MACROECONOMIC AND FINANCIAL WEEKLY MONITORING
June 26th, 2020
OFFICE OF THE CHIEF ECONOMIST OF THE AFRICA REGION

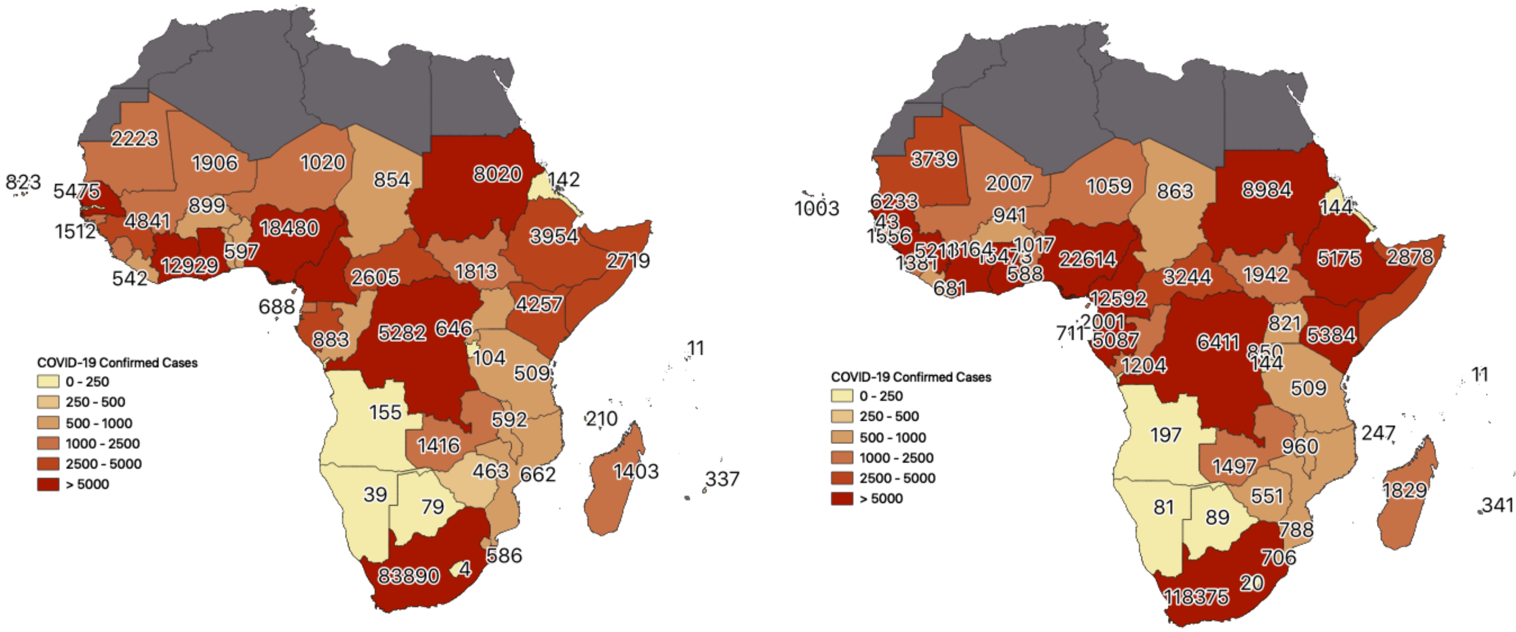
In this Issue:

I. "COVIDONOMICS" WEEKLY UPDATE

REGIONWIDE

FIGURE 1. MAP OF COVID-19 CASES IN SUB-SAHARAN AFRICA

Last Week (June 19th, 2020) *This Week (June 26th, 2020)*



Source: Center for Systems Science and Engineering (CSSE) at John Hopkins University (JHU).

REGION

ALL AFRICAN COUNTRIES NOW HAVE CORONAVIRUS LAB TESTING CAPACITY

All African countries have now developed laboratory capacity to test for the coronavirus, said the head of the World Health Organization (WHO). Tedros Adhanom Ghebreyesus also warned that the pandemic was accelerating. The most recent one million cases of COVID-19 were reported in just one week. The WHO chief added that over 220 vaccine candidates are currently being worked on and urged that a vaccine be "available and developed at an unprecedented scale."

The head of the Africa Centers for Disease Control called on countries to secure sufficient vaccine supplies to avoid Africa being left out. "Unless we act now Africa is at risk of being left behind in the global vaccine race," John Nkengasong said. He suggested a key step would be for Africa to partner with the GAVI vaccines alliance which has raised $2 billion from international donors for an Advanced Market Commitment to buy future COVID-19 vaccines for poor countries.

VIRUS TRACKER DRAWS MAJOR AFRICAN MOBILE FIRMS

United Nations is partnering with Africa-focused wireless carriers including MTN Group Ltd. and Orange SA on a mobile-data

platform that delivers coronavirus-related information around the continent. The free-to-use service has the potential to reach almost half of the African population, or about 600 million people, through their phones. Vodacom Group Ltd. and Airtel Africa Plc make up the quartet of companies to help with the service, which will be available in 23 African countries. The product, the Africa Communications Intelligence Platform, went live in limited territories, distributes tips about COVID-19, information about hotspots and the need for food and financial assistance to governments and health teams fighting the virus.
The platform will harness a mix of older technology that works with voice and text messages on basic phones, still popular throughout much of Africa, and broadband that complies with more modern smart devices.

EAST & SOUTHERN AFRICA

SOUTH AFRICA

MINIBUS DRIVERS STRIKE OVER CORONAVIRUS FUNDING

Drivers of minibus taxis in South Africa's financial hub Gauteng went on strike to demand more financial support from government, leaving thousands of commuters stranded. Dozens of taxis blocked busy roads in Johannesburg and Pretoria, confronting police and soldiers. Many people were stuck at taxi ranks, while others walked to work or piled onto buses. Since the shutdown began in late March, taxis have been permitted to operate at only 70% capacity under strict social distancing measures. The loss of income from smaller loads and lower volumes due the shutdown has caused unhappiness in the industry, with operators threatening price increases of more 100% in some areas to cover losses. The lockdown has been gradually eased and most of the workforce are now allowed to go to work. Transport Minister Fikile Mbalula announced a 1.1 billion one-off payment to registered taxi operators, amounting to about 5,000 rand (US$287) per driver. Taxi operators rejected the relief and the conditions linked to government's plan to formalize the industry.

NEW DEVELOPMENT BANK PROVIDES $1 BLN COVID-19 LOAN

The New Development Bank established by the BRICS group of emerging nations has approved a $1 billion COVID-19 emergency loan to South Africa to help reduce the socio-economic impacts of the pandemic, said the National Treasury. South Africa was already in recession before the pandemic wreaked further havoc in the economy. Finance minister Tito Mboweni is expected to unveil an emergency budget with major changes to spending and revenue forecasts in parliament. The government further relaxed two months of tough restrictions as it looks to support the economy.

CONTINENT'S FIRST COVID-19 VACCINE TRIALS

Oxford University rolled out Africa's first human trials for a potential vaccine against COVID-19 in South Africa, as cases continue to rise and concerns grow over potential access to life-saving treatments. The trial, conducted with local partner University of the Witwatersrand, will consist of 2,000 volunteers from 18 to 65 years of age, including some HIV positive patients, who will be monitored for 12 months after vaccination to assess how well the vaccine guards against COVID-19. "Once 60% of the population, especially the adult population, becomes immune, we expect that effective reproductive rate to go under 1, which basically means the virus will still be around, it will still circulate, but its chain of transmission has been interrupted," said Shabir Madhi, professor of vaccinology at Wits University and leader of the trial. Hopes are that South Africa's involvement in vaccine trials will ensure the continent will have access to an affordable vaccine and not be left at the back of the queue. The ChAdOx1 nCoV-19 vaccine, also known as AZD1222, was originally developed by Oxford University scientists, who are now working with AstraZeneca on development and production.

MINES RECORD SIX COVID-19 DEATHS, 1,796 CASES

South Africa's mining industry has recorded 1,796 cases of COVID-19 with six deaths, said the Minerals Council as mines ramp up after an extended shutdown. The sector has conducted 15,994 COVID-19 tests so far, the industry body told reporters. The number of confirmed COVID-19 cases among mineworkers is around 1.6% of South Africa's current total of 111,796 cases. The Minerals Council this month rejected what it called a "narrative" in which mines were seen as a growing COVID-19 epicenter, saying mining companies' screening and testing procedures were working.

DEMOCRATIC REPUBLIC OF CONGO

END OF EBOLA OUTBREAK IN EAST, SECOND DEADLIEST IN HISTORY

The second-largest Ebola outbreak on record is over after nearly two years and more than 2,200 deaths, even as a separate flareup of the virus continued elsewhere in the DRC. Despite effective vaccines and treatments that dramatically boosted survival rates when administered early, the outbreak dragged on as first responders struggled to gain access to virus hotspots in Congo's restive eastern borderlands. As that outbreak neared its end, another one was declared on June 1 in the western city of Mbandaka, more than 1,000 km (620 miles) away. Genetic testing revealed the two epidemics were not connected. "The health ministry intends to capitalize on the lessons learned and the success factors from this long epidemic to assure the most effective response possible in Mbandaka," said Health Minister Eteni Longondo. There were 3,463 cases confirmed and probable cases recorded over the course of the outbreak in eastern Congo, including 2,277 deaths.

OFFICIALS VOW TO TACKLE CHILD LABOUR AT MINES

Authorities in DRC's southeastern mining heartland are boosting efforts to tackle child labor amid concerns that COVID-19 could drive more families to put their children to work in mines. Mining accounts for 32% of DRC's national output and the economy has been hard hit by the pandemic, which has slowed demand for metals and other raw materials. The slump means mining workers are earning a fraction of what they did before the outbreak and are more likely to take their children to work.

Tens of thousands of children as young as six work without protective gear in artisanal mines in the country's southeast, according to Amnesty International. About 15% of children aged 5 to 17 across DRC are engaged in child labor. Children are permitted by law to work from the age of 16 if they are deemed fit to do so by labor inspectors.

Authorities will address the soaring cost of basic necessities, raise awareness in communities and at mining sites, and improve monitoring systems for child labor. Congo launched new monitoring and tracing mechanisms in 2018 to tackle child labor in mineral production. Civil society groups said many mines were forcing workers to stay on site, to avoid COVID-19 outbreaks, and providing insufficient food and water and inadequate housing, while protective equipment and hygiene measures were lacking.

NAMIBIA

RELAXATION OF COVID-19 RESTRICTIONS DESPITE RISING CASES

President Hage Geingob announced a further easing of Namibia's lockdown to boost economic activity, despite a rise in confirmed COVID-19 cases. Geingob said the country would move from 'stage 3' to 'stage 4' of a five-level exit from lockdown plan, except for the Erongo region —where the harbor town of Walvis Bay is located and which is Namibia's coronavirus hotspot.

Geingob said under the relaxed regulations, which are effective June 30, a limited number of tourists from "a carefully selected low-risk market" would be admitted to help revive a sector that employs 100,000 people. Casinos and gambling houses will open for pre-booked clients with no walk-ins, while informal gambling houses will be allowed to open as long as they maintain a logbook. The relaxed regulations will also see the number of people allowed at public gatherings such as weddings, funerals and religious services increased from 50 to 250. Sporting activities will now be permitted but with public gathering limit. Geingob said the country could move to 'stage 5' in September, which will see borders reopen and resumption of air travel.

SOUTH SUDAN

VIRUS OUTBREAK COULD SPIN 'OUT OF CONTROL'

After five years of civil war and corruption, much of South Sudan's health system has been stripped away, and today nongovernmental organizations provide the majority of care. Nearly half of the population was hungry before the pandemic. Deadly insecurity continues, and a locust outbreak arrived just weeks before the virus. The United Nations says the country's outbreak is growing rapidly, with nearly 1,900 cases, including more than 50 health workers infected, more than 30 deaths and no way to know the true number of infections. At one point several members of the COVID-19 task force tested positive, including Vice President Riek Machar. At South Sudan's only laboratory that tests for the virus, supervisor Simon Deng Nyichar said the team of 16 works up to 16-hour days slogging through a backlog of more than 5,000 tests. Around 9,000 samples have been tested since early April. With materials in short supply, testing is largely limited to people with symptoms of COVID-19. It can take weeks to receive results. Three lab workers have been infected and recovered.

