



Uganda
Securities Exchange

March 2022

MONTHLY BULLETIN

ACTIVITY REPORT

MARKET PERFORMANCE

Equities Report

The trading volume for March 2022 was 17,720,072 shares with a turnover of UGX 2,066,242,173. This month's turnover performance was a 78% increase from 26,947,169 shares worth UGX 1,154,790,287 that was recorded in March 2021.

Activity in March decreased 36 % compared to the turnover registered in February 2022, from 3.2 billion to 2 billion. This represents a daily average turnover of approximately UGX 93 million. Volume traded decreased to 17 million shares compared to 68 million shares traded in February 2022. The number of deals increased to 626 deals up from 475 deals executed in February 2022, with 46 per cent of the deals attributed to the UMEME counter.

Turnover performance per counter

UMEME counter dominated activity for the month accounting for 74.78 percent of the total turnover followed by MTN Uganda Limited with 17.81 percent. In third position was Stanbic with 4.09 per cent contribution to the month's turnover and Uganda Clays Limited in fourth position with 2.32 percent, National Insurance Corporation Uganda Limited, Bank of Baroda Uganda, New Vision Limited, CIPLA and DFCU combined recorded 0.98 percent of the total turnover.

Volume traded per counter

UMEME registered the highest volume of shares with 48.41 percent, followed by Stanbic with 18.38 percent. Uganda Clays Limited came third with 12.39 percent of the volume, while MTN Uganda Limited was in the fourth position with 11.33 percent

of the total volume. National Insurance Corporation Uganda Limited accounted for 8.89 percent, Bank of Baroda Uganda, New Vision Limited, CIPLA, DFCU and Centum had the least number of shares traded amounting to 105,841 shares representing 0.59 percent of total number of shares traded.

Trading Volumes and Activity on a Monthly Basis year on year

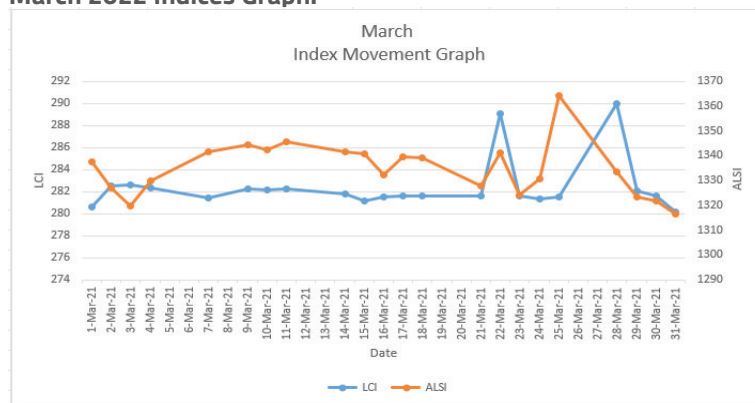
	March 2022	March 2021
Volume Traded	17,720,072	26,947,169
Turnover (UGX)	2,066,242,173	1,154,790,287
Number of Deals	626	323
Trading Days	22	22
Daily Average Turnover (UGX)	93,920,099	52,490,468
Daily Average number of trades	28	15
Market Capitalization (UGX.bn)	22,638.94	18,870.74
USE All Share Index (ASI)	1316.41	1,355.12
Local Share Index (LSI)	280.14	342.46

Source USE Product Markets Department

USE Index Results

The Local Company Index (LCI) slightly decreased during the period with many local counters registering minimal price movements. The local index commenced the month at 280.38 and closed at 280.14 representing a 0.08 percent decline. The All Share Index (ALSI) declined by 1.54 percent to 1316.41 from 1337.09 at the start of the month.

March 2022 Indices Graph:



Source: USE Product Markets Department



Equities Report

The trading volume for March 2022 was
17,720,072



Turnover performance per counter

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Volume traded per counter

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INFLATION – OUTLOOK AND RISKS

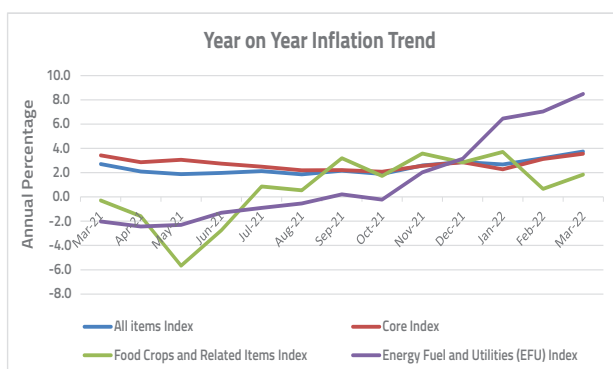
Annual headline inflation increased to 3.7% in the 12 months to March 2022 up from 3.2% in February 2021. This was mainly driven by the increases in the prices of commodities under; Furnishings, Household Equipment and Routine Household' (13.8 percent), between February and March 2022.

