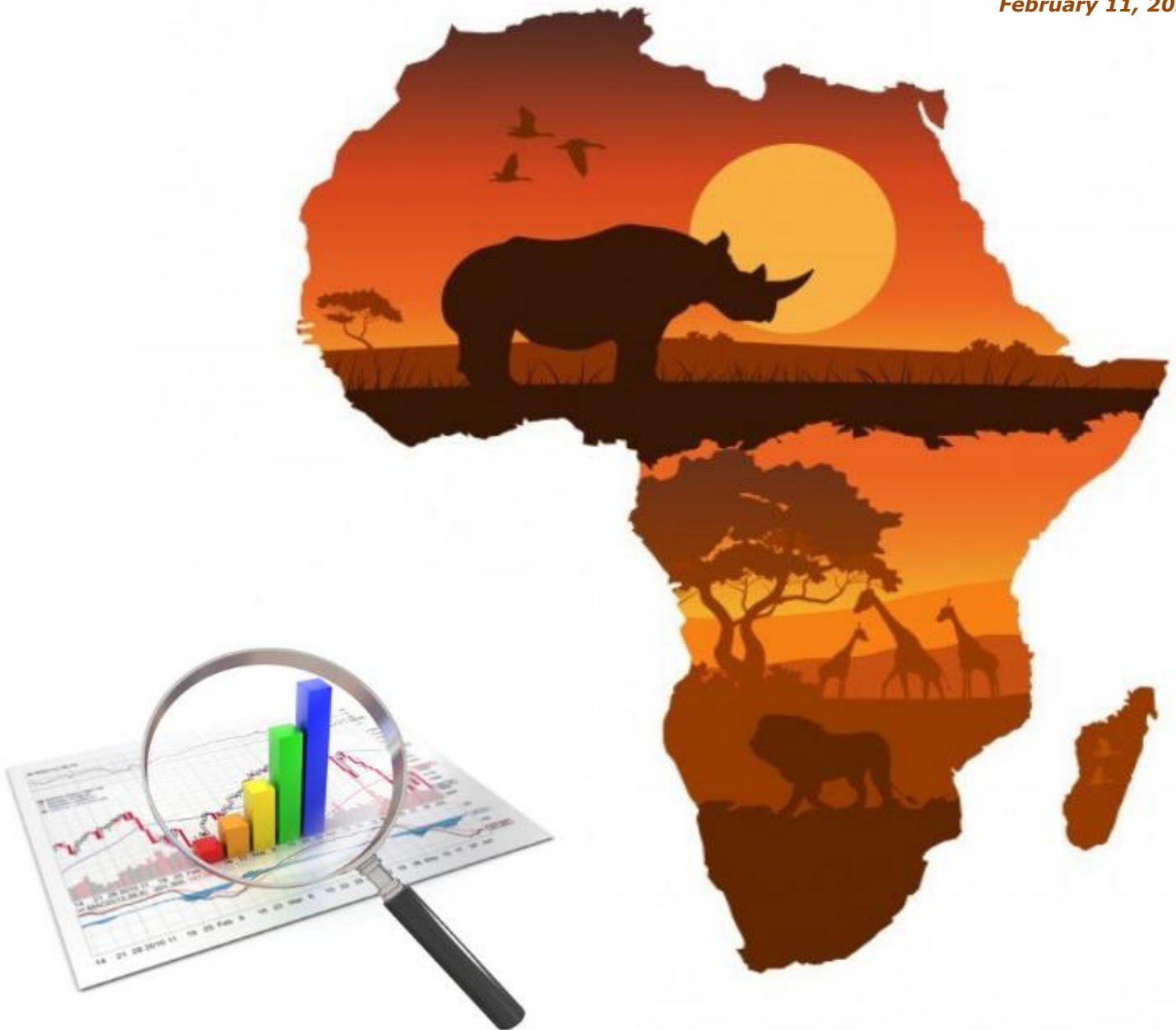


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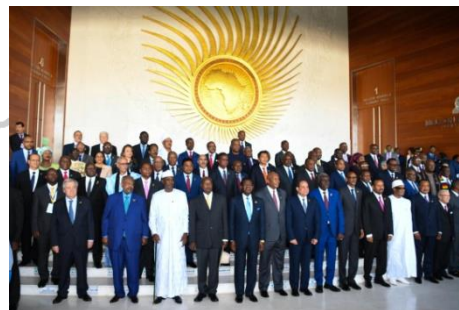
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### African Union Summit 2020 – “Silencing the Guns”

The 33<sup>rd</sup> African Union (AU) summit, themed “Silencing the guns: Creating conducive conditions for Africa’s development” commenced on February 9 in Addis Ababa, Ethiopia. At the summit, South African president, Cyril Ramaphosa was appointed as the new chairman – succeeding the Egyptian president, Abdel Fattah el-Sisi. All the African leaders were in attendance. Also, the 2020 African Development Bank (AfDB) economic outlook was applauded for being an impressive guide to bridging the continent’s human capacity gap. However, President Alassane of Cote d’Ivoire stated that the continent still had a long way to go.



The United Nations and AfDB lauded the progress made so far in achieving the AU’s 2063 Agenda. The AfDB president, Akinwunmi Adesina, urged all African leaders to adopt measures in ensuring that processes towards structural and economic transformation were accelerated. During the meeting, the dispute between Kenya and Djibouti regarding the non-permanent member Security Council seat rose. Prior to the summit, Kenya solicited formally on why Djibouti was still campaigning for the seat after losing to Kenya the previous year. Although, no consensus was reached by both parties, the AU emphasized the need for Africa to have a permanent seat in the council. The border closure in Nigeria was also addressed. While critics argue that the closure does not comply with some protocols of the ECOWAS and AU, Nigeria’s position on the matter remained unchanged. With this, an ECOWAS committee, led by President Roch Kabore of Burkinafaso, have decided to investigate the border closure and make a comprehensive report.

The 2020 economic outlook report revealed how far African countries have come in achieving the sustainable development goal from 2013 to 2019, and also hammered on challenges confronting the continent. Issues concerning security and optimal achievement of the SDGs and 2063 Agenda were the main focus of the summit.

Newly elected Chair, Ramaphosa, in his statement, prioritized resolving conflicts in South Sudan and Libya going forward. He also mentioned that two summits will be held in May this year while the UN Secretary General, António Guterres, has pledged to work closely with the AU to achieve Agenda 2063.

## Sahel countries meet in France to revamp anti terrorism strategy

In mid-January 2020, leaders of the G5 Sahel countries (Burkina Faso, Chad, Mali, Mauritania and Niger) met France's president, Emmanuel Macron. The security summit in Pau, was held to finalize their joint strategy in response to the accelerating wave of jihadist attacks in West Africa.



