



Uganda Securities Exchange

Monthly Bulletin

March 2020

ACTIVITY REPORT

MARKET PERFORMANCE

Equities Report

The trading volume for March 2020 was 11,085,570 shares with a turnover of UGX 2,137,510,606. This month's turnover performance registered a 41.7% decrease compared to UGX 3,666,707,474 that was recorded in March 2019 from a volume of 21,770,427 shares.

The reduced activity is partly attributed to the unprecedented crisis caused by the COVID-19 (Corona virus) pandemic cutting across the globe which perhaps lowered investors' moral to participate in the market.

Activity in the third month of the year remained relatively low showing a decline in performance of 61.1% with comparison to the previous month registering a turnover of UGX 2.1 billion compared to UGX 5.5 billion recorded in February 2020. This represented a daily average turnover of approximately UGX 97.1 million. Similarly Volume traded dropped to 11 million shares compared to 97.3 million shares traded in February 2020. The number of deals presented a slight decrease of 283 deals down from 360 deals in February 2020, with 38.8 per cent of the deals being attributed to Stanbic.

Turnover performance per counter

The UMEME counter experienced the most activity for the month. This accounted for 96.42 percent of the total turnover, followed by Stanbic Uganda Holdings Limited with 2.20 percent. In third position was CIPLA closing at 0.59 per cent. Bank of Baroda Uganda, Uganda Clays Limited, DFCU and National Insurance Corporation recorded 0.78 per cent all together of the total turnover. The rest of the cross-listed securities had no turnover positions.

Volume traded per counter

UMEME registered the highest volume of shares executed, with a representation of 77.38 percent, followed by Stanbic Uganda Holdings Limited with 17.61 percent. Uganda Clays came third with 2.27 percent of the volume, while CIPLA had approximately 124,800 shares being traded hence representing 1.13 per cent of the total volume. Bank of Baroda, National Insurance Corporation and DFCU accounted for 0.91 per cent, 0.67 per cent and 0.02 per cent respectively. New Vision Limited had the least number of shares traded amounting to 972 shares, representing approximately 0.01 per cent of total number of shares traded.

Trading Volumes and Activity on a Monthly Basis year on year

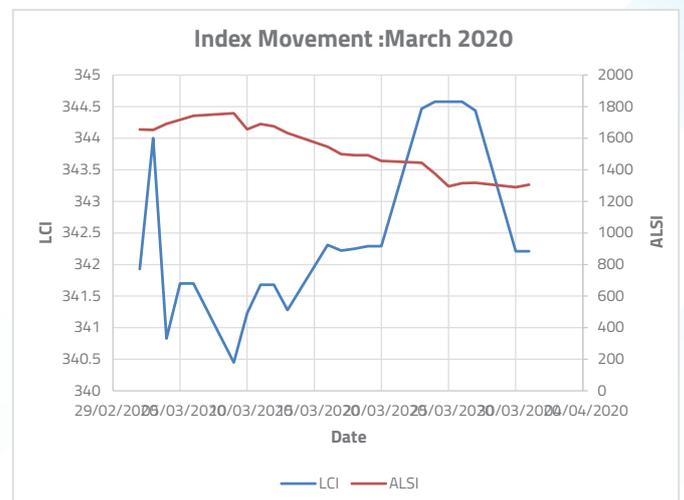
	March 2020	March 2019
Volume Traded	11,085,570	21,770,427
Turnover (UGX)	2,137,510,606	3,666,707,474
No. of Deals	283	382
Trading Days	22	22
Daily Avg. Turnover (UGX)	97,159,573	166,668,522
Daily Avg. no. of trades	13	17
Market Capitalization (UGX. bn)	18,214.9	24,803.7
USE All Share Index (ASI)	1305.34	1749.27
Local Share Index (LSI)	342.21	380.63

Source USE Product Markets Department

USE Index Results

The Local Company Index (LCI) declined slightly during the period with many local counters experiencing minimal price movements. The local index commenced the month at 342.00, and closed at 342.21 recording a 0.06 % slight increase. The ALSI opened at 1712.67 and closed at 1305.34 representing an overall 23.8 % decline. Refer to ALSI/LCI graph below.

