



ACTIVITY REPORT

MARKET PERFORMANCE

Equities Report

The trading volume for May 2021 was 81,465,433 shares with a turnover of UGX 960,292,685. This month's turnover performance was an 91 % increase from 2,981,813 shares worth UGX 501,951,299 that was recorded in May 2020.

Activity in the 5th month of the year decreased by 37 percent to a turnover of UGX 960 million from UGX 1.5 billion recorded in April 2021. This represents a daily average turnover of approximately UGX 50.5 million. Volume traded increased to 81.5 million shares compared to 31.4 million shares traded in April 2021. The number of deals presented a total of 264 deals up from 243 deals executed in April 2021, with 83.4 per cent of the deals attributed to the Uganda Clays Limited counter.

Turnover performance per counter

Uganda Clays Limited counter dominated activity for the month accounting for 35.51 percent of the total turnover followed by Stanbic with 31.72 percent. In third position was UMEME with 24.01 per cent contribution to the month's turnover. Bank of Baroda Uganda, CIPLA, DFCU, National Insurance Corporation and New vision Limited combined recorded 8.76 percent of the total turnover. There was no cross-listed company that traded during the past month.

Volume traded per counter

Uganda Clays Limited registered the highest volume of shares with 83.47 percent, followed by Stanbic with 14.25 percent. UMEME came third with 1.31 percent of the volume, while Bank of Baroda Uganda was in the fourth position with 0.61 percent

of the total volume. CIPLA accounted for 0.34 percent, National Insurance Corporation Uganda, New vision Limited and DFCU had the least number of shares traded amounting to 14,600 shares, representing 0.02 percent of total number of shares traded.

Trading Volumes and Activity on a Monthly Basis year on year

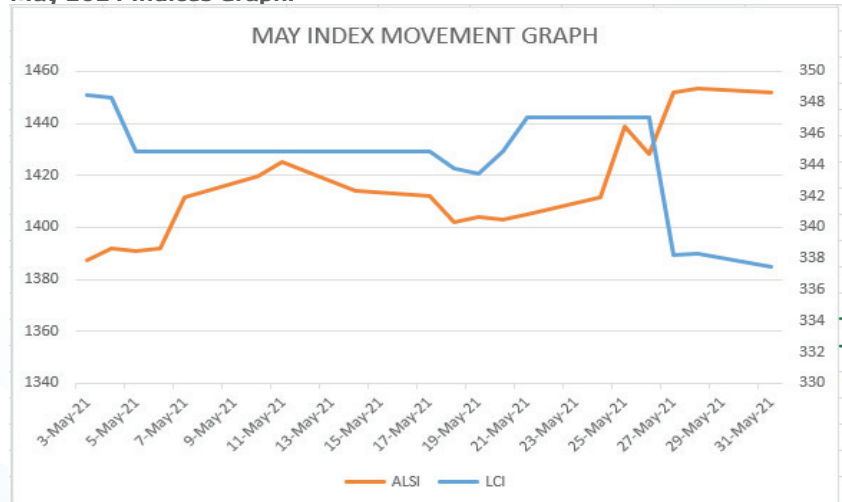
	May 2021	May 2020
Volume Traded	81,465,433	2,981,813
Turnover (UGX)	960,292,685	501,951,299
Number of Deals	264	94
Trading Days	19	20
Daily Average Turnover (UGX)	50,541,720	25,097,565
Daily Average number of trades	14	5
Market Capitalization (UGX.bn)	20,193.76	19,088.67
USE All Share Index (ASI)	1,451.93	1,369.52
Local Share Index (LSI)	337.47	340.14

Source USE Product Markets Department

USE Index Results

The Local Company Index (LCI) slightly increased during the period with many local counters registering minimal price movements. The local index commenced the month at 348.56 and closed at 337.47 representative of a 3.18 percent decrease. The All Share Index (ALSI) increased by 4.42 percent to 1,451.93 from 1,390.42 at the start of the month. Refer to ALSI/LCI graph below.

