



**i&M** Burbidge Capital



**MARKET  
UPDATE BULLETIN**

**28<sup>th</sup> 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

*"Expect the unexpected. And whenever possible, be the unexpected."*

- Jack Dorsey

# PART I : DEALS & CORPORATE DEVELOPMENTS

28<sup>th</sup> April 2020

Kenya

## Market

### **Kenyan shilling stable, seen easing on end month demand**

The Kenyan shilling held steady on Monday but was seen easing against end month dollar demand from the energy and manufacturing sector, traders said. At 0711 GMT, commercial banks quoted the shilling at 106.90/107.10 per dollar, the same as Friday's close.

Source: African Reuters

## Corporate

### **Egypt lender to fund trade on Mayfair deal**

Egypt's largest private lender Commercial International Bank (CIB) will focus on financing trade between Kenya and the North African country following the acquisition of a controlling stake in Mayfair Bank. CIB chairman and managing director Hisham Ezz Al-Arab said the lender would gather market intelligence to deepen presence and support clients who operate in the country by promoting Egyptian exports.

Source: Business Daily

### **RBA allows companies to suspend retirement benefits contribution**

Cash-strapped companies can now apply for suspension or discontinuation of employer-retirement contributions to pension schemes until the coronavirus pandemic eases. The Retirement Benefits Authority (RBA) said employers in hardest hit sectors such as travel and hospitality can notify it of measures taken to contain costs among them suspension, reduction of contribution rates or stoppage.

Source: Business Daily

International

## Market

### **Nigeria oil export plans delayed amid talks with majors on cuts**

Nigeria's state oil company has delayed publishing its future oil export plans as it negotiates with local companies and international majors about how to cut output in line with a global deal on production curbs, trading sources said.

Source: African Reuters

# PART II: TREASURY UPDATE

27<sup>th</sup> April 2020

## LOCAL MARKET

The Kenyan Shilling continued to trade within its recent range to close at 107.15/107.65 on Monday. The NSE 20 share index dropped 9.98 points to close at 1957.86 while in the secondary market, bonds worth 1.4 billion were transacted.

## INTERNATIONAL MARKET OVERVIEW

The U.S Dollar opened the week on a back foot due to reduced demand for the safe haven currency after several countries laid out plans to reduce restrictions on businesses that closed after the coronavirus outbreak. Markets await the Federal Reserve Monetary policy meeting scheduled to start on Tuesday, in which they expect details on the Fed's special lending programs, its asset-purchase program and the forward guidance on the target range for the federal funds rate. The Dollar last traded at 107.25 against the Yen. The Euro gained against the Dollar to 1.0828 after a better than expected credit rating for Italy where Credit-rating agency Standard & poor's confirmed its BBB rating. Focus now shifts to European Central bank's meeting on Thursday. The Sterling Pound strengthened against the Dollar being supported by an improving global risk appetite and hopes that the lockdown measures may be eased due to reduced number of coronavirus cases in Britain.

In the US stock market; the Dow Jones Industrial Average rose 358.51 points higher to close at 24,133.78; the S&P 500 gained 41.74 points to close at 2,878.48 while the Nasdaq Composite added 95.64 points to close at 8,730.16.

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	107.80
GBP		132.50	134.50
EUR		115.25	117.25
CHF		109.15	111.15
JPY		0.9900	1.0105
ZAR		5.00	6.00
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	1511.50
Murban Crude Oil	USD/barrel	15.20
Coffee	US Cents/lb.	106.28
Wheat	US Cents/Bushel	528.62
Corn	US Cents/Bushel	314.12



