The Hughes Report

The Hughes Report

Curated Content, Premium Analysis, and Opinions on Geo-Political Events and Trends Shaping Technologies, Business, Finance, Economics and Politics in Ghana, Africa, United States, China, and The Rest of World.

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GOLD, TRADE, CAPITAL AND THE COST OF RESILIENCE

GHANA BUILT A GOLD ENGINE. NOW IT HAS TO FINANCE IT.

Reports of buyer funding delays, tighter financing rules and a September 1 local-refining mandate expose the central test of Ghana's gold strategy: can GoldBod finance, police and upgrade a strategic export engine at scale without shifting quasi-fiscal risk back to the Bank of Ghana?



U.S. / CANADA / TRADE

THE U.S.-CANADA BUST-UP: THEY BUILT ONE AUTO INDUSTRY. NOW THEY ARE TAXING IT APART.

Canada has answered new U.S. tariffs with C$27.6 billion of retaliatory measures and a C$7.5 billion support package. President Donald Trump is now threatening 50% tariffs on Canadian vehicles and auto parts from January. A trade quarrel has become an industrial-strategy confrontation.



GOLDBOD	
WORKING CAPITAL	GH¢15–20bn
WEEKLY TARGET	3.02t
INDICATIVE VALUE	~US$452.8m

NORTH AMERICAN TRADE	
RETALIATION	C$27.6bn
SUPPORT	C$7.5bn
AUTO TRADE	C$152bn

MONDAY CLOSE	
DOW	+0.26%
NASDAQ	-0.76%
UST 10Y	4.700%

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Almost half of world oil supply now sits inside conflict risk.

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Personalised mRNA and Africa's next manufacturing test.

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Fiscal reform changed the arithmetic. Delivery now decides the verdict.

SUPER TUESDAY INVESTOR LENS

Capital is still available. What has changed is the evidence it demands before it moves.

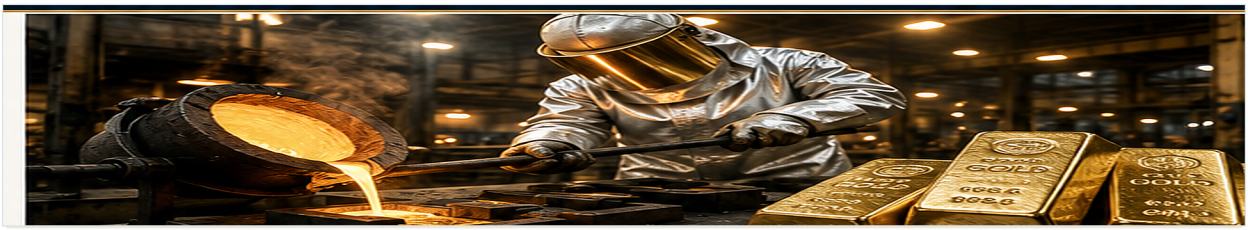
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GHANA / GOLD / FX / PUBLIC FINANCE

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Reports of buyer funding delays, tighter financing rules and a September 1 local-refining mandate expose the central test of Ghana's gold strategy: can GoldBod finance, police and upgrade a strategic export engine at scale without shifting quasi-fiscal risk back to the Bank of Ghana?



GHANA'S GOLD VALUE CHAIN — assay, refining and bullion handling sit between raw production and export FX.

2025 GOLD EXPORTS	ASM EXPORTS	BoG WORKING CAPITAL
US$20.98bn	~104t / US$10.9bn	GH¢15–20bn

Ghana's gold strategy has reached the point at which its success creates its next problem. The country has built a much more formal and state-directed channel for artisanal and small-scale gold, captured significantly more foreign exchange from the sector and placed gold at the centre of its reserve-building strategy. The question is no longer whether gold matters to Ghana's macroeconomic framework. It plainly does. The question is whether the financial architecture now being built around GoldBod is deep enough, disciplined enough and transparent enough to fund the trade at the scale the policy requires.

That question became immediate on Monday. Reuters reported that five industry sources said some licensed buyers had gone as long as three weeks without advance funds from the Ghana Gold Board, forcing some to halt purchases or seek alternative financing. GoldBod rejected the interpretation that it had a funding shortfall, saying allocations depend on creditworthiness, security and risk assessment and that its operations remain funded. The distinction matters. A delay experienced by some counterparties is evidence of operational pressure; it is not proof that the institution itself is insolvent or has exhausted its cash.

THE GOLD ENGINE IS ALREADY MACROECONOMIC IN SCALE

The underlying market is too large for a funding problem to remain a niche trading issue. Bank of Ghana data show that Ghana's gold export receipts rose from US$10.31 billion in 2024 to US$20.98 billion in 2025. The IMF estimates that artisanal and small-scale exports alone reached about 104 tonnes worth US$10.9 billion in 2025, while additional large-scale bullion purchases under the domestic gold programme added roughly US$1.26 billion. In the IMF's accounting, gold-related foreign-exchange inflows to the Bank of Ghana reached US$12.7 billion in 2025.

GoldBod sits in the middle of this system. Under the Ghana Gold Board Act, it has become the central state authority for the purchase, sale, assay, value addition and export of gold. The institution is therefore not simply a regulator. It is also a market organiser whose financing choices can affect miners, aggregators, exporters, reserve accumulation and the availability of foreign exchange.

MONEY HAS TO MOVE BEFORE GOLD CAN MOVE

The financing arithmetic explains why. In a March media briefing, the Bank of Ghana said the GoldBod architecture contemplated GH¢15 billion to GH¢20 billion of working capital - roughly three to four weeks of artisanal and small-scale gold purchases. At the time, the Ministry of Finance had allocated about GH¢4.5 billion, GoldBod had secured around US$300 million in off-taker prepayments, and discussions with commercial banks were continuing.

The same briefing set a GANRAP weekly purchase target of approximately 3.02 tonnes: 2.45 tonnes from artisanal and small-scale sources and 0.57 tonnes from large-scale mines. Using GoldBod's 24 August LBMA PM reference price of US$4,663.70 per troy ounce and its displayed financing-window exchange rate of GH¢11.02 per dollar, The Hughes Report calculates that 3.02 tonnes has an indicative gross metal value of about US$452.8 million, or roughly GH¢5.0 billion. This is not the same thing as GoldBod's weekly cash requirement: actual purity, settlement timing, pricing discounts, refinery charges, hedging and turnover all matter. But the order of magnitude illustrates why a revolving financing system must work smoothly.

> **The policy challenge is not whether Ghana can find gold. It is whether the financial system can fund the gold fast enough, cheaply enough and transparently enough to keep it inside the formal channel.**

THE CENTRAL BANK IS DELIBERATELY STEPPING BACK

The financing test is partly the result of policy design. GoldBod says that since March it has moved away from receiving Bank of Ghana funds for aggregation and toward a self-funded, market-based structure. The IMF has explicitly supported the broader direction: it argues that moving the operational costs of the Domestic Gold Purchase Programme away from the Bank of Ghana should reduce quasi-fiscal risk, provided the new system is transparent, tightly governed and commercially sustainable.

The legacy risk is substantial. In its August Selected Issues analysis, the IMF estimated that the Domestic Gold Purchase Programme generated more than US$1.7 billion of Bank of Ghana losses in 2025, with most of the loss associated with the Gold-for-Reserves doré operations. Some of this reflected valuation and accounting effects, but the IMF's policy conclusion was clear: gold purchases can assist reserve accumulation and formalisation, but the central bank should not become a permanent commercial financier of a commodity-trading chain.

GHANA / GOLD / FX / PUBLIC FINANCE

GOLDBOD — CONTINUED



FROM CASH TO RESERVES: HOW GHANA'S GOLD ENGINE HAS TO WORK — financing, assay, refining, off-take and FX capture operate as one chain.

GANRAP TARGET	INDICATIVE GROSS VALUE	LOCAL REFINING
3.02t / week	~US$452.8m	from 1 Sep 2026

GoldBod's new model is therefore attempting something difficult but economically coherent: preserve the state's strategic control over gold flows while migrating purchasing risk and operating cost away from the monetary authority. Success would be a genuine institutional improvement. Failure would create pressure either to ration purchases, lose volume back to informal channels or reintroduce public balance-sheet support.

FUNDING DELAYS OR TOUGHER RISK CONTROLS?

There is another reason the recent delays require careful interpretation. On 22 July GoldBod introduced a tighter trade-financing framework for Tier 2 licensed buyers. Access now requires know-your-customer checks, due diligence, creditworthiness assessment, formal financing agreements and security calibrated to risk. Existing beneficiaries were required to regularise their arrangements. In other words, the institution was simultaneously changing the source of funding and tightening the conditions under which it would distribute that funding.

