The Africa Weekly

African Alliance

African Alliance provides its clients with trading and execution capability across the African continent. For more information please contact Rob Brownlee on +27 (0)11 214 8464 or brownleer@africanalliance.com

In this week's issue

09 February 2009

- **Botswana**: Bank of Botswana Governor appointed to UN Joint Staff Pension Fund Investment Committee; Gateway Broadcast Services pulls the plug; Alcohol levy law amended on imported products.
- **Lesotho**: Prime Minister elected Vice Chair of African Union; Presitex Green retrenches 600 workers.
- **Malawi**: Report condemns Government on lack of openness on budget; Reserve Bank of Malawi jittery on interest rate cut.
- **Mauritius**: Tourist arrivals increase by 2.6% in 2008; Sugar price rises 80%.
- **Namibia**: Charcoal industry can create 10,500 jobs; Fuel prices remain unchanged; Bank Windhoek issues NAD 100m bond.
- **Swaziland**: Government repatriates funds; Procurement main Government spend.
- **Zambia**: Inflation dips to 16% on lower food and energy prices; Government efforts point to nationalisation; Lumwana Copper Mine still hiring despite crisis.

- **Kenya**: Low fuel prices support decline in January's inflation; Bank rate remains unchanged; Kenya Airways issues profit warning.
- **Tanzania**: Horticulture sector slows; 91 day T-bill yield rises to 11.7%.
- **Uganda**: Headline inflation flat at 14.3%; Government sets up micro-finance fund; New Vision reports 44% fall in net profit in 1H09.

- **BRVM**: Senegal sells hotel to expunge debt; Benin discovers more oil; More gold discovered in Ivory Coast.
- **Ghana**: Mining revenue up 28% in 2008; Benso Oil Palm Plantation records 562% increase in profit after tax in FY08; Cal Bank records 52.5% increase in profit after tax in FY08.
- **Nigeria**: Lagos state government bond oversubscribed by NGN 8.9bn; Capacity utilisation in the country at 53% in 2008; Savannah Bank wins court ruling.

- **Egypt**: M2 money supply up 10.5% y/y; PPI down 4.9% m/m; VAT laws to be amended; Mobinil to merge with LINKdotNET; Oriental Weavers cuts export prices.
- **Morocco**: STMicroelectronics to cut 1,300 jobs; Government collaborates with Arab consortium to build leisure complex; WANA wins third license of 2G mobile phone network.
- **Tunisia**: Enfidha airport scheduled to start operating in October 2009; GIF Filter announces capital increase; Wifack Leasing to proceed with rights issue; Star releases 4Q08 results.

Market	Week's move	YTD move
Botswana	-0.58	-3.88
BRVM	-1.11	-3.40
Egypt	-12.53	-26.26
Ghana	-1.30	-3.29
Kenya	-8.34	-16.73
Malawi	-1.49	-7.24
Mauritius	-8.38	-11.10
Morocco	-1.21	-8.87
Nigeria	9.19	-24.27
Tanzania	-0.31	-0.55
Tunisia	-0.57	2.76
Uganda	-5.63	-12.49
Zambia	-1.60	-6.21
MSCIEM	-0.86	-23.79
FTSE	3.43	-3.21
Johannesburg	4.21	-0.34
Nikkei	1.39	-9.11
S&P500	5.17	-3.84

Source: Bloomberg, stock exchanges

Currencies	to USD	Week's move
BWP	7.94	0.63
EGP	5.54	-0.43
GHS	1.35	1.78
KES	79.30	-0.25
MUR	32.60	-0.61
MAD	8.63	0.50
NGN	148.05	1.13
SZL	9.65	-4.13
UGX	1,960	-1.48
TZS	1,327.5	2.51
MWK	140.60	-
ZMK	5,215	1.66
TND	1.43	0.77
LSL	9.89	-1.72
GBP	0.68	-2.68
ZAR	9.89	-1.72
JPY	90.86	1.72
EUR	0.78	0.93

Source: Bloomberg

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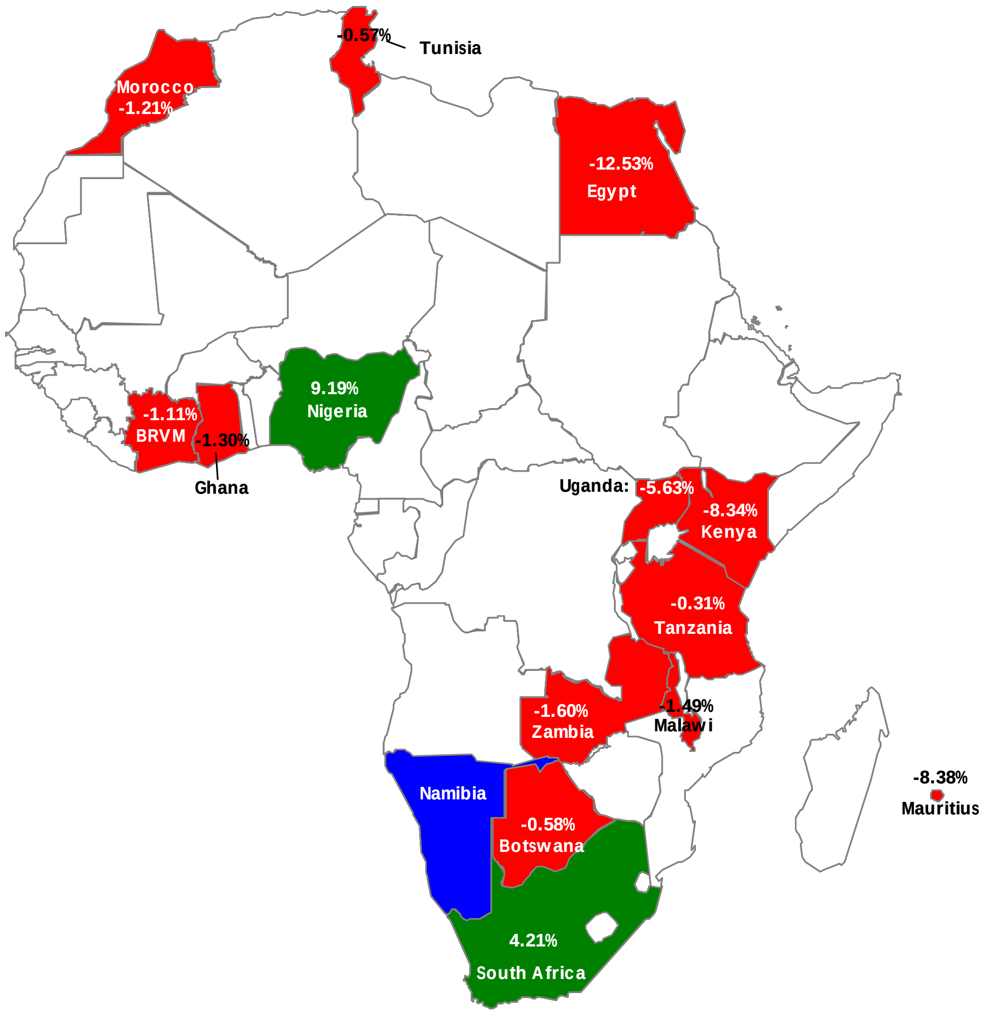
Market snapshot

Weekly market moves (%chg)

Market	Index name
Botswana	Domestic Companies
Mauritius	Semdex (All Share)
Malawi	All Share
Namibia	Local
Swaziland	All Share
Zambia	All Share
Kenya	Top 20
Tanzania	All Share
Uganda	All Share
BRVM	Composite
Egypt	Case 30
Ghana	All Share
Morocco	All Share
Nigeria	All Share
Tunisia	All Share
South Africa	All Share