# PART III: EQUITIES AND BOND TRADING

27<sup>th</sup> April 2020

## WEEKLY MARKET COMMENTARY

At the close of Monday's session, the NSE All Share index was up by 0.03% to close at 135.82 Basis points. The NSE20 & the NSE25 share indices shed 0.51% and 0.01% to close at 1,957.86 and 3,175.12 points respectively. Daily turnover at the exchange declined by 54% to KES 477 million from Friday's close of KES 1.0 billion as volumes traded shrank as well to 17.3 Million from the 25.6 Million recorded in the previous session. Foreign investors were net sellers in today's session, maintaining a net selling position on a majority of the blue-chip counters, taking a lead in Safaricom, Equity and KCB Group's sale transactions in today's trading session. Total foreign activities stood at 54.6%. The secondary bond market recorded a rise in activity with bonds worth KES 1.43 billion transacted in 75 deals as compared to the KES 0.95 billion achieved in the previous session.

## INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	135.82	0.03	-18.38
NSE20	1,957.86	-0.51	-26.24
NSE25	3,175.12	-0.01	-22.57
FTSE NSE25	179.77	0.66	-21.67

## MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,075.9	2,075.2
Turnover (KES, millions)	477.1	1,024.3
Volume (millions)	17.28	32.86
Foreign Buys (%)	24.65	25.66
Foreign Sales (%)	84.55	87.77

## GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (million)
FXD3/2019/10	11.5170	12.3000	150.00
FXD1/2018/25	13.4000	13.6250	600.00
FXD1/2018/25	13.4000	13.6500	400.00

## MOVERS

Movers	Volume (million)	Turnover (million)	VWAP
Safaricom Plc	6.9	189.48	27.55
Equity Group Holdings Plc	4.1	142.51	34.65
KCB Group Plc	2.4	87.68	36.95

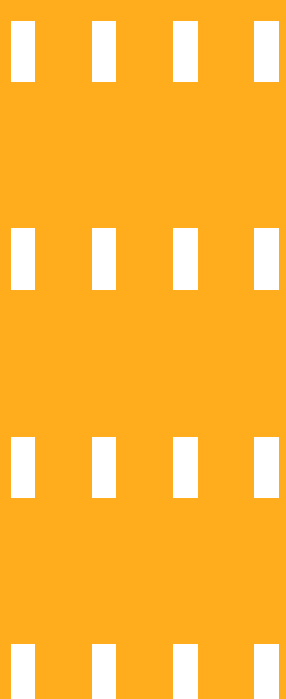
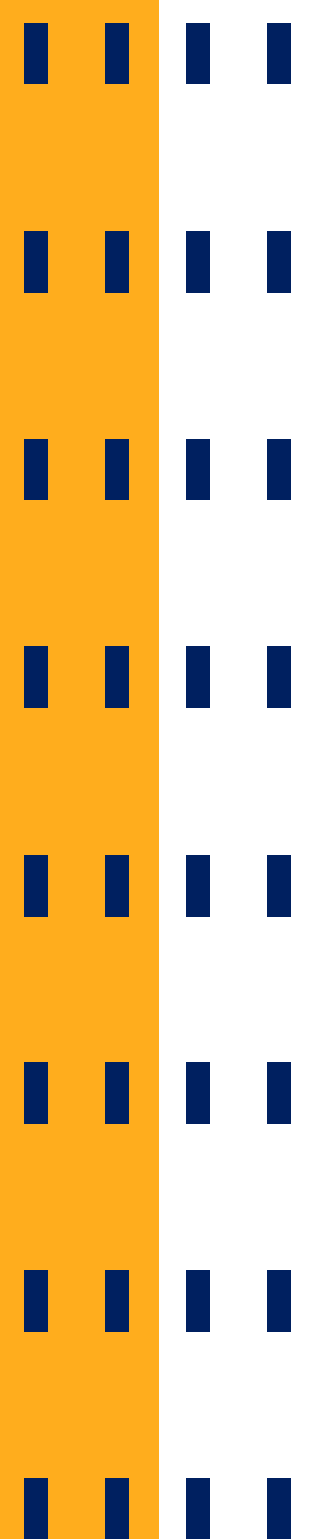
Source: Faida Investment Bank



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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



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