That produces two plausible explanations for the reports now emerging. One is that GoldBod has moved away from the Bank of Ghana backstop faster than replacement commercial funding can be mobilised. The other is that some counterparties are experiencing slower allocations because GoldBod is deliberately screening more aggressively. Both mechanisms can operate at once. The evidence presently supports the existence of delays; it does not establish the proportion attributable to liquidity versus risk control.

A SECOND TRANSITION: FROM RAW DORÉ TO DOMESTIC REFINING

GoldBod is also tightening control over what happens after purchase. A directive dated 24 August requires self-financing aggregators and their approved off-takers, from 1 September, to refine gold doré in Ghana before export. Existing off-take agreements are to be amended by 31 August, and export approval will depend on proof of local refining, settlement of applicable charges and compliance with assay and regulatory requirements. The refining cost is to be borne by the aggregator or approved off-taker, not the state.

This extends a broader value-addition strategy. From 1 July, large-scale mines are required to sell 30% of their output to GoldBod in doré form for local refining. GoldBod has also been supplying Gold Coast Refinery with around one tonne per week as part of Ghana's effort to build refinery throughput and move toward London Bullion Market Association accreditation.

The industrial logic is straightforward: Ghana wants to capture more of the refining margin, improve assay control, increase traceability and reduce the export of unprocessed doré. The financing implication is less straightforward. Local refining adds turnaround time, quality-control steps and working-capital requirements to a trade whose economics already depend on rapid cash conversion. A well-designed refining mandate can deepen value addition; a poorly funded one can lengthen the cash cycle and increase incentives to bypass the formal system.

This is why the GoldBod story cannot be separated from Ghana's foreign-exchange regime. The Bank of Ghana's new FX Operations Framework retains a flexible, market-determined exchange rate while allowing the Bank to accumulate reserves, respond to disorderly conditions and intermediate foreign-exchange flows, including those associated with gold. GoldBod's ability to convert domestic purchases into export proceeds therefore influences the pace and reliability with which gold becomes usable foreign exchange.

The strategic objective is ambitious. Ghana's GoldBod/Gold-for-Reserves architecture is part of the Ghana Gold and Reserve Accumulation Programme, under which the authorities are targeting 15 months of import cover by the end of 2028. The IMF has questioned whether reserves need to be accumulated to that scale, judging a materially lower level adequate under its methodology. That disagreement is useful rather than inconvenient: it highlights the policy choice between the insurance value of very large buffers and the fiscal/sterilisation costs of accumulating them.

WHAT WOULD PROVE THE MODEL WORKS?

The answer will not be found in rhetoric about whether GoldBod is a success or failure. It will be found in operational indicators. Are licensed buyers funded on predictable commercial terms? Is the weighted cost of financing falling as the system matures? Are gold volumes staying inside the formal channel? Are refinery turnaround times compatible with the financing cycle? Are counterparty losses controlled? Is the Bank of Ghana genuinely insulated from quasi-fiscal trading risk? And are gold-derived foreign-exchange flows reaching the market and reserves without creating new opacity elsewhere in the system?

Ghana has already demonstrated that gold can be mobilised as a macroeconomic asset. The next stage is harder. It requires turning a state-led trading intervention into a durable financial market. GoldBod does not need to prove that Ghana has gold. It needs to prove that Ghana can finance the gold engine without rebuilding the very central-bank risk the new architecture was designed to remove.

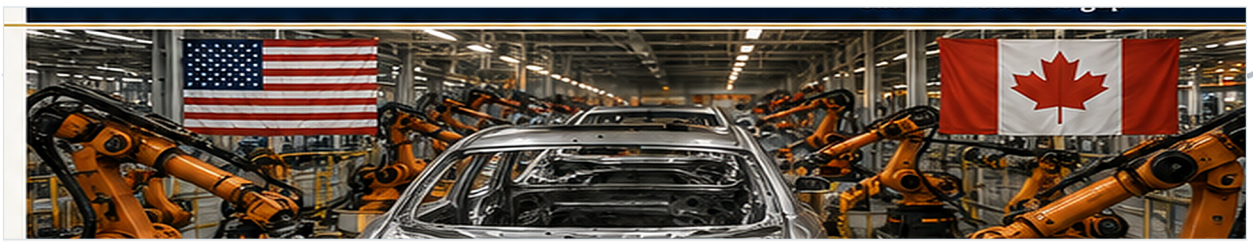
Ghana has already demonstrated that gold can be mobilised as a macroeconomic asset. The next test is whether it can finance the gold engine without rebuilding quasi-fiscal risk at the central bank.

THE CEDI CONNECTION

UNITED STATES / CANADA / TRADE / AUTOMOTIVE

THE U.S.-CANADA BUST-UP: THEY BUILT ONE AUTO INDUSTRY. NOW THEY ARE TAXING IT APART.

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ONE FACTORY SYSTEM, TWO COUNTRIES — automotive manufacturing depends on repeated movements of vehicles, parts and capital across the border.

21 AUG	24 AUG	25 AUG	8 SEP
TALKS SUSPENDED	50% AUTO THREAT	CANADA DETAILS RESPONSE	COUNTER-TARIFFS DUE

For six decades, Canada and the United States have spent more effort making their industrial border economically permeable than almost any two large neighbours in the world. The North American automobile industry is the clearest expression of that choice. Engines, transmissions, electronic systems, stampings and completed vehicles move through a production network in which the border is a customs line but not a natural factory boundary.

The trade confrontation now unfolding is testing whether that system can survive a tariff regime designed precisely to make the border economically consequential again.

RETALIATION IS NO LONGER HYPOTHETICAL

Canada announced on Tuesday that it will impose counter-tariffs on C$27.6 billion of U.S. imports from 12:01 a.m. on 8 September. The Department of Finance says the rates will be 15%, 25% and 50%, matched to the corresponding U.S. treatment, with the measures focused on sectors including steel, dairy, appliances, agricultural equipment, pulp and paper and electronics. Ottawa also unveiled C$7.5 billion of new and enhanced support for affected workers and businesses, building on nearly C$25 billion of earlier support.

The response follows the collapse of negotiations on Friday. Prime Minister Mark Carney said last-minute U.S. terms were unfair and uneconomic and suspended the talks. The United States then imposed 50% tariffs on C$27.6 billion of Canadian goods effective 22 August. Canada had already signalled a dollar-for-dollar response; Tuesday's detailed release converted that commitment into a product list, rates, timing and a support package.

THEN THE DISPUTE MOVED INTO THE AUTO INDUSTRY

On Monday, President Trump threatened to raise tariffs on Canadian-made cars, trucks and automotive parts to 50% from 1 January 2027. Reuters reported that the deal under discussion before negotiations failed would have reduced the top-line U.S. tariff on Canadian cars and light-duty trucks from 25% to 15% and cut steel and aluminium tariffs from 50% to 25%. One sticking point concerned the treatment of medium- and heavy-duty trucks.

The threat is economically larger than its headline rate because the industry was designed around cross-border specialisation. Canadian government data put 2024 two-way automotive trade with the United States at about C$152 billion: roughly C$75 billion of Canadian exports and C$77 billion of imports. Canada has five major vehicle manufacturers - Stellantis, Ford, General Motors, Toyota and Honda - and nearly 700 parts manufacturers. More than 90% of Canadian-made vehicles and about 60% of Canadian-made auto parts are sold into the U.S. market.

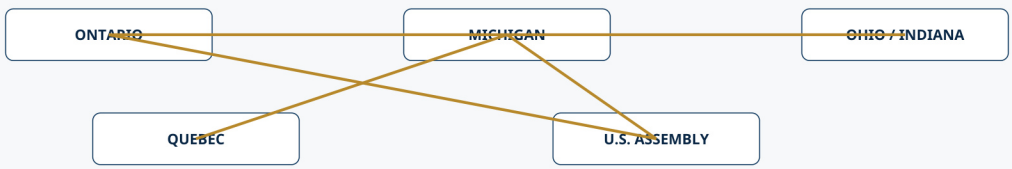
U.S. exposure runs in the other direction as well. American assembly plants depend on Canadian components, raw materials and intermediate products. Historical Canadian government analysis has noted that individual components can cross the border several times before a finished vehicle leaves an assembly line. That should not be misread as meaning the same tariff necessarily compounds at every crossing; customs rules, origin treatment, exemptions and remission mechanisms determine the actual liability. The point is that the physical production system is deeply integrated even when tariff policy is not.

The border is being asked to perform two contradictory jobs: remain porous enough for an integrated factory system, but costly enough to force investment to relocate.

UNITED STATES / CANADA / TRADE / AUTOMOTIVE

THE U.S.–CANADA BUST-UP — CONTINUED

ONE FACTORY SYSTEM, TWO COUNTRIES



Repeated cross-border intermediate flows; schematic only - tariff incidence depends on customs treatment and rules of origin.

