



Uganda
Securities Exchange

June 2024

MONTHLY BULLETIN

ACTIVITY REPORT

MARKET PERFORMANCE

Equities Report

The total trading volume for June 2024 was 24,301,565 shares with a turnover of UGX 5,745,694,658. This month's turnover performance showed a **2.99%** increase from UGX 5,578,941,981 recorded in June 2023. Turnover in June 2024 increased by **4.97%** in comparison with the turnover registered in May 2024, from UGX 5.473 billion to UGX 5.745 billion. This turnover represents a daily average turnover of UGX 302.404 million. Volume traded decreased to approximately 24 million shares compared to 73 million shares traded in May 2024. The number of deals decreased to 405 deals from 442 deals executed in May 2024.

Turnover performance per counter

UMEME Limited (UMEM) counter led monthly activity, accounting for 66.57% of the total turnover followed by MTN Uganda Holdings Limited (MTNU) with 29.85%. In third position was Stanbic Uganda Holdings Limited (SBU) with 2.68% contribution to the month's turnover and Bank of Baroda Uganda Limited (BOBU) in fourth position with 0.46%. Airtel Uganda Limited (AIRTEL UGANDA), National Insurance Corporation (NIC), Quality Chemicals Limited (QCIL), DFCU Limited (DFCU), New Vision Printing and Publishing Uganda Limited (NVL), and Uganda Clays Limited (UCL) traded a total turnover of 0.43%.

The Local Company Index (LCI) decreased during the period. The local index commenced the month at 263.58 and closed at 259.13 representing a **-1.69%** decrease. The All-Share Index (ALSI) decreased by **-5.30%**, to 1,028.93 from 1,086.52 at the start of the month.

Counter Price Movements June 2024

Top Gainers

Counter	Open (04.06)	Close (28.06)	%Change	YTD Change %
BOBU	19.00	20.00	5.26%	33.33%
QCIL	55.00	55.50	0.91%	5.71%

Top Losers

Counter	Open (04.06)	Close (28.06)	%Change	YTD Change
NMG	590.65	473.06	19.91%	3.55%
KCB	1,099.42	910.27	17.20%	74.03%
EABL	4,524.89	4,149.98	8.29%	49.37%
NIC	5.90	5.50	6.78%	15.38%
AIRTEL UGANDA	75.00	70.00	6.67%	25.34%\



Equities Report

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Turnover performance per counter

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Volume traded per counter

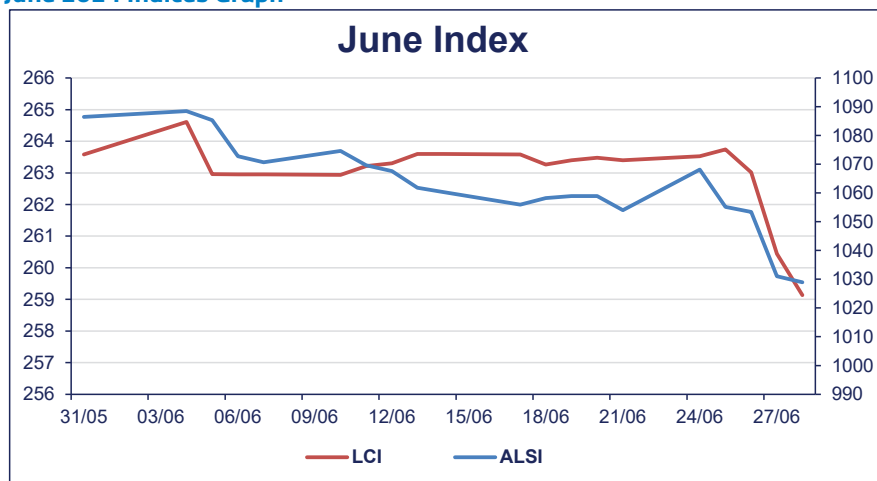
The local index commenced the month at 263.58 and closed at 259.13 representing a **-1.69%** decrease.