The government's loosening of lockdown measures last month was "perceived as an indication that the disease is not in South Sudan," said the Health Ministry. Bars, restaurants and shops are open after people said they feared hunger more than the disease. Some people have died waiting for rapid-response teams to arrive. And this month it stopped issuing "COVID-19 negativity certificates," citing the peddling of fake ones — especially around Juba International Airport.

ZAMBIA

CABINET APPROVES $438 MILLION COVID-19 ECONOMIC STIMULUS PACKAGE

Zambia's cabinet approved an 8 billion kwacha ($439 million) economic stimulus package financed through a COVID-19 bond to alleviate the pandemic's impact. The proceeds from the bond will go towards needy areas, including payment of retirees, contractors and suppliers, which have been hit by reduced liquidity due to COVID-19, the presidency said. Zambia's budgeted revenue is estimated to fall short of target by close to 20% as a result of economic adjustments due to COVID-19. The central bank projected in May gross domestic product (GDP) would shrink 2.6% in 2020, its first economic contraction in more than 20 years.

2020 EXPENDITURE INCREASES $1.1 BLN AS KWACHA FALLS

Zambia's expenditure is expected to rise by approximately 20 billion kwacha ($1.11 billion) this year as the local currency weakens, piling more pressure on a nation already struggling with huge debt, said President Edgar Lungu. External debt service will rise by 8.7 billion kwacha because of a sharp fall in the currency, Lungu said in a national address. Zambia has $3 billion of Eurobonds outstanding and owes $2 billion to commercial banks, $2 billion to the IMF and World Bank, and a further $3 billion to China. The kwacha has weakened more than 28% against the U.S. dollar so far this year, with the central bank in May attributing the depreciation to macroeconomic challenges associated with debt service and debt levels. Zambia is reviewing its 2020 budget after a reduction in revenue as a result of the COVID-19 pandemic and other factors, said the Secretary to the Treasury Fredson Yamba. Zambia's budgeted revenue is estimated to fall short of target by close to 20% as a result of economic adjustments due to COVID-19.

WEST & CENTRAL AFRICA

NIGERIA

COVID-19 ECONOMIC STIMULUS PLAN APPROVED

Nigeria's cabinet approved an economic sustainability plan that includes 2.3 trillion naira ($5.9 billion) to help the West African country overcome disruptions caused by the Covid-19 pandemic. The plan was prepared by a committee set up by President Muhammadu Buhari and headed by Vice President Yemi Osinbajo with several ministers as members, Tolu Ogunlesi, an assistant to the president, announced on his Twitter account.

CAMEROON

LOAN TO SUPPORT COVID-19 RESPONSE APPROVED

The African Development Bank, AfDB, has approved EUR 88 million loan (about FCFA 57 billion) to Cameroon as a direct budget support to help boost the country's response to the COVID-19 pandemic. Granted to the country's COVID-19 Crisis Response Budget Support Program, PABRC, the loan falls under the framework of the Bank's COVID-19 Rapid Response Facility, CRF of up to $10 billion.

The PABRC's goal is to check the spread of the deadly COVID-19 pandemic, save lives and mitigate its adverse socio-economic effects in the country, particularly on households and businesses. The loan will support the implementation of a health response plan to improve testing and ensure early detection and rapid management of the virus, thus reducing case fatality and improving the recovery rate in the country. It will equally support the most vulnerable in society by paying family allowances to staff of companies unable to pay social security contributions as well as distributing health kits.

SENEGAL

PRESIDENT SELF-QUARANTINES AFTER CONTACT WITH COVID-19 CASE

Senegalese President Macky Sall is quarantining for two weeks after coming into contact with someone who has since tested positive for the coronavirus. The measure is precautionary as an initial COVID-19 test of Sall has come back negative.

II. ECONOMIC AND FINANCIAL NEWS IN SUB-SAHARAN AFRICA

REGION

IMF FORECASTS DEEPER RECESSION FOR SSA

Sub-Saharan Africa's GDP is expected to shrink by 3.2% this year due to the impact of the COVID-19 pandemic, the IMF said on Wednesday, more than a previous estimated contraction of 1.6%. In its WEO update, the IMF projected that GDP in South Africa would shrink by 8% in 2020, a bigger contraction than the 5.8% forecast in April. South Africa's strict nationwide lockdown, imposed in late March to curb the spread of the novel coronavirus, sharply curtailed production across key sectors such as mining and retail, further hobbling an economy already in recession. The lockdown remains in place, but some restrictions have been eased to allow key sectors to resume operations.

For Africa's top oil exporter Nigeria, the IMF also projected a significant economic contraction, with GDP seen falling 5.4% this year after an earlier forecast for a 3.4% contraction. Nigeria faces economic distress not only from the coronavirus outbreak but also from a sharp fall in crude prices. Nigeria's government has said it expects its economy to contract by 3.4% this year. However, last month Nigeria's finance minister said the economy could shrink by as much as 8.9% in 2020 in a worst-case scenario. Meanwhile, the cost of living in Nigeria has risen steadily. Annual inflation rose for the ninth straight month in May, to a two-year high of 12.4%.

AFRICA TO PUSH AHEAD AFCTA EVEN IF VIRUS REBOUNDS

An Africa-wide free-trade agreement is unlikely to face any further delays even if a second wave of coronavirus infections hits the region. "If the pandemic continues into 2021, we will develop the necessary public-health protocols to continue and to push on with the implementation of the African Continental Free Trade Area," said the AfCFTA Secretary General, Wamkele Mene. The secretariat will take advice from health officials as it works to implement the deal and revive economic growth on the continent. While the agreement entered into force legally last year, commerce due to have started on July 1 has been delayed as the pandemic set back negotiations to lay the foundation for trade in goods, including tariff concessions. When fully operational by 2030, AfCTA could be the world's biggest free-trade zone by area, with a potential market of 1.2 billion people and a combined GDP of $2.5 trillion.

AFRICA ATTRACTED NEARLY $1.4 BLN IN VENTURE CAPITAL INVESTMENTS IN 2019

Last year, the number and size of venture capital transactions in Africa increased. According to a recent report by the African Private Equity and Venture Capital Association (AVCA), the number reached 139 in 2019, up from 114 the previous year, and the amount was $1.4 billion, up from $0.7 billion in 2018. Over the 2014-2019 period, Africa attracted a total of $3.9 billion in 613 VC transactions. The southern part of the continent accounted for 25% of the transactions in terms of number, followed by East Africa (23%) and West Africa (21%). The top five countries, respectively South Africa, Kenya, Nigeria, Egypt, and Ghana, accounted for 65% of the number of deals. Most of the funds were invested in consumer goods companies, companies providing financial services, and the industrial sector.

EAST & SOUTHERN AFRICA

ANGOLA

ANGOLA NET RESERVES FALL TO $10.23 BILLION IN MAY

Net reserves fall from $10.92b in April according to data from the Bank of Angola. Gross reserves fell to $16.25b from $16.41b in April

SOUTH AFRICA

DEBT SEEN WIDENING AS VIRUS HITS ECONOMY

South Africa's budget deficit is projected to widen sharply while debt is seen ballooning significantly, the Treasury said on Wednesday, as the COVID-19 pandemic further stifles the recession-hit economy. In a supplementary budget in response to the coronavirus crisis, the Treasury projected the budget deficit would widen to 14.6% of GDP in the current 2020/21 fiscal year, from a shortfall of 6.8% of GDP seen in February. The projected deficit would be the highest in South Africa's post-apartheid era.

The Treasury said gross government debt will rise to 81.8% of GDP in the current fiscal year from 63.5% last year. "Debt is our weakness. We have accumulated far too much debt; this downturn will add more," Finance Minister Tito Mboweni said in his budget speech.

President Cyril Ramaphosa announced a 500 billion rand relief package in April, equivalent to 10% of South Africa's GDP, to cushion the economic blow of the pandemic on an economy that was in recession when the virus outbreak hit the country. A strict nationwide lockdown from late March severely curtailed production across key sectors like mining and retail, with the Treasury now predicting a GDP contraction of 7.2% this year. Some lockdown restrictions have since been eased to allow key sectors to resume operations.

MOODY'S SAYS SOUTH AFRICA UNLIKELY TO STABILIZE DEBT BY 2023

The South African government target to stabilize its ballooning debt by 2023 will be very difficult to achieve and unlikely, according to ratings agency Moody's. The Treasury on Wednesday presented a supplementary budget in response to the coronavirus crisis that projected a wider budget deficit, while public debt was estimated to be more than 3/4 of GDP in the medium term. "In its 'active scenario', the government hopes to achieve a primary surplus by fiscal 2023 that would stabilize debt," Moody's said in a research note on the budget. "Given South Africa's weak track record of fiscal consolidation in recent years and the weak medium-term economic outlook, debt stabilization by 2023 will be very difficult to achieve."

UNEMPLOYMENT RATE RISES TO 30.1% IN Q1 2020

South Africa's unemployment rate hit a record high in the first quarter of this year as key sectors including agriculture shed jobs. Highlighting weakness in the economy even before it was battered by the COVID-19 pandemic. The country was already in recession before the pandemic hit.

The unemployment rate of 30.1% was up from 29.1% in the final quarter of last year, said Statistics South Africa in its quarterly labor force survey. There were 7.1 million people without jobs in the first quarter, up from 6.7 million in the previous quarter. Under the expanded definition of unemployment, which includes people who have stopped looking for work, the rate was 39.7% compared with 38.7% in the previous quarter.

The outlook for the labor market remains gloomy, with some of the country's big firms such as steel producer ArcelorMittal South Africa Ltd, food producer Tiger Brands and third-biggest telecom operator Cell C already announcing plans to cut jobs. With no significant government support offered during the lockdown to the informal, or unregulated, sector — which according to the World Bank provides employment to 25-30% of South African workers — the impact has been severe for many.

CONSUMER INFLATION SLOWS TO 3.0% Y/Y IN APRIL

South Africa's consumer price growth fell in April to its lowest since 2005, as a lockdown to curb the COVID-19 spread closed most shops and industries, strangling demand and spending. Headline consumer inflation slowed to 3% y/y in April, its lowest in nearly 15 years, said Statistics South Africa. Monthly prices swung into deflationary territory, down to -0.5% from a 0.35% increase in March. On a yearly basis, only food prices saw an increase, albeit marginal. Transport prices fell 3.5%. Communications, clothing and restaurants and hotels also saw prices fall significantly. Monthly inflation saw almost all the sectors in negative territory. Core inflation, which excludes prices of food, non-alcoholic beverages, petrol and energy, slowed to 3.2% year-on-year in April compared with a rate of 3.7% in March. On a m/m basis core inflation fell to rate of -0.2%, from 0.6% previously.

RETAIL SALES UP 2.7% Y/Y IN MARCH

South African retail sales rose 2.7% y/y in March following revised growth of 1.9% in February, said Statistics South Africa. On a m/m basis sales were up 2.3%, and in the three months to the end of March sales grew 2.0% compared with the same period last year.

INVESTORS PUTTING BILLIONS INTO INFRASTRUCTURE

Investors have made firm commitments to put tens of billions of rand into projects that South Africa's government hopes will drive an economic recovery from the COVID-19 crisis. Officials held an infrastructure symposium on Tuesday to showcase 276 projects to investors from sectors including energy, transport, housing, water and sanitation, agriculture and digital technologies that they hope will raise the potential economic growth rate and create jobs. Leslie Maasdorp, chief financial officer of the New Development Bank (NDB) of the BRICS countries, said the bank was hoping to tap into the green bond market in South Africa and had registered a 10 billion rand ($581 million) bond program with the Johannesburg bourse.