Since September 2019, the Sahel region has been the target of a series of brutal attacks by jihadists that have inflicted severe casualties among national armed forces. For example, on January 9th about 89 Nigérien troops died in an assault on the Chinagodrar garrison, near the border with neighboring Mali.

Similar attacks occurred in the "three frontiers region", where Burkina Faso, Mali and Niger converge. The militants have deployed heavy weapons and sophisticated tactics in an effort to drive back the state presence at all three countries' borders to create a militant safe haven. Coastal West African states are now stepping up their political and military engagement with the Sahel, amid concern that Niger and Burkina Faso are too weak to prevent their territory from being used to stage attacks on neighbouring regional states.



### France demands regional backing

It has become clear that the existing regional and international military response, where France's Operation Barkhane supports the local Sahel

countries' national armies and their special G5 joint force, is no longer adequate to



control the dire security situation. Conditions in the Sahel have been deteriorating rapidly since early 2019 and are likely to deteriorate further this year. Meanwhile, in the aftermath of a helicopter crash that killed 13 French soldiers in November 2019, President Macron demanded a public demonstration of solidarity and gratitude from the G5 leaders at a time of rising anti-French voices in some Sahelian capitals.

However, the impression that African leaders were being summoned by the former colonial power caused further resentment and is widely believed to have led to the deferment of the Pau summit until January. Macron has sought to defuse the sour mood by visiting Niger, where he paid his respects at the memorial to the 71 troops, and emphasizing that France will only fight where it has been invited to do so. The security meeting was intended to send an important political message, primarily to the public in Sahelian countries and also in France that Macron was keen to show that France's post-colonial era of interference in its former colonies was at an end.

### **Resilience of the Sahel jihadi groups**

France has received increasing vocal criticism in countries such as Mali and Burkina Faso. Radical or populist resentment of the military presence of the former colonial power is reinforced by the French forces' inability to end the terrorist violence. Moreover, Malian nationalists based in the capital, Bamako, accuse the French of protecting Tuareg separatist groups in the country's far north-east, who control the area around the city of Kidal. Meanwhile, in France, the news of ongoing combat losses risks stirring popular doubts about the purpose of France's Sahel deployment, which Macron is keen to head off quickly.



### **Uniting forces to conquer**

The allies' main military effort will now be concentrated on the three frontiers region and will aim in particular at tackling Etat islamique dans le Grand Sahara (EIGS), one of several local franchises of Islamic State (IS) based in West Africa. This is the faction that has been responsible for many of the most recent violent attacks in the region. To

enhance their combat effectiveness, troops from the Sahel national armies, their joint G5 regional anti-terror force and France's Barkhane force will now all operate under a single integrated command. To supplement its current manpower of 4,500 troops, France is sending additional 250 troops to act as reinforcements; the allies will also step up efforts to enhance their regional intelligence-gathering capacity. The strategy revamp seeks to target the military effort where it is most needed. If this can begin to boost the momentum against the militants, it may create space for a gradual restoration of essential state administration and basic services.

## African Countries scramble for the Eurobond Market

On Tuesday, February 4<sup>th</sup>, the government of Ghana raised \$3 billion in a Eurobond auction. The Eurobond sale was aimed at boosting the government's coffers and it definitely raised the interest of various investors as the bonds were oversubscribed five times.

The Ghanaian Cedi is currently the world's best-performing currency against the dollar. In recent years, the country has enjoyed some economic stability after concluding the three-year lending programme with the International Monetary Fund.

Ghana sold sub-Saharan Africa's longest-ever bond. According to Bloomberg, the 6-year bond sold \$1.25 billion at 6.375% yield, 14-year bond sold \$1 billion yielding 8% and



the 41-year bond \$750 million at 8.875%. The bonds would mature in 2027, 2035 and 2061 respectively. Ghana's government stated that the low rates reflect a reduced risk premium to improve economic conditions in Ghana.

Following Ghana's example, Nigeria is also approaching the international capital market to raise \$3.3 billion. This would be used partly to fund the country's 2020 budget.

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## US controversial travel ban expanded to include four African countries

Three years after issuing a controversial travel ban initially slapped on seven Muslim-majority countries, the Trump administration has expanded the ban to include four more African countries: Nigeria, Sudan, Tanzania and Eritrea. Others are: Belarus, Myanmar and Kyrgyzstan.

Nigeria, the most high-profile country on the list, has particularly come under focus from the White House. With Nigeria accounting for the third highest number of US visa overstays in 2018, the Trump administration has become tougher on the country. After indefinitely suspending its visa interview waiver for Nigerian applicants (the drop box process), the US also increased visa application fees for Nigerians by including additional “reciprocity fees” ranging from \$80 to \$303 depending on the class of visa.



## The UK is beginning to take Africa seriously

The UK, notably, has the widest range of economic, cultural, political and historical ties with Sub-Saharan African countries. France over the years has cultivated a relationship with



Francophone Africa and China has rapidly increased its influence on the continent, while London has taken a more laid back attitude.



However, the prospect of Brexit triggered a re-evaluation of the UK's African connections first under Prime Minister Theresa May and now Boris Johnson. With the country's exit from the European Union seemingly done, the new Johnson government needs to tie up trade agreements with nations across the world, prompting it to take a more pro-active view of SSA in the process. In order to promote economic ties, Prime Minister Johnson backed the UK-Africa Investment Summit in London on January 20. The Summit was designed to strengthen Anglo-African economic ties by mobilising new and substantial investment to create jobs and boost mutual prosperity. Many big British businesses are already very active in Africa, including banks HSBC, Barclays and Standard Chartered; oil companies BP, Shell and Tullow; British Airways, Unilever, Vodafone, Diageo and GlaxoSmithKline. However, the government hopes to encourage more small and medium sized enterprises to take advantage of the opportunities on offer. London has identified technology, finance, renewables and agriculture as particularly attractive sectors for UK investment.

## Africa's appeal

Africa's growing economic relevance is certainly part of the attraction. Although the continent has not achieved the same level of growth as Asia over the past couple of decades, average annual growth of 4.6% since the start of the millennium has made it a more attractive destination for investment. 8 of the 15 fastest growing economies in the world are in Africa. There is also the potential for quicker growth over the next 20 years, with fewer conflicts than ever on the continent. Technology has also offered the potential to revolutionize many sectors and international companies are eager to secure alternative centres for manufacturing outsourcing as wage rates soar in China. Above all else, 25% of the world's population is expected to be in Africa by 2050.