Trading Volumes and Activity on a Monthly Basis year on year

Metrics	Jun-24	Jun-23
Volume Traded	24,301,565	40,099,557
Turnover (UGX)	5,745,694,658	5,578,941,981
Number of Deals	405	524
Trading Days	19	20
Daily Average Turnover (UGX)	302,404,982	278,947,099
Daily Average Number of trades	21	26
Market Capitalization (UGX. Bn)	22,434.28	17,676.86
USE All Share Index (ALSI)	1,028.93	1,017.68
Local Share Index (LSI)	259.13	271.66

Source USE Trading and Research Department

June 2024 Indices Graph

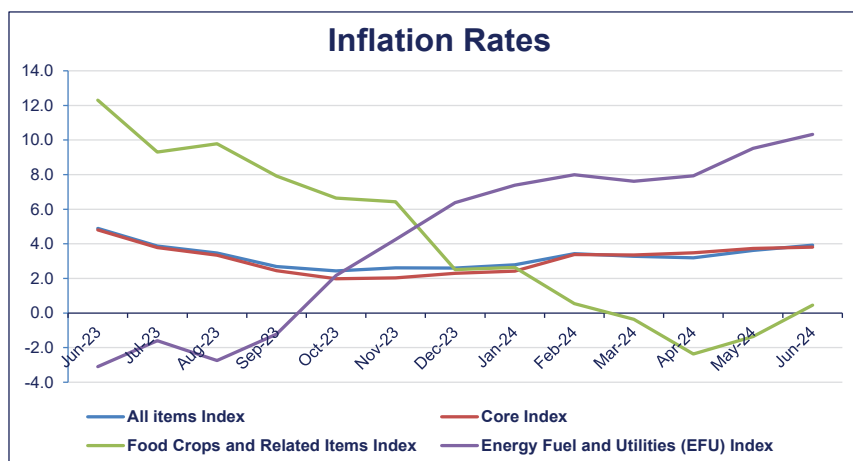


Source: USE Trading and Research Department

ECONOMIC & FINANCIAL DEVELOPMENTS: June 2024

INFLATION – OUTLOOK AND RISKS

Annual inflation as measured by the consumer price index of Uganda for the 12 months to June 2024 printed at 3.9% compared to 3.6% registered in the 12 months to May 2024. Energy, Fuel and Utilities have been a key contributor to this rise since August 2023 with a slight drop in February 2024. Year on year Annual Food Crops and Related Items Inflation slightly increased to 0.5% in the 12 months to June 2024, up from -1.4% registered in the year ended May 2024. Year on year Annual Energy Fuel and Utilities (EFU) Inflation registered at 10.3% for the 12 months to June 2024, compared to 9.5% registered in the year ended May 2024 exhibiting a higher rate of ascent.