2024 AUTO TRADE	CANADIAN VEHICLES TO U.S.	CANADIAN PARTS TO U.S.
C$152bn	>90%	~60%

A TRADE POLICY IS BECOMING AN INVESTMENT POLICY

The most important consequence may therefore be capital allocation rather than immediate customs revenue. If firms conclude that the tariff regime is durable, the rational response is to redesign production so fewer critical inputs cross the border. That means future plants, tooling programmes and supplier contracts may be located to minimise political exposure even when continental integration would be operationally cheaper.

This is the central difference between a temporary negotiating tariff and a structural industrial policy. Temporary tariffs can be absorbed, remitted or reversed. A credible multi-year threat changes where companies put factories. Once assembly capacity, battery plants, stamping facilities and supplier parks are moved, they do not automatically move back when tariffs fall.

CANADA IS PREPARING FOR A LESS INTEGRATED FUTURE

Carney's rhetoric has shifted accordingly. Ottawa is pairing retaliation with liquidity support, industrial assistance, Buy Canadian policies, infrastructure investment and export diversification. The government has already put in place programmes aimed at tariff-exposed steel, aluminium and copper users and has presented its automotive strategy as a way to protect production while positioning Canada for next-generation vehicle manufacturing.

This is economically defensive in the short run but strategic in the long run. Canada has preferential trade agreements reaching well beyond the United States and is trying to turn access to those markets into a hedge against dependence on a single customer. The weakness is obvious: the U.S. market remains geographically adjacent, enormous and embedded in Canadian supply chains. Diversification can reduce concentration. It cannot duplicate North American industrial proximity overnight.

THE UNITED STATES ALSO PAYS FOR FRAGMENTATION

The political theory behind high tariffs is that they will encourage firms to relocate production to the United States. Some investment will likely respond that way if the tariff differential is sustained. But relocation is not costless. The United States would have to duplicate supplier capacity that currently sits efficiently in Canada, absorb higher input costs during the transition and contend with the possibility that Canadian retaliation makes U.S. exports less competitive in the Canadian market.

Consumers ultimately sit at the end of this chain. When tariffs raise the landed cost of vehicles or components, some combination of manufacturers, dealers, suppliers and buyers absorbs the margin. The incidence varies by product and market power, but there is no mechanism by which a broad 50% tariff on an integrated supply chain becomes free.

CUSMA IS NOW PART OF THE UNCERTAINTY

The confrontation also complicates the future of the Canada-United States-Mexico Agreement. The agreement was built to provide firms with predictable rules of origin and duty treatment across a continental market. If strategic sectors are repeatedly carved out through national-security and other statutory authorities, the commercial value of treaty preferences becomes less certain even when the legal text remains in force.

Investors should therefore watch less for the next social-media threat and more for durable policy signals: whether the January auto tariff is formally implemented; which vehicles and components receive exemptions; whether the September Canadian countermeasures are modified; how remission is administered; whether talks resume; and whether automakers revise North American capital-expenditure plans. The answer to those questions will determine whether the current confrontation is a bruising negotiation or the beginning of a genuine reorganisation of continental manufacturing.

GLOBAL ENERGY / GEOPOLITICS / MARKETS

ALMOST HALF THE WORLD'S OIL SUPPLY NOW SITS INSIDE CONFLICT RISK

Oil prices fell on Monday, but the physical system became no safer. Conflict-exposed producers accounted for more than 43% of global oil supply in 2025, leaving investors to distinguish price relief from infrastructure resilience.

WHERE THE OIL RISK SITS





REFINERY AND PIPELINE INFRASTRUCTURE — the physical system through which geopolitical oil shocks transmit into prices and supply. The scene is conceptual and does not

BRENT	WTI	CONFLICT-EXPOSED
US$92.17	US$85.01	~45m bpd / >43%

Markets can price an immediate event correctly and still underprice the structure underneath it. That is the risk now confronting oil. Brent fell 2.35% on Monday to US$92.17 a barrel and West Texas Intermediate fell the same percentage to US$85.01 as investors judged the latest U.S. measures against Iran less immediately disruptive than feared. The price move looked like relief. The physical oil system did not become materially less exposed.

Reuters calculates that countries affected by current wars or major conflict risk produced roughly 45 million barrels per day in 2025, more than 43% of global supply. Conflict has also impaired refining capacity and lengthened or complicated shipping routes. On Tuesday, Washington broadened sanctions against Iran-linked oil and shipping networks while traffic through the Strait of Hormuz remained sharply below pre-war norms. The significance is not that all conflict-exposed barrels are unavailable. Most are still moving. It is that an unusually large share of production, processing and transport now depends on systems vulnerable to sanctions, missile attacks, shipping disruption, infrastructure damage or emergency policy intervention.

PRICE AND RESILIENCE ARE DIFFERENT VARIABLES

Oil prices reflect the marginal barrel, current inventories, demand expectations, spare capacity, sanctions enforcement and trader positioning. Infrastructure resilience reflects something else: how many alternative routes, refineries, storage sites and suppliers can absorb a shock when part of the network fails. The first can improve for a week while the second deteriorates over years.

That distinction is especially important when Chinese demand is softer, global growth expectations are mixed and markets are accustomed to policy workarounds. A conflict can remain strategically dangerous while producing only a modest price reaction if traders believe enough barrels will continue to reach buyers. The risk reappears when one of those assumptions fails simultaneously with another disruption.

AFRICA RECEIVES THE SHOCK THROUGH MULTIPLE CHANNELS

For African economies, the oil story is not limited to producers versus importers. Net exporters can receive higher fiscal and foreign-exchange receipts while still suffering domestic fuel-price pressure, refining constraints or logistics disruption. Importers face the more direct problem: higher landed fuel costs weaken currencies, raise transport and power costs, pressure subsidy regimes and filter into food prices.

Aviation is particularly exposed because Jet A-1 has limited substitutes and depends on specialist storage, testing and distribution. Namibia's recent airport-fuel disruption was caused by a failed-quality shipment rather than by the Iran conflict, but the episode demonstrates why a system can be vulnerable even when the commodity exists globally. Reliability depends on the last operational link, not merely on aggregate supply.

THE INVESTOR QUESTION

The investment implication is therefore not to assume that a falling oil price means the geopolitical premium has disappeared. Energy-intensive companies, airlines, utilities, transport operators and governments should be evaluated on the resilience of their procurement and balance sheets. Hedging, storage, diversified suppliers, access to foreign exchange and contractual flexibility matter more when the system contains several plausible points of failure.

The market may continue to price oil lower if demand weakens or sanctions prove porous. That is a price view. The resilience view is separate: almost half of the world's oil output now sits inside an unusually complex conflict map. Cheap barrels do not eliminate expensive fragility.

TECHNOLOGY / AI / CAPITAL MARKETS / INFRASTRUCTURE

THE AI BOOM IS NOW A FINANCING BOOM - AND A POWER PROBLEM

Alibaba is raising about US$10.2 billion for AI investment, Nvidia reports on Wednesday and infrastructure developers are mobilising hundreds of billions of dollars. The next test of artificial intelligence is no longer only technological: it is whether the returns can justify the capital and electricity required.



CHIPS, SERVER RACKS AND POWER — AI infrastructure is becoming one capital-allocation problem. The image is a conceptual rendering, not a photograph of a named data centre.



The first stage of the generative-AI boom was organised around scarcity: scarce accelerators, scarce model talent and scarce access to the most capable systems. The next stage is being organised around capital. Building frontier models now requires semiconductor capacity, networking, data centres, power, land, cooling systems and increasingly elaborate financing structures. The result is that AI is becoming as much a balance-sheet and infrastructure story as a software story.

Alibaba made that transition unusually visible this week. The company is placing 710 million new Hong Kong-listed shares at HK$112.70 each, raising about HK$80 billion - roughly US$10.2 billion - with net proceeds earmarked for full-stack artificial-intelligence investment, including infrastructure, chips and models. The placement is expected to close on 26 August. Investors responded by marking the stock lower, a reminder that capital expenditure is not automatically value creation.

THE MARKET IS BEGINNING TO ASK WHO PAYS

That question now extends well beyond Alibaba. Nvidia has become the financial centre of gravity for the AI build-out because its chips sit inside much of the new computing capacity. Its results on Wednesday will therefore be read less as a normal quarterly earnings report than as a test of whether customer spending and data-centre demand continue to justify the sector's extraordinary expectations.

The financing ecosystem is also widening. Nvidia has announced partnerships with major alternative-asset and infrastructure managers intended to mobilise more than US$500 billion of third-party capital for AI infrastructure. The structure of the boom increasingly involves equity, project finance, long-term power contracts, equipment commitments, real-estate development and customer off-take relationships rather than a single technology company writing a cheque.

POWER IS BECOMING THE BINDING INPUT

Capital is only useful if electricity can be delivered. Large data-centre projects increasingly face transmission constraints, interconnection queues, local political opposition and uncertainty over who pays for new generation and grid infrastructure. In parts of the United States, proposed data-centre demand now dwarfs current system peaks. The problem is not simply producing another megawatt. It is building the generation, substations and transmission capacity in the place and on the timetable a computing cluster requires.

