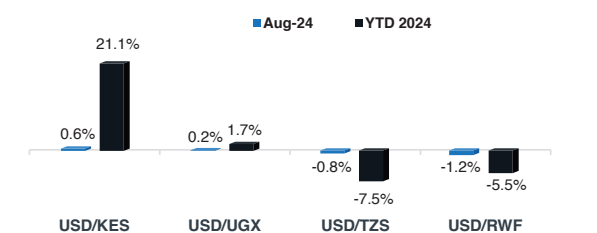


#### Global Markets Dashboard

	Aug-24	YTD	12 Months
MSCI World	2.5%	15.5%	22.6%
MSCI Emerging Markets	1.4%	7.4%	12.2%
Oil-Light Crude	-2.4%	2.3%	-9.3%
Gold	2.3%	21.3%	29.0%

Source: Bloomberg. Returns are in US Dollar.

#### Regional Currency Performance



Source: Central Bank of Kenya, Bank of Uganda, National Bank of Rwanda & Bank of Tanzania

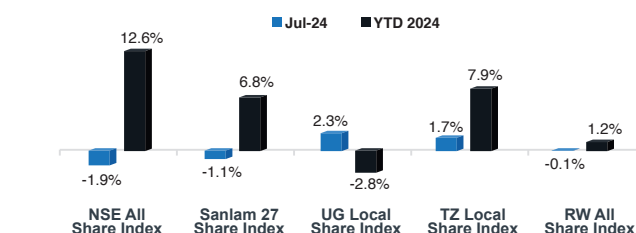
#### Regional Inflation & Key Interest Rates for August 2024

	Kenya	Uganda	Tanzania	Rwanda
Inflation Rate (latest)	4.4%	3.5%	3.0%	4.9%
Central Bank Rate	12.8%	10.0%	6.0%	6.5%
91 Day Treasury Bill	15.8%	9.4%	5.1%	7.5%
1 Year Treasury Bond Yield	16.8%	13.8%	10.8%	8.5%

\*Rwanda and Tanzania inflation as at July 2024

Source: Kenya, Uganda, Rwanda, and Tanzania National Bureau of Statistics & Bloomberg  
Rates are in respective local currencies.

#### Regional Stock Market Performance



Source: Nairobi Securities Exchange & Bloomberg. Returns are in respective local currencies.

## Market Commentary

**Global Markets:** The annual inflation rate in the US declined to 2.9% in July 2024 from 3.0% in June 2024 while the unemployment rate in July 2024 rose to 4.3% from 4.1% in June. The expectation of an interest rate cut is imminent. This has supported equity market performance in Developed (DM) and Emerging Markets (EM) in August which posted positive returns of 2.5% and 1.4% respectively.

The Organization for Economic Co-operation and Development (OECD) projects the world's economic growth of 3.1% in 2024 and 3.2% in 2025, with little change from the 3.1% attained in 2023.

Downside risks to global economic growth include geopolitical risks in the Middle East and Russia/Ukraine, and the ripple effect of the upcoming elections in the USA in November 2024.

**Inflation:** In August, Kenya's inflation increased by 0.1% to 4.4%/y driven by higher fuel inflation. Improved food production and a stable exchange rate should contain inflation within the Central Bank of Kenya (CBK) target band of 2.5% and 7.5%.

Uganda's consumer inflation declined to 3.5%/y from 4.0%/y in July due to a downward shift in fuel, food, and service prices. Tanzania and Rwanda's inflation declined by 50bps and 10bps, respectively, to 3.0% and 4.9% in July 2024 as food and transport inflation declined.

**Currencies:** The Kenya shilling rate to the US Dollar (USD) was stable despite the recent credit rating downgrades by Moody's and Fitch rating agencies. This reflects Kenya's favorable interest rates and expectations that Kenya will continue to receive concessional loans. Diaspora remittances have also remained strong, with a 17% y/y growth in H1 2024.

There is ample USD supply in the Uganda market as the Bank of Uganda (BOU) canceled the purchase of USD from the market through the daily FX auction arrangement. This resulted in a stable currency in in August. The Tanzania Shilling and Rwandan Franc depreciated by 0.8% and 1.2% in August respectively against the USD.