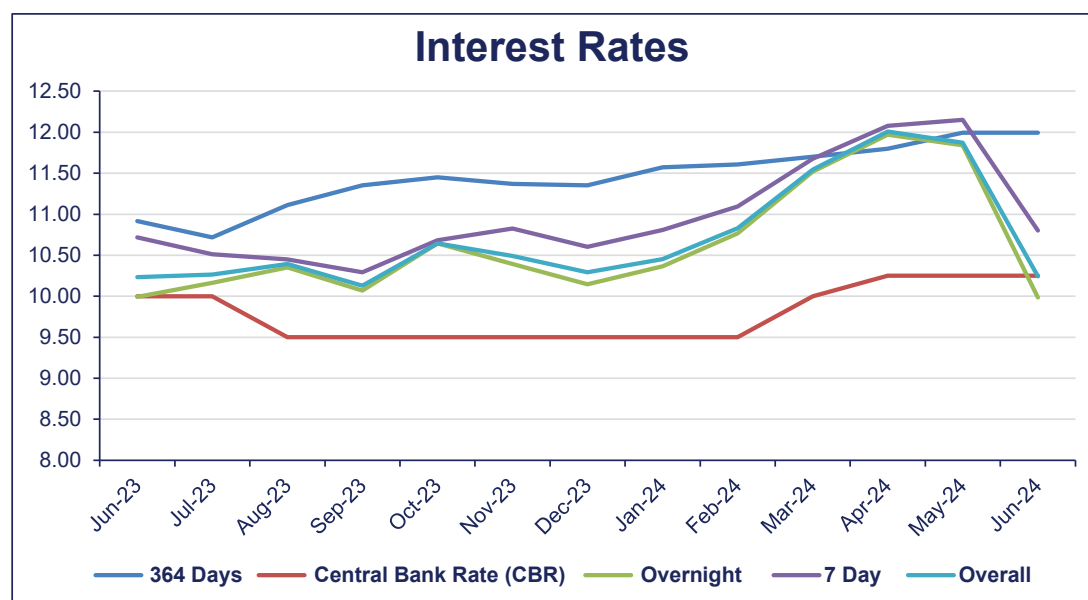


Source: UBOS UGANDA CONSUMER PRICE INDEX: 2016/17=100 Apr 2023

INTEREST AND LENDING RATES

Interbank Money Market Rates

Interbank Money Market rates dropped significantly averaging 10.24% in June 2024 compared to 11.87% in May 2024. Overnight rates edged slightly lower at 9.98% in June 2024 compared to 11.84% in May 2024. Additionally, 7-Day rates edged slightly lower averaging 10.80% in June 2024 compared to 12.15% in May 2024. The CBR rate was raised to 10.25% by the Monetary Policy Committee of the Bank of Uganda in its April 2024 meeting and maintained during the June 2024 meeting. Interbank Money Market rates have dropped significantly during the month of June 2024.



Source: Bank of Uganda

364-day rate represented as the monthly average discount factor.

Yields on Government securities.

Rates on the short end of the yield curve at the end of June 2024 decreased slightly compared to the end of May 2024. Closing average yields in the bond market at the end of June 2024 decreased across different tenors showing slight stability in the bond market month on month.

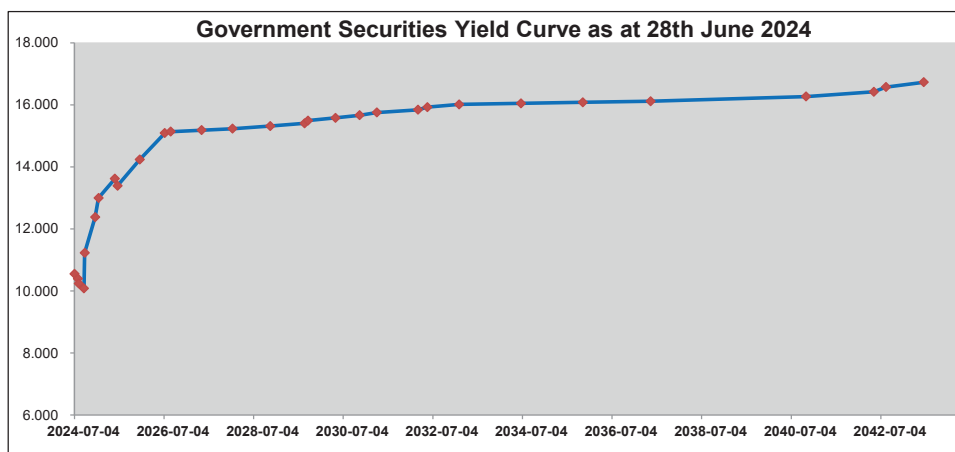
Tenors	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	6mo spread
91Days	9.80%	9.80%	9.70%	9.94%	9.31%	9.93%	9.31%	9.22%	9.54%	9.68%	9.99%	10.08%	0.77%
182Days	11.70%	11.00%	10.49%	11.85%	11.89%	11.88%	11.78%	11.93%	11.96%	12.40%	12.99%	12.38%	0.60%
364Days	12.30%	12.00%	11.11%	12.50%	12.76%	12.72%	12.77%	13.14%	13.17%	13.37%	13.59%	13.39%	0.62%