African and global markets heat map

	Daily										Weekly		YTD		
Date	26-Jan-09 - 06-Feb-09										6-Feb-09	30-Jan-09	1-Jan-09	6-Feb-09	%ch
Botswana	-0.4	-0.1	-0.4	-0.2	-0.2	0.0	0.0	0.0	-0.3	-0.2	-0.6	-1.2	7035.5	6762.55	-3.9
BRVM	3.2	0.8	-1.0	1.0	-1.3	-0.2	-0.4	-0.4	-0.1	-0.1	-1.1	2.7	178.17	172.11	-3.4
Egypt	-4.4	0.7	5.2	0.1	0.2	-3.8	-4.0	-1.9	1.1	-4.5	-12.5	1.7	4596.49	3389.31	-26.3
Ghana	0.0	0.0	0.0	-0.3	0.0	-0.4	0.0	0.0	-0.9	0.0	-1.3	-0.3	10431.64	10088.08	-3.3
Kenya	0.4	-0.7	0.6	-0.2	-2.0	-1.3	-3.5	-2.3	-0.8	-0.6	-8.3	-1.8	3521.18	2932.11	-16.7
Malawi	-1.3	0.0	0.0	-0.2	-0.8	0.0	-0.9	-0.2	0.0	-0.4	-1.5	-2.3	6091.15	5650.2	-7.2
Mauritius	0.0	-1.8	0.6	-0.2	0.0	-1.4	-2.2	-0.9	-3.1	-1.1	-8.4	-1.5	1172.68	1042.49	-11.1
Morocco	0.3	0.6	0.2	0.1	0.4	-0.5	1.0	0.1	-1.9	0.0	-1.2	1.5	10984.29	10010.21	-8.9
Namibia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	157.95	159.63	1.1
Nigeria	-2.9	-2.4	-2.1	-2.4	0.5	1.2	1.2	2.2	2.3	2.0	9.2	-9.1	31450.78	23817.83	-24.3
Tanzania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.3	0.0	1239.93	1233.06	-0.6
Tunisia	0.0	-0.1	-0.2	1.2	0.4	-0.2	0.2	-0.4	-0.3	0.2	-0.6	1.3	2892.4	2972.32	2.8
Uganda	0.0	-0.8	0.0	0.8	0.0	-1.1	-0.5	0.0	-4.2	0.0	-5.6	0.0	782.08	684.36	-12.5
Zambia	-1.1	0.0	-0.7	-0.9	1.6	-2.3	0.0	0.1	-0.2	0.8	-1.6	-1.1	2539.09	2381.37	-6.2
South Africa	2.9	2.4	1.9	-2.1	-0.1	-3.1	0.5	3.1	-1.0	4.9	4.2	5.0	21509.2	21435.91	-0.3
FTSE 100	3.9	-0.4	2.4	-2.5	-1.0	-1.7	2.1	1.5	0.0	1.5	3.4	2.4	4434.17	4291.87	-3.2
Nikkei 225	-2.0	5.2	1.1	0.8	-3.4	-1.6	0.3	2.6	-1.2	1.3	1.4	1.5	8859.56	8052.3	-9.1
S&P 500	0.6	1.1	3.4	-3.3	-2.3	-0.1	1.6	-0.8	1.6	2.7	5.2	-0.7	903.25	868.6	-3.8
Shanghai Composite	0.0	0.0	0.0	0.0	0.0	0.0	2.1	3.2	-0.4	2.0	7.0	0.0	1820.805	2138.941	17.5
MSCI World	2.0	1.5	2.9	-2.4	-2.2	-1.2	1.8	0.5	0.6	2.1	3.8	1.6	920.23	870.74	-5.4
MSCI EFM Africa ex ZA	-1.4	1.0	-0.2	-0.4	-0.8	-2.5	-0.1	1.1	-0.5	1.1	-0.9	-1.7	548.94	418.34	-23.8
MSCI EM Index	1.7	0.6	2.7	-0.2	-0.5	-2.3	1.6	2.0	0.1	3.9	5.3	4.4	568.21	557.53	-1.9

Market commentary

Emerging markets (-0.9%; YTD -23.8%) continue to be the main target of the sell-off as worries continue about the impact of recession in developed countries on the emerging economies. In Africa, only Nigeria had gains (+9.2%)

Morocco market was down this week (-1.2%) in trade that was dominated by Banque Marocaine du Commerce Exterieur (-6.5%; 51% of value traded). Other stocks contributing to the downward move were Colorado (-10.6%), Compagnie Generale Immobiliere (-6.2%), and Delta Holding (-6.2%). Losses were partially offset by Societe Metallurgique D'imiter (+8.8%), Credit Du Maroc (+8.1%), and Maroc Leasing (5.4%).

In **Egypt**, the previous week's rally proved to be short lived as the market was hammered by indiscriminate sell off (CASE30 down 12.5%). 128 counters were in the red, with 104 losing between 10% and 33.1%. Orascom Construction was 13% lower and the largest trader with 17% of the total market value. The only large cap that ended in positive territory was CIB (+2.5%) after Wednesday's spectacular jump of 7.7%.

There was a sharp change in the fortunes of the market in **Nigeria** with a 9.2% gain recorded this week. The banks were the major drivers of the market with the majority of volumes concentrated with them while they also dominated the top gainers. First Bank was the largest gainer with a 27.5% rise in share price and had the largest volume traded with 12.2% of total value traded on the market. A total of 68 counters recorded share price appreciation while 37 counters recorded falls in share prices.

In **Kenya** (-8.3%) the market had a horrific time, ending 7% down by Wednesday. Luckily the selling pressure subsided later in the week. Shares were sold off across the board, with all banks and most of industrials trading in the red. Notable movers were Mumias (-15%, having released its results), East Africa Cables (-12%), and Kenya Airways (-17%). Some of the large caps proved to be more resilient, such as Safaricom (-1.6% to KES 3.10) and KCB (-3.7% to KES 19.75)

Other markets:

- **Botswana** edged down 0.58%, on losses in Chobe (-3.7%) and Primetime (-3.6%), but on hardly any trade. 98% of trade took place in Sefalana (-1.7%), with Engen (-2.2%) and Letshego (0.0%) making up 0.5% of trade each.
- **BRVM** was down 1.1%. Gains in Shell (7.5%), Total CI (1.4%) and Societe Ivoirienne d'Osygne et d'Acetylne (0.9%) were offset by losses in TRITURAF (-7.5%), Palm CI (-7.4%) and Societe des Caoutchoucs de Grand-Bereby (-6.6%). Trade was dominated by Sonatel (-1.6%, 78.5% of trade)
- **Ghana** market was lower (-1.3%). Market activity picked up slightly on the back of bloc trades in GCB (-23.5%, 55% of value traded) and CAL (-25.0%, 38% of value).
- **Malawi** weakened 1.5% as TNM lost 13% to retreat down to its IPO price of MWK 2.00 (95% of value traded). NICO was the only other mover (-5.2%) on very thin trade.
- **Mauritius** (-8.4%) was hammered to a 28 month low by foreign sell-off of MCB (-11.5%, 55% of value traded) and NMH (-15.2%, 18% of value). Another 17 companies were lower, while Savannah Sugar (+5.0%) and Air Mauritius (+1.9%) bucked the trend on low volumes.
- **Tanzania** was down 0.3%, with 87% of value traded in National Microfinance Bank (-3.2%).
- **Ugandan** market fell 5.6%. Uganda Clays (-4.35%, 49% of value traded) witnessed a volatile week trading within a wide range (UGX 85–115). BOBU (3.6%) and DFCU (2.94%) ended up.
- **Tunisia** had a turn around from last week, losing 0.6%. This was attributable to losses in TPA (-5.5%), Societe Moderne de Ceramiques (-5.0%), Assad (-4.8%), and Arab Tunisian Bank (-3.4%). Theses losses were partially offset by Societe Immobiliere Tuniso Seoudienne (+12.6%), Societe Tunisiennes de Verreries (+10.2%), and Societe Tunisienne de L'Air (8.1%)

- **Zambia** ended the week 1.6% lower on the back of a sharp drop in Zambia Sugar (-10.7%) as well as weakness in SCB (-1.4%) and CEC (-0.65% in heavy trade). Celtel/Zain gained 3.2% to ZMK 289 on good volumes (45% of value traded) on the back of foreign interest.

Prime (%)	16.50
CPI (%)	13.7
BWP/USD	7.94

Botswana

Political and economic news

BoB Governor appointed to UN Joint Staff Pension Fund Investment Committee

The Governor of the Bank of Botswana, Linah Mohohlo, has been appointed to the Investment Committee of the United Nations Joint Staff Pension Fund with effect from 1 January 2009. The Fund's diversified portfolio of over USD 40m is invested in international fixed income and equity markets. In the past, Mrs Mohohlo has served on specialised United Nations and other international advisory bodies. She was appointed Eminent Person by former UN Secretary General in 2001 and member of the Commission for Africa by former UK Prime Minister in 2004. (Source: Mmegi)

DTC Botswana shuts down

Diamond Trading Company Botswana confirmed last week that it will be shutting down its operations next month, as well as postpone the transfer of aggregation process from London to Gaborone. The move is part of a cost cutting measure pursued by the company to preserve cash and jobs. The company also plans to cut daily working hours and reduce working days to 4 from 5 days. The short term measures become effective this week and will be reviewed every 3 months. (Source: Sunday Standard)

Budget proposal too optimistic

Commentators at the FNBB budget breakfast suggested that the finance minister's budget proposal presented on Monday last week is too optimistic and that the minister should revise down some of the expenditure in the budget. While they appreciate Government's commitment to finance growth with a budget deficit, they contend that the magnitude of the deficit (BWP 13bn) is too large under the current circumstances when government revenues are uncertain. Diamond revenues are estimated to recover to 2008 levels only by 2013 and it could prove a difficult time to secure funding from the capital markets, as foreign direct investment (FDI) has also dried up. Participants therefore believe that in the medium- to long-term, Government cannot afford to spend when revenue streams are drying up.

The key highlight of the minister's budget was a 17.8% decline in revenue to BWP 24.4bn, with diamond revenue expected to reduce by some 50%. The recurrent expenditure is expected to increase by 16.4% to BWP 27.4bn, while the development budget is 15.5% below the 2008/09 estimate at BWP 10.6bn. Public service salaries and travel costs have been frozen, while improved efficiency of spending is advocated for. (Source: Ministry of Finance, Mmegi)

Company news

Gateway Broadcast Services pulls the plug

The directors of Gateway Broadcast Services last week unanimously resolved to liquidate the company with immediate effect, leaving millions of its subscribers in the lurch and hundreds unemployed. The British broadcaster owned and operated GTV pay television across 22 African markets (including Botswana) and had invested over USD 200m in its services over the last 2 years. The directors highlighted that the global credit crisis has affected the ability of the company to secure funding and after extensive consultation with external advisors on strategic alternatives; the only available avenue was to liquidate. GTV outbid the more established Multichoice Africa for rights to broadcast up to 313 live Barclaycard Premier League matches – a strategy to capture subscribers across the continent. Subscribers cry foul, as some had just paid their February subscriptions while others had paid annual subscriptions. Bar owners are hardest hit as the Premier League matches attracted large crowds and good business during matches. GTV gave hope for competitive pricing for pay television in Botswana, breaking the long standing monopoly enjoyed by Multichoice Botswana.

