



PRESS RELEASE

Nairobi, 27th November 2009 The Nairobi Stock Exchange today marked the first day of automated trading in government bonds through the Automated Trading System (ATS).

In total, bonds worth **Kshs. 149 million** were transacted through the automated trading platform constituting of Kshs. 100 million worth of government bonds and Kshs. 49 million worth of the electronically traded KENGEN Public Infrastructure bond.

The NSE trading platform is linked directly to the Central Bank of Kenya's (CBK) Central Depository (CDS), which facilitates the uploading of government bond securities electronically to the ATS.

This first day of automated trading in government bonds marks a significant step in the efforts by the NSE and CBK towards creating depth in the capital markets by providing the necessary liquidity. This automation has been greatly facilitated by the regulator, through granting of the necessary approvals.

The benefits of an automated trading platform are the creation of liquidity, which is the ability to buy/sell quickly and also to do this at a known objective market price, which was a challenge in the manual trading environment.

“Automation will thus address this information asymmetry,” said Peter Mwangi, Chief Executive of NSE. “Markets thrive on having readily available and accurate information.”

Thus, through trading bonds via the ATS, it is possible to accurately determine the supply and demand. This then facilitates price discovery in the market and gives those who are trading confidence in that they are getting the best available objective price. This transparency then creates a continuous flow of real time data, which is then analysed and feeds back to further inform the market.

Further, settlement cycles can now be guaranteed at T + 3 for both corporate bonds government bonds.

The NSE will continue to work with market players towards the continual review and improvement of automated trading environment to facilitate secure and efficient trading.

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