Source: Bank of Uganda

Maturity	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	6 mo. Spread
2 years	12.44%	13.60%	13.43%	13.28%	13.03%	13.00%	13.11%	13.17%	13.34%	13.55%	14.08%	13.62%	0.51%
3 years	13.29%	13.69%	13.66%	13.60%	13.32%	13.72%	13.78%	14.19%	14.83%	14.76%	15.14%	15.09%	1.31%
5 years	14.13%	14.56%	14.91%	14.63%	14.63%	14.81%	14.75%	14.73%	14.94%	14.90%	15.27%	15.23%	0.48%
10 years	14.57%	15.48%	15.59%	15.25%	15.09%	15.48%	15.54%	15.72%	15.78%	16.04%	16.43%	16.02%	0.48%
15 years	14.74%	15.68%	15.84%	15.33%	15.16%	15.75%	15.82%	16.22%	16.22%	16.18%	16.69%	16.12%	0.30%
20 years	14.91%	16.35%	16.15%	15.31%	15.18%	15.74%	15.83%	16.31%	16.49%	16.45%	16.89%	16.73%	0.90%

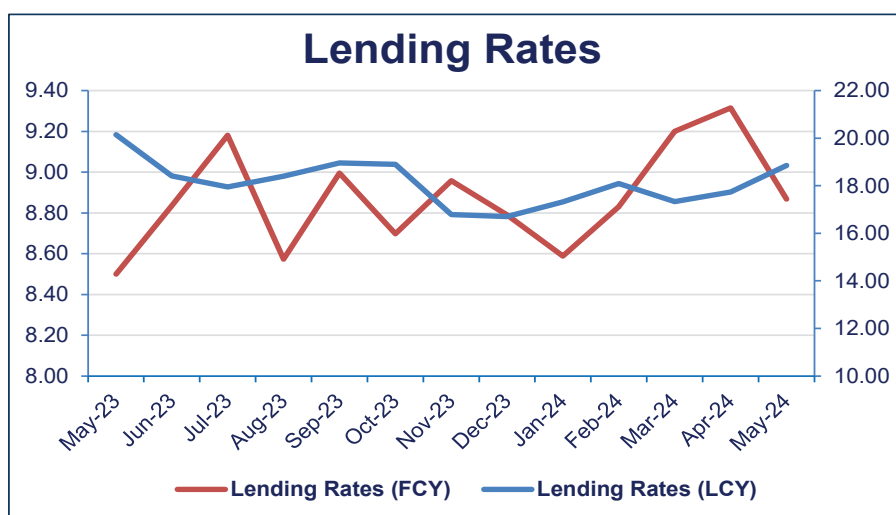
Source: Bank of Uganda

Closing Yield Curve June 2024



Lending rates

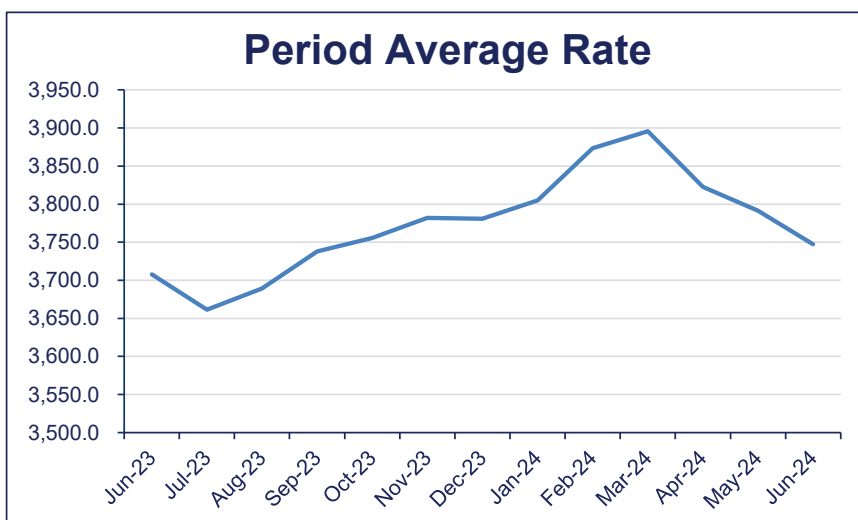
Shilling denominated lending rates increased significantly to 18.85% in May 2024 from the 17.74% recorded in April 2024. Month on month, foreign currency denominated lending rates slightly decreased to 8.87% in May 2024 compared to 9.32% in April 2024. (Source: Bank of Uganda data)