In August 2018, Theresa May led a delegation of investors to Kenya, South Africa and Nigeria, making her the first British prime minister to visit Sub-Saharan Africa since 2013. It was on this trip that the trade deal between the UK and the Southern African Customs Union

(SACU) plus Mozambique was announced. Trade between the UK and the six countries

stood at £9.7bn (\$12.6bn) in 2019. The UK's Trade Commissioner for Africa, Emma Wade Smith, has highlighted the benefits of British businesses investing, including generating profits to benefit their shareholders and the UK's finances through taxes. The average productivity of UK companies that invest abroad and receive overseas investment is about £88,000 per worker per year, in comparison with just £44,000 for those that do neither. She added: "Evidence shows that UK companies that invest overseas become more competitive and productive. They pick up new technologies and local business know-how, which are then brought back to the UK."

There are also huge benefits to Africa and Africans, as the UK joins other large economies in competing for influence on the continent, promoting trade and helping to finance infrastructure in the process. The bigger the pool of interested parties, the better the deals on offer for African economies. There could be more opportunities to export goods to the UK post-Brexit, including agricultural produce and textiles. African leaders seem positive about stronger economic ties. Following Johnson's December election victory, Ghana's President Nana Akufo-Addo said: "We have an opportunity, together, to renew and strengthen the relations between our two countries, focusing on enhancing trade and investment, and scaling up prosperity for our peoples".

## Soft power advantages

The British government will not be able to commit the same level of financial support to Africa as China or the US. But it can make the most of its cultural ties and provide support in key areas, including governance and institution-building. The UK's big strength is in soft power, including its diplomatic presence across the continent.

Many African heads of state and other senior politicians were educated in the UK at some point, whether at school or university. Many return to the country when they require medical treatment and have second homes in London. Hundreds of thousands of Africans live in the UK and many more have spent time working or studying there before returning to their home countries. British universities attract tens of thousands of African students every year, while the British Council provides a wide network of educational centres across the continent.

English is either an official language or lingua franca in most African countries, largely as a result of being colonized by the UK. It is used in the two biggest economies in sub-Saharan Africa, Nigeria and South Africa; in some of the most innovative economies, such as Kenya; and in some of the fastest growing, including Ghana. At the same time, most Anglophone African countries have legal systems based on the common law employed in England and Wales.

## Rwanda Plans to Achieve 100% Electricity by 2024

The Rwanda Energy Group (REG) has announced its plans to have full power supply across all homes in the country.



Rwanda has 2.4million households of which 1.4million are connected to electricity - 1 million to on-grid electricity and 400,000 off-grid. According to the REG report in 2018, 42% of Rwanda's population has access to electricity which is at par with the African electricity access rate: 31% grid-connected and 11% off-grid. In the country, the 216 MW installed electricity generation capacity is about 13.4% of the total potential generation capacity of 1,613 MW as at 2018.

Rwanda is endowed with considerable energy resources such as hydro, solar, peat, gas, and biomass yet to be fully exploited. The country has endured energy crises in the last three decades, and is set to make giant strides in improving electrification.

The REG has ambitious targets to achieve 512 MW installed power generation capacity, from its current 216 MW power generations and have universal access (100%) by 2023/24. It is also determined to achieve 52% on-grid connections and 48% off-grid connections by 2023/24. The government is also using policies, plans, strategies, legal frameworks, incentives, assets and guarantees to attract investors and private sector energy developers, who would assist in achieving the aspirations and fulfil the ambitious mission targets of 100% electricity access to the whole of Rwanda by 2023/24.

## Ghana plans to go paperless amid privacy concerns

Accra's digital ambitions are lofty. Speaking at a conference in London in October 2019, Ghana's vice-president, Mahamudu Bawumia, announced that the country will be going paperless in 2020 by digitizing most business transactions and government services. By tackling corruption and bringing citizens into the formal economy, the tech drive could have a profound impact on the country's development. Although, some Ghanaians are worried about the negative effects of increased digital perusal, which forces the government to walk a fine line between serving citizens and policing freedom.



Bawumia told the conference that the government will electronically tag every home by early next year with GPS, making it easier to tax people and provide them with services. Even homes in the slums will be given electronic addresses. The government will make payments cashless for services, including permits and driving license applications. Soon, Ghanaians would be able to draw on digital hospital and court records, while digital identification cards will be distributed nationwide, integrating passports and tax numbers in a central database. Blockchain – the ledger that underpins cryptocurrencies – could act as the secure vehicle for these records.

All of this would streamline services and, if all goes according to plan, hasten Ghana's impressive growth trajectory. Ghana's GDP grew by 6.3% in 2018, partly as a result of strong democratic institutions and peaceful elections. The move online would have significant benefits in safeguarding institutions and reducing corruption, according to analysts.



## Are citizens ready?

The private sector is already embracing technological change as banks and telecommunications companies in Accra are encouraging online payments. Today,



unique mobile phone subscribers in Ghana are estimated at 19mn, a penetration rate of 67%, which is far above the average of 44% in SSA, according to GSMA, a mobile industry trade body. The rising consumer adoption of digital practices makes Ghana an ideal candidate for the elimination of paper services.

Ghana's ambitions extend beyond smart phone banking to land ownership. The government has reached out to the local startup scene to craft solutions for a problem that has long afflicted the country. More than eight in 10 landowners lack titles, according to the land commission, and single pieces of land often have multiple title deeds. Ghanaian startup, Bitland, which is planning to enter Nigeria and Kenya this year, is using a digital ledger to bring integrity to land records, after brokering verbal deals between farmers and land-owning chiefs.

## Calls for data protection

Nevertheless, with increased digitization come privacy fears. Across the world, consumers are demanding enhanced data protection, and Africa is no exception. Major concerns around privacy mean that Ghana and other nations need to start looking at enhancing data protection rules. A Data Protection Commission was launched in 2012 to protect personal data, but the ever-changing nature of technology means that regulators must constantly advance their knowledge.



