



i&M Burbidge Capital



MARKET UPDATE BULLETIN

17TH APRIL 2020

Foreword & Insight

Foreword

Facing an unprecedented public health crisis with the novel coronavirus (COVID – 19) outbreak, I&M Burbidge Capital has created a resource that gives insight to the impact of the pandemic across the regional markets and economies. We present a selection of the top stories making headlines in the private capital markets as well as market data and corporate developments.

Quote of the day

"Address the solvable first, instructs the father by way of teaching his son crisis management. That way, he counsels, there is less distraction to tackle more daunting issues."

- Brian Herbert

PART I : DEALS & CORPORATE DEVELOPMENTS

Kenya

Deals

Impact manager responsibility receives additional backing for USD 200 Million private debt fund

Swiss impact asset manager responsibility Investments and EDFI Electrifi have announced their cooperation in the field of climate finance in emerging economies. Under the agreement, EDFI Electrifi is providing additional first-loss capital for a responsibility-managed energy debt fund targeting universal access to clean power.

Source: Africa Private Equity News

Economy

Central bank order to delist 1 million borrowers from CRBs

Nearly a third or slightly more than one million borrowers will be removed from the country's credit reference bureaus (CRBs) following the central bank's order to spare defaulters with unpaid loans of less than KES 1,000. The move will enhance the borrowers' chances of being able to borrow more in the latest cleanup of the CRBs' blacklist—which has about 3.2 million Kenyans that have been negatively listed.

Source: Business Daily

Banks to seek CBK approval for Corona loans

The Central Bank of Kenya (CBK) will control lending to businesses and homes from its Sh41.3 billion cash reserves to ensure the loans are only offered to borrowers affected by the impact of the coronavirus pandemic. CBK has told banks they will have to submit a list including borrowers' names, economic sector, amounts and the reasons for borrowing ahead of accessing additional reserves generated from reduced cash holdings requirements for banks.

Source: Business Daily

Kuscco asks agencies to release KES 3 billion to saccos as loan demand rises

Saccos umbrella organisation Kuscco wants public institutions compelled to release withheld deductions now standing at KES 3 billion to enable saccos survive the virus pandemic. Kuscco managing director George Ototo said ministries, parastatals and private employers must release the funds to improve cash flow to enable saccos respond to demand by members.

Source: Business Daily

Corporate

Tullow projects face more delay on oil price fall

Key investment decisions by UK oil explorer Tullow regarding Kenya's oil project are expected to delay further due to the collapse in oil prices due to the pandemic and a geopolitical price war, analysts have projected. A report by GlobalData, a leading data and analytics company, says firms like Tullow whose Kenya project has faced delays are set to continue facing further hiccups tied to the economic climate.

Source: Business Daily

PART II: TREASURY UPDATE – 16.04.20

LOCAL MARKET

The Kenyan Shilling edged lower against the Dollar on Thursday to close at 106.80/107.20. The NSE 20 share index was lower by 15.62 points to close at 1,968.78 while in the secondary market, bonds worth 1.87 billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The Dollar edged higher on Thursday as demand for the currency rose despite negative data hitting the currency. Initial Jobless Claims went higher by an additional 5.2 million claims to stand at a massive figure of 22 million Americans who have filed for jobless claims since the pandemic began. EUR fell by 0.2% to 1.0888 on the back of negative data that showed the year-on-year Germany CPI and Euro-Zone Industrial Production dipped to 1.4% from 1.7% and -1.9% from -1.7% respectively. Month-on-month data for the respective measures also dipped to 0.1% from 0.4% and -0.1% from 2.3%. CPI is a measure of inflation while the Industrial production data measures the volume of production of Industries like factories and manufacturing which is important for forecasting GDP changes. GBP dipped by 0.52% to 1.2449 on the back of negative data as year-on-year Retail Sales slumped to -3.5% from -0.4%. The currency was also affected by news that Brexit won't be possible within the agreed timelines due to the covid-19 impact on the economy and measures placed to combat it. If a deal isn't agreed within the specified timelines, the U.K risks leaving the EU without a sound trade deal thus further affecting the economy.