Source: Bank of Uganda

Foreign Exchange Rate Development

The local currency averaged at 3,791.4 against the dollar in comparison to 3,822.7 for April 2024 showing a slight appreciation.



Source: Bank of Uganda

BOND LISTINGS

There were reopens for the 2 year, 5-year and 15-year bonds with Yield to Maturity at 15.249%, 15.50% and 15.80% respectively. The current total value of the Government Bonds listed on the bourse stands at UGX 37.261 trillion as at the end of 30th June 2024.

Government Bond Schedule: June 2024

IS IN	ISSUER NAME	TYPE	ISSUED SHARES	ISSUE DATE	MATURITY
UG12K0304317	GOVERNMENT OF UGANDA	B	1,630,000,000,000.00	2016/04/20	2031/04/03
UG12J1812252	GOVERNMENT OF UGANDA	B	120,000,000,000.00	2015/12/30	2025/12/18
UG0000001376	GOVERNMENT OF UGANDA	B	220,000,000,000.00	2013/12/04	2028/11/16
UG0000001467	GOVERNMENT OF UGANDA	B	1,070,000,000,000.00	2014/08/13	2024/08/01
UG0000001517	GOVERNMENT OF UGANDA	B	850,000,000,000.00	2015/01/28	2025/01/16
UG0000001533	GOVERNMENT OF UGANDA	B	2,195,000,000,000.00	2015/02/25	2029/08/23
UG12J2708269	GOVERNMENT OF UGANDA	B	1,220,772,600,000.00	2016/09/08	2026/08/27
UG12K0403325	GOVERNMENT OF UGANDA	B	1,620,000,000,000.00	2017/03/23	2032/03/04
UG12J0605277	GOVERNMENT OF UGANDA	B	1,580,000,000,000.00	2017/05/18	2027/05/06
UG12J1301280	GOVERNMENT OF UGANDA	B	2,461,603,800,000.00	2018/01/25	2028/01/13
UG12K0302337	GOVERNMENT OF UGANDA	B	2,140,000,000,000.00	2018/02/22	2033/02/03
UG12K0205308	GOVERNMENT OF UGANDA	B	120,000,000,000.00	2015/05/21	2030/05/02
UG12K2206346	GOVERNMENT OF UGANDA	B	2,259,740,000,000.00	2019/07/11	2034/06/22
UG12L0111405	GOVERNMENT OF UGANDA	B	2,969,351,300,000.00	2020/11/27	2040/11/01
UG12K0811352	GOVERNMENT OF UGANDA	B	1,826,700,000,000.00	2020/11/27	2035/11/08
UG12J1411303	GOVERNMENT OF UGANDA	B	187,489,000,000.00	2020/11/27	2030/11/14
UG12H2509240	GOVERNMENT OF UGANDA	B	250,000,000,000.00	2019/10/02	2024/09/25
UG12K1405378	GOVERNMENT OF UGANDA	B	3,868,896,200,000.00	2022/06/02	2037/05/14
UG12L0805428	GOVERNMENT OF UGANDA	B	892,100,000,000.00	2022/06/02	2042/05/08
UG12J2005328	GOVERNMENT OF UGANDA	B	1,530,311,400,000.00	2022/06/02	2032/05/20
UG12G2905259	GOVERNMENT OF UGANDA	B	2,421,442,200,000.00	2022/06/02	2025/05/29
UG12F0808242	GOVERNMENT OF UGANDA	B	730,000,000,000.00	2022/08/11	2024/08/08
UG12L1408420	GOVERNMENT OF UGANDA	B	2,016,767,400,000.00	2022/09/08	2042/08/14
UG12G0907265	GOVERNMENT OF UGANDA	B	1,103,000,000,000.00	2023/07/13	2026/07/09
UG12L1806433	GOVERNMENT OF UGANDA	B	1,978,000,000,000.00	2023/07/13	2043/06/18