In a development on Thursday last week, Multichoice announced that it had procured the rights to broadcast the remaining Barclaycard Premier League matches. The broadcaster plans to avail bailouts for GTV customers by selling DSTV decoders and satellites at a discount. (Source: Gateway Broadcast Services, Sunday Standard)

Alcohol levy law amended to favour competition for KBL products

Kgalagadi Breweries Limited(KBL) will get a breather after the Minister of Trade and Industry tabled an amendment that will see a levy on foreign alcoholic beverages being charged on landed costs rather than factory costs, as has been the case. Imported beverages will be charged the levy on full cost, including freight and insurance, which means they will cease to be cheaper than locally produced brands. KBL has lost business since the introduction of the levy because patrons shifted to cheaper imports, with the company recording a 20% slump in sales volumes even during traditional peak periods of November and December. The need for amendment was raised by the Botswana Unified Revenue Services (BURS). (Source: Mmegi)

ABSA clinches a 16% stake in Blue

ABSA last week clinched a 16% stake in Blue Financial Services, a JSE and BSE listed micro lender. The transaction was as a result of certain clients of the bank failing to pay variation margins in respect of single stock futures contracts. Due to the magnitude of the shareholding in Blue, ABSA is being considered for a seat on the board of directors.

Blue is currently operational in 12 African countries, with plans to expand into a further three in 2009. The company plans on listing its shares on the Namibia and Lusaka stock exchanges during the course of 2009. (Source: ABSA website, Sunday Standard)

Market activity

The DCI edged down 0.58% to close the week at 6,762.55 points, with noticeable losses in the prices of Barclays (-2.5%) and FNBB (-2.2%). Market activity realised BWP 5,818.1m worth of trade during the week.

Botswana Stock Exchange (BWP)

	Name	**% chg**	**Price**
Top gainer	-	-	-
Top loser	Chobe Holdings	-3.7	2.85
	Name	**Value(m)**	**Price**
Most traded	Sefalana Holding Co	56.7	2.95
Total traded		85.9	
	Name	**% chg**	**Price**
Other losers	RPC Data	-2.2	.44
	Barclays Bank of Botswana	-2.5	5.80
	Primetime Property Holdings	-3.6	1.35

Source: African Alliance database

Lesotho

Prime (%)	16.58
CPI (%)	10.6
LSL/USD	9.89

Political and economic news

Prime Minister elected Vice Chair of AU

The Prime Minister of Lesotho was elected the First Vice Chairperson of the African Union (AU). This was during the elections of the AU Chairmanship at the official opening of the 12th ordinary session of the Assembly of Heads of State and Government of the African Union. Lesotho stands a chance of being elected the chair of the AU in next year's election following the election of the President of Libya, Mr. Moammar Gadhaffi. Furthermore, the theme of the summit was 'Infrastructure Development in Africa', and the Prime Minister expressed his satisfaction in Lesotho's giant strides towards developing its infrastructure, highlighting the construction of proper roads in the rural areas of the country. (Source: Lesotho Government)

Lesotho CPI inflation down to 10.6% y/y but higher than SA inflation

Last week the Lesotho Bureau of Statistics published the inflation figure for December 2008. The domestic inflation decreased by 120bp from that observed in November to 10.6% y/y. The biggest contributors to the decline include food and non-alcoholic beverages, administered prices (housing, water, electricity, gas and other fuels) and transport, which decreased to 14.30% y/y, 16.52% y/y and 11.43% y/y respectively. For the first time since April 2008 the domestic figure is higher that that of its main trading partner, South Africa (SA CPIX for December was 10.3% y/y). (Source: Lesotho Bureau of Statistics)

Company news

Presitex Green retrenches 600 workers

Basotho factory workers are beginning to feel the effects of the global recession. As of last week, Presitex Green Division Factory workers were asked to spend the next 60 days or more at home due to lack of orders from the USA. According to Lesotho Clothing and Allied Workers Union (LECAWU), Presitex Green was forced to retrench 600 workers, forcing the firm to operate without adequate funds. Workers were asked to take voluntary severance pay, or stay at home for two months or more. The workers stopped working on 2 February 2009. Presitex Green is part of Chinese Garments Manufacturers Group (CGM), which hired about 2,000 workers in Lesotho. The firm produces jeans for export to the United States. (Source: Intelserv)

Lets'eng prices strong despite economic turmoil

Despite the global economic downturn, the diamond prices of Gem Diamonds' Lesotho operation, Lets'eng Diamond Mine, were higher in 4Q08 than the average of 2008. Prices during 4Q08 recorded LSL 21,603/ct (USD 2,139/ct), while the company sold the 478ct Leseli La Lets'eng rough diamond for LSL 186m (USD 18.4m). Gem Diamonds said that it is expecting an improved performance in 2009. Lets'eng is 70% owned by Gem and 30% by the Government of Lesotho. (Source: Mining Weekly)

Prime (%)	15.0
CPI (%)	9.9
MWK/USD	140.6

Malawi

Political and economic news

Report condemns Government on lack of openness on budget

A budget openness report released by the International Budget Partnership (IBP) slammed the government for being tight fisted with information. The Open Budget Index evaluates the quantity and quality of information in seven key budget documents that governments should avail their public. IBP has accused the Malawi government of providing the public with minimal information on the Central Government budget and financial activities. The report further said it is difficult to track spending, revenue collection and borrowing during the year as the country does not publish in-year reports and mid-year reviews. It is also difficult to assess the budget performance after the end of the year as year-end reports comparing what was budgeted and actually spent and collected are not published. The 2008 report has given Malawi a total score of 29% on the Open Budget Index, below neighbouring countries Zambia and Tanzania. The United Kingdom leads the list of countries which are very open with government spending details with a rating of 88%, followed by South Africa and France at 87%. (Source: The Nation)

Reserve Bank of Malawi jittery on interest rate cut

The Reserve Bank of Malawi (RBM) will not commit itself on the possibility of bringing down interest rates in the short to medium term. Finance Minister Goodall Gondwe indicated in the 2008/09 budget presentation that Government would like to see interest rates reduced to around 12.5% this year. However, when asked on the likelihood of reducing interest rates, the RBM refused to commit itself on the matter. Commentators argue that a reduction in interest rates would worsen the excess liquidity in the money market. The finance minister recently confirmed that the government has asked the RBM and IMF to conduct comprehensive research on the liquidity hangover in the market. (Source: The Nation)

Mixed reactions over fuel price cut

Analysts and the public have expressed mixed reactions over the 15% fuel price reduction announced by the government and 20% cut on the price of paraffin in reaction to falling oil prices on the international market. While some consider this a positive gesture by Government, others have criticised the cut as inadequate as global oil prices have fallen over 60%. Malawi Economic Justice Network (MEJN) argues that an ideal and meaningful reduction would have been 30% for petrol and diesel and 35% for paraffin. (Source: The Nation)

Company news

Sunbird profits to increase 15% y/y

Hotel chain Sunbird Tourism (Sunbird) expects its FY08 profits to rise more than 15% in real terms on its FY07 results. This information has been released in keeping with Malawi Stock Exchange listings requirements and is based on unaudited results. (Source: Daily Times)

Market activity

The market recorded trading activity in ten counters during the week. A Total of 106.9m shares traded during the week at a total value of MWK 234.7 in 51 deals. The Malawi All Share Index moved downwards by 85.60 points from 5735.80 to 5650.20 points due to a decrease in the Domestic Share Index from 4531.82 to 4463.47 points on account of share price decrease in NICO(-5.3%) and TNM (-13%). The Foreign Share Index was steady at 521.59 points.

Dividends

Company	Financial year	Type	Amount MWK	Last cum date
MPICO	December 2008	Final	0.07	tba

Source: Company Data

Prime (%)	10.5
CPI (%)	9.3
MUR/USD	32.6

Mauritius

Political and economic news

FDI in 2008 stood at MUR 7bn

Total foreign direct investment (FDI) in 2008 stood at MUR 7bn with more than 40% allocated to the hotel and restaurants sector. 32% was invested in the financial sector, while the real estate industry benefitted from 20%. Agriculture did not attract any FDI in 2008. (Source: CIM Stockbrokers)

Tourist arrivals increase by 2.6% in 2008

In 2008, tourist arrivals to Mauritius increased by 2.6% to 930,000 tourists. Two-thirds of the arrivals were from Europe (608,000 visitors, up 2.1%). However, in December there was a 6.1% decrease, as all European and regional markets were affected by the financial crisis. (Source: CIM Stockbrokers)

Sugar price up 80%

Due to price liberalisation, one kilo of sugar now costs MUR 19.50. The erosion of MUR 250m subsidies provided by the sugar producers has made this 80% increase unavoidable. Two of the businesses most affected by this rise, bakeries and soft drinks manufacturers, are considering an increase in their prices to cover the rising cost of production. (Source: CIM Stockbrokers)

Company news

Rogers Group report 1Q09 results

Rogers Group announced its first quarter results ending 31 December 2008, with a 6.3% decline in profit attributable to ordinary shareholders to MUR 289m. Revenue for the period increased 21.2% to MUR 2.5bn, while the profit before tax and exceptional items declined 21.4% to MUR 283m. Management attribute the poor performance to a decline in performance by the hotels division as a result of a slowdown in tourist arrivals, reduced room inventory and increased cost of operations.