MTN TO LAUNCH 5G NETWORK IN SOUTH AFRICA NEXT WEEK

Mobile operator MTN Group will launch its 5G commercial network in South Africa next week, joining Vodacom Group and Rain in the race to expand fifth-generation technology in the country. The firm said on Wednesday it is hosting a virtual launch event on June 30, where MTN South Africa CEO Godfrey Motsa will be present with other officials. Last November, Swedish mobile telecoms equipment maker Ericsson announced that it had been selected by MTN South Africa to build its new 5G core mobile and radio network. At that time Ericsson said 5G commercialization was planned between 2020 and 2022, with a focus on use cases and applications relevant in the South African context. Rival Vodacom launched its 5G network in May in three cities, with further rollouts planned in other parts of the country. Rain launched the country's first commercial 5G network in partnership with China's Huawei Technologies in 2019.

BOTSWANA

BOTSWANA NEEDS $3.4 BILLION IN STIMULUS, TO PLUG BUDGET DEFICITS

Botswana needs a total of 40 billion pula ($3.40 billion) over the next 2-1/2 years to revive its coronavirus-hit economy and to cover expected budget deficits, according to the Ministry of Finance. Botswana has a relatively low number of COVID-19 infections with only three active cases remaining and one death, but the economy has been severely impacted by lockdowns to curb the outbreak with the budget deficit expected to more than double as reduced diamond sales and exports hit revenues. Industries earmarked for investment include agriculture, health infrastructure, transport and the tourism sector which has ground to a halt due to global travel restrictions and a nationwide lockdown. Funding for the economic recovery plan and the deficits is expected to be sourced mostly from domestic borrowing, drawing down on government savings, and taxes. Botswana recently ended a 48-day lockdown allowing businesses and schools to reopen under strict conditions as it seeks to restart the economy.

DEMOCRATIC REPUBLIC OF CONGO

CANADIAN MINER BANRO AGREES SALE OF NAMOYA MINE IN CONGO

Canadian miner Banro Corporation has agreed to sell its Namoya Mining gold mine in DRC to a consortium of investors including Baiyin International Investment Ltd and Shomka Resources Limited. Banro will receive a perpetual royalty for all production from the Namoya property in eastern Congo. The deal is subject to final approval from Congo's government. Banro is looking to sell Namoya at a significant discount, after repeated attacks by militia forced the company to suspend operations at several mine sites.

ETHIOPIA

ETHIOPIA RECEIVES 12 BIDS FOR TWO TELCO LICENSES

Ethiopia's communications regulator said on Friday it received 12 bids for the two telecom licenses it plans to award to multinational mobile companies, breaking the state monopoly. Nine bidders are telecom operators, two non-telecom operators, and one submission was incomplete, said the regulator. Bidders include Etisalat, Axian, MTN, Orange, Saudi Telecom Company, Telkom SA, Liquid Telecom, Snail Mobile and Global Partnership for Ethiopia, a consortium of telecom operators made of Vodafone, Vodacom, and Safaricom. The non-telecom operators are Kandu Global Telecommunications and Electromecha International Projects. The Ethiopian Communications Authority said the licenses will be awarded through a "competitive bidding process," but did not clarify a deadline for it.

KENYA

KENYAN CENTRAL BANKER SEES SILVER LINING IN ECONOMIC GLOOM

Kenya's economy could fare better than expected in the face of the coronavirus crisis, thanks to growing farm exports and a recovery in remittances, said the central bank governor. The economy has been battered by the coronavirus, with tourism and small and medium-size businesses hit particularly hard. But tea exports, a key source of hard currency, rose 15% y/y in May. Exports of flowers, fruits and vegetables grew by a third the same month. Commercial banks have restructured loans worth 679.6 billion shillings ($6.39 billion), nearly a quarter of the industry total, the central bank said, underlining the extent of the damage to the economy. Policymakers left interest rates unchanged on Thursday for the second time in two months, after cutting them in March and April after the first case of COVID-19 was confirmed. The current account deficit could narrow from the forecast of 5.8% of GDP for this year, Njoroge said. Remittances — cash sent home by Kenyans living abroad — recovered to $258 million in May, from $208 million in April. They were boosted by recoveries in major economies abroad and by more ways to send cash, including straight to the recipients' mobile phones.

KENYA AIRWAYS ESTIMATES COVID-19 REVENUE LOSS AT $100 MLN

Kenya Airways has lost an estimated $100 million in revenue as a result of the Covid-19 pandemic and related lockdowns, said CEO Allan Kilavuka. "We don't have the full picture of how much we have lost but our estimate is since January to date we have probably lost in terms of revenue around about $100 million. When we estimate till the end of the year we think we will lose probably between $400 and $500 million," he said. The Covid-19 crisis has hit the global aviation industry hard, but Kenya Airways was struggling long before the outbreak. The government has been working on a plan to renationalize the airline to save it from mounting debts that had been restructured in 2017 in an attempt to save the business.

CENTRAL BANK EXTENDS MOBILE-MONEY INCENTIVES TILL DEC. 31

There will be no charge for transactions of up to 1,000 shillings; payment-service providers and lenders will not charge for transfers between mobile-money wallets and banks accounts, Central Bank of Kenya said in a statement.

- Transactions below 1,000 shillings account for more than 80% of mobile-money transactions
- Measures introduced to promote use of mobile-money during coronavirus pandemic were initially to end June 30
- More than 1.6 million additional customers are now using mobile-money channels
- "CBK assesses that the increased wallet and transaction limits that were also announced have led to increased usage at higher amounts and greater convenience"

MOZAMBIQUE

LNG PROJECT IS OFFERED A $2.25 BLN FUNDING GUARANTEE

Partners in Mozambique LNG, the $20 billion gas project led by Total, have received a $2.25 billion guarantee from the government that it will pay the state oil company's equity share if required. Carlos Zacarias, president of Mozambique's regulator, the National Petroleum Institute (INP), said state financing had been secured. Partners agreed to accept a $2.25 billion government guarantee in lieu of an immediate equity contribution from state-run National Hydrocarbon Company (ENH). Zacarias said the guarantee was valid for five years.

Each partner in the project, one of several LNG developments in the region following a massive gas find off Mozambique's coast, is required to make a minimum capital contribution. ENH has a 15% interest in the project that is expected to start production in 2024, while Total owns 26.5% after acquiring its stake from Anadarko for $3.9 billion in 2019. The French energy major has secured $15 billion in funding for the project. Signing for the financing is due to take place on June 30.

SASOL TO SELL STAKES IN MOZAMBIQUE PIPELINE, POWER PLANT - SOURCES

Struggling petrochemicals producer Sasol has appointed advisers to sell its stakes in a power plant in Mozambique and a gas pipeline running from the country into South Africa. Sasol is trying to shed assets to pay off its debt pile and avoid a rights issue of up to $2 billion, but has not previously flagged the Mozambique assets as up for sale. It has appointed South Africa's Nedbank to manage the sale of its 50% stake in the Republic of Mozambique Pipeline Company (ROMPCO), the joint venture operating the pipeline that runs 865 kilometres from Mozambique into South Africa. The company had also appointed Deloitte to sell its 49% stake in Central Termica de Ressano Garcia (CTRG), Mozambique's first permanent large-scale gas power plant which, at a capacity of 175 megawatts, meets almost a quarter of the country's energy demand, according to Sasol's website. Mozambique's state-run National Hydrocarbon Company (ENH) and South Africa's government-owned Central Energy Fund (CEF) each hold 25% stakes in ROMPCO.

RWANDA

ECONOMY EXPECTED TO GROW 2% IN 2020, 6.3% IN 2021

Rwanda's economy is expected to grow 2% in 2020, 6.3% in 2021 and 8% in 2022, said the finance minister as he presented the budget to parliament. Uzziel Ndagijimana said tourism revenues had decreased by 35% so far, while FDI would decrease by 62% because of the impact of COVID-19 on trade.

GDP GROWTH SLOWS TO 3.6% IN Q1 2020

Rwanda's economic growth slowed to 3.6% y/y in the Q1 2020, compared to 6.1% in same period last year, and 8.4% in the last quarter of 2019. That was the slowest pace of growth since the second quarter of 2017, occasioned by effects of the global COVID-19 pandemic. Reuters reports that among the sectors whose performance deteriorated during the period include agriculture, industry, and service.

On a quarterly basis, the Rwanda GDP contracted 4.2%, following an upwardly revised 1.1% growth in the previous quarter.

In the past, Rwanda has recorded impressive economic growth. Improved performance in construction, manufacturing, and its service industry saw Rwanda's GDP grow by 11.9% in 2018 Q3. The country recorded a double-digit growth of 12.2% in 2019 Q2.

SEYCHELLES

KEY INTEREST RATE CUT TO 3%

The Central Bank of Seychelles lowered its benchmark interest rate for the second consecutive meeting after the government said the economy will likely contract this year. The monetary policy committee cut the rate to 3% from 4%, said central bank Governor Caroline Abel. The government in April said the economy would probably shrink by 10.8% in 2020 as a result of the coronavirus fallout. That compares with an earlier growth forecast of 3.5%. Seychelles relies on tourism and seafood exports for foreign-exchange revenue and employment. Businesses have been hit and jobs lost.

SUDAN

DONORS PLEDGE $1.8 BILLION FOR SUDAN'S TROUBLED TRANSITION

Foreign donor nations pledged US$1.8 billion at a conference hosted by Germany to help Sudan ease an economic crisis hampering its transition towards democracy after the fall of strongman Omar al-Bashir. The European Union pledged 312 million euros ($350.13 million), the United States $356.2 million, Germany 150 million euros, France 100 million euros, and Britain £150 million for humanitarian and development programs, chief among them planned cash transfers to poor families with the help of the World Bank, said officials. Saudi Arabia, which said it had given Sudan $500 million over the past year, donated only $10 million. The United Arab Emirates donated $50 million. The two Gulf countries had promised a grant to Sudan of $3 billion in the form of cash and commodities after the military ousted Bashir in April 2019, but it is unclear how much has reached the country in total. China and Spain were among countries offering to assist Sudan with relieving its debt, which stands at about $56 billion. The World Bank’s David Malpass said the institution was in the process of securing a $400 million “pre-arrears clearance grant” for Sudan, to be approved by August.

Prime Minister Abdalla Hamdok, running Sudan under a precarious, transitional power-sharing deal with the military since Bashir’s overthrow in an uprising last year, is desperate for more foreign support. Hamdok said in opening statements that without it, instability could spread through a volatile region in east and northeastern Africa and disaffected young people would keep migrating by sea to Europe. Inflation topped an annual 100% last month and Sudan’s currency has plunged to 141 to the dollar on the black market compared to 55 at the official rate. The pledges were well below the US$8 billion in aid that Hamdok said last August was needed to turn around an economy in crisis. The estimated $1.9-billion family cash scheme is seem as key to softening the blow from a removal of fuel and other subsidies demanded by would-be Western donors and which cost an estimated $3 billion annually.

UAE TO PROVIDE $50 MILLION FOR SUPPORT

Reem bint Ibrahim Al Hashemy, Minister of State for International Cooperation, has announced that the UAE has pledged $50 million to support economic growth initiatives in Sudan in cooperation with the World Bank. The target of this initiative is to foster job creation and promote quality investments, which contribute to enhancing livelihoods and driving economic development in Sudan.

This came during Al Hashemy's participation in the virtual Sudan Partnership Conference, which saw the participation of Abdalla Hamdok, Prime Minister of the Republic of Sudan; Heiko Maas, Federal Minister of Foreign Affairs of Germany; Antonio Guterres, Secretary-General of the United Nations; Josep Borell, High Representative of the EU for Foreign Affairs and Security Policy; and representatives from 40 countries and global organizations, including countries in the European Union, a group of African and Arab countries, as well as members of the G-20 and multilateral organizations such as the African Union and the Arab League.

As part of rapid support to Sudan, the UAE and Saudi Arabia have jointly committed to offering $3 billion ($1.5 billion from each country), including a $500 million deposit to support Sudan's Central Bank and import fuel, wheat, and farm supplies for agriculture, and enhance education, among other needs. Al Hashemy added that in the context of the COVID-19 pandemic, the UAE provided medical supplies to Sudan by sending 54 metric tons of aid to support the country’s efforts to curb the spread of the virus.

