

E-Newsletter - Issue 1

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“ We need to simplify our messages while conducting public education to educate the general public on how they can save and invest through the capital markets” - CE- Rose Mambo

CDSC PARTICIPATES IN THE EAST AFRICA CAPITAL MARKETS DAY

CDSC Chief Executive Rose Mambo and Head of Human Resource and Corporate Affairs Irene Mutiso participated in the inaugural East Africa Capital Markets Day in Kigali, Rwanda held on 23rd – 24th May 2019. The event was officiated by the Rwanda Minister of Finance and Economic Planning, Dr. Uzziel Ndagijimana.

The East African Securities Exchange Association (EASEA) in partnership Rwanda Stock Exchange (RSE) organized the two day event whose theme was dubbed, “Showcasing East Africa’s Economic Vibrancy and the capital market’s place within the region”. The event brought together participants from government and private institutions from across the East African capital markets and financial industry.

CDSC Chief Executive Rose Mambo, in her plenary session titled “Moving the East African Capital Markets from the Board Rooms, Trading Floors and Master Plans to main street: Solutions/ Opportunities for Entrepreneurs and Investors for a complete Financial Market Model that can work for East Africa by East Africa” said “We need to simplify our messages while conducting public education to educate the general public on how they can save and invest through the capital markets”.



Chief Executive Rose Mambo during her plenary session in Kigali, Rwanda

She further reiterated the need for key sector players to urge people to be more active in the Capital Markets which encourages them to see the value of the securities they have invested in.

M-AKIBA RE-OPEN 2 OF MAY 2019 GOES TO MACHAKOS

CDSC in partnership with NSE launched the M-Akiba Retail Infrastructure Bond Re-open 2 of May 2019 on 27th May 2019 at People's Park in Machakos County. The function was graced by His Excellency the Deputy Governor of Machakos Eng. Francis Maliti, who was the Chief Guest.

The Deputy Governor encouraged citizens of Machakos County and Kenyans at large to embrace the savings culture because that is the surest way to avert poverty, while ensuring that one enjoys financial freedom. He echoed the Chief Executive Rose Mambo remarks, “The M-Akiba product will encourage the common Mwananchi to save and in so doing promote financial literacy in the society”.

In her remarks, CDSC Chief Executive Rose Mambo noted, “As a continuing obligation, CDSC as the M-Akiba agent for the Government of Kenya will continue to perform her role of the issuing and paying agent for the bond. CDSC has put in place robust systems that ensure security of client information and seamless settlement of transactions. During the offer period, CDSC will facilitate the creation of CDS accounts, processing of applications in the primary market, and shall offer registry services as a sub-register to the Central Bank of Kenya”.

“ I am proud to be part of this historical launch. In Machakos we strive to facilitate business not FRUSTRATE”- H.E Eng. Francis Maliti, Deputy Governor Machakos County

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M-AKIBA RE-OPEN 2 LAUNCH PICTORIALS



From L - R: Airtel Money Director Vincent Wakaba, Central Depository & Settlement Corporation (CDSC) Chief Executive Rose Mambo, Machakos County Deputy Governor Eng. Francis Maliti, NSE PLC Chief Executive Geoffrey Odundo and Investment Banker James Murigu share a light moment during the launch of M-Akiba Bond Re-Open 2 at the People’s Park in Machakos County on 27 May 2019.



NSE Head of Business Development & Innovation David Waggema (L) & CDSC Head of HR & Corporate Affairs Irene Mutiso (R) confirm the M-Akiba Bond buy by an investor.



CDSC Chief Executive Rose Mambo, gives her remarks during the launch at the People’s Park in Machakos.



KSHS. 187 MILLION RAISED DURING M-AKIBA RE-OPEN 2



Laikipia County Deputy Governor Honourable John Mwaniki (C) ring the Closing Bell to commemorate listing and secondary market trading of M-Akiba Re-open 2 at the Nairobi Securities Exchange on 11 June 2019 at the Exchange, Nairobi.