Alternative trading of Government securities Activity: June 2024

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

June 2024 (UGX)	T-bills	T-bonds
Auction	249,400,000	533,000,000
Secondary	0	0

CORPORATE ANNOUNCEMENTS: June 2024

BATU Limited notice of annual general meeting & proxy form: BATU shared a notice of its AGM that shall be held on Thursday 4th July 2024 at the Sheraton, Rwenzori Ballroom.

Find announcement here: <https://www.use.or.ug/sites/default/files/BAT-UG%20Notice%20of%202024%20AGM%20%26%20PROXY%20FORM.pdf>

Announcement of changes in board of Bank of Baroda: The Board of Directors of Bank of Baroda (Uganda) Limited ("the Company") informed its shareholders and the general public of the appointment of Mr. Nkerewe Alex as Non-Executive Director on the Bank's Board with effect from 19th June 2024.

Find announcement here: https://www.use.or.ug/sites/default/files/Baroda%20Board%20Notice%202024_%20%28002%29.pdf

DFCU Limited notice of annual general meeting & proxy form: DFCU shared a notice of its AGM that shall be held on Thursday 11th July 2024 at Hotel Africana.

Find announcement here: <https://www.use.or.ug/sites/default/files/NOTICE%20OF%20ANNUAL%20GENERAL%20MEETING%20%26%20PROXY%20FORM.pdf>