Rogers Group

MURm	1Q08	1Q09	% Chg
Revenue	2,098.5	2,543.0	21.2
Profit before tax and exceptional items	360.2	283.0	-21.4
Attributable earnings	308.8	289.3	-6.3
Profit before tax	12.25	11.47	-6.3
EPS (MUR)	24.2	24.2	-
Share in issue (m)	2,098.5	2,543.0	21.2

Source: Ghana Stock Exchange

Market activity

The market fell to a two-year low with the Semdex declining by 8.4% to settle at 1,042 points. Market capitalisation fell below the MUR 100bn mark with an 8.4% drop during the week to close at MUR 964.3bn. The week's top performers were SAVA (up 5%), AIRM (up 1.9%) and ASL (up 1.4%). The week's top losers were Rogers (down 20.9%), NMHL (down 15.2%) and NRL (down 13.0%).

Stock Exchange of Mauritius (MUR)

	Name	% chg	Price
Top gainer	Savannah Sugar Estates Co	5.0	210.00
Top loser	Rogers And Co	-20.9	201.00
	Name	**Value(m)**	**Price**
Most traded	Mauritius Commercial Bank	55.3	100.00
Total traded		101.4	
	Name	**% chg**	**Price**
Other Gainers	Air Mauritius	1.9	10.50
	Automatics Systems	1.4	71.00
	Phoenix Beverages	0.5	95.00
Other losers	Naiade Resorts	-13.0	20.00
	Mauritius Development Invest Trust	-13.9	3.40
	New Mauritius Hotels	-15.2	64.00

Source: African Alliance database

Prime (%)	14.75
CPI (%)	10.9
NAD/USD	9.65

Namibia

Political and economic news

Charcoal industry can create 10,500 jobs

The Namibian charcoal industry says it has the potential to create 10,500 new jobs. With a new market in South Africa, which has a demand of 45,000tpa, the industry can easily double the number of people employed in the industry. Carbon Namibia has factories in Grootfontein, Tsumeb and Otavi and exports its products to the European Union, while the Fire and Flame Group has a factory in Otjiwarongo and exports to Germany. Jumbo Charcoal owns the Okahandja factory. (Source: IJG Securities)

Fuel prices remain unchanged

According to the Ministry of Mines and Energy, local fuel prices will remain the same despite South Africa's Department of Minerals and Energy announcing increases in pump prices on 30 January. (Source: IJG Securities)

Company news

NamPorts declares a dividend

The Namibian Ports Authority paid NAD 17m in dividends to the Government, its sole shareholder. CEO of Namport stated that Namport's strategy to ensure profitability was based on positioning the Walvis Bay port to attract trans-shipments cargo, supporting the Walvis Bay Corridor Group in marketing Namibia to the rest of the SADC community and developing the port as an offshore support base for the oil and gas activities in West Africa. (Source: IJG Securities)

Bank Windhoek issues NAD 100m bond

Bank Windhoek issued a NAD 100m subordinated unsecured callable bond due 4 February 2019 last week at a YTM of 10.16% (R201+266bp). (Source: IJG Securities)

700 workers laid off at Cadilu Fishing, Walvis Bay

Approximately 700 workers at Cadilu Fishing in Walvis Bay are being laid off because the company is going into provisional liquidation. The Investment Trust Company is the liquidator. As far as workers are concerned, the liquidators intend to pay them their gross salaries without deductions. (Source: IJG Securities)

Tungeni Africa Investments invests NAD 456.6m

Tungeni Africa Investments, which operates in the infrastructural development and tourism sectors, will invest NAD 456,6m to improve and upgrade four popular tourism spots. The facilities are at Mile 72, Mile 108 and Jakkalsputz at the coast and the Von bach Dam north of Windhoek. (Source: IJG Securities)

Market activity

Last week on Namibia's, Local Index 4,466 Namibia Brewery shares traded at an unchanged NAD 5.80, and 278 FNB Namibia shares traded at NAD 11.80, unchanged.

Swaziland

Prime (%)	14.5
CPI (%)	12.9
SZL/USD	9.65

Political and economic news

Government repatriates funds

SZL 700m illegally invested by Government with foreign banks has been brought back to be managed by the Central Bank of Swaziland (CBS). The investment which was made without the involvement of the CBS had worried the International Monetary Fund (IMF). The Constitution of Swaziland says the CBS shall be the sole custodian of all public funds – both in and outside the country. Government's defence at the time was that it was trying to generate additional returns, which would be minimal if the funds were invested in Swaziland. (Source: The Times of Swaziland)

14% of working population is unemployed

The Swaziland labour force survey indicates that 14% of the working population is unemployed. Working population is defined in the survey as those above 15 years of age. The report states that 599,529 people fell under this category. 68% of the working class lives and works in the rural areas. The largest employer was the manufacturing industry at 19.5%, followed by the wholesale and retail trade industry with 15.4%, social and personal service activities with 11.3%, agriculture, forestry and fishing with 10%. The lowest employers were mining and quarrying and restaurants and hotels which employed less than 5%. (Source: The Times of Swaziland)

Procurement a main spend in Government expenditure

A statement issued by the Principal Secretary in the Ministry of Finance, said that 66% of expenditure by Government in its 2008/2009 budget is on the procurement of goods, services and capital works. (Source: The Times of Swaziland)

Market activity

There was no trading on the SSX. The All Share Index remained flat at 209.69 points and market capitalisation remained at SZL 1.4bn.

Zambia

Prime (%)	20.8
CPI (%)	16.0
ZMK/USD	5,215

Political and economic news

Inflation dips to 16% on lower food and energy prices

Headline inflation declined from 16.6% y/y in December 2008 to 16.0% y/y in January 2009. According to the Central Statistics Office, the decline was largely a result of the reduction in the cost of maize meal, fuel and transport costs. The revised y/y inflation target for December 2009 is now 10% compared to 7% for December 2008, which was not achieved due to high energy and food prices obtained during the year. (Source: Global Daily Insight Analysis)

Government efforts point to nationalisation

The government recently indicated that it was set to develop measures to mitigate the adverse impact of the global credit crisis on the mining sector. The measures will address concerns regarding job cuts and mine closures. The government also indicated that it was encouraged by increasing investor confidence in the mining sector, despite the current challenges. Therefore efforts to ensure that the business environment remained attractive for further investment in the country would be implemented. (Source: Zambia News and Information Services)

Mining industry lauds Government for tax cut

The Chamber of Mines of Zambia praised Government's decision to waive the 25% mining windfall tax indicating that the move would help to reduce the effects of the drop in commodity prices. Furthermore, increased revenue for mining companies will eventually help to stabilise employment levels. (Source: Zambia News and Information Services)

Company news

ZCCM Investment Holdings announces preferred bidder for strategic equity partner

ZCCM Investments Holdings Plc (ZCCM-IH), which is listed on the Lusaka Stock Exchange, acquired 100% shareholding in Maamba Collieries Limited (MCL) in 2007. During the same year, ZCCM-IH put out a request for proposals in the press inviting qualified and experienced companies to bid as strategic equity and technical partners in MCL. The advert requested for parties to submit proposals for the development of the coal mine and a thermal power plant in partnership with ZCCM-IH. The two bidders that submitted their best and final offers by 2 January 2009 were Nava Bharat (Singapore) Pty Ltd (Nava Bharat) and Vedanta Resources Plc.

ZCCM IH is pleased to announce that after adjudication of the bids, Nava Bharat has been selected as the preferred bidder with whom ZCCM-IH will commence discussions with regards to the development of the coal mine and a thermal power plant. Notwithstanding the foregoing, if all technical, commercial and contractual issues have not been resolved within eight weeks of the date of award of preferred bidder status, ZCCM-IH reserves the right to cancel the award to the preferred bidder.

Indian company reaffirms commitment to Zambia

Tata Zambia Limited has reaffirmed its interest in Zambia indicating that it would continue to invest in its local motor and bicycle assembling plants despite the global financial crisis. Management at the Indian company also indicated that it would not cut jobs and expected to expand its business into the manufacturing, tourism and power sectors. The company is currently developing a 120MW power station in partnership with ZESCO Limited and is a major shareholder in listed Taj Pamodzi Hotel. (Source: BBC Monitoring Africa)

Lumwana Copper Mine still hiring despite crisis

Lumwana Copper Mine is currently employing some miners that have been retrenched by peer companies following the effects of the global crisis. Management recently indicated that it would continue to create employment opportunities despite the challenges and expect to become the single largest copper producer before December 2009. Up to 70 new workers have been employed recently and more jobs are expected. (Source: Daily Mail Zambia)

Market activity

The All Share Index was down 1.6% to close at 2,381.37 on the back of high value traded in CEC Plc (ZMK 3.3bn) and Celtel Plc (ZMK 3.1bn). Total volume traded was 20m with turnover reaching ZMK 6.9bn, 100% above the prior comparable period. However, Celtel Plc was the only gainer for the week, up 3.2% to close at ZMK 289. Zambia Sugar Plc shed 10.7% to close at ZMK 250. Marginal losses were on SCZ Plc (-1.4%), CEC Plc (-0.6%) and Lafarge Plc (-0.3%). Other counters traded flat over the week.

Lusaka Stock Exchange

	Name	% chg	Price
Top gainer	Celtel Zambia	3.2	289.00
Top loser	Zambia Sugar	-10.7	250.00
	Name	**Value(m)**	**Price**
Most traded	Copperbelt Energy Corp	3,314.6	459.00
Total traded		6,558.8	
	Name	**% chg**	**Price**
Other losers	Chilanga Cement	-0.3	5,850.00
	Copperbelt Energy Corp	-0.6	459.00
	Standard Chartered Bank Zambia	-1.4	345.00

Source: African Alliance database

Kenya

Prime (%)	13.6
CPI (%)	21.9
KES/USD	79.30

Political and economic news

Low fuel prices support decline in January's overall inflation

Overall inflation declined by 580bp in January to 21.9% y/y from 27.7% y/y in December. The drop was mainly driven by a 2.3% decline in the fuel and power prices as a result of lower international crude prices. The food and non-alcoholic index edged up 5.4%, due to major rises in seasonal food products, especially in the Nairobi lower income basket.

