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ANGOLA

In March the IMF concluded its mission in Angola, noting the government is rightly focused in improving governance and restoring macroeconomic stability. Higher oil prices are leading modest economic recovery, with GDP forecast to grow at 2.25% in 2018 and while Angola has substantial financing needs this year, the external environment remains favourable.

Jose Filomeno, son of former President dos Santos was recently charged with fraud relating to a \$500m transaction. Jose had been heading the sovereign wealth fund when he came under scrutiny for mismanagement of funds following allegations in the Paradise papers leak.

On 28th March, Standard Chartered told Reuters that the \$500m at the centre of the alleged fraud was transferred out of a Standard Chartered account held by Angola's central bank. Standard Chartered said: "We are aware that our client, Banco Nacional de Angola (BNA), was the victim of an attempted fraud in Angola which involved the transfer of funds from their Standard Chartered Bank account".

BANGLADESH

Bangladesh's economic risk trend is considered stable and its growth prospects remain steady, supported by good performance in the export focused manufacturing sector.

S&P has recently published a report on Bangladeshi banks highlighting that banks operating in Bangladesh face substantial credit risks, with weak foreclosure laws and underwriting standards, weak governance at some banks, and client concentration leading to sizable stressed assets. That said, Bangladesh has healthy growth prospects and moderate economic imbalances with credit growing in line with nominal GDP.

NIGERIA

Nigeria's economy rebounded in 2017, and could do even better in 2018. Nigerian GDP expanded in the last three quarters of 2017, after contracting for more than a year. This momentum could help the economy expand 2.1% in 2018, according to the IMF.

While oil contributes less than 10 percent to Nigerian GDP, it's the nation's biggest earner of foreign exchange and the fall in prices and output in 2016 aggravated a dollar shortage, driving up inflation.

Higher oil revenue, relaxation of foreign-currency trading, as well as dollar-bond sales, helped boost Nigeria's foreign reserves to a four-year high of almost \$42 billion. This resulted in improved supply of foreign currency needed to import factory inputs and helped to stabilize the naira.

Nigerian banks are benefitting from the positive momentum of the domestic economy as access to USD funding has materially improved and the flow has stabilized following the shortages experienced in the last two years.

RUSSIA

In Q1 2018 the Russian sovereign rating was affirmed investment grade by both Fitch and S&P underlying continued progress in strengthening economic policy framework, strong net external asset position, low government debt, and relatively high monetary flexibility.

Another important and well expected event is the re-election of Putin as President for the fourth time with a 77% majority but the most relevant fact is the sharp rise of political tension with the West following the poisoning of the former Russian spy Skirpal in the UK.

US expelled 60 Russian diplomats and ordered closure of a Russian embassy, in a widely coordinated action against Russia. Several EU member states also expelled Russian diplomats in order to express solidarity with the UK and Russia has promised a retaliatory response. Furthermore, the EU and the US are considering isolating the soviet country further by imposing new economic sanctions.

TUNISIA

Moody's recently published a report on the Tunisian banking system stating that credit growth in 2018 will remain elevated at around 8%-10%, fuelled by recovering economic growth of 2.8% compared with 2.3% in 2017, in a context of declining domestic savings.

Foreign investment in Tunisia, recovery in sectors such as mining and agriculture, together with a number of reforms aiming to improve business climate should drive economic recovery but NPLs for Tunisian banks will remain elevated at around 15%.

As banks' funding needs reached an historical high of TND11 billion in January 2018 compared with TND7 billion a year earlier, liquidity challenges are increasing for the system. Banks' reliance on central bank funding, which increased to 8.4% of total funding in 2017, will remain elevated in 2018, exposing banks to changes in monetary policy and funding cost pressures.

In March 2018 Moody's downgraded the Tunisian sovereign rating from B+ to B, outlook stable.

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LONDON

COLOGNE

MALTA

MOSCOW

NEW YORK

PARIS

SAO PAULO

SINGAPORE