



ACTIVITY REPORT

MARKET PERFORMANCE

Equities Report

The total trading volume for June 2023 was 40,099,557 shares with a turnover of UGX 5,578,941,981. This month's turnover performance showed a 12.15% increase from UGX 4,974,520,549 recorded in June 2022. Activity in June decreased by 64.10% in comparison with the turnover registered in May 2023, from 15.541 billion to 5.578 billion. This turnover represents a daily average turnover of UGX 278 million. Volume traded decreased to approximately 40 million shares compared to 165 million shares traded in May 2023. The number of deals increased to 524 deals from 501 deals executed in May 2023.

Turnover performance per counter

MTN (U) Limited (MTNU) counter dominated monthly activity, accounting for 90.07% of the total turnover followed by UMEME Limited (UMEM) with 6.98%. In third position was Stanbic Uganda Holdings Limited (SBU) with 1.51% contribution to the month's turnover and DFCU Limited (DFCU) in fourth position with 0.52%. Bank of Baroda (BOBU), Cipla Quality Chemicals Uganda Limited (CQCIL), National Insurance Corporation (NIC) and Uganda Clays Limited all traded a combined total of 0.02% of total turnover.

The Local Company Index (LCI) decreased during the period owing to DFCU's 14.84% price reduction during the month. The local index commenced the month at 273.54 and closed at 271.66 representing a 0.69% decrease. The All-Share Index (ALSI) dropped by 2.24% to 1,017.68 from 1,041.05 at the start of the month.

Counter Price Movements May 2023

Top Movers

Counter	June (shares)	Counter	YTD (shares)
MTNU	29,570,751	SBU	306,022,313
NIC	4,443,079	MTNU	66,216,526
SBU	3,248,563	UMEM	58,493,651
BOBU	1,812,316	BOBU	12,954,389
UMEM	886,482	NIC	9,612,894

Source USE Trading and Research Department

Top Gainers

Counter	Open (01.06)	Close (30.06)	MoM	YTD
NIC	5.00	5.00	10.00%	10.00%
MTNU	180.00	165.00	3.03%	5.56%
SBU	21.00	26.00	0.00%	23.81%
UCL	17.20	15.00	0.00%	12.79%
UMEM	275.00	440.00	0.00%	60.00%

Source USE Trading and Research Department

Top Losers

Counter	Open (01.06)	Close (30.06)	MoM	YTD
DFCU	543	310	14.84%	51.38%
KCB	1144.54	866.32	11.31%	32.87%
NMG	491.81	534.48	6.03%	2.12%
KA	115.21	104.18	4.09%	13.27%
JHL	5895.68	4841.6	2.46%	19.90%

Source USE Trading and Research Department

Trading Volumes and Activity on a Monthly Basis year on year

	Jun-23	Jun-22
Volume Traded	40,099,557	25,641,830
Turnover (UGX)	5,578,941,981	4,974,520,549
Number of Deals	524	552
Trading Days	20	20
Daily Average Turnover (UGX)	278,947,099	248,726,027
Daily Average number of trades	26	28
Market Capitalization (UGX.bn)	17,676.86	19,774.66
USE All Share Index (ASI)	1,017.68	1,149.56
Local Share Index (LSI)	271.66	271.92

Source USE Trading and Research Department



Equities Report

The total trading volume for June 2023 was **40,099,557** shares



Turnover performance per counter

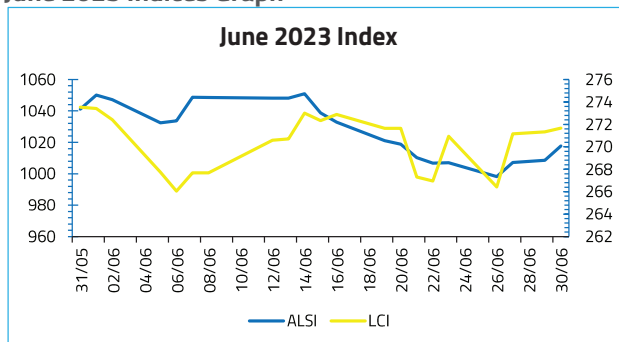
MTN (U) Limited (MTNU) counter dominated monthly activity, accounting for **90.07%** of the total turnover