The gains from lower fuel prices were further eroded by a 2.9% rise in the recreational and educational index, due to higher fees in nurseries and high schools. Underlying inflation (which excludes food items) declined marginally to 11.0% from 11.2%.

Future developments in inflation are likely to remain dependent on food productivity, which is tied to seasonal factors and fuel price movements. Since the food and alcoholic index carries a 50.5% weighting, any shortfall in production due to poor rains will adversely affect inflation levels.

CBR rate to remain low in an effort to stimulate economic growth

Following the meeting on 30 January, the Monetary Policy Committee (MPC) left the central bank rate (CBR) unchanged at 8.5%. The committee's focus remains on fostering economic growth by improving market liquidity. Previously, the committee amended the rate in December 2008, from 9.0% to the current 8.5%. At the same time, the MPC also reduced the cash ratio from 6.0% to 5.0% in an effort to stimulate economic growth, and counter the negative impact of the global economic slow down.

According to the committee, declining inflation and current inflationary pressure caused by production and logistical bottle necks, justify the drive to increase market liquidity without bearing too much on inflation.

Company news

KQ issues profit warning in respect of FY09 results

Kenya Airways (KQ) issued a profit warning indicating that it expects its FY09 profit to drop by at least 25.0%. Key reasons for the profit warning include:

- Low passenger numbers: Due to reduced global travel occasioned by the global economic crises and reduced travel into Kenya following the post-election violence in 2008.
- High fuel prices: Fuel prices peaked to USD 147 per barrel in July 2008. While the prices have fallen substantially, KQ remains hedged at high prices.

- Foreign currency fluctuations: A strong shilling over most of FY08 resulted in reduced KES revenues after foreign currency translations. A weakening KES at the end of 2008 resulted in higher fuel costs as purchases are mainly dollar based.

In its 1H09 results, KQ announced a 63.0% decline in net profit to KES 736m, attributed to a 72.0% increase in fuel costs during the period to KES 12.9bn, which accounted for 39.7% of total costs (FY08: 29.0%). Passenger yield in KES improved by 4.4%; lower than the 10.9% yield improvement in USD due to strengthening of the KES during the period. Consequently, passenger revenue increased 11.0% to KES 29.6bn.

Market activity

Activity on the market improved marginally with weekly equity turnover increasing by 6.9% to KES 509.7m. However, increased selling by retail investors and lack of institutional investor participation resulted in a 5.0% and 8.3% drop in the NASI and NSE 20 share indices. With equity turnover dropping to KES 41.7m on Friday, market activity in the coming week is likely to remain low resulting in continued price volatility.

The primary Treasury-Bill market remained upbeat with bids worth KES 13.2bn being received, against the KES 5.5bn Bills on offer. Rates on both the 91 and 182 day instruments eased by 29bp, closing the week at 7.7% and 7.995%, respectively

Nairobi Stock Exchange (KES)

	Name	% chg	Price
Top gainer	British American Tobacco Kenya	1.5	138.00
Top loser	Kenya Airways	-17.1	23.00
	Name	**Value(m)**	**Price**
Most traded	Equity Bank	141.3	148.00
Total traded		509.7	
	Name	**% chg**	**Price**
Other losers	Mumias Sugar Co	-15.0	4.25
	Sasini LTD	-15.3	5.00
	Sameer Africa	-15.3	5.00

Source: African Alliance database

Dividends

Company	Financial year	Type	Amount KES	Last cum date
Rea Vipingo	September 08	Final	0.20	28 March
Car & General	September 08	Final	0.67	24 March

Source: Company data

Tanzania

Prime (%)	8.5
CPI (%)	13.5
TZS/USD	1,328

Political and economic news

Global crisis slows horticulture demand

According to the Tanzania Horticultural Association (TAHA), unless the government steps in to aid producers, Tanzania's horticulture sector may collapse due to low demand caused by the global economic crisis. Prices have fallen by 30-50% since October 2008 compared with a year before, and currently, there is no demand for certain flower varieties. Previously, TAHA had hoped to double earnings over the next five years.

Tanzania, whose main markets are the Netherlands, Norway, Germany and UK is a relatively small horticulture producer compared with Kenya, whose earnings from flower exports were USD 504m in 2008. TAHA has asked the government to ask banks to reschedule loan repayments for producers unable to service debts. (Source: Reuters Africa)

91-day T-bill rises to 11.71%

The weighted average yield on Tanzania's 91-day Treasury bill rose to 11.71% from 11.58% at its last auction two weeks ago. The Bank of Tanzania accepted TZS 84.15bn worth of bids for a range of bill maturities. It had offered bills worth TZS 108bn. (Source: Reuters Africa)

Market activity

The market activity on the DSE increased 89.3% to record a turnover of TZS 6.5bn from TZS 3.4bn the previous week. National Microfinance Bank fell 3.2% to close at TZS 910 recording the highest turnover for the week of TZS 5.4bn (83.3% of total turnover). No other price movements were recorded.

Dar es Salaam Stock Exchange (TZS)

	Name	% chg	Price
Top gainer	TOL	1.8	290.00
Top loser	National Microfinance Bank	-3.2	910.00
	Name	**Value(m)**	**Price**
Most traded	National Microfinance Bank	4,665.0	910.00
Total traded		5,337.2	

Source: African Alliance database

Uganda

Prime (%)	19.4
CPI (%)	14.3
UGX/USD	1,960

Political and economic news

Headline inflation flat at 14.3%

The headline inflation for January 2009 is 14.3% y/y, up marginally from 14.2% recorded the previous month. The core inflation, which excludes food, fuel, electricity and metered water from the CPI basket, however, edged up 100bp to 13.7% y/y. Uganda Bureau of Statistics officials attribute the persistent high inflation to food pressures and surging utility prices. Food prices have remained high due to low supply caused by seasonal factors as well as high local and regional demand for food products. (Source: Uganda Bureau of Statistics).

Government sets up a micro-finance fund

The government last week made available UGX 557bn for the promotion of savings and credit co-operative societies (SACCO's) for the next five years. The Micro Finance Support Centre (MSC), the custodians of the fund, unveiled the five-year strategic plan meant to boost finance, agricultural production, processing, marketing and distributing on a nationwide micro finance level.

The MSC will initially provide UGX 40bn in 2009 and is ready to remit at least UGX 9bn every month to its clients. This will be the first time Ugandans will get funding for the whole agricultural production chain. With a loan portfolio of UGX 30bn, MSC funds will be channelled to over 400 SACCOs and the centre will collaborate with key services providers like Uganda Co-operative Alliance and National Agricultural Advisory Service (NAADS) to improve farming practices across the country. (Source: The Daily Monitor)

Company news

New Vision 1H09 net profit down 44%

New Vision Printing and Publishing Company Limited (NVL) released its results for the six months ending 31 December 2008, posting a sharp 44% dip in net profit to UGX 1.6bn. The dismal performance is attributed to slow growth in revenue, coupled with a significant increase in the company's cost of sales. Revenue increased 7% to UGX 21bn, up from UGX 19.6bn, while the cost of goods sold surged 19% to UGX 13.8bn from UGX 11.6bn in the six months to December 2007. The gross profit consequently fell 11% to UGX 7.2bn from UGX 8bn previously. EBIT was one of the biggest casualties, posting a 52% slump to UGX 1.85bn while the firm's net profit figure for the period stood at UGX 1.6bn compared to UGX 2.85bn in 1H08.

Revenue growth stemmed from recent investments into radio and commercial printing while print advertising and circulation revenue remained flat. The higher cost of sales is attributed to increases in prices of imported raw materials like newsprint and the depreciating Ugandan shilling.

The company's directors did not recommend paying an interim dividend.

New Vision

UGXm	1H08	1H09	%chg
Revenue	19,666	21,045	7.0
Gross profit	8,032	7,182	-11.0
Earnings before interest and tax	3,858	1,857	-52.0
Profit before tax	3,819	2,357	-38.0
Net profit	2,851	1,591	-44.0
EPS (UGX)	19	-10.5	-44.0
DPS (UGX)	-	-	0.0

Market activity

Uganda experienced a downward week with a 5.6% drop in the All Share Index to 684.4 points, a three month low. Uganda Clays witnessed a volatile week, trading within a wide UGX 85–115 range. Bank of Baroda gained 3.6% to settle at UGX 430. The weekly turnover was dominated by retail investors and declined 57% to UGX 614m on account of a sharp drop in offers for financial stocks.

