



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

17th 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

"Speed is the new currency of business"

– Marc R. Benioff

PART I : DEALS & CORPORATE DEVELOPMENTS

17th June 2020

Kenya

Deals

PayGo Energy secures investment to expand to Asia

PayGo Energy, a venture-backed company founded in Kenya, has received investment from Saisan Company Ltd (Saisan) to launch PayGo's Cylinder Smart Meter across Saisan's Gas One retail network.

PayGo's patented Cylinder Smart Meter is an IoT device that accurately measures the flow of gas from an LPG cylinder in the customer's home, enabling households to pay for gas in small amounts using mobile money.

Source: African Reuters

Chicago-based impact investor backs Rwandan food distributor

Chicago-based impact investor VestedWorld has invested in Rwanda-based food distribution company GET IT, according to a report by ImpactAlpha. VestedWorld is an early-stage investment fund manager that invests in emerging market companies that have the potential to generate competitive financial returns while contributing towards the growth and development

Source: African Reuters

Market

KES 40 Billion final bond issues seen hooking investors

Investors have been tipped to oversubscribe this week's Treasury bond issue owing to high liquidity and the attraction of a short-tenor offering. The Treasury is looking to raise KES 40 billion in the 5 and 10-year dual tranche budgetary support bond—the last of the fiscal year—whose sale concludes Wednesday.

Source: Business Daily

Treasury slaps firms with fresh rules for tax refunds

The Treasury has proposed to impose the burden of proving the validity of a value added tax (VAT) claim on the buyer of a good or service, potentially making it more difficult to get a refund. The buyer, who may be a firm that is presumed to be registered for VAT, is supposed to ensure the vendor has made a VAT tax return showing the invoice for the claimed goods or services were indeed charged the levy.

Source: Business Daily

PART II: TREASURY UPDATE

16th June 2020

LOCAL MARKET

The Kenyan Shilling was range-bound against the Dollar on Tuesday to close at 106.30/106.80. The NSE 20 share index edged higher by 2.60 points to close at 2,025.55 while in the secondary market, bonds worth KES 3.0 billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The Dollar edged lower on Tuesday on the back of news that the Federal Reserve was prepared to start its corporate bond-buying scheme. Positive data did little to move the currency as the month-on-month Core Retail Sales and Advance Retail Sales grew to 12.4% from -15.2% and 17.7% from -14.7% respectively. Industrial Production also gained to 1.4% from -12.5%. EUR moved higher by 0.2% to close at 1.1343 as the Eurozone benefited from positive data. The month-on-month German ZEW Survey and Euro-Zone ZEW Survey gave positive readings of 63.4 from 51.0 and 58.6 from 46.0 respectively. The year-on-year German CPI and Harmonised CPI were flat at 0.6% and 0.5% respectively. GBP edged higher by 0.37% to close at 1.259 as the U.K and EU agreed to intensify post-Brexit talks. Prime Minister Boris Johnson further raised hopes that an outline of a deal could be reached by the end of next month. The U.K Claimant Count Change, however, increased by 528,000 against a target of 400,000 while the Unemployment rate was constant at 3.9%.

In the US stock market; the Dow Jones Industrial Average edged higher by 526.82 points to close at 26,289.98; the S&P 500 gained by 58.15 points to close at 3,124.74 while the Nasdaq Composite edged higher by 169.85 points to close at 9,895.87.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	7.259	8.400	3.046	6.510
182 Day T-Bill	8.060	10.200	3.602	7.000
364 Day T-Bill	9.030	12.350	4.523	8.273
Inflation Data	5.47	2.80	3.20	9.20

KES INDICATIVE EXCHANGE RATES AT MARKET OPEN

Currency	Country	Bank Buy	Bank Sell
USD		105.50	106.90
GBP		130.90	135.00
EUR		117.40	121.30
CHF		110.20	113.60
JPY		0.9800	1.0020
ZAR		5.60	6.60
INR		-	1.4150
CNH		-	18.05
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	1,597.50
Murban Crude Oil	USD/barrel	34.96
Coffee	US Cents/lb.	95.60
Wheat	US Cents/Bushel	498.50
Corn	US Cents/Bushel	332.50

PART III: EQUITIES AND BOND TRADING

16th June 2020

MARKET COMMENTARY

The benchmark NSE All share index on Tuesday gained 1.04% to close at 144.74 basis points. The NSE20 & the NSE25 share indices gained 0.13% and 0.82% to close at 2,025.55 and 3,327.14 basis points. Equity turnover declined by 47% to KES 473 million. The most active counters were Safaricom, Equity Group and KCB Group which recorded turnovers of KES 262.3 million, KES 154.5 million and KES 19.4 million respectively. Foreign investors were net-buyers, accounting for 66.8% of the day's purchases and 58.92% of the day's net sales. The foreigners were net-buyers on Safaricom and held net selling positions on Equity group. The Secondary bond market turnover was marginally lower, at KES 3.05 billion against the KES 3.90 billion worth of bonds traded on Monday. The number of deals increased to at 142. There were 15 contracts valued at KES 436,510 concluded on the derivatives segment of the NSE during Tuesday's trading session.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	144.74	1.04	-13.02
NSE20	2,025.55	0.13	-23.69
NSE25	3,327.14	0.82	-18.86
FTSE NSE25	190.24	1.01	-17.10

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,212.4	2,189.6
Turnover (KES, millions)	473.65	887.83
Volume (millions)	16.80	42.58
Foreign Buys (%)	66.80	48.09
Foreign Sales (%)	58.96	45.71

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (KES million)
FXD1/2013/10	12.3710	10.5000	500.00
FXD2/2018/10	12.5020	12.3500	300.00
IFB1/2020/9	10.8500	11.5000	956.50

Source: Faida Investment Bank

MOVERS

Movers	Volume (million)	Turnover (KES million)	VWAP (KES)
Safaricom Plc	8.47	262.32	30.95
Equity Group Holdings Plc	4.42	154.46	34.95
KCB Group Plc	0.54	19.44	35.95



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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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