# FUSION AFRICAN MONITOR

Current news and analysis from Sub-Saharan money markets

Feb 2014

FUSION INVESTMENT MANAGEMENT

Rooted in the African growth story


## HIGHLIGHTS

### Key Movements in Fixed Income and Currency Markets in January 2014

- **Kenyan** bond yields fell across maturities in January 2014, mainly due to a decline in Kenya's inflation, coupled with the central bank's decision not to change policy rates. **Nigerian** bond yields rose across maturities, with 20-year, 7-year, 10-year and 5-year bond yields increasing the most (details on Page 5).
- The **Kenyan** and **Ugandan** shillings appreciated against the dollar in January 2014. While foreign investors' demand for local equity and bond securities supported the Kenyan shilling, weak dollar demand from importers as well as dollar inflows from NGOs and offshore investors helped the Ugandan shilling's rise. The **Nigerian** naira fell to its lowest levels in four months due to rising dollar demand, driven by the central bank's decision to remove limit on the amount of dollars sold to foreign-exchange bureaus (more on Pages 7 & 8).
- **Kenya**'s interbank rate fell to 9.9% towards the end of January 2014 from 12.2% at the start of the month. While the **Tanzanian** interbank rates decreased to 12.1%, the **Nigerian** interbank rates remained flat at 11.8% (more on Page 6).

#### January bond market summary

| | 3-yr | 5-yr | 10-yr | 20-yr |
|---|---|---|---|---|
| *Kenya 27-Jan yield (%)* | 11.0% | 11.5% | 11.7% | 13.1% |
| *Chg from 1-Jan14 (bps)* | -30 | -31 | -37 | -13 |
| *Nigeria 27-Jan yield (%)* | 13.1% | 13.0% | 13.2% | 13.4% |
| *Chg from 1-Jan14 (bps)* | 10 | 16 | 17 | 23 |

#### Movement of key currencies vs. the US dollar in January

| | Average | End value | MTD | YTD |
|---|---|---|---|---|
| *Kenyan Shilling* | 86.2 | 85.9 | 0.5% | 0.5% |
| *Ugandan Shilling* | 2,503.4 | 2,475.0 | 2.8% | 2.4% |
| *Nigerian Naira* | 159.9 | 163.1 | -1.7% | -1.7% |
| *Ghanaian Cedi* | 2.38 | 2.46 | -3.9% | -3.9% |

### Kimondo's Corner

#### Kenya's maiden Euro Bond offer

Kenya plans to issue a maiden Euro Bond in the first quarter of 2014 to raise up to USD 2 billion. The proceeds are to be used to retire a syndicated loan of USD 600 million and fund infrastructure projects.

The offer is expected to be well received by foreign investors given Kenya relatively low Debt-to-GDP ratio. Fitch Rating's affirmation of Kenya's long-term foreign and local currency Issuer Default Ratings (IDR) at 'B+' and 'BB-' respectively with a 'Stable' outlook further supports our view. The yields on this bond will no doubt be influenced by the recent developments in international markets.

We expect the issue to depress the domestic interest rates due to increased liquidity and reduced domestic borrowing by the government.

***Author: Michael Kimondo - Head of treasury operations at Fusion***

For any further information, please contact Michael mkimondo@fusiongroupafrica.com or Moses mkorir@fusiongroupafrica.com

### Fusion Portfolio Management Service

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Kenneth Muchina (Africa)
+ 254 721 294 680
kmuchina@fusiongroupafrica.com

James Maclean (UK and Europe)
+ 44 7815 780 076
jmaclean@fusiongroupafrica.com

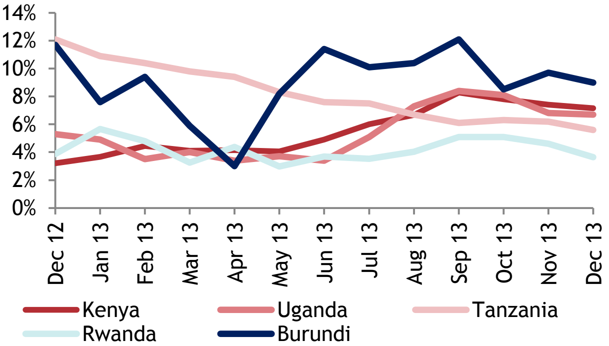
*Source: Bloomberg, individual news websites*

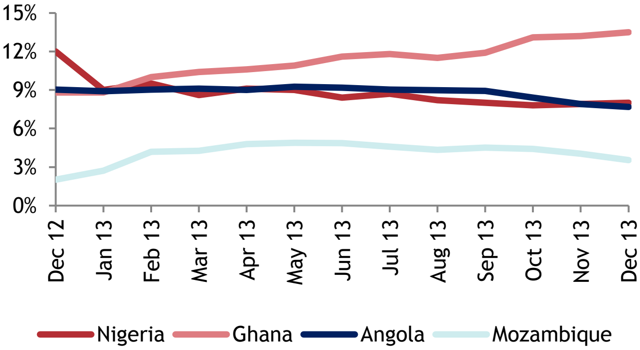
# HIGHLIGHTS

## Activity Across Africa: Economy and Politics

- The Ministry of Finance estimates **Kenya's** GDP will grow by 5.8% in 2014. **Ghana's** GDP grew by just 0.3% in Q3 2013, compared to 1.6% in the same quarter in 2013, primarily due to a slowdown in the mining and quarrying sector, amid falling gold prices that impacted production. (see Pages 3 and 4).
- The International Criminal Court (ICC) postponed the trial of Kenyan President Uhuru Kenyatta, acting on a request from prosecutors. (more on Page 3).
- In January 2014, the central banks of **Kenya, Uganda, Nigeria, Angola** and **Mozambique** maintained policy rates at 8.5%, 11.5%, 12.0%, 9.3% and 8.25%, respectively, stating the inflationary environment is in line with each bank's objectives (more on Pages 3 and 4).
- Inflation in the region remained varied in December 2013. **Kenya's** inflation eased to 7.2% YoY due to a fall in electricity and forex adjustment costs. **Ghana's** inflation increased to 13.5% YoY, its highest since March 2010, on price hikes in the Utilities and Manufacturing sectors. **Nigeria's** inflation increased to 8.0% YoY, driven by a rise in the prices of non-food commodities, while **Tanzania's** inflation eased to 5.6% YoY (more on Pages 3 and 4).