ZAMBIA

BONDHOLDERS FORM GROUP FOR DEBT TALKS

Ten of Zambia’s international bondholders have formed a creditor group ahead of what is expected to be a complex restructuring of its debts. Zambia owes money to four main types of creditor. It has $3 billion of Eurobonds outstanding and owes $2 billion to commercial banks, $2 billion to the IMF and World Bank and a further $3 billion to China. The new bondholder committee did not name any of its 10 members but said they were all based in the United States or Europe and in aggregate hold approximately 35% of the total amount of Zambia's outstanding Eurodollar bonds.

The Committee has organized to engage with Zambia with regard to its present situation, to facilitate communication among creditors, and to pursue any appropriate actions. It is in close contact with other bondholders representing an additional 30% of Zambia's outstanding Eurobonds and that many of the holders were also significant investors in the Zambian domestic government bond market. Zambia's government appointed debt specialists Lazard in May to advise on a foreign-currency debt restructuring.

The government has said that debt totaled $11.3 billion as of the end of 2018. World Bank data estimates it added up to 45% of Zambia's GDP last year, while its total debt stock was the equivalent to 89% of GDP. Zambia has asked the Paris Club of creditor nations to let it suspend principal and interest payments on all its 'official sector' debt from May until the end of December.

JOINT VENTURE LAUNCHED TO BOOST CROP YIELDS

An American non-profit organization has launched a US$ 40 million joint venture with one of Zambia's top farm suppliers to boost crop yields and food security as farmers struggle to access finance amid the COVID-19 pandemic. The chairman of African Green Resources (AGR), Zuneid Yousuf, said the private sector deal with U.S-based African Fertilizer and Agribusiness Partnership (AFAP) included a scheme supporting 250,000 mainly subsistence farmers to double their maize yields and help feed around 10 million people in Zambia and the southern African region. Credit packages for seed, fertilizer and training will be provided to the farmers, while plans are also being made to use soya beans and maize to produce animal stock feed, among other products. Zambia's 2019/2020 season maize production is projected to increase to over 3.3 million tons from around 2 million tons in the previous season but is still below potential.

TRADE SURPLUS WIDENS TO 3.8 BILLION KWACHA IN MAY

Positive balance on trade account compares with 2.2-billion-kwacha surplus in April, Mulenga Musepa, the interim statistician general at the Zambia Statistics Agency, says. Specifically, exports accounted for 10.5 billion kwacha and imports for 6.7 billion kwacha.

ZIMBABWE

FUEL PRICES MORE THAN DOUBLE

Zimbabwe's fuel prices will go up by as much as 152% on Wednesday, said the energy regulator, after the government removed a fixed exchange rate in place since March. The last time the southern African country saw a similar steep rise in fuel prices, in January 2019, violent protests broke out, leaving as many as 17 people dead after a crackdown by the security forces. Zimbabwe is already going through its worst economic crisis in a decade, marked by high inflation, food and medical shortages. The price of petrol will go up to Z$71.62 (US$1.25) per liter, from Z$28.96 previously. The diesel price will now be Z$62.77 from Z$24.93. Zimbabwe began weekly foreign currency auctions on Tuesday in a bid to increase efficiency in the allocation of scarce U.S. dollars in the economy, ending a fixed exchange rate of Z$25 per US$, which had been in place since March 30. The average exchange rate closed at Z$57.36 per US$ after the first auction.

ZIMBABWE DOLLAR FALLS AT FIRST WEEKLY FOREX AUCTION

Zimbabwe conducted its first weekly foreign currency auction on Tuesday with the local dollar trading at an average of 57.3582 to the U.S. dollar, ending a fixed exchange rate of 25 in place since March 2020. Zimbabwe reintroduced its local currency last year after a decade of official use of the U.S. dollar in the economy. But the local currency rapidly lost value, sending prices rocketing and raising fears of renewed hyperinflation. Since the end of dollarization, the government has flirted with a managed float exchange rate, which it announced on March 11, before fixing the exchange rate at 25 Zimbabwe dollars to the U.S. dollar on March 26, citing the need to support the economy against the COVID-19 pandemic.

During Tuesday's inaugural weekly auction, bids amounted to US$11.4 million, while US$10.3 million was made available. The lowest bid was 25 Zimbabwe dollars for one U.S. dollar and the highest reached 100 Zimbabwe dollars for one greenback. Sources of foreign currency for the auction market include part of the export proceeds retained by the central bank, export earnings, remittances and credit from unnamed international banks. The bulk of the funds sought by bidders through the auction system was to support imports of raw materials, machinery and equipment as well as food and beverages, according to the central bank.

CENTRAGRID TO SCALE UP SOLAR OUTPUT

Zimbabwean solar power company Centragrid plans to increase generation capacity to 25 megawatts (MW) by October 2021, helping the country chip away at a huge electricity deficit that has hurt mines and kept households in the dark for hours. The country produces about 1,000 MW of electricity, half of peak demand, resulting in rolling power cuts after a devastating drought reduced dam levels at its hydropower plant while ageing thermal stations break down regularly. Centragrid's Nyabira solar plant was built by China's Sinohydro and generates 2.5 MW but it plans to build nine more units of 2.5 MW each, with work due to start in the next three months. Centragrid says it will spend $30 million, raised locally and offshore, to scale its plant to 25 MW, but Utedzi is concerned that Zimbabwe's foreign currency shortages could dampen interest in the sector.

ZAMBIA

INFLATION SLOWS FOR THE FIRST TIME IN 15 MONTHS

Zambian inflation slowed for the first time in 15 months in June as the kwacha pared some earlier losses. Consumer prices increased 15.9% y/y compared to 16.6% in May. Costs rose 0.2% in the month. While inflation has been above the target band of 6% to 8% for 14 months now, the Bank of Zambia expects inflation to trend lower to the upper end of the range by the end of its two-year forecast horizon. That, and a more stable currency, may create some room for the central bank to support an economy that the statistics office said grew 1.4% last year, compared with 4% in in 2018. While the kwacha gained 1.2% against the dollar in June, its total drop for the year to date is 22%, making it the worst-performing currency in Africa. The unit has come under increased pressure as the economic fallout from COVID-19 increases the chances of a debt default.

WEST & CENTRAL AFRICA

WEST AFRICAN CENTRAL BANK CUTS MARGINAL LENDING RATE TO 4%

The Central Bank of West African States reduced the rate from 4.5%, to 4%.

- It cut the minimum open-market rate from 2.5% to 2%.
- The economy of the eight-nation bloc expanded 3.3% in the first quarter, from 6.5% in the previous quarter.
- Inflation stood at 1.2%.

BANK OF CENTRAL AFRICAN STATES SAYS REGION'S 2020 GDP TO SHRINK 5.9%

The Bank of Central African States (BEAC) said it expected the region's GDP to shrink 5.9% this year due to the impact of the COVID-19 pandemic and a slump in global oil prices. The bank has also decided to keep its key interest rate on hold at 3.25%. Its outlook follows the IMF's forecast of a deeper-than-expected recession in Sub-Saharan Africa this year.

NIGERIA

COMMERCIAL BANKS TO RESTRUCTURE 33% OF CREDIT

Nigerian banks have applied to the Central Bank for permission to restructure 33% of their loan book due to the impact of the coronavirus pandemic and slump in oil price on businesses. A total of 17 banks submitted requests to restructure more than 32,000 loans for individuals and businesses impacted by COVID as of May end. This accounted for 33% of industry loans.

A triple whammy of COVID-19, oil price collapse and dollar shortages have dealt a blow to the economy of Africa's largest oil producer, hampering the ability of borrowers to meet their obligations to lenders. FCMB Group Plc it plans to restructure half of its loans after impairment charges surged 61% to 3.7 billion naira ($9.5 million) in the first quarter.

RATING AT RISK AS DEBT AND FINANCING GAP RISES

A sharp rise in Nigeria's sovereign debt and a ballooning financing gap could trigger a rating downgrade. The global ratings agency downgraded Nigeria to "B" in April with a negative outlook from "B+" citing aggravation of pressure on external finances. Moody's said in April it would likely downgrade the country if the government was unable to alleviate the damage to its revenue and balance sheet. S&P cut Nigeria's rating in March on weakening external finances.

Nigeria is under pressure to stimulate growth and cut debt after its first quarter current account turned negative. The oil price slump has slashed government revenues. The debt to revenue ratio for Nigeria is set to worsen to 538% by the end of 2020, from 348% a year earlier, before improving slightly next year. The medium debt ratio for "B" rated countries is 350%. Nigeria will need $23 billion to meet its external financing needs this year. The country only has few options, including running down its reserves, after shelving plans to issue Eurobonds. Foreign currency reserves could fall to $23.3 billion this year if foreign exchange access is normalized from around $36 billion. Nigeria has been restricting access since the pandemic to boost the naira, similar to a step it took when oil prices crashed in 2015, which worsened a 2016 recession. The central bank is yet to provide currency to investors that need to leave Nigeria, weakening sentiment. Analysts estimate that around $2 billion needs to exit Nigeria.

BUHARI SEES THREAT TO WEST AFRICAN CURRENCY PLAN

Nigerian President Muhammadu Buhari said that West Africa's plan to adopt a common currency was being put at risk by some countries' attempts to progress more quickly than the agreed timetable. Nations in the region are aiming to adopt a single currency to boost trade and economic growth. Nigeria currently operates a managed float for its currency, while several other countries peg theirs to the euro. Buhari told the heads of state of the 15-member West African Community of African States in a virtual meeting that he was concerned francophone countries - such as Ivory Coast and Senegal - had decided to replace their currencies with the new unified one, the Eco, ahead of others.

Buhari said Nigeria was committed to the single currency and urged leaders to take a common position to safeguard the region. He acknowledged the impact of the COVID-19 pandemic could make member states cautious about complying with agreed standards as economies face recession.

UNIFICATION OF EXCHANGE RATES AROUND INVESTORS' WINDOW

Nigeria will continue to pursue exchange rate convergence around what is offered in the investors and exporters window, otherwise called nafex. The local currency unit has stabilized at 388 naira to a dollar on the nafex window in the past two months and this is expected to be sustained as oil price recovery leads to higher foreign exchange inflows for Africa's largest economy where crude exports account for about 90% of export earnings.

Halt in central banks' dollar intervention on the nafex market since March has resulted in increasing backlog for foreign portfolio investors. The reserves and exchange rate are still under significant pressure.

The West African nation could avoid a contraction of its economy this year if it stays aggressive with the policies put in place to support growth. Improvement in productivity and harvest season is expected to slow down inflation in 2020H2.

NIGERIA WILL NOT SEEK DEBT RELIEF, RULES OUT EUROBOND SALE

Nigeria will not request a delay in debt-service payments this year from bilateral and commercial creditors. The decision marks a shift after the government reached out to bilateral and multilateral lenders in May to try to waive debt payments this year as the pandemic battered Africa's largest economy. In April, the government did not intend to suspend Eurobond payments, but planned to seek relief from its biggest bilateral creditor, China.

Nigeria has also ruled out a sale of Eurobonds this year after market conditions deteriorated sharply at the start of the COVID-19 outbreak. "Not for this year, but certainly to go back to that market, we have to see where the levels are,"Oniha said when asked if the government planned to return to international debt markets. "Borrowing in the domestic market became cheaper than borrowing in international markets."

The threat of credit downgrades has kept many countries from seeking an eight-month suspension of $12 billion in debt payments offered by the Group of 20 leading economies to help the world's poorest countries. Nigeria, the biggest economy eligible for debt relief, could have saved $107.5 million under the initiative, according to the World Bank.

Nearly half of Nigeria's outstanding external debt is with multilateral lenders. The World Bank Group is its top creditor with $10.1 billion in loans. Beijing-based Export-Import Bank of China is the second largest single creditor with loans totaling $3.2 billion, while Eurobonds account for $10.86 billion or 39% of external debt, according to the debt management office.

CÔTE D'IVOIRE

2019/20 COCOA PORT ARRIVALS SEEN AT 1.936 MLN TONS

Cocoa arrivals at ports in top grower Ivory Coast reached 1.936 million tons between Oct. 1 and June 21, exporters estimated, down 6.9% from 2.080 million tons over the same period last season. About 6,000 tons of beans were delivered to Abidjan port and 20,000 tons to San Pedro between June 15 to June 21 for a total of 26,000 tons, up from 25,000 during the same week last season.