Volume traded per counter

BOBU registered the highest volume of shares with **31.09%**, followed by SBU

June 2023 Indices Graph



YTD Indices Graph



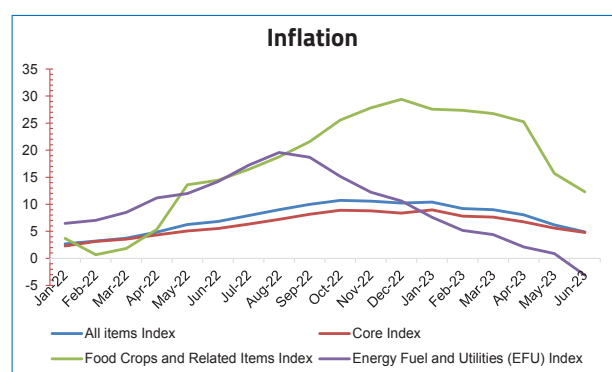
Source: USE Trading and Research Department

ECONOMIC & FINANCIAL DEVELOPMENTS: June 2023

INFLATION – OUTLOOK AND RISKS

Annual inflation as measured by the consumer price index of Uganda for the 12 months to June 2023 printed at 4.9% compared to 6.2% registered in the 12 months to May 2023. This was attributed to drops recorded in both Food Crops and Energy, Fuel and Utilities prices.

These also carry the biggest weights on the index. Year on year Annual Food Crops and Related Items Inflation decreased to 12.3% in the 12 months to June 2023, down from 15.7% registered in the year ended May 2023. Year on year Annual Energy Fuel and Utilities (EFU) Inflation registered at -3.1% for the 12 months to June 2023, compared to 0.9% registered in the year ended May 2023 recording the first negative change since October 2021.

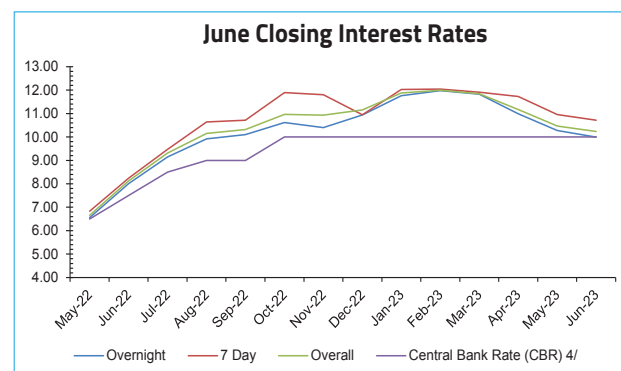


Source: UBOS UGANDA CONSUMER PRICE INDEX: 2016/17=100 Apr 2023

INTEREST AND LENDING RATES

Interbank Money Market Rates

Interbank Money Market rates edged slightly lower averaging 10.23% in June 2023 compared to 10.46% in May 2023. Overnight rates edged slightly lower at 9.99% in June 2023 compared to 10.28% in May 2023. Additionally, 7-Day rates edged slightly lower averaging at 10.72% in June 2023 compared to 10.95% in May 2023. The CBR rate has been maintained at 10% by the Bank of Uganda Monetary Policy Committee for 9 months in a row in a bid to curb inflation.



Source: Bank of Uganda

Yields on Government securities.

Rates on the short end of the yield curve at the end of June 2023 gained slightly compared to the end of May 2023. Closing average yields in the bond market at the end of June 2023 dropped significantly across all tenors except the 2 year whose yield gained slightly.

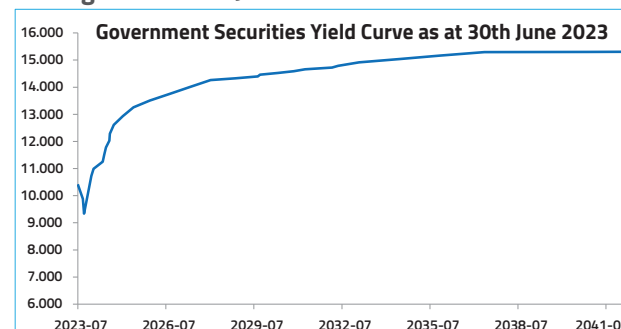
Tenors	Mar-23	Apr-23	May-23	Jun-23
91 Days	10.4	10.4	10.4	9.8
182 Days	10.5	10.5	10.5	11.7
364 Days	12.8	12.5	11.9	12.3

