



i&M Burbidge Capital



MARKET UPDATE BULLETIN

21st 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

"In any moment of decision, the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing."

- Theodore Roosevelt

PART I : DEALS & CORPORATE DEVELOPMENTS

21st April 2020

Kenya

Corporate

Danish, SA firms in row over Nairobi power plant deal

A Danish and South African firm are locked in a bitter fight over the multibillion-shilling acquisition of a Nairobi-based thermal power plant. The fight for the 52.4-Megawatt plant between Danish firm AP Moller Capital and South African AEP Energy Africa has spilled to the secretariat of Common Market for East and Central Africa (Comesa).

Source: *Business Daily*

MyDawa seeks KES 200 Million to cope with Covid-19 demand

Online pharmacy MyDawa is seeking KES 200 million in additional capital to boost operating capacity as Covid-19 pandemic driven demand rises. CEO Tony Wood said the decision was informed by last month's surge of 20,000 new users. Clients are sourcing drugs, family planning products, personal care such as sanitary pads, soaps and sanitiser liquids via the app.

Source: *Business Daily*

International

Economy

U.S. Oil Costs Less Than Zero After a Sharp Monday Selloff

U.S. oil futures plunged below zero for the first time Monday, a chaotic demonstration of the dwindling capacity to store all the crude that the world's stalled economy would otherwise be using. The price of a barrel of West Texas Intermediate crude to be delivered in May, which closed at \$18.27 a barrel on Friday, ended Monday at negative \$37.63. That effectively means that sellers must pay buyers to take barrels off their hands.

Source: *Wall Street Journal*

PART II: TREASURY UPDATE

20th April 2020

LOCAL MARKET

The Kenyan Shilling was steady against the Dollar on Monday to close at 107.10/107.60. The NSE 20 share index edged higher by 11.71 points to close at 1,985.54 while in the secondary market, bonds worth 1.877 billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The Dollar was higher on Monday on the back of news that the Federal Reserve issued a monetary stimulus to ease the strain on dollar funding. The Dollar also performed better than other oil-linked currencies after the WTI crude oil prices fell to unprecedented negative prices of -\$40. EUR fell by 0.2% to 1.0856 on the back of negative data that showed the year-on-year and month-on-month German PPI edged lower to -0.8% from -0.1% and -0.8% from -0.4% respectively. The market will await the result of a Eurozone meeting to give consensus on the corona bond. If the EU fails to reach an agreement this week, there could be more downside risks for the euro as coronavirus infections show tentative signs of peaking in some places, countries are struggling to decide how to re-open their economies for business. GBP dipped by 0.3% to 1.2464 as market feared the country may be heading towards a recession due to a slowdown in economic activity due to the covid-19 pandemic. The U.K was noted to be among the last countries in Europe to impose strict measures to protect its people from the Covid-19 pandemic.

In the US stock market; the Dow Jones Industrial Average settled 592.05 points lower to close at 23,650.44; the S&P 500 shed 51.40 points to close at 2,823.16 while the Nasdaq Composite was lower by 89.41 points to close at 8,560.73.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	7.201	9.250	4.044	6.200
182 Day T-Bill	8.089	10.700	4.774	6.492
364 Day T-Bill	9.091	11.300	5.951	7.538
Inflation Data	6.06	3.00	3.40	8.50

KES INDICATIVE EXCHANGE RATES AT MARKET OPEN

Currency	Country	Bank Buy	Bank Sell
USD		106.00	107.70
GBP		131.00	134.80
EUR		114.10	118.00
CHF		108.60	112.00
JPY		0.9800	1.0050
ZAR		5.30	6.10
INR		-	1.4200
CNH		-	16.60
RWF		5.00	12.00

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	3.00	3.25	3.50
EUR (Above 500,000)	1.50	2.25	2.25	2.25
GBP (Above 500,000)	0.50	0.75	1.00	1.00

COMMODITY PRICES

	Unit	Close
Aluminum	USD/MT	1503.00
Murban Crude Oil	USD/barrel	21.56
Coffee	US Cents/lb.	115.25
Wheat	US Cents/Bushel	550.25
Corn	US Cents/Bushel	321.50