In the US stock market; the Dow Jones Industrial Average settled 33.33 points higher to close at 23,537.68; the S&P 500 gained 16.19 points to close at 2,799.55 while the Nasdaq Composite was higher by 139.19 points to close at 8,532.36.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	7.209	9.500	4.045	6.200
182 Day T-Bill	8.106	10.800	4.774	6.555
364 Day T-Bill	9.040	13.400	5.950	7.406
Inflation Data	6.06	3.00	3.40	8.70

KES INDICATIVE EXCHANGE RATES AT MARKET OPEN

Currency	Country	Bank Buy	Bank Sell
USD		105.30	107.30
GBP		131.00	134.80
EUR		114.10	117.80
CHF		108.20	111.50
JPY		0.9750	1.0050
ZAR		5.30	6.10
INR		-	1.4150
CNH		-	16.20
RWF		7.40	9.95

INDICATIVE DEPOSIT RATES

Fixed period	1M	3M	6M	1Yr
KES (50,000< 5 Million)	6.25	6.50	7.00	7.25
KES (Above 100 Million)	6.75	7.50	8.00	8.50
USD (Above 500,000)	1.75	2.25	2.75	3.00
EUR (Above 500,000)	0.75	1.25	1.25	1.50
GBP (Above 500,000)	0.25	0.50	0.50	0.50

COMMODITY PRICES

	Unit	Close
Aluminum	USD/MT	1512.50
Murban Crude Oil	USD/barrel	20.61
Coffee	US Cents/lb.	119.70
Wheat	US Cents/Bushel	529.50
Corn	US Cents/Bushel	392.25

PART III: EQUITIES AND BOND TRADING – 16.04.20

DAILY MARKET COMMENTARY

In Thursday's trading session, the NSE All share and the NSE20 Share indices shed 0.44% and 0.79% to close at 134.64 and 1,968.78 basis points respectively. Market turnover also declined to settle at KES 322.2 million against the KES 622.4 million achieved on Wednesday. Volumes traded on the market declined with 12.05 million shares changing hands against the 21.70 million shares traded in the previous session. Foreign investor activity declined in the day's session, accounting for just 52.98% of the total market activity. The demand for local stocks by foreigners reduced with foreigners only accounting for 14.34% of the day's purchases against yesterday's 73.1%. Sales by foreigners stood at 91.61% offering a strong supply of KCB, Equity and Safaricom. Equity Group Holdings was the day's biggest mover with 3.6 million shares valued at KES 121 million at between KES 32.80 and KES 34.20

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	134.64	-0.44	-19.09
NSE20	1,968.78	-0.79	-25.83
NSE25	3,135.39	-0.57	-23.54
FTSE NSE25	174.17	-1.20	-24.11

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,057.8	2,066.9
Turnover (KES, millions)	322.2	622.42
Volume (millions)	12.05	21.70
Foreign Buys (%)	14.34	73.14
Foreign Sales (%)	91.61	90.98

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (million)
FXD2/2015/5	13.9200	9.0500	650.00
FXD2/2016/5	14.0690	9.5500	500.00
FXD1/2018/25	13.4000	13.5000	200.00

MOVERS

Movers	Volume (million)	Turnover (million)	VWAP
Equity Group Holdings Plc	3.6	121.02	33.30
KCB Group Plc	2.4	84.26	35.05
Safaricom Plc	2.9	79.61	27.40

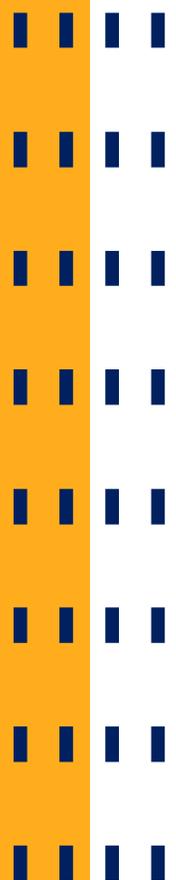
Source: Faida Investment Bank



DISCLAIMER

This document has been prepared on the basis of information and forecasts in the public domain. None of the information on which the document is based has been independently verified by *I&M Burbidge Capital Limited* nor its affiliate bodies and associates, who do not take responsibility for the content thereof and do not accept any liability with respect to the accuracy or completeness, or in relation to the use by any recipient of the information, projections, opinions contained in this document.

This document is purely for information purposes only and should not be relied upon to make any investment decisions or any other decisions. Any liability is disclaimed, including incidental or consequential damages arising from error or omission in this document.



About I&M Burbidge Capital

I&M Burbidge Capital Limited is a corporate finance firm licensed by the Capital Markets Authority creating long term advisory relationships & solutions across Eastern Africa.

Our Services

Originating and structuring Equity and Debt capital raising, IPOs, M&A transactions, Strategic Options advisory, PE advisory, Tax Advisory and other Corporate Finance Services.

Head Office

3rd Floor, Block A, Eldama Park
Eldama Ravine Road, Westlands
P.O Box 51525-00100
Nairobi, Kenya
Tel: +254 (0) 20 3221160

Kampala Office

5th Floor Rwenzori Towers
Nakasero Road Kampala,
Uganda
Tel: +256 (0) 794 476 967



i&MBurbidgeCapital