March 2020 Indices Graph:



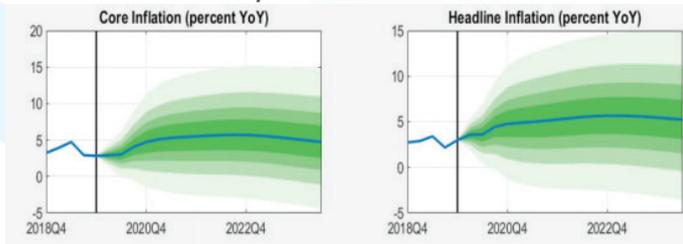
Source: USE Product Markets Department

ECONOMIC & FINANCIAL DEVELOPMENTS: March – 2020

INFLATION – OUTLOOK AND RISKS

The inflation outlook remained relatively unchanged from the December 2019 forecast round. Inflation is projected to converge to the target of 5 percent in the medium-term as depicted in the figure below. Nonetheless, the forecasts are susceptible to a number of risks. On the downside, low world oil prices coupled with slower global demand and restrained foreign inflation would deflate domestic inflationary pressures. However, on the upside, unpredictable and adverse weather conditions coupled with the threat from the invasion by desert locusts could stoke food crop inflation. In addition, lower FDI related to delays in the oil sector and uncertainty during the election period might rekindle exchange rate pressures, which could translate into higher inflation. Lastly, a rise in the fiscal deficit due to large spending pressures against domestic revenue shortfalls could exert inflationary pressures going forward.

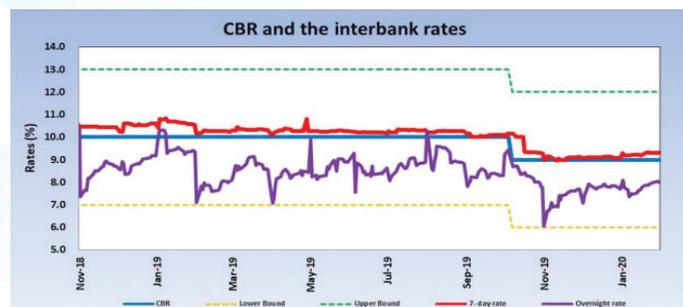
Inflation Headline 3.0, Core 2.5



Source: Bank of Uganda (February 2020 Monetary policy report)

INTEREST AND LENDING RATES

Treasury bill yields in the primary market edged up, despite the fact that BoU maintained its monetary policy stance. The 91-day, 182-day and 364-day Treasury bill rates rose to 9.2 percent, 11.1 percent and 12.6 percent, respectively in the three months to January 2020 from 8.7 percent, 10.7 percent and 11.4 percent in the quarter to November 2019. Similarly, yields on Treasury bonds also increased with the 2-year, 3-year, 5-year, 10-year and 15-year papers rising to 13.7 percent, 15.2 percent, 16.1 percent, 15.1 percent and 15.5 percent, respectively in the quarter to January 2020 from respective rates of 13.0 percent, 13.7 percent, 15.1 percent, 14.5 percent and 14.7 percent in the quarter to October 2019. There were undersubscriptions at the shorter dated tenors. Nonetheless, the undersubscriptions were compensated for by awarding higher amounts than initially issued on the longer dated tenors. Secondary Market for Treasury Securities Yields in the over the counter market edged up in line with developments in the primary market. The increase in yields could signal higher inflation expectations going forward.

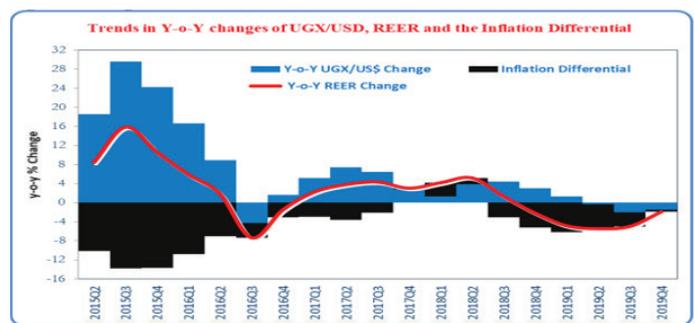


Source: Bank of Uganda (February 2020 Monetary policy report)