The May 2019 tranche was on offer for two weeks and CDSC managed to raise a total of Kshs. 187 million against a target of Kshs.250,000,000 million, a subscription rate of 75%.

Speaking during the commemoration, Head of ICT Mr. James Gikonyo, representing the Chief Executive, noted, "During the secondary market trading, CDSC shall continue to facilitate the settlement of M-Akiba transactions traded on the NSE and shall manage coupon payments and redemption of the bond at maturity.

He further noted since 2017, CDSC has paid out a total of Kshs.67,162,500/- in interest payments to M-Akiba investors." He also said the new M-Akiba CDS accounts opened during the offer period were 30,232 which now stand at 505,000 M-Akiba accounts.



NSE Chief Executive, Mr. Geoffrey Odundo gives his remarks

Reiterating CDSC remarks, the NSE Chief Executive, Mr. Geoffrey Odundo said, "The bond has continued to post growth in investor interest enabling us register over 500,000 investors onto the Bond Platform. He said NSE will continue working with other partners to grow uptake of the bond which seeks to enhance socio-economic development in Kenya through democratizing access to the Capital Market."



CDSC Head of ICT James Gikonyo giving remarks on behalf of the Chief Executive

CAPITAL MARKETS NEWS ROUND UP

NSE GETS REGULATOR'S NOD TO LAUNCH DERIVATIVES MARKET

The Capital Markets Authority (CMA) gave the Nairobi Securities Exchange the nod to launch and operate the long-awaited derivatives market on 29 May 2019 setting the stage for introduction of new products this year.

The CMA said in a statement that it is banking on the futures market to deepen Kenya's capital markets, where turnover and trading activity has remained flat in recent years.

Derivatives are an investment tool whose value is derived from an underlying asset like bonds, commodities, currencies, interest rates, market indexes and stocks based on the expected future price movement of the asset.

They allow investors to make a gain or hedge against losses by taking a bet on the future price movement.

The Nairobi Securities Exchange (NSE) has been grappling with the challenges of setting up a derivatives market for years.

SBM GETS LICENSE TO DEAL IN SECURITIES

The Capital Markets Authority (CMA) has licensed Mauritian lender SBM Bank Kenya, which recently took over the collapsed Chase Bank, to operate as an authorized security depository and authorized dealer.



The CMA also licensed Credit Bank Ltd to operate as an authorized depository. This brings the number of authorized securities dealers to three and the Central Depository Agents (CDAs) to 42.

SBM Bank officially kicked off operations in Kenya last August after its parent bank SBM Holdings took over the collapsed bank. An authorized securities dealer buys, sells, deals, trades, underwrites or retails fixed income securities.

PERSONAL FINANCE

PUTTING YOUR FOOT DOWN WHEN DEALING WITH UNETHICAL CLIENTS

By: NDIRANGU NGUNJIRI (Business Daily)

History is littered with organisations that collapsed because of unethical practices, affecting not only their shareholders, but national economies.

The importance of ethical behaviour is crucial in today's business environment cannot be gainsaid. People not only expect ethical behaviour in your business dealings, but also want it reflected in the decisions you make in your personal life as well. It is expected that your character will be the same on a personal and professional level. Basically you can't be ethical in business, but not in your personal life.

It was the case with former California Governor Arnold Shwartzenegger, who enjoyed good public approval making the important decisions in the State. However, his reputation was diminished after the media revealed an extra martial affair.

Since morals and virtues are not innate and are created by society, people can learn to be morally responsible human beings. We can also see that being honest is a huge part of being a good leader. It enables subordinates or followers to trust, have respect for the office bearer. When a leader is dishonest, followers tend to lose faith in them because they are undependable.

However, what do you do when you have a business and you get scammed out of money? Where do you draw the line in these cases?

I would say that as a person you should act ethically as much as possible. In business, however, you need to determine what is in the best interest of the business when you have been taken advantage of.

Read more on: <https://www.businessdailyafrica.com/lifestyle/pfinance/dealing-with-unethical-clients/4258410-5122070-rinwbx/index.html>

