



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

10th June 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

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PART I : DEALS & CORPORATE DEVELOPMENTS

10th June 2020

Kenya

Deals

DFC announces five new investments in Africa

The U.S. International Development Finance Corporation (DFC) board of directors has approved USD 1 Billion of investments that will advance development in Africa, Latin America, the Indo-Pacific, and emerging markets across the globe. The investments mark one of the largest tranches approved during a board meeting under DFC and its predecessor agency.

Source: *African Private Equity News*

Ethos Mezzanine Partners and Proparco invest in Ethiopian FMCG platform

Ethos Mezzanine Partners and the French development finance institution, Proparco, have announced a USD 22 million investment into Turaco, a holding company managed by 54 Capital PE Advisors, which holds a portfolio of FMCG assets in Ethiopia. The business manufactures and sells edible sunflower and soya oil under the brand name Tena, as well as soaps and detergents and personal care products, including laundry soaps and perfumed toilet soaps, under the brand names 555 and Aura.

Source: *African Private Equity News*

Markets

CMA says approval for online AGMs to take over 40 days

Listed companies seeking to hold virtual annual general meetings must first convince the Capital Markets Authority (CMA) that the shareholders are well informed, can transparently ask questions and vote. The CMA has said the approval process may take two weeks before the regulator can issue a no-objection letter. Then the companies must issue a 21-day statutory notice of the intended general meeting to shareholders.

Source: *Business Daily*

PART II: TREASURY UPDATE

9th June 2020

LOCAL MARKET

The Kenyan Shilling traded steady against the Dollar on Tuesday to close at 106.20/106.70. The NSE 20 share index edged higher by 13.58 points to close at 1982.00 while in the secondary markets, bonds worth KES 2.9 Billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The U.S Dollar gained against some peers on Tuesday as markets await the outcome of the Federal policy meeting to be held on Wednesday. Traders expect that the U.S Federal Reserve to take measures to curb the recent rise in bond yields which were supported by the increasing signs that the U.S economy was on its way to recovery from the coronavirus pandemic. The Sterling Pound edged higher against the Dollar, trading above 1.2700 mainly affected by shifts in global risk appetite, Dollar weakness and Domestic issues such as the Brexit. Investors are still waiting for more information about the proposed re-opening of the UK economy. Concerns about the progress in the ongoing trade talks between Britain and the European Union continue to have some effects on both the Euro and Pound. The Euro trades at 1.1340 against the Dollar.

In the US stock market; the Dow Jones Industrial average dropped by 300.14 points to close at 27,272.30; the S&P 500 lost 25.21 points to close at 3,207.18 while the Nasdaq Composite edged higher by 29.01 points to close at 9,953.75.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	7.325	8.886	2.990	6.264
182 Day T-Bill	8.200	10.999	3.500	6.657
364 Day T-Bill	9.165	12.269	4.700	8.021
Inflation Data	5.50	3.20	3.30	8.00

KES INDICATIVE EXCHANGE RATES AT MARKET OPEN

Currency	Country	Bank Buy	Bank Sell
USD		105.50	106.90
GBP		134.90	136.90
EUR		119.90	121.90
CHF		110.70	112.70
JPY		0.9800	1.0000
ZAR		5.60	6.90
INR		-	1.4250
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	1605.50
Murban Crude Oil	USD/barrel	36.74
Coffee	US Cents/lb.	97.80
Wheat	US Cents/Bushel	506.00
Corn	US Cents/Bushel	327.00

PART III: EQUITIES AND BOND TRADING

9th June 2020

MARKET COMMENTARY

The NSE All share and the NSE25 share indices were down 0.47% and 0.20% during Wednesday's trading session to close the day at 140.08 and 3,236.05 basis points respectively. The NSE20 share index however, recorded gains, closing 0.69% higher at 1,982.00 points. Turnover for Tuesday stood at KES 487.4 Million, a decline from the KES 626.12 Million recorded during the previous trading session. The volume of shares exchanging hands similarly declined to 23.6 million against the 25.4 million posted during Monday's trading session. Foreign investors held a net selling position during today's trading session by accounting for 71.06% of total market purchases and 83.93% of total market sales, maintaining trade positions on Safaricom Plc. The secondary bond market continued to print modest gains in turnover, with bonds valued at KES 2.97 Billion trading as compared to the KES 2.47 Billion posted in the previous trading session.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	140.08	-0.47	-15.82
NSE20	1,982.00	0.69	-25.33
NSE25	3,236.05	-0.20	-21.08
FTSE NSE25	184.35	-0.60	-19.67

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,141.0	2,151.1
Turnover (KES, millions)	487.43	626.12
Volume (millions)	23.60	25.40
Foreign Buys (%)	71.06	92.74
Foreign Sales (%)	83.93	47.15

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (KES million)
FXD1/2018/20	13.2000	12.9000	300.00
FXD1/2018/25	13.4000	13.3000	800.00
IFB1/2020/6	10.2000	11.0000	1,100.00

MOVERS

Movers	Volume (million)	Turnover (KES million)	VWAP (KES)
Safaricom Plc	6.87	203.72	29.65
East African Breweries Plc	2.31	98.96	166.00
KCB Group Plc	1.12	55.73	35.15

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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