### Inflation (YoY)

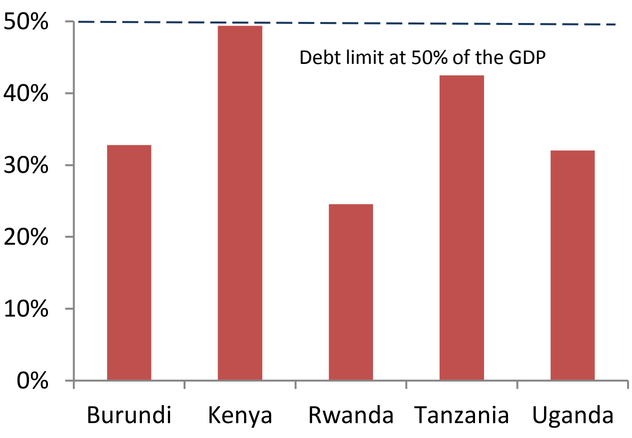



## The EAC Monetary Union - A Big Step In Facilitating Bloc's Faster Integration

- At the end of November 2013, five member countries of the East African Community (EAC) entered into a deal to establish East African Community Monetary Union (EACMU) within 10 years. With this, the countries aim to establish a common monetary, fiscal, and exchange policy.
- This would take shape only if these member states comply to certain convergence criteria for a stipulated period. Key indicators include inflation rates, tax to GDP ratio, debt to GDP ratio, and fiscal deficits.
- The EACMU will aid in reduction of cost of doing business among member states. Economic stability and efficient resource allocation are some of its other benefits. The success of the EACMU is prone to similar risks faced by other unions, such as the European Union. Therefore, policymakers will need to devise a powerful long-term strategy and make adequate efforts to meet the convergence criteria.

### Gross debt as a % of GDP, 2013




*Source: Bloomberg, IMF, African Economic Outlook, World Bank website and individual news websites*

# ACTIVITY ACROSS AFRICA: ECONOMY AND POLITICS

## East African Community

### Kenya

- Kenya's Ministry of Finance projects the country's GDP growth to be 5.8% in 2014, higher than the World Bank's forecast of 5.1%. Growth is expected to pick up gradually across most sectors. Meanwhile, Kenya's central bank kept its rate unchanged at 8.5% amid easing inflationary pressures and price stability.
- Kenya's inflation eased to 7.2% YoY in December 2013 (from 7.4% YoY in November 2013), mainly driven by a fall in electricity prices due to waiving of inflation levy and reduction of forex adjustment costs.
- The International Criminal Court (ICC) delayed the trial of Kenyan President Uhuru Kenyatta, acting on a request from prosecutors. The ICC's chief prosecutor Fatou Bensouda reported that prosecution could not meet the high standard of evidence needed at the trial and requested to postpone the trial for three months to allow her to carry out further investigations in the case.

### Uganda

- Uganda's central bank left its benchmark policy rate unchanged at 11.5% for January 2014 amid expectations of higher inflation in the medium term. Meanwhile, annual headline inflation edged down to 6.7% YoY in December 2013 from 6.8% YoY in November 2013, primarily due to a slower rise in non-food prices.

### Tanzania

- Headline inflation in Tanzania decreased to 5.6% YoY in December 2013 from 6.2% YoY in November 2013 due to a fall in food prices (mainly grains) and non-food commodities.

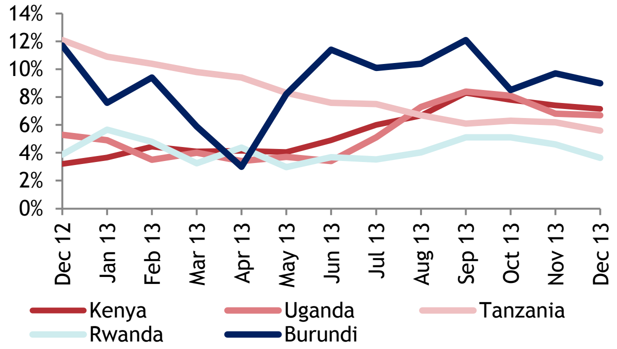
### Rwanda

- Rwanda's inflation eased to 3.7% YoY in December 2013 from 4.6% YoY in November 2013. The decrease can be ascribed to lower prices of food, especially vegetables that rose 4.3% compared to 10.5% recorded in November 2013.

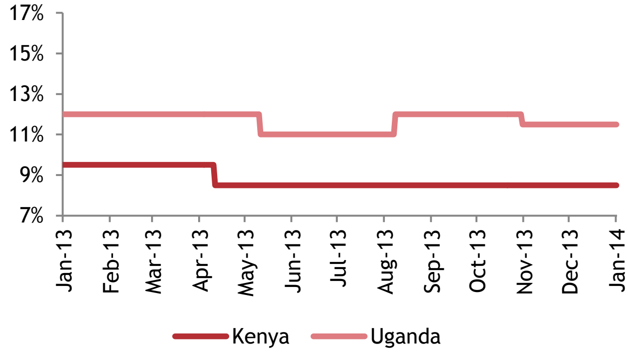
### Burundi

- Burundi's inflation rate eased to 9.0% in December 2013 from 9.7% in November 2013. This can be primarily ascribed to slower rise in food prices in December compared to that during November 2013.