COVID-19 SLOWDOWN SQUEEZES COTTON SECTOR

Côte d'Ivoire's cotton industry will struggle to cover its costs after exporting just 20% of last season's 210,902 tons of fiber because of COVID-19 disruptions in top buying destinations in Asia. In a normal year, the country would have exported almost all of its fiber by now. Instead, the crisis has caused delays and the cancellation of some contracts with buyers in Pakistan, India and Bangladesh.

Global cotton prices have fallen by more than 11% this year, after efforts to slow the spread of COVID-19 forced clothing shops to close, dented demand and accelerated a decline triggered by the U.S.-China trade war. As a result, Côte d'Ivoire's cotton sector is facing difficulties mobilizing funds to cover costs relating to the collection of fiber, transport and payment of producers. The need to store stocks longer and extend loans as a result of COVID-19-linked delays has further increased costs.

Côte d'Ivoire produced 490,470 tons of raw cotton in the 2019/20 season and output is forecast to reach 507,000 tons this season, provided the epidemic does not disrupt cultivation. The Ivorian cotton season runs from May to April, with sowing from April to June and harvesting from October to January. Ginning and marketing take place from November to April.

AIR CÔTE D'IVOIRE SAYS PROPPED UP BY $24 MILLION FROM GOVERNMENT

Air Cote d'Ivoire received 14 billion CFA francs ($24.09 million) from the government to keep it afloat as the coronavirus pandemic shut down flights, said its chief executive. The company plans to receive a new Airbus A320neo in October, which will be the 11th plane in its fleet. After a three-month suspension due to the pandemic, domestic flights resumed on Friday and international flights are scheduled to restart on July 1, the Ivorian government announced. Air Cote d'Ivoire carried more than 750,000 passengers last year. Ivory Coast is home to Abidjan airport, one of West Africa's busiest hubs that connects flights across the region.

GHANA

COCOA REGULATOR SAYS BANKS WILL FINANCE 2020/21 BUYING AS USUAL

The Ghana Cocoa Board (Cocobod) said that its annual pre-export financing will be raised as usual through a syndicated loan, denying a report its usual lenders had declined to underwrite the risk. Loan Pricing Corporation, a unit of financial data firm Refinitiv, reported last week that financing for purchases during the 2020/21 growing season would be a club loan to reduce risk amid uncertainty related to the coronavirus pandemic. Cocobod chief executive Joseph Aidoo, however, said in a speech that financial institutions, including Cocobod's traditional lenders, submitted proposals on June 12 to provide a $1.3 billion syndicated loan for 2020/21.

GHANA WILL 'WAIT AND SEE' BEFORE RAISING INTEREST RATES

Ghana's central bank may wait six months before it considers raising rates, even as inflation accelerated further above its target range for a second straight month in May. Ghana's inflation advanced to 11.3% in May from 10.6% a month earlier. That compares with the central bank's target range of 6% to 10%. Still, some expect the rate to return to within the band before the end of the year. The central bank maintained its benchmark interest rate at 14.5% in May after cutting it by 150 basis points to an eight-year low in response to the pandemic.

SENEGAL

FAR SAYS IT IS IN DEFAULT OVER SENEGAL SANGOMAR PROJECT

Australian-listed oil and gas company FAR Ltd said on Wednesday its Senegalese unit had defaulted on its obligations to the Sangomar joint venture, as the company looked to sell its interest in the project. The company owns 15% of the Sangomar oil and gas field being developed off Senegal, while Cairn Energy holds 40%, Australia's Woodside 35%, and Senegal's national oil company Petrosen 10%, which it has the right to increase to 18%. FAR said in late March it had failed to secure debt to fund Sangomar, which is operated by Woodside, following a plunge in global oil prices amid the coronavirus pandemic.

FAR said it was still considering selling all or part of its interest in the project, adding that it would forfeit its interest without compensation if obligations were not fulfilled within six months. In that case, its remaining partners would also have to shoulder the investment burden. The announcement comes just a day after Woodside said it expects production at Sangomar to begin in 2023. FAR said it had implemented further cost-saving measures, including job cuts, and that senior executives and non-executive directors would take a 20% pay cut. (Reporting by Shashwat Awasthi in Bengaluru, additional reporting by Shadia Nasralla in London; Editing by Lincoln Feast and Jan Harvey)

TOGO

TOGO MOBILIZES 120,000 TONS OF FERTILIZER FOR THE 2020-2021 AGRICULTURAL CAMPAIGN

For the 2020-2021 agricultural campaign, Togo mobilized 120,000 tons of fertilizer, according to the ministry of agriculture and husbandry. This volume breaks into 40,000 tons of urea, 80,000 t of NPK15-15-15, and organic fertilizers. The country uses an average of 61,000 t of fertilizer per annum. Besides fertilizers, 2,600 t of enhanced and certified seeds (corn, rice, sorghum, cowpea, groundnut, sesame, and fonio) were supplied and distributed across 325 accredited sales points across the country. All the resources contribute to the government's goal to boost the sector and improve agricultural yields, double related revenues and achieve Zero Hunger in Togo. In effect, Lomé currently eyes an annual output of 225,000 t of cotton, nearly 2 million t of maize, about 332,508 t of rice, and 140,000 t of soybeans. In parallel, the country hopes to increase its agricultural revenues by around XOF230 billion.

MINISTRY OF AGRICULTURE LAUNCHES AN E-LEARNING PLATFORM

In Togo, the ministry of agriculture has launched an e-learning platform offering courses on agriculture, husbandry, and fishery. The platform is accessible to students, farmers, or anyone interested in these sectors. It is hosted on the ministry's virtual business incubator. The users of the platform can also learn about incubation and certification, or even how to apply for agricultural jobs among others. The new tool aligns with announcements made by the ministry of agriculture regarding the improvement of training for youth to boost the number of local agro-businesses.

THE DEBT SERVICE SUSPENSION INITIATIVE (DSSI) WILL ENABLE TOGO TO SAVE $26 MLN

Togo will save US$ 26 million due to the World Bank's recent decision to suspend the payment of its debt till the end of this year. The sum represents 0.5% of the country's GDP. The debt moratorium was granted in the framework of the World Bank's Debt Service Suspension Initiative (DSSI). The latter was launched in response to the Covid-19 crisis and is similar to the IMF's decision to cancel about $5 million of debt owed by Togo. According to Moody's, the World Bank's moratorium should, alongside the recent debt restructuring undertaken by Lomé, considerably reduce the country's refinancing needs. The latter are mostly concentrated on clearing the internal debt ($630 million or 11% of the GDP), nearly two-thirds of which are owed to regional lenders (including WAEMU lenders).

III. GLOBAL ECONOMIC AND FINANCIAL NEWS

WORLD

IMF SLASHES ECONOMIC OUTLOOK AND WARNS OF PUBLIC DEBT BURDEN

The COVID-19 crisis will have an even bigger negative impact on the global economy than the IMF initially thought. The institution also warned that government deficits were set to soar as a result (a record of 101% of GDP, up 19pp y/y). The global economy will shrink by 4.9% in 2020, a downward revision of 1.9pp from its April forecasts. The crisis has so far cost governments around the world more than US$10 trillion in lost revenues and support measures such as additional spending, business loans and guarantees.

Advanced economies — notably the US and European countries — will bear the brunt of the damage. They are expected to shrink by 8% this year, a steeper contraction than the 6% estimated by the fund in April. Emerging economies will shrink by 3% — far more than the 1% contraction it forecast in April. The biggest downgrade was for France, which is expected to shrink by 12.5% this year — over 5pp more than forecast in April — closely followed by Spain, with a 4.8pp downgrade taking its forecast contraction to 12.8%. The US will take the biggest hit to its budget; it will run a deficit of nearly 24% of GDP this year.

The deterioration in the IMF forecasts was driven by its expectation that there would be a more gradual recovery in the second half of this year than it had previously expected, and because voluntary social distancing before lockdowns were imposed has dealt a greater blow to economic activity than previously thought, as fears of catching coronavirus lead people to be cautious.

GLOBAL TRADE HAD A RECORD PLUNGE DURING PEAK OF VIRUS LOCKDOWNS

Global trade suffered a record plunge at the peak of the lockdowns to contain the coronavirus, dropping by more than 12% in April alone. With factories, airports and offices shut and movement and international travel restricted, trade was down 16% compared with a year earlier. Three-month figures, which the CPB uses to gauge momentum, dropped 7%. The World Trade Organization this week tempered its pessimism about the outlook, saying its worst-case scenario for a 32% drop in global commerce this year will probably be avoided. Its optimistic scenario still sees a decline of about 13%.

The WTO said global trade could see a 5% to 20% rebound next year. But it's far from certain and depends on whether there's a second wave of COVID-19 outbreaks, weaker than expected economic growth or widespread recourse to trade restrictions. The IMF also updated its global outlook, predicting a 4.9% slump in world GDP and an 11.9% contraction in trade this year.

HEALTH

GILEAD TO TRIAL INHALER VERSION OF COVID-19 TREATMENT

Gilead is set to begin its first human trial of an inhaler of its COVID-19 medication remdesivir, hoping the new format would reach far more patients than just those who have been hospitalized. The California-based biotech company is planning to start a phase-one trial of the inhaler in August, after it received a green light from the FDA. Remdesivir has received emergency approval for treating COVID-19 in the US after a trial showed it cut the amount of time it took patients to recover. But it is currently delivered intravenously, meaning it is so far only being given to patients in hospital, at the later stages of the disease.

EUROZONE

PMIS BEAT EXPECTATIONS TO SPUR HOPES OF RECOVERY

June's activity in the eurozone showed stronger signs of normalization than expected in the services and manufacturing sectors as restrictions linked to the coronavirus pandemic eased and consumption resumed. The IHS Markit eurozone flash services PMI rose to 47.3 in June from 30.5 in May. The flash eurozone PMI indicated another substantial easing of the region's downturn in June. Output and demand are still falling but no longer collapsing. While the GDP for Q2 2020 is still likely to have dropped at an unprecedented rate, the rise in the PMI adds to expectations that the lifting of lockdown restrictions will help bring the downturn to an end as we head into the summer. The eurozone manufacturing PMI rose to 46.9 in June from 39.4 in May. The composite PMI, an average of the two sectors, improved to 47.5 from 31.9 in the previous month.

ECB CREATES WINDOW TO WIDEN ACCESS TO EURO

The European Central Bank said it would establish a facility to provide euro liquidity to other central banks outside the eurozone in response to growing demand for access to the currency since the pandemic has rocked financial markets. Central banks beyond the single-currency bloc can apply to access the facility, which is expected to be launched in the next couple of weeks and last until June 2021. The move is not a response to any specific market shift, but is a precautionary step to pre-empt stress in currency markets caused by the pandemic, according to a person briefed on the matter. There is a queue of applications from central banks wanting more access to euro liquidity, but only those that are approved by the ECB governing council will join the facility, said the ECB. The euro recently recovered the ground it lost against the US dollar since COVID-19 struck much of Europe in March, rising to a 12-week-high of above $1.12 after the ECB this month increased the size of its emergency bond-buying program. The liquidity facility would “allow a broad set of central banks to borrow euros against euro-denominated debt issued by euro area central governments and supranational institutions”, said the ECB.

ECB PRESIDENT WARNS RECOVERY WILL BE 'RESTRAINED'

European Central Bank president Christine Lagarde has warned that the recovery from the coronavirus outbreak will be “restrained” as households save instead of spending while some airlines and hotels suffer "irredeemable" damage. Household savings have soared since the Covid-19 pandemic hit Europe, rising by €214bn between February and May to strike a record of €7.3tn, according to the ECB. On airlines and the hospitality sector, she said: "We are not going to return to the ex-ante status quo." Warning that global trade was likely to be “significantly reduced” by the fallout from the pandemic, Ms Lagarde said the ECB had “used all policy levers” to ensure that financing costs remained low for households, companies and governments and that banks continued to lend money.

