanzania. Last year tobacco exports topped $933 million, which was a marginal surge from $855 million from the previous season. During the 2017 marketing season, farmers sold 189 million kilogrammes of flue-cured tobacco, with contract farmers contributing most of the deliveries at 158 million kg, while self-financed farmers weighed in with 31 million kg.

Meanwhile, farmers have already started planting for the upcoming season. Mashonaland East Province is still leading all the country's provinces in terms of the hectarage that has been put under flue-cured tobacco, having 5 625 hectares under the cash crop out of the 15 296ha planted countrywide. The TIMB bulletin showed that the 15 296ha of tobacco planted throughout the country is a 0,9 percent increase from the 15 154 ha planted in the same period last year. The bulk of the hectarage, at 13 947, is under irrigation, while 1 349ha is under dry land. Mashonaland West tobacco farmers, who usually lead the pack are in second position, having so far planted 3 828ha, followed by Mashonaland Central with 3 636ha and Manicaland with 2 207ha. Many tobacco farmers are under contract farming where beneficiaries often access inputs such as fertilisers and chemicals timely. Some contracts even cover labour costs. Agribank has come up with a $28 million tobacco kitty, which will ensure that the tobacco auction system remains in place as the domination of the contract system will entirely affect the tobacco sector through manipulation of the system as what happened to the cotton sector. Tobacco registrations for the 2017 /8 season rose 39 percent to 93 795 from 67 493 last season. This shows a high appetite of growing the golden leaf among farmers. Tobacco is the country's highest foreign currency earner followed by gold. The central bank is considering opening the auctions floors early in a bid to ease foreign currency pressure Zimbabwe is experiencing. *(Herald)*

Chinese telecoms giant ZTE says it intends to expand its footprint in Zimbabwe's information technology and communication (ICT) sector with plans to invest in 4G and 5G technology. ZTE chief operating officer Huang Dabin told journalists on Wednesday that the company was considering to set up base in Harare for its fibre business. "We see many opportunities here and we understand that there may be challenges now but we think they are short-term issues…We believe with the effort of both sides we can find solutions going forward," said Dabin. "There are new opportunities in high power optical fibre and we think that the ICT industry has new opportunities in 4G and 5G technology. So in all these areas we think that it is a billion of dollars worth of opportunity. ZTE is already working with state owned fixed line operator,Telone, to expand the country's backbone fibre network. The company is also a key supplier to mobile network operators Telecel and Econet. *(The Source)*

The Zimbabwe Stock Exchange indices opened the month of November higher, with both the industrial and mining index advancing 0,26 percent and 4,36 percent to close at 523,22 points and 138,27 points respectively. Market capitalisation stood at $14,8 billion while a market turnover amounting to $7,5 million was recorded on the local bourse. Delta advanced 0,37 percent to settle at 316,13 cents while Econet was largely flat at 182 cents. Simbisa and OK Zim advanced 3,82 percent and 3,79 percent to settle at 68 cents and 26 cents respectively. Padenga and Old Mutual advanced 1,09 percent and 0,1 percent to settle at 79,02 cents and 1,430 cents respectively.

Additionally, TSL and CFI added 7,38 percent and 0,67 percent to close at 40 cents and 71,98 cents respectively. On the shakers side, Meikles eased 9,24 percent to settle at 44 cents while FML lost 5 percent to settle at 19 cents. The mining index gained on the back of Bindura and RioZim which picked up 13,18 percent and 0,87 percent to settle at 5,41 cents and 116 cents respectively. Falgold and Hwange remained unchanged at 2,01 cents and 3,74 cents respectively. Foreigners were sellers in the day disposing of shares worth $3,96 million compared to buys of $1,96 million**.***(The Source)*

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