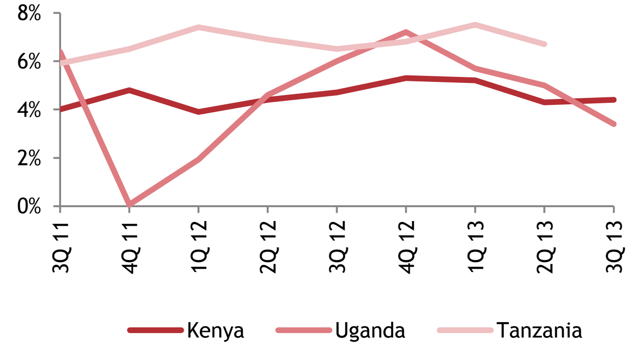
### Inflation (YoY)




### Movement of central banks' key rates




### GDP growth in Kenya, Uganda and Tanzania (YoY)




*Source: Bloomberg, individual news websites, respective central banks*

# ACTIVITY ACROSS AFRICA: ECONOMY AND POLITICS

## Rest of Sub-Saharan Africa

### Nigeria

- The United Nations Economic Commission for Africa expects Nigeria's GDP to grow by 7% in 2014, as the country is likely to continue to attract investments in the Oil and Minerals sector.
- Inflation in Nigeria rose to 8.0% YoY in December 2013 from 7.9% YoY in November 2013 due to an increase in the prices of non-food commodities, mainly alcoholic beverages and transportation costs.
- Nigeria's central bank maintained its policy rate at 12.0% for the 14th consecutive time to keep inflation under control.

### Angola

- Angola's inflation eased to 7.7% YoY in December 2013, its lowest in three years, from 7.9% YoY in November 2013. The country's central bank maintained its benchmark interest rate at 9.3% on easing inflationary pressures.

### Ghana

- Ghana's GDP grew just 0.3% in Q3 2013 compared to 1.6% in the same quarter last year and 6.1% in the second quarter of 2013. Slower growth can be mainly ascribed to a slump in the Mining and Quarrying sector amid a drop in gold prices that heavily affected production in these sectors.
- Inflation in Ghana edged up to 13.5% YoY in December 2013, its highest since March 2010. This was mainly driven by the utilities sector, which recorded the highest inflation rate of 35.0% during the month due to an increase in utility tariffs over that period. This was followed by the transport sub-sector, which recorded an inflation of 25.6% due to a rise in transport fares.

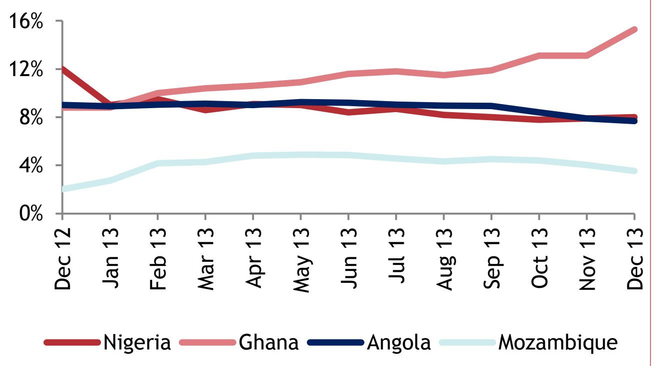
### Mozambique

- Mozambique's central bank held its policy rate at 8.25% in January 2014 amid easing inflationary pressures. Inflation rate decreased to 3.54% YoY in December 2013 from 4.04% in November 2013 and is well within the bank's target inflation level of 6%.

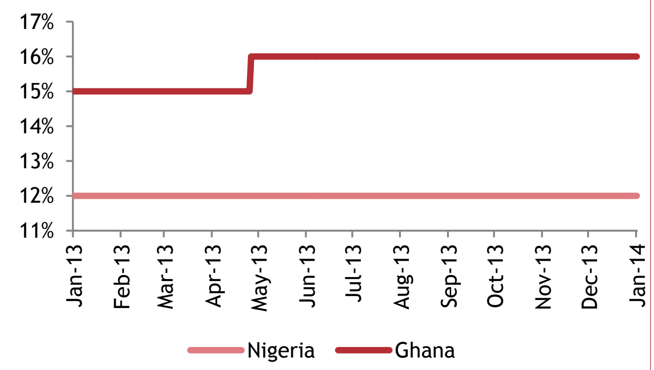
### Ivory Coast

- Ivory Coast's inflation eased to 0.4% in December 2013 from 1.1% in November 2013, mainly due to a drop in food and soft drink prices (2.4%) and transport costs (0.4%).

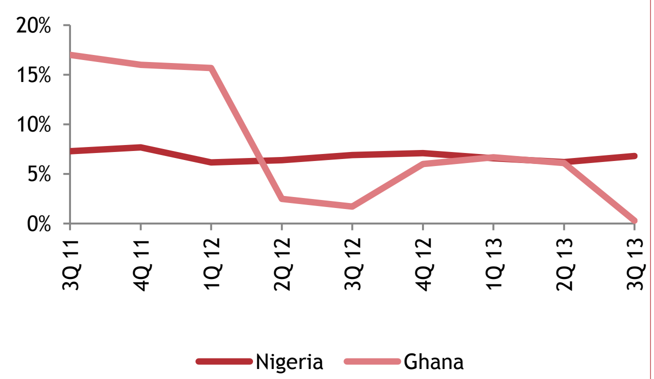
### Inflation (YoY)