PART III: EQUITIES AND BOND TRADING

20th April 2020

WEEKLY MARKET COMMENTARY

The NSE All share and the NSE20 Share indices continued their rise from Friday's close, gaining 1.41% and 0.59% to close at 137.84 and 1,985.54 points respectively. Market turnover declined marginally to settle at KES 517.8 million against the KES 879.8 million posted in the previous session. Volumes traded on the market equally declined with 19.2 million shares changing hands as compared to 27.8 million recorded on Friday. Foreign investors continued to dominate Monday's session, though lower as compared to the previous session. Foreign investor activity accounted for 89.5% of the day's sales and 47.3% of the day's purchases and remained predominantly on Safaricom Plc and Equity Group Plc. The Secondary Bond Market on the NSE was fairly unchanged with bonds worth KES 1.87 billion trading in 90 deals against the KES 1.80 billion achieved on Friday from 89 deals.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	137.84	1.41	-17.17
NSE20	1,985.54	0.59	-25.20
NSE25	3,179.80	1.10	-22.45
FTSE NSE25	179.47	1.65	-21.80

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,106.7	2,077.4
Turnover (KES, millions)	517.8	879.8
Volume (millions)	19.23	27.82
Foreign Buys (%)	47.26	50.51
Foreign Sales (%)	89.45	94.41

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (million)
FXD2/2015/5	13.9200	9.0500	400.00
FXD1/2008/15	12.5000	10.9000	375.00
FXD1/2009/15	12.5000	9.6258	232.00

MOVERS

Movers	Volume (million)	Turnover (million)	VWAP
Safaricom Plc	7.6	216.49	28.50
Equity Group Holdings Plc	3.1	104.62	33.50
East African Breweries Plc	0.35	50.61	147.70

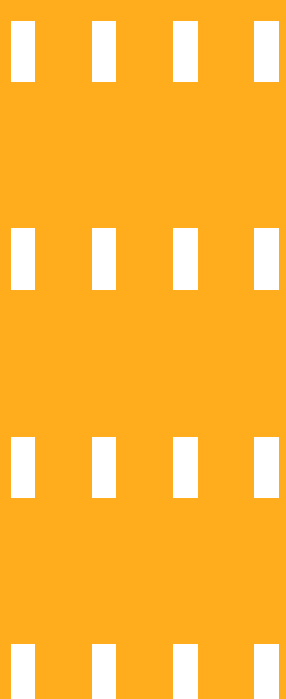
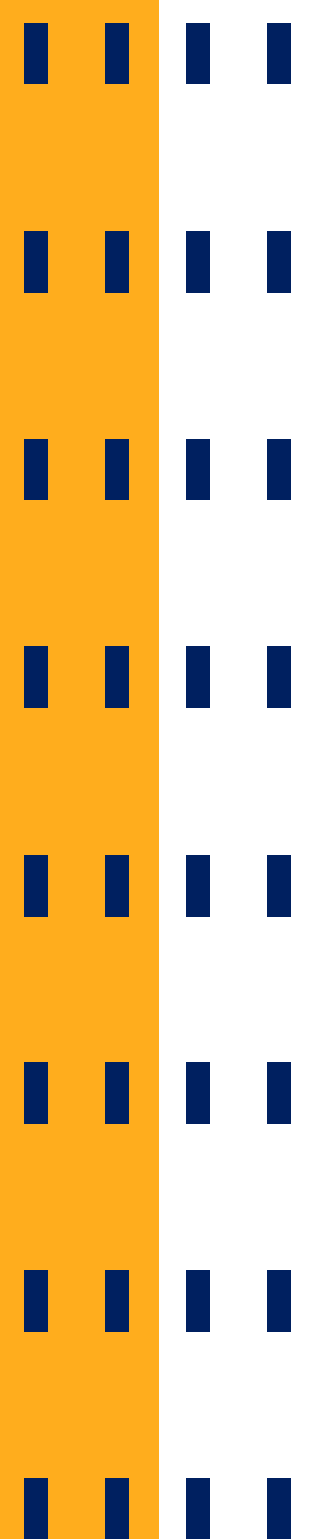
Source: Faida Investment Bank



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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