

Weekly Wrap & Outlook

SSA's long and painful road to recovery

In our 2021 outlook report, we stated that the outlook for SSA economies was largely dependent on the pandemic. Recent data of Covid-19 caseloads across the region has seen a spike in the number of cases in what has been confirmed as the second wave. This has led to increased calls for another round of lockdown and stiff restrictions as authorities attempt to safeguard health. However, the economic cost of another lockdown remains a concern. Restating our viewpoint, curtailing the spread of the virus and widespread inoculation of citizens would go a long way in keeping prospects for a V-shaped recovery alive.

In what appears to be positive vaccine-related news, a statement credited to Senior Science Adviser for the Africa Centres for Disease Control and Prevention, the African Union (AU) has secured close to 300million Covid-19 vaccine doses. Noteworthy to mention, the 300 million doses are independent of the global COVAX effort aimed at distributing Covid-19 vaccines to lower-income countries. The vaccines are expected to be available before the end of Q1 2021 and will be distributed on the platform of the AU among the 54 African countries.

We think this is a major step in the right direction to lifting the region out of the current economic slump. That said, the Africa CDC warned that each citizen would need two doses of the vaccine implying the continent would need an estimated 2.4 billion doses (based on a population of 1.2 billion). Thus, the 300 million doses expected in Q1 2021 only caters for 12.5% of the continent's need, far below the 70% population immunity required. Against this backdrop, the road to recovery could remain long and painful.

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Looking Forward

Ghana

Dec-2020 PPI YoY—January 22nd
Dec 2020 MPC Interest Rate Decision—January 25th

Kenya

Q3-2020 GDP YoY—January 18th
Nov-2020 Trade Balance—January 20th

Morocco

Dec-2020 Inflation Rate YoY—January 22nd

South Africa

Dec-2020 Inflation Rate YoY—January 20th
Nov-20 Retail Sales MoM—January 21st

Sources: Bloomberg, United Capital Research

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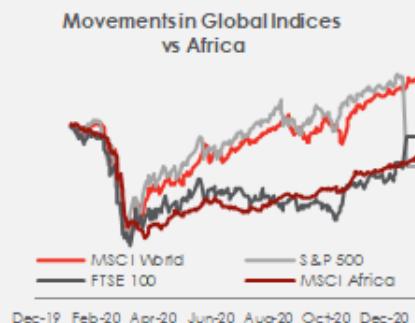
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Equities	Level	Mcap (\$'bn)	WTD (local)	YTD (local)	P/E	P/B	Div. Yield
Botswana	6,885.2	3.3 ▼	0.0% ▲	0.1%	9.7	1.3	5.4%
BRVM	133.2	7.6 ▼	-3.2% ▼	-8.3%	8.3	1.1	8.4%
Egypt	11,453.4	21.3 ▲	4.6% ▲	5.6%	12.2	1.5	28%
Ghana	1,955.8	9.4 ▲	0.7% ▲	1.5%	na	1.2	nm
Kenya	158.3	21.8 ▲	2.8% ▲	4.0%	11.8	1.6	4.3%
Mauritius	1,653.9	5.0 ▼	-0.1% ▲	0.3%	na	0.3	1.1%
Morocco	11,326.8	66.0 ▲	0.6% ▲	0.3%	27.0	2.4	3.2%
Nigeria	40,963.1	56.2 ▲	0.9% ▲	1.7%	15.7	1.8	4.5%
South Africa	63,884.8	1,065.6 ▲	1.3% ▲	7.5%	29.1	1.9	2.4%
Tunisia	6,711.4	6.7 ▼	-0.5% ▼	-2.5%	20.3	2.2	0.6%
Global Market	2,738.1	106,367.3 ▲	0.1% ▲	1.8%	33.9	3.0	1.8%
Frontier Market	591.9	-- ▲	1.9% ▲	3.6%	14.9	1.9	3.2%
Emerging Market	1,370.8	-- ▲	3.7% ▲	6.2%	27.4	2.2	1.7%

Dollar Eurobonds	Amt Out (\$'bn)	Average YTM	WTD	YTD	Movements in Global Indices vs Africa	
Angola	8.0	8.7% ▼	-0.17% ▲	1.6%		
Egypt	30.2	5.2% ▲	0.10% ▼	-0.4%		
Ghana	11.0	6.7% ▲	0.37% ▼	-0.5%		
Ivory Coast	4.6	4.4% ▲	0.03% ▼	-0.9%		
Kenya	6.1	5.4% ▲	0.18% ▼	-0.8%		
Morocco	2.3	2.6% ▼	-0.07% ▼	-0.5%		
Nigeria	11.2	4.9% ▼	-0.09% ▼	-1.2%		
Senegal	2.9	4.1% ▲	0.21% ▼	-0.4%		
South Africa	20.0	4.3% ▼	-0.04% ▼	-0.5%		
Zambia	3.0	36.3% ▲	2.58% ▲	18.0%		



Currencies (vs. USD)		Spot Rate	WTD	MTD	YTD	6M Forward	12M Forward
Angola	AOA: Kwanza	658.1 ▼	-0.8% ▼	-1.4% ▼	-1.4%	na	na
Egypt	EGP: Pound	15.7 ▲	0.3% ▲	0.5% ▲	0.5%	16.4	17.1
Ghana	GHS: Cedi	5.8 ▲	0.6% ▲	0.6% ▲	0.6%	6.2	6.6
Kenya	KES: Shilling	110.0 ▼	-0.4% ▼	-0.8% ▼	-0.8%	na	na
Mauritius	MUR: Rupee	39.3 ▲	0.1% ▲	0.5% ▲	0.5%	na	na
Morocco	MAD: Dirham	8.9 ▼	-0.7% ▲	0.4% ▲	0.4%	8.9	9.0
Nigeria	NGN: Naira	381.9 ▲	1.6% ▲	4.3% ▲	4.3%	429.5	461.5
South Africa	ZAR: Rand	15.1 ▲	2.3% ▼	-3.0% ▼	-3.0%	15.5	15.8
Tunisia	TND: Dinar	2.7 ▼	-0.7% ▼	-0.5% ▼	-0.5%	na	na
WAMU	CFA: Franc	539.7 ▼	-1.1% ▼	-0.8% ▼	-0.8%	na	na

Commodities		Spot Rate	WTD	MTD	YTD	52 Week High	52 Week Low
Brent Crude	USD/bbl.	56.4 ▲	3.8% ▲	7.7% ▲	7.7%	66.0	16.0
Gold	USD/ t oz	1,851.4 ▼	-3.3% ▼	-2.4% ▼	-2.4%	2,063.0	1,450.9
Copper	USD/lb.	366.5 ▼	-0.9% ▲	3.3% ▲	3.3%	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%	14.7
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	-5.7%	8.7
Mauritius	1.4%	2.7%	-1.4%	1.9%	14.0	-13.0%	7.3
Morocco	2.4%	0.2%	2.2%	-7.2%	119.7	-7.2%	28.3
Nigeria	7.7%	14.9%	-7.2%	11.5%	448.1	-3.6%	36.3
South Africa	8.7%	3.2%	5.5%	3.5%	351.4	-6.0%	55.0
Tanzania	11.6%	3.3%	8.2%	12.0%	63.2	6.1%	5.3

Sources: Bloomberg, United Capital Research

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