As at end of March 2020 the Central Bank Rate was at 9.0, Lending Rate at 18.83, 91-day T-Bill 9.6 yield, 182-day T-Bill 11.0 and 364-day T-Bill 13.4 yield

FOREIGN EXCHANGE RATE DEVELOPMENT

The Uganda shilling remained relatively stable with a bias towards an appreciation against the US Dollar, in part, due to increased inflows during the festive season. In the quarter ending January, the shilling appreciated by 0.1 percent to an average mid-rate of Shs. 3,680.8/ USD compared to the previous quarter. Similarly, on a year-on-year basis, the shilling appreciated by 0.6 percent in January 2020. The appreciation is attributed to strong inflows from offshore investors, NGOs and export receipts amidst relatively subdued demand. On a trade-weighted basis, in January 2020 the nominal effective exchange rate (NEER) depreciated by 0.4 percent month-on-month, 0.5 percent quarter-on-quarter and appreciated by and 1.2 percent year-on-year. In real terms, in December 2019, the Real Effective Exchange rate (REER) was relatively stable with a bias towards appreciation, albeit on a lower scale. The REER appreciated by 0.3 percent month-on-month, 0.05 percent quarter-on-quarter and 1.3 percent year-on-year. The Real exchange rate appreciation of the shilling is to a large extent driven by a nominal appreciation of the shilling which bonds well with the low domestic inflation environment as depicted below.



Source: Bank of Uganda (February 2020 Monetary report)

March 2020; End of period 3796.4, Period Average 3772.9

Economic growth is forecast within the range of 5.5 - 6 percent in FY2019/20, picking up to 6.3 percent in the medium term (2 – 3 years ahead). However, this is below the 6.5 percent Bank of Uganda (BoU) estimate of potential output growth. There are downside risks to the growth prospects emanating from both the global and domestic environment. On the global scene, risks relating to the recent outbreak of the COVID-19 (coronavirus) have lowered the near-term growth outlook. There is considerable uncertainty regarding the duration and severity of the coronavirus outbreak. If it persists for an extended period, the effect on global economic activity is likely to be larger than currently projected. In addition, despite the recent positive developments in US–China negotiations, an escalation in the dispute remains a key downside risk to the global growth outlook. The recent escalation of geopolitical tensions in the Middle East has introduced additional uncertainty into global financial markets. On the domestic scene, constraints to agricultural production including uncertain weather patterns and the current invasion by desert locusts, could weigh on economic activity. Although the economic impact on the domestic scene due to supply chain disruption from coronavirus may be of a short duration, some sectors could be significantly affected given that China is one of Uganda’s major trading partners. There is also a risk that the impact could be larger than anticipated and more persistent.

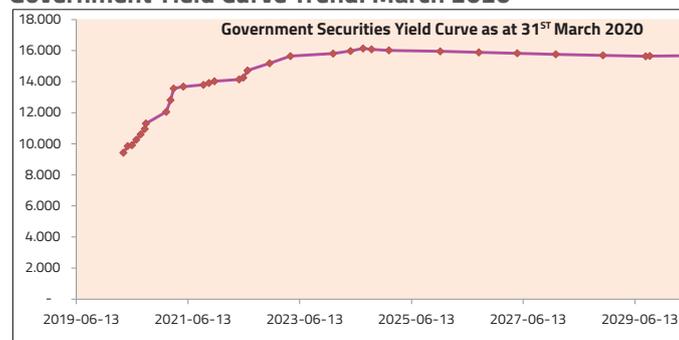
BOND LISTINGS:

There were 2 treasury bonds re-opens with a value of UGX 285bn which listed, secondary market trading is over the counter (OTC) through the primary dealers. The current total value of the Government Bonds listed on the bourse stand at UGX 11.2 Trillion.