Uganda Stock Exchange (UGX)

	Name	% chg	Price
Top gainer	Bank of Baroda Uganda	3.6	430.00
Top loser	British American Tobacco Uganda	-4.8	700.00
	Name	**Value(m)**	**Price**
Most traded	Uganda Clays	303.4	110.00
Total traded		614.2	
	Name	**% chg**	**Price**
Other Gainers	Development Finance Co of Uganda	2.9	700.00
Other losers	Uganda Clays	-4.3	110.00

Source: African Alliance database

XOF/USD 513.1

BRVM

Political and economic news

Senegal sells hotel to expunge debt

The Senegalese government has indicated that it will soon dispose of the country's largest state-owned hotel to meet its debt obligations to businesses. The 5-star hotel called Fahd Hotel is set in a 35 hectare complex complete with a 9-hole golf course. It was built by the Saudi Royal Family in preparation for the 1993 Organisation of the Islamic Conference summit. A public tender published in local newspapers has invited bids from international investors, but no price has been set. Government debts amount to USD 335m as at 31 January 2009. (Source: Global Insight Daily Analysis)

Benin discovers more oil

The Benin Ministry of Petroleum and Mining research has declared that some oilfields were recently discovered on the offshore of Benin and that their volume is being assessed. The results of the first drilling operations, which were made off the shores of Seme in the south east, confirmed the existence of a considerable amount of oil in the area. The production from one of these wells is estimated at 14,000 barrels per day. The coastal sedimentary basin (CSB) of Benin is located at Dahomey Bay and extends along the coast of west Africa from Keta Bay in south east Ghana to Mount Okitipupa in Nigeria. (Source: BBC Monitoring Africa)

Company news

More gold discovered in Ivory Coast

Randgold Resources Limited (South Africa) recently announced that it has discovered the largest gold deposit in the northern part of Ivory Coast. The reserves in Tongon, 630 kilometres north of Abidjan, are estimated to hold 4m ounces (120 tonnes) of gold. The life of mine is estimated at 10 years and production will start by 2011 at a start-up cost of USD 274m. Tax revenues from the mining venture are estimated to reach USD 500m. (Source: Agence France Presse)

Dakar Rally feels pinch of global crisis

Mitsubishi Motors Corporation announced recently that it will no longer take part in the Dakar Rally (Senegal) in an effort to conserve cash within the group. From 26 entries spanning from 1983 to this year's event last month, Mitsubishi Motors won the rally 12 times, including a seven-year winning streak. However, through a motor sports subsidiary, the firm will continue to support the rally by only offering technological information and supplying parts to teams of individuals participating in various events.

Market activity

Bourse Regionale des Valeurs Mobilieres (XOF)

	Name	% chg	Price
Top gainer	Shell Cote D Ivoire	7.5	36,650
Top loser	TRITURAF	-7.5	5,460
	Name	**Value(m)**	**Price**
Most traded	Sonatel	743.5	125,000
Total traded		947.2	
	Name	**% chg**	**Price**
Other Gainers	TotalFinaElf Cote D'ivoire	1.4	75,000
	Societe Ivoirienne d'Osygne	0.9	6,500
	Bank of Africa NG	0.4	40,200
Other losers	Societe Africaine de Plantations	-5.0	19,000
	Societe des Caoutchoucs de Grand-	-6.6	28,000
	PALMCI	-7.4	11,995

Source: African Alliance database

Ghana

Prime (%)	17.0
CPI (%)	18.13
GHS/USD	1.35

Political and economic news

Mining revenue up 28% in 2008

In 2008, Ghana recorded mining revenues of USD 2.3bn, up 28% on 2007, largely fuelled by higher gold prices. Gold output for the period also rose 4% to 2.6m ounces, and gold mining revenue accounted for more than 95% of total mining revenue. Manganese and bauxite shipments fell 7% each, although revenue from both minerals increased 42.6% and 0.6% respectively. According to the Ghana Chamber of Commerce, cash costs of gold mining companies was USD 651 per ounce in 2008 and the aggregated realised gold price was USD 852 per ounce. Gold Fields Tarkwa mine was the largest producer, with an output of 659,308 ounces followed by Newmont Ghana with an output of 524,000 ounces. (Source: Reuters)

Vetting of ministerial nominees commences

Vetting of President John Mills' ministerial nominees commenced on 6 February and is expected to end on 13 February 2009 with the committee vetting five nominees a day. The appointments committee is made up of the First Deputy Speaker, Mr Edward Adjaho, as Chairman, and not more than 25 other members. President Mills has nominated a total of 35 ministers, including eight women. (Source: Daily Graphic)

Company news

BOPP records 562% increase in profit after tax

Benso Oil Palm Plantation (BOPP) released its unaudited results for the year ended 31 December 2008, recording a 57.0% increase in turnover to GHS 20.6m. The company recorded a restructuring release of GHS 0.12m compared to a restructuring expense of GHS 1.2m in 2007, which contributed to BOPP recording a 562.3% increase in profit after tax. Below is a summary of BOPP's results:

Benso Oil Palm Plantation

GHSm	FY07	FY08	% Chg
Turnover	13.12	20.59	57.0
Gross profit	2.61	5.55	113.0
Operating profit	1.80	4.39	143.9
Profit before tax	0.75	4.99	570.2
Profit after tax	0.75	4.93	562.3
EPS (GHS)	0.02	0.14	562.3

Source: Ghana Stock Exchange

CAL records 53% increase in profit after tax

CAL Bank (CAL) released its unaudited consolidated financials for FY08, recording a 49.8% increase in interest income to GHS 38.0m over a year ago. The following is a summary of CAL's results:

CAL Bank

GHSm	FY07	FY08	% Chg
Interest income	25.39	38.04	49.8
Net interest income	13.02	16.31	25.3
Operating profit	9.00	13.25	47.3
Profit before tax	8.06	11.94	48.0
Profit after tax	6.17	9.41	52.5
Loans & advances to customers	114.91	188.81	64.3
Customer deposits	122.37	164.18	34.2
EPS (GHS)	0.039	0.057	46.2

Source: Ghana Stock Exchange

CMLT records 25% increase in profit after tax

Security printers Camelot Ghana (CMLT) recorded a 9.8% increase in turnover to GHS 2.05m in FY08. The company recorded a 1.50% fall in finance costs to GHS 0.14m and other income of GHS 7,730 which contributed to the 24.8% increase in profit after tax. Below is a summary of CMLT's unaudited results:

Camelot Ghana

GHS 000	FY07	FY08	% Chg
Turnover	1,865.87	2,049.39	9.8
Gross profit	656.47	847.01	29.0
Earnings before interest and tax	206.05	217.00	5.3
Profit before tax	55.16	76.10	38.0
Profit after tax	47.23	58.96	24.8
EPS (GHS)	0.072	0.0090	24.8

Source: Ghana Stock Exchange

GGBL's profit after tax down 3%

Guinness Ghana Breweries recorded a turnover of GHS 93.55m for the half year ended 31 December 2008, which represents a 22.9% increase over the same period. Below is a summary of GGBL's results:

Guinness Ghana Breweries

GHSm	1H08	1H09	% Chg
Turnover	76.11	93.55	22.9
Gross profit	27.41	30.74	12.2
Earnings before interest and tax	13.84	14.59	5.4
Profit before tax	10.95	10.54	(3.7)
Profit after tax	9.28	9.03	(2.8)
EPS (GHS)	0.0564	0.0548	(2.8)

Source: Ghana Stock Exchange

Aluworks to hold EGM

Aluworks announced that it will hold an extraordinary general meeting of shareholders on 25 February 2009. The purpose of the meeting is to approve an increase in the authorised number of shares of the company from 50m to 100m and to authorise directors to raise GHS 30m through a rights issue of up to 58m ordinary shares.

CPC director resigns

Mr Isaac Osei has resigned as a director of Cocoa Processing Company Ltd (CPC) with effect from 1 January 2009. Mr Osei, who was the representative of the Ghana Cocoa Board (COCOBOD) on the CPC Board of Directors, has also resigned as Chief Executive of COCBOD.

Market activity

Market activity picked up slightly on the back of bloc trades in Ghana Commercial Bank (GCB) and Cal Bank (CAL). Trades in GCB and CAL accounted for 55.2% and 36.8% respectively of total value traded. Both equities recorded price drops while Starwin Products gained back the GHS 0.01 it lost the previous week. The GSE ASI lost 1.3% to close at 10,088.1 points representing a YTD loss of 3.3%.

Ghana Stock Exchange (GHS)

	Name	% chg	Price
Top gainer	Starwin Products	25.0	.05
Top loser	CAL Bank	-25.0	.45
	Name	**Val (000)**	**Price**
Most traded	Ghana Commercial Bank	.35	.75
Total traded		.64	
	Name	**% chg**	**Price**
Other losers	Ecobank Ghana	-2.6	4.19
	Ghana Commercial Bank	-23.5	.75

Source: African Alliance database

Nigeria

Prime (%)	17.4
CPI (%)	15.1
NGN/USD	148.1

Political and economic news

LSG bond over-subscribed by NGN 8.9bn

The Lagos state government (LSG) announced that there was an over-subscription of NGN 8.9bn on the just-concluded NGN 50bn fixed rate bond. The bond is the first batch to be issued under the NGN 275bn LSG Debt Issuance Programme, of which the second tranche is expected soon. Meanwhile, Nigeria plans to issue its first global NGN denominated bond worth USD 500m once the markets are conducive to the issue. The Federal Government announced plans to issue this ten year bond to cover the cost of infrastructure development last September but global market conditions have since deteriorated drastically affecting its plans. (Source: Reuters)

Finance Ministry disagrees with calls to take over weak banks

The Ministry of State for Finance has described calls by the Securities and Exchange Commission (SEC) for the Federal Government to take over weak banks as baseless. The Ministry believes there was no basis for such calls because the fundamentals of the banks are still strong and Government's intervention might send wrong signals to depositors and create unnecessary panic in the system. The Ministry, however, said that if the financial system requires future assistance, Government will not hesitate to help. (Source: vanguardngr.com)

Capacity utilisation in the country at 53% for 2008

The collaborative survey of the NBS, the Central Bank of Nigeria (CBN) and the Nigerian Communication Commission (NCC) has indicated that capacity utilisation in industries in 2008 was 53.3%. A breakdown of the survey showed that products such as paper manufacturing, distillery of native gin and sawmills recorded the highest capacity utilisation, producing goods valued at NGN 793m, NGN 574m and NGN 23m respectively. (Source: thisdayonline.com)

Company news

Savannah bank wins court ruling

The Court of Appeal has ordered the Central Bank of Nigeria to restore the operational license of Savannah Bank of Nigeria (SBN). The three-member panel of the court passed a unanimous judgment expressing disapproval at both the CBN and Nigeria Deposit Insurance Corporation (NDIC) for unjustifiably revoking the license of the bank. In addition, Savannah Bank was awarded damages of NGN 100m. This will come as a relief to the 85,000 shareholders and 750,000 depositors of the bank.

