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Global Markets

NBAD morning news summary

Global News

- **Dudley, Bullard signal Fed could start shedding bonds from portfolio this year; could pause hikes when it begins to shrink balance sheet:** The Federal Reserve could begin shrinking its $4.5tn balance sheet as soon as this year, earlier than most economists expect, New York Fed President William Dudley said on Friday in the central bank's most definitive comments on the question that looms over financial markets. "It wouldn't surprise me if some time later this year or sometime in 2018, should the economy perform in line with our expectations, that we will start to gradually let the securities mature rather than reinvesting them," Dudley, a close ally of Fed Chair Janet Yellen, said on Bloomberg TV. A couple hours later James Bullard, president of the St. Louis Fed, repeated his preference for the central bank to begin shedding its mortgage- and Treasury-backed bonds immediately but said the Fed could pause interest rate hikes when it begins shedding its bond holdings. "It's a possibility that you'd pause on the rate hike and end the reinvestment program," Bullard told reporters. Cleveland Fed President Loretta Mester and John Williams of the San Francisco Fed have also backed shrinking the portfolio this year. But Dudley, a permanent voting member of the Fed's policy committee, often paves the way for broader policy decisions and his New York Fed manages the balance sheet for the central bank. Dudley said the bond run-off would be "passive" and done "in the background," though he added that it could influence the pace with which the Fed continues to raise rates. "If we start to normalise the balance sheet, that's a substitute for short-term rate hikes because it would also work in the direction of tightening financial conditions," he said. "If and when we decide to begin to normalise the balance sheet we might actually decide at the same time to take a little pause in terms of raising short-term interest rates." Neel Kashkari, head of the Minneapolis Fed and among the most dovish policymakers, acknowledged at a local banking conference that there is interest among his colleagues to shrink the portfolio "in a gradual and predictable way." Dudley said "a couple more hikes this year would seem reasonable," and that the Fed could do a little more or less depending on the economic data. Bullard, another dovish policymaker, in New York said he could back perhaps one more hike this year but added "this is not an environment that data is screaming at the Fed that it has to move."
Source: Bloomberg; CNBC

- **US consumer spending slows, but inflation is rising; Midwest factory activity at highest since 2014:** US consumer spending barely rose in February amid delays in the payment of income tax refunds, but the biggest annual increase in inflation in nearly five years supported expectations of further interest rate hikes this year. A separate data release also showed that factory activity in the US Upper Midwest rose in March to its strongest level in over two years, marking a fifth straight month of manufacturing growth in the region. The slowdown in consumer spending reported by the Commerce Department on Friday is, however, likely to be temporary with consumer confidence at a more than 16-year high and a tightening labor market pushing up wage growth. The Commerce Department said consumer spending, which accounts for more than two-thirds of US economic activity, edged up 0.1%. That was the smallest gain since August and followed an unrevised 0.2% rise in January. Economists had expected a 0.2% increase. The government delayed the issuing of tax

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refunds this year as part of efforts to combat fraud. Spending last month was held back by a 0.1% dip in purchases of big-ticket items like automobiles. While unseasonably warm weather lowered households' heating bills, it restricted spending growth last month. Other data on Friday showed the University of Michigan's consumer sentiment index slipping to a reading of 96.9 in March from 97.6 earlier in the month. The final reading was a touch higher than February's 96.3. Even with consumer spending and economic growth slowing at the start of the year, inflation is rising. The personal consumption expenditures (PCE) price index gained 0.1% last month after jumping 0.4% in January. That lifted the year-on-year rate of increase in the PCE price index to 2.1%, the biggest gain since April 2012. The PCE price index rose 1.9% in January. Excluding food and energy, the so-called core PCE price index increased 0.2% last month after rising 0.3% in January. In the 12 months through February, the core PCE price index increased 1.8% after a similar gain in January. The core PCE is the Federal Reserve's preferred inflation measure and is running below its 2% target. In another report, the Marquette University and the Institute for Supply Management-Milwaukee on Friday said their seasonally adjusted index on manufacturing in the Milwaukee region climbed to 61.77 in March, the highest since November 2014. It was up from 58.69 in February. The survey's component on new orders, a proxy on future activity, rebounded to 65.12 from 62.76 last month, but its production gauge fell to 64.94 from 69.83.
Source: Reuters

