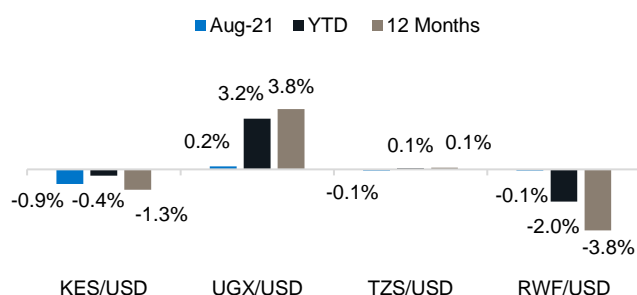


### Regional Inflation & Key Interest Rates

	Kenya	Uganda	Tanzania	Rwanda
Inflation Rate (latest)	6.6%	1.9%	3.8%	3.3%
Central Bank Rate	7.0%	6.5%	5.0%	4.5%
91 Day Treasury Bill	6.7%	6.8%	2.0%	6.8%
2 Year Treasury Bond Yield	8.3%	11.5%	7.6%	9.4%

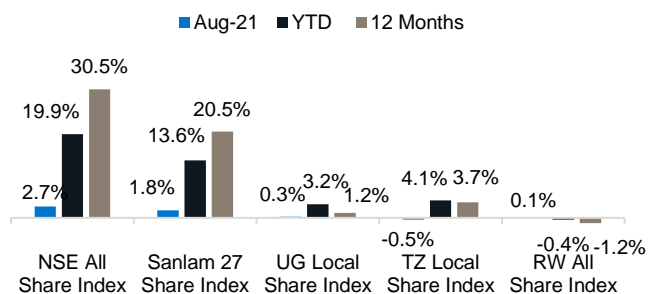
Source: Kenya and Tanzania National Bureau of Statistics & Bloomberg

### Regional Currency Performance



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

### Regional Stock Market Performance



Source: Nairobi Securities Exchange & Bloomberg

### Global Markets Dashboard

	Aug-21	YTD	12 Months
MSCI World Index	2.3%	16.8%	27.9%
MSCI Emerging Markets Index	2.4%	1.3%	18.8%
Oil-Light Crude	-4.4%	40.9%	61.2%
Gold	-0.00%	-4.5%	-7.8%

Source: Bloomberg

### Market Commentary

**Inflation:** Kenya's inflation marginally increased by 0.2% on a month-on-month basis and 6.6% year-on-year. This was mainly driven by the food and non-alcoholic beverages basket which increased by 10.7% year-on-year while the housing, water, electricity, gas, and other fuels index surged by 5.1% year-on-year. Uganda's annual headline inflation declined to 1.9% in August compared to 2.1% in July, attributable to transport index that declined by 7.3% year-on-year. Headline inflation in Tanzania edged up to 3.8% in July from 3.6% reported in June. The food and non-alcoholic beverages inflation rate increased to 5.1% on an annual basis.

Rwanda Consumer Price Index declined to 3.3% in July compared to 4.1% reported in June, mainly due to the decrease in food and non-alcoholic beverages and transport prices. We reiterate our earlier forecast that inflation in the region should remain well anchored within the respective Central Bank's inflation targets over the near term.

**Interest Rates:** In Kenya, bond yields marginally declined across the yield curve. The Central Bank of Kenya issued 10-year, 20-year and 25-year bonds at weighted average rates of 12.2%, 13.2% and 13.4% respectively. Interest rates in Uganda declined over the medium portion of the yield curve, as liquidity and offshore participation in government securities picked up. The Bank of Uganda issued 3-year and 15-year bonds at weighted average rates of 11.4% and 14.1% respectively. High liquidity in Tanzania's money market extended the decline on short-term interest rates during the month of August.

**Currencies:** The Kenya Shilling depreciated by 0.9% against the US Dollar while the Rwandese Franc and Tanzania Shilling marginally declined by 0.1% against the US Dollar in August. This was due to increased dollar demand from merchandise importers and dividend repatriation. On the other hand, the Uganda Shilling appreciated by 0.2% in August. Our view is that currency pressures could remain moderate in the near term as economies reopen and business activities pick up in the region.

**Equities:** The Kenya, Uganda and Rwanda equities market posted positive return in August supported by huge demand for banking stocks from local and foreign investors. The Tanzania equities performance however was in the negative territory down 0.5% in August.

**Global Markets:** Global equities edged higher for the sixth consecutive month, as risk appetite was bolstered by vaccine momentum and efficacy, accommodative financial conditions, central bank liquidity tailwinds, and strong corporate earnings.

The gold commodity performance was relatively flat during the month. Global crude oil prices retracted in August amid a surge in Covid-19 hospitalization and infections dampening demand for the commodity.

**Outlook:** Global corporate earnings recovery is on course, and we anticipate it to pick up in the second half of 2021. Monetary policy has remained accommodative thus allowing investor sentiment to be supportive of risky assets. Nevertheless, risks to our outlook would emanate from the emerging Covid-19 variants, disappointing economic indicators, higher valuations particularly in developed markets, near-term inflationary pressures, and the Federal Reserve stimulus tapering.

#### Important Information.

- **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 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country.
- **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.
- **MSCI**, the acronym stands for Morgan Stanley Capital International.
- **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.
- **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.
- **NSE All Share Index**, is a market cap weighted index consisting of all the securities on the Nairobi Securities Exchange. Prices are based on last trade information from NSE's Automated Trading System.
- **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.
- **Uganda Local Share Index** is a market cap weighted index. It includes only domestic listed companies.
- **Tanzania Local Share Index** is a market cap weighted index. It includes only domestic listed companies.
- **Rwanda Stock Exchange All Share Index** is a market cap weighted index that includes all non-domestic Rwanda listings.
- **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.

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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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