ASIA-PACIFIC REGION

ASIA-PACIFIC ECONOMIES TO SUFFER $3TN HIT FROM PANDEMIC

Covid-19 is expected to result in a $3tn hit to Asia-Pacific’s economy over this year and next as a bid to save and pay down debt will slow spending, according to S&P Global Ratings. S&P forecasts the region’s economy will shrink by 1.3% in 2020 but it will achieve 6.9% growth in 2021. Despite success in containing the virus and deploying macroeconomic policies to support economies, Asia-Pacific economies may face a “balance sheet recession” — when governments, companies or households opt to bolster savings, pay off debts and spend less in a bid to shore up their finances. This means less investment, a slower recovery, and a permanent hit to the economy that will last even after a vaccine is found. S&P held its economic growth forecasts for China at 1.2% for 2020 and 7.4% for 2021, pointing to “fragile” confidence in the private sector. India’s economy is forecast to contract by 5% over the fiscal year as it struggles to contain the virus. South Korea’s success in limiting the spread of the virus and the country’s technology industry will help it weather the storm. Its economy is forecast to contract by 1.5%.

GERMANY

GERMAN ECONOMY FORECAST TO CONTRACT 6.5% THIS YEAR

Germany’s top economic advisers have slashed their growth forecast, warning it will contract by 6.5% this year and not return to its pre-pandemic level until 2022. The Council of Economic Experts, a government-appointed advisory group of top economists, updated their forecast from the one they made earlier this year that the German economy would contract by 2.8% this year. Adjusted for changes in the number of working days, it said the German economy would contract by 6.9% this year, before rebounding by 4.9% in 2021. That would be the country’s biggest postwar recession, but a milder downturn than many other large European countries are forecasting. Heavy government spending to cushion the economy from the worst impact of the pandemic is expected to worsen its fiscal position significantly - ending years of surpluses with a budget deficit of 6% this year and 3.9% next year.

GERMANY IMPOSES LOCAL LOCKDOWN FOLLOWING OUTBREAK AT MEAT FACTORY

Germany has reimposed a lockdown for the first time since it began easing its restrictions on social contact last month, following an outbreak of coronavirus at a meat-processing factory in the western city of Gütersloh. More than 1,550 employees of the meat processing company Tönnies in the town of Rheda-Wiedenbrück have tested positive for Covid-19. Authorities said the lockdown would initially last for a week. About 7,000 employees of Tönnies are in quarantine. Schools and kindergartens in the affected district have been closed.

JAPAN

JAPANESE SERVICES SECTOR SHOWS SIGNS OF RECOVERY BUT MANUFACTURING REMAINS WEAK

Japan's services sector showed signs of improvement for June as the country's state of emergency was lifted, while manufacturing remained weak. The au Jibun Bank flash services purchasing managers' index rose to 42.3 from 26.5 in May, closing in on the 50-point level that signifies expansion. However, the preliminary reading for the manufacturing sector dipped to 37.8 from 38.4 in May as production fell at the sharpest rate since 2009. The mixed picture resulted in a flash composite PMI of 37.9, up from 27.8 in May. The flash PMI is released one week ahead of the final figures and is based on about 80-90 per cent of survey responses.

UNITED KINGDOM

UK EXPORT ORDERS SLUMP TO RECORD, MANUFACTURERS REVEAL

UK manufacturers remained in a deep downturn in early June despite improvement since COVID-19 lockdown measures were relaxed as export orders fell to the lowest on record. A survey run by the CBI found that 71% of respondents reported below levels of orders while 81% reported the same for export orders. The survey was conducted between May 26 and June 12. The government began to ease restrictions in mid-May, when manufacturing workers were encouraged to return to work when possible. The figure brings the CBI import order book score for June to minus 58, slightly better than the minus 62 in May, but well below the long-term average of minus 14.

The export score fell to minus 79, the lowest since records began in 1977. The score is calculated as the difference between the percentage of manufacturers reporting an increase and those reporting a decrease. Manufacturers reported that stock remains higher than needed, while expectations for output prices remain deflationary, though to a lesser extent than in May. Looking at the next three months, manufacturers expected an easing in the pace of decline in output, but at minus 30 the relative score remained well below the long-term average of 8.

SOUTH KOREA

SOUTH KOREA UNVEILS PLAN TO TAX WEALTHY RETAIL INVESTORS

South Korea has proposed levying capital gains taxes on retail investors who make the most from their investments, while cutting transaction taxes for general stock trading, in a measure that it says will help to reduce inequality. Taxes of up to 25% will be imposed on annual capital gains of more than Won20m ($16,627) for retail investors from 2023, said the finance ministry. This would affect the top 5% of all stock investors or about 300,000 people in the country. The move would mark a significant departure from current requirements for only large shareholders with stakes above 1% or Won1bn ($831,373) of listed stocks to pay capital gains taxes. The government said the revision was not aimed at increasing taxes but acknowledged that it faced a growing need to fill the national coffers after huge public spending this year to boost Asia's fourth-largest economy battered by the coronavirus. Analysts said the revision would benefit foreign investors who are not subject to capital gains taxes and are only required to pay transaction levies, while it was bad news for profit-making domestic retail investors. Foreign investors hold about a third of South Korean shares. Under the new proposals. stock transactions taxes will also be lowered gradually from the current 0.25% rate to 0.15% by 2023. The government will finalize this plan in late July to submit a bill to parliament in early September. The revision is subject to parliamentary approval.

TURKEY

TURKEY UNEXPECTEDLY HOLDS RATES STEADY ON RISING INFLATION CONCERNS

Turkey's central bank has paused an almost year-long easing cycle as it kept its benchmark interest rate on hold after nine successive cuts. The bank's monetary policy committee said the one-week repo rate would be kept on hold at 8.25%. The bank cited concerns about inflation as a key reason for the decision not to cut rates further. The country's headline inflation rate reached 11.4% last month. The bank's year-end inflation target is 7.4%.

UNITED STATES

U.S. CONSUMER SENTIMENT STUMBLED IN LATE JUNE AS VIRUS SPREAD

The University of Michigan's final sentiment index fell to 78.1 from a preliminary reading of 78.9. Compared with a month earlier, the gauge posted its largest advance since late 2016. The median projection in a Bloomberg survey of economists called for a final June reading of 79.2.The gauge of current conditions was 87.1 following a preliminary reading of 87.8 -- though still up from 82.3 in May. The expectations index eased to 72.3 from an initial 73.1 and compared with 65.9 in May that was the lowest since 2013.

The improvement from May points to gradually growing optimism that the economy will recover as jobs are restored and help slowly rekindle the demand needed for the U.S. to emerge from the recession. At the same time, the sentiment gauge is well below pre-pandemic levels, highlighting consumers' lingering anxiety about the prospects for the economy and employment against the backdrop of the coronavirus.

The report showed that sentiment rose just 0.5 point in the South and 3.3 points in the West, regions where coronavirus cases have been increasing. In the Northeast, where spread has been limited, confidence jumped by the most on record, the university's data showed.

US EXISTING HOME SALES FALL FOR THIRD MONTH

Sales of previously owned homes in the US fell for the third consecutive month as COVID-19 lockdowns and social distancing measures continued to depress activity despite low mortgage rates. Existing home sales fell 9.7% in May from the previous month, to an annualized 3.91m. However, with the rise in mortgage applications, realtors did report signs of improvement and said they were hopeful the housing market had bottomed out.

U.S. TARGETS $3.1 BILLION OF EU AND U.K. IMPORTS FOR NEW TARIFFS

The U.S. is weighing new tariffs on $3.1 billion of exports from France, Germany, Spain and the U.K., adding to an arsenal the Trump administration is threatening to use against Europe that could spiral into a wider transatlantic trade fight later this summer.

The U.S. Trade Representative wants to impose new tariffs on European exports like olives, beer, gin and trucks, while increasing duties on products including aircrafts, cheese and yogurt. The statement lays out a month-long public comment period ending July 26.

The move coincides with a six-month review of the Trump administration's tariffs on European goods in retaliation for Brussels' illegal subsidies to Airbus SE. If the U.S. moves forward with new tariffs, they would likely come in September -- by which point the WTO is expected to determine whether the EU can legally impose tariffs on $11.2 billion worth of U.S. goods in retaliation for America's illegal subsidies to the Boeing Co.

European stocks fell by the most in a week, weighed down by concerns about outbreaks of the COVID-19 virus and renewed worries about trade tensions between the U.S. and Europe. Shares of beverage stocks, luxury-goods companies and truck makers were among the losers.

U.S. JOBS HIT IS FOUR TIMES WORSE FOR LOW-PAID

More than one-third of America's lowest-paid workers were laid off during the pandemic-induced recession, about four times the number of job losses experienced by the top earners, according to new research led by Federal Reserve Board economists.

"We find that more than 35% of all workers in the bottom quintile of the wage distribution lost their job -- at least temporarily -- through mid-April," economists including the Fed's Tomaz Cajner, Leland Crane and Ryan Decker wrote in a paper for the Brookings Institution in Washington. "The comparable number for workers in the top quintile was only 9%." Even through mid-May, as state economies began to re-open, employment among bottom-quintile workers was down by about 30% from February. The drop was about 4 percentage points larger for women than men.

While lower paid workers suffered more job losses, higher-paid employees were proportionately more likely to have their base pay cut: 11.4% of workers received pay cuts, almost double the estimated level during the recession that followed the 2008 crisis, while salary increases have been less frequent than in the earlier period.

FED CAPS DIVIDENDS AND BANS SHARE BUYBACKS BY BIG US BANKS

The Federal Reserve capped dividends and banned share buybacks by big US banks as it released an analysis showing Covid-19 could trigger $700bn of loan losses and push some lenders close to their capital minimums. The Fed said 33 banks that underwent "stress tests" would be banned from buying back their shares until at least the fourth quarter. The 8 biggest had already voluntarily suspended the buybacks, which account for about 70% of the US banks' shareholder distributions, until July. Jamie Dimon, JPMorgan Chase chief executive, recently said they were not likely to resume until the fate of the economy was clearer. The US central bank stopped short of banning dividends — as European regulators have done during the crisis. Instead, the Fed said third-quarter quarter dividends from the 33 banks could be no higher than last year's and no higher than the average of a bank's earnings for the four quarters ended June 30. It deferred decisions on future dividends until the fallout from the pandemic became clearer, spelling further uncertainty for bank investors.

LATIN AMERICA

COVID-19 SPREAD ACCELERATES AS SITUATION DETERIORATES

The rate of increase in Covid-19 infections has gathered pace with the situation deteriorating in Latin America, the latest sign of how COVID-19 hotspots continue to emerge even as many countries ease their lockdowns. The number of newly confirmed cases has averaged around 150,000 per day over the past week, up significantly from 90,000 a month ago. A large proportion of these new infections have stemmed from Latin America. Brazil overtook the US more than two weeks ago as the most badly-affected country in terms of daily infections. The seven-day average stands at 31,000, which is the highest recorded by any country during the pandemic. There are signs however that the US is beginning to suffer from a sharp uptick as outbreaks in southern and western states have pushed the daily number of infections over 25,000 again after dipping below 20,000 at the beginning of June.

Latin America also accounts for nearly half of all recorded daily deaths, averaging just under 2,200 per day, more than three times the daily total of the US. On a fatalities per capita basis, Brazil, Chile, Mexico and Peru are the four most badly-affected countries in the world. India has also seen a surge in the number of deaths recently, however, this is mainly due to more than 1,300 previously unreported deaths being announced on a single day. On average 300 fatalities are being reported in the country making it the fourth-worst affected jurisdiction in the world.

