



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

5th 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 cannot discover that anyone knows enough to say what is and what is definitely not possible."

- Henry Ford

PART I : DEALS & CORPORATE DEVELOPMENTS

5th May 2020

Kenya

Economy

T-bill auction fails to raise enough cash for KES 104 Billion maturities

The Central Bank of Kenya (CBK) failed to raise enough in Treasury bill auctions in April to match maturing short-term debt as uncertainty over the coronavirus haunted investors.

CBK data shows the regulator accepted a total Sh84.93 billion from investors in the past five T-bill auctions, against Sh104.27 billion maturities.

Source: *Business Daily*

Economy

US firms give condition for free trade deal with Kenya

American firms have asked Kenya to fix its weak intellectual property laws as one of the conditions for backing the "model trade agreement" being negotiated by the two states. In a letter to President Donald Trump's administration, the US firms, among them distributors of movies, software and books want Kenya to guarantee protection of their patents and trademarks ahead of the proposed free trade agreement (FTA).

Source: *Business Daily*

Corporate

Bolt launches new delivery service

Ride-hailing taxi app Bolt has launched a courier service targeting a slice of the delivery market, which has seen an increase as more people stay at home to curb spread of the coronavirus disease. The Estonia-based firm, formerly Taxify, has introduced its Bolt Business Delivery in its current markets in Africa and Europe. The service connects vendors with couriers listed on the Bolt app. In Africa, Bolt serves five markets – Kenya, Uganda, South Africa, Nigeria and Ghana.

Source: *Business Daily*

Regional

Corporate

PostBank to reschedule loan repayments to cushion customers

PostBank Uganda has announced that it will re-schedule loan repayments for customers whose lives and businesses have been impacted by the coronavirus (COVID-19) pandemic. PostBank's support is in response to several measures that were announced by Bank of Uganda, on April 6, 2020, to safeguard the economy against economic distress and maintain macroeconomic soundness.

Source: *New Vision*

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PART II: TREASURY UPDATE

4th May 2020

LOCAL MARKET

The Kenyan Shilling gained against the Dollar on Monday to close at 106.40/106.90. The NSE 20 share index edged higher by 32.57 points to close at 1,990.64 while in the secondary market, bonds worth KES 1.99 Billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The Dollar edged higher against major currencies on the back of increased demand for the currency and tension that the U.S.-China dispute may be re-ignited. This is after U.S president blamed China for starting the covid-19 virus and thus infecting millions of people and bringing economic shutdown. EUR went down by 0.4% to close at 1.0932 on the back of negative data. The Markit Manufacturing PMI and the Euro-Zone Manufacturing PMI dipped to 31.5 against a forecast of 43.2 and 33.4 against a forecast of 44.5 respectively. The German Manufacturing PMI also dipped to 34.5 against a previous reading of 45.4. The Manufacturing PMI measures the activity level of purchasing managers in the manufacturing sector. GBP fell by 0.6% to 1.2423 mostly due to Dollar strengthening and Brexit fears. The current lockdown has placed a pause on the Brexit negotiations despite the U.K insisting that it'll stick to its deadline. Prime minister Boris Johnson is expected to review the lockdown today and find a means of reviving economic activity.

In the US stock market; the Dow Jones Industrial Average edged higher by 26.07 points to close at 23,749.76; the S&P 500 gained 12.03 points to close at 2,842.74 while the Nasdaq Composite gained 105.77 points to close at 8,710.71.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	7.242	10.200	3.201	6.360
182 Day T-Bill	8.134	10.800	3.798	6.399
364 Day T-Bill	9.115	11.300	4.666	7.625
Inflation Data	5.62	3.20	3.40	8.50

KES INDICATIVE EXCHANGE RATES AT MARKET OPEN

Currency	Country	Bank Buy	Bank Sell
USD		105.30	107.00
GBP		130.00	135.00
EUR		114.00	118.00
CHF		108.00	112.00
JPY		0.9800	1.0200
ZAR		5.20	6.20
INR		-	1.4300
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	1483.00
Murban Crude Oil	USD/barrel	17.73
Coffee	US Cents/lb.	107.20
Wheat	US Cents/Bushel	516.00
Corn	US Cents/Bushel	316.50



WEEKLY MARKET COMMENTARY

The NSE All Share Index gained 2.7% on Monday and closed the day at 143.42 basis points. The NSE20 and the NSE25 share indices also posted gains and rose by 1.66% and 2.46% respectively, closing at 1,990.64 and 3,373.69 basis points. Monday's trading session kicked off the week on a high note with turnover rising to close at KES 904 million, a 114% rise as compared to the KES 424 million achieved on Thursday. Volumes traded on the exchange rose as well with 28 million shares changing hands as compared to Thursday's 19.7 million. Foreign investors dominated the day's activity with a 61.9% market presence and accounting for 50.85% of the day's sales and 72.9% of the day's buys. Safaricom maintained the top movers' spot with 15.9 million shares worth KES 469.7 million having been traded.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	143.42	2.67	-13.82
NSE20	1,990.64	1.66	-25.01
NSE25	3,373.69	2.46	-17.73
FTSE NSE25	191.37	2.97	-16.61

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,195.2	2,135.0
Turnover (KES, millions)	908.9	423.7
Volume (millions)	28.01	19.73
Foreign Buys (%)	72.91	39.50
Foreign Sales (%)	50.85	75.57

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (million)
FXD1/2014/10	12.1800	11.1000	500.00
IFB1/2016/9	12.5000	10.5000	170.00
IFB1/2019/16	11.7500	12.3500	700.00

MOVERS

Movers	Volume (million)	Turnover (million)	VWAP
Safaricom Plc	15.93	469.70	28.50
Equity Group Holdings Plc	6.67	257.65	38.60
KCB Group Plc	2.70	38.40	103.77

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