The Monthly Headline Inflation for March 2022 increased by 0.8 % compared to the 1.0 % recorded in the month of February 2022. This is mainly attributed to the monthly Food and Non- Alcoholic Beverages Inflation that rose by 1.4 percent March 2022 from the 0.4 percent rise recorded in February 2022.

The Core Inflation for the 12 months to March 2022 increased to 3.6 percent in March 2022, up from 3.1 percent registered in February 2022. This is mainly attributed to Annual Services Inflation that increased to 1.4 percent for the 12 months to March 2022 up from 0.8 percent recorded in February 2022.

Year on year Annual food crops and related items inflation increased to 1.9% in the year to March 2022 up from 0.7% in the year to February 2021.

Year on year Electricity, Fuel and Utilities inflation increased to 8.5% up from a 7.0% in February 2021 driven by higher prices of petrol during the period.



Source: UBOS UGANDA CONSUMER PRICE INDEX: 2016/17=100 MARCH 2022

INTEREST AND LENDING RATES

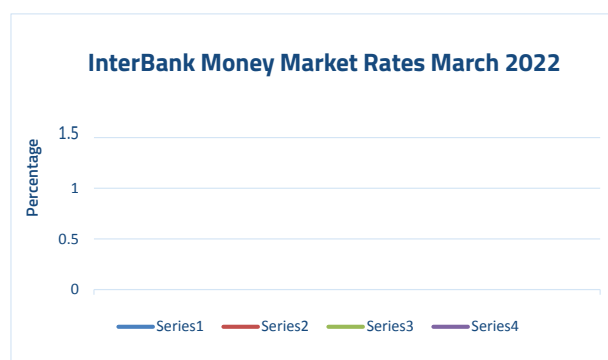
Interbank Money Market Rates

Interbank Money Market rates edged slightly higher averaging 6.59% in March 2022 compared to 6.57% in February 2022. Overnight rates edged at 6.48% in March 2022 compared to 6.44 in February 2022 while 7-Day rates edged higher averaging at 6.76 last month compared to 6.73% in February 2022.

Bank of Uganda maintained the Central Bank Rate at its record low of 6.5% in March. Based on an assessment of the current macroeconomic situation and the outlook and balance of risks, the MPC judged that keeping the

CBR unchanged at 6.5 percent would be consistent with meeting the inflation target of 5 percent sustainably in the medium term while supporting economic recovery.

The band on the CBR is kept unchanged at +/-2 percentage points on the CBR and the margins on the rediscount rate and bank rate kept unchanged at 3 and 4 percentage points on the CBR, respectively.

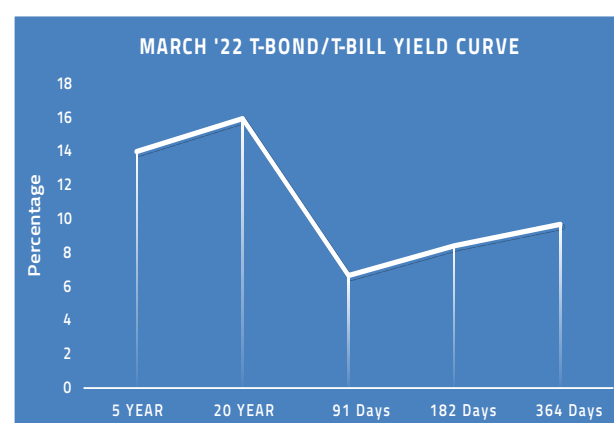


Source: Bank of Uganda

Yields on Government securities

Rates on the short end of the yield curve at the end of March 2022 edged the same as at the end of February 2022 for 364-Day. The 91-Day and 182-Day edged slightly lower. So the 364-Day, 182-Day and 91-Day, closed the past month at 6.7%, 8.4% and 9.7% respectively.

The recently issued 5-year and 20-year government papers closed March 2022 at 14.000%, and 15.950% respectively.

