



i&M Burbidge Capital



**MARKET
UPDATE BULLETIN**

24th 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

“Customers don't expect you to be perfect. They do expect you to fix things when they go wrong.”

- Donald Porter

PART I : DEALS & CORPORATE DEVELOPMENTS

24th July 2020

Kenya

Deals

Venture capital firm KCV to provide 14 start-ups with seed funding

Local venture capital firm Kenya Climate Ventures (KCV) has announced plans to invest in 14 green enterprises over the next two years. KCV, which is backed by the Kenya Climate Innovation Centre (KCIC), says it will provide funding of up to KES 100 million and advisory services to small and medium-sized enterprises (SMEs) operating in sectors such as renewable energy, agribusiness and water management.

Source: *Business Daily*

East Africa: KawiSafi Ventures invests USD 5 million in clean energy company

BioLite, a Brooklyn-based company on a mission to bring energy everywhere, closed a USD 5 million investment from KawiSafi Ventures, a growth fund investing catalytic capital to scale companies providing clean, affordable, and efficient energy to East Africa's low-income populations.

Source: *African Private Equity News*

Market

NSE's best, worst stocks during Covid-19 revealed

The Covid-19 pandemic has been blamed for the overall market decline that has seen the benchmark NSE-20 Index drop to levels last seen in 2003. However, the performance of individual stocks has been driven by speculators with little link to a firm's business indicators.

Source: *Business Daily*

Investors offer a record KES 181 billion in July bond sale

Investors bid a record KES 181.8 billion in this month's Treasury bond sale, indicating a market flush with liquidity amid a dearth of investment options. The Central Bank of Kenya (CBK) had taken the rare step of offering the bond in three tenors of five, 10 and 15 years—it normally floats single or dual tenor papers— which meant that all the different classes of investors were catered for. The bond targeted KES 60 billion.

Source: *Business Daily*

PART II: TREASURY UPDATE

23rd July 2020

LOCAL MARKET

The Kenyan Shilling made some marginal gains against the Dollar on Thursday to close at 107.80/108.30. The NSE 20 share index edged lower by 5.61 points to close at 1,880.84 while in the secondary market bonds worth KES 1.4 billion were transacted.

INTERNATIONAL MARKET OVERVIEW

The Dollar continued to weaken as rising US-China tensions and poor US economic data persisted in the market. The currency was hit by poor economic data that showed Initial Jobless Claims rose to 1.416 million against a forecast of 1.307 million. EUR edged higher by 0.28% to close at 1.16 which is near a 21 month high against the Dollar as the passing of the Corona-bond and positive economic data took centre stage. The acceptance of the corona-bond has shown a sign of unity among the EU member states thus raising hopes that it could topple the Dollar as the main currency of trade. The German GfK Consumer Confidence notched higher to -0.3 from a previous reading of -9.4. GBP dipped by 0.3% to close at 1.2605 as poor Brexit news hit the news. European Union's chief Brexit negotiator, Michel Barnier, reported that the UK had shown no willingness to break the deadlock on talks over a new trade agreement. The UK had issues with aspects of trade policy and the EU demands on fishing.

In the US stock market; the Dow Jones Industrial Average edged lower by 353.51 points to close at 26,652.33; the S&P 500 shed 40.36 points to close at 3,235.66 while the Nasdaq Composite edged lower by 244.71 points to close at 10,461.42.

Source: I&M Bank Limited

PREVAILING TREASURY BILLS YIELD & INFLATION

Country				
91 Day T-Bill	6.011	8.679	2.500	7.035
182 Day T-Bill	6.524	9.953	2.980	7.000
364 Day T-Bill	7.464	12.000	4.060	8.329
Inflation Data	4.59	4.10	3.20	9.20

KES INDICATIVE EXCHANGE RATES AT MARKET OPEN

Currency	Country	Bank Buy	Bank Sell
USD			107.00
GBP			134.70
EUR			122.50
CHF			114.80
JPY			0.9940
ZAR			6.10
INR			-
CNH			-
RWF			5.00

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	1,701.00
Murban Crude Oil	USD/barrel	44.76
Coffee	US Cents/lb.	107.50
Wheat	US Cents/Bushel	530.75
Corn	US Cents/Bushel	336.00

PART III: EQUITIES AND BOND TRADING

23rd July 2020

MARKET COMMENTARY

The NSE All Share and the NSE25 Share indices posted gains on Thursday, adding 1.08% and 0.26% to close at 132.44 and 3,072.52 points, respectively. The NSE20 share index was however lower, shedding 0.3% to close the day at 1,880.84 points. Turnover stood at KES 446.7 million against the KES 1.07 billion achieved in the previous trading session. Volumes traded on the exchange declined with 17 million shares changing hands against the 38.8 million shares transacted on Wednesday. The day's top movers were Safaricom Plc, KCB Group and Equity Group Holdings, moving KES 198 million, KES 85 million and KES 66.2 million worth of shares, respectively. Foreign investors were net-sellers during Thursday's trading session, accounting for 65.65% of the day's sales and 27.88% of the day's purchases. Foreign investor activity was high on the day's top traders. The Secondary bond market on the Nairobi Securities Exchange recorded a decline in activity with bonds worth KES 1.44 billion transacted against the KES 1.86 billion worth of bonds traded on Wednesday. The number of deals, however, rose to 75.

INDEX MOVEMENTS

Index	Closing	% Change	% YTD
NASI	132.44	1.08	-20.41
NSE20	1,880.84	-0.30	-29.14
NSE25	3,072.52	0.26	-25.07
FTSE NSE25	174.52	0.76	-23.95

MARKET DATA

Market Data	Today	Previous
Market Cap (KES, billions)	2,024.05	2,002.32
Turnover (KES, millions)	446.68	1,074.20
Volume (millions)	17.00	38.78
Foreign Buys (%)	27.88	43.80
Foreign Sales (%)	65.65	93.62

GOVERNMENT BONDS

GOK Bonds	Rates	Traded Yield	Value Traded (KES million)
FXD1/2020/15	12.7560	12.3000	100.00
IFB1/2020/9	10.8500	10.4937	300.00
IFB1/2020/6	10.2000	9.9500	200.00

MOVERS

Movers	Volume (million)	Turnover (KES million)	VWAP (KES)
Safaricom Plc	7.20	198.04	27.50
KCB Group Plc	2.48	85.03	34.30
Equity Group Holdings Plc	2.08	66.16	31.85

Source: Faida Investment Bank



DISCLAIMER

This document has been prepared on the basis of information and forecasts in the public domain. None of the information on which the document is based has been independently verified by *I&M Burbidge Capital Limited* nor its affiliate bodies and associates, who do not take responsibility for the content thereof and do not accept any liability with respect to the accuracy or completeness, or in relation to the use by any recipient of the information, projections, opinions contained in this document.

This document is purely for information purposes only and should not be relied upon to make any investment decisions or any other decisions. Any liability is disclaimed, including incidental or consequential damages arising from error or omission in this document.

About I&M Burbidge Capital

I&M Burbidge Capital Limited is a corporate finance firm licensed by the Capital Markets Authority creating long term advisory relationships & solutions across Eastern Africa.

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.

Head Office

3rd Floor, Block A, Eldama Park
Eldama Ravine Road, Westlands
P.O Box 51525-00100
Nairobi, Kenya
Tel: +254 (0) 20 3221160

Kampala Office

4th Floor, Acacia Mall, 14-18
Cooper Road, Kisementi
Kampala, Uganda
Tel: +256 (0) 794 476 967



i&MBurbidgeCapital