



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

30th 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

"If you keep your eye on the profit, you're going to skimp on the product. But if you focus on making really great products, then the profits will follow."

- Steve Jobs

PART I : DEALS & CORPORATE DEVELOPMENTS

30th April 2020

Kenya

Market

Pandemic slashes forex reserves to two-year low

The Central Bank of Kenya's foreign exchange reserves fell to a more than two-year low last week closing Friday at USD 7.858 billion (KES 832.9 billion). This is the lowest level since early March 2018 when the stock of dollars was worth USD 7.15 billion (KES 729.81 billion). The reserves, which have been on a steady decline can now only cover 4.75 months of import.

Source: *Business Daily*

Economy

Kenya's central bank cuts benchmark lending rate again

Kenya's central bank cut its benchmark lending rate again on Wednesday, to 7.0% from 7.25%, saying measures to tackle the impact of the coronavirus were having an effect but it needed to do more due to the adverse economic outlook.

Source: *African Reuters*

Corporate

Tuskys, Chandarana sign e-payment deal with M-Kapu platform

Lunch e-voucher start-up Apptivate Africa has inked partnership agreements with Tuskys and Chandarana FoodPlus retail stores allowing companies to settle purchases made by employees via the platform. The new product, M-Kapu, allows employees to log in and place orders for domestic purchases daily to be picked at chosen outlets or have them delivered at homes or offices.

Source: *Business Daily*

PART II: TREASURY UPDATE

29th April 2020

LOCAL MARKET

The Kenyan Shilling was steady against the Dollar on Wednesday to close at 107.15/107.65. The NSE 20 share index edged higher by 19.49 points to close at 1,967.19 while in the secondary market, bonds worth KES 916 million were transacted.

INTERNATIONAL MARKET OVERVIEW

The Dollar was lower on Wednesday after the Federal reserve left interest rates unchanged in a bid to boost the U.S economy. Market data did little to support the Dollar as the annualized GDP and the quarter-on-quarter USD GDP Price Index were stable at -4.8% and 1.4% respectively. The GDP Price Index measures the changes in the price of all goods and services included in gross domestic product. EUR moved higher by 0.54% to close at 1.0874 supported by market data that showed year-on-year German CPI and Germany Harmonised CPI were higher than forecast at 0.8% against 0.6% and 0.8% against 0.5% respectively. The market will now await the ECB interest rate decision later in the day. GBP edged lower to close at 1.2423 as Britain showed no signs of easing its lockdown despite other European countries showing plans of how they'll re-open their economies. The presence of a lockdown affects economic activities and Brexit negotiations which Prime minister Boris Johnson said he wouldn't extend the set timelines.

In the US stock market; the Dow Jones Industrial Average edged higher by 532.31 points to close at 24,633.86; the S&P 500 gained 76.12 points to close at 2,939.51 while the Nasdaq Composite gained 306.98 points to close at 8,914.71.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

| Country | | | | |
|----------------|-------|--------|-------|-------|
| 91 Day T-Bill | 7.212 | 10.200 | 3.196 | 6.200 |
| 182 Day T-Bill | 8.121 | 10.800 | 3.797 | 6.492 |
| 364 Day T-Bill | 9.110 | 11.300 | 4.666 | 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 | 135.00 |
| EUR | | 114.00 | 118.30 |
| CHF | | 108.00 | 112.00 |
| JPY | | 0.9800 | 1.0200 |
| ZAR | | 5.20 | 6.20 |
| INR | | - | 1.4500 |
| 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 | 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 | 1506.00 |
| Murban Crude Oil | USD/barrel | 21.17 |
| Coffee | US Cents/lb. | 105.30 |
| Wheat | US Cents/Bushel | 511.50 |
| Corn | US Cents/Bushel | 315.50 |

PART III: EQUITIES AND BOND TRADING

29th April 2020

WEEKLY MARKET COMMENTARY

The benchmark NSE All Share index gained 3.13% to close Wednesday's trading session at 140.21 basis points. The NSE20 and the NSE25 share indices were up by 1.00% and 2.62% to close at 1,967.19 and 3,262.9 basis points respectively. The day's turnover was marginally down to settle at KES 321.8 million against the KES 381 million posted yesterday. Volumes traded on the market marginally rose to 16.6 million shares against the 15.2 million traded in the previous session. Local investors dominated the day's trading session with a 59.6% participation rate in market activity. Foreign investors were net sellers in the day's market activity with increased sell positions on Safaricom. The secondary bond market recorded a declined in activity with bonds worth KES 0.92 billion transacted in 114 deals as compared to the KES 2.31 billion achieved in the previous session.