Source: Bank of Uganda

Maturity	Mar-23	Apr-23	May-23	Jun-23
2 years	13.73%	13.38%	12.21%	12.29%
3 years	13.96%	13.87%	13.52%	13.26%
5 years	15.14%	15.15%	14.82%	14.26%
10 years	15.54%	15.55%	15.33%	14.79%
15 years	16.57%	16.26%	15.78%	15.29%
20 years	16.96%	16.73%	16.06%	15.31%

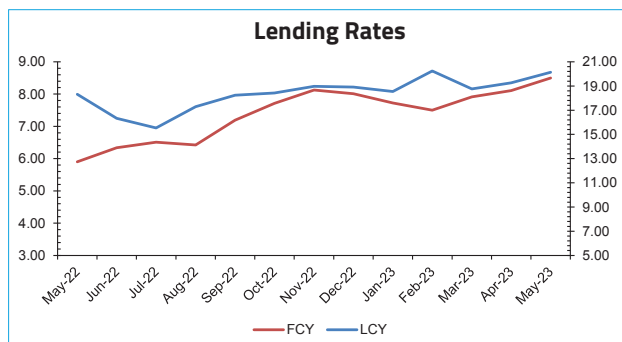
Source: Bank of Uganda

Closing Yield Curve June 2023



Lending rates

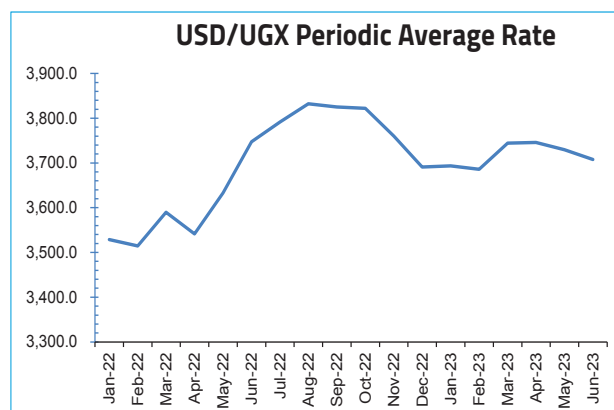
Shilling denominated lending rates rose to 20.14% in May 2023 from 19.27% in April 2023 representing a 9.93% annual increase. Month on month, foreign currency denominated lending rates slightly increased to 8.5% in May 2023 compared to 8.11% in March 2023 representing a 44% annual increase. (Source: Bank of Uganda data)



Source: Bank of Uganda

Foreign Exchange Rate Development

The local currency gained slightly against the US dollar month on month averaging 3,707.8 for June 2023 in comparison to 3,729.6 for June 2023.



Source: Bank of Uganda

BOND LISTINGS

There were reopens for the 3-year and 15-year bonds closing at 14.00% and 16.00% respectively. The current total value of the Government Bonds listed on the bourse stands at UGX 31.6 trillion.

