

## Pan African Monitor

### Weekly Wrap & Outlook

#### IMF: SSA recovery to trail global average

The International Monetary Fund's (IMF) in its most recently released 2021 World Economic Outlook (WEO), forecasted growth for Sub-Saharan Africa will print at 3.2% in 2021 trailing global growth forecast of 5.5%. According to the report, developing economies (where most SSA economies are classified) prospects are weaker than global average largely because of oil-exporting economies and tourism-based economies who are vulnerable to slow normalization of cross-border travel and subdued outlook for oil prices. Also, it expects the fallout of the crisis to push close to 90 million people into extreme poverty.

For us, the IMF's gloomy growth prospects for SSA economies were largely expected, and in line with our SSA economies' outlook. In our opinion, inability to secure adequate vaccines to meet up with the minimum 70% population vaccination, limited wiggle room for policy decisions, elevated debt levels, and legacy economic challenges are key issues that we expect will drag SSA recovery in 2021.

According to the IMF, to support many SSA economies' recovery, there would be a need to grant debt forgiveness. Many countries may have to restructure their liabilities considering limited revenue flow. The organization also stated the need for more prosperous economies of the world to support low-income countries in sourcing vaccines to improve inoculation rate. For us, we largely agree with the IMF's opinion as we believe a lot of the recovery potential for SSA is hinged on vaccination levels. That said, we note that implementing appropriate policy responses and resolving longstanding economic bottlenecks is critical for long term economic sustainability.

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#### Looking Forward

##### Angola

January inflation report—February 15th

##### Ghana

MPC Interest Rate Decision—February 1st  
Jan-2020 CPI YoY—February 10th

##### Kenya

Q3-2020 CPI YoY—January 29th

##### Nigeria

January inflation report YoY—February 15th  
FY GDP report -February 17th

##### South Africa

Monthly budget balance —January 29th  
Dec-2020 Money Supply YoY—January 29th

Sources: Bloomberg, United Capital Research

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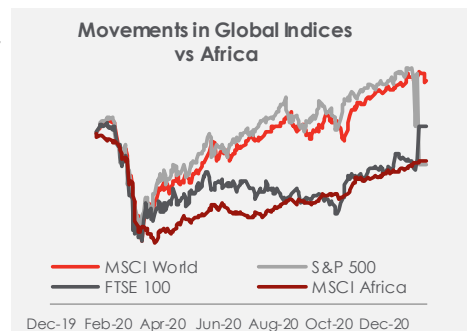
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Equities	Level	Mcap (\$'bn)	WTD (local)	YTD (local)	P/E	P/B	Div. Yield
Botswana	6,873.3	3.3	▼ -0.1%	▼ -0.1%	9.8	1.3	5.4%
BRVM	134.3	7.6	▲ 2.0%	▼ -7.9%	8.4	1.1	8.4%
Egypt	11,578.8	21.5	▼ -0.2%	▲ 6.8%	12.4	1.6	2.8%
Ghana	2,027.1	9.6	▲ 1.6%	▲ 4.4%	na	1.3	nm
Kenya	157.0	21.6	▲ 0.8%	▲ 3.2%	11.1	1.6	4.3%
Mauritius	1,641.1	4.9	▼ -0.6%	▼ -0.5%	na	0.3	1.2%
Morocco	11,657.6	67.1	▲ 1.2%	▲ 3.3%	27.8	2.5	3.1%
Nigeria	42,169.4	58.0	▲ 2.6%	▲ 4.7%	16.0	1.9	4.4%
South Africa	63,206.7	1,045.4	▼ -1.5%	▲ 5.7%	28.6	1.8	2.5%
Tunisia	6,653.8	6.7	▲ 0.0%	▼ -3.9%	20.1	2.2	0.6%
<b>Global Market</b>	2,710.6	104,648.3	▼ -2.0%	▲ 0.8%	33.4	3.0	1.8%
<b>Frontier Market</b>	566.8	--	▼ -3.3%	▲ 2.5%	14.2	1.8	3.4%
<b>Emerging Market</b>	1,350.6	--	▼ -3.9%	▲ 7.6%	25.9	2.2	1.8%