- **ECB’s Coeure says its legitimate to review ECB pledge to keep rates at bottom:** It is "legitimate" for the European Central Bank to review its pledge to keep rates at record low levels or even cut them, but it is too early for now to have that conversation, ECB board member Benoit Coeure said on Friday. Coeure's comments mark the first time a dovish member of the ECB's Executive Board and a close ally of President Mario Draghi opened the door to the prospect of gradually ending an era of ultra-low interest rates, if growth and inflation continue to recover. With the threat of deflation now disappeared, Coeure said the ECB will "at some point" have to discuss whether it still needs to charge banks 0.4% on their excess cash, an extreme policy tool known as a negative Deposit Facility Rate (DFR). "That's not a discussion that we’ve had so far but it’s a legitimate discussion," Coeure said at an event organised by think-tank Bruegel. "At some point we’ll have a discussion whether such a low level of the DFR is still needed." Inflation in the euro zone has rebounded since late last year but it markedly slowed down again in March, data showed on Friday. This vindicates the ECB's cautious stance despite growing calls from countries such as Germany to end its easy policy or aggressive bond purchases and negative interest rates. Coeure said the ECB's guidance, which includes buying bonds until December and only raising rates well after that was still valid. But he cautioned that the order of the moves may change along with economic conditions. "Ultimately, also the choice of sequencing of policy instruments will be the outcome of our regular assessment," Coeure said. He also stressed that he was not in favour of letting inflation, currently at 1.5%, rise above the ECB's target of just under 2% just because it had been under that level for years.
  Source: Reuters

- **BoJ’s Tankan survey points to stable growth for manufacturers:** Business conditions among large Japanese manufacturers improved over the first three months of the year, according to the latest Tankan survey from the Bank of Japan. The closely-watched survey also pointed to improved conditions among medium- and small-sized enterprises, suggesting stable growth overall for Japanese industry. While Japanese big manufacturers' business confidence improved for a second straight quarter to hit a one-and-a-half year high in March, service-sector sentiment improved for the first time in six quarters and companies remained upbeat on their capital expenditure plans, the Bank of Japan's "tankan" survey showed. The headline index measuring big manufacturers' business sentiment rose to plus 12 in March from plus 10 three months ago, the tankan showed on Monday, falling slightly short of market forecasts but marking the highest reading since December 2015. The general-purpose machinery sector saw the largest improvement, rising 11 points to 25, while petroleum products and coal producers saw the biggest drop, of 16 points to 6. The reading for the non-manufacturing sector improved by 2 points to 20 in the March survey. Across all industries, conditions also improved by 2 points to 16. The headline June outlook for the manufacturing sector, of 11, was up from the March forecast of 8 (provided in the December survey), but would represent a small step back from the actual March result. *Source: Financial Times; Reuters*

- **South Korea manufacturing PMI falls to 4-month low:** South Korea's manufacturing sector weakened in March falling to a four-month low with the fastest cut in jobs since late-2008 and political tension with China weighed on demand. The manufacturing sector in South Korea continued to contract in March, and at a faster pace, the latest survey from Nikkei showed on Monday with a manufacturing PMI score of 48.4 vs 49.2 in February. Panellists reported employee numbers were reduced in reaction to persistently lower production requirements, seeing labour capacity cut for the seventh consecutive month. New export orders fell for a second consecutive month amid reports that sales to key export market China had been affected by political tensions surrounding the deployment of a US and South Korean anti-missile system.
  Source: Financial Times

- **Dollar falls as Dudley tempers rate-hike bets before Xi meeting; Asia stocks climb as busy week begins; Oil holds above $50:** The dollar weakened against most major peers after New York Federal Reserve President William Dudley doused speculation of a more aggressive pace of policy tightening. Stocks in Asia rose as trading began in a busy week that includes a meeting between China President Xi Jinping and Donald Trump and culminates in the monthly US jobs report. The greenback fell versus all major currencies except the British pound as traders weighed Dudley's Friday comments that there's no huge rush to raise interest rates quickly, with two more hikes this year seemingly reasonable. The yen was up 0.1% at 111.26 per dollar. The euro rose 0.2% to $1.0679. The GBP was down slightly at $1.2543, while the Aussie was down 0.2% to buy 76.16 US cents. The yield on 10-year Treasuries rose less than one basis point to 2.29%, after dropping three basis points Friday. The MSCI Asia Pacific Index climbed 0.3%, after soaring 8.8% in the first quarter, the best performance since 2012. The Topix index added 0.3% and Australia's S&P/ASX 200 Index fell 0.3%. Hong Kong's Hang Seng advanced 0.3%, while South Korea's Kospi index added 0.2%. Futures on the S&P 500 fell 0.1%, after the underlying gauge dropped 0.2% on Friday. The Stoxx Europe 600 Index rose 0.2%. Oil held above $50 a barrel after OPEC's Secretary General said the production cuts implemented this year are bringing the market to balance, countering data showing rising US drilling activity. WTI crude fell 8 cents to $50.52/barrel after rising 5.5% last week. Brent slipped 14 cents to $53.39 a barrel.
  Source: Bloomberg