May 2021 Indices Graph:



Source: USE Product Markets Department

ECONOMIC & FINANCIAL DEVELOPMENTS: May 2021

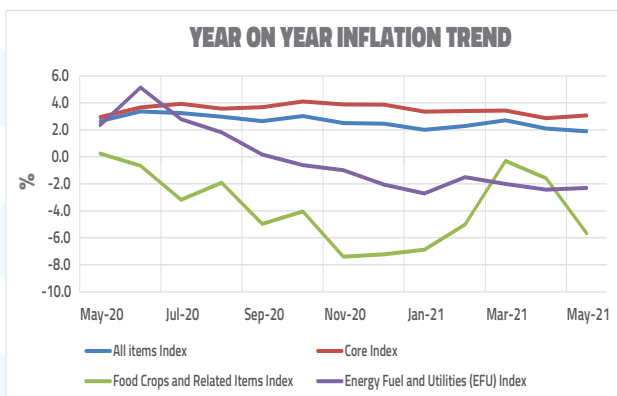
INFLATION – OUTLOOK AND RISKS

Year on year headline inflation for the 12 months to May 2021 fell marginally to 1.9% from 2.1% registered in the year to April 2021. This reduction was attributed to a decrease in food and non-alcoholic beverages inflation. Annual Core inflation for the period to May 2021 rose to 3.1% from 2.9% in April 2021 driven by higher services inflation which increased to 6.7% during the period.

Year on year food crops and related items inflation registered a deflation of 5.7% in May 2021, a decrease from a deflation of 5.7% registered in April 2021. Annual Energy, Fuel and Utilities (EFU) inflation rose to a deflation of 2.3% in May 2021 driven by higher petrol and diesel prices during the period.

Monthly headline inflation rose by 0.2% last month from a 0.3% increase registered in April 2021 driven by higher transport inflation. Education services inflation also increased by 0.6% last month following the easing of Covid-19 containment measures which saw the re-opening of schools. There was a notable reduction in food inflation during the month of May 2021.

Inflation is expected to remain range bound given the slow recovery in business activity amidst implementation of more Covid-19 containment measures to curb the second wave of the pandemic.



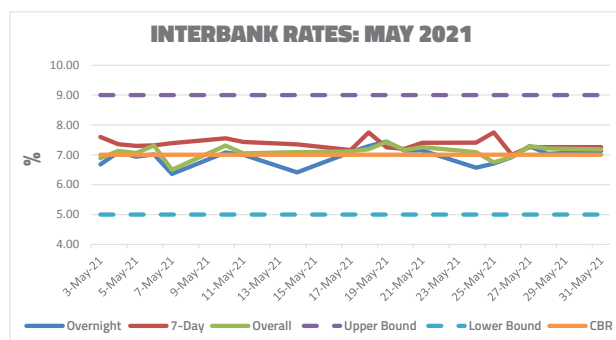
Source: UBOS UGANDA CONSUMER PRICE INDEX: 2016/17=100 MAY 2021

INTEREST AND LENDING RATES

Interbank Money Market Rates

Money markets were liquid in May 2021 with overnight rates averaging 6.9% compared to an average of 7.1% registered in April 2021. The 1-week rates were stable at 7.4% in May 2021 while overall money market rates reduced slightly to 7.1% last month from 7.2% registered in April 2021.

On the overall, money market rates fluctuated within the bands set by the Monetary Policy Committee as shown in the graph below:



Source: Bank of Uganda

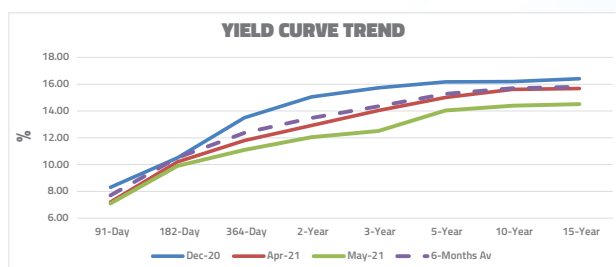
Yields on Government securities

The short end of the yield curve fell in May 2021 with the 364-day interest rate closing the month at 11.1% from 11.8% at the end of April 2021. The 91-day and 182-day interest rate reduced to 7.1% and 9.9% respectively. Investor demand for this portion of the yield curve fell slightly as interest rates came off by the end of the month. However, T-bill auctions were oversubscribed throughout the month.

Investor focus on the medium portion of the yield curve was maintained during the past month. As a result, rates on the 2-year and 3-year fell to 12.1% and 12.5% from 12.9% and 14% respectively. Interest rate on 5-year government paper also fell to 14% at the end of May 2021. The longer end of the yield curve also dropped during the past month with rates closing at 14.4% and 14.5% for the 10-year and 15-year respectively.