IV.HIGH FREQUENCY TABLES

Table 1. Evolution of the different high-frequency financial prices

Exchange rates (units of local currency per USD)

June 26, 2020	Previous Close	Variation (%) 1 Day	1 Week	1 Month	1 Year
Angola	581	0.1	-3.3	-0.6	70.8
Botswana	12	-0.0	0.2	-0.5	10.7
Cameroon + Central CFA countries*	585	0.1	-0.2	-2.1	1.4
Congo, Dem. Rep.	1861	--	--	7.0	13.2
Ethiopia	34	0.1	-0.0	0.7	18.5
Ghana	6	0.0	0.1	0.7	6.6
Kenya	107	--	--	-0.2	4.1
Lesotho	17	0.7	-0.3	-0.6	22.6
Madagascar	3850	-0.3	--	1.2	5.5
Malawi	734	--	0.0	0.1	-4.7
Mauritius	40	-0.7	-0.1	0.9	12.9
Mozambique	70	1.1	0.6	1.8	9.7
Namibia	17	0.7	-0.3	-0.6	22.6
Nigeria	388	0.0	-0.2	0.1	7.6
Rwanda	953	0.7	0.8	1.9	4.7
Senegal + West CFA countries**	584	0.0	-0.3	-2.3	1.3
Seychelles	17	0.0	0.0	-0.7	26.9
Somalia	579	--	--	--	--
South Africa	17	0.7	-0.3	-0.6	22.6
Sudan	6	--	--	--	--
Sudan (South)	130	--	--	--	--
Swaziland	17	0.7	-0.3	-0.6	22.6
Tanzania	2315	0.2	0.0	0.5	0.6
Uganda	3736	-0.1	0.3	-1.4	1.1
Zambia	18	0.4	-0.3	0.3	40.1

** Central African CFA Franc (CAF, TCD, COG, GNQ, GAB)*

*** West African CFA Franc (BEN, BFA, GNB, CIV, MLI, NER, TGO)*

Stock Market Indices

June 26, 2020	Previous Close	Variation (%) 1 Day	1 Week	1 Month	1 Year
AFRICA					
Botswana	7177	--	-0.1	-2.0	-5.9
Ghana	1873	0.2	-2.5	-5.2	-21.8
Kenya	1939	0.0	-1.6	-1.9	-26.4
Mauritius	1654	-0.2	0.4	1.8	-22.3
Namibia	1040	-1.3	-2.3	4.7	-24.4
Nigeria	24829	0.8	0.0	-1.6	-17.1
South Africa	6743	-0.4	-2.0	4.4	-13.5
MSCI Indices					
Emerging Markets (1)	1004	-0.6	0.9	8.4	-4.8
Frontier Markets (2)	484	-0.5	1.1	4.4	-13.0
Frontier Markets Africa (3)	355	-0.9	-2.9	1.1	-16.4
World (4)	2193	0.6	-1.0	3.7	1.2
Developed					
Dow Jones Industrial	25016	-2.8	-3.3	-2.1	-6.0
S&P 500 Index	3012	-2.3	-2.8	-0.8	2.4
NASDAQ	9757	-2.6	-1.9	3.7	21.9
Euro Stoxx 50	3204	-0.5	-2.0	5.0	-7.8
FTSE 100	6159	0.2	-2.1	0.2	-17.1
Nikkei 225	22512	1.1	0.1	5.1	5.8

(1) Market capitalization index covering over 800 securities across 23 markets

(2) Market capitalization index covering 24 out of the 33 Frontier Markets

(3) BWA, GHA, KEN, MUS, MAR, NGA, TUN, ZMB

(4) Large and mid cap representation across 23 Developed Markets

Government Bond Yield (in USD basis points)

June 26, 2020	Previous Close	Variation 1M	3M	6M	1 Year
Africa	7.8	-0.6	-2.4	1.3	1.1
Angola	11.7	-4.1	-6.5	4.0	4.0
Cote d'Ivoire	5.9	-0.5	-1.6	0.2	-0.5
Gabon	8.1	-1.0	-6.8	2.9	1.5
Ghana	8.8	-0.6	-3.3	1.1	1.1
Namibia	4.6	-0.8	-3.5	0.5	-0.0
Nigeria	8.2	-0.6	-3.4	1.1	1.1
Senegal	6.4	-0.5	-1.4	0.4	-0.2
South Africa	6.0	-0.3	-1.4	0.8	1.1
Zambia	27.4	-3.9	-4.1	9.3	9.4

1/ The Yields come from JPMorgan Emerging Markets Bond Index.

Indices include external issuances with a notional amount above USD500Mn that is sufficiently liquid.

Other Global Indicators

June 26, 2020	Previous Close	Variation 1 Day	1 Week	1 Month	1 Year
Fed Funds Rate	0.3	--	--	--	-0.9
3 month LIBOR	0.3	--	0.0	-0.2	-0.9
6 month LIBOR	0.4	--	-0.1	-0.3	-0.8
3Mo US Govt Bond Yield	0.1	-0.1	-0.1	-0.1	-0.9
10Yr US Govt Bond Yield	0.6	-0.1	-0.1	-0.1	-0.7
10 Yr Bund	-0.5	0.0	0.2	0.2	0.5
High Yield Bonds (CS)	1528.5	--	-0.0	0.0	-0.0
VIX	35.1	0.1	--	0.3	1.3
USD/EUR Exchange Rate	1.1	0.0	0.0	0.0	-0.0
JPY/USD Exchange Rate	107.2	0.0	0.0	-0.0	-0.0

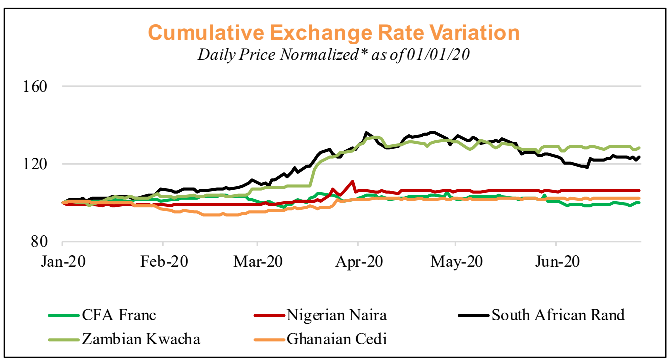
Table 1. Evolution of the different high-frequency financial prices (continued)

Domestic Rates

June 26, 2020	Previous Close	Variation 1M	3M	6M	1 Year
POLICY RATE					
Angola Bank Rate	15.5	--	--	--	--
Botswana Bank Rate	4.8	--	--	--	--
Ghana Policy Rate	14.5	--	--	-1.5	-1.5
Kenya Central Bank Rate	9.0	--	--	--	--
Mauritius Repo Rate	1.9	--	-1.0	-1.5	-1.7
Nigeria Central Bank Rate	12.5	-1.0	-1.0	-1.0	-1.0
South Africa Repo Avg Rate	3.8	--	-1.5	-2.8	-3.0
Uganda C.B. Policy Rate	7.0	-1.0	-2.0	-2.0	-3.0
Zambia C.B. Policy Rate	9.3	--	-2.3	-2.3	-1.0
MARKET RATE					
Ghana 3M B.A. Avg. Yield	13.5	-0.5	-1.1	-1.2	-1.2
Kenya 3M B.A. Avg. Yield	6.7	-0.6	-0.5	-0.5	-0.0
Namibia 3M B.A. Avg. Yield	4.4	-6.5	-3.1	-3.2	-3.1
South Africa 3M Avg Yield	4.1	-0.1	-1.6	-3.2	-3.2
South Africa 5Y Bond Yield	8.0	--	--	--	--
South Africa 10Y Bond Yield	9.2	0.2	-2.5	0.2	0.3

International Commodity Prices

June 26, 2020	Previous Close	Variation (%) 1 Day	1 Week	1 Month	1 Year
ENERGY					
Crude Oil, WTI, US$/bbl	38.18	-1.4	-3.9	16.4	-34.7
Crude Oil, Brent, US$/bbl	40.70	-0.9	-3.5	17.2	-38.8
Natural Gas, m/btu	1.50	0.9	-10.4	-13.2	-35.2
METALS					
Aluminum, USD/MT	1,570.00	--	-1.4	3.0	-12.8
Copper, $/mt	5,883.50	--	0.9	12.6	-1.6
Gold, $/oz	103.23	0.1	0.2	12.4	-5.4
Iron Ore, $/mt	103.23	0.1	0.2	12.4	-5.4
Silver, $/oz	17.82	0.1	1.1	3.3	16.4
Tin, $/mt	16,683.00	--	-1.9	7.7	-11.4
Zinc, $/mt	2,043.50	--	-1.9	6.5	-20.3
AGRICULTURE					
Cocoa, $/mt	1,789.00	-5.4	-0.8	-7.1	1.0
Coffee, $cents/lb	95.65	0.8	2.0	-6.7	-11.6
Cotton, USD/lb	59.50	-0.3	-0.5	2.5	-10.3
Maize, $/bu.	165.50	-0.2	-0.5	-1.0	-6.8
Raw Sugar, $/lb	11.55	-2.2	-4.1	6.9	-6.3
Rice, $/cwt	13.68	0.9	-2.4	-16.4	21.3
Soybean, $cents/bu	866.00	-0.4	-1.2	2.1	-3.8
Wheat, USD/bu.	473.75	-2.7	-1.6	-6.1	-10.3



*The data series is set to zero on a specific date. The net change on each subsequent data point is added or subtracted from the value of the previous data point.

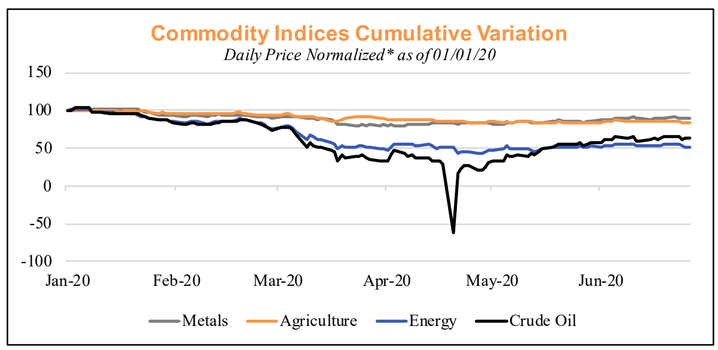
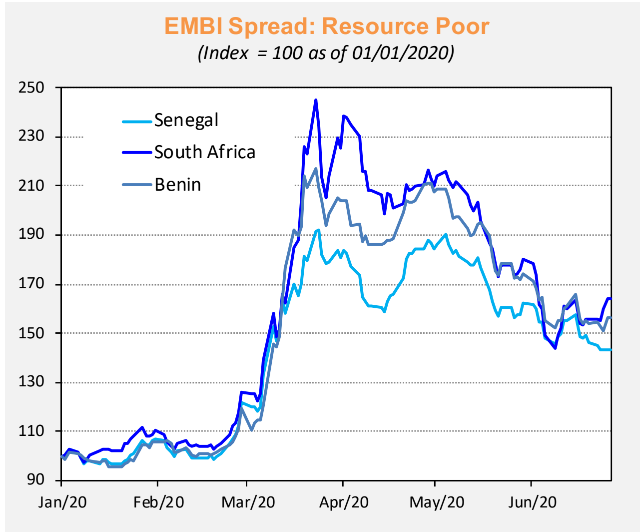
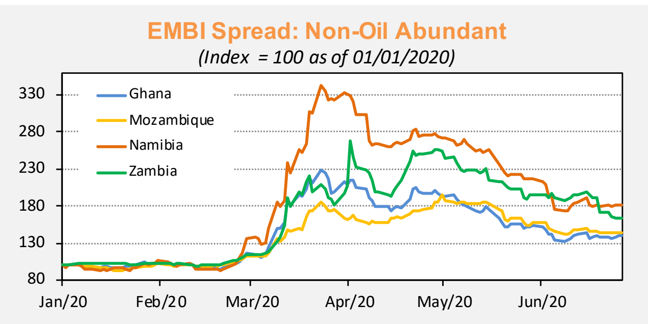


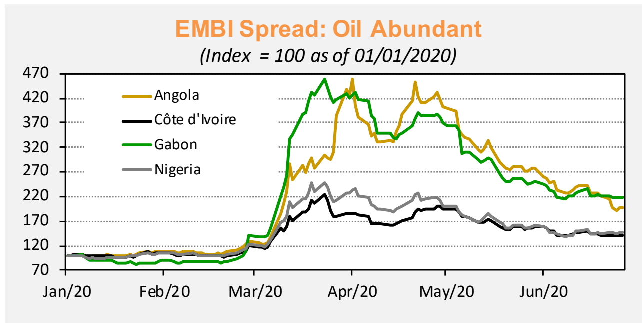
Table 2. Emerging Market Bond Index (EMBI) for SSA countries

