



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

10th July 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

"There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else."

- Sam Walton

PART I : DEALS & CORPORATE DEVELOPMENTS

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Kenya

Deals

Moi allies get KES 1.4 Billion in Transnational Bank sale

Close associates of former President Daniel Moi have received KES 1.4 billion for selling a majority stake in Transnational Bank to a top Nigerian lender, Access Bank. The closure of the deal now paves the way for Access Bank, owned by business mogul Herbert Wigwe, to inject additional capital in Transnational as it seeks a return to profitability.

Source: Business Daily

Bidco opens KES 267 Million juice plant in joint venture with Danish firm

Consumer goods manufacturer Bidco Africa Group has opened a USD 2.5 million (KES 267 million) juice processing plant in Ruiru, Kiambu through a joint venture with Danish firm Co-Ro food for non-carbonated soft drinks. Bidco said the joint venture would trade under BidCoro to produce Sunquick brand targeting both local and export markets, citing high demand for juice products.

Source: Business Daily

Market

Kenyan shilling weakens against dollar

The Kenyan shilling weakened on Thursday due to increased dollar demand from the energy sector and general merchants as businesses reopen following recent easing of movement restrictions.

Source: Africa Reuters

PART II: TREASURY UPDATE

9th July 2020

LOCAL MARKET

The Kenyan Shilling was steady against the Dollar on Thursday to close at 106.80/107.30. The NSE 20 share index edged lower by 14.17 points to close at 1,907.82 while in the secondary market bonds worth KES 2.6 billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The U.S Dollar edged higher on Thursday against some of its peers following an increased demand for the currency. The decline in the U.S stocks improved the Dollar appeal for investors and markets continued hedging as reported cases of Covid-19 continued to rise in the United States. The Dollar was also supported by the Supreme Court ruling on Thursday that a New York prosecutor could obtain President Donald Trump's financial records. The Euro lost 0.4 percent to 1.1279 against the Dollar following a release lower than expected German export data. The Sterling Pound gained against the Dollar to a high of 1.2655 as investors delayed in reacting to the Finance Minister's announcement of plans to revive the British economy. The minister promised an additional 30billion pounds on Wednesday to assist the coronavirus hit economy. The Pound still remain under pressure over Brexit related concerns.

In the US stock market; the Dow Jones Industrial Average edged lower by 361.19 points to close at 25,706.09; the S&P 500 dropped 17.89 points to close at 3,152.05 while the Nasdaq Composite edged higher by 65.89 points to close at 10,558.39.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	6.546	8.500	2.688	6.453
182 Day T-Bill	7.048	10.100	3.275	6.900
364 Day T-Bill	7.769	11.100	4.181	8.273
Inflation Data	4.59	4.10	3.20	9.20

KES INDICATIVE EXCHANGE RATES AT MARKET OPEN

Currency	Country	Bank Buy	Bank Sell
USD		106.10	107.40
GBP		133.30	135.80
EUR		119.10	121.60
CHF		113.40	115.00
JPY		0.9840	1.0100
ZAR		5.70	6.70
INR		-	1.4350
CNH		-	16.70
RWF		5.00	12.00

INDICATIVE DEPOSIT RATES

Fixed period	1M	3M	6M	1Yr
KES (50,000< 5 Million)	6.00	6.25	6.75	7.00
KES (Above 100 Million)	6.50	7.25	7.75	8.25
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	1,664.00
Murban Crude Oil	USD/barrel	44.25
Coffee	US Cents/lb.	98.75
Wheat	US Cents/Bushel	521.25
Corn	US Cents/Bushel	347.50

PART III: EQUITIES AND BOND TRADING

9th July 2020

MARKET COMMENTARY

The benchmark NSE All Share Index shed 1.41% on Thursday to close at 132.51 points. The NSE20 and the NSE25 share declined by 0.74% and 1.28 % to close at 1,907.82 and 3,094.19 points, respectively. Equity turnover was 57% higher closing at KES 1.29 billion. The top counters of the day were Safaricom, Equity Group Holdings and KCB Group Plc. The counters' turnover stood at KES 825.6 million, KES 296.6 million and KES 65.9 million, respectively. Foreign investors were net-sellers accounting for 78.84% of day's sales and 37.64% of the day's purchases. The foreigners maintained a net-selling position on Safaricom & net-buying positions on Equity Group Plc. Safaricom was Thursday's main feature with 30 Million shares valued at KES 825 million changing hands at between Kes.27.25 and Kes.28.00. This represented 63.79% of Thursday's traded value. The Secondary bond market turnover was higher, with bonds worth KES 2.68 billion transacted against the KES 4.50 billion worth of bonds traded during Wednesday's session. The number of deals declined to 88.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	132.51	-1.41	-20.37
NSE20	1,907.82	-0.74	-28.13
NSE25	3,094.19	-1.28	-24.54
FTSE NSE25	174.85	-0.86	-23.81

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,025.11	2,053.98
Turnover (KES, millions)	1,294.21	822.84
Volume (millions)	47.28	29.74
Foreign Buys (%)	37.64	28.46
Foreign Sales (%)	78.84	66.55

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (KES million)
FXD1/2019/5	11.3040	10.2000	500.00
IFB1/2016/9	12.5000	10.0750	200.00
IFB1/2020/6	10.2000	10.0000	400.00

Source: Faida Investment Bank

MOVERS

Movers	Volume (million)	Turnover (KES million)	VWAP (KES)
Safaricom Plc	30.03	825.64	27.50
Equity Group Holdings Plc	8.56	296.64	31.50
KCB Group Plc	1.94	65.86	34.01



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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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