Middle East & Africa News

- **Saudi Arabia's GDP growth quickens in Q4:** Saudi Arabia's gross domestic product, adjusted for inflation, grew 1.2% from a year earlier in the fourth quarter of 2016, official data has showed. The rate of growth increased compared with 0.9% in the third quarter, which was the slowest rate in over three years, according to preliminary data from the country's Central Department of Statistics showed. They also showed that the Q4 GDP growth was well below the 4.3% growth registered in Q4 2015. The kingdom's oil sector grew by 4% in the final quarter of last year compared to non-oil sector growth of just 0.4%. Saudi Arabia has seen its first deflation for more than a decade early this year, although the negative growth eased in February compared to January and is expected to be short-lived. Earlier this month, credit rating agency Moody's Investors Service raised its outlook for Saudi Arabia's banking system to "stable" from "negative", in a fresh sign that global investor confidence in the kingdom is recovering after plunging due to low oil prices.
  Source: Arabian Business

- **UAE remains favourite FDI destination, Mohammad Bin Rashid says:** The UAE will remain the preferred destinations to attract foreign investments, His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai said on Sunday after opening the seventh Annual Investment Meeting (AIM). "The UAE will remain a favourite destination

for FDI because it enjoys stability, security and legislation enacted to protect capital and create an encouraging, safe and clean environment for investment," Shaikh Mohammad was quoted as saying by the official agency, WAM. Shaikh Mohammad received a number of foreign ministers led by Rustam Minnikhanov, President of Tatarstan. Delegates from various countries along with 55 ministers from 120 countries attended the conference. The FDI in Abu Dhabi has increased 8% to reach AED 95.145bn ($25.9bn), compared to AED 88.095bn the previous year even as other emerging markets fared badly, Sultan Bin Saeed Al Mansouri, minister of economy told delegates at the AIM. "Our plans and strategies in Abu Dhabi don't only take into consideration accelerating growth, but also how to achieve sustainability," said Al Mansouri. According to a United Nations trade body, the UAE is the largest investment attracting country in the Mena region. Dubai attracted AED 25.5bn ($6.94bn) in FDI inflows in 2016, according to Crown Prince Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum. He said the city succeeded in maintaining its position among the top 10 global cities in attracting foreign investment, ranking seventh in the world. Sheikh Hamdan, also chairman of the Dubai Executive Council, added that Dubai succeeded in attracting 247 new investment projects, putting it third behind London and Singapore in new investment initiatives in 2016.
Source: Gulf News; Arabian Business

- **Abu Dhabi Global Market registers strong growth**: Despite volatile market conditions and consolidation, the Abu Dhabi Global Market (ADGM) said on Sunday they had managed to register more than 320 diverse non-financial and financial companies from October 2015 till date. "By providing a comprehensive suite of funds and new innovative investment vehicles, local and global financial institutions can now conduct activities in the UAE which had to be undertaken overseas in the past – and for UAE based entities, it means doing business closer to home," Ahmad Al Sayegh, Chairman of Abu Dhabi Global Market (ADGM), told delegates at the Annual Investment Meeting. The ADGM witnessed the first Private Real Estate Investment Trust (REIT) regime in the region and achieved one of the fastest pace of funds creation in the first year of operation with eight registered funds. Earlier in January, Etihad Airways and Natixis completed an aircraft leasing transaction for two Airbus A380s that are owned by special purpose vehicles that are domiciled in ADGM. "The aviation industry can continue to rely on ADGM's established platform to expand its global presence as Abu Dhabi aims to become the aviation financing and asset management hub for the region," Al Sayegh said. ADGM also wants to tap on the FinTech (financial technology) sector aggressively. The centre established the first FinTech regulatory framework and live regulatory laboratory in November 2016 — the first in the Mena region. ADGM said it expects that by 2050 developing countries will represent 60% of the global GDP (gross domestic product) from the current 40%. The developing markets represent less than 20% of the global financial assets, but accounts for 40% of global GDP. "Notwithstanding short term volatility and challenges, we are strategically centred in an extremely important region of developing and emerging economies that is one of the growth engines of the world," Al Sayegh said. "Complementing this collected success is our commitment to help foreign investors and local sectors connect the dots between trade, investment and development. Foreign direct investment (FDI) has indeed been a great impetus and one of the key factors in fostering economic growth," he added.
  Source: Gulf News