### Movement of central banks' key rates




### GDP growth in Nigeria and Ghana (YoY)



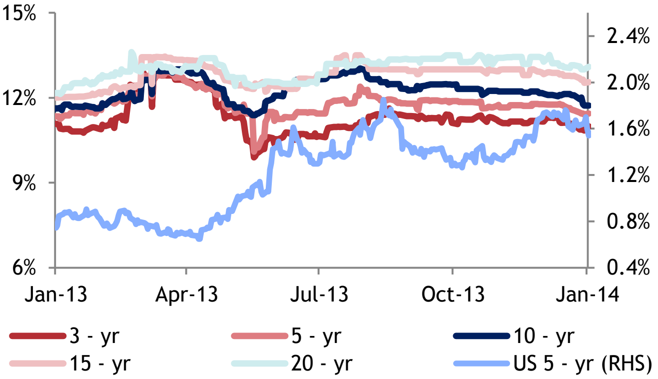

*Source: Bloomberg, individual news websites, respective central banks*

# ACTIVITY ACROSS AFRICA: BOND MARKETS

## Kenya

- In January 2014, Kenyan bond yields fell across maturities. The yields for 10-year, 15-year and 5-year maturities fell the most (down 37 bps to 11.7%, 33 bps to 12.6% and 31 bps to 11.5%, respectively) during the month.
- The drop in yields can be ascribed to a decline in Kenya's inflation and a subsequent decision by the central bank to maintain policy rates at 8.5%.
- On 27 January 2014, the Kenyan government held an auction of 10-year bonds with a coupon rate of 12.18% expiring in 2024. The auction was oversubscribed and the central bank received bids worth a total of KES 40.8 bn while it had offered a total of KES 10.0 bn. KES 15.03 bn worth of bids were accepted.
- The FTSE NSE Kenyan Shilling Government Bond Index, which fell 2% in 2013, rose 0.6% on MTD basis in January 2014.

### Bond yields' daily movement



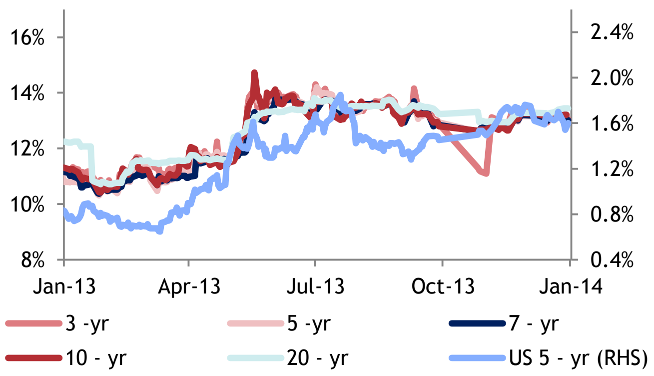

### Summary statistics

| | 3-yr | 5-yr | 10-yr | 15-yr | 20-yr |
|---|---|---|---|---|---|
| *27-Jan yield (%)* | 11.0% | 11.5% | 11.7% | 12.6% | 13.1% |
| *Chg from 1-Jan14 (bps)* | -30 | -31 | -37 | -33 | -13 |
| *Chg from 1-Dec13 (bps)* | -18 | -29 | -50 | -45 | -36 |

## Nigeria

- In January 2014, Nigerian bond yields rose across maturities. The yields for 20-year, 10-year, 7-year and 5-year maturities rose the most (up 23 bps to 13.4%, 17 bps to 13.2%, 16 bps to 13.0% and 16 bps to 13.0%, respectively) during the month.
- The rise in Nigerian bond yields was mainly due to tightening of liquidity by the central bank of Nigeria in January 2014 to reduce speculation on its currency. Further, Nigeria's Monetary Policy Committee raised the cash reserve ratio (CRR) on public sector deposits to 75% from 50% to support the local currency.
- The government auctioned 20-year, NGN 45 bn 10% July 2030 bonds and three-year, NGN 45 bn 13.05% August 2016 bonds on 15 January 2014. Both were oversubscribed with NGN 98.6 bn subscribed for the three-year bonds and NGN 75.4 bn for the 20-year bonds.
- The Access Bank FGN Bond Index, which was up 5.4% in 2013, fell 8.2% on MTD basis in January 2014.

### Bond yields' daily movement




### Summary statistics

| | 3-yr | 5-yr | 7-yr | 10-yr | 20-yr |
|---|---|---|---|---|---|
| *27-Jan yield (%)* | 13.1% | 13.0% | 13.0% | 13.2% | 13.4% |
| *Chg from 1-Jan14 (bps)* | 10 | 16 | 16 | 17 | 23 |
| *Chg from 1-Dec13 (bps)* | 18 | 50 | 50 | 68 | 55 |

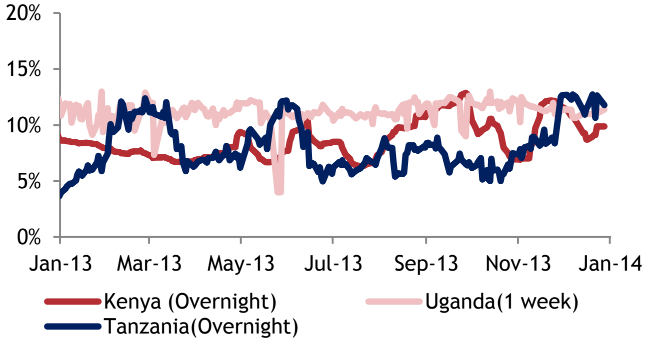
*Source: Bloomberg, individual news websites*