Government Bond Schedule: Febraury –2020

INSTRUMENTCODE	ISIN	ISSUEDSHARES	ISSUEDATE	RATE	MATURITY
FXD/04/2018/2YR	UG12F1604202	180bn	2018/04/19	11.25	2020/04/16
FXD/05/2015/5YR	UG12H1405200	100bn	2015/05/21	17.00	2020/05/14
FXD 6/2010/10	UG0000000782	80bn	2010/07/21	11.00	2020/07/09
FXD/08/2017/3	UG12G0608202	220bn	2017/08/10	13.25	2020/08/06
FXD/09/2015/5YR	UG12H0309205	100bn	2015/09/10	20.00	2020/09/03
FXD 2/2011/10	UG0000000865	710bn	2011/02/02	11.00	2021/01/21
FXD/02/2016/5YR	UG12H1802216	345bn	2016/02/24	18.38	2021/02/18
FXD/05/2016/5YR	UG12H1305210	100bn	2016/05/18	16.50	2021/05/13
FXD/09/2016/5YR	UG12H2109215	100bn	2016/09/27	16.50	2021/09/21
FXD/11/2016/5YR	UG12H2810218	200bn	2016/11/03	16.75	2021/10/28
FXD/12/2016/5YR	UG12H0312217	100bn	2016/12/09	17.00	2021/12/03
FXD/05/2017/5YR	UG12H1305228	156.3bn	2017/05/19	15.38	2022/05/13
FXD 7/2012/10	UG0000001079	1.315tn	2013/08/14	11.00	2022/06/09
FXD/7/2017/5YR	UG12H0707226	300bn	2017/07/13	14.13	2022/07/07
FXD/12/2017/5YR	UG12H2811224	156.3bn	2017/12/04	12.50	2022/11/28
FXD 6/2013/10	UG0000001244	755bn	2013/04/24	11.00	2023/04/13
FXD/01/2014/10YR	UG12J1801248	580bn	2014/01/30	14.00	2024/01/18
FXD/05/2019/5	UG12H1005240	153.7bn	2019/05/17	14.88	2024/05/10
FXD 8/2014/10	UG0000001467	650bn	2014/08/13	14.00	2024/08/01
FXD01/2015/10	UG0000001517	100bn	2015/01/28	11.00	2025/01/16
FXD/12/2015/10YR	UG12J1812252	120bn	2015/12/30	19.50	2025/12/18
FXD/08/2016/10YR	UG12J2708269	300bn	2016/09/08	16.63	2026/08/27
FXD/5/2017/10YR	UG12J0605277	360bn	2017/05/18	16.00	2027/05/06
FXD/1/2018/10YR	UG12J1301280	220bn	2018/01/25	14.13	2028/01/13
FXD 12/2013/15	UG0000001376	220bn	2013/12/04	15.25	2028/11/16
FXD 2/2015/15	UG0000001533	1.445tn	2015/02/25	14.25	2029/08/23
FXD/05/2015/15YR	UG12K0205308	120bn	2015/05/21	17.50	2030/05/02
FXD/04/2016/15YR	UG12K0304317	300bn	2016/04/20	17.00	2031/04/03
FXD/03/2017/15YR	UG12K0403325	320bn	2017/03/23	16.38	2032/03/04
FXD/2/2018/15YR	UG12K0302337	750bn	2018/02/22	14.38	2033/02/03
FXD/07/2019/15	UG12K2206346	685bn	2019/07/11	14.25	2034/06/22

Government Yield Curve Trend: March 2020



Source: Bank of Uganda

Corporate Bond Activity: March 2020

The corporate Bonds segment remained inactive throughout the period. Investors in this segment have continued to hold onto their investments and receive interest that is paid out semi-annually. Below is a list of corporate bonds listed on the USE;

1. African Development Bank Bond maturing on 01.02.2022
2. Kakira Sugar Limited Bond maturing on 07.12.2023

CORPORATE ANNOUNCEMENTS: MARCH 2020

UMEM LIMITED

Umem Limited released their full year results for the year ended 31st December 2019. Revenues grew by 18.9 percent to UGX 1,776,597million, Profit after tax grew by 4.9 percent to UGX 139,152million, assets grew by 8.4 percent to UGX 2,541,774million and dividend per share paid out grew by 1.07 percent to UGX 41.34.

Subject to the approval of the shareholders, the directors recommend to the members that a final dividend of UGX 41.34per ordinary share or UGX 67,133million be paid for the year ended 31 December 2019 (2018: UGX 28.2 per share or UGX 45,793 million), subject to deduction of withholding tax where applicable, to the shareholders registered in the books of the Company at close of business on 22 June 2020. The total dividend for the year will be UGX 67,133million or UGX 41.34per share (2018: UGX 40.9 per share or UGX 66,416 million). If approved, the outstanding dividend will be paid on or about 17 July 2020. No interim dividend was proposed for the year ended 31 December 2019 (2018: UGX 12.7 per share or UGX 20,623 million was paid in January 2019).

