



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

16th 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

"Success seems to be connected with action. Successful people keep moving. They make mistakes, but they don't quit."

- Conrad Hilton

PART I : DEALS & CORPORATE DEVELOPMENTS

16th July 2020

Kenya

Deals

Kuramo invests KES 535 Million more in Centum-owned fund manager

New York-headquartered Kuramo Capital has inked a deal with Centum-owned Nabo Capital committing to invest a further KES 535 Million (USD 5 Million) in the third-party fund manager. The follow-on commitment agreement brings Kuramo's commitment in Nabo to KES 1.07 Billion, according to the statement released by the two firms.

Source: Business Daily

Market

Kenya's rating cut signals expensive foreign loans

Global ratings agency, Standard and Poor's (S&P) has lowered its outlook on Kenya's economy to "negative" from "stable", dimming the country's chances of tapping cheap credit in the international financial market. The agency pegged its decision on a projected significant slowdown on Kenya's GDP growth this year due to the ravages of the Covid-19 pandemic.

Source: Business Daily

NSE listing fees drop to 6-year low as firms exit

The Nairobi Securities Exchange (NSE) Limited revenue from annual listing fees has dipped to a six-year low, highlighting the impact of delisting and suspensions at the bourse. NSE's latest report shows the annual listing fee in the year ended December dropped by 6.82% to KES 76.06 Million compared to KES 81.62 Million earned in the previous year.

Source: Business Daily

PART II: TREASURY UPDATE

15th July 2020

LOCAL MARKET

The Kenyan Shilling remained steady against the Dollar on Wednesday to close at 107.25/107.75. The NSE 20 share index edged higher by 19.92 points to close at 1,913.57 while in the secondary market bonds worth KES 2.0 Billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The U. S Dollar lost ground against other major currencies on Wednesday even after an improvement in risk sentiment in the market as a U.S company produced an experimental COVID-19 vaccine that looked promising. Investors still remained cautious with the worsening U.S-China tensions and fears about the economic impact of a second wave of Coronavirus in the United States. The Euro gained against the Dollar being boosted by the possibility that the European Union leaders will reach an agreement about a proposed 750 billion euro coronavirus recovery fund at the EU summit on Friday and Saturday. The Euro last traded at 1.1410. The Sterling Pound was supported by a weaker Dollar and rose 0.5 percent to 1.2610.

In the US stock market; the Dow Jones Industrial average edged higher by 227.51 points to close at 26,870.10; the S&P 500 gained 29.04 points to close at 3,226.56 while the Nasdaq Composite edged higher by 61.91 points to close at 10,550.49.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	6.274	8.500	2.688	6.453
182 Day T-Bill	6.759	10.100	3.275	6.900
364 Day T-Bill	7.700	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		106.35	107.90
GBP		133.60	135.80
EUR		121.10	123.40
CHF		112.70	114.70
JPY		0.9840	1.0200
ZAR		5.70	7.00
INR		-	1.4420
CNH		-	16.70
RWF		5.00	12.00

INDICATIVE DEPOSIT RATES

Fixed period	1M	3M	6M	1Yr
KES (50,000< 5 Million)	3.75	4.25	5.50	6.50
KES (Above 100 Million)	4.75	5.75	6.50	7.50
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	1,683.50
Murban Crude Oil	USD/barrel	43.78
Coffee	US Cents/lb.	97.20
Wheat	US Cents/Bushel	550.25
Corn	US Cents/Bushel	329.25

PART III: EQUITIES AND BOND TRADING

15th July 2020

MARKET COMMENTARY

The NSE all share index posted gains of 0.36 points or 0.27% to close at 131.90 points. The NSE20 and the NSE25 share index similarly added gains of 1.05% and 0.4% to close at 1,913.57 and 3,109.51 points. Turnover on the exchange was higher, closing at KES 883.57 Million against the KES 620.2 Million recorded in the previous trading session. Wednesday's top traders were Safaricom, Equity Group and East African Breweries Plc. The counters' turnover stood at KES 658.58 Million, KES 175.13 Million and KES 15.73 Million respectively. Foreign investors maintained a net-selling position accounting for 93.69% of the day's sales and 31.55% of the day's purchases. In terms of company specific, foreign investors continued to dominated activity in Safaricom Plc. The Secondary bond market recorded a slight decline in turnover with bonds worth KES 2.00 Billion transacted against the KES 2.17 Billion worth of bonds traded on Tuesday. The number of deals rose stood at to 133. The Derivatives Market had 9 contracts valued at KES 248,000 transacted in Wednesday's trading session. Eight Safaricom contracts worth KES 215,000 expiring in 17th Sep 2020 were concluded at a price of KES 26.94. This is against an end of day price of KES 26.95 posted in the spot market.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	131.90	0.27	-20.74
NSE20	1,913.57	1.05	-27.91
NSE25	3,109.51	0.40	-24.17
FTSE NSE25	175.60	0.47	-23.48

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,015.72	2,010.12
Turnover (KES, millions)	883.57	620.18
Volume (millions)	34.83	27.05
Foreign Buys (%)	31.55	26.63
Foreign Sales (%)	93.69	81.67

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (KES million)
FXD1/2019/10	12.4380	11.7500	600.00
FXD1/2019/10	12.4380	11.7000	200.00
IFB1/2018/15	12.5000	10.6000	300.00

Source: Faida Investment Bank

MOVERS

Movers	Volume (million)	Turnover (KES million)	VWAP (KES)
Safaricom Plc	24.46	658.58	26.95
Equity Group Holdings Plc	5.09	175.13	34.40
East African Breweries Plc	0.10	15.73	156.50



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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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