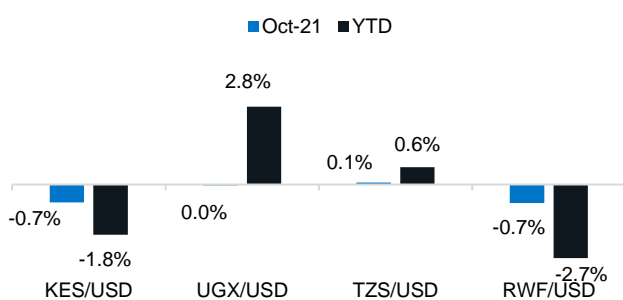


### Regional Inflation & Key Interest Rates

	Kenya	Uganda	Tanzania	Rwanda
Inflation Rate (latest)	6.5%	1.9%	4.0%	1.8%
Central Bank Rate	7.0%	6.5%	5.0%	4.5%
91 Day Treasury Bill	7.0%	6.5%	2.7%	7.2%
2 Year Treasury Bond Yield	9.4%	10.0%	7.6%	9.7%

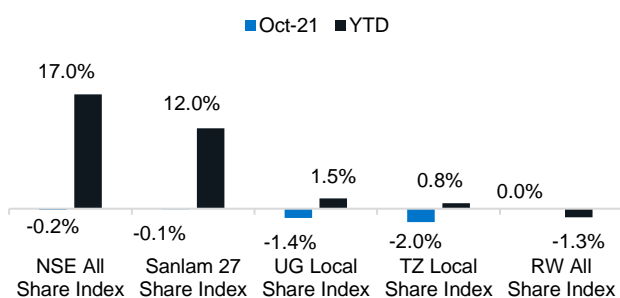
Source: Kenya, Uganda, Rwanda and Tanzania National Bureau of Statistics & Bloomberg

### 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

	Oct-21	YTD	12 Months
MSCI World Index	5.6%	18.0%	38.5%
MSCI Emerging Markets Index	0.9%	-2.1%	14.6%
Oil-Light Crude	7.5%	62.9%	125.3%
Gold	1.5%	-6.1%	-5.1%

Source: Bloomberg

### Market Commentary

**Inflation:** Kenya's inflation increased by 0.5% on a month-on-month basis and declined to 6.5% year-on-year. This was mainly driven by the food and non-alcoholic beverages basket which increased by 10.6% year-on-year. Housing, water, electricity, gas, and other fuels index surged by 5.8% year-on-year. Uganda's annual headline inflation declined to 1.9% in October compared to 2.2% in September. This was attributable to a decline in commodity prices affecting transport, alcoholic beverages, and housing sectors. Headline inflation in Tanzania marginally edged up to 4.0% in September from 3.8% reported in August. The food inflation rate for September increased to 4.0% from 3.6% recorded in August.

Rwanda Consumer Price Index declined to 1.8% in September compared to 2.6% annual change reported in August, mainly due to a decrease in food and non-alcoholic beverages and transport prices. Inflation is forecasted to rise moderately but stabilize around the respective regional Central Bank's target as consumer demand recovers with the reopening of economies

**Interest Rates:** Bond yields marginally edged up across the yield curve in Kenya during the month. The Central Bank of Kenya issued a 6-year, 12-year and a 25-year bond at weighted average rates of 11.9%, 12.8% and 13.8% respectively. Interest rates in Uganda also went up across the yield curve during the month of October relative to the previous month. The Bank of Uganda issued 5-year and 20-year bonds at weighted average rates of 13.0% and 15.5% respectively. High liquidity in Tanzania's money market extended the decline on short-term interest rates during the month

**Currencies:** The Kenya Shilling and Rwandese Franc each depreciated by 0.7% against the US Dollar in October. This was due to increased dollar demand from energy and merchandise importers. On the other hand, the Tanzania Shilling appreciated by 0.1% while the Uganda Shilling was relatively unchanged in October. As economies reopen and business activities pick up in the region, currency pressures could build up but remain moderate in the medium term.

**Equities:** The regional equities performance reflected a general weakness for the second month in a row. Sell off by foreign funds exiting the frontier markets space exacerbated the downward pressure on the regional bourses. The Kenya stock exchange witnessed decent profit taking activity on banking and telecommunication stocks from local and foreign investors.

**Global Markets:** Global equities markets rebounded in October erasing the losses reflected in September. The MSCI World index and MSCI Emerging Markets index posted 5.6% and 0.9% returns respectively in October. Markets were supported by Q3 earnings results which beat analyst expectations, supportive economic data, and some respite on real estate debacle in China.

The gold commodity performance edged up during the month but remained in the negative territory year to date which could reflect decent investor appetite for risky assets. Global crude oil prices continued to hike in October as demand outpaced the global supply.

**Outlook:** Global economic growth is reflecting significant recovery and expected to continue this trend in the medium term. This is supported by accommodative monetary policies, improved corporate earnings, and vaccination progress. Going forward, we anticipate that a pick-up of inflation figures could pose risks to the accommodative trends adopted on a global front to support economies in a post COVID-19 environment.

#### 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.
- **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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