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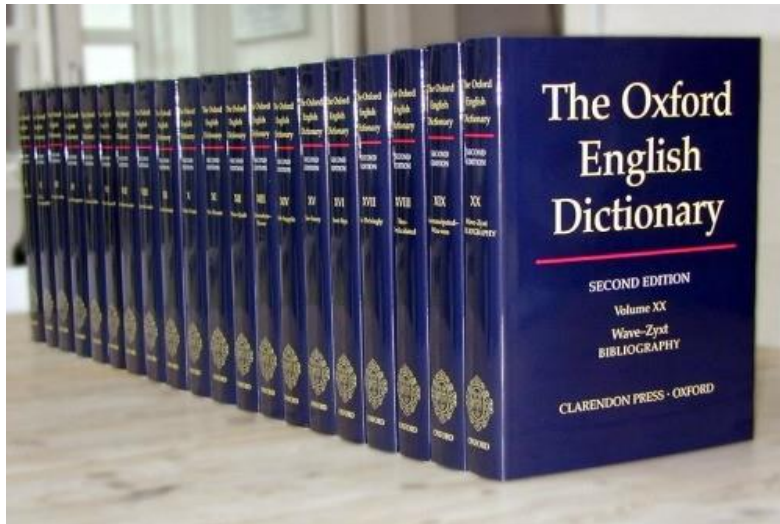
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# Nigerian 'English Words' added to the Oxford Dictionary



Nigeria, like many countries, has designed new words and phrases that have over time become widely accepted and recognized in the country. Recently, 29 words from the Nigerian vocabulary made it into the latest version of the Oxford English Dictionary (OED). The OED acknowledges

the local lexicon and announced that Nigerians are making distinct contributions to the English language through these words.

For example, When a Nigerian says “see you next tomorrow”, the person actually means, “See you tomorrow”. Also, the popular tag “tokunbo” used for previously owned products and goods, especially cars, is recognized in the OED as an adjective.

Another example is the word “gist” which normally refers to the essence of a discussion or speech but in Nigerian English it means “rumor” and “the act of gossiping”. The rapid global rise of Nigerian pop culture across music, film and literature over the last two decades with Afrobeats and Nollywood, has meant the Nigerian use of English has more listeners and readers than ever before.

## Uganda's coffee producers find a route to riches



Ugandan exporters get their coffee from as many as 1.7mn smallholder farmers who grow coffee trees alongside crops like bananas or beans. This has made Uganda the biggest coffee exporting country in Africa, and eighth-largest in the world. In the last twenty

years, coffee contributed about 20-30% to Uganda's foreign exchange earnings. The sector boomed in the 1990s, after the government stopped the monopolist activities the parastatal coffee board. Liberalization was promoted by President Yoweri Museveni with strong donor backing. Farmers were enriched, poverty rates fell declined, and productivity increased. Today approximately 60-80% of coffee export revenues go to the pockets of farmers, more than in most other African countries.

However, the industry's liberalization came with some drawbacks. The restructuring of the domestic industry was followed by a slump in international coffee prices and a devastating outbreak of a coffee wilt disease. Many farmers gave up on their trees. Exports had peaked at over 4mn bags in the mid-nineties, but were barely up to 2mn a decade later. Only in the last few years have they returned to peak levels, with 4.3mn bags exported in 2017/18.



In 2014, Museveni set an optimistic production target of 20mn bags by 2020. The deadline has since been pushed back to 2025, but officials are optimistic. Some simple practices could make the difference. Coffee gains about a third of its weight in the last 2-4 weeks before ripening, so farmers should pick cherries only once they turn red.



Another trick is to cut trees back to their stumps, then let them grow. The farmer sacrifices income in the short-run, but the trees are more fruitful than before. With better techniques and the right support, Ugandan farmers could increase yields by 200% for robusta and 150% for arabica varieties

The challenge however is creating incentives to do so. Exporters rarely have a direct relationship with farmers. They get their coffee through middlemen, who drive round villages buying up cherries on motorbikes or trucks. Farmers sell their coffee to whoever offers a good price, thus if one company invests in higher yields, another might reap the rewards.

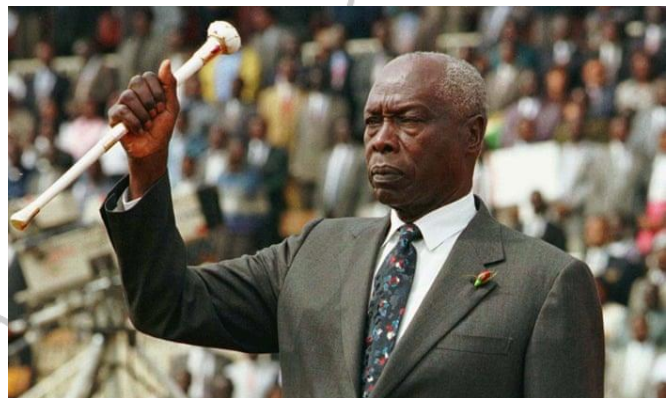
## Kenyan Ex-President, Daniel Arap Moi, Passes at 95

Kenya's former president, Daniel Arap Moi, has passed away at the age of 95.

The former president had a peaceful exit at a private hospital in Nairobi and his death was announced to the general public on Tuesday 4<sup>th</sup> of February 2020 by President Uhuru Kenyatta.

Arap Moi was Kenya's longest-serving president. He presided over the country for more than 20 years, until intense pressure caused him to step down in 2002. He was popularly described as authoritative and praised for maintaining stability in the country.

President Uhuru declared a period of mourning, including the flying of flags at half-mast, until a funeral is held in the state. Mr Arap is survived by eight children.

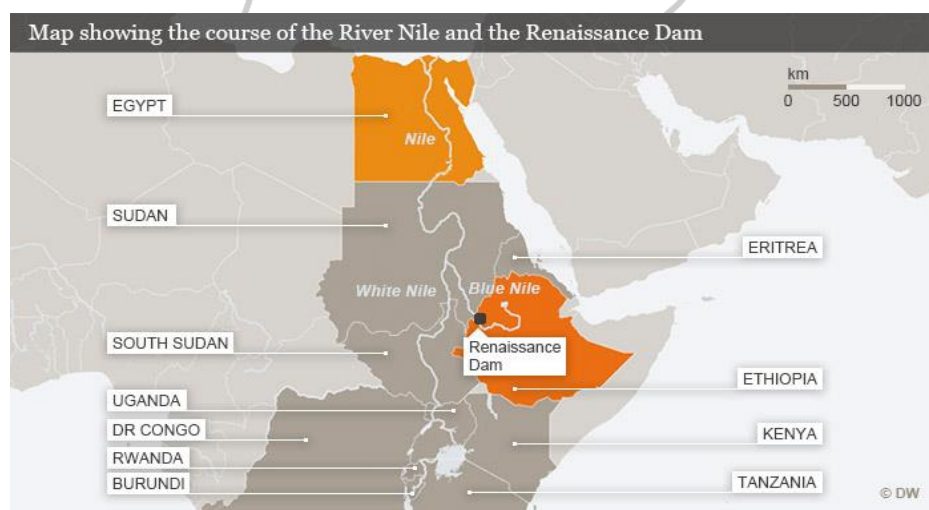


# Ethiopia, Egypt and Sudan edge towards deal on mega dam project – *Culled from the Economist Intelligence Unit*

Progress has been made towards an agreement on the operation of the Grand Ethiopian Renaissance Dam (GERD) following meetings between the foreign ministers and technical teams of Egypt, Ethiopia and Sudan hosted by the US Treasury Department in mid-January in Washington. The GERD is a massive project, which was launched by Ethiopia in 2011 to harness River Nile to boost the country's power-generating capacity. On January 15<sup>th</sup>, the US Treasury issued a statement outlining six points of agreement noted by the participants, and setting a schedule for further meetings to conclude a final comprehensive accord. This marks considerable progress given Egypt's long-standing opposition to the project amid concerns over water supply from the Blue Nile.