Mr Johan De Bruijn was appointed as a non-executive director of the Company with effect from the 23rd day of March, 2020. Johan is a Portfolio Manager and Co-founder of 337 Frontier Capital. Prior to founding 337 Frontier Capital, Johan worked for The Rock Creek Group and helped establish the Kimberlite Frontier Africa Strategy. Johan was also the Portfolio Manager for the Africa Emerging Markets Fund at Ashmore Equities Investment Management (US) LLC. Previously he held Fund Manager and Analyst positions with Sanlam Investment Management and analyst positions at Coronation Fund Managers in South Africa. He holds a Bachelors in Economics (with Honors) with an emphasis on development economics and African studies from the University of Stellenbosch in South Africa. He is a CFA charter holder.

In accordance with the Articles of Association of the Company, Mr. Johan de Bruijn shall serve as a non-executive director of the Company and shall be eligible for rotation at the next AGM.

The above appointment is in line with the Company's board composition strategy to include executive and non-executive directors.

BANK OF BARODA UGANDA

Bank Of Baroda Uganda released Summary Consolidated and Separate Financial Statements for the year ended December 31, 2019. Total assets increased by 9.43% in 2019 to UGX 1,875,445 million from UGX 1,713,853 million in 2018. Total income increased by 2.17% to UGX 199,836 million in 2019 from UGX 195,590 million in 2018. However, Net Profit after Tax decreased by 38.28% in 2019 to UGX 45,313 million from UGX 73,421 million in 2018. Return on Assets was at 2.54% as at 31.12.2019 and return on Shareholders' Equity was at 11.90% as at 31.12.2019. The Board has resolved to recommend dividend of UGX 25 billion for the year ended December 31, 2019 that is UGX 10 per share for approval by the Shareholders at the ensuing Annual General Meeting

DFCU

DFCU Limited released their full year consolidated results for the year ended 31st December 2019. The company realized a 21 percent growth in profitability from UGX 60bn to UGX73.4bn driven by efficiency and cost management. Revenue grew by 1.6 percent to UGX 4,1810million, assets grew by 1.5 percent to UGX 2,958,143million and dividends per share paid out grew by 21.1 percent to UGX 40 per share. The board of Directors recommends a final dividend in respect of the year ended 31st December 2019 of UGX 40.0 per Ordinary share.

STANBIC UGANDA HOLDINGS LIMITED

Stanbic Uganda Holdings Limited released their full year results for the year ended 31st December 2019 with a strong performance in a challenging environment. Profit after tax grew by 20 percent to UGX 259bn, revenue grew by 19.8 percent to UGX 484bn, assets grew by 23 percent to UGX 6.7tn and dividend per share paid out grew by 12 percent to UGX 2.15.

The board of Directors proposed a final dividend in respect of the year ended 31st December 2019 of UGX 2.15 per Ordinary share to be recommended for approval by the shareholders at the forthcoming annual general meeting. The dividend, which is subject to withholding tax, will be paid on 01st July 2020 to shareholders on the register at the close of business on 29th May 2020

UGANDA CLAYS LIMITED

Changes in management at Uganda Clays

Uganda clays limited wishes to inform it's share holders and the general public that there have been changes in the top management in the company affecting the Managing director, Head of Production and Head of Human resources and Support services, all of whom have left the company by mutual consent with effect from 06th March 2020.

The company is immediately commencing a recruitment process to fill the above positions. In a meantime, Ms Jacqueline Kiwanuka the Head of Finance has been appointed to act as Managing director of the company. The board conveys it's assurance that measures have been put in place to ensure that the company continues to operate normally.

EQUITY GROUP HOLDINGS

Cautionary Announcement

Pursuant to Regulation 19(2) of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 (as amended), Equity Group Holdings PLC (EGH) hereby announces to the public that its Board of Directors has approved: (a) the proposal for EGH to conduct and undertake long term insurance business in Kenya; and (b) the setting up of a non-operating holding company to hold EGH's insurance business subsidiaries and a subsidiary in Kenya to conduct and undertake long term insurance business in Kenya (Proposed Insurance Business).