EDUCATION COLUMN

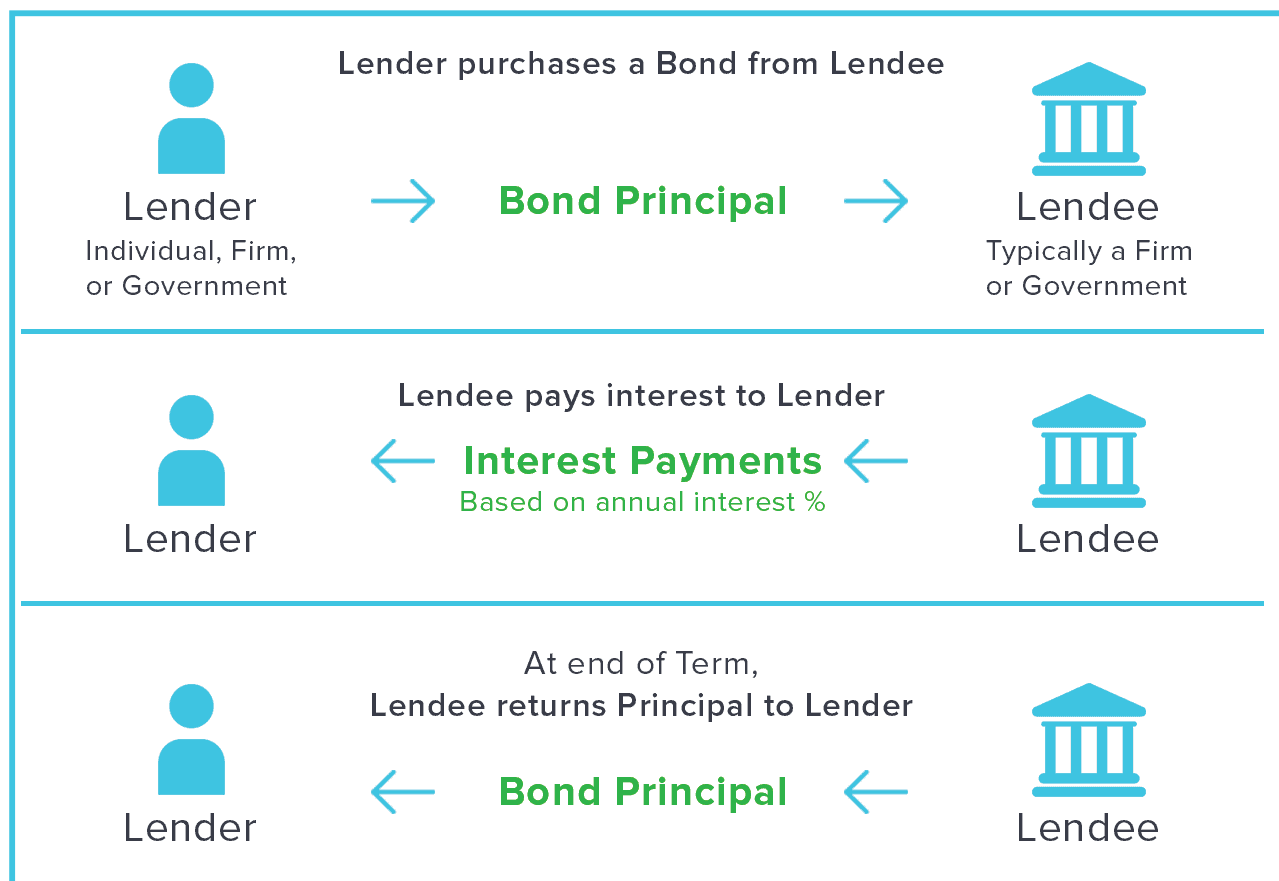
FIXED INCOME SECURITIES - BONDS



A bond is a fixed-income instrument that represents a loan made by an investor to a borrower (typically corporate or governmental). A bond could be thought of as an I.O.U. between the lender and borrower that includes the details of the loan and its payments. Bonds are used by companies, municipalities, states, and sovereign governments to finance projects and operations. Owners of bonds are debtholders, or creditors, of the issuer.

Bond details include the end date when the principal of the loan is due to be paid to the bond owner and usually include the terms for variable or fixed interest payments made by the borrower. Bonds are debt instruments and represent loans made to the issuer. Governments (at all levels) and corporations commonly use bonds in order to borrow money. Governments need to fund roads, schools, dams, or other infrastructure. The sudden expense of war may also demand the need to raise funds. Similarly, corporations will often borrow to grow their business, to buy property and equipment, to undertake profitable projects, for research and development, or to hire employees. The problem that large organizations run into is that they typically need far more money than the average bank can provide. Bonds provide a solution by allowing many individual investors to assume the role of the lender. Indeed, public debt markets let thousands of investors each lend a portion of the capital needed. Moreover, markets allow lenders to sell their bonds to other investors or to buy bonds from other individuals—long after the original issuing organization raised capital.

How Bonds Work



Bonds are commonly referred to as fixed-income securities and are one of the main asset classes that individual investors are usually familiar with, along with stocks (equities) and cash equivalents.

When companies or other entities need to raise money to finance new projects, maintain ongoing operations, or refinance existing debts, they may issue bonds directly to investors. The borrower (issuer) issues a bond that includes the terms of the loan, interest payments that will be made, and the time at which the loaned funds (bond principal) must be paid back (maturity date). The interest payment (the coupon) is part of the return that bondholders earn for loaning their funds to the issuer. The interest rate that determines the payment is called the coupon rate.