Rates across the entire yield curve are currently trading below the 6-months average.

Interest rates are expected to remain within current ranges over the short term driven by sustained liquidity in the markets due to slow recovery in Private Sector Credit growth and stable UGX given low business activity.

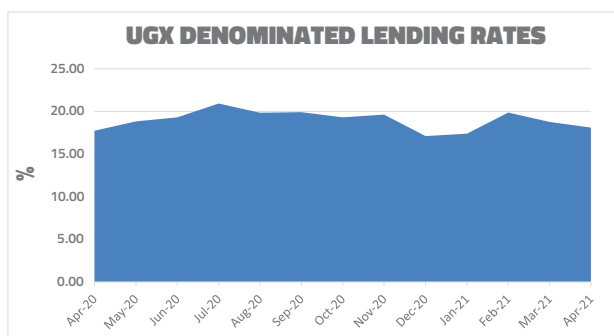


Source: Bank of Uganda

Lending rates

Lending rates on shilling denominated loans fell further in April 2021 to 18.1% from 18.8% registered in March 2021. Year on year shilling denominated loans is slightly higher compared to 17.7% in April 2020 showing the high lending risk as businesses are yet to recover from last year's slow down. Foreign currency denominated lending rates were higher at 6.5% in April 2021 from 5.9% in March 2021.

Notably, commercial bank lending dropped to Ugx 16.8 Trillion in April 2021 from Ugx 16.97 Trillion in March 2021.

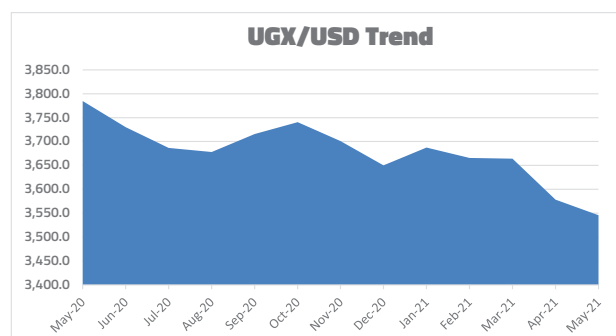


Source: Bank of Uganda

FOREIGN EXCHANGE RATE DEVELOPMENT

The Uganda Shilling strengthened by 0.9% in May 2021 closing the month at 3,546 from 3,578 at the end of

April 2021. This was attributed to low foreign exchange demand from importers during the period. Year to date, the local currency has appreciated by 2.9% against the US Dollar. The Uganda Shilling is expected to remain range bound driven by sustained low demand for foreign currency with business activity remaining low.



Source: Bank of Uganda

BOND LISTINGS:

There were 2 treasury bonds re-opened in May 2021 with a value of UGX 450bn which listed. The current total value of the Government Bonds listed on the bourse stands at UGX 17.5 Trillion.

Government Bond Schedule: May 2021

INSTRUMENT CODE	IS IN	ISSUED SHARES	ISSUE DATE	RATE	MATURITY
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/7/2012/10YR	UG0000001079	1.615TN	2013/08/14	11.00	2022/06/09
FXD/07/2017/5YR	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/6/2013/10YR	UG0000001244	1.682TN	2013/04/24	11.00	2023/04/13
FXD/1/2014/10YR	UG12J1801248	1.290TN	2014/01/30	14.00	2024/01/18
FXD/05/2019/5YR	UG12H1005240	153.7BN	2019/05/17	14.88	2024/05/10
FXD/8/2014/10YR	UG0000001467	1.070TN	2014/08/13	14.00	2024/08/01
FXD/1/2015/10YR	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	1.220TN	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/12/2013/15YR	UG0000001376	220BN	2013/12/04	15.25	2028/11/16
FXD/2/2015/15YR	UG0000001533	1.865TN	2015/02/25	14.25	2029/08/23
FXD/5/2015/15YR	UG12K0205308	120BN	2015/05/21	17.50	2030/05/02
FXD/11/2020/10YR	UG12J1411303	187BN	2020/11/27	16.00	2030/11/14
FXD/4/2016/15YR	UG12K0304317	1.360TN	2016/04/20	17.00	2031/04/03
FXD/3/2017/15YR	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/7/2019/15YR	UG12K2206346	2.259TN	2019/07/11	14.25	2034/06/22
FXD/11/2020/15YR	UG12K0811352	496.7BN	2020/11/27	16.25	2035/11/08
FXD/11/2020/20YR	UG12L0111405	1.039TN	2020/11/27	17.50	2040/11/01