The apparent breakthrough came after the Egyptian Ministry of Foreign Affairs had accused Ethiopia of bad faith in its presentation of the results of tripartite meetings in Cairo, Khartoum and Addis Ababa to discuss how to reconcile the filling of the GERD reservoir with the interests of the downstream states that depend on Blue Nile water flows. Egypt is deeply concerned that the filling of the dam—Egypt relies on the Nile for 90% of its freshwater needs—will have serious negative consequences for water scarcity and hurt the economy. As a result, discussions over the dam between Ethiopia, Sudan (the other downstream state) and Egypt have been acrimonious. However, Egyptian officials are also aware that they have failed to block the dam—

which is about 75% complete—and the progress on the talks may be attributable to a realisation that their best chance for a reasonable outcome lies with the current



Ethiopian government led by Abiy Ahmed.

## US mediates and dam project makes headway

The US Treasury has been playing a mediation role since October 2019 in an effort to resolve the disputes over the GERD. Following the most recent meetings, it said that the respective ministers had noted that:

- The filling of the GERD reservoir will be done in stages in an adaptive and cooperative manner, taking into account hydrological conditions and the downstream impact
- The filling will take place during the July-August annual flood season, with the option of extending into September
- The initial phase will entail a rapid fill to 595 metres above sea level and early generation of electricity, while providing mitigation measures for Egypt and Sudan in the event of severe drought
- Subsequent stages will be done according to a mechanism to be determined, while also providing for mitigation measures in dry periods
- Long-term operation will be covered by a mechanism taking into account power-generation needs and the interest of the downstream states; and
- An effective co-ordination mechanism and a dispute settlement framework will be established

The statement did not specify the time limits for filling the reservoir—a key area of dispute—and it appears that some of the core issues in dispute remain to be finalized.

## But major differences remain

After a ministerial meeting in Addis Ababa, the Egyptian foreign ministry announced that Ethiopia is intent on creating a fait, by going ahead with the filling of the reservoir and not accepting any safeguards for the downstream countries.







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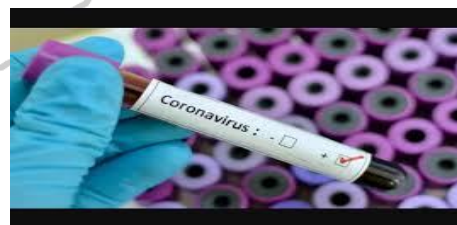


The Egyptian foreign ministry accused Ethiopia of wilfully distorting Egypt's positions during the negotiations that have been held under US and World Bank auspices over the past few months. In particular, the ministry took issue with claims by the Ethiopian Ministry of Foreign Affairs that Egypt had demanded a filling period of 12 to 21 years. It said that there was already a consensus that the filling period should be six to seven years, on condition that the Blue Nile's discharge was average or above average. Egypt has sought assurances that the schedule could be stretched out in the event of below-average discharges, while guaranteeing that the dam's hydroelectric plant (originally planned with a capacity of 6,450 MW, now reduced to 5,150 MW) could operate at 80% of capacity. The ministry denied that it had specified any time limit, and it claimed that Ethiopia's refusal to drain the natural discharge of the dam during its being brought into operation indicated that it has plans to use this water for future projects.

If Ethiopia goes ahead with the filling of the GERD reservoir from July 2020, as currently planned, without an agreement being reached, Egypt is likely to respond by depicting this as a breach of international law. Given that the current administration in Ethiopia is more receptive to a deal than its predecessor governments and that Mr Abiy is inclined to foster deeper international ties, these talks are Egypt's best chance to negotiate a favourable outcome, and a deal therefore looks likely to be concluded unless domestic pressure builds in Egypt, forcing its government to backtrack.

## Suspected Case of the Coronavirus in Ivory Coast

A woman, aged 34 years, flew in from Beijing to Ivory Coast on Saturday, January 25<sup>th</sup> 2020. The traveler, who has reportedly lived in China for the past five years showed flu-like symptoms before boarding the plane to Abidjan. The ministry of health in Ivory Coast confirmed. Health officials suspect this to be the coronavirus. If confirmed, it will be the first case of the virus in Africa.



According to the US Centre for Disease Control and Prevention, the Coronavirus are a group of viruses that are “zoonotic”, meaning that they can be transferred to humans from animals. The virus causes severe acute respiratory infection and there is no specific cure or vaccine to stop it yet. Major symptoms include a runny nose, cough, sore throat, headaches and a fever, which can last a couple of days.



Authorities in Ivory Coast have confirmed that the woman is undergoing tests and they believe it may be pneumonia and not the virus. They urged the citizens to maintain proper hygiene and visit the nearest health centre in case of fever, cough, or breathing difficulties.

The virus which surfaced in Wuhan, China has spread to more than 31,000 persons in 25 countries and killed over 600 people. Just recently, Dr Li Wenliang, the whistle blower of the virus was confirmed dead and over 40 new cases were reported off a cruise ship in Japan. According to the WHO, the virus is an epidemic that calls for international concern. Also, Gilead Sciences Incorporated is working with the Chinese government to set up a study, test an antiviral drug and begin administration immediately.

The fast spread of the virus has prompted countries around the world to boost surveillance and screening at airports, especially for travellers arriving from China.

# Locust Invasion Affects Food Supplies in East Africa

The UN's Food and Agriculture Organization (FAO) announced on the 24<sup>th</sup> of January that East Africa has been struck by the worst invasion of desert locusts in 25 years.



The unexpected infraction poses a threat to food security in the region. In Kenya, this is the worst invasion in 70 years.