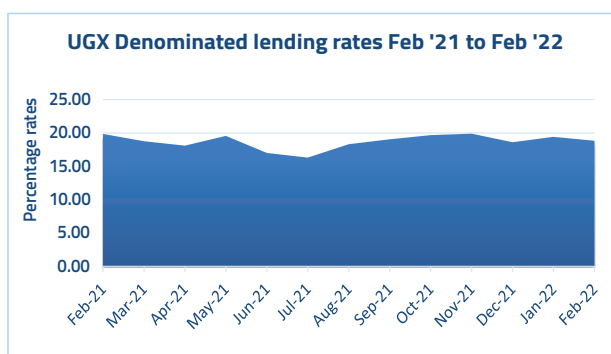


Source: Bank of Uganda

Lending rates

Shilling denominated lending rates declined to 18.84% in February 2022 from 19.40% in January 2022.

Month on month Foreign Currency denominated lending rates slightly rose to 6.25% in February 2022 compared to 6.11% in January 2022. On average foreign currency denominated lending rates have been fluctuating pointing to a differing appetite for these loans.

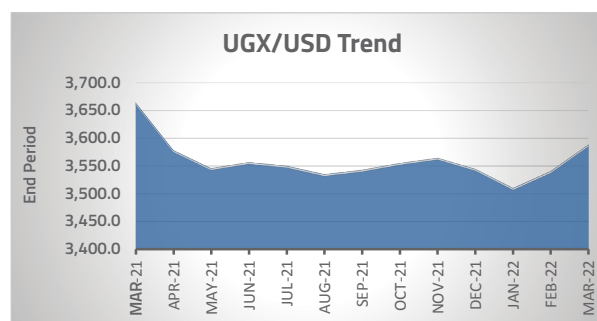


Source: Bank of Uganda

FOREIGN EXCHANGE RATE DEVELOPMENT

The local currency edged lower month on month closing at 3,588 in March compared to 3,540 in February driven by higher appetite for foreign currency during the period.

The Uganda Shilling has strengthened by 2% against the USD so far this year compared to 3,663 at the end of March 2021 due to increased inflows from NGOs, coffee export receipts, forex bureaux and increased participation from offshores seeking to take advantage of the higher yields in Government Securities.



Source: Bank of Uganda

BOND LISTINGS:

There were 2 treasury bonds listed in March 2022, these were re-openings with a value of UGX 500bn. The current total value of the Government Bonds listed on the bourse stands at UGX 22.7 trillion.

Government Bond Schedule: March 2022

INSTRUMENT CODE	IS IN	ISSUED SHARES	ISSUE DATE	RATE	MATURITY
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	1.862TN	2013/04/24	11.00	2023/04/13
FXD/09/2021/2YR	UG12F0709234	600BN	2021/09/09		2023/09/07
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/10/2019/5YR	UG12H2509240	250BN	2019/10/02	14.88	2024/09/25
FXD/1/2015/10YR	UG0000001517	700BN	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	1.160TN	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	1.630TN	2016/04/20	17.00	2031/04/03
FXD/3/2017/15YR	UG12K0403325	1.220TN	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	1.396TN	2020/11/27	16.25	2035/11/08
FXD/11/2020/20YR	UG12L0111405	2.239TN	2020/11/27	17.50	2040/11/01

Corporate Bond Activity: March 2022

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. Kakira Sugar Limited Bond maturing on 07.12.2023

Alternative trading of Government securities Activity: March 2022

	Month	Security	Amount Auction	Secondary
01	Mar-22	TBILL	337,300,000	38,700,000
02		TBOND	42,300,000	
	Total		379,600,000	38,700,000

CORPORATE ANNOUNCEMENTS: MARCH 2022



DFCU LIMITED

DFCU 2021 Full Year Results

The Board of Directors of dfcu Limited presented the 2021 consolidated financial results. Dfcu demonstrated resilience in 2021 showing continued improvement in most of the top line figures driven by strong income growth and cost control.

Operating income grew by 21% year on year while cost to income ratio improved to 50%, an indication that the Company is beginning to reap benefits due to efficiencies derived from its investment in technology and cost optimisation.

Interest expense reduced by 26% Net interest income increased by 17% Non-interest income increased by 35% Operating income increased by 21% Cost to income ratio reduced to 50% Borrowed funds reduced by 12%

Earnings per share UGX 12.45

Dividend

The Board does not recommend payment of a dividend for the year 2021. The date and related details of the Annual General Meeting will be availed in a later communication.

Full announcement can be found on our website; DFCU 2021 FULL YEAR RESULTS | Uganda Securities Exchange (USE)

UMEME LIMITED

The Directors of Umeme Limited ("the Company") presented the audited financial statements for the year ended 31 December 2021.