- **FGB and NBAD successfully merged to create UAE's largest bank and one of the world's largest financial institutions:** National Bank of Abu Dhabi and First Gulf Bank in a joint statement released Sunday, 2nd April 2017, said they have completed the merger announced last year. The press release said: "Following the legal completion of the merger between First Gulf Bank (FGB) and National Bank of Abu Dhabi (NBAD) on April 1, 2017, the combined bank began trading on the Abu Dhabi Securities Exchange (ADX) today under ticker symbol NBAD." Reflecting the new bank's deep roots and experience in the region, its Board of Directors has announced that the combined bank will be named "First Abu Dhabi Bank", after attaining regulatory approvals and following the General Assembly Meeting that will be held at a later stage to approve the name. The new bank is now the UAE's largest bank and one of the largest in the MENA region with total assets in excess of AED 670bn (or $180bn). The trading of the new shares was marked by a launch ceremony held at ADX, where Group CEO Mr. Abdulhamid Saeed

rang the opening bell. The event was attended by a number of the bank's Board members and ADX's senior leadership team. Commenting on the launch, His Highness Sheikh Tahnoon Bin Zayed Al Nahyan, Chairman of the new bank, said: "As these two successful Abu Dhabi institutions unite to form one stronger and combined bank, today marks the start of another historic chapter in the story of the UAE. Embodying the UAE's vision for growth and prosperity, we are confident that, "First Abu Dhabi Bank" will create new opportunities for our nation and support the growth ambitions of our shareholders, customers and employees, around the world." Abdulhamid Saeed, Group CEO of the new combined bank, said: "This is a transformational moment for Abu Dhabi, the region and beyond and is an extension of the legacy of both banks, which spans over a period of 50 years. I am remarkably proud to announce the successful completion of the merger of FGB and NBAD, which have combined their strengths to create the UAE's largest bank and one of the world's most prominent financial institutions. The bank has Capital of AED 10.9bn, Total Assets in excess of AED 670bn, Shareholders' Equity of AED 98bn and a Market Capitilisation of around AED 111bn. As one stronger and larger bank, we will have the financial strength, expertise and international connectivity to put our customers first through an expanded range of products, services and solutions, drive strong profitability and deliver significant value for shareholders. The ringing of this bell today signals the start of a new journey to grow stronger – for our nation, our customers, our employees and our communities." Combining talent from both organisations, the bank announced a strong and experienced leadership team, to successfully execute its strategic agenda and maximise value for customers and shareholders across the business. Under the guidance of CEO, Abdulhamid Saeed and supported by Deputy CEO and Acting Group Head of Corporate and Investment Banking, André Sayegh, senior management includes: Hana Al Rostamani, Group Head of Personal Banking; Arif Shaikh , Group Head of International; Karim Karoui, Group Head of Subsidiaries, Strategy and Transformation; James Burdett, Group Chief Financial Officer; Khalaf Al Dhaheri, Group Chief Operating Officer; Shirish Bhide, Group Chief Credit Officer; Abhijit Choudhury, Group Chief Risk Officer; P K Medappa, Group Chief People Officer; Malcolm Walker, Group Chief Audit Officer; Zulfiqar Ali Sulaiman, Group Chief Integration Officer. The new combined bank's Board of Directors has decided on the direction of the bank in the coming period and key priorities have been established in line with the vision and growth ambitions of Abu Dhabi and the UAE, which will form the guiding principles for the leadership team. Commenting on the strategic direction, Abdulhamid Saeed said: "We are now officially embarking on a new era, building on the respective legacies that each of the two banks have developed over the years, and working towards creating new milestones for the UAE and beyond. The bank's strategy will be focused on establishing itself as a financial services leader that puts its customers first, delivers top shareholder value and drives individual and institutional prosperity." Abdulhamid continued: "Our exceptionally strong consumer franchise has the scale and expertise to establish "First Abu Dhabi Bank", as the dominant banking player in the UAE, providing the most extensive range of innovative products, services and technology in the region which will enable us to lead in digitalisation and customised banking experiences. We are also focused on becoming the regional wealth advisor of choice for our customers". The new bank aims to further strengthen its partnership with its Corporate and Investment Banking clients, across a variety of products and across geographies. With its global network across 19 countries, the bank will strengthen and facilitate the trade flows and financial links between the UAE and its trading partners. Since the announcement of the FGB and NBAD merger on 3 July, 2016, the integration process has been running smoothly and according to the timelines set.
Source: NBAD