Sterling Bank released its results for the year-end to September 2008:

Sterling Bank

NGNbn	FY07	FY08	% chg
Gross earnings	23.9	36.3	51.9
Profit after tax	1.94	6.6	240.2
Proposed DPS (NGN)	0.00	0.10	-

Source: NSE

Market activity

The Nigerian Stock Exchange showed a change in fortunes this week recording a 9.2% increase for the week. The improved performance was highlighted by a massive rise in trading volumes from the NGN 5.8bn recorded last week to the NGN 8.7bn this week. The strongest performers were the banks which showed strong gains led by First Bank with a 27.5% rise while Zenith Bank, UBA and Dangote Sugar rose 27.4%, 27.3% and 27.3% respectively. There were some losers with African Petroleum leading the losses with an 18.5% drop for the week. Other losers included Nestle, Total and Mobil each losing 17.7%, 14.3% and 5.0% respectively.

Nigerian Stock Exchange (NGN)

	Name	% chg	Price
Top gainer	First Bank of Nigeria	27.5	18.33
Top loser	African Petroleum	-18.5	216.13
	Name	**Value(m)**	**Price**
Most traded	First Bank of Nigeria	1,052.3	18.33
Total traded		8,651.7	
	Name	**% chg**	**Price**
Other Gainers	Zenith Bank	27.4	15.41
	United Bank for Africa	27.3	8.49
	Dangote Sugar Refinery	27.3	12.83
Other losers	Mobil Nigeria	-5.0	283.97
	Total Nigeria	-14.3	149.75
	Nestle Foods Nigeria	-17.7	110.00

Source: African Alliance database

Prime (%)	11.5
CPI (%)	18.3
EGP/USD	5.54

Egypt

Political and economic news

Money supply up 10.5% y/y

The Central Bank of Egypt (CBE) announced that M2 money supply had reached EGP 791.4bn in December 2008, a 10.5% increase compared to the EGP 716.3bn reported in December 2007 and a 0.8% increase compared to the EGP 784.8m of November 2008. (Source: Reuters, Pharos)

PPI down 4.9% m/m

The Central Agency for Public Mobilization and Statistics (CAPMAS) announced a 4.9% decline in the producer price index reported in December 2008, which stood at 136.8, down from 143.8 reported a month earlier. (Source: Reuters, Pharos)

FX reserves stable at USD 34bn

Foreign currency reserves at the Central Bank of Egypt (CBE) stood at USD 34.1bn at the end of December 2008, according to the Cabinet Information and Decision Support Centre (IDSC). This is a 7.6% increase compared to December 2007. Deposits at banks (excluding CBE) stood at EGP 772.7bn at the end of November 2008, 10.7% up y/y. Domestic liquidity showed an 11.4% y/y growth by the end of November 2008, reaching EGP 784.0bn. (Source: Bloomberg, Pharos)

VAT laws to be amended

The Tax Authority is currently in the process of amending value added tax (VAT) laws, as a result of increasing inflation. In accordance with the amendments, the authority intends to exempt social and services sectors such as education, health and transportation from sales tax. The entity is further considering exempting raw materials that are used as vital inputs for industrial production. (Source: Al Mal)

Company news

Vodafone Egypt reports 32% customer increase

Vodafone Egypt has reported a 32% increase in customer numbers, reported MEED. The company had 17.6m Egyptian mobile phone customers at the end of 2008, up almost a third on the end of 2007. (Source: Middle East Telecoms and IT)

Mobinil to merge with LINKdotNET

Egyptian Co. For Mobile Services (Mobinil) is planning a merger with LINKdotNET in order to form an entity which would have a dominant mobile and internet services market share. Etisalat Misr has recently acquired two internet service provider companies (Nile Online and EgyNet). Vodafone has also purchased internet companies in order to establish presence in the data sector, as well as take advantage of the licences of third-generation (3G) support services through specialised internet portals. Orascom Telecom, which owns LINKdotNET, has declared more than once that it wants to sell a number of non-core affiliates. (Source: News Bites)

Mobinil revenue growth to slow down to 10% in 2009

Mobinil expects revenue growth to slow to 10% in 2009 after rising 21% to EGP 10bn (USD 1.8bn) in 2008. Egypt is beginning to feel the pinch of the global downturn in its tourism industry, revenues from the Suez Canal and worker remittances, which will reflect on its 2009 performance, according to its CEO, Mobinil is also witnessing decreases in roaming revenue as a result of the decreased tourist volumes, especially from Eastern Europe, which is expected to continue in 2009. The company forecasts it will add around EGP 2.5–3.0bn in capital expenditure during 2009. (Source: Dow Jones & Company)

Egypt government offers to buy shares of steel firm

A state-owned Egyptian firm has offered to buy 1m shares of Egyptian Iron and Steel at EGP 13 (USD 2.34) each, according to Egypt's stock exchange (EGX). The stock exchange said the market regulator was investigating the request, which required approval. The state-owned Holding Company for Metallurgical Industries did not say why it wanted to buy the shares. (Source: Reuters)

Oriental Weavers to cut export prices

Oriental Weavers announced plans to cut export prices to the US and Eastern Europe by 10-15%, in an attempt to secure market share after the withdrawal of some competitors. This was on the back of sharp oil price declines, which caused a drop in the price of polypropylene, the company's key raw material. According to officials, the company had not suffered declines in sales, growth or productivity. The company had previously announced that it would delay construction of the EGP 1.3bn industrial complex from mid 2009 to 2010 due to the financial crisis. (Source: Reuters, Pharos)

Lacom sale deal agreed in principle

Telecom Egypt and Orascom Telecom Holding have reached an agreement in principle with Dubai based VTEL Holdings on the sale of Lacom. The sale is awaiting an approval by the Regulatory Authority of Post and Telecommunications (ARPT), which will audit the firm. (Source: Telegeography, Pharos)

Orascom share buy back news

Orascom Telecom Holding announced that it has filed an application with the Egyptian Capital Market Authority and The Egyptian Exchange for the selective repurchase of its shares in light of favourable relative market valuations. Orascom Telecom plans a potential on-market GDR and local shares repurchase plan of up to 65 million shares (13 million GDRs) over the next three months. This press release is not an offer to purchase, a solicitation of an offer to purchase, or a solicitation of an offer to sell securities. (Company press release)

TE and VFE to sign MoU

Telecom Egypt (TE) and Vodafone Egypt Telecommunications (VFE) are expected to sign a memorandum of understanding (MoU) this month regarding interconnection and other mutual commercial aspects. The agreed rates were previously approved by the National Telecommunications Regulatory Authority (NTRA). The two parties are expected to agree new rates for services such as leasing of international circuits, provided by TE to the mobile operator. (Source: Al Mal, Pharos)

Alexandria Mineral Oils 1H09 profits

Alexandria Mineral Oils Company announced a 22.2% decline in its 1H09 net profits of EGP 302.2m. This is compared to EGP 388.5m reported in 1H08. (Source: Bloomberg, Pharos)

Eastern Tobacco releases 2H08 financial results

Eastern Tobacco has reported a net profit of EGP 404.6m during 2H08, compared to EGP 369.6m in 2H07 (Source: News Bites)

Mobinil announces FY08 results

Mobinil announced its FY08 results recording an 8.0% increase in net profits to EGP 1.97bn from EGP 1.83bn in FY07. Revenue for the year stood at EGP 10.0bn while EBITDA stood at EGP 4.7bn. The company increased its subscriber base to 20.1m, compared to 15.1m at the end of December 2007. (Source: Company Press Release, Pharos)

Mobinil

EGPm	FY07	FY08	% Chg
Turnover	8,247.8	10,002.8	21.3
Gross profit	6,419.8	7,945.4	23.8
Gross margin (%)	77.8	79.4	
EBITDA	3,672.7	4,681.4	27.5
EBITDA (%)	44.5	46.8	
Profit before tax	2,321.8	2,468.0	6.3
Profit after tax	1,825.4	1,969.0	7.9

Abu Kir Fertilizers announces 1H09 results

Abu Kir Fertilizers announced 1H09 net profit of EGP 380.8m, a 2.8% increase from 1H08 profits of EGP 370.6m. Results in 2Q08 recorded a 34.0% decline compared to net profits in 1Q08. The company attributed this decline to the decrease in fertiliser prices and a decline in demand from the company's export markets. (Source: EGX, Al Mal, Pharos)

Market activity

Last week's rally proved short lived as the market shed 12.5% on the CASE30 index. 128 counters were in the red, with 104 losing between 10% and 33.1%. Orascom Construction was 13% lower and the largest trader with 17% of the total market value (EGP 1.8 billion). The only large cap that ended in positive territory was CIB (+2.5%) after Wednesday's spectacular jump of 7.7%. Notable decliners were El Ezz Steel (-25.3%), Heliopolis Housing (-23.8%), and Orascom Telecom (-23.4%)

Cairo and Alexandria Stock Exchange (EGP)

	Name	% chg	Price
Top gainer	Commercial International Bank	2.5	34.29
Top loser	El Ezz Steel Co	-25.3	6.30
	Name	**Value(m)**	**Price**
Most traded	Orascom Construction Industries	308.4	97.57
Total traded		1,785.1	
	Name	**% chg**	**Price**
Other Gainers	Helwan Cement	1.9	20.06
Other losers	Alexandria Containers & Goods	-21.7	60.33
	Orascom Telecom Holding SAE	-23.4	17.35
	Heliopolis Housing	-23.8	18.36

African Alliance database

Morocco

Prime (%)	14.7
CPI (%)	3.9
MAD/USD	8.63

Political and economic news

Electronics firm to cut jobs and costs

STMicroelectronics announced that 1,300 jobs across its Malta and Morocco plants are on the line, following the group's plans to shed 4,500 jobs across its global operations this year amid plunging profits and falling demand levels.