That changes the competitive map. Regions with reliable power, permitting speed, deep capital markets and fibre connectivity can become AI infrastructure hubs even if they do not host the leading model developers. Regions that lack those ingredients risk consuming AI services without capturing much of the physical investment associated with them.

AFRICA SHOULD SEPARATE MODEL AMBITION FROM INFRASTRUCTURE OPPORTUNITY

For African economies, the highest-value near-term opportunity may not be to replicate frontier-model training. The more realistic investment stack includes power generation, fibre, data-centre capacity, sovereign and enterprise cloud, inference infrastructure, local-language data, cybersecurity and sector-specific applications. These are capital-intensive but can be connected to existing development priorities rather than treated as isolated technology projects.

The constraint is familiar: reliable electricity, bankable off-take, land and transmission. That means the AI opportunity intersects directly with infrastructure finance. Countries able to package power, connectivity and predictable regulation can attract computing investment. Countries that treat AI only as a software-policy slogan will capture much less of the capital cycle.

THE RETURN QUESTION WILL GET HARDER

The present market still rewards companies that can demonstrate credible AI revenue and cost leverage. But the denominator is rising. As cumulative capital spending climbs, investors will increasingly compare incremental AI earnings with the cost of equity, debt, depreciation and electricity. A company can be technologically successful and still destroy value if the capital required to deliver that success earns an inadequate return.

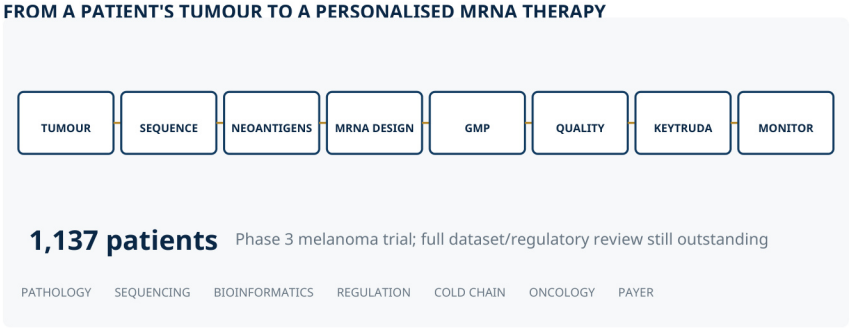
That is why Alibaba's placement and Nvidia's earnings belong in the same story. The AI boom has moved from proving that demand exists to proving that an industrial system can finance it. The winners will not merely own the best models or chips. They will combine technology with cheaper capital, secure power and disciplined investment economics.

HEALTHCARE / BIOTECH / AFRICA

THE CANCER-VACCINE BREAKTHROUGH - AND AFRICA'S NEXT MANUFACTURING TEST

A personalised mRNA therapy has cleared an important Phase 3 hurdle in melanoma. For Africa, the strategic question is no longer only whether advanced medicine can be imported, but whether emerging vaccine-manufacturing platforms can evolve into the sequencing, diagnostics and individualised production systems that personalised therapy requires.

FROM A PATIENT'S TUMOUR TO A PERSONALISED MRNA THERAPY





The pathway combines sequencing, personalised design, GMP manufacture and oncology delivery; laboratory capability is part of the industrial stack. The laboratory scene is conceptual and does not depict the trial itself.

Moderna and Merck's positive Phase 3 melanoma result is important because it moves personalised mRNA cancer therapy closer to commercial reality. The companies reported that intismeran autogene, used with Merck's Keytruda, produced a statistically significant and clinically meaningful improvement in recurrence-free survival and distant-metastasis-free survival in patients with fully resected high-risk melanoma. Reuters reported that the trial enrolled 1,137 patients.

The result should still be described with scientific restraint. The full Phase 3 dataset has not yet been published, overall survival remains an important longer-term measure and regulators will evaluate efficacy, safety, manufacturing consistency and benefit-risk together. A positive pivotal trial is not the same thing as a universal cure or an immediately available commercial product.

WHY PERSONALISED MRNA CHANGES THE INDUSTRIAL EQUATION

A personalised cancer vaccine is fundamentally different from a conventional mass-manufactured vaccine. A tumour sample is sequenced, computational systems identify tumour-specific neoantigens, an individual mRNA construct is designed, that product is manufactured and quality-tested, and it is then delivered back into a clinical treatment pathway. The product is therefore both a medicine and a time-sensitive manufacturing service.

That means industrial capability has to exist across several layers simultaneously: pathology, genomic sequencing, bioinformatics, regulated manufacturing, cold chain, clinical oncology, quality systems and reimbursement. A country can possess a vaccine fill-and-finish plant and still lack most of the infrastructure necessary for personalised oncology.

AFRICA HAS MADE PROGRESS - BUT THE BAR IS MOVING

The encouraging development is that Africa is not starting from zero. The World Health Organization's mRNA Technology Transfer Programme is moving into a second phase for 2026-2030, with the objective of creating commercially sustainable GMP production capacity for mRNA vaccines and therapeutics. Fifteen partners across several regions are participating in the network, and the programme is explicitly looking beyond pandemic vaccines toward a broader mRNA platform.

Africa CDC's longer-term policy objective is also clear: the African Union wants at least 60% of the continent's health-product needs to be locally manufactured by 2040. The difficulty is that current capacity remains concentrated in relatively downstream activities, while upstream antigen production, sophisticated biologics, diagnostics and platform technologies are much thinner.

HEALTHCARE / BIOTECH / AFRICA

THE CANCER-VACCINE BREAKTHROUGH — CONTINUED

GHANA'S OPPORTUNITY IS ECOSYSTEM-BUILDING, NOT A SINGLE FACTORY

Ghana's own vaccine and pharmaceutical ambitions should be understood in that context. The PharmaVax Ghana programme is a EUR33 million initiative running from 2024 to 2028, with EUR23.1 million from the European Union and EUR9.9 million from Germany. Its focus includes local production capability, research commercialisation, workforce development, technology transfer and institutional capacity. Ghana still imports a large share of medicines and, according to programme material, all of its vaccines.

The relevant question is not whether that programme can suddenly produce personalised melanoma therapies. It cannot. The strategic value is that some of the same enabling systems - GMP quality, regulatory science, clinical research, cold-chain discipline, bioprocess skills and technology-transfer capability - are prerequisites for moving into more advanced biological products later.

THE HARDEST LAYER IS OFTEN INVISIBLE

Factories attract attention because they are tangible. But personalised medicine depends heavily on the less visible layer: reliable tumour pathology, sequencing throughput, bioinformatics, interoperable patient records, clinical-trial networks and specialist oncology care. Without those systems, a manufacturing plant becomes an isolated asset rather than part of a medical-industrial ecosystem.

The financing challenge is similarly different from conventional public-health procurement. A personalised therapy has a high unit cost and a complex reimbursement problem. Commercial viability depends on payer capacity, patient selection, treatment outcomes and a manufacturing model capable of producing small batches repeatedly at consistent quality.

AN INDUSTRIAL POLICY QUESTION DISGUISED AS A HEALTH STORY

For African policymakers, the breakthrough therefore carries a broader message. The next generation of health manufacturing will blur the boundary between pharmaceuticals, software, data, logistics, university research and specialist clinical care. Countries that build only physical factories will capture less value than countries that connect those factories to research institutions, regulators, digital infrastructure and clinical networks.

The Phase 3 result is not evidence that personalised mRNA cancer treatment is about to become routine across Africa. It is evidence that the technological frontier is moving. Africa's manufacturing strategy must move with it. The countries that invest now in platform capability will have more options when the commercial medicine arrives.

NIGERIA / ECONOMIC REFORM / POLITICS / SECURITY

THE REFORMS PLEASED INVESTORS. NOW NIGERIANS GET TO VOTE ON THEM.

Nigeria's fiscal arithmetic has changed, but the political test is household transmission and state capacity. Food, jobs, wages, electricity and security will determine whether macroeconomic repair feels like recovery.

Nigeria's reform programme was designed to remove distortions that had become fiscally unsustainable: the petrol subsidy, a fragmented exchange-rate regime, weak revenue mobilisation and a pattern in which public resources were absorbed before they could reach infrastructure or basic services. The macroeconomic case for reform was real. So was the social cost.

That tension now sits inside an election calendar. Campaigning is under way ahead of the January 2027 presidential election, and President Bola Tinubu is seeking a second term. Investors can evaluate reserves, exchange-rate convergence and fiscal space. Voters evaluate food, transport, electricity, wages, employment and safety. The two scorecards overlap, but they are not the same.