- **Masraf Al Rayan says shareholders approved up to $2bn sukuk sale, three-way merger with Barwa Bank and IBQ expected to complete within six months:** The shareholders of Qatar-based bank Masraf Al Rayan have approved up to $2bn of Islamic bond sale at its annual general meeting held on Sunday. According to Bloomberg News the lender's AGM agenda said Masraf Al Rayan plans to sell sukuk "when necessary and in whatever currency." A three-way merger with Barwa Bank, International Bank of Qatar, announced in December last year, should be completed within six months or end of 2017 at latest, Masraf Al Rayan Chairman Hussain Al-Abdulla said. "Masraf Al Rayan, Barwa Bank and International Bank of Qatar have announced that they have entered into initial negotiations regarding a

potential merger of the three banks to create a larger and stronger financial institution with a solid financial position and liquidity to support Qatar's economic growth and to finance development initiatives in line with Qatar Vision 2030," the three banks said in a joint statement in December. The potential merger will lead to the creation of the largest Sharia compliant bank in the State of Qatar and the third largest Sharia compliant bank in the Middle East with assets worth more than QAR 160bn and a share capital of more than QAR 22bn, the statement said that time. Masraf Al Rayan plans to issue new shares to acquire the two banks, will be the remaining entity, the lender said on Sunday. Masraf has hired KPMG, PricewaterhouseCoopers as advisers for the merger, while Allen & Overy is the legal counsel, Al-Abdulla told reporters, according to Bloomberg News.
Source: Bloomberg

- **Damac makes tender offer to holders of $650m sukuk:** Dubai based developer Damac Real Estate Development has made a tender offer to the sukuk holders of its outstanding $650m trust certificates due 2019, the company said in a statement posted on Nasdaq Dubai. The purchase price offered is 101.50% and maximum acceptance amount is up to $250m in aggregate face amount, Bloomberg News reported citing the tender offer which commenced on March 31. The expiration deadline of then tender offer is 4pm on April 7. Emirates NBD, HSBC and Merrill Lynch acting as the dealer managers for the tender offer. Last week Bloomberg News reported that Damac has picked up Bank of America Corp., HSBC, Emirates NBD and VTB Capital to arrange the sale of a new 5-year benchmark-sized Islamic bond. Damac is seeking to raise cash during the second quarter to help repay existing debt, Bloomberg News reported. The $650m sukuk, for which Damac has initiated the tender offer, is due in April 2019. "On an ongoing basis, and as part of our day-to-day discussions with banks, we continue to explore opportunities that help maintain our debt-level targets," Niall McLoughlin, senior vice president at Damac, told Bloomberg News in an email last week. "We remain prudent on leverage as is evident from our conservative gross debt-to-equity and gross debt-to-assets ratios that stand at 30% and 15.5% respectively" at the end of last year, he said.
Source: Bloomberg

- **Gulf stock markets moved sideways on Sunday; newly merged First Abu Dhabi Bank outperforms:** Stock markets in the Gulf moved sideways in thin volumes on Sunday, while shares of the newly-formed bank in Abu Dhabi, First Abu Dhabi Bank, outperformed a day after the legal completion of the merger. Shares of First Abu Dhabi Bank – the new name of the newly merged National Bank of Abu Dhabi and First Gulf Bank – rose 1.5%. Shares of First Gulf Bank have been delisted. Abu Dhabi index edged up 0.1% to 4,450 points. Shares of Abu Dhabi National Energy (TAQA) soared 13%. On Thursday, TAQA reported a full-year loss of AED 18.55bn ($5.05bn) for 2016. The net loss was largely fuelled by an AED 16.9bn post-tax impairment and because of lower oil prices. Dubai's index edged up 0.3%, with 19 shares advancing and 11 declining. Union Properties, the most traded share, rose 2.8% and builder Arabtec added 2.5%. In Saudi Arabia, the share index handed back gains made earlier in the day to edge down 0.2%. The number of advancing and declining shares were even at 72. Saudi Industrial Investment Group lost 3.6% after the company said its Saudi Chevron Phillips project would undergo 35 days of maintenance from April 1. The financial impact will be reflected in second quarter results. Other petrochemical producers' performances were mixed with five declining and five closing higher. The largest producer, Saudi Basic Industries, closed flat on Sunday. Shares of Saudi real-estate developer Jabal Omar added 0.4% after the company said one of its Mecca hotels had started operations. In Doha, the index added 0.1% in the lowest daily traded volume since late January as three-fifths of traded blue-chips advanced. Telecommunications operator Ooredoo was the top performer, adding 2.2%. Kuwait index fell 0.1%, Oman index edged down 0.2% and Bahrain index fell 0.7%. Egypt's index fell 0.6% in the lowest daily volumes since the flotation of the currency on Nov. 3. Twenty-two shares declined on Sunday while five advanced. Orascom Telecom shares fell 2.7%.
Source: Reuters