Government Bond Schedule: June 2023

ISIN	ISSUER NAME	TYPE	ISSUEDSHARES	ISSUEDATE	RATE	MATURITY
UG12K0304317	GOVERNMENT OF UGANDA	B	1,630,000,000,000.00	2016/04/20	17.00	2031/04/03
UG12J1812252	GOVERNMENT OF UGANDA	B	120,000,000,000.00	2015/12/30	19.50	2025/12/18
UG0000001376	GOVERNMENT OF UGANDA	B	220,000,000,000.00	2013/12/04	15.25	2028/11/16
UG0000001467	GOVERNMENT OF UGANDA	B	1,070,000,000,000.00	2014/08/13	14.00	2024/08/01
UG0000001517	GOVERNMENT OF UGANDA	B	850,000,000,000.00	2015/01/28	11.00	2025/01/16
UG0000001533	GOVERNMENT OF UGANDA	B	1,865,000,000,000.00	2015/02/25	14.25	2029/08/23
UG12J2708269	GOVERNMENT OF UGANDA	B	1,220,772,600,000.00	2016/09/08	16.63	2026/08/27
UG12K0403325	GOVERNMENT OF UGANDA	B	1,620,000,000,000.00	2017/03/23	16.38	2032/03/04
UG12J0605277	GOVERNMENT OF UGANDA	B	1,580,000,000,000.00	2017/05/18	16.00	2027/05/06
UG12J1301280	GOVERNMENT OF UGANDA	B	1,553,103,800,000.00	2018/01/25	14.13	2028/01/13
UG12K0302337	GOVERNMENT OF UGANDA	B	750,000,000,000.00	2018/02/22	14.38	2033/02/03
UG12K0205308	GOVERNMENT OF UGANDA	B	120,000,000,000.00	2015/05/21	17.50	2030/05/02
UG12J1801248	GOVERNMENT OF UGANDA	B	1,290,000,000,000.00	2014/01/30	14.00	2024/01/18
UG12H1005240	GOVERNMENT OF UGANDA	B	153,700,000,000.00	2019/05/17	14.88	2024/05/10
UG12K2206346	GOVERNMENT OF UGANDA	B	2,259,740,000,000.00	2019/07/11	14.25	2034/06/22
UG12L0111405	GOVERNMENT OF UGANDA	B	2,969,351,300,000.00	2020/11/27	17.50	2040/11/01
UG12K0811352	GOVERNMENT OF UGANDA	B	1,826,700,000,000.00	2020/11/27	16.25	2035/11/08
UG12J1411303	GOVERNMENT OF UGANDA	B	187,489,000,000.00	2020/11/27	16.00	2030/11/14
UG12H2509240	GOVERNMENT OF UGANDA	B	250,000,000,000.00	2019/10/02	14.88	2024/09/25
UG12F0709234	GOVERNMENT OF UGANDA	B	850,000,000,000.00	2021/09/09	0.00	2023/09/07
UG12K1405378	GOVERNMENT OF UGANDA	B	2,207,621,200,000.00	2022/06/02	16.00	2037/05/14
UG12L0805428	GOVERNMENT OF UGANDA	B	892,100,000,000.00	2022/06/02	17.75	2042/05/08
UG12J2005328	GOVERNMENT OF UGANDA	B	1,530,311,400,000.00	2022/06/02	15.00	2032/05/20
UG12G2905259	GOVERNMENT OF UGANDA	B	1,621,442,200,000.00	2022/06/02	0.00	2025/05/29
UG12F3005242	GOVERNMENT OF UGANDA	B	291,000,000,000.00	2022/06/02	0.00	2024/05/30
UG12F0808242	GOVERNMENT OF UGANDA	B	730,000,000,000.00	2022/08/11	0.00	2024/08/08
UG12L1408420	GOVERNMENT OF UGANDA	B	2,016,767,400,000.00	2022/09/08	0.00	2042/08/14

Corporate Bond Activity: June 2023

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 the corporate bond currently listed on the USE.

1. Kakira Sugar Limited Bond maturing on 07.12.2023

Alternative trading of Government securities Activity: June 2023

The following was the done through the alternative trading of government securities platform.

June23 (UGX)	T-bills	T-bonds
Auction	189,100,000	345,100,000
Secondary	0	0

CORPORATE ANNOUNCEMENTS: JUNE 2023



Equity Group Holdings Plc acquisition announcement:

Equity Group Holdings Plc announced the proposed acquisition of 91.93% of the issued share capital of Compagnie Générale de Banque (COGEBANQUE) PLC Ltd.

Find announcement here:

<https://www.use.or.ug/uploads/announcements/Equity%20Announcement.pdf>

Stanbic Uganda Holdings Limited Appointment to Board of Directors Notice:

SUHL announced the appointment of Mr. Baker Magunda as an independent Non-Executive Director and Chairman of the Board, effective 2nd June 2023.

Find announcement here:

<https://www.use.or.ug/uploads/announcements/SUHL%20Announcement%20of%20New%20Appointment%20to%20Board%20of%20Directors.pdf>

EDUCATION COLUMN.

DIVIDENDS



A dividend is the distribution of a company's earnings to its shareholders and is determined by the company's board of directors. Dividends are often distributed quarterly and may be paid out as cash or in the form of reinvestment in additional stock.

The dividend yield is the dividend per share and is expressed as dividend/price as a percentage of a company's share price, such as 2.5%. Common shareholders of dividend-paying companies are eligible to receive a distribution if they own the stock before the ex-dividend date.