Financial Performance Review

Revenues: Revenue increased by 13.5% to UGX 1,885 billion in 2021 compared to UGX 1,661 billion in 2020, driven by increased electricity sales and revenues from provision of electricity distribution construction services.

Gross profit increased to UGX 642,232 million from UGX 478,989 million in 2020 on account of improved operational efficiencies and underlying distribution margins.

Operating costs increased by 6.3% to UGX 239,887 million in 2021, on account of global conditions that resulted in inflationary pressures on key inputs, increased business operations in service delivery and network repair and maintenance costs.

Earnings Before Interest Tax Depreciation and Amortization (EBITDA) for the year increased to UGX 402,345 million compared to UGX 245,686 million; driven by the performance on gross margin and operating costs.

Net profit: Profit after Tax increased to UGX 139,149 million from UGX 43,081 million of 2020.

Earnings per Share (EPS): This increased to UGX 85.7 from UGX 26.5 for 2020.

Cashflow: During the year under review, the company generated UGX 295,193 million (2020: UGX 277,141 million) from operating activities. The cash generated was used to fund the 2021 capital investments program and the Company's financing obligations.

Proposed Dividends Subject to the approval of the shareholders, the directors recommended to members that a final dividend of UGX 54.1 per ordinary share be paid for the year ended 31 December 2021 (2020: UGX 12.2), subject to deduction of withholding tax where applicable, to shareholders registered in the books of the Company at close of business 24th June 2022. If approved, the outstanding dividend will be paid on or about 22 July 2022.

Full announcement can be found on our website; UMEME LIMITED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 | Uganda Securities Exchange (USE)

BANK OF BARODA UGANDA

Announcement Of Changes In Board Of Bank Of Baroda (Uganda) Limited

The Board of Directors of Bank of Baroda (Uganda) Limited informed its shareholders and general public as

follows:

1. Appointment of Mr. SANJAY VINAYAK MUDALIAR as NonExecutive Director on the Board of the Bank effective the 18th day of February 2022.
2. Resignation of Dr. MUDUMBA KRISHNAMA CHARY as NonExecutive Director on the Board of the Bank effective the 31st day of July 2021.
3. Resignation of Mr. SHANTIL LAL JAIN as Non-Executive Director on the Board of the Bank effective the 31st day of August 2021.

Full announcement can be found on our website;
ANNOUNCEMENT OF CHANGES IN BOARD OF BANK OF BARODA (UGANDA) LIMITED | Uganda Securities Exchange (USE)

KENYA ALWAYS

Appointment Of Mr. Angus John Clarke As An Independent NonExecutive Director

The Board of Directors of Kenya Airways Plc ("KQ") announced the appointment of Mr. Angus John Clarke as a Director of the Company to fill a casual vacancy and to hold office until the next Annual General Meeting.

Mr. Clarke brings to Kenya Airways Plc immense and invaluable experience in commercial airline operations and strategy having over 20 years of experience in the aviation industry. He is currently Chief Executive Officer at Blue Peak Aviation, a new mid-life aircraft finance company backed by UK investment firm Warwick Capital Partners. He is the former Executive Vice President (Group Strategy) at Air France KLM Group and Chief Commercial Officer at Air France. He was at Air France KLM Group from mid-2018 until the end of 2021.

Mr. Clarke holds a Master of Science degree in Air Transport Management from Cranfield University (UK) and a Bachelor of Arts degree - Political Science, Industrial Relations and Economic History from the University of New South Wales (Sydney).

Full announcement can be found on our website;
KENYA AIRWAYS - APPOINTMENT OF MR. ANGUS JOHN CLARKE AS AN INDEPENDENT NONEXECUTIVE DIRECTOR | Uganda Securities Exchange (USE)

EDUCATION COLUMN.

CUM DIVIDEND

What Is Cum Dividend?

A stock is cum dividend, which means "with dividend," when a company has declared that there will be a dividend in the future but has not yet paid it out. A stock will trade cum dividend until the ex-dividend date.

After that, the stock trades without its dividend rights. When the buyer receives the next dividend scheduled for distribution, the share is cum dividend.

What are Dividends?

Definition
A dividend payment is the distribution of a company's profits to its shareholders (stock owners).

Example
Say you buy 100 shares of Company A for \$10 each. You have invested a total of \$1,000.
Company A pays a \$0.30 annual dividend per share of stock.
Over the course of a year, you would receive \$30 in dividend payments.