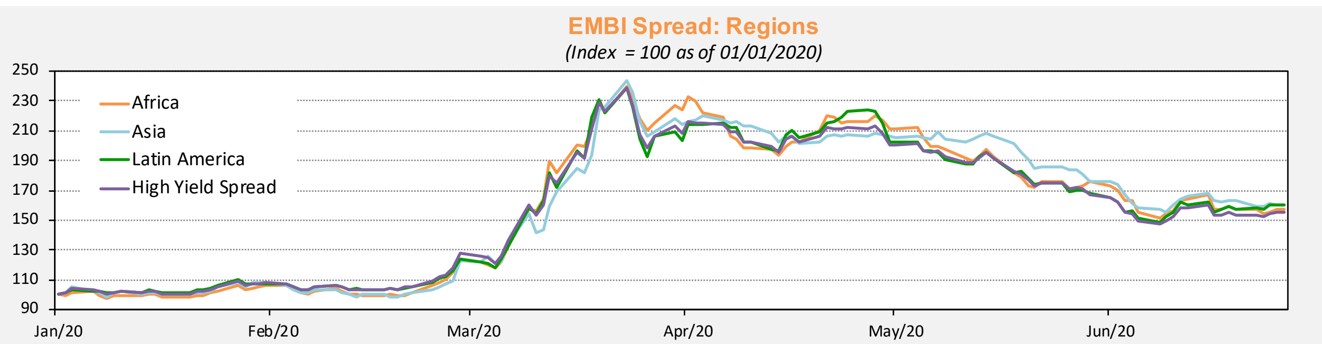
Global EMBI - Spread in basis points

June 26, 2020	Previous Close	Variation			
		1M	3M	6M	1 Year
Angola	1098	-415	-644	534	544
Benin	817	-86	-193	287	237
Côte d'Ivoire	533	-54	-149	150	91
Gabon	766	-94	-668	415	283
Ghana	808	-62	-323	227	245
Mozambique	882	-55	-174	265	-61
Namibia	428	-82	-339	189	145
Nigeria	749	-59	-336	231	248
Senegal	556	-55	-137	162	108
South Africa	523	-33	-131	197	240
Zambia	2711	-391	-398	1075	1093
Africa	707	-65	-238	258	246
Asia	265	-38	-76	98	84
Europe	389	-23	-95	136	82
Latin America	554	-36	-112	204	37
Middle East	315	-55	-140	106	62
High Yield Spread	692	-36	-463	283	240









Source: Bloomberg

Table 3. COVID-19 Testing for select African countries

(June 26th, 2020)

Country	Cases	Deaths	Cases	Deaths	Tests	Tests	Latest
	(number of people)		*(per million people)*		*(number)*	*(per 1,000)*	*Test Report*
Ethiopia	5,175	81	45.0	0.71	232,050	2.02	6/25/20
Ghana	15,473	95	498.0	3.06	277,550	8.93	6/21/20
Kenya	5,384	132	100.1	2.46	151,396	2.82	6/24/20
Nigeria	22,614	549	109.7	2.66	122,155	0.59	6/25/20
Rwanda	850	2	65.6	0.15	121,527	9.38	6/24/20
Senegal	6,233	94	372.3	5.61	74,037	4.42	6/25/20
Uganda	821	0	17.9	0.00	150,073	3.28	6/23/20
South Africa	118,375	2292	1995.9	38.65	1,416,894	23.89	6/24/20
Zimbabwe	551	6	37.1	0.40	28,253	1.90	6/24/20

Source: Our World In Data (OWID)

Figure 2. COVID-19 Infection rates for select African countries

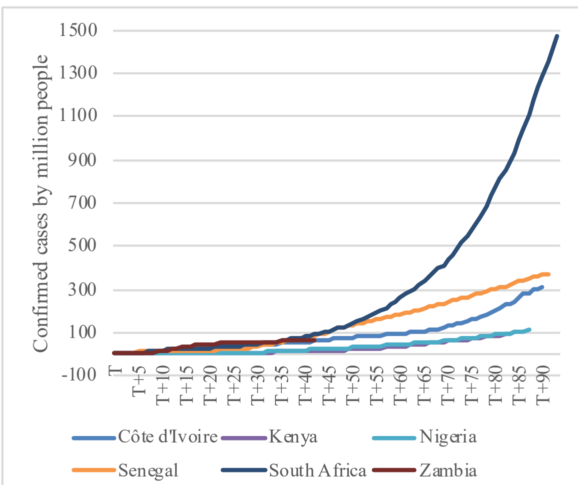
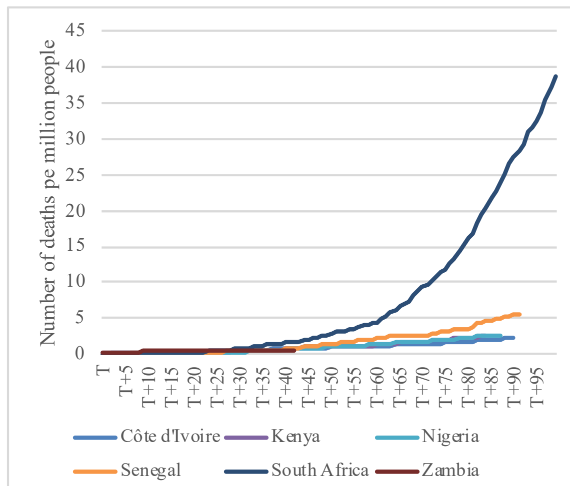


Figure 3. COVID-19 Death rates for select African countries



Note: T = date of the 100th confirmed case of COVID-19. The information collected on infection and death rates is as of June 26, 2020. Source: Our World in Data (OWID).

Table 4. COVID-19 Community Mobility Report

(As of June 22nd, 2020)

		Retail & Recreation	Grocery & Pharmacy	Parks	Train Stations	Workplaces	Residential
AGO	Angola	-18	-11	-12	-43	-15	15
BFA	Burkina Faso	3	-1	-5	-16	-1	2
BEN	Benin	-26	-22	-10	-33	-16	13
BWA	Botswana	-6	-5	-3	-9	-1	9
CIV	Côte d'Ivoire	-15	-8	-17	-17	-12	11
CMR	Cameroon	-10	-8	-22	-4	-9	5
CPV	Cabo Verde	-40	-21	-46	-62	-30	14
GAB	Gabon	-24	-24	-19	-31	-21	19
GHA	Ghana	-9	2	-12	-8	-15	12
GNB	Guinea-Bissau	..	..	..	..	-16	..
KEN	Kenya	-23	-19	-15	-22	-21	16
MLI	Mali	4	0	5	-28	-2	5
MUS	Mauritius	-20	-15	-27	-36	-24	11
MOZ	Mozambique	-14	-1	-18	-22	-2	8
NAM	Namibia	-20	-11	-23	-54	-10	11
NER	Niger	2	3	-10	-13	-6	-2
NGA	Nigeria	-23	-17	-31	-22	-23	17
RWA	Rwanda	-23	-14	1	-21	-23	11
SEN	Senegal	-20	-13	-14	-28	-22	10
TGO	Togo	-18	-8	4	-30	-7	11
TZA	Tanzania	-6	3	-3	-6	-10	4
UGA	Uganda	-35	-23	-16	-49	-26	16
ZAF	South Africa	-35	-23	-26	-59	-37	20
ZMB	Zambia	-7	-3	-2	-13	-3	9
ZWE	Zimbabwe	-21	-13	-6	-30	-14	22

NOTES:
**Retail & Recreation: Mobility trends for places like restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters. Grocery & Pharmacy: Mobility trends for places like grocery markets, food warehouses, farmers markets, specialty food shops, drug stores, and pharmacies. Parks: Mobility trends for places like national parks, public beaches, marinas, dog parks, plazas, and public gardens. Train Stations: Mobility trends for places like public transport hubs such as subway, bus, and train stations. Workplaces: Mobility trends for places of work. Residential: Mobility trends for places of residence.*
***Changes for each day are compared to a baseline value for that day of the week: a) The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3.Feb 6, 2020. b) The reports show trends over several weeks with the most recent data representing approximately 2-3 days ago. The data included in the calculation depends on user settings, connectivity, and whether it meets the privacy threshold.*

SOURCE: Google Community Reports.

Figure 4. Mobility in "retail and recreation" for select African countries

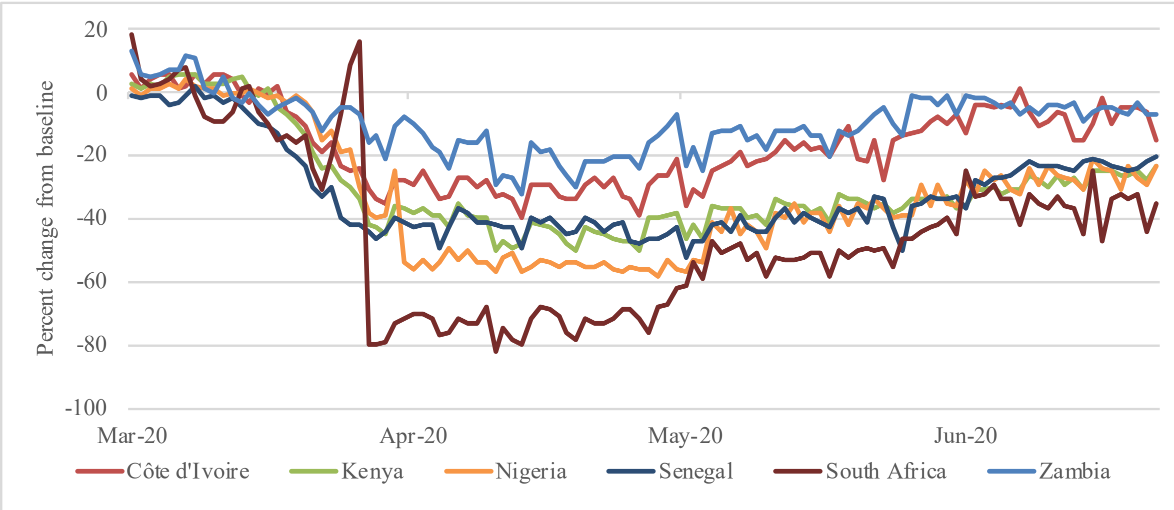


Figure 5. Mobility in "transport" for select African countries

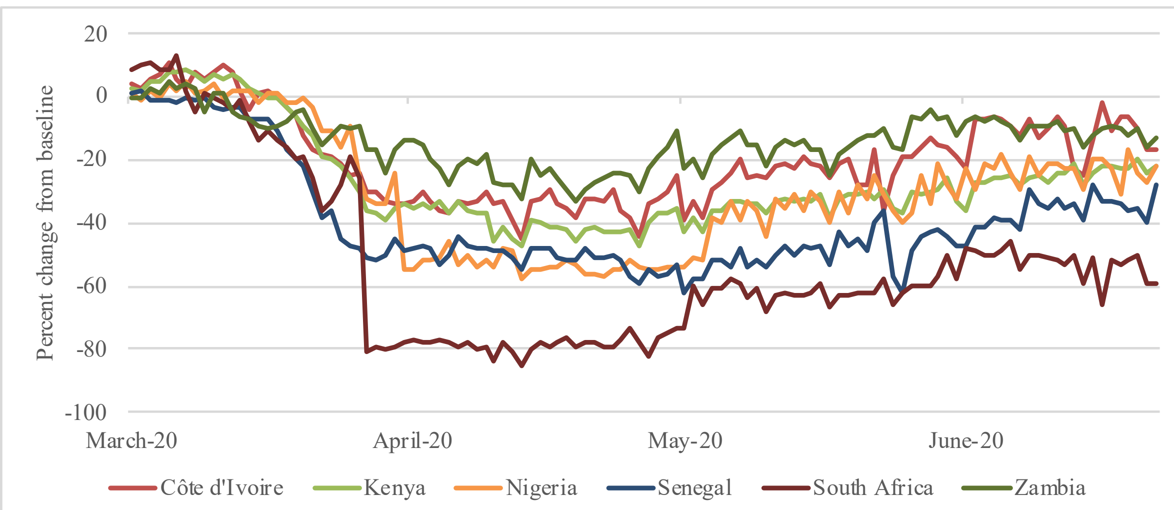


Figure 6. Mobility in "grocery and pharmacy" for select African countries