**Interest Rates:** The Kenya Monetary Policy Committee (MPC) cut the Central Bank Rate (CBR) by 25bps to 12.75%. The 12-month Treasury bill rate declined by 8bps to 16.9%. The Central Bank of Kenya (CBK) re-opened a 6.5-year and 17-year infrastructure bond (tax-free) that received a 253% subscription. They were issued at yields of 18.3% and 17.7%, respectively.

BOU reopened a 3-year, 10-year and 20-year bond which were all oversubscribed. The Bank of Tanzania re-opened a 10-year bond and 20-year bond at average yields of 13.25% and 15.39% respectively.

The National Bank of Rwanda (NBR) followed suit, cutting the CBR by 50 bps to 6.5% as the country's inflation is well within the 2% to 8% target range at 4.9%. a 16-year bond at average yields of 15.05% and 15.17% respectively. The National Bank of Rwanda issued a 19-year bond at an average yield of 13.28%.

**Equities:** Kenya stock market was down in August by 1.9% amidst negative sentiments around debt sustainability. Uganda and Tanzania stock markets posted a positive return of 2.3% and 1.7% respectively while the Rwandan bourse declined by 0.1%.

**Outlook:** Budgetary support to Kenya from the IMF and the World Bank could be supportive of the currency and stable interest rates. However, key concerns remain high on external debt servicing costs and negative fiscal and current account deficits in the East Africa region.

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## Important Information

- **Basis points (bps)** - A basis point is a standard measure for interest rates and other percentages in finance, representing one-one hundredth of one percent.
- **Central Bank Rate** refers to the interest rate at which a nation's central bank lends money to domestic banks, often in the form of very short-term loans. The Central Bank may increase or decrease the discount rate to slow down or stimulate the economy.
- **Currencies:** KES/USD refers to the Kenya Shilling exchange rate with the US Dollar. UGX/USD refers to the Uganda Shilling exchange rate with the US Dollar. TZS/USD refers to the Tanzania Shilling exchange rate with the US Dollar. RWF/USD refers to the Rwandese Franc exchange rate with the US Dollar.
- **MSCI**, the acronym stands for Morgan Stanley Capital International.
- **MSCI World Index**, is a broad global equity index that represents large and mid-cap equity performance across twenty-three developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country.
- **The MSCI Emerging Markets Index** is used to measure the financial performance of companies in fast-growing economies around the world. The index tracks mid-cap and large-cap stocks in 27 countries, dominated by Chinese, Taiwanese, and South Korean companies.
- **NSE All Share Index**, is a market cap-weighted index consisting of all the securities on the Nairobi Securities Exchange. Prices are based on the latest trade information from NSE's Automated Trading System.
- **Purchasing Managers Index (PMI)** is a measure of the prevailing direction of economic trends in manufacturing. The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%).
- **Quarter to date (QTD)** refers to the period beginning the first day of the current quarter up to the current date. QTD information is useful for analyzing business trends over time or comparing performance data to competitors or peers in the same industry.
- **Rwanda Stock Exchange All Share Index** is a market cap-weighted index that includes all non-domestic Rwanda listings.
- **Sanlam 27 Share Index** is a market cap-weighted index. The index universe is the Nairobi Securities Exchange. The index is managed by Sanlam Investments East Africa Limited.
- **Tanzania Local Share Index** is a market cap-weighted index. It includes only domestic listed companies.
- **Tap Sale:** A tap issue is a procedure that allows borrowers to sell bonds or other short-term debt instruments from past issues. The bonds are issued at their original face value, maturity, and coupon rate but are sold at the current market price. A tap issue is also referred to as a bond tap or tap sale.
- **Uganda Local Share Index** is a market cap-weighted index. It includes only domestic listed companies.
- **Year to date (YTD)** refers to the period beginning the first day of the current calendar year or fiscal year up to the current date. YTD information is useful for analyzing business trends over time or comparing performance data to competitors or peers in the same industry.
- **Year-over-year (Y/Y)** is a method of evaluating two or more measured events to compare the results at one period with those of a comparable period on an annualized basis.

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## Disclosure Statement

Sanlam Investments East Africa Limited ("the manager") is regulated by Capital Markets Authority in Kenya and Uganda to provide investment advisory and management services. The firm has been operational in Kenya since 1998 and in Uganda since 2004 and is a leading fund manager in the region with a strong record of accomplishment in service delivery and performance.

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