The Proposed Insurance Business, including putting in place all the necessary structures, commercial arrangements and any ancillary arrangements relating to the Proposed Insurance Business, is subject to obtaining shareholder approval and regulatory approvals from the Central Bank of Kenya and the Insurance Regulatory Authority.

By setting up the Proposed Insurance Business, EGH will be able to expand the services it is offering in Kenya. Furthermore, through the Proposed Insurance Business, EGH aims to provide access to competitive long term insurance services whilst also delivering significant value to its stakeholders.

Until further announcements regarding the Proposed Insurance Business are made, the shareholders of EGH and other investors are advised to exercise caution when dealing in EGH ordinary shares on the Nairobi Securities Exchange, the Uganda Securities Exchange and the Rwanda stock Exchange

EVENTS

The USE joined the other Exchanges and rang the Bell for Gender Equality on Friday 6th March, 2020. In celebration of #internationalwomensday#iwd20200), UGANDA SECURITIES EXCHANGE together with over 90 stock exchanges around the world joined the IFC - International Finance Corporation represented by Ms. Madren OluochOlunya, SSE Initiative, UN Global Compact - Cities Programme, UN Women, The World Federation of Exchanges and Women in ETFs in ringing the bell for #genderequality

At the event on Friday 6th March 2020, we had a brilliant panel of 4 amazing leaders; Ms. Rachel Mindra Katoroogo, PhD, Ms. Ruth Sebatindira SC, Ms. Jenifer Mwijukye and Ms. Sheilagh Watuwa from Capital Markets Authority- Uganda. The panel was moderated by Ms. Jane Kasumba discussing the topic 'Setting the Pace for Gender Equality through the Capital Markets Industry' in relation to The theme of International Women's Day 2020 which was "I am Generation Equality: Realizing Women's Rights".

One of the highlights of the event was, Mr. Patrick Mwehira -Regional CEO Standard Bank and Mr. Nevin Bradford CEO CIPLA QCIL pledging to support the Women's Empowerment Principals.

The Event was closed off with a cocktail engaging representatives from the Media, Listed Companies, Broker Firms and well wishers



USE, SHUL and CIPLA CEOs join the panelists in ring the bell.



Mr. Paul Bwiso, CEO - USE reads through the CEO Statement of support for Women's Empowerment Principals.

Appendix I: USE Member Firms

The following USE Member Firms are licensed to act as both broker/dealers and Market Advisors:

Market Advisor	Contact Person:
BARODA CAPITAL MARKETS (U) LTD. P. O. Box: 7197 Kampala Tel: +256 414 232 783. Fax: +256 414 230 781 Email: bcm.ug@bankofbaroda.com Website: www.barodacapital.webs.com	Mr. Mohan Prashantam
DYER & BLAIR (UGANDA) LTD Rwenzori House Ground Floor P. O. Box: 36620 Kampala Tel: +256-414-233050. Fax: +256 -414 231813 Email: Uganda@dyerandblair.com	Ms. Esther Kakiza
EQUITY STOCK BROKERS (U) LTD. Orient Plaza Plot 6/6A Kampala Road P. O. Box: 3072 Kampala Tel: +256-414 7719133/44 Email: equity@orient-bank.com	Ms. Nkundizana Christine
CRESTED STOCKS AND SECURITIES LIMITED Head Office - Impala House 6th Floor Plot 13-15, Kimathi Avenue P. O. Box 31736, Kampala, Uganda Tel: +256 312 230900/ +256 414 230 900 Email: info@crestedcapital.com Website: www.crestedcapital.com	Mr. Robert H. Baldwin
UAP OLD MUTUAL FINANCIAL SERVICES LTD 2 nd floor, Block A, Nakawa business park P. O. Box 20079, Kampala Tel: +256 414 332 825 Email: brokerageufs@uap-group.com	Mr. Mwebaze Simon
SBG SECURITIES LIMITED 4 th Floor Crested Towers (Short Towers) P. O. Box 7131, Kampala Tel: +256 0312 224 600 Email: sbgs_uganda@stanbic.com	Mr. Kitungulu Kenneth



**Uganda
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