

Pan African Monitor

Weekly Wrap & Outlook

Downgraded 2019 growth forecast for SSA – should markets care?

On the heels of a 2019 sub-Saharan Africa (SSA) growth forecast downgrade by the World Bank (from an initial 3.3% to 2.8%), the International Monetary Fund (IMF) has also revised its 2019 growth forecast for the region to 3.5% from 3.8%. Should markets care?

Three things are worth pointing out: Firstly, forecasts from the IMF and World Bank tend to come in a little less timely than those of the market. Hence, it may not be that much of a surprise, especially if the forecasts tally with what the market is already pricing in. Secondly, initial forecasts as these, tend to be less precise as they get to be revised with time; Finally, the three biggest economies in the region - Nigeria (+2.1%), South Africa (+1.2%), and Angola (+0.4%) - exhibited the lowest growth rates, masking strong forecasts from countries such as Ghana (+8.8%), Ethiopia (7.7%), and Côte d'Ivoire (7.5%) - clearly, Africa should still be on the books.

Given the aforementioned, we do not think the recent downgrade would have a material effect on markets but it gives the media something “new” to talk about. Attention may also be drawn to the 6-star SSA economies of the new IMF forecast, which are projected to be among the world fastest growing economies, considering the not-so-impressive forecasts for the big-3's. Specifically, Ghana which is projected to be the world's fastest growing economy in 2019 at 8.8% may see increase in FDI. Others such as Rwanda, Ethiopia, Ivory Coast and Senegal, may also enjoy some patronage amid improving governance structures.

Top African Stories

- **Nigeria plans special economic zones to double manufacturing by 2025:** Nigeria announced on Wednesday a target to double its manufacturing output to 20 percent of GDP within six years and will set up production hubs across the country in partnership with regional aid banks. [Read More](#)
- **Sub-Saharan economic growth recovery to take longer:** The World Bank has cut its growth forecast for Sub-Saharan Africa this year to 2.8 percent from an initial 3.3 percent, it said on Monday. [Read More](#)
- **Egypt's annual urban consumer price inflation eases to 14.2% in March:** Egypt's annual urban consumer price inflation eased to 14.2 percent in March from 14.4 percent in February, the official statistics agency CAPMAS said on Wednesday. [Read More](#)
- **South African business confidence drops to seven-month low in March:** South Africa's business confidence fell to a seven-month low in March, hurt by power cuts, higher electricity tariffs and slowing manufacturing production, a survey showed on Wednesday. [Read More](#)
- **Kenya central bank says to hold rate-setting meeting on May 27:** The Central Bank of Kenya's Monetary Policy Committee will hold its next rate-setting meeting on May 27, the bank said. [Read More](#)

Looking Forward

Egypt

Feb-19 Trade balance - April 18th

Ghana

Q4-18 GDP Data - April 17th

Mar-19 PPI Data - April 17th

Kenya

Q4-18 GDP Data - April 23rd

Apr-19 (CPI) Inflation - April 30th

Morocco

Mar-19 (CPI) Inflation - April 22nd

M3 Money Supply - April 29th

Nigeria

Mar-19 (CPI) Inflation - April 15th

South Africa

Mar-19 (CPI) Inflation - April 17th

Feb-19 Retail Sales - April 17th

Q1-19 BER Consumer Confidence - April 18th

Mar-19 PPI Data - April 25th

Mar-19 Money Supply M3 - April 30th

Tanzania

Apr-19 (CPI) Inflation - May 9th

Tunisia

Apr-19 (CPI) Inflation - May 3rd

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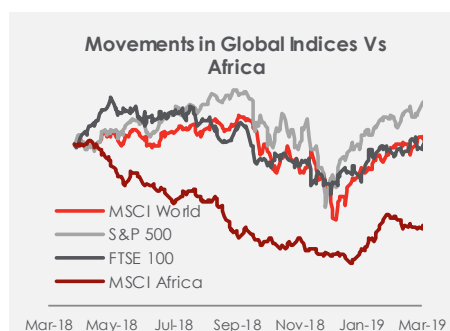
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Equities	Level	Mcap (\$'b)	WTD (local)	YTD (local)	P/E	P/B	Div. Yield
BRVM	169.9	9.0 ▲	0.0% ▲	9.7%	8.6	2.1	6.9%
Egypt	15,106.0	51.2 ▼	-0.9% ▲	15.9%	16.4	1.5	3.0%
Ghana	2,380.5	4.5 ▼	-2.6% ▼	-3.4%	22.7	1.9	1.5%
Kenya	158.3	22.8 ▼	-0.8% ▲	12.7%	12.4	1.8	5.5%
Mauritius	2,176.8	9.1 ▼	-0.1% ▼	-1.9%	19.6	0.9	na
Morocco	23,025.8	58.5 ▲	0.6% ▼	-3.2%	na	na	na
Nigeria	29,347.6	30.2 ▼	-0.9% ▼	-6.6%	7.5	1.3	6.5%
South Africa	58,055.0	499.1 ▲	0.5% ▲	10.3%	17.7	1.9	3.9%
Tunisia	6,913.6	7.6 ▼	-0.8% ▼	-4.9%	17.5	2.4	2.2%
Zimbabwe	417.1	0.0 ▲	1.5% ▼	-13.9%	18.7	1.9	2.4%
Global Market	2,148.0	80,226.7 ▼	-0.1% ▲	14.0%	17.8	2.4	2.6%
Frontier Market	550.4	-- ▼	-0.1% ▲	6.6%	10.7	1.7	4.9%
Emerging Market	1,096.1	-- ▲	1.0% ▲	13.5%	13.4	1.7	3.0%

