

Treasury Market Update

OUR INDICATIVE RATES

T-BILLS

TENOR	UGANDA
91 DAY	6.5%
182 DAY	8.4%
364 DAY	9.8%

T-BONDS

TENOR	COUPON	YIELD
2 YEAR	10%	10.7%
3 YEAR	17%	12.15%
5 YEAR	16%	13.5%
10 YEAR	16.375%	14%
15 YEAR	16.25%	14.4%
20 YEAR	17.5%	15.5%

INDICATIVE FOREX RATES

	BUY	SELL
USD	3420	3550
GBP	4615	4935
EUR	3855	4180
KES	27.50	35.50
ZAR	200	300

COMMODITY PRICES

BRENT	93.29
CRUDE OIL	92.80
GOLD	1,807
COFFEE	240.73
CORN	617.12

INFLATION

	NEW	PREVIOUS
HEADLINE	2.7%	2.9%
CORE	2.6%	2.1%
FOOD	5.3%	5.3%

CBR

	NEW	PREVIOUS
CBR	6.5%	6.5%

Money Market Watch



INTEREST RATES – Secondary market yields have hiked slightly in anticipation to the results from the Bond switch by BOU. The Central Bank is set to pay out a significant amount in maturities and in their mandate of ensuring financial stability, the Central Bank has issued a bond switch for the June 2022 bond. The results of this switch will give direction of interest rates and reduce the now widened margins on the same.

Upcoming Auctions: Treasury Bill is scheduled for 17-Feb-2022 and the Treasury Bond is scheduled for 24-Feb-2022 (2year and 10year).

UGANDA - FINAL INVESTMENT DECISION (FID) What next?

“FID is one of the important steps in Uganda’s journey to First Oil as it signifies the commitment of the oil companies, TotalEnergies EP Uganda CNOOC Uganda Limited and the Uganda National Oil Company to fund the development of Uganda’s oil and gas project. This also means that Uganda’s oil and gas sector remains profitable, even amidst the challenges related to the volatile crude oil prices and the ongoing COVID-19 pandemic. FID unlocks the single highest value project in the country, that will bring in an investment of close to \$10bn in the next three years within Uganda,” said Irene Batebe, PS Ministry of Energy and Mineral Development. Uganda has made significant strides in promoting local content to achieve in-country value creation and retention whilst ensuring competitiveness, efficiency, and effectiveness. Having finalised all the necessary commercial agreements, the contracts have been unbundled to enable local investors partake on the opportunities. This will help accelerate the economy’s gradual recovery from COVID 19 and the production work and export pipeline will draw more than \$10 billion of investment.

Forex Market Watch



UGANDA SHILLING – The Ugandan shilling weakened slightly, undercut by a rebound in demand for dollars from commercial banks and some merchandise importers. Commercial banks quoted the shilling at 3,495/3,505, compared to the previous close of 3,490/3,500.

US DOLLAR – The dollar The U.S. dollar advanced In a surprising burst of hiring, America's employers added a robust 467,000 jobs last month, a sign of the economy's resilience in the face of a wave of omicron infections. This was a jump from two-week lows, raising the chances of a larger Federal Reserve interest rate increase at the March policy meeting. The strong hiring growth for January, which defied expectations for only a slight gain, demonstrated the eagerness of many employers to hire even as the pandemic raged. Businesses appear to have regarded the omicron wave as having, at most, a temporary impact on the economy and remain confident about their longer-term prospects.

STERLING – The pound also slipped 0.5% against the dollar at \$1.3533, down from the two-week high touched at \$1.3628. with some analysts noting BoE caution on the longer-term inflation outlook. The BoE raised interest rates by 25 bps in an unexpected split decision, warning inflation could top 7%. Four of the nine Monetary Policy Committee members wanted a 50 bps move. It also slipped to a six-week low on against the euro, due to the ECB's acknowledgement that an interest rise this year was not out of bounds after all. Investors are also monitoring political developments as PM Boris Johnson fights for his position.

**Withdraw Uganda Shillings from your
US Dollar account at any of our ATMs
and save yourself a trip to the Bank**

CONTACT:

Nadia Mindra: 0417 707566 / 0704-025890

Justine Ariho: 0417 707568 / 0776-989273

Wilson Maiyo: 0417 707569 / 0774-698459

Whilst every care has been taken in preparing this document, dealers at Housing Finance Bank Uganda Ltd, neither give any warranty nor undertaking and will not accept responsibility or liability for the information contained herein. This report is for information purposes only and may not be reproduced or distributed to another person without the prior consent of HOUSING FINANCE BANK UGANDA LTD. Unauthorized use or disclosure of this document is strictly prohibited. By accepting this document you agree to be bound by the above terms and conditions.