Corporate Bond Activity: May 2021

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 are the corporate bonds currently listed on the USE;

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

Alternative trading of Government securities Activity: May 2021

	Month	Security	Amount Auction	Secondary
01	May-21	TBILL	67,000,000	
02		TBOND	15,800,000	197,400,000
	Total		82,800,000	197,400,000

CORPORATE ANNOUNCEMENTS: MAY 2021

NATIONAL INSURANCE CORPORATION

The Directors of National Insurance Corporation announced the consolidated financial statements for the year ended 31st December 2020.

Below are the company's 2020 Financial Highlights.

Gross Profit: For the period increased by 208.7% to UGX 2.7 Billion from a loss of UGX 2.5 Billion in the year 2019.

Total Assets: Increased by 3.36% to UGX 101 Billion from UGX 94 Billion during the period.

Profit After Tax: For the period increased by 170.8% to UGX 1.91 Billion from a loss of UGX 2.7 Billion 2019.

Dividend: In line with the guidance issued by the Insurance Regulatory Authority vide Circular Ref. IRA/CIR/12/20/630 dated December 11, 2020, the Board did not recommend dividend for the year ended 31st December, 2020.

Full announcement is available on our website; <https://www.use.or.ug/sites/default/files/NIC%20Holdings%20-%20Published%20Extract%20of%20the%202020%20AFS%20-27-5-2021.pdf>

STANBIC UGANDA HOLDINGS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice was given that the annual general meeting (AGM) of Stanbic Uganda Holdings Limited ("the Company") for the year ended December 31st, 2020 will be held by via electronic means on Wednesday June 02nd, 2021 at 11:00 am to conduct the following business:

- To consider and, if deemed fit, pass an ordinary resolution to receive and adopt the annual audited financial statements for the year ended December

31st, 2020, including the reports of the Directors and External Auditors.

- To consider and, if deemed fit, pass an ordinary resolution to elect directors in accordance with the provisions of the Company articles of association
- To consider and, if deemed fit, pass an ordinary resolution to approve the re-appointment of PricewaterhouseCoopers (PwC) as the External Auditors of the Company for the year 2021.
- To consider, and if deemed fit, pass an ordinary resolution to receive and approve the fees payable to the Non-Executive Directors for the year 2021.
- To consider, and if deemed fit, pass an ordinary resolution to ratify the payment of the final dividend of Ushs 2.15 per share for the year ended December 31st, 2019 which was by April 2nd, 2021 paid to shareholders on the register at the close of business on January 21st, 2021.
- To consider and, if deemed fit, pass an ordinary resolution to authorise the Board to take the necessary steps required to effect the payment of the final dividend for the year ended December 31st 2020 upon receipt of regulatory approval*

Full announcement is available on our website; <https://www.use.or.ug/uploads/announcements/STANBIC%20HOLDCO%20NOTICE%20of%20annual%20general%20meeting%202021.pdf>

BAT UGANDA

Notice of the 2021 Annual General Meeting

Notice was given that the 21st Annual General Meeting (AGM) of British American Tobacco Uganda Limited (BAT Uganda) was to be held via electronic communication on Thursday, 27 May 2021 at 10:00am to conduct the following business.

Ordinary Business

- To receive, consider and if approved, adopt the Company's audited Financial Statements for the year ended 31 December 2020, together with the reports of the Chairman, Directors and External Auditor thereon.
- To consider and if appropriate, pass the following Special Resolution: "That the existing Memorandum and Articles of Association of the Company be deleted in their entirety and replaced with the new amended Memorandum and Articles of Association attached as Annexure 1 to this notice."
- To approve a Final Dividend of UGX 406 per ordinary share for the year ended 31 December 2020 to be paid net of Withholding Tax, on 21 June 2021 to shareholders on the Company's share register at the close of business on 31 May 2021 among others and to consider any other business of which due notice has been given.