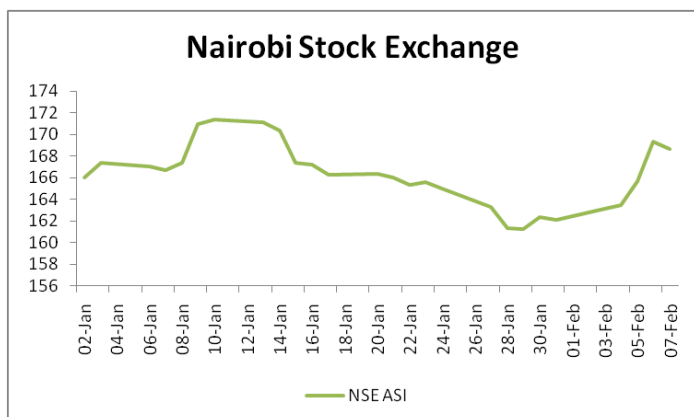
Desert locusts are the most destructive of all food-eating locust species. They can have up to 150 million locusts per square kilometre and an average swarm can destroy food crops sufficient to feed about 2,500 people in a day. Invasion of this species are quite regular in the region, the last incidence happened in 2007. Sore weather conditions in 2019, including heavy rains are said to have contributed to the spread of the locusts.

The FAO reports that new swarms are spreading across borders everyday leaving huge amount of food and pasture destroyed in the region. The outbreak, if not contained could become a disaster. The FAO has put in place a six month emergency action plan and says it will take \$70mn to contain the swarms across the region.

# MARKETS ACROSS SUB-SAHARAN AFRICA

(January till date)<sup>1</sup>

## Nairobi



The Nairobi Stock Exchange started out the month of January on a bearish streak. The ASI however recovered some gains during the period to close at 168.65 on February 7.

During the period, the stock exchange removed a cap on commercial lending rates to encourage stock trading and new listings. The ASI also peaked to an all time high of 171.36 on the 10<sup>th</sup> of January.

## Treasury Bills

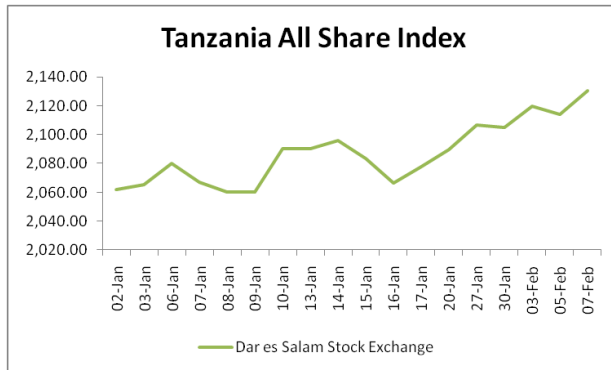
	06 Jan(p.a)	10 Feb(p.a)	Variance
<b>91-day</b>	7.3	7.2	-0.1
<b>182-day</b>	8.12	8.25	0.13
<b>364-day</b>	9.84	9.87	0.03

## Forex Market

The Kenyan shilling opened the month of January at KES101.03 and appreciated by 0.50% against the US dollar to close at KES100.52 as at February 7, 2020. This was as a result of increased demand for dollars mainly among oil importers and excess liquidity in the local money market.



## Tanzania



The ASI index gained 2.30% to close at 3,336.38 on February 7 from 3,261.50 on January 2nd. Market capitalization declined by 2.37% to TZS18,606.23bn on October 16 from TSZ19,451.52bn on September 30. The decline can be attributed to the banks, finance and investment index which declined by 3.26% to 2,056.39 from 2,125.58.

## Foreign Market

Tanzania shilling depreciated by 0.52% from TSh2,293.04 on January 02 to TSh2,305.04 against the US dollars as at February 07. Tanzania is also helping Kenya and Uganda combat money laundering by banning exchange of its old bank notes.

## Treasury Bills

	05 Feb (p.a)	22 Jan (p.a)	Variance
<b>91-day</b>	3.50	3.50	-
<b>182-day</b>	-	4.22	-
<b>364-day</b>	5.84	5.91	-0.07

The rate was maintained for 91-day and reduced by 7bps for the 364-day instrument respectively from results on January 22 and February 05. There was no successful bid for 182-day on February 05.

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### Looming legislative polls fuel violence in Cameroon

In early January separatist groups from Cameroon’s main anglophone regions—the North West and South West—staged violent attacks and burned down the country’s Election Office in Misaje in the North West region.

Tensions in the anglophone parts of the country have been increasing since December 2019, when separatists attempted to shoot down a commercial plane in the North West region and allegedly abducted about 40 candidates of the



parliamentary and municipal elections. This was in protest against the elections (scheduled for February 9th), which secessionist groups oppose as they believe that the anglophone regions should be independent of Cameroon. The government has announced a six-day lockdown, which will begin on February 6th, and has deployed 700 troops to the affected regions to ensure security before and after the elections. The presence of troops is however expected to further aggravate separatists, who have vowed to disrupt the electoral process. The separatists' decision not to participate in the elections, as well as subsequent attacks, has increased insecurity and displacement risks for people living in these regions.

An opposition party, the Social Democratic Front (SDF), which is well established in the anglophone regions, is most likely going to boycott the elections, as many of their candidates are on the run, having faced death threats from separatist groups. The SDF's refusal to take part in the elections, coupled with typically low voter turnout in Cameroon, will further undermine the credibility of the vote. Voter turnout is expected to be markedly lower this time, as the citizens of the anglophone regions are unlikely to vote in light of increasing violence.

The ruling Rassemblement démocratique du peuple camerounais (RDPC) is expected to win a majority at these elections, albeit losing some seats, as its popularity has been dented by concerns about the deteriorating security situation, restrictions on freedom of expression and assembly and widespread corruption, among other factors. After the elections, violence in the anglophone regions is likely to increase, as the separatist groups will stage attacks in light of the RDPC winning the vote. The crisis will therefore continue unabated.



## Assets of Angola's former first daughter seized

The Angolan government has seized the domestic assets of Isabel Dos Santos, the daughter of former president José Eduardo dos Santos (1979-2017).



The government alleges that Ms dos Santos and her husband, Sindika Dokolo, divested payments of more than \$1bn from the state oil company, Sonangol, and Angola's official diamond-trading group, Sodiam, to companies in which they held stakes. Angolan courts have to date, refrained from action to seize assets abroad, but have suggested that such a move may be forthcoming if deemed necessary. Ms dos Santos has denied the allegations, dismissing them as part of an ongoing "witch hunt" aimed at weakening the influence of her father and the dos Santos family, and to distract from the failures of the new president, Joao Lourenço, since he took office in 2017.

Lourenço has systematically weakened the influence of Mr dos Santos's children, dismissing Ms dos Santos from her position as head of Sonangol, and José Filomeno dos Santos (also known as Zenu) as chief of the country's sovereign wealth fund (SWF). In December, Zenu's corruption trial began, the perceived fairness of which will be a test of the independence of the judiciary, as the dos Santos family remains highly influential in Angola. Additionally, in June, Ms dos Santos was dismissed from the central committee of the ruling Movimento Popular de Libertação de Angola (MPLA).