# MONEY MARKETS

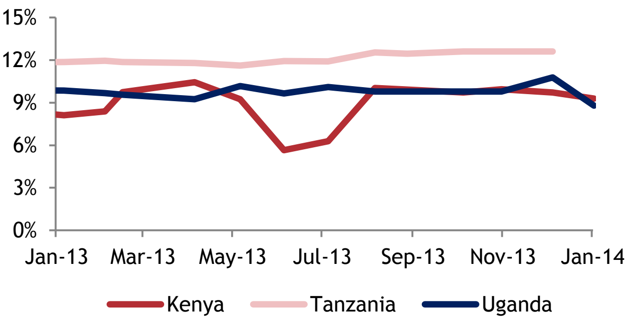
## East African Community

- Kenya's interbank rate fell to 9.9% towards the end of January 2014 from 12.2% at the start of the month, indicating improved liquidity in the market. The 10-year bond auction held in January 2014 was oversubscribed, with KES 15.03 bn raised against the KES 10.0 bn on offer. Tanzania's liquidity also improved during the month, with the interbank rates falling to 12.1% towards the end of January 2014 from 12.5% at the start of the month.

### Interbank rates




### 91-day/3-month T-bills (monthly average)




### 3-month currency deposit and T-bill rates (Jan 2014)

| | Kenya | Tanzania | Uganda |
|---|---|---|---|
| ***3-m curr dep*** | 11.4% | 11.4% | 9.5% |
| ***91-d/3-m T-bill*** | 9.3% | 12.4%(Dec) | 8.8% |

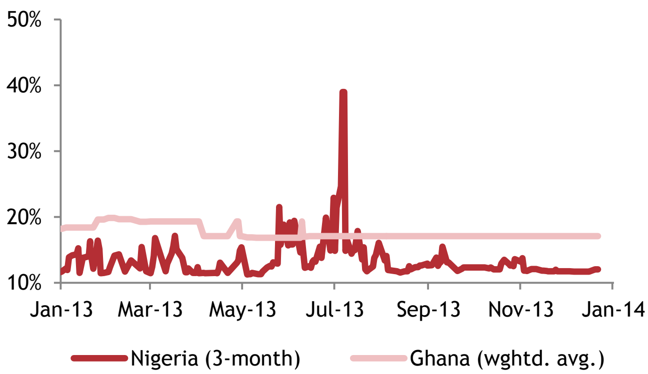
### Policy and average interbank rates (Jan 2014)

| | Kenya (o) | Tanzania (1-w) | Uganda (o) |
|---|---|---|---|
| ***Policy*** | 8.5% | 12.0% | 11.5% |
| ***Interbank*** | 9.9% | 12.1% | 11.4% |

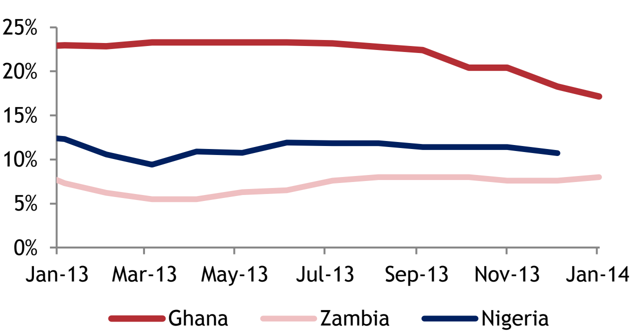
## Rest of Sub-Saharan Africa

- Nigerian Interbank Offered Rates (NIBOR) mostly remained flat during January 2014 and averaged 11.8%. The rates remained flat as the central bank sold treasury bills worth NGN 340 bn during the month to offset the impact of an increase in liquidity and contain inflation.

### Interbank rates




### 91-day/3-month T-bills (monthly average)




### 3-month currency deposit and T-bill rates (Jan 2014)

| | Nigeria | Ghana | Zambia |
|---|---|---|---|
| ***3-m curr dep*** | 11.6% | 19.0% | 11.9% |
| ***91-d /3-m T-bill*** | 10.7%(Dec) | 17.2% | 9.9% |

### Policy and average interbank rates (Jan 2014)

| | Nigeria (3-m) | Ghana (wt avg) | Zambia (o) |
|---|---|---|---|
| ***Policy*** | 12.0% | 16.0% | 9.8% |
| ***Interbank*** | 12.0% | 17.1% | 9.9% |

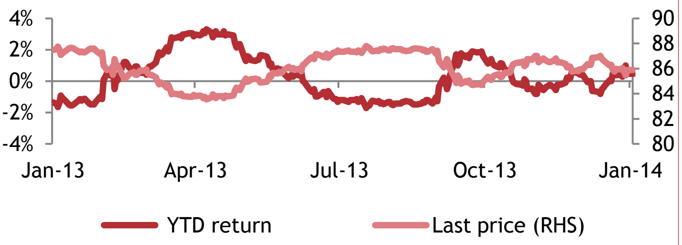
*Source: Bloomberg, individual news websites, respective central banks*

# CURRENCY MARKETS: KENYA, TANZANIA, UGANDA

## Kenyan Shilling (KES)

- The Kenyan shilling appreciated 0.5% to KES 85.9 against the US dollar since the start of 2014. The shilling strengthened, primarily backed by foreign investors' appetite for local stocks, government bonds and treasury bills.
- Apart from sluggish dollar demand from importers, the shilling was supported by higher demand, primarily due to VAT payments driven by the introduction of the VAT Act in 2013.
- The shilling is likely to hover in a tight range (85–86.5) in early-February as dollar demand from importers is expected to be set-off by foreign investor inflows. Following this, tightening liquidity is expected to marginally support the local currency.