FOLLOW THE MONEY, NOT THE HEADLINE NUMBER

Nigeria's Ministry of Finance estimates that subsidy removal generated N15.8 trillion in savings for the federation between June 2023 and December 2025. But that is not equivalent to N15.8 trillion of new federal spending capacity. The ministry's own breakdown allocates about N5.43 trillion to the federal government, N6.52 trillion to states and N3.88 trillion to local governments.

At federal level, the ministry estimates total incremental resources of roughly N20.40 trillion: N5.43 trillion from the federal share of subsidy savings, N3.12 trillion from other revenue gains and N11.85 trillion from borrowing. Against that, it identifies about N30.64 trillion of additional expenditure pressures, including wage adjustments, higher external debt-service costs after currency depreciation, infrastructure spending, electricity subsidies and security requirements.

The reform therefore changed the structure of public finance rather than simply producing a cash windfall. Removing one distortion created fiscal room, but inflation, currency adjustment and inherited service gaps absorbed much of the improvement.





NIGERIA / ECONOMIC REFORM / POLITICS / SECURITY

THE REFORMS PLEASED INVESTORS — CONTINUED

FEDERAL	STATES	LOCAL GOVTS	TOTAL
₦5.43tn	₦6.52tn	₦3.88tn	₦15.8tn

FEDERAL RESOURCE BRIDGE ₦20.40tn

Additional expenditure pressures ₦30.64tn. Federation-wide savings are not equivalent to federal cash.

SECURITY IS PART OF THE ECONOMIC TRANSMISSION

Tuesday supplied a brutal reminder that macro reform is judged inside a state-capacity environment. President Tinubu ordered an immediate rescue operation after a major attack in Niger State. Local accounts and video reviewed by Reuters suggested a very large abduction involving women, children and older residents, but Reuters said the precise number had not been independently verified. A local official reported deaths, while community leaders described displacement across the border into Benin.

The exact hostage count must therefore remain qualified until authorities establish it. The political-economic conclusion does not depend on the number. Insecurity raises food costs, disrupts farming and transport, discourages investment and forces government to allocate scarce fiscal resources to emergency response. It also makes households less likely to credit improvements in macro indicators when personal security is deteriorating.

THE SECOND PHASE IS HARDER

The first phase of reform corrected prices and financing relationships. The second phase has to produce supply. Electricity reliability must improve. Credit has to become affordable enough for productive firms. Infrastructure projects must translate into lower logistics costs. Food supply must respond. Public services must become more visible. And security institutions must demonstrate capacity beyond emergency reaction.

This is politically difficult because structural reforms impose costs quickly while productivity gains arrive slowly. If voters experience the former more clearly than the latter, a government can lose political support even while improving the economy's long-term balance sheet.

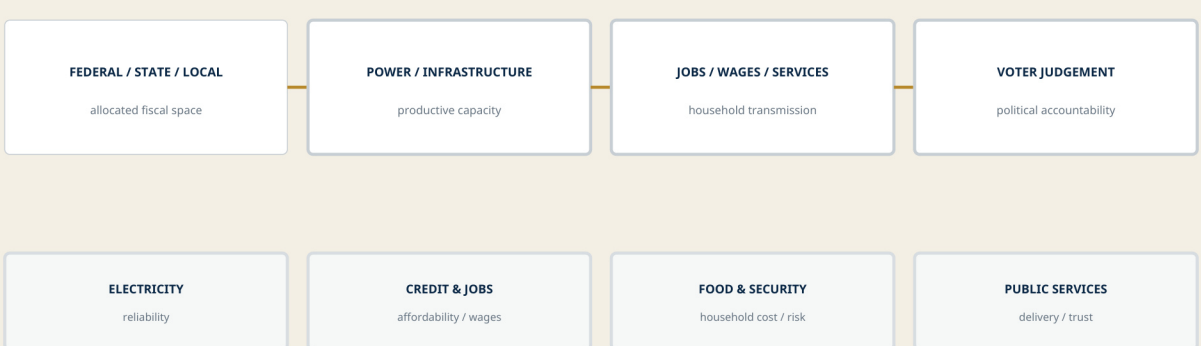
THE ACCOUNTABILITY QUESTION MOVES DOWNWARD

There is also a federalism question. Because subsidy savings were distributed across federal, state and local governments, political accountability cannot be assigned only to Abuja. States and local governments received materially larger combined allocations than the federal government. The public therefore has a legitimate interest in where that money went and what services it produced.

For investors, Nigeria remains a reform story. For voters, it is becoming a delivery story. The most important economic indicator between now and the election may be the one no macro dashboard can fully capture: whether Nigerians can see and feel a credible connection between painful reform and improved daily life.

FROM FISCAL REFORM TO HOUSEHOLD EXPERIENCE

The transmission test is whether federation-wide fiscal space becomes visible in supply, incomes, services and security.

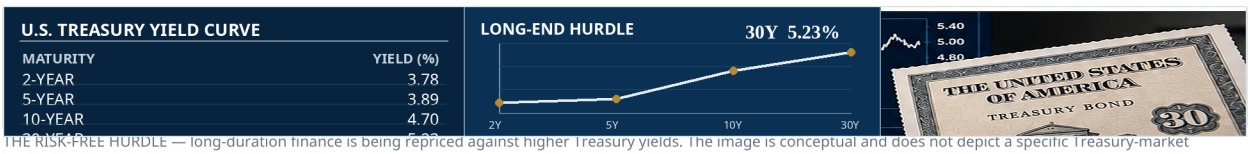


FROM FISCAL REFORM TO HOUSEHOLD EXPERIENCE — voters experience reform through electricity, jobs, food security and public services.

UNITED STATES / TREASURY / FIXED INCOME

TREASURY IS BUYING LONG BONDS WHILE STILL SELLING THEM

Washington is enlarging long-end buybacks even as normal auction sizes continue. The programme is debt management, not quantitative easing - but it shows how expensive long-term funding has become a policy problem.



THE RISK-FREE HURDLE — long-duration finance is being repriced against higher Treasury yields. The image is conceptual and does not depict a specific Treasury-market institution.

ISSUANCE
US$58bn 3Y | US$42bn 10Y | US$25bn 30Y

BUYBACKS
US$4bn max / operation from 9 Sep

DEBT MANAGEMENT - NOT QE

The U.S. Treasury is doing something that can look contradictory from a distance: continuing to issue large quantities of long-dated debt while simultaneously buying older long-dated securities back from the market. The contradiction disappears once the objective is understood. Treasury is not trying to shrink the national debt through these operations. It is trying to improve liquidity and manage the composition of an enormous funding programme.

On 19 August Treasury announced that the maximum amount for liquidity-support buybacks in the 10-to-20-year and 20-to-30-year sectors would double from US$2 billion to at least US$4 billion per operation, beginning on 9 September. The emphasis is on older, less liquid securities whose market functioning can deteriorate as issuance expands and investor preferences shift.

ISSUANCE IS NOT GOING AWAY

The enlarged buybacks do not mean Treasury is retreating from long-term borrowing. Its August quarterly refunding maintained large auction sizes, including US$42 billion of 10-year notes and US$25 billion of 30-year bonds within a US$125 billion refunding package. Treasury has also indicated that nominal coupon auction sizes can be maintained for several quarters.

That matters because the long end has become expensive. At Monday's close, the 10-year Treasury yield was 4.700% and the 30-year yield was 5.2276%. Those levels influence mortgages, infrastructure finance, corporate borrowing and asset valuations well beyond the government bond market.

DO NOT CALL IT QE

The programme should not be described as quantitative easing. The Federal Reserve is not creating reserves to change the stance of monetary policy. Treasury is exchanging cash for outstanding securities as part of debt-management and liquidity operations while continuing to issue debt. The distinction is institutional and economic.

But the market is entitled to ask a broader question. When the government's debt manager increases activity specifically in the least liquid, highest-duration part of the curve, the boundary between neutral market maintenance and the market's interpretation of policy becomes more visible. Even if Treasury's motive is liquidity, investors will still evaluate whether the operations affect term premiums, dealer balance sheets and demand at new auctions.

THE PRICE OF DURATION MATTERS TO EVERYONE

This is why the long bond has become a macroeconomic signal. A resilient economy can coexist with expensive money. Strong growth may keep inflation or term premiums elevated; large fiscal deficits require persistent issuance; and investors need compensation for locking capital away for decades. The result is an environment in which companies can grow while still facing a much higher hurdle rate for projects.

For emerging markets, the transmission is direct. Higher U.S. long yields increase the return investors can earn without taking frontier-market risk. Sovereigns and companies therefore need stronger projects, higher spreads or better risk structures to attract capital. Treasury's buyback programme may improve market plumbing. It does not eliminate the underlying competition for long-term money.

U.S. 10Y - 24 AUG	U.S. 30Y - 24 AUG	CAPITAL ALLOCATION
4.700%	5.2276%	Higher hurdle

LONG-DURATION CAPITAL STILL HAS TO CLEAR A HIGHER RISK-FREE HURDLE.