Lourenço boosted the public's expectation of change, which could be problematic if the president's policies fail to translate into reasonable benefits for the poor in Angola. Moreover, the dos Santos family still maintains a high degree of political influence in Angola, where power is entrenched in a narrow ruling elite.

The president must contend with pre-established power structures, and Lourenço cannot openly antagonize all these different interests at once. Entrenched corruption will prove difficult to address, despite the establishment of a new anti-corruption directorate with strict penalties, owing to strong vested interests and ingrained cultural practices.

## Mozambique's President Nyusi inaugurated as violence continues

President Filipe Nyusi was inaugurated on January 15th, beginning his second and final presidential term following a controversial landslide election victory. The president won 73% of the vote as the candidate of the ruling Frelimo party.

President Nyusi's second term begins amid serious domestic challenges that include the near-breakdown of the peace process with an armed opposition party, Renamo, a violent jihadist insurgency in the Cabo Delgado province and international concerns over the ruling party's tilt towards authoritarianism.

Nyusi took office promising to pursue economic development objectives and to entrench peace. Noticeably absent from the inauguration ceremony was an opposition



leader, Ossufo Momade, representatives of Renamo, who have rejected the election results and refuse to recognize the presidential investiture.

Frelimo is keen to draw a line under the elections and end the discussion of electoral irregularities or the legitimacy of the

government while consolidating its now much stronger position. The party holds nearly three-quarters of parliamentary seats and all elected provincial governorships. The aftermath of the election has been followed by violent confrontation with the opposition, which has been denied meaningful representation at provincial level, as envisaged under the peace accord, as well as the intimidation of civil society.

Nyusi's investiture speech included calls to support peace and respect other voices, although it is not clear how he will give meaning to this, after the president and his own party failed to uphold this at the last election. Measures to rebuild peace would require significant concessions to the opposition. Instead, events are moving in the opposite direction. Requests for negotiations from Renamo's armed wing have been rebuffed, and the authorities are applying further pressure on Renamo's civilian side, including politically impossible demands that they condemn their party's militant operatives in the field. The actions of Nyusi's government, as well as hardline interests in the security services, indicate that the marginalization of Renamo is Frelimo's preferred option.



# TRAVEL & AVIATION

## Seychelles

Seychelles is a fantastic tourist spot, with top quality infrastructure. Its natural islands make up the best attractions including its man-made island. Although journeying to Seychelles is relatively costly, the trip would be worth it. The country is an archipelago of 115 islands. A few to mention include the following.



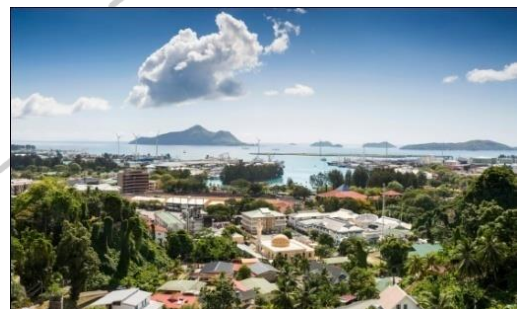
## Praslin Island

Praslin, or the Isle de Palme, is most popular for its UNESCO World Heritage Site and the coco de mer that grows here in abundance. Home to Anse Lazio and Anse Georgette (two of the world's most pristine beaches) the island is a must-visit for all. Rare species of black parrots can also be found in Praslin.



## Victoria City

This is the largest island in the Seychelles group located on the north-eastern coast of Mahé Island. A day on foot is ample time to see Victoria, one of the smallest capital cities in the world. Victoria is the only port of Republic of Seychelles and the cultural centre of the country. It is a plethora of art galleries, craft markets and monuments. If you are planning for a honeymoon with your spouse or you're single and ready to mingle, Victoria City should definitely be on top of your list



## Eden Island - destination for luxurious living

Eden Island is an exclusive man-made island in the Seychelles archipelago, which opened in 2006 and has over 56 hectares of land space plus 16 hectares of private waterways. Located in the Indian Ocean off East Africa, Eden Island is a 'highly sought-after destination' for the rich and famous. It is renowned



for its pristine landscape as well as its privacy, tranquillity and proximity to the main island. With its white-sand beaches, pocket parks, swimming pools and a clubhouse that offers tennis and a gym, Eden Island is designed for those who want to get away from the hustle and bustle of city life.

## Egypt Air Takes Delivery of Its First Airbus A220

The first of twelve Airbus A220s has been handed over to representatives at EgyptAir in Montreal, Canada. Two weeks ago the aircraft took its first flight, and it has now been ceremoniously handed over to its new owner. EgyptAir intends to put the plane into operation almost immediately.



EgyptAir has ordered twelve Airbus A220-300s from Airbus in order to replace 10 aircraft it has used for regional operations. However, the company can choose to expand its regional network with the Airbus A220 as it has options to order another 12. The Airbus A220 will have 140 seats, of which, 15 will be premium economy seats while the remaining 125 will be standard economy seats.



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### The Congolese Photographer with One-hand

Patience Dositha, a female photographer from Congo, is set to take the world by storm!

The inspiring lady, now based in Kenya, lost her arm in a militia attack. Dositha left the Democratic Republic of Congo as a child after her mother was killed and her father who was badly injured, pleaded a passerby to take her to safety.



After being homeless for a while, Patience bumped into a family friend one day and convinced him to take her to Kenya. Through inquiries, she reached out to the International Rescue Committee who paid for her to attend a photography course. After her studies, she began her own photography company. Dositha, in an interview with BBC Swahili mentioned that people doubt her photography skills because of her disability but when she clicks they love her work and end up calling for more photos.

Patience hopes her story will encourage other people with disabilities to not give up and fight for their dreams.

### Nigerian teen aims to 'take the golf world by storm'

At just 13 years, Iyeneobong Essien is already a Nigerian golf star and is seeking to stamp Nigeria's name on the map in the golf world by winning the country's first golf gold medal at the 2022 Summer Youth Olympics. Iyene, as she is fondly called, has competed on three continents and currently tops the junior player cadre in Nigeria. She has 17 medals to her name already, the first coming at age 5. The journey began for Iyene after watching a young white boy play at the IBB International Golf and



Country Club in Abuja. Her father saw her excitement and encouraged her in the sport. She has represented Nigeria 11 times at tournaments in Europe, United States and Africa and was the only teenager among 177 golfers at the 2019 Nigeria Ladies Golf Open Championship clinching 10th place.