**USD/KES daily movement**

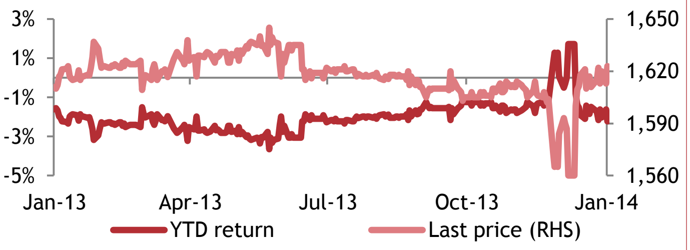



| | Avg | End val | High | Low | MTD (%) | YTD (%) |
|---|---|---|---|---|---|---|
| ***USD*** | 86.2 | 85.9 | 87.0 | 85.5 | 0.5% | 0.5% |
| ***EUR*** | 117.5 | 117.4 | 118.8 | 116.2 | 1.2% | 1.2% |

## Tanzanian Shilling (TZS)

- After recording positive performance during the year-end period, the shilling weakened 2.2% against the US dollar in January 2014.
- The month saw the shilling at its lowest level since November 2013, mainly due to rising demand for the dollar coming from the manufacturing and oil sector. The currency remained unfazed by tight liquidity conditions created by end-year festivals.
- The shilling is expected to weaken further in the coming weeks as demand for the US dollar continues to remain strong. Furthermore, the US Fed's decision to taper its bond purchases by another USD 10 billion is expected to have an adverse impact on the emerging and frontier market currencies.

**USD/TZS daily movement**

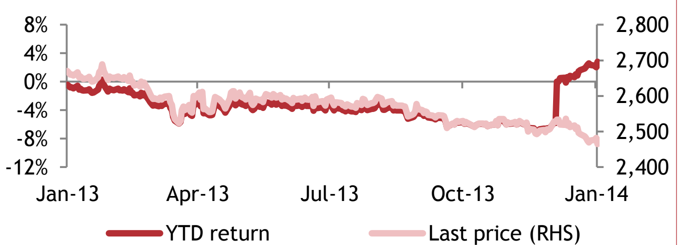



| | Avg | End val | High | Low | MTD (%) | YTD (%) |
|---|---|---|---|---|---|---|
| ***USD*** | 1,605.0 | 1,623.0 | 1,623.0 | 1,560.0 | -2.2% | -2.2% |
| ***EUR*** | 2,187.6 | 2,217.1 | 2,217.1 | 2,119.8 | -1.5% | -1.5% |

## Ugandan Shilling (UGX)

- The Ugandan shilling has so far appreciated 2.8% against the US dollar in 2014 due to sluggish corporate demand for dollars from importers that overshadowed the blow from the recent credit ratings downgrade by S&P from 'B+' to 'B'.
- January-end saw a major shilling appreciation due to US dollar inflows from NGOs, coupled with offshore investors buying local bonds.
- However, the Ugandan shilling is expected to witness some pressure in the near term, mainly due to the ongoing conflict in neighboring South Sudan, an export market. Also, pick up in corporate demand for the dollars and further easing of the monetary policy are expected to weigh down the shilling.

**USD/UGX daily movement**




| | Avg | End val | High | Low | MTD (%) | YTD (%) |
|---|---|---|---|---|---|---|
| ***USD*** | 2,503.4 | 2,475.0 | 2,535.9 | 2,470.0 | 2.8% | 2.4% |
| ***EUR*** | 3,410.4 | 3,387.3 | 3,485.8 | 3,360.4 | 2.9% | 2.9% |

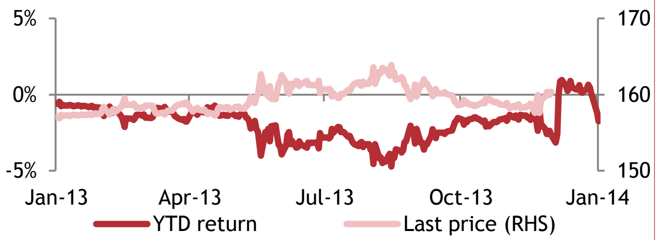
*Source: Bloomberg, individual news websites*

# CURRENCY MARKETS: NIGERIA, RWANDA, GHANA

## Nigerian Naira (NGN)

- The Nigerian naira strengthened against the US dollar in early January but lost all the gains and depreciated to a four-month low towards the end of month. The naira depreciated 1.7% since the start of 2014.
- The significant decline can be ascribed to the CBN's move of eliminating limit on the amount of dollars that can be sold to foreign-exchange bureaus, thus driving demand for the US dollars. This also ruined the CBN's efforts of liquidity tightening by the CRR hike announced earlier in the month.
- However, the outlook for naira is positive as the CBN remains inclined to safeguard its local currency; banks offered US dollars at a forward auction on 29 January 2014.

**USD/NGN daily movement**

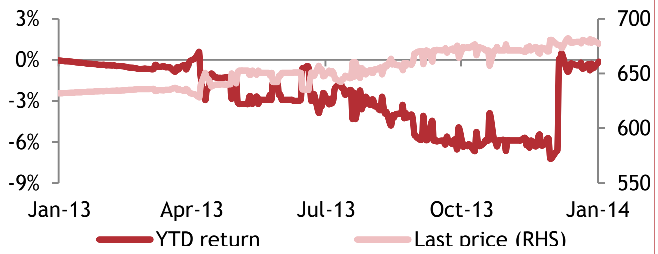



| | Avg | End val | High | Low | MTD (%) | YTD (%) |
|---|---|---|---|---|---|---|
| *USD* | 159.9 | 163.1 | 163.1 | 158.7 | -1.7% | -1.7% |
| *EUR* | 217.9 | 222.1 | 222.1 | 215.7 | -0.7% | -0.7% |

## Rwandan Franc (RWF)

- The Rwandan franc continued to depreciate against the US Dollar during January 2014 and hit a record low over the last one year of 682.1. The currency was down 0.1% since the start of 2014.
- Rwandan franc's decline against the US Dollar can be mainly ascribed to higher demand for the greenback to pay for imports. The currency depreciated even though the central bank assured in December 2013 that the local currency would gain strength post the festive season.
- However, in the near term, the Rwandan franc is anticipated to trade in a narrow range as the central bank is expected to continue intervening in the coming weeks to support the currency.

