



## PRESS RELEASE

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# NAIROBI SECURITIES EXCHANGE LAUNCHES NEW BOND TRADING SYSTEM

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Nairobi September 26, 2014



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Today, the Nairobi Securities Exchange launched a new system for trading corporate bonds and Government of Kenya Treasury Bonds.

The new system will allow on-line trading of debt securities and is integrated with the settlement system at the Central Bank of Kenya. This means that we shall continue to achieve a true Delivery versus Payment (DVP) and hence mitigating investors risk. Furthermore the system is more efficient, scalable and flexible, and can support trading in bonds that have been issued in foreign currencies.

Other features of the new system that present enormous opportunities in the bonds market include; the ability to support market making, a two (2) way quote trading model, ability to integrate with regulators' surveillance systems and ability to report transactions that are concluded over the counter for purposes of settlement.

In enhancing the bond trading system, the Exchange acknowledges the vital role that a vibrant secondary market for bonds continues to play in raising long term capital for the National Government and corporate entities. The County Governments can also use the same system to raise capital through issuing and listing County Bonds.

In making the announcement, Mr. Peter Mwangi, Chief Executive of the Nairobi Securities Exchange noted, *This is a significant step towards the Exchange's goal of ensuring that the secondary market becomes more transparent and the price discovery mechanism is beyond reproach. The multicurrency trading functionality of the new system means that foreign denominated bonds can now be listed and traded on the NSE. With this development, we look forward to the listing of the Government of Kenya Sovereign Bond at the Exchange.*

The system is supplied by Securities Trading & Technology Pty (STT), who are a South African financial software development company. The STT bond system is currently in use by the Johannesburg Stock Exchange (JSE) which has the most liquid bond market in Africa.

Ms. Michelle Janke, Managing Director of Securities Trading & Technology noted, *I am delighted to have partnered with the NSE, all teams have put in an enormous effort to take the market live today.*

**-ENDS-**



## NOTES TO THE EDITOR:

In August 2014, the Nairobi Securities Exchange advanced the trading and settlement of Government of Kenya treasury bonds increasing the number of settlements done in a day to three (3). Before this, settlement took place only at market closure at 3:00pm. It now also takes place at 11.00 a.m. and 1.00 p.m. Investors can now buy a treasury bond and sell it on the same day.

The Exchange is working with the Central Depository and Settlement Corporation (CDSC), the Central Bank of Kenya (CBK) to extend this facility to corporate bonds.

## FOR FURTHER INFORMATION PLEASE CONTACT:

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## ABOUT THE NAIROBI SECURITIES EXCHANGE (NSE)

The Nairobi Securities Exchange (NSE) is the principal securities exchange of Kenya. Besides equity securities, the NSE offers a platform for the issuance and trading of debt securities. The NSE is a member of the African Securities Exchanges Association (ASEA) and the East African Securities Exchanges Association (EASEA). It is an affiliate member of the World Federation of Exchanges (WFE) and an associate member of the Association of Futures Markets (AFM).