How often are dividends paid on stocks?
The vast majority of U.S. companies that pay dividends issue the payout quarterly.

How Cum Dividend Works

Before the announcement of year-end results for companies, dates are set out for closing the register for dividend payments and scrips. These dates will determine the qualification for dividends and scrips. A scrip is a document acknowledging a debt. Companies short on cash often pay scrip dividends instead of cash dividends.

Cum dividend is the status of a security when a company is preparing to pay out a dividend at a later date. The seller of a stock cum dividend is selling the right to the share and the right to the next dividend distribution. This situation often results from the timing of the sale rather than the preference of the seller.

Stock price movements based on the expected future of the company usually influence investment returns more than dividends.

To buy a share cum dividend, the buyer must complete the purchase before a certain point in the dividend period, called the record date.

Often, companies will require the sale to be completed two business days before the end of the period. However, some corporations will push the deadline to the last day of the period. If the buyer completes the recording of the transaction in time, they will receive the eventual distribution. If the buyer misses the deadline, then the share is sold ex-dividend, or without the right to the next distribution. The dates are set based on the declaration date and recording date chosen by the company that issues the stock.

There is no specific schedule for the release of dividends, and the payment dates can vary from company to company. Some companies offer quarterly dividends, while others may pay dividends only once or twice a year. While it is not typical, some companies pay dividends monthly.

DIVIDEND PROCESS



1 Investor purchases one or more shares in a dividend-paying company



2 Company evaluates performance at the end of the quarter



3 Company may declare and announce a dividend payment



4 Company announces the dividend amount and dividend dates



5 Investor is paid the stated dividend for each share they own

SPECIAL CONSIDERATIONS

Declared Dividends

Cum dividend rights include those associated with the next declared dividend. A declared dividend is the amount the board of directors has agreed upon through a motion authorizing the payments. Once they are declared, dividends effectively function as liabilities for the company. As dividends are a portion of a firm's profits, these amounts can fluctuate.

A company declares the dividend on the declaration date. Next, it sets a recording date that the buyer must meet for it to transfer the dividend. Often, a buyer must purchase a share at least two business days before the recording date to get the dividend. This cutoff date is the ex-dividend date or ex-date. If a buyer purchases a share after the ex-date, the seller sells it ex-dividend instead of cum dividend. In this case, the buyer would get the stock but would not be entitled to the distribution.

Dividend Rights and Purchase Price

The price of the stock will adjust depending on if it is cum dividend or ex-dividend. Since information on dividends is publicly available, it is incorporated into the share price under the efficient market hypothesis. A strategy of buying at the last possible date, collecting the dividend, and then selling the stock is far too naive to succeed.

Example of Cum Dividend

Let's say an investor owns 100 shares of UMEME company and the company's board of directors has declared a final dividend of UGX 54 per share. The ex-dividend date is ten days away. The investor is considering selling their shares to finance another

purchase. If they sell cum dividend, the buyer would receive the 100 shares at the current price and would be entitled to the UGX 54 per share in dividend pay-outs.

Suppose the seller holds off on selling during the cum dividend period, waiting to see if other investments pan out. Those investments don't end up panning out, and the seller is forced to sell the 100 shares of UMEME. However, the cum dividend date has passed, and the shares are ex-dividend. To reflect the loss of the dividend, the market price of the shares will be UGX 54 lower, all other things being equal. While the buyer won't receive that final distribution, they will be entitled to future distributions if they continue to hold the shares.

KEY TAKEAWAYS

- A stock is cum dividend, which means "with dividend," when a company has declared that there will be a dividend in the future but has not yet paid it out.
- To buy a share cum dividend, the buyer must complete the purchase before a certain point in the dividend period, called the record date.
- Since information on dividends is publicly available, it is incorporated into the share price under the efficient market hypothesis.

SOURCE;

<https://www.investopedia.com/terms/c/cumdividend.asp#:~:text=A%20stock%20is%20cum%20dividend,trades%20without%20its%20dividend%20rights.>

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:
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. Suite A-3, Plot 16-17 Nyonyi Gardens, Kololo P. O. Box: 23482 Kampala, Uganda Tel: +256-414 7719133/44 Email: equity@orient-bank.com	Mr. Isaac Mwigo
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 2nd 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 4th Floor Crested Towers (Short Towers) P. O. Box 7131, Kampala Tel: +256 0312 224 600 Email: sbgs_uganda@stanbic.com	Mr. Joram Ongura



UGANDA SECURITIES EXCHANGE

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