



Press Release

Market operations continue normally with steady growth in market activity

Nairobi, 18 March 2020... In line with the mandate of ensuring an orderly, fair and efficient market as well as protection of investors, the capital markets industry is working jointly to ensure that market activities continue normally even as the country copes with the devastating effects of COVID-19 after confirmation of the few known cases reported to date. The Capital Markets Authority (CMA), Nairobi Securities Exchange (NSE), Central Depository and Settlement Corporation (CDSC) and the other market players are working closely to ensure normal operations during this time, despite the scaled down physical interaction measures taken.

CMA Acting Chief Executive, Mr. Wyckliffe Shamiah, said the Authority has put in place necessary business continuity plans to ensure the safe and orderly conduct of its business during this time and is working with the entire capital markets industry so that appropriate measures are taken as the usual service is made available. Mr. Shamiah observed, "CMA continues to collaborate with NSE and CDSC, market intermediaries, issuers and other capital markets industry stakeholders to ensure that there is minimal disruption to market activities while supporting the Government of Kenya's strategies to contain the spread of the Coronavirus". He added that although the overall impact on the economy from what is being witnessed is likely to be enormous, the Authority is looking into measures that shall alleviate resulting suffering to the industry. He therefore said that following the recent Presidential Directive that suspended public gatherings and meetings among other measures, listed companies and licensed persons including collective investment schemes that were scheduled to hold their Annual General Meetings (AGMs) in March, April and May 2020, are advised to defer the meetings to a later date while ensuring all affected stakeholders are notified in good time. He added that although the market had reacted immediately the first COVID-19 case was confirmed, it had since corrected itself and going by the subsequent activities, there exist great investment opportunity that investors can take advantage of.

The NSE Chief Executive, Mr. Geoffrey Odundo, said, "We are witnessing some stabilization of market activity with signaling improvements in participation by local investors and increased inflow of foreign investor capital. This is reflected by the recovery witnessed in the NSE 20 share index in the last few days. We are happy to note that investors continue to diversify their portfolios across the various asset classes available at the Exchange. We are confident that market performance will continue to improve steadily and urge investors to take advantage of online and mobile trading platforms to participate in the market and track their investments".



The CDSC Chief Executive, Mr. Nkoregamba Mwebesa, affirmed that sound Business Continuity Plans are in place to ensure seamless settlement of all securities traded at the exchange. Mr. Mwebesa further noted that “in the endeavor to support the Government to contain the spread of Covid-19, CDSC issued a circular on 16th March 2020 to all its stakeholders providing alternative channels to be used for delivery of physical documents to minimize physical contact”. CDSC continues to offer all services to stakeholders and shall closely monitor the events of the Coronavirus as they unfold and adjust its’ business decisions as may be necessary.

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BACKGROUND INFORMATION ON THE CAPITAL MARKETS AUTHORITY

The Capital Markets Authority (CMA) was set up in 1989 as a statutory agency under the Capital Markets Act Cap 485A. It is charged with the prime responsibility of both regulating and developing an orderly, fair and efficient capital markets in Kenya with the view to promoting market integrity and investor confidence.

The regulatory functions of the Authority as provided by the Act and the regulations include; Licensing and supervising all the capital market intermediaries; Ensuring compliance with the legal and regulatory framework by all market participants; Regulating public offers of securities, such as equities and bonds & the issuance of other capital market products such as collective investment schemes; Promoting market development through research on new products and services; Reviewing the legal framework to respond to market dynamics; Promoting investor education and public awareness; and Protecting investors’ interest. For more information, please contact: Antony Mwangi, Head of Corporate Communications on amwangi@cma.or.ke

BACKGROUND INFORMATION ON THE NAIROBI SECURITIES EXCHANGE

The Nairobi Securities Exchange (NSE) is the principal securities exchange of Kenya. Besides equity securities, the NSE offers a platform for the issuance and trading of debt securities. The NSE is a member of the African Securities Exchanges Association and the East African Securities Exchanges Association. It is a full member of the Association of Futures Markets and the World Federation of Exchanges, and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative. For more format please contact, Waithera Mwai – Ireri, Senior Manager, Corporate Affairs on: wmwai@nse.co.ke



BACKGROUND INFORMATION ON THE CENTRAL DEPOSITORY AND SETTLEMENT CORPORATION

The Central Depository & Settlement Corporation Limited (CDSC) is a limited liability Company approved by the Capital Markets Authority to provide automated clearing, delivery and settlement facilities in respect of transactions carried out at Nairobi Securities Exchange as well as holding of listed and non-listed securities including other documents of title on behalf of investors. For more information, please contact Ms. Irene Mutiso, Head of Corporate Affairs and HR on imutiso@cdsckenya.com.