CHINA / JAPAN / MONETARY POLICY / CAPITAL

ASIA'S POLICY DIVIDE IS GETTING WIDER

China is leaning more heavily on policy finance and project capital while benchmark loan rates stay unchanged. Japan faces almost the opposite problem: inflation has moderated, but the direction of policy remains toward normalisation rather than renewed easing.

TWO VERY DIFFERENT POLICY PROBLEMS

CHINA		JAPAN	
1Y LPR	3.00%	Core CPI	1.8%
5Y LPR	3.50%	Core-core	1.9%
Policy finance	RMB800bn	Policy direction	normalisation
Problem	weak investment	Problem	persistent inflation

China and Japan are approaching the same global slowdown from different monetary starting points. Beijing wants more demand, more investment and greater private-sector confidence. Tokyo is trying to normalise a system that spent decades fighting disinflation and near-zero rates. The result is a regional policy divide with consequences for currencies, bond yields and capital allocation.

CHINA IS FINANCING PROJECTS RATHER THAN CUTTING CONVENTIONAL RATES

China has opened applications for an RMB800 billion - roughly US$119 billion - policy-financing facility aimed at supplying foundational capital to infrastructure and strategic-sector projects and crowding in bank and private financing. The measure comes as fixed-asset investment weakened sharply and second-quarter GDP growth slowed from the first quarter.

At the same time, the one-year and five-year loan prime rates have remained at 3.00% and 3.50% respectively for fifteen consecutive months. That combination suggests policymakers are relying more heavily on targeted funding, project pipelines and fiscal-style instruments rather than expecting conventional rate cuts alone to restore confidence.

The distinction matters. Lower rates reduce the cost of borrowing broadly, but they cannot force firms to invest when expected returns are weak or households to buy property when confidence is impaired. Policy finance can push capital into selected projects, but its success then depends on project quality and whether public money genuinely crowds in private demand rather than replacing it.

JAPAN FACES ALMOST THE REVERSE PROBLEM

Japan's July core consumer inflation was 1.8% year on year, with a broader measure excluding fresh food and energy at 1.9%. Those rates are far removed from the deflationary environment that shaped Japanese policy for years. Even with inflation moderating, the Bank of Japan is still operating from a normalisation path rather than a return to emergency easing.

That creates a different capital-market signal. Higher Japanese yields can encourage domestic banks, insurers and pension funds to retain more capital at home, reducing the automatic incentive to seek yield abroad. A firmer yen can also alter the economics of carry trades that have financed risk assets elsewhere.

AFRICA SHOULD WATCH BOTH SIDES

Chinese policy finance affects African economies through demand for commodities, infrastructure contracting, trade credit and the financial capacity of Chinese firms operating abroad. Japanese normalisation works through a different channel: global portfolio allocation and the relative attractiveness of dollar, yen and emerging-market assets.

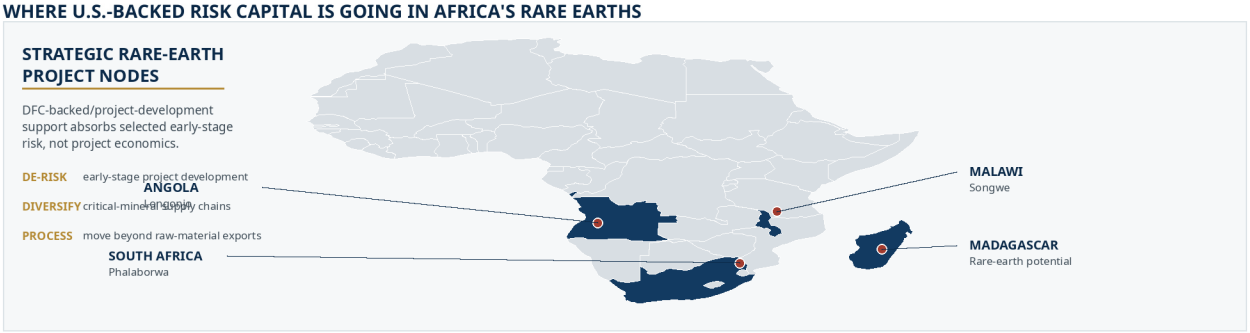
The combined message is that Asia is no longer a single "low-rate" capital bloc. China is trying to stimulate investment while Japan gradually prices capital more normally. African borrowers and investors should expect the two systems to transmit different signals into global funding markets.

AFRICA / CRITICAL MINERALS / U.S. INDUSTRIAL POLICY

WASHINGTON IS BECOMING THE RISK CAPITAL FOR AFRICA'S RARE EARTHS

The U.S. development-finance system is moving into African rare-earth projects that commercial investors have struggled to fund. Critical minerals are becoming a test of whether strategic policy can absorb early-stage project risk without weakening commercial discipline.

WHERE U.S.-BACKED RISK CAPITAL IS GOING IN AFRICA'S RARE EARTHS



Rare-earth investment presents a familiar mining-finance problem in an unusually strategic form. Governments want diversified supply chains outside China; manufacturers want long-term access to separated rare-earth products; but many African projects remain too early-stage, technically complex or commercially uncertain for conventional private capital.

The United States is increasingly using the International Development Finance Corporation to bridge that gap. Recent commitments and project-development support span rare-earth projects in South Africa, Malawi, Angola and Madagascar. Reuters put the recent package at US$62.8 million across several projects, with a large portion associated with the Phalaborwa project in South Africa.

THE STATE IS ENTERING WHERE PROJECT FINANCE IS RELUCTANT

The rationale is strategic rather than philanthropic. Rare-earth separation and magnet supply chains remain heavily concentrated in China. Securing alternative material therefore requires financing mines, processing facilities and logistics before many projects have the operating history that private lenders normally demand.

DFC support changes the risk allocation. Government-backed capital can fund feasibility work, equity or early infrastructure that makes a later commercial financing round more credible. But it also creates a discipline problem: projects should not become bankable simply because their minerals are geopolitically fashionable. Ore quality, metallurgy, processing recovery, logistics, environmental approvals and off-take economics still determine whether the asset can compete.

AFRICA'S OPPORTUNITY IS PROCESSING, NOT MERELY EXTRACTION

The strongest African value proposition is therefore not simply more mines. Longonjo in Angola is linked to a broader supply chain that includes processing and access to the Lobito Corridor. Malawi's Songwe project is structured around mixed rare-earth carbonate and downstream processing relationships. South Africa's Phalaborwa project aims to recover rare-earth elements from historical phosphogypsum rather than develop a conventional new hard-rock mine.

Those differences matter because the highest strategic value lies in creating usable separated material and magnet inputs, not merely exporting mineral concentrate. If African countries can tie mine development to processing, power, logistics and skills, the critical-minerals cycle can become an industrial-development opportunity rather than another raw-material export boom.

TANZANIA / ENERGY / INFRASTRUCTURE / INDUSTRIAL POLICY

TANZANIA BUILT 2,115MW OF POWER. NOW IT NEEDS INDUSTRY TO USE IT.

The Julius Nyerere Hydropower Project has transformed Tanzania's generation capacity. The next return on the TSh7.452 trillion investment will be determined by factories, mines, transmission lines and regional power trade rather than by megawatts alone.

President Samia Suluhu Hassan formally inaugurated the 2,115MW Julius Nyerere Hydropower Project at Rufiji on 22 August, closing the construction chapter of one of East Africa's largest infrastructure investments. Tanzania's Ministry of Energy puts the project cost at about TSh7.452 trillion, or roughly US$3.35 billion, funded from domestic government resources. Construction began in June 2019 and was completed in March 2025.

The plant is now large enough to reshape the entire power system. The Ministry of Energy says Tanzania's installed generation capacity is about 4,075MW on its current measure, with JNHPP alone accounting for more than half. Other official briefings have reported a broader installed-capacity figure of about 4,646MW depending on the assets included. The difference should be treated as a definitional issue rather than silently blended; the publication will use the ministry's inauguration figure in the body and label alternative capacity measures where relevant.

TANZANIA / ENERGY / INFRASTRUCTURE / INDUSTRIAL POLICY

TANZANIA BUILT 2,115MW OF POWER — CONTINUED



TANZANIA'S 2,115MW JNHPP — generation is only the first half of the investment; transmission, demand and industrial use determine the return. Conceptual rendering.

CAPACITY	UNITS	PROJECT COST	INAUGURATION
2,115MW	9 × ~235MW	TSh7.452tn	22 Aug 2026

GENERATION IS ONLY THE FIRST HALF OF THE INVESTMENT

A power plant creates value only when electricity can reach paying users. Tanzania has therefore been expanding high-voltage transmission, including the 400kV Chalinze-Dodoma line completed around the inauguration period. The government also says the system now has substantial reserve capacity and intends to pursue regional power exports.

