

AFMI Weekly Update

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HEADLINES

- Egypt has raised USD 3bn, almost twice the amount that was initially planned and at a lower cost than when the same bonds were issued in January 2017 to raise USD 4bn. This week, Egypt sold USD 750million of a 5Y paper at 5.45%, USD 1bn of the 10Y bond at 6.65% and USD 1.25bn of the 30Y bond at 7.95%. The re-opening attracted USD 11bn worth of bids. 80% of the bonds proceeds are from North America and Europe. Authorities indicated that the money raised will help the country's financing needs for the fiscal year To June 2018 and it could come back to international markets in February/March 2018.
- According to Bloomberg, a state-run company failed to pay USD 134million on a government-guaranteed loan. Mozambique Asset Management (MAM) contracted a USD 535million loan arranged by VTB Capital and Palomar Capital Advisors, MAM is one of the 3 state-owned companies that took undisclosed loans worth around USD 2bn.
- Kenya is considering issuing a Eurobond in the fiscal year starting in July to repay existing debt. This Eurobond is one of the options as a USD 750 million syndicated loan falls due in October 2017 and the same amount for a 5Y Eurobond in October 2019. The government secured a syndicated loan from Citigroup, Standard Bank and Standard Chartered in October 2015.
- In Ghana, the Central Bank cut its Monetary Policy Rate by another 100bps to 22.50%. as inflation and inflation expectations are trending downwards. The Bank of Ghana has now cut its rate by 300bps this year following a 200bps cut in March.
- Nigeria's Central Bank left its Monetary Policy Rate at 14% and was concerned that "that loosening would exacerbate inflationary pressures and worsen the gains so far achieved in the exchange rate of the naira". The policy committee voted unanimously by 8 members.

Currencies



Source: Bloomberg®

AfDB/AFMISM Bloomberg® African Bond Index (ABABI)

The ABABI is a rules- based weighted composite index of local Sovereign Indices (South Africa, Egypt, Nigeria, Kenya, Namibia, Botswana, Ghana, and Zambia). To be included in the index, a security must have at least 1 year remaining to maturity.



Source: Bloomberg®

The Egyptian Pound devaluation in November 2016 negatively impacted the performance of the Index

African Eurobonds

	Security	Yield	Spread	Spread moves since 19 May 2017
Angola	ANGOL 7 08/16/19	3.8	256	↓
Angola	ANGOL 9 ½ 11/12/25	8.3	607	↓
Cameroon	REPCAM 9 ½ 11/19/25	6.2	413	↓
Congo	REPCON 4 06/30/29	10.3	849	↓
Egypt	EGYPT 5 ¾ 04/29/20	4.3	295	↑
Egypt	EGYPT 5 ⅞ 06/11/25	5.9	384	↑
Egypt	EGYPT 6 ⅞ 04/30/40	7.2	434	↑
Ethiopia	ETHOPI 6 ⅝ 12/11/24	6.4	419	↑
Gabon	GABON 8.2 12/12/17	2.6	152	↓
Gabon	GABON 6 ¾ 12/12/24	6.3	456	↓
Gabon	GABON 6.95 06/16/25	6.6	435	↓
Ghana	GHANA 8 ½ 10/04/17	2.1	106	↓
Ghana	GHANA 7 ⅞ 08/07/23	7.3	558	↓
Ghana	GHANA 8 ⅛ 01/18/26	7.8	552	↓
Ghana	GHANA 10 ¾ 10/14/30	7.6	534	↓
Côte d'Ivoire	IVYCST 5 ¾ 07/23/24	5.8	357	↑
Côte d'Ivoire	IVYCST 6 ¾ 03/03/28	6.1	395	↑
Côte d'Ivoire	IVYCST 5 ¾ 12/31/32	6.3	409	↑
Kenya	KENINT 5 ⅞ 06/24/19	3.6	234	↓
Kenya	KENINT 6 ⅞ 06/24/24	6.3	405	↓
Morocco	MOROC 4 ¼ 12/11/22	3.2	142	↑
Morocco	MOROC 5 ½ 12/11/42	4.7	182	↑
Mozambique	MOZAM 10 ½ 01/18/23	18.5	1672	↓
Namibia	REP NAM 5 ½ 11/03/21	3.7	190	↑
Namibia	REP NAM 5 ¼ 10/29/25	4.9	262	↑
Nigeria	NGERIA 5 ⅝ 07/12/18	3.0	170	↓
Nigeria	NGERIA 6 ¾ 01/28/21	4.6	276	↓
Nigeria	NGERIA 6 ⅞ 07/12/23	5.4	364	↓
Rwanda	RWANDA 6 ⅝ 05/02/23	5.8	404	↓
Senegal	SENEGL 8 ¾ 05/13/21	4.3	251	↓
Senegal	SENEGL 6 ¼ 07/30/24	5.1	289	↓
Seychelles	SEYCHE 7 01/01/26	6.4	460	↓
South Africa	SOAF 8 ½ 06/23/17	0.3	-73	↓
South Africa	SOAF 6 ⅞ 05/27/19	2.3	107	↓
South Africa	SOAF 5 ½ 03/09/20	2.9	147	↓
South Africa	SOAF 5 ⅞ 05/30/22	3.6	181	↓
South Africa	SOAF 4.665 01/17/24	4.1	185	↓
South Africa	SOAF 5 ⅞ 09/16/25	4.4	219	↓
South Africa	SOAF 4 ⅞ 04/14/26	4.5	223	↓
South Africa	SOAF 6 ¼ 03/08/41	5.3	240	↓
Tanzania	TZNIA Float 03/09/20	2.9	146	↓
Tunisia	BTUN 5 ¾ 01/30/25	6.2	400	↑
Tunisia	BTUN 8 ¼ 09/19/27	6.8	457	↓
Zambia	ZAMBIN 5 ¾ 09/20/22	6.2	445	↓
Zambia	ZAMBIN 8 ½ 04/14/24	7.1	508	↑
Zambia	ZAMBIN 8.97 07/30/27	7.6	544	↑