



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

9th 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 first one gets the oyster, the second gets the shell."
– Andrew Carnegie

PART I : DEALS & CORPORATE DEVELOPMENTS

9th June 2020

Kenya

Markets

Tanzania-based payments firm targets Kenya entry

Tanzanian firm Nala, which helps access multiple mobile accounts on a single interphase to settle bills and make other transactions, is seeking to set up shop in Kenya. Founder and chief executive Benjamin Fernandes said Nala seeks to carve off a slice of the mobile money market where KES 4.3 trillion (about 40 per cent of the gross domestic product) was transacted last year.

Source: *Business Daily*

Corporate

Youth, women agribusinesses set to receive KES 5.1 Billion funding

At least 2,400 youth and women led agribusinesses will benefit from KES 5.1 billion funding from the European Union and partners. The AgriBiz programme, which will be implemented by the Kenya Climate Innovation Centre (KCIC), seeks to address challenges that youth and women face in agriculture.

Source: *Business Daily*

Regional

Markets

Uganda central bank cuts policy rate to 7%

Uganda's central bank on Monday again cut its benchmark lending rate by 100 basis points, taking it down to 7%, to support the east African nation's economy as it cut growth projections. The bank said there was "continuous shrinkage of economic activity" as a result of the upheaval triggered by COVID-19.

Source: *African Reuters*

Economy

World Bank expects Tanzania's economic growth to fall to 2.5% in 2020

Tanzania's economic growth is expected to drop to 2.5% in 2020 from 6.9% last year, the World Bank said on Monday, citing the impact of the coronavirus pandemic. "International travel bans and caution against contracting the virus have severely hurt the tourism sector, which had been one of the fastest-growing sectors in the economy," the bank said in a statement.

Source: *African Reuters*

PART II: TREASURY UPDATE

8th June 2020

LOCAL MARKET

The Kenyan Shilling weakened against the Dollar on Monday to close at 106.05/106.55. The NSE 20 share index edged higher by 28.83 points to close at 1968.42 while in the secondary markets, bonds worth KES 2.4 billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The U.S Dollar lost ground against other major currencies on Monday as risk sentiments improved on a possible economic recovery from the Coronavirus pandemic despite better than expected May U.S jobs report released on Friday. The Dollar fell 1.1 percent against the Yen to close at 108.33. Focus shifts to the U.S Federal Reserve policy meeting to be held on Wednesday in which it is expected to leave the interest rates steady at 0.25 percent. The Euro gained against the Dollar despite a release of economic data that showed German Industrial output dropped in the month of April as companies in the Euro zone scaled back on production due to the pandemic. It last traded at 1.1303 against the Dollar. The Sterling Pound gained against the Dollar, being supported by a possible plan to ease lockdown restrictions in the UK though Brexit still remained a risk for the currency. GBP was up 0.2% against the Dollar to close at 1.2695.

In the US stock market; the Dow Jones Industrial Average gained by 461.46 points to close at 27,572.44; the S&P 500 added 38.46 points to close at 3,2323.39 while the Nasdaq Composite edged higher by 110.66 points to close at 9,924.75.

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		105.30	106.70
GBP		134.00	136.20
EUR		118.90	120.90
CHF		110.40	111.90
JPY		0.9730	0.9930
ZAR		5.60	6.80
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	1,591.50
Murban Crude Oil	USD/barrel	36.75
Coffee	US Cents/lb.	98.90
Wheat	US Cents/Bushel	510.50
Corn	US Cents/Bushel	331.50



PART III: EQUITIES AND BOND TRADING

8th June 2020

MARKET COMMENTARY

The benchmark NSE All Share Index (NASI) gained 1.12% on Monday and closed at 140.74 basis points. The NSE20 and the NSE25 share indices similarly gained, adding 1.49% and 1.3% to close the day at 1,968.42 and 3,242.50 basis points respectively. Turnover stood at KES 626.12 million, a 6% decline from the KES 706 million recorded in the previous session. The volume of shares traded declined to 25.4 million, down from the 35.8 million posted during Friday's trading session. Foreign investors were net buyers in Monday's trading session, accounting for 92.7% of total market purchases and 47.2% of total market sales and also heavily trading on Safaricom Plc. The secondary bond market recorded a marginal rise in turnover, with bonds valued at KES 2.47 billion trading as compared to the KES 2.27 billion recorded in the previous trading session. The Derivatives Market closed, Monday, with 13 contracts concluded valued at KES 365,300 from last week's close of 4 contracts valued at KES 67,000.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	140.74	1.12	-15.43
NSE20	1,968.42	1.49	-25.84
NSE25	3,242.50	1.30	-20.93
FTSE NSE25	185.47	0.76	-19.18

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,151.1	2,127.2
Turnover (KES, millions)	626.12	706.37
Volume (millions)	25.40	35.82
Foreign Buys (%)	92.74	49.60
Foreign Sales (%)	47.15	78.29

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (KES million)
FXD3/2007/15	12.5000	10.5500	400.00
FXD1/2018/25	13.2000	13.0500	300.00
IFB1/2020/6	10.2000	11.0500	200.00

Source: Faida Investment Bank

MOVERS

Movers	Volume (million)	Turnover (KES million)	VWAP (KES)
Safaricom Plc	14.87	444.62	29.90
KCB Group Plc	2.31	81.93	35.20
Equity Group Holdings Plc	1.12	38.40	34.60



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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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