



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

23rd 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

"The greatest danger in times of turbulence is not the turbulence – it is to act with yesterday's logic."
– Peter Drucker

PART I : DEALS & CORPORATE DEVELOPMENTS

23rd June 2020

Kenya

Deals

Flame Tree gets KES 905 Million SBM credit line after freezing loan payments

Flame Tree Group (FTG) has secured KES 905 Million (USD 8.5 Million) credit line from SBM bank to improve working capital and fund growth even as the firm froze repayment of maturing loans in the wake of coronavirus. Chief executive Heril Bangera says in the latest annual report that the firm had to make critical decisions in a relatively short time due to Covid-19 to secure the viability of the 14 companies operating under FTG.

Source: Business Daily

Markets

Kenya's mobile uptake leads region's at 62%

The percentage of people owning a mobile phone in Kenya stands at 62%, indicating significant growth opportunity for mobile service providers. The statistic, which weeds out the impact of multiple SIM cards ownership in assessing mobile penetration, has been published by Airtel Africa, which operates in Kenya and other regional markets.

Source: Business Daily

Regulator projects year-end rebound for horticulture

The horticultural sector is expected to recover from the Covid-19 shocks at the end of the year, according to the regulator. Head of Horticulture Directorate Benjamin Tito said the sector should go back to normalcy towards the end of the year, when production and market orders will stabilise.

Source: Business Daily

PART II: TREASURY UPDATE

23rd June 2020

LOCAL MARKET

The Kenyan Shilling was range-bound against the Dollar on Monday to close at 106.20/106.70. The NSE 20 share index edged lower by 11.91 points to close at 1,957.54 while in the secondary market, bonds worth KES 2.7 Billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The U.S. Dollar was lower on Monday on the back of fears of a second wave of Covid-19 hit the headlines. Sunday saw a record 183,020 cases globally, according to the World Health Organization, with the bulk of the reported cases coming from North and South America. EUR edged higher by 0.1% to close at 1.119 as positive data influenced the currency. Euro-Zone Consumer Confidence figure was higher at -14.7 from -18.8. Euro-Zone Consumer Confidence measures the level of consumer confidence in economic activity in the Euro-zone nations. The currency was also affected by news that the EU was yet to reach a consensus with regards to the stimulus package of €750 billion as Sweden, Denmark, Austria and the Netherlands were opposed to the plan to pay out the majority of the stimulus in grants instead of loans. GBP was up by 0.8% to close at 1.2445 as positive data and a weak Dollar propped the currency. Positive data showed the U.K CBI Industrial Trends Orders figure was higher at -58 from -62. The currency was also affected by Brexit news that appeared to be positive as both parties agreed that they'll reach a deal before the December 31 deadline.

In the US stock market; the Dow Jones Industrial average edged higher by 153.50 points to close at 26,024.96; the S&P 500 gained by 20.12 points to close at 3,117.86 while the Nasdaq Composite edged higher by 110.35 points to close at 10,056.47.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	7.089	8.800	2.688	6.404
182 Day T-Bill	7.739	10.4500	3.273	6.967
364 Day T-Bill	8.667	11.200	4.181	8.196
Inflation Data	5.47	2.80	3.20	9.20

KES INDICATIVE EXCHANGE RATES AT MARKET OPEN

Currency	Country	Bank Buy	Bank Sell
USD		105.30	106.80
GBP		129.70	133.80
EUR		117.00	121.00
CHF		110.40	113.60
JPY		0.9780	1.0020
ZAR		5.60	6.60
INR		-	1.4230
CNH		-	18.15
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	1,603.00
Murban Crude Oil	USD/barrel	37.59
Coffee	US Cents/lb.	98.00
Wheat	US Cents/Bushel	487.00
Corn	US Cents/Bushel	328.75

PART III: EQUITIES AND BOND TRADING

18th June 2020

MARKET COMMENTARY

The benchmark NSE All share Index shed 1.41% from the previous closing session to close Monday at 142.54 points. The NSE20 and the NSE25 similarly shed 0.60% and 1.02% to close at 1,957.54 and 3,298.34 points. Equity turnover at the NSE was 78% lower, closing at KES 202.5 Million from the KES 936.86 Million recorded in the previous session. The top traders today were EABL, BAT and Safaricom. The counters' turnover stood at KES 88 million, KES 33 million and KES 27 million respectively. Foreign investors were net-sellers, accounting for 44.87% of Monday's purchases and 82.20% of Monday's net sales. In terms of company specific foreign activity, foreigners maintained net-selling positions on BAT Kenya Plc, EABL and Safaricom Plc. The Secondary bond market turnover recorded gains, with KES 2.77 Billion against the KES 2.27 Billion worth of bonds traded on Friday. The number of deals increase to stand at 101.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	142.54	-1.41	-14.34
NSE20	1,957.54	-0.60	-26.25
NSE25	3,298.34	-1.02	-19.56
FTSE NSE25	186.86	-1.70	-18.58

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,178.8	2,209.9
Turnover (KES, millions)	202.49	936.86
Volume (millions)	9.70	41.63
Foreign Buys (%)	44.87	44.13
Foreign Sales (%)	82.20	84.50

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (KES million)
FXD1/2019/5	11.3040	10.9500	500.00
FXD1/2018/15	12.6500	12.5250	400.00
IFB1/2020/6	10.2000	10.8000	300.00

Source: Faida Investment Bank

MOVERS

Movers	Volume (million)	Turnover (KES million)	VWAP (KES)
East African Breweries Plc	0.51	88.42	175.00
BAT Kenya Plc	0.11	33.11	315.00
Safaricom Plc	0.90	27.17	30.20



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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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