- **Egypt central bank says foreign debt jumps 40% to $67bn, expects March foreign reserves to jump to over $28.5bn:** Egypt's foreign debt jumped 40.8% year-on-year to $67.32bn in December, Central Bank

figures showed. Egypt has been negotiating billions of dollars in aid from various lenders to help revive an economy hit by political upheaval since a 2011 revolt, and to ease a dollar shortage that has crippled imports and drove away foreign investors. Egypt has received the first tranche of a three-year $12bn loan deal with the IMF and is expecting to receive the second tranche soon. The second tranche of a $3bn loan from the World Bank was disbursed to Egypt last month. The central bank said domestic debt rose 28.9% to $3.05bn. Egypt's central bank expects foreign reserves to jump to over $28.5bn for the month of March, the highest since March 2011, the bank's deputy governor told the country's state news agency Mena on Sunday. Egypt's net foreign reserves were at $26.542bn at the end of February and have been climbing ever since it clinched a $12bn three-year loan from the International Monetary Fund in November in a bid to lure back foreign capital.
Source: Reuters; Gulf News

- **Average yield on Egyptian three-month treasury bill rises, yield on nine-month bill stable:** Average yields on Egypt's three-month rose while the yield on nine-month treasury bills were stable at an auction on Sunday, data from the central bank showed. Yields on the three-month bills rose to an average of 19.418% from 19.375% at the most recent similar auction. Yields on the nine-month bills were stable at 19.178%.
Source: Reuters

- **Kenya sets sights on green bonds:** Kenya aims to issue its first 'green' bond this year, the initiative's backers said on Friday, bolstering the nation's reputation for financial innovation after the government launched the world's first mobile phone bond earlier this month. The proceeds from so-called green bonds help finance projects in the renewable energy, energy-efficiency, green transport and wastewater treatment sectors. France and Poland both issued green bonds in the last four months, becoming the first nations to venture into territory previously dominated by development banks and companies. "I believe we will have the first green bond issued this year," said Lamin Manjang, chairman of the Kenya Bankers Association (KBA), which is spearheading the green finance initiative. He did not say who would issue the bond or its potential size. Kenya's first green bond is likely to be issued privately. Plans for a green sovereign issue by Kenya will follow after the first issue under the KBA initiative, Central Bank Governor Patrick Njoroge told Reuters earlier this month. On Friday during the launch of the green bond programme, he repeated his support. "This definitely has legs. This will see the light of day," he said. Nigeria has unveiled plans to launch a local currency green bond in April. The green bond issue will bolster Kenya's reputation as a financial innovator after the government launched M-Akiba, the world's first bond sold exclusively over mobile phones, last week. The mobile phone bond aims to tap a pool of small investors, offering them a bond for as little as 3,000 shillings. The initial offering is 150 million shillings ($1.46m). Finance Minister Henry Rotich said the offer had already hit more than half of its target within a week. Nearly 68,400 mobile phone users have invested 79 million shillings. Habil Olaka, chief executive officer of Kenya Bankers Association, said the green bond would build on M-Akiba's success. "We are seeing the success of M-Akiba, (and) us leveraging on it," he said.
Source: Reuters

- **Uganda's inflation falls to 6.4% year-on-year in March:** Uganda's inflation fell to 6.4% year-on-year in March from 6.7% a month earlier, the statistics office said on Friday. The Uganda Bureau of Statistics said core inflation - which the central bank monitors for monetary policy and which strips out food, fuel, metered water and electricity prices fell to 4.8% from 5.7% in February.
Source: Reuters

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