The more important domestic opportunity is industrial demand. Reliable, competitively priced power can change the economics of mining, mineral processing, agro-industry, data infrastructure and manufacturing. But those sectors require their own capital, logistics, roads, water and transmission connections. A generation surplus is an option on industrial growth, not proof that the growth will arrive.

THE PROJECT NOW HAS TO EARN AN ECONOMIC RETURN

The strongest test will therefore be utilisation. If Tanzania converts new electricity into higher industrial output, more reliable service and exports into regional pools, JNHPP becomes an enabling asset with economy-wide returns. If demand grows slowly or transmission remains constrained, the country carries the fixed cost of a large project without fully monetising its capacity.

Infrastructure policy often focuses on completing the asset. Tanzania's next challenge is more demanding: building enough productive activity around the asset that 2,115MW becomes a platform for investment rather than simply a record for installed generation.

SPORTS BUSINESS / GOVERNANCE / CAPITAL

FIFA'S COMMERCIAL CRISIS HAS BECOME A SUCCESSION FIGHT

The abandoned plan to sell a minority interest in FIFA's commercial rights has widened into a governance contest over Gianni Infantino's declared 2027 re-election bid. Africa sits at the centre of the political arithmetic because development funding and institutional autonomy pull in different directions.

A governance dispute that began with the proposed restructuring of FIFA's commercial rights is now shaping the politics of the federation's next presidential election. FIFA says Gianni Infantino declared at the 76th FIFA Congress that he will stand for re-election in 2027; the electoral 77th FIFA Congress is scheduled for 18 March 2027 in Rabat, Morocco. UEFA president Aleksander Ceferin has ruled himself out of running but says he expects a challenger. Reuters has reported that UEFA, the Asian Football Confederation and CONCACAF have been central to opposition surrounding the abandoned commercial proposal, while the Confederation of African Football has backed Infantino.

On Monday, Cameroon federation president Samuel Eto'o publicly endorsed Infantino, giving the incumbent another prominent African supporter. The endorsement does not mean every African association is politically aligned, but it underlines why CAF matters to the electoral map.

THE COMMERCIAL PROPOSAL RAISED A GOVERNANCE QUESTION

The controversy centres on an earlier proposal to place a minority interest - reported by Reuters at 20% - in a FIFA commercial entity holding valuable tournament rights. The proposal was associated with a multibillion-dollar valuation and was ultimately abandoned after opposition from several confederations and associations.

SPORTS BUSINESS / GOVERNANCE / CAPITAL

FIFA'S COMMERCIAL CRISIS — CONTINUED

2027 SUCCESSION: CONFEDERATION SIGNALS, NOT BLOC VOTES

CAF	UEFA	AFC	CONCACAF
support context	opposed prior proposal	concerns	concerns

18 MAR 2027 - RABAT Presidential election; positions shown are institutional, not bloc votes.

The economic logic was understandable. Selling a minority interest can crystallise capital immediately while leaving operational control with the original owner. FIFA also proposed a large expansion of development funding, with its Forward programme potentially increasing materially for member associations in the 2027-2030 cycle. For federations with limited domestic commercial revenue, that money is consequential.

BUT MONETISATION IS NOT THE SAME AS GOVERNANCE

The difficulty is that a sale of future commercial economics changes incentives for decades. Outside capital requires a return. That can increase pressure on tournament formats, sponsorship, media rights, hospitality and the commercial use of the football calendar. Even if voting control remains with FIFA, the economic relationship between the institution and its commercial asset changes.

That is why the disagreement has become larger than the abandoned transaction. It touches institutional independence, consultation, confederation influence and the balance between maximising revenue and preserving governance legitimacy.

AFRICA HAS BOTH MORE TO GAIN AND MORE TO SCRUTINISE

African associations have a rational interest in larger development transfers because those funds support pitches, women's football, youth programmes, training facilities, administration and national-team development. At the same time, federations dependent on central funding also have an interest in rules that prevent financial dependence from becoming political dependence.

The investor lesson is wider than sport. FIFA demonstrates that organisations with valuable intangible rights can create enormous pools of capital without issuing ordinary equity. But monetising those rights creates governance questions precisely because future cash flows are being converted into present financial value. The politics of the 2027 election will show whether FIFA's members believe the commercial ambition has moved faster than the institution's consensus.

NAMIBIA / AVIATION / TOURISM / INFRASTRUCTURE

THE FUEL STOP THAT EXPOSED A TOURISM ECONOMY

A contaminated Jet A-1 shipment forced airlines serving Windhoek to add technical fuel stops. The immediate problem was aviation fuel; the larger issue is how quickly a high-value tourism economy can be disrupted by a single weak infrastructure link.

Namibia's tourism proposition is built around what travellers come to see: deserts, wildlife, coastlines, national parks and open landscapes. But the visitor economy depends equally on systems most tourists never notice. Aviation fuel is one of them.

A Jet A-1 shipment delivered through Walvis Bay failed quality testing and was quarantined, creating a fuel shortage at Hosea Kutako International Airport outside Windhoek. Discover Airlines said the shortage could affect services and routed some Europe-bound flights through Angola for technical refuelling before continuing north. The event was not, on the available evidence, caused directly by the Iran conflict. It was a local quality and supply-chain failure.

A TECHNICAL STOP HAS A REAL ECONOMIC COST

An additional fuel stop adds flight time, crew and scheduling complexity, passenger inconvenience and operational cost. If disruptions persist, airlines can respond by reducing frequencies, limiting payload, changing schedules or pricing additional risk into the route. Tourism operators then inherit a problem that began far outside hotels and safari lodges.

upted by a single weak infrastructure link.



WHEN WINDHOEK COULD NOT FUEL THE WHOLE ROUTE — aviation reliability depends on the ground infrastructure travellers rarely see.

NAMIBIA / AVIATION / TOURISM / INFRASTRUCTURE

THE FUEL STOP THAT EXPOSED A TOURISM ECONOMY — CONTINUED

WHEN WINDHOEK COULD NOT FUEL THE WHOLE ROUTE



Technical refuelling route schematic; no specific Angolan airport asserted.

The episode is a useful definition of infrastructure reliability. A country can have adequate runways, terminals and tourism marketing and still lose service quality because one commodity fails specification or one supplier cannot replenish stock quickly enough. Reliability is created by redundancy across the chain.

THE INVESTMENT IMPLICATION IS REDUNDANCY

African tourism strategies often devote large sums to destination marketing. The Namibia incident argues for equal attention to less visible assets: fuel storage, testing laboratories, alternative suppliers, emergency stocks, port logistics and contingency agreements with airlines. These systems do not generate glamorous photographs, but they protect the revenue generated by the photographs tourists travel to take.

A premium tourism economy therefore requires premium infrastructure resilience. The visitor sees the desert. The investor should also see the fuel farm.

ETHIOPIA / SOVEREIGN DEBT / CAPITAL MARKETS

ETHIOPIA IS CLOSER TO EXITING DEFAULT. THE WARRANT IS THE CATCH.

Official creditors have backed Ethiopia's preliminary Eurobond restructuring, but the proposed New Money Warrant remains a comparability-of-treatment issue. The final deal still requires bondholder approval.

ETHIOPIA EUROBOND - PRELIMINARY STATUS

Existing bond	**US$1bn**
Official creditors	**endorsed with concern**
New Money Warrant	**comparability issue**
Bondholder approval	**still required**

Ethiopia has moved another step toward resolving the default on its US$1 billion Eurobond. Official creditors have backed the preliminary restructuring agreement reached with bondholders, reducing one important source of uncertainty around the country's broader debt treatment. But their endorsement came with a warning: the proposed New Money Warrant could create concerns about whether private creditors are receiving treatment comparable with that granted by official lenders.

The preliminary structure would exchange the old bond for a new instrument with a reduced principal amount and a repayment profile extending through 2029, while addressing missed coupons and adding a warrant that gives participating investors an additional potential return linked to future financing. The warrant is precisely what makes the transaction politically and economically sensitive.

WHY COMPARABILITY MATTERS

Sovereign restructurings under the Common Framework depend on the principle that one creditor class should not receive materially better economic treatment than another. The comparison is not always mechanical because instruments have different maturity, interest and risk characteristics. But a contingent warrant can shift value in ways that are difficult to compare with a conventional maturity extension or haircut.

For Ethiopia, completing the bond restructuring matters because normalising relations with external creditors can improve the path back to capital markets and reduce uncertainty for private investors. The remaining task is to structure the warrant so it does not reopen disputes with official creditors or become a reason for bondholders to reject the exchange.

The country is therefore closer to exit, but not yet through the door. The final evidence will be creditor participation, legal completion and whether the restructured debt leaves Ethiopia with a genuinely more sustainable external-payment profile.