Full announcement is available on our website;
[https://www.use.or.ug/uploads/announcements/
BAT%20Uganda%20AGM%20Notice%202021.pdf](https://www.use.or.ug/uploads/announcements/BAT%20Uganda%20AGM%20Notice%202021.pdf)

CIPLA QUALITY CHEMICAL INDUSTRIES LIMITED

CAUTIONARY ANNOUNCEMENT

The Board of Directors informed the shareholders of Cipla Quality Chemical Industries Ltd and potential investors that based on the assessment of the Company's performance for the year ended 31st March 2021, it was expected that the Company would record a loss.

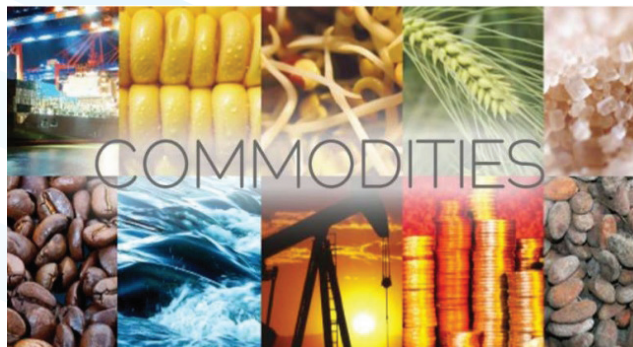
The loss is mainly due to the following non-recurrent events:

1. Full provision of the residual receivables from the Republic of Zambia of UGX. 9 billion (2020: UGX. 32 billion). IFRS 9 rules require recognition of additional Expected Credit Losses in the financial statements for the year ending 31 March 2021. Despite continued commitments from the Government of Zambia, only UGX. 3.9 billion was received as payment towards the long outstanding debt, and therefore the entire amount due from the Republic of Zambia has now been fully provided for.
2. Write-off of deferred facility construction costs following the revision of the expansion plans. Further details of the Company annual financial performance are expected to be disclosed in the Company's audited financial statements to be published and circulated to shareholders.

Full announcement is available on our website;
[https://www.use.or.ug/uploads/announcements/
CiplaQCI%20Cautionary%20Statement.pdf](https://www.use.or.ug/uploads/announcements/CiplaQCI%20Cautionary%20Statement.pdf)

EDUCATION COLUMN

UNDERSTANDING COMMODITIES TRADING



A commodity is a basic good / hard asset used in commerce that is interchangeable with other goods of the same type. Traditional examples of commodities include grains, gold, beef, oil, and natural gas. For investors, commodities can be an important way to diversify their portfolio beyond traditional securities. Because the prices of commodities tend to move in opposition to stocks, some investors also rely on commodities during periods of market volatility.

In the past, commodities trading required significant amounts of time, money, and expertise, and was primarily limited to professional traders. Today, there are more options for participating in the commodity markets.

A History of Commodities Trading

Trading commodities is an ancient profession with a longer history than the trading of stocks and bonds. The rise of many empires can be directly linked to their ability to create complex trading systems and facilitate the exchange of commodities. In modern times, commodities are still exchanged throughout the world. A commodities exchange refers both to a physical location where the trading of commodities takes place and to legal entities that have been formed in order to enforce the rules for the trading of standardized commodity contracts and related investment products.

Some commodities exchanges have merged or gone out of business in recent years. Many exchanges carry a few different commodities, although some specialize in a single group. In the U.S., there is the Chicago Mercantile Exchange (CME), the New York Mercantile Exchange (NYMEX), the Intercontinental Exchange (ICE) in Atlanta, Georgia, and the Kansas City Board of Trade. In Europe, there is the London Metal Exchange (LME). As its name implies, the London Metal Exchange only deals with metals. In Uganda we have Uganda commodities exchange.

Special Characteristics of the Commodities Market

In the broadest sense, the basic principles of supply and demand are what drive the commodities markets. Changes in supply impact the demand; low supply equals higher prices. So, any major disruptions in the supply of a commodity, such as a widespread health issue that impacts cattle, can lead to a spike in the generally stable and predictable demand for livestock.

Global economic development and technological advances can also impact prices. For example, the emergence of China and India as significant manufacturing players (therefore demanding a higher volume of industrial metals) has contributed to the declining availability of metals, such as steel, for the rest of the world.

Types of Commodities

Commodities that are traded are typically sorted into four categories broad categories: metal, energy, livestock, and meat, and agricultural.