INDEX MOVEMENTS

| Index | Closing | % Change | % YTD |
|------------|----------|----------|--------|
| NASI | 140.21 | 3.13 | -15.74 |
| NSE20 | 1,967.19 | 1.00 | -25.89 |
| NSE25 | 3,262.99 | 2.62 | -20.43 |
| FTSE NSE25 | 185.23 | 2.71 | -19.29 |

MARKET DATA

| Market Data | Today | Previous |
|----------------------------|---------|----------|
| Market Cap (KES, billions) | 2,143.0 | 2,077.9 |
| Turnover (KES, millions) | 321.8 | 381.2 |
| Volume (millions) | 16.61 | 15.23 |
| Foreign Buys (%) | 30.18 | 47.92 |
| Foreign Sales (%) | 50.70 | 81.43 |

GOVERNMENT BONDS

| GOK Bonds | Rates | Traded Yield | Value Traded (million) |
|--------------|---------|--------------|------------------------|
| FXD1/2016/5 | 14.3340 | 9.1500 | 100.00 |
| FXD1/2018/25 | 13.4000 | 13.6000 | 400.00 |
| IFB1/2016/15 | 12.0000 | 12.0293 | 200.00 |

MOVERS

| Movers | Volume (million) | Turnover (million) | VWAP |
|---------------------------|------------------|--------------------|-------|
| Equity Group Holdings Plc | 4.25 | 156.45 | 36.80 |
| Safaricom Plc | 2.93 | 85.14 | 29.00 |
| I&M Holdings Plc | 0.23 | 11.90 | 51.0 |

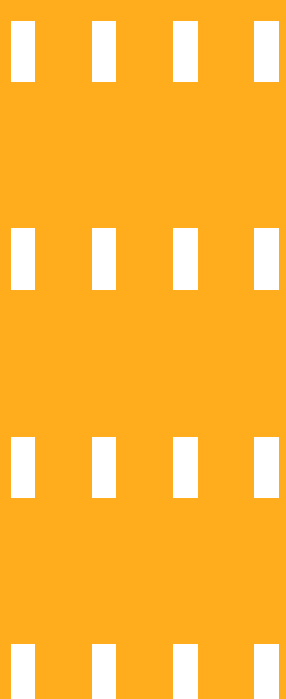
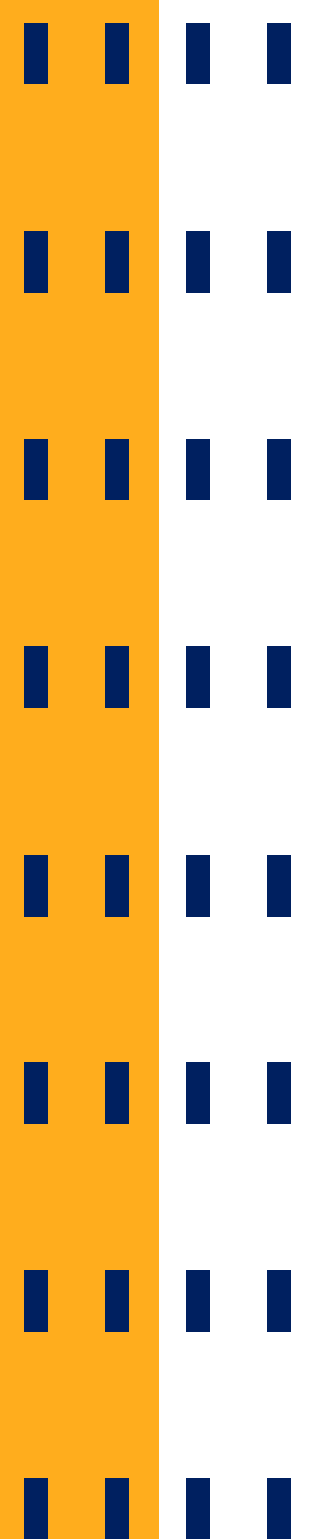
Source: Faida Investment Bank



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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.

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