



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

19th 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

"You have to be very nimble and very open minded. Your success is going to be very dependent on how you adapt."

- Jeremy Stoppelman

PART I : DEALS & CORPORATE DEVELOPMENTS

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Kenya

Deals

Absa takes KES 2.6 Billion loan from parent firm to boost capital

Absa Kenya has taken a KES 2.6 billion loan from its South Africa-based parent company to shore up its capital position. This marks the latest borrowing from Absa Group. It had provided the Kenyan unit with KES 5.3 billion in March 2015.

Source: *Business Daily*

Fintech MamaPrime eyes Sanofi partnership

Health fintech company MamaPrime could clinch a commercial partnership with global drugs manufacturer Sanofi to help scale up its activities beyond Kenya. Without disclosing amount of seed capital to be injected into the Nairobi startup, Sanofi said MamaPrime's team will also get business mentorship training at no cost.

Source: *Business Daily*

Corporate

Saccos resist loans cost cut push despite banks 29-year low rate

Savings and credit cooperative societies (saccos) will not be in a hurry to adjust loan interest rates despite that of banks falling to a record 29-year low, partly triggered by coronavirus pandemic. Central Bank of Kenya (CBK) shows that lending rates fell to average 11.92% in April, the lowest since the regulator started disclosing the rate in July 1991. Saccos are downplaying fears that banks' rate fall will blunt cooperatives' attractiveness to members.

Source: *Business Daily*

PART II: TREASURY UPDATE

18th June 2020

LOCAL MARKET

The Kenyan Shilling was steady against the Dollar on Thursday to close at 106.10/106.60. The NSE 20 share index edged lower by 32.43 points to close at 1,971.93 while in the secondary market, bonds worth KES 1.45 billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The Dollar edged higher on Thursday on the back of reports indicating a rise in new coronavirus cases globally. The Initial Jobless Claims rose to 1.5 million against a forecast of 1.3 million while the number of continuing claims remained above 20 million against a forecast of 19 million giving hints that the labour market faces a long and difficult recovery. EUR was lower by 0.36% to close at 1.120 as market awaits the passage of the EUR 750 billion stimulus package to E.U economies despite it facing opposition from some countries. GBP edged lower by 0.98% to close at 1.2433 as fears of Brexit resurfaced. The E.U proposed an October 31 deadline but the U.K is sure to finish the talks by end of July which is seen as unlikely. BOE also held interest rates steady at 0.1% while increasing its quantitative easing programme by GBP 100 billion to support the economy.

In the US stock market; the Dow Jones Industrial Average edged lower by 39.51 points to close at 26,080.10; the S&P 500 gained by 1.85 points to close at 3,115.34 while the Nasdaq Composite edged higher by 32.52 points to close at 9,943.05.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	7.259	8.500	3.046	6.510
182 Day T-Bill	8.058	10.4500	3.600	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	106.80
GBP		129.70	133.80
EUR		116.70	120.50
CHF		110.20	113.30
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	1,606.50
Murban Crude Oil	USD/barrel	36.76
Coffee	US Cents/lb.	96.75
Wheat	US Cents/Bushel	487.25
Corn	US Cents/Bushel	334.25

PART III: EQUITIES AND BOND TRADING

18th June 2020

MARKET COMMENTARY

The NSE All Share and the NSE25 share indices recorded gains of 0.01% and 0.012% on Thursday, to close at 144.92 and 3,344.27 basis points respectively. The NSE20 share index marked a drop, shedding 1.62% to close at 1,971.93 basis points. Equity turnover was 23% higher, closing at KES 510.88 million. The top counters were Safaricom, Standard Chartered Bank and KCB Group Plc which recorded turnovers of KES 292.2 million, KES 112.4 million and KES 37.4 million respectively. Foreign investors were net-buyers accounting for 62.8% of the day's purchases and 29.94% of the day's net sales. The foreign investors maintained net-buying positions on Safaricom. The Secondary bond market turnover recorded marginal gains, closing with a turnover of KES 1.46 billion up from the KES 1.29 Billion worth of bonds traded on Wednesday. The number of deals declined to stand at 85.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	144.92	0.01	-12.91
NSE20	1,971.93	-1.62	-25.71
NSE25	3,344.27	0.12	-18.44
FTSE NSE25	190.37	0.15	-17.05

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,215.2	2,215.0
Turnover (KES, millions)	510.88	414.71
Volume (millions)	15.48	16.93
Foreign Buys (%)	62.77	72.98
Foreign Sales (%)	29.94	49.57

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (KES million)
FXD1/2018/5	12.2990	10.4000	300.00
FXD1/2015/15	12.8570	12.5000	200.00
IFB1/2020/6	10.2000	11.5000	450.00

Source: Faida Investment Bank

MOVERS

Movers	Volume (million)	Turnover (KES million)	VWAP (KES)
Safaricom Plc	9.44	292.20	30.95
Standard Chartered Bank	0.67	112.41	168.00
KCB Group Plc	1.04	37.42	36.05



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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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