Metals

Metals commodities include gold, silver, platinum, and copper. During periods of market volatility or bear markets, some investors may decide to invest in precious metals—particularly gold—because of its status as a reliable, dependable metal with real, conveyable value. Investors may also decide to invest in precious metals as a hedge against periods of high inflation or currency devaluation.

Energy commodities include crude oil, heating oil, natural gas, and gasoline. Global economic developments and reduced oil outputs from established oil wells around the world have historically led to rising oil prices, as demand for energy-related products has gone up while oil supplies have dwindled.

Livestock and meat commodities include pork bellies, live cattle, and feeder cattle.

Agriculture

Agricultural commodities include maize, soybeans, wheat, rice, cocoa, coffee, cotton, and sugar. In the agricultural sector, grains can be very volatile during periods of weather-related transitions. For investors interested in the agricultural sector, population growth combined with limited agricultural supply can provide opportunities for profiting from rising agricultural commodity prices.

Using Futures to Invest in Commodities

One way to invest in commodities is through a futures contract. A futures contract is a legal agreement to buy or sell a particular commodity asset at a predetermined price at a specified time in the future. The buyer of a futures contract is taking on the obligation to buy and receive the underlying commodity when the futures contract expires. The seller of the futures contract is taking on the obligation to provide and deliver the underlying commodity at the contract's expiration date. Futures contracts are available for every category of commodity. Typically, there are two types of investors that participate in the futures markets for commodities: commercial or institutional users of the commodities and speculative investors.

Manufacturers and service providers use futures contracts as part of their budgeting process to normalize expenses and reduce cash flow-related headaches. Manufacturers and service providers that rely on commodities for their production process may take a position in the commodities markets as a way of reducing their risk of financial loss due to a change in price. The airline sector is an example of a large industry that must secure massive amounts of fuel at stable prices for planning purposes. Because of this need, airline companies engage in hedging with futures contracts. Future contracts allow airline companies to purchase fuel at fixed rates for a specified period of time. This way, they can avoid any volatility in the market for crude oil and gasoline.

Farming cooperatives also utilize futures contracts. Without the ability to hedge with futures contracts, any volatility in the commodities market has the potential to bankrupt businesses that require a relative level of predictability in the prices of goods in order to manage their operating expenses. Speculative investors also participate in the futures markets for commodities. Speculators are sophisticated investors or traders who purchase assets for short periods of time and employ certain strategies as a way of profiting from changes in the asset's price. Speculative investors hope to profit from

changes in the price of the futures contract. Because they do not rely on the actual goods they are speculating on in order to maintain their business operations (like an airline company actually relies on fuel), speculators typically close out their positions before the futures contract is due. As a result, they may never take actual delivery of the commodity itself.

Futures contracts will require a different minimum deposit depending on the broker, and the value of your account will increase or decrease with the value of the contract. If the value of the contract decreases, you may be subject to a margin call and required to deposit more money into your account to keep the position open. Due to the high level of leverage, small price movements in commodities can result in either large returns or large losses; a futures account can be wiped out or doubled in a matter of minutes. There are many advantages of futures contracts as one method of participating in the commodities market. Analysis can be easier because it is a pure play on the underlying commodity. There is also the potential for huge profits, and if you can open a minimum-deposit account, you can control full-size contracts (that otherwise may be difficult to afford). Finally, it is easy to take long or short positions on futures contracts.

Livestock and Meat

Because the markets can be very volatile, direct investment in commodity futures contracts can be very risky, especially for inexperienced investors. The downside of there being a huge potential for profit is that losses also have the potential to be magnified; if a trade goes against you, you could lose your initial deposit (and more) before you have time to close your position.

Most futures contracts offer the possibility of purchasing options. Futures options can be a lower-risk way to enter the futures markets. One way of thinking about buying options is that it is like putting a deposit on something instead of purchasing it outright. With an option, you have the right—but not the obligation—to follow through on the transaction when the contract expires. Therefore, if the price of the futures contract does not move in the direction you anticipated, you have limited your loss to the cost of the option you purchased.

Using Stocks to Invest in Commodities

Many investors who are interested in entering the market for a particular commodity will invest in stocks of companies that are related to a commodity in some way. For example, investors interested in the oil industry can invest in oil drilling companies, refineries, tanker companies, or diversified oil companies. For those interested in the gold sector, some options are purchasing stocks of mining companies, smelters, refineries, or any firm that deals with bullion.