The overall objective is to reduce global costs by USD 700m this year - just under the USD 786m in losses the group incurred last year. This will help the group cope with falling sales, which the group forecasts will fall by some 25% over 1Q09. (Source UMCI News)

Government to collaborate with an Arab consortium to build a leisure complex

The Moroccan Government announced that it has initiated a deal with a consortium including Abu Dhabi Investment Company (ADIC) and Bahraini Gulf Finance House and Ithmaar Development, to build a 270ha healthcare and leisure complex at the cost of USD 1.8bn. The project is to be located at the Atlantic city of Essaouira, one of Morocco's main coastal tourism sites. The tourism sector is Morocco's primary foreign currency earner and main employer after the labour-intensive agriculture and the textile industries. It is also the country's main attraction for foreign investment, with high-profile real estate and tourism projects financed by Gulf investors worth some USD 20bn. (Source: Maghreb Arabe Presse)

Company news

CSE report shows mixed fortunes

The Casablanca Stock Exchange Authority has released a report on its operations. The listed commercial banks on the local bourse posted a 20% average profit growth in 2008. Total market value of the listed companies on the local bourse declined to MAD 500bn in early 2009, down from MAD 700bn in the summer of 2008, a decline of MAD 200bn (USD 23bn). 77 listed companies on the local bourse posted a total profit of MAD 30bn (USD 3.5bn) in 2008. This figure represents a 10% average growth in profit compared with the previous year. (Source: Al Hayat Newspaper)

ANRT to increase digits from 9 to 10 amid increasing demand in numbers

Phone numbers in Morocco, now using nine digits, will comprise ten digits starting 6 March 2009 to meet the needs of the growing mobile networks; according to the telecom regulatory body, ANRT (Agence Nationale de Reglementation des Telecommunication). Fixed-line phone numbers starting with 02 or 03 will change into 052 and 053. Mobile phone numbers starting with 01, 04, 05, 06 or 07 will have a five after zero, while those starting with 08 or 09 will become 080 and 089. (Source: Maghreb Arabe Presse)

WANA wins the third license of 2G mobile phone network

Telecoms operator WANA Corporate has won the third license of second-generation (2G) mobile phone network, the ANRT announced. WANA has pledged significant investment and innovative services likely to meet the market's expectations and contribute to upgrading telecoms services in the country. WANA's commitments in terms of both network expansion and service quality are in line with international standards and its approach and tariff proposals will contribute, along with the other operators, in achieving goals sought through this license. WANA, which currently offers limited-range mobile, fixed-line and internet services joins Maroc Telecom and Meditel, which operate the two existing mobile networks. (Source: Maghreb Arabe Presse)

Lastminute to open a branch in Morocco

The e-travel agency, Lastminute, is to open a branch in Morocco. The intention is to either act alone or establish a partnership with a local operator. Ten years after its launch in France, the e-travel agency has emerged as a major player in the field of e-travel. Lastminute specialise in low cost flights and last minute trips. (Source: Maghreb Arabe Presse)

Marvest launches the construction of a MAD 150m production unit

French automobile equipment manufacturer, Marvest, has launched the construction of a production unit in the Tangier Free Zone (TFZ) for a total investment of MAD 150m (USD 17.3m).

According to the company, the project, to be built over an area of 8400sqm, will be implemented in two steps, and will take a year. Marvest specialises in manufacturing parts of large vehicles involved in the construction industry that transport chemicals and nuclear materials.

In January, Morocco launched the development works of the third part of the TFZ for an investment of MAD 430m (USD 49.7m). (Source: Maghreb Arabe Presse)

Market activity

Casablanca Stock Exchange (MAD)

	Name	% chg	Price
Top gainer	Societe Metallurgique D'imiter	8.8	705.00
Top loser	Colorado	-10.6	445.00
	Name	**Value(m)**	**Price**
Most traded	Banque Marocaine du Commerce Exterieur	344.7	229.00
Total traded		675.1	
	Name	**% chg**	**Price**
Other Gainers	Credit Du Maroc	8.1	790.00
	Maroc Leasing	5.4	311.00
	Brasseries Maroc	4.6	1,600.00
Other losers	Delta Holding SA	-6.2	52.80
	Compagnie Generale Immobiliere	-6.2	1,928.00
	Banque Marocaine du Commerce	-6.5	229.00

Source: African Alliance database

Prime (%)	5.3
CPI (%)	4.3
TND/USD	1.43

Tunisia

Political and economic news

Enfidha airport scheduled to start operating in October 2009

According to a government source, the Enfidha airport is scheduled to start operating in October 2009. The new airport will initially be capable of receiving 5m passengers per year, and will then be able to receive 20m per year by the time it reaches full operations. So far, TND 500m (USD 345m) out of TND 800m (USD 567m) have been invested to achieve the project's first tranche. (Source: Tunisie Valeurs)

Coface rating assigns A4 to Tunisia

The French rating agency Coface assigned an "A4" rating to Tunisia for its "appropriate business environment". Tunisia is at the forefront of the African countries along with Botswana, South Africa, Namibia, Algeria, Morocco, Benin, Cape Verde and Egypt. Coface assigns ratings ranging from "A1" (very favourable business environment) to "D" (high risk level) for different countries. It aims to better assist investors to take the appropriate decisions. Coface rating continuously monitors 155 countries. (Source: Coface)

Company news

GIF Filter announces capital increase

The management of GIF Filter has announced that it will proceed with a capital increase of TND 555,000 (USD 386,000), through the issue of 555 500 new shares with a par value of TND 1 via a bonus share issue. For every 11 common shares, 1 new share will be offered. The operation's period will take place from 16 February and right to dividend to run from 1 January 2009 (Source: Tunisie Valeurs)

Wifack Leasing to increase its capital

Wifack Leasing management announced that it will proceed with a TND 5m (USD 3.5m) capital increase via a rights issue of 1m shares at a unit price of TND 6.5 (par value of TND 5 and a premium of TND 1.5) to be fully paid at subscription. The subscription period will take place from 16 February to 10 March and the right to dividend will run from 1 January 2009. (Source: Tunisie Valeurs)

Star releases 4Q08 results

Star Insurance released its 4Q08 results. As at 31 December 2008 the company's premiums fell 6.76% to TND 201.8m. This decrease is due to the company's new risk management strategy aimed at removing certain clients from its portfolio (contracts worth TND 19m have been removed). The company's financial income that makes the bulk of the net profit increased 12% to stand at TND 27.2m. (Source: Tunisie Valeurs)

Fitch affirms STB Bank support ratings

Fitch Ratings has last week affirmed the Support ratings for the largest state-owned Tunisian bank, Societe Tunisienne de banque (STB), at '2'. This rating reflects the high probability of support from the Tunisian government in case of need, given the majority ownership by the Tunisian state and its importance in the country. In the medium term it is very likely that the state will remain the major shareholder in the bank. Therefore, any amendment to the external support note would be linked by changes in sovereign risk. STB Bank is 52.5% owned by the Tunisian state and its initial role was to finance Tunisia's industrial sector, before expanding its activities to other sectors deemed strategic, particularly tourism. In 2000, STB Bank has merged with two state development banks specialising in tourism, inheriting a high volume of non-performing loans which have eroded its asset quality and profitability. While endeavouring to resolve the NPL problems, STB Bank set a goal to boost its business by enhancing its commercial strategy and targeting small and medium company line of business. (Source: Tunisie Valeurs)

Market activity

The Tunisian market had a turn around from last week, losing 0.6%. This was attributable to losses in TPA (-5.5%), Societe Moderne de Ceramiques (-5.0%), Assad (-4.8%), and Arab Tunisian Bank (-3.4%). Theses losses were partially offset by Societe Immobiliere Tuniso Seoudienne (+12.6%), Societe Tunisiennes de Verreries (+10.2%), and Societe Tunisienne de L'Air (8.1%)

Tunis Stock Exchange

	Name	% chg	Price
Top gainer	Societe Immobiliere Tuniso	12.6	2.23
Top loser	Tunisie Profiles Aluminium SA	-5.5	4.48
	Name	**Value(m)**	**Price**
Most traded	Banque de l'Habitat	2.1	24.50
Total traded		11.4	
	Name	**% chg**	**Price**
Other Gainers	Societe Tunisiennes de Verreries	10.2	23.69
	Societe Tunisienne de L'Air	8.1	2.53
	Air Liquide Tunisie	1.9	210.00
Other losers	Arab Tunisian Bank	-3.4	5.70
	Accumulateur Tunisienne Assad	-4.8	9.52
	Societe Moderne de Ceramiques	-5.0	2.28

Source: African Alliance database

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