SOUTH AFRICA / BUSINESS / PUBLIC FINANCE

SOUTH AFRICA'S BALANCE-SHEET RESET: REPAIR BEFORE EXPANSION

Cell C and Johannesburg are very different institutions, but both illustrate the same constraint: when accumulated liabilities consume strategic attention, balance-sheet repair becomes a precondition for investment.

CELL C	JOHANNESBURG / ESKOM
Revenue R12.641bn	Overdue arrears paid R5.255bn
Adj. EBITDA R2.381bn	Separate July account ~R1.860bn
Net debt R2.020bn vs R5.691bn	
Subscribers 8.884m	

Balance-sheet repair rarely produces the excitement of a new factory, network or public project. Yet it often determines whether those investments can happen. Two South African developments this month make the point from opposite sides of the economy: a telecom operator repairing leverage and a municipality settling a critical utility debt.

CELL C HAS BOUGHT ITSELF ROOM TO COMPETE

Cell C's results for the year ended 31 May 2026 show the effect of recapitalisation and debt reduction. Revenue rose 13.5% to R12.641 billion and adjusted EBITDA increased 16.9% to R2.381 billion. Net debt fell 64.5%, from R5.691 billion to R2.020 billion, while the net-debt-to-EBITDA ratio improved to 1.56 times from 4.29 times. Subscribers increased 17.1% to 8.884 million.

The strategic benefit is not that debt has disappeared. It is that less cash and management attention are trapped by the old capital structure. In a market dominated by larger rivals, the company still has to compete on network access, distribution, pricing and customer economics. A stronger balance sheet simply makes those choices more credible.

JOHANNESBURG REMOVED A DIFFERENT KIND OF CONSTRAINT

On the public side, the City of Johannesburg and City Power paid Eskom R5.255 billion in overdue electricity debt on 21 August. Eskom said the settlement removed the immediate arrears, while the July current account of about R1.860 billion was due separately at month-end. The payment reduced the risk of a confrontation in which electricity supply and municipal finances could have become mutually reinforcing problems.

The lesson is institutional. For a telecom company, leverage can restrict network and customer investment. For a municipality, unpaid utility obligations can constrain service delivery, borrowing credibility and infrastructure planning. In both cases, repairing the balance sheet is not the end of the strategy. It is what allows the strategy to begin.

CONSUMER / FASHION / LIFESTYLE

THE CONSUMER IS STILL SPENDING - JUST NOT ON EVERYTHING

JD Sports' latest numbers show a consumer who is not disappearing, but becoming more selective by category, geography and channel. That is a different problem from a demand collapse - and it requires a different strategy.



-1.3%	-3.1%	-6.8%	+0.8%

Retail weakness is often described too broadly. JD Sports' second-quarter trading update shows why. Group organic sales fell 1.3% and like-for-like sales fell 3.1%, but the deterioration was concentrated unevenly. North America was the weakest large region, with organic sales down 4.5% and like-for-like sales down 6.8%. The United Kingdom was comparatively resilient, with like-for-like sales up 0.8%. Asia-Pacific remained positive, while Europe was modestly negative.

Product mix also mattered. Footwear was softer, while apparel and accessories were stronger, and online sales increased. The company lowered its full-year adjusted pre-tax profit guidance to GBP700 million-GBP800 million from GBP750 million-GBP850 million, while keeping free-cash-flow expectations unchanged at GBP460 million-GBP520 million.

SELECTIVE DEMAND IS HARDER THAN WEAK DEMAND

A broad recession allows retailers to respond with a broad defence: reduce inventory, protect cash and cut costs. Selective demand is more complicated. Consumers may continue buying, but shift between categories, price points and channels. A retailer can therefore have adequate aggregate demand while still holding the wrong product in the wrong geography.

For African consumer markets, the same logic is amplified by currency volatility and import dependence. Higher landed costs can widen the gap between consumers who remain willing to pay for premium brands and those who trade down. The middle of the market becomes strategically difficult: too expensive to be an obvious value option and insufficiently differentiated to command premium loyalty.

The consumer is still present. The easy sale is not.

GLOBAL CAPITAL / MARKET CLOSE / INVESTOR LENS

MONDAY'S MARKET: RISK DID NOT DISAPPEAR. IT ROTATED.

Technology sold off, long yields remained expensive, gold strengthened and oil fell. The common signal is not broad risk flight, but a market repeatedly repricing which risks deserve a premium.

Market / asset	24 Aug 2026 observation	Move / note
Dow Jones	53,417.16	+0.26%
S&P 500	7,652.86	-0.28%
Nasdaq Composite	25,980.19	-0.76%
U.S. Treasury 2Y	4.238%	Monday close/late session
U.S. Treasury 10Y	4.700%	Down ~3.8bp on day
U.S. Treasury 30Y	5.2276%	Long-duration hurdle remains high
Brent crude	US$92.17/bbl	-2.35%
WTI crude	US$85.01/bbl	-2.35%
Spot gold	US$4,647.29/oz	+0.97%
U.S. Dollar Index	99.01	+0.2%
USD/CAD	C$1.385 per US$	CAD -0.56%
USD/JPY	159.13	Monday late session

The headline indices concealed a rotation. The Dow gained while the Nasdaq fell and the U.S. technology sector lost about 1.6%. Investors were simultaneously preparing for Nvidia's earnings, assessing a large Alibaba equity raising, reacting to the U.S.-Canada trade confrontation and recalibrating Treasury-market policy. Gold rose while oil fell, an unusual but intelligible combination when investors want insurance against policy and geopolitical risk without assuming an immediate shortage of physical energy.

The long end remains the central hurdle rate. A 30-year Treasury yield above 5% means infrastructure, property, private equity and long-duration growth assets all have to compete with a much more attractive risk-free alternative than they faced during the cheap-money era. That does not prevent capital deployment. It raises the quality threshold required to justify it.

WHAT THE WEEK IS ACTUALLY TESTING

Date	Catalyst	Why it matters
26 Aug, 8:30 a.m. ET	U.S. PCE inflation / Q2 GDP second estimate	Tests the inflation-growth mix and rate expectations.
26 Aug, ~4:20 p.m. ET	Nvidia results (5:00 p.m. ET call)	Tests AI demand, capex durability and data-centre economics.
28 Aug, 10:00 a.m. ET	Fed Chair Kevin Warsh at Jackson Hole	Tests policy reaction function and institutional messaging.
1 Sep	GoldBod local-refining and XRF rules take effect	Tests Ghana gold-market compliance, financing and turnaround.
8 Sep	Canadian counter-tariffs scheduled to begin	Tests North American trade escalation and business support.
9 Sep	Larger U.S. Treasury long-end buybacks begin	Tests liquidity effects at the long end of the curve.

INVESTOR LENS: RESILIENCE IS BEING REPRICED

The common thread across this edition is the price of resilience. Ghana needs enough working capital to keep strategic gold inside a formal system. Canada and the United States are discovering the cost of making an integrated supply chain less integrated. AI companies need capital and power before software demand can become durable earnings. Tanzania has built generation capacity that must now be converted into productive use. African rare-earth projects need risk capital before strategic minerals become commercial supply.

The implication for investors is not that risk has returned after a period in which it disappeared. Risk never disappeared. What changed during the cheap-money era was how little return investors demanded to carry it. In the current environment, capital is still available, but it increasingly asks for evidence: predictable cash flow, balance-sheet resilience, political durability, infrastructure reliability and a credible path from investment to earnings.

That is the defining investment proposition of this Super Tuesday edition: growth opportunities remain abundant, but the premium now belongs to systems that can finance and operate resilience rather than merely promise it.

Capital is still available. What has changed is the evidence it demands before it moves.

HCP AFRICA
PARTNERS LLC

Bridging Global Capital with Mature African Assets



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ABOUT HCP AFRICA PARTNERS LLC

HCP Africa Partners LLC is a premier advisory firm focused on delivering intelligence and advice that helps you navigate risk, identify opportunity and deploy capital with confidence across emerging and frontier markets, with a special focus on Africa.



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MANAGING COMPLEXITY AT SCALE: About Evron R. Hughes

Our Managing Partner has over 20 years experience advising on public and economic devolopment policy at the highost lovois, personal and family office investments, corporate finance, and digital transformation. He has sorved on the board of a listod bank, as well as Chief Investment Officor and CEO of regulated advisory firms. He has also been involved in negotiating doals with the IMF and the World Bank, as well as with domestic and international bondholders. Evren now applies his expertise in engineering sophisticated cross-border deais in Africa for a variety of clients.

TO GO WHERE THE SMART MONEY IS GOING

Don't navigate the market from the outside.
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Contact information:
evron@evronhughes.com

MANDATORY DISCLOSURE STATEMENT

This publication does not constitute investment advice, and may not be relied upon for making investment decisions without consulting a professional. The value of investments can go up as well as down, and past performance is not a guarantee of future performance. This report was curated and drafted with the assistance of AI tools, with analysis and insights by HCP Africa analysts.