The initial price of most bonds is typically set at par. The actual market price of a bond depends on a number of factors: the credit quality of the issuer, the length of time until expiration, and the coupon rate compared to the general interest rate environment at the time. The face value of the bond is what will be paid back to the lender once the bond matures.

Most bonds can be sold by the initial bondholder to other investors after they have been issued. In other words, a bond investor does not have to hold a bond all the way through to its maturity date. It is also common for bonds to be repurchased by the borrower if interest rates decline, or if the borrower's credit has improved, and it can reissue new bonds at a lower cost.

Government of Uganda Bonds

Government bonds in Uganda are issued by the Bank of Uganda on behalf of the government to fund its budget deficit and other capital projects. These bonds are also known as Treasury bonds and are considered one of the safest investments in the country because they are backed by the full faith and credit of the Ugandan government.

The Bank of Uganda issues government bonds in various terms, ranging from 2 years to 20 years, with interest rates determined by the prevailing market conditions and the term of the bond. The interest payments are made semi-annually until maturity, at which point the full-face value of the bond is repaid.

Investing in government bonds in Uganda can be done by individuals, institutional investors, and foreign investors through primary auctions, secondary markets, and Over-The-Counter (OTC) transactions. Primary auctions are conducted by the Bank of Uganda on a regular basis, where new bonds are issued and sold to investors. Secondary


markets allow investors to trade previously issued government bonds, while OTC transactions are conducted between two parties outside of the formal market.

The interest income earned from government bonds in Uganda is subject to tax, which is currently set at 15% for non-residents and 20% for residents. However, the government has exempted some categories of investors from tax, such as pension funds and charitable organizations.

The government of Uganda has also introduced several initiatives to increase investment in government bonds, including the establishment of a primary dealer system, which allows authorized dealers to participate in primary auctions on behalf of their clients. The government has also launched a mobile trading platform, the Uganda Securities Exchange (USE) Automated Trading System, which allows investors to buy and sell government bonds through their mobile phones.

Investing in government bonds in Uganda provides a relatively safe and stable investment option, as the country has maintained macroeconomic stability and a low inflation rate in recent years. However, like all investments, government bonds in Uganda carry some risk, such as interest rate risk and inflation risk. It is important for investors to do their own research and seek advice from professionals before investing in government bonds in Uganda.

Characteristics of Bonds



1. Par Value
2. Coupon Interest Rate
3. Maturity Period
4. Call Provision
5. Call Price
6. Trustee
7. Sinking Fund Provision
8. Bond Rating
9. Put Provision
10. Convertibility
11. Bond Indenture

Characteristics of Bonds

Most bonds share some common basic characteristics including:

- Face value (par value) is the money amount the bond will be worth at maturity; it is also the reference amount the bond issuer uses when calculating interest payments. For example, say an investor purchases a bond at a premium of UGX 1,090,000 and another investor buys the same bond later when it is trading at a discount for UGX 980,000. When the bond matures, both investors will receive the UGX 1,000,000 face value of the bond.
- The coupon rate is the rate of interest the bond issuer will pay on the face value of the bond, expressed as a percentage.¹ For example, a 10% coupon rate means that bondholders will receive 10% x UGX 1,000,000 face value = UGX 100,000 every year.
- Coupon dates are the dates on which the bond issuer will make interest payments. Payments can be made in any interval, but the standard is semi-annual payments.
- The maturity date is the date on which the bond will mature, and the bond issuer will pay the bondholder the face value of the bond.
- The issue price is the price at which the bond issuer originally sells the bonds. In many cases, bonds are issued at par.

Source: <https://www.investopedia.com/terms/b/bond.asp#par>.

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
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
SSBG Securities Limited Block D, Crested Towers P. O. Box 7131, Kampala Tel: +256 0312 224 600 Email: SBGSecuritiesTrading@stanbic.com	Mr. Ssemakula Grace
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



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UGANDA SECURITIES EXCHANGE

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