



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

29th May 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

"I think in business, you have to learn to be patient. Maybe I'm not very patient myself. But I think that I've learned the most is be able to wait for something and get it when it's the right time."

– Bernard Arnault

PART I : DEALS & CORPORATE DEVELOPMENTS

29th May 2020

Kenya

Deals

Goodwell backs Inclusivity Solutions with follow-on investment

Inclusivity Solutions, the company that designs, builds, operates and innovates digital insurance solutions, has secured an additional USD 1.3 million in a second tranche of its series A round, bringing the total series A round to USD 2.6 Million. Following on from its first tranche investment, the uMunthu fund, managed by Goodwell Investments, led the round with follow-on investment from UW Ventures (in partnership with Allan Gray).

Source: African Private Equity News

Markets

Unit trusts up to KES 76 Billion as CIC holds top position

Assets managed by unit trusts rose by 6.6% in the quarter to last December to hit KES 76.1 Billion as CIC held to the top position. Slightly more than half of the assets under management (AUM) were in government securities – reflecting a bias for risk-free holdings – while the smallest proportion was in immovable property such as land and houses.

Source: Business Daily

Big firms, wealthy push dollar stockpile to record level

Wealthy individuals and big companies stepped up their stockpile of dollars in bank accounts to a record level of KES 642.15 billion in March amid the global spread of COVID-19. Central Bank of Kenya (CBK) data shows that foreign currency bank deposits held by Kenyans jumped by KES 16.1 billion in March.

Source: Business Daily

Economy

Chamber supports plan to open economy next week

The Kenya National Chamber of Commerce and Industry (KNCCI) has backed plans by the President to reopen the economy, saying the move will ease members' cash flow problems. The lobby's president Richard Ngatia said plans were underway to ensure employees are provided with protective gears such as face masks and hand sanitisers as the economy reopens.

Source: Business Daily

PART II: TREASURY UPDATE

28th May 2020

LOCAL MARKET

The Kenyan Shilling made marginal gains against the Dollar on Thursday to close at 106.75/107.25. The NSE 20 share index edged lower by 12.04 points to close at 1,964.46 while in the secondary, bonds worth KES 3.0 billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The Dollar edged lower on Thursday on the back of negative data. Initial Jobless Claims grew by an extra 2.1 million to push the figure to 40 million while the Continuing Jobless Claims hit 21 million. Initial Jobless Claims is a measure of the number of jobless claims filed by individuals seeking to receive state jobless benefits while Continuing Jobless Claims measures the number of individuals who are unemployed and are qualifying for benefits under unemployment insurance. The Durable goods order and annualized GDP also dipped to -17.2% from -16.6% and -5.0% from 2.1% respectively. EUR went higher by 0.57% to close at 1.1066 as the EU executive unveiled a plan to support economies hammered by the pandemic. Negative data did little to affect the currency as the year-on-year and month-on-month German CPI dipped to 0.6% from 0.9% and -0.1% from 0.4% respectively. GBP edged higher by 0.6% to close at 1.2314 mainly on the back of Dollar weakness. Market now is waiting for further communication from BOE on the negative interest rates talk to boost the economy and Brexit talks that are currently frosty.

In the US stock market; the Dow Jones Industrial Average edged lower by 147.63 points to close at 25,400.64; the S&P 500 shed 6.40 points to close at 3,029.73 while the Nasdaq Composite edged lower by 43.37 points to close at 9,368.99.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	7.319	8.400	3.253	6.264
182 Day T-Bill	8.227	10.200	3.963	6.657
364 Day T-Bill	9.195	11.000	4.786	8.021
Inflation Data	5.62	3.20	3.30	8.00

KES INDICATIVE EXCHANGE RATES AT MARKET OPEN

Currency	Country	Bank Buy	Bank Sell
USD		106.10	107.40
GBP		129.00	133.50
EUR		116.00	120.50
CHF		109.50	112.50
JPY		0.9800	1.0200
ZAR		5.60	6.50
INR		-	1.4350
CNH		-	17.60
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	1537.00
Murban Crude Oil	USD/barrel	28.14
Coffee	US Cents/lb.	99.10
Wheat	US Cents/Bushel	515.25
Corn	US Cents/Bushel	329.25



PART III: EQUITIES AND BOND TRADING

28th May 2020

MARKET COMMENTARY

The NSE's major indices recorded losses on Thursday with the benchmark NSE All Share Index shedding 0.94% to close at 136.51 basis points. The NSE20 and the NSE25 share indices were down 0.61% and 0.25% to close at 1,964.46 and 3,214.83 points respectively. The day's turnover was lower, closing with at KES 392.2 million as compared to the KES 490.7 Million recorded in the previous session. The number of shares changing hands on the market was lower, with 14.2 million shares traded on Thursday, down from the 16.4 million shares traded in the previous session. Foreign Investors were net sellers, accounting for 66.06% of the day's total market activity aggregated from 86.2% of the day's sales and 45.9% of the day's purchases. Significant foreign Investors was recorded on Safaricom Plc which was the top mover in the day's trading session. Turnover in the bond market marginally declined to KES 3.07 billion against the KES 3.47 billion recorded during Wednesday's trading session.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	136.51	-0.94	-17.97
NSE20	1,964.46	-0.61	-25.99
NSE25	3,214.83	-0.25	-22.41
FTSE NSE25	181.12	-0.51	-21.08

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,086.4	2,106.3
Turnover (KES, millions)	392.18	490.70
Volume (millions)	14.23	16.36
Foreign Buys (%)	45.94	54.29
Foreign Sales (%)	86.18	86.99

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (KES million)
FXD1/2019/5	11.3040	11.2500	800.00
FXD4/2019/10	12.2800	12.2500	200.00
IFB1/2017/7	12.5000	10.3000	150.00

Source: Faida Investment Bank

MOVERS

Movers	Volume (million)	Turnover (KES million)	VWAP (KES)
Safaricom Plc	8.06	226.38	28.25
Equity Group Holdings Plc	0.85	30.31	35.80
KCB Group Plc	0.72	25.88	36.20



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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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