Eurobonds	Amt Out (\$'bn)	Average YTM	WTD	YTD
Angola	5.0	7.8% ▲	0.2% ▼	-1.3%
Egypt	23.2	6.8% ▲	0.1% ▼	-0.8%
Ghana	8.0	7.4% ▲	0.1% ▼	-0.8%
Ivory Coast	4.6	6.5% ▲	0.1% ▼	-1.2%
Kenya	5.5	6.0% ▲	0.1% ▼	-1.4%
Morocco	2.3	4.3% ▲	0.0% ▼	-0.4%
Nigeria	11.2	6.8% ▲	0.1% ▼	-1.5%
Senegal	2.9	5.9% ▲	0.0% ▼	-1.3%
South Africa	18.4	5.0% ▲	0.1% ▼	-0.3%
Tunisia	2.2	7.9% ▼	-0.2% ▼	-1.0%



Currencies (vs. USD)		Spot Rate	WTD	MTD	YTD	6M Forward	12M Forward
Angola	AOA: Kwanza	319.3	-- ▲	0.0% ▼	-2.9%	na	na
Egypt	EGP: Pound	17.3 ▼	-0.1% ▲	0.0% ▲	3.5%	18.2	19.2
Ghana	GHS: Cedi	5.3 ▼	-0.6% ▲	5.0% ▼	-6.4%	5.6	6.0
Kenya	KES: Shilling	101.0 ▼	-0.3% ▼	-0.1% ▲	0.9%	na	na
Mauritius	MUR: Rupee	34.9 ▼	0.0% ▲	0.1% ▼	-1.7%	na	na
Morocco	MAD: Dirham	9.6 ▲	0.3% ▲	0.4% ▼	-0.8%	9.6	10.1
Nigeria	NGN: Naira	359.5 ▲	0.2% ▲	0.0% ▲	0.7%	370.3	384.4
South Africa	ZAR: Rand	14.0 ▲	0.6% ▲	3.6% ▲	2.5%	14.3	14.6
Tunisia	TND: Dinar	3.0 ▲	0.6% ▲	0.2% ▲	0.0%	na	na
WAMU	CFA: Franc	598.1 ▼	-1.9% ▲	0.4% ▼	-1.5%	na	na

Commodities	Spot Rate	WTD	MTD	YTD	52 Week High	52 Week Low
Brent Crude	71.7 ▼	-1.9% ▲	3.3% ▲	31.4%	86.7	49.9
Gold	1,309.1 ▼	-1.4% ▲	0.1% ▲	1.0%	1,365.4	1,161.4
Copper	292.6 ▼	-1.1% ▼	-1.5% ▲	9.9%	331.6	254.3
Cocoa	2,443.0 ▼	-1.2% ▲	4.9% ▼	-2.3%	2,840.0	2,023.0

Macro & Fixed Income	10Yr Bnd Yld	Inflation	Real Return	Policy Rate	*GDP (\$'b)	**GDP Growth	Reserves (\$'b)
Angola	8.8%	1.0%	7.7%	18.0%	122.1	2.5%	15.8
Egypt	16.8%	14.2%	2.6%	16.8%	235.4	5.3%	44.1
Ghana	19.0%	9.3%	9.7%	16.0%	59.0	7.4%	5.2
Kenya	12.4%	4.4%	8.0%	9.0%	79.3	6.0%	8.5
Mauritius	5.4%	-1.4%	6.8%	3.5%	13.3	4.1%	6.6
Morocco	3.1%	0.0%	3.1%	2.9%	109.7	2.9%	23.6
Nigeria	14.7%	11.3%	3.4%	13.5%	375.7	2.4%	44.7
South Africa	9.0%	4.1%	4.9%	6.8%	348.9	1.1%	49.7
Tanzania	15.1%	3.2%	12.0%	12.0%	52.1	7.7%	5.0
Tunisia	9.5%	7.1%	2.4%	7.8%	40.0	2.3%	5.4