**USD/RWF daily movement**

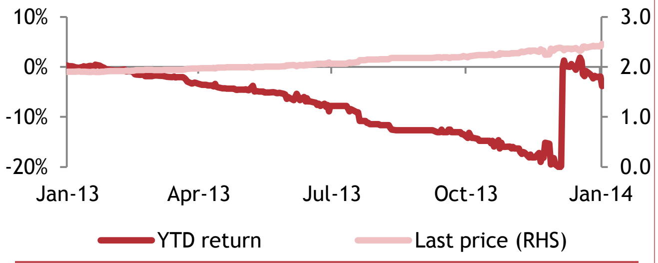



| | Avg | End val | High | Low | MTD (%) | YTD (%) |
|---|---|---|---|---|---|---|
| *USD* | 678.5 | 677.0 | 682.1 | 673.0 | -0.1% | -0.1% |
| *EUR* | 924.2 | 925.0 | 930.1 | 914.4 | 0.6% | 0.6% |

## New Ghanaian Cedi (GHS)

- After depreciating close to 20% against the US dollar in 2013, the Ghanaian cedi continued its downtrend, falling 3.9% against the dollar so far in 2014.
- The continuous depreciation is due to strong demand for the US currency from importers, coupled with weak interbank liquidity.
- The Ghanaian cedi is expected to depreciate further in the near term against the greenback as it is unlikely that the liquidity position will improve with dollar demand expected to outstrip supply in the market. However, the scenario is likely to change from March as the Bank of Ghana plans to roll out foreign-exchange policies to arrest cedi's consistent weakness.

**USD/GHS daily movement**




| | Avg | End val | High | Low | MTD (%) | YTD (%) |
|---|---|---|---|---|---|---|
| *USD* | 2.38 | 2.46 | 2.46 | 2.32 | -3.9% | -3.9% |
| *EUR* | 3.24 | 3.29 | 3.30 | 3.19 | -1.2% | -1.2% |

*Source: Bloomberg, individual news websites*

# SPECIAL FOCUS

## The EAC Monetary Union - A Big Step In Facilitating Bloc's Faster Integration

### Establishing of EAC monetary union to foster trade

The heads of the five countries that are members of the East African Community(EAC) – Kenya, Tanzania, Uganda, Rwanda, and Burundi – who already have a common market and a customs union, in November 2013 signed a protocol to establish a single monetary union, the East African Community Monetary Union (EACMU), within 10 years. Through EACMU, member nations aim to synchronize their monetary, fiscal, and exchange policies. Furthermore, the move extends support to regional trade within the bloc with its common currency arrangement. The protocol also provides for establishing a regional central bank.

### EAC to benefit from closer regional integration

The monetary union setup, which involves dealing with common currency, is expected to reduce the cost of doing business among its members by doing away with foreign exchange fees. This would not only enhance EAC's regional and global trade but also promote competition, thus offering products at lower prices to the consumers. Economic stability, integration of the financial structure, and efficient allocation of untapped resources are some of the other benefits expected from the EACMU.

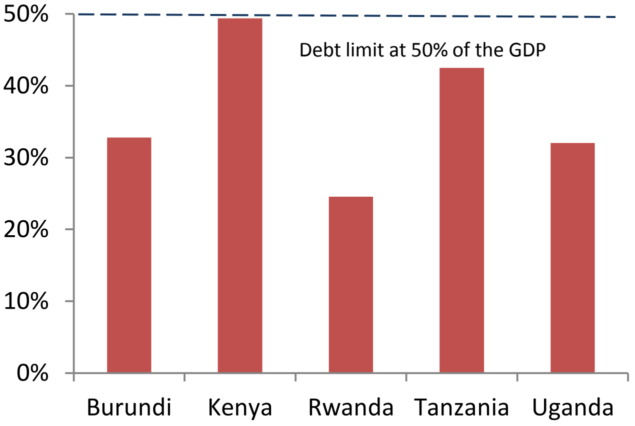
### Fulfilling certain norms must for EACMU to materialise

Before establishing the monetary union, the member states are required to adhere to certain convergence criteria and maintain them for a minimum of three consecutive years. This includes maintaining headline inflation (8%), fiscal deficit with grants (3% of GDP), debt (50% of GDP in net present value terms), and a reserve cover (4.5 months of imports). In addition, there are three indicative criteria: core inflation (<=5%), fiscal deficits ceiling with grants (<=6% of GDP), and minimum tax-to-GDP ratio (25%). Currently, though the countries are within the threshold with regards to debt as a % of GDP, much needs to be done on other fronts.

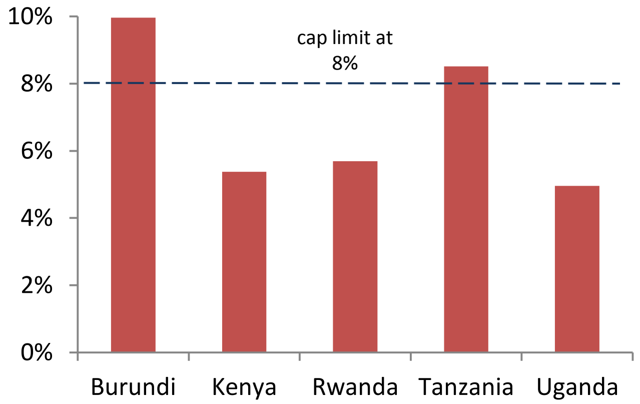
### Lessons from other unions to help in EACMU's success

While the union enhances EAC's positioning on the global map, it renders the region susceptible to risks faced by unions such as the EU. Policymakers should intensively study the convergence criteria of these unions and in turn devise a long-term public policy across partner states. The EACMU could be successful if each member is prepared to embrace a common currency and be liable to a central fiscal and monetary body alongside undertaking adequate efforts to meet the required level of convergence.