## The City Called “AKON”

Singer, rapper, song writer, entrepreneur and philanthropist, Akon, now has his own city.

The Senegalese, initially announced plans for the futuristic "Crypto city" in 2018 saying that the city would be built on the 2,000-acre of land given to him by the President of Senegal, Macky Sall.

Akon wishes to transform Africa, starting from his country. He says the city will be like the fictitious city of Wakanda in the movie "Black Panther". The new city will also trade entirely in his digital currency called “AKoin”.



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Just finalized the agreement for AKON CITY in Senegal. Looking forward to hosting you there in the future



## Benin Republic's Angelique Kidjo wins Best World Music Album for 'Celia'

Singer-songwriter, **Angelique Kidjo**, was crowned the winner of the Best World Music Album at the 62nd Grammy Awards. Her album, Celia, pays homage to the late Afro-Cuban singer **Celia Cruz**. The nominees for the Best World Music Album are albums containing at





least 51 per cent playing time of new vocal or instrumental World Music recordings.

Other nominees in the Best World Music Album category were Altin Gün for Gece, Bokanté & Metropole Orkest Conducted by Jules Buckley for What Heat, Nathalie Joachim with Spektral Quartet for Fanm D'Ayiti, and Burna Boy for African Giant.

The award was her fourth Grammy win overall. Kidjoe has had nine Grammy nominations, bagging her first in 2007 in the Best Contemporary World Music category. The second and third were both in the Best World Music Album category in 2014 and 2015 for the albums *Eve* and *Sings* respectively.

## 2019 CAF Awards: Mane and Oshoala crowned King and Queen of Africa

Liverpool and Senegal star, Sadio Mane was crowned Africa's 2019 Player of the Year for the first time at an award gala in Egypt, this January. He is the second Senegalese footballer to ever win the award after El Hadji Diouf, who won it in 2001 and 2002.



The 27-year-old Liverpool attacker won the Player of the Year Award after his success in the UEFA Champions League with Liverpool and his role in Senegal's run to the final of the 2019 Africa Cup of Nations. He defeated his club teammate and Egypt star, Mohammed Salah, to whom he had previously lost out to in 2017 and 2018. Mane was also on the final 5-man shortlist when the third nominee, Riyad Mahrez of Algeria and Manchester City, won it in 2016.

Both Salah and Mane were integral parts for Liverpool, helping the Reds win the 2019 UEFA Champions League. The key Senegalese player also shared the 2018/19 Premier



League Golden Boot award with Salah and Arsenal's Pierre-Emerick Aubameyang from Gabon.

Last season, Mane scored 34 goals and produced 12 assists in 61 matches. Salah scored 26 goals and produced 10 assists in 55 appearances. Meanwhile, Mahrez tallied 14 goals and 18 assists in 48 appearances.

Nigerian forward, Asisat Oshoala, was named African Women's Player of the Year and, in doing so, equalled compatriot Perpetua Nkwocha's remarkable record of winning the accolade four times. The Super Falcons' captain, who plays for Spanish side Barcelona, beat Ajara Nchout of Cameroon and South Africa's Thembi Kgatlana, the previous winner.



Oshoala won the award in 2014, 2016 and 2017, and was also among the final three in 2018 but lost to her South African rival Kgatlana. She helped Barcelona to a runner-up finish in Spain's Primera Division, reached the UEFA Women's Champions League final with Catalan giants, scoring side's only goal in their defeat to Lyon and was a key player for Nigeria at France 2019, helping the Super Falcons to a round-of-16 finish.

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# FINANCIAL AND ECONOMIC INDICATORS

Country	GDP Annual Growth Rate (%)			Inflation Rate (%)			Interest Rate (%p.a.)	Exchange Rate (\$)
	Current	2020f	Current	Trend	Current	Per \$		
Angola	-0.8	Q3'19	2.50	16.9	Dec	Upwards	15.50	491.35 ↑
Botswana	3.1	Q3'19	4.60	2.2	Dec	Upwards	4.75	10.76 ↓
Cameroon	4.2	Q2'19	4.50	2.4	Sep	Downwards	3.50	589.66 ↑
DRC	5.82	FY'18	4.10	3.70	Nov	Upwards	9.0	1,683.00 ↑
Ethiopia	9.20	FY'18	6.40	19.5	Dec	Downwards	7.00	31.65 ↓
Gabon	2.00	FY'18	3.70	1.0	Dec	Upwards	3.50	589.66 ↑
Ghana	5.60	Q3'19	6.40	7.9	Dec	Downwards	16.00	5.51 ↓
Guinea	5.80	FY'18	6.10	9.10	Dec	Downwards	12.50	9,355.00 ↑
Ivory Coast	7.60	Q3'19	6.50	1.6	Dec	Upwards	4.50	591.00 ↑
Kenya	5.10	Q3'19	6.10	5.82	Dec	Upwards	8.25	100.60 ↓
Liberia	3.10	FY'18	1.80	30.90	Sep	Downwards	30	194.23 ↑
Mozambique	2.0	Q3'19	4.50	3.50	Dec	Upwards	12.75	63.50 ↑
Nigeria	2.28	Q3'19	2.60	11.98	Dec	Upwards	13.50	306.00 ↓
Rwanda	11.9	Q3'19	8.0	11.9	Dec	Upwards	5.00	939.60 ↑
Senegal	6.3	Q3'19	6.70	0.6	Dec	Downwards	4.50	591.00 ↑
South Africa	0.1	Q3'19	1.90	4.00	Dec	Upwards	6.25	14.63 ↑
Tanzania	6.8	Q3'19	4.80	3.80	Dec	Constant	7.00	2,302.00 ↑
Uganda	2.7	Q3'19	6.20	3.6	Dec	Upwards	9.0	3,669.49 ↑
Zambia	2.2	Q2'19	2.50	11.7	Dec	Upwards	11.50	14.71 ↑
Zimbabwe	4.00	FY'18	3.30	521.2	Dec	Upwards	35.0	N/A

	Feb 07 (\$)	Jan 02 (\$)	% Change	YTD %
Cocoa	2,898.00	2,532.00	↑	↑
Wheat	558.75	560.25	↓	↔
Corn	383.50	391.50	↓	↓
Sugar	14.92	13.13	↑	↑
<b>ENERGY</b>				
Brent	54.47	66.25	↓	↓
WTI	50.32	61.18	↓	↓
LNG	1.86	2.12	↓	↓
<b>METALS</b>				
Gold	1,573.40	1,528.10	↑	↑
Copper	255.30	282.50	↓	↓
Silver	17.69	18.05	↓	↓

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<sup>1</sup>Trading Economics

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