Stocks are typically thought to be less prone to volatile price swings than futures contracts. Stocks can be easier to buy, hold, trade, and track. Plus, it is possible to narrow

investments to a particular sector. Of course, investors need to do some research to help ensure that a particular company is both a good investment and commodity play. Investors can also purchase options on stocks. Similar to options on futures contracts, options on stocks require a smaller investment than buying stocks directly. So, while your risk when investing in a stock option may be limited to the cost of the option, the price movement of a commodity may not directly mirror the price movement of the stock of a company with a related investment.

An advantage of investing in stocks to enter the commodities market is that trading is easier because most investors already have a brokerage account. Public information about a company's financial situation is readily available for investors to access, and stocks are often highly liquid. There are some relative disadvantages to investing in stocks as a way of gaining access to the commodities market. Stocks are never a pure play on commodity prices. In addition, the price of a stock may be influenced by company-related factors that have nothing to do with the value of the related commodity that the investor is trying to track.

Using ETFs and Notes to Invest in Commodities

Exchange-traded funds (ETFs) and exchange-traded notes (ETNs) are an additional option for investors who are interested in entering the commodities market. ETFs and ETNs trade like stocks and allow investors to potentially profit from fluctuations in commodity prices without investing directly in futures contracts.

Commodity ETFs usually track the price of a particular commodity or group of commodities that comprise an index by using futures contracts. Sometimes investors will back the ETF with the actual commodity held in storage. ETNs are unsecured debt securities designed to mimic the price fluctuation of a particular commodity or commodity index. ETNs are backed by the issuer. ETFs and ETNs allow investors to participate in the price fluctuation of a commodity or basket of commodities, but they typically do not require a special brokerage account. There are also no management or redemption fees with ETFs and ETNs because they trade like stocks. However, not all commodities have ETFs or ETNs that are associated with them. Another downside for investors is that a big move in the price of the commodity may not be reflected point-for-point by the underlying ETF or ETN. In addition, ETNs specifically have credit risk associated with them since they are backed by the issuer.

Using Mutual and Index Funds to Invest in Commodities

While you cannot use mutual funds to invest directly in commodities, mutual funds can be invested in stocks of companies involved in commodity-related industries, such as energy, agriculture, or mining. Like the stocks they invest in, the shares of the mutual fund may be impacted by factors other than the fluctuating prices of the commodity, including general stock market fluctuations and company-specific factors. However, there are a small number of commodity index mutual funds that invest

in futures contracts and commodity-linked derivative investments, and therefore provide investors with more direct exposure to commodity prices. By investing in mutual funds, investors get the benefit of professional money management, added diversification, and liquidity. Unfortunately, sometimes management fees are high, and some of the funds may have sale charges.

Using Commodity Pools and Managed Futures to Invest in Commodities

A commodity pool operator (CPO) is a person (or limited partnership) that gathers money from investors and then combines it into one pool in order to invest that money in futures contracts and options. CPOs distribute periodic account statements, as well as annual financial reports. They are also required to keep strict records of all investors, transactions, and any additional pools they may be operating.

CPOs will usually employ a commodity trading advisor (CTA) to advise them on trading decisions for the pool. CTAs must be registered with the Commodity Futures Trading Commission (CFTC) and are usually required to get a background check before they can provide investment advice. Investors may decide to participate in a CPO because they have the added benefit of receiving professional advice from a CTA. In addition, a pooled structure provides more money and more opportunities for the manager to invest. If investors choose a closed fund, all investors will be required to contribute the same amount of money.

KEY TAKEAWAYS

- Commodities that are traded are typically sorted into four categories broad categories: metal, energy, livestock and meat, and agricultural.
- For investors, commodities can be an important way to diversify their portfolio beyond traditional securities.
- There are several ways to invest in commodities, such as futures contracts, options, and exchange-traded funds (ETFs).

The Bottom Line

Both novice and experienced traders have a variety of different options for investing in financial instruments that give them access to the commodity markets. While commodity futures contracts provide the most direct way to participate in the price movements of the industry, there are additional types of investments with less risk that also provide sufficient opportunities for commodities exposure. In the most basic sense, commodities are known to be risky investment propositions because they can be affected by uncertainties that are difficult, if not impossible, to predict, such as unusual weather patterns, epidemics, and disasters both natural and human-made.

<https://www.investopedia.com/investing/commodities-trading-overview/>

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
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