Dividend-Paying Companies

Larger, established companies with predictable profits are often the best dividend payers and the following industry sectors maintain a regular record of dividend payments:

- Basic materials
- Oil and gas
- Banks and financial
- Healthcare and pharmaceuticals
- Utilities

Companies structured as master limited partnerships (MLPs) and real estate investment trusts (REITs) require specified distributions to shareholders. Funds may also issue regular dividend payments as stated in their investment objectives. Startups, such as those in the technology or biotech sectors, may not offer regular dividends since these companies may be in the early stages of development and retain earnings for research and development, business expansion, and operational activities.

DIVIDEND FACTS

 How are dividends paid? In most cases, dividends are paid in cash by the company to your brokerage, which puts the money in your account. Other companies offer direct stock investment plans.	 How often? The vast majority of companies issue the payout quarterly. A handful of companies pay dividends every month. On rare occasions, a company may also issue a "special dividend."	 How much? The company's board of directors will determine the dividend payment. This can vary from one industry to the next and among companies in different growth phases.
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Important Dividend Dates

Dividend payments follow a chronological order of events, and the associated dates are important to determining which shareholders qualify to receive the dividend payment.

- **Announcement date:** Dividends are announced by company management on the announcement date (or declaration date) and must be approved by the shareholders before they can be paid.
- **Ex-dividend date:** The date on which the dividend eligibility expires is called the ex-dividend date or simply the ex-date. For instance, if a stock has an ex-date of Monday, May 5, then shareholders who buy the stock on or after that day will NOT qualify to receive the dividend. Shareholders who own the stock one business day prior to the ex-date, on Friday, May 2, or earlier, qualify for the distribution.
- **Record date:** The record date is the cutoff date, established by the company to determine which shareholders are eligible to receive a dividend or distribution.
- **Payment date:** The company issues the payment of the dividend on the payment date, which is when the money gets credited to investors' accounts

Why Do Companies Pay Dividends?

Dividends are often expected by the shareholders as a reward for their investment in a company. Dividend payments reflect positively on a company and help maintain investors' trust. A high-value dividend declaration can indicate that the company is doing well and has generated good profits. But it can also indicate that the company does not have suitable projects to generate better returns in the future.

Therefore, it is utilizing its cash to pay shareholders instead of reinvesting it into growth. A company with a long history of dividend payments that declares a reduction of the dividend amount, or its elimination, may signal to investors that the company is in trouble.

However, a reduction in dividend amounts or a decision against a dividend payment may not necessarily translate into bad news for a company. The company's management may have a plan for investing the money such as a high-return project that has the potential to magnify returns for shareholders in the long run.



WHAT ARE DIVIDENDS?

Why are they important for your portfolio, and how should you go about investing in them?

WHAT ARE DIVIDENDS

Dividends are cash payments that a company gives you for owning their stock.

Usually dividend payouts are described in terms of "dividend yield". If a \$100 stock has a \$5 cash payment annually, then the dividend yield is 5% (i.e. you get 5% of your invested money in dividends every year).

WHY DIVIDENDS ARE GOOD

The quick answer is that they provide a steady income stream.

For example, if you have a stock that pays you a 5% annual dividend you will get that money regardless of what the stock price does.

SHOULD YOU USE A DRIP

A dividend reinvestment plan (DRIP) is a powerful tool.

Most investment accounts will give you the option to "reinvest" your dividends automatically to buy more shares of the stock or fund. This will allow you to compound your earnings, and is a great strategy for the long haul.

HOW DO YOU INVEST IN DIVIDEND STOCKS

There are two main ways.

First, you can straight up buy a stock that pays dividends. Second, you can buy a fund (a collection of stocks) that pays dividends.

We recommend investing in a fund as its price will be more stable than a single stock.

CHECK OUT [CREDITCARROTS.COM](https://www.creditcarrots.com) FOR MORE

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
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. Andrew Mashanda
Chipper Technologies Uganda Limited 2nd Floor, SMS House P. O. Box 29274, Kampala Uganda Tel: +256 200 935 935 Email: uganda@chippercash.com	Mr. Dan Tumuramye



Uganda
Securities Exchange

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