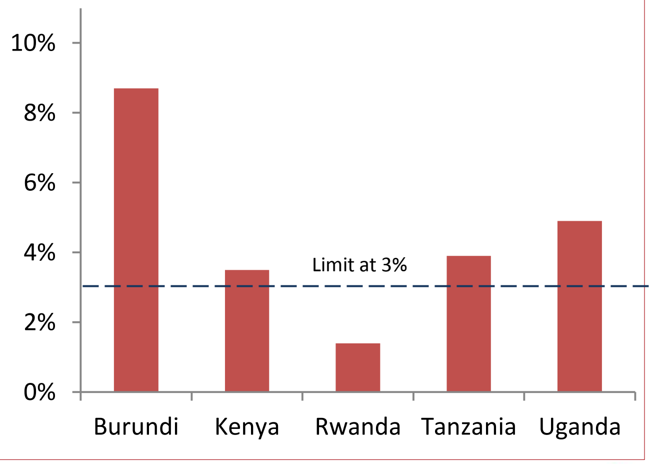
**Gross debt as a % of GDP, 2013**




**Inflation in the EAC region (%), 2013**




**Fiscal deficit as a % of GDP, 2013**




*Source: Bloomberg, IMF, African Economic Outlook, World Bank website and individual news websites*

# AUCTIONS, EVENTS

## Latest Issuances of Key Government Bonds (duration greater than one year)

### Uganda's latest issuance: 10-yr and 2-yr bond (Jan 2014)

| Issue Date | Maturity | Amt (UGX) | Bid/Offer | YTM | Coupon |
|---|---|---|---|---|---|
| ***29-Jan*** | 10-yr | 60.0 bn | 3.92 | 14.0% | 14.0% |
| ***29-Jan*** | 2-yr | 70.0 bn | 2.59 | 13.2% | 14.1% |
| ***Details of issuances in December*** | | | | | |
| ***5-Dec*** | 15-yr | 40.7 bn | 2.83 | 15.3% | 15.3% |
| ***5-Dec*** | 3-yr | 80.0 bn | 2.36 | 14.2% | 14.1% |

*I USD = 2,500.4 UGX (average for January 2014)*

### Tanzania's latest issuance: 10-yr and 2-yr bond (Jan 2014)

| Issue Date | Maturity | Amt (TZS) | Bid/Offer | YTM | WACY* |
|---|---|---|---|---|---|
| ***22-Jan*** | 10-yr | 40.6 bn | 1.03 | 15.8% | 14.6% |
| ***8-Jan*** | 2-yr | 7.0 bn | 8.01 | 15.1% | 8.9% |
| ***Details of previous issuance in December*** | | | | | |
| ***24-Dec*** | 7-yr | 14.1 bn | 1.49 | 15.9% | 13.3% |

**Weighted average coupon yield; I USD = 1,605.0 TZS (average for January 2014)*

### Ghana's latest issuance: 2-yr note (Jan 2014)

| Issue Date | Maturity | Amt (GHS) | Type | Bid/Cover | Int rate |
|---|---|---|---|---|---|
| ***27-Jan*** | 2-yr | 2.5 mn | FXR Note | 1.0 | 16.00% |
| ***Details of previous 2-yr issuances*** | | | | | |
| ***20-Jan*** | 2-yr | 0.4 mn | FXR Note | 1.0 | 16.50% |
| ***13-Jan*** | 2-yr | 1.4 mn | FXR Note | 1.0 | 16.50% |
| ***6-Jan*** | 2-yr | 1.4 mn | FXR Note | 1.0 | 16.50% |

**Fixed rate; 1 USD = 2.38 GHS (average for January 2014)*

### Kenya's latest issuance: 10-yr bond (Jan 2014)

| Issue Date | Maturity | Amt bid (KES) | Amt acpt (KES) | MWAR* | Coupon |
|---|---|---|---|---|---|
| ***27-Jan*** | 10-yr | 40.8 bn | 15.0 bn | 12.36% | 12.18% |
| ***Details of issuances in December*** | | | | | |
| ***23-Dec*** | 2-yr | 29.4 bn | 25.3 bn | 11.66% | 11.55% |
| ***Details of issuances in November*** | | | | | |
| ***25-Nov*** | 5-yr | 21.5 bn | 14.9 bn | 12.12% | 11.95% |

**Market weighted average rate; I USD = 86.2 KES (average for January 2014)*

## Upcoming Bond Auctions, Monetary Policy Meetings

- **24 February 2014:** The Central Bank of Kenya is scheduled to issue bonds.
- **26 February 2014:** The Central Bank of Uganda is scheduled to sell bonds.

- **Monetary policy meetings** are scheduled for:
  - **19 February 2014:** The Central Bank of Ghana
  - **28 February 2014:** The Central Bank of Angola

*Source: Bloomberg, individual news websites, respective central banks*

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**FUSION GROUP:** 100 New Bond Street, London, W1S 1SP, UK
**T:** +44 1625 526928 / +254(20)2710149/53/55 **E:** enquiries@fusiongroupafrica.com
**www.fusioninvestafrica.com**