



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

24th 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

"The man who will use his skill and constructive imagination to see how much he can give for a dollar, instead of how little he can give for a dollar, is bound to succeed."

- Henry Ford

PART I : DEALS & CORPORATE DEVELOPMENTS

24th April 2020

Kenya

Corporate

KES 61.7 Billion Uganda deal sets stage for Tullow Kenya sale

Tullow Oil PLC is expecting bids for sale of Kenyan unit to follow after sealing the sale of Ugandan assets at KES 61.7 billion (\$575 million) to cut debt. The firm disclosed yesterday that it had reached agreement to sell all its assets in Uganda to Total Uganda with the price being deeply discounted at 40.1% . Tullow had put the carrying value of Uganda assets at KES102.9 billion (\$960 million) at the end of December last year.

Source: *Business Daily*

Transmara Sugar plans KES 4.7 billion electricity plant

Transmara Sugar Company plans to produce 25 megawatt (MW) of electricity at its Kilgoris factory for which it is negotiating approval to generate and supply with regulators. The miller, a subsidiary of Mauritian sugar producer Alteo, plans to invest KES 4.7 billion (\$45 million) in the bagasse – the crushed cane stalks left after the sugar is extracted – plant. The plant is scheduled for completion in two years

Source: *Business Daily*

Economy

Kenya's central bank cushions Saccos against defaulters in new regulations

Kenya has banned unregulated digital and credit-only lenders from the country's credit information sharing (CIS), and introduced new rules that compels savings and credit societies (Saccos) to share credit information on their members with the credit reference bureaus to control rising bad debts in the sub-sector.

According to the Central Bank of Kenya (CBK), digital and credit only lenders will no longer submit credit information on their borrowers to Credit Reference Bureaus (CRBs).

Source: *The East African*

Tougher rules for borrowers seeking personal loan relief

When the Central Bank of Kenya (CBK) announced last month that lenders would offer relief on personal loans for borrowers distressed by the Covid-19 global pandemic, there was excitement among many debtors, especially those who expected to benefit from the three-month holiday. A spot check by the *Business Daily*, however, revealed stringent conditions that had caught borrowers by surprise.

Source: *Business Daily*

PART II: TREASURY UPDATE

23rd April 2020

LOCAL MARKET

The Kenyan Shilling continued trade within its recent ranges to close at 107.35/107.85 on Thursday. The NSE 20 share index dropped 14.97 points to close at 1970.79 while in the secondary market, bonds worth 1.3 billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The U.S Dollar traded mixed against some major currencies as economic data released showed that the composite output index which tracks the manufacturing and services sector dropped to 27.40 which signalled a contraction in private sector output. The Euro fell on Thursday against the Dollar after the European Union leaders failed to agree on a coronavirus recovery package stimulus. The European Commission suggested a 2-trillion euro plan but there were still ongoing discussions on how the funds would be used. The Euro fell 0.43 percent to 1.0776 against the Dollar. ECB President Christine Lagarde said the euro zone economy could contract and urged the EU leaders to roll out a stimulus. The Sterling Pound remained within a stable range to close at \$1.2385 despite lower than expected preliminary UK consumer Purchasing Manager's index (PMI) readings for April, as markets appear to be immune to new data about the economic effects from coronavirus. The PMI fell to a record low of 12.90 from 36.0 in March 2020.

In the US stock market; the Dow Jones Industrial average rose 39.44 points higher to close at 23,515.26; the S&P 500 lost 1.51 points to close at 2,797.8 while the Nasdaq Composite dropped 0.63 points to close at 8,494.75.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	7.212	9.575	3.450	6.200
182 Day T-Bill	8.121	11.938	4.060	6.492
364 Day T-Bill	9.110	12.999	4.980	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		106.40	107.90
GBP		130.70	133.70
EUR		114.50	116.75
CHF		108.00	111.40
JPY		0.9950	1.0070
ZAR		5.00	6.00
INR		-	1.4280
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	1,513.00
Murban Crude Oil	USD/barrel	17.56
Coffee	US Cents/lb.	112.48
Wheat	US Cents/Bushel	549.50
Corn	US Cents/Bushel	318.50

PART III: EQUITIES AND BOND TRADING

23rd April 2020

WEEKLY MARKET COMMENTARY

The NSE All Share and the NSE25 share indices recorded a gain of 0.36% and 0.05% to close the day at 137.26 and 3,195.95 basis points respectively at the close of Thursday's trading session. The NSE 20 share index however shed 0.75% to close at 1,970.79. The turnover at the NSE rose to KES 1.08 billion, pushed the day's main feature, Standard Chartered Bank Kenya which moved 3.5 Million shares valued at KES 690 million. This was 71.6% higher as compared to Wednesday's turnover of KES 579 million. The volume of shares traded declined though to settle at 16.2 million against the 18.2 million shares traded yesterday. Local investors dominated today's activity with 86.04% of the total market activity attributed to local investors. Foreign investors held a net buying and net selling positions on Safaricom Plc and NCBA Bank Plc.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	137.56	0.36	-17.34
NSE20	1,970.79	-0.75	-25.75
NSE25	3,195.95	0.05	-22.06
FTSE NSE25	180.45	-0.64	-21.37

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,102.4	2,095.0
Turnover (KES, millions)	1,082.2	579.4
Volume (millions)	16.18	18.20
Foreign Buys (%)	7.33	38.46
Foreign Sales (%)	20.58	83.83

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (million)
FXD3/2016/5	13.1120	9.5000	300.00
FXD1/2018/25	13.4000	13.6500	200.00
IFB1/2017/7	12.5000	10.5000	126.00

MOVERS

Movers	Volume (million)	Turnover (million)	VWAP
Standard Chartered Bank Kenya	3.5	690.33	194.75
Safaricom Plc	5.8	163.29	28.20
Equity Group Holdings Plc	2.5	86.37	34.95

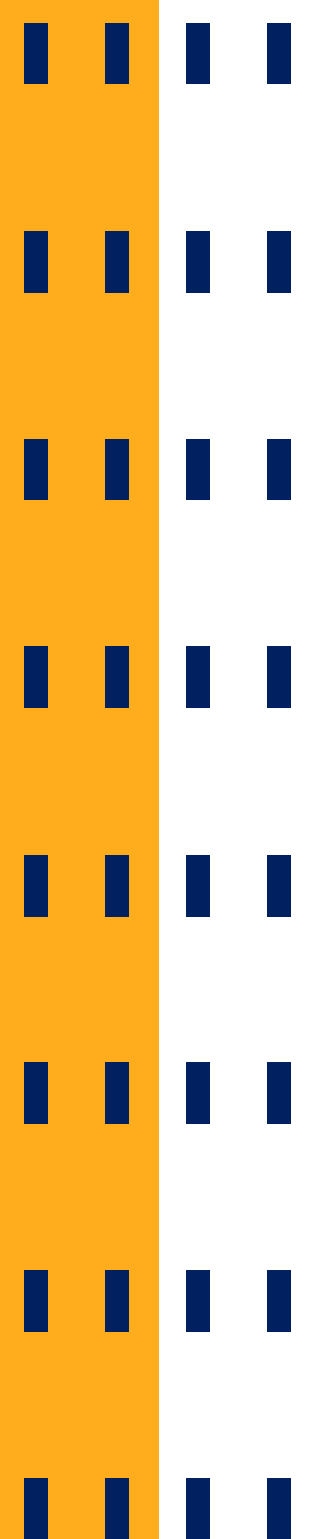
Source: Faida Investment Bank



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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