Dollar Eurobonds	Amt Out (\$'bn)	Average YTM	WTD	YTD
Angola	8.0	8.6%	▲ 0.00%	▲ 1.4%
Egypt	30.2	5.2%	▲ 0.02%	▼ -0.3%
Ghana	11.0	6.6%	▼ -0.09%	▼ -0.5%
Ivory Coast	4.6	4.5%	▲ 0.07%	▼ -0.8%
Kenya	6.1	5.4%	▲ 0.01%	▼ -0.8%
Morocco	2.3	2.6%	▼ -0.06%	▼ -0.5%
Nigeria	11.2	5.6%	▲ 1.40%	▼ -0.5%
Senegal	2.9	4.1%	▲ 0.06%	▼ -0.4%
South Africa	20.0	4.4%	▲ 0.08%	▼ -0.4%
Zambia	3.0	36.3%	▲ 0.37%	▲ 18.0%



Currencies (vs. USD)		Spot Rate	WTD	MTD	YTD	6M Forward	12M Forward
Angola	AOA: Kwanza	654.7	▲ 0.3%	▼ -0.5%	▼ -0.5%	na	na
Egypt	EGP: Pound	15.7	▲ 0.0%	▲ 0.2%	▲ 0.2%	16.5	17.2
Ghana	GHS: Cedi	5.8	▲ 0.1%	▲ 0.7%	▲ 0.7%	6.2	6.6
Kenya	KES: Shilling	110.2	▼ -0.2%	▼ -0.8%	▼ -0.8%	na	na
Mauritius	MUR: Rupee	39.6	▼ -0.2%	▲ 0.3%	▲ 0.3%	na	na
Morocco	MAD: Dirham	9.0	▼ -0.3%	▼ -0.7%	▼ -0.7%	9.0	9.1
Nigeria	NGN: Naira	381.0	▲ 0.0%	▲ 4.4%	▲ 4.4%	433.7	465.0
South Africa	ZAR: Rand	15.2	▼ -1.8%	▼ -3.4%	▼ -3.4%	15.6	15.9
Tunisia	TND: Dinar	2.7	▼ -0.3%	▼ -0.5%	▼ -0.5%	na	na
WAMU	CFA: Franc	541.6	▼ -0.3%	▼ -1.2%	▼ -1.2%	na	na

Commodities		Spot Rate	WTD	MTD	YTD	52 Week High	52 Week Low
Brent Crude	USD/bbl.	55.5	▼ -1.0%	▲ 7.2%	▲ 7.2%	60.6	16.0
Gold	USD/ t oz	1,837.9	▼ -1.5%	▼ -2.7%	▼ -2.7%	2,063.0	1,450.9
Copper	USD/lb.	357.8	▼ -1.9%	▲ 0.8%	▲ 0.8%	373.4	206.0
Cocoa	USD/MT	na	--	--	--	2,870.0	2,115.0

Macro & Fixed Income	10Yr Bnd Yld	Inflation	Real Return	Policy Rate	*GDP (\$'b)	**GDP Growth	Reserves (\$'b)
Angola	8.8%	1.8%	7.0%	18.0%	88.8	2.5%	14.8
Egypt	14.2%	5.4%	8.8%	9.3%	303.1	5.6%	40.1
Ghana	19.0%	10.4%	8.6%	14.5%	67.0	-1.1%	6.9
Kenya	12.0%	5.6%	6.4%	7.0%	95.5	-1.1%	8.7
Mauritius	1.4%	2.7%	-1.4%	1.9%	14.0	-13.0%	7.3
Morocco	2.3%	-0.3%	2.6%	-7.2%	119.7	-7.2%	28.3
Nigeria	8.9%	15.8%	-6.9%	11.5%	448.1	-3.6%	36.4
South Africa	8.8%	3.1%	5.7%	3.5%	351.4	-6.0%	55.0
Tanzania	11.6%	3.3%	8.2%	12.0%	63.2	7.1%	5.3

Sources: Bloomberg, United Capital Research

\*GDP (\$'b): Annual GDP by World Bank  
 \*\* GDP Growth: Latest Quarterly y/y GDP Growth