

The African Exchanges Linkage Project (AELP): Phase 1

March 2020

Led and co-founded by:



The Egyptian Exchange
البورصة المصرية



nairobi
securities
exchange
Discover Opportunity

THE Nigerian
STOCK EXCHANGE



BRVM
BOURSE REGIONALE DES VALEURS MOBILISABLES



Stock Exchange of Mauritius

Coordinated By:



AFRICAN DEVELOPMENT BANK GROUP

Supported By:



KOAFEC
Korea-Africa
Economic Cooperation



Project Overview



The **African Exchanges Linkage Project (AELP)** is a flagship project of the African Securities Exchanges Association (ASEA) and the African Development Bank (AfDB) to facilitate cross-border trading and settlement of securities in Africa.

Improve depth and liquidity on Africa's capital markets

AELP will foster investment flows among the participating Exchanges by enabling:

- Cross-border securities trading using an order-routing system (AELP Link technology platform) to channel orders between Stockbrokers on participating Exchanges
- A Stockbroker sponsors the trade on the host Exchange
- Custody and settlement will be on the host Exchange according to its market rules and practice. Sponsoring broker and local custodian will be involved
- Live trading information among linked Exchanges and market participants
- Promote the African Listed Securities asset class and creating new products and securities on the linked Exchanges so that asset managers, stockbrokers, institutional investors and individual investors can identify investment opportunities across African markets
- Cross-border capital raising and Initial Public Offers (IPOs)
- Develop capacity between the Exchanges and boost collaboration between capital market Regulators, Central Banks and central depositories.

Participating Exchanges

In its initial phase, the Project aims to create linkages between 7 African capital markets that represent >90% of Africa's market capitalization.

No.	STOCK EXCHANGE	COUNTRY
1	Bourse Régionale des Valeurs Mobilières	Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo (WAEMU Region)
2	Casablanca Stock Exchange	Morocco
3	Johannesburg Stock Exchange	South Africa
4	Nairobi Securities Exchange	Kenya
5	The Nigerian Stock Exchange	Nigeria
6	Stock Exchange of Mauritius	Mauritius
7	The Egyptian Exchange	Egypt

Project Initiators

The AELP was initiated by ASEA with the support of the AfDB. It is supported by a grant from the Korea-Africa Economic Cooperation (KOAPEC) Trust Fund, administered by the African Development Bank.

The African Securities Exchanges Association (ASEA)



ASEA is the premier association of securities Exchanges in Africa, made up of 25 African Exchanges that have come together with the aim of developing member Exchanges and providing a platform for networking. The Association was established in 1993, and works closely with member Exchanges to unlock the potential of the African capital market and African economies. ASEA seeks to position African capital markets as key enablers of economic recovery in Africa by the year 2025.

The African Development Bank (AfDB)



The AfDB is a multilateral development bank and the premier financial development institution in the continent. There are 54 Regional Member Countries (African countries) and 26 Non-Regional Members. The Group has proven expertise in human and economic development in Africa, with extensive experience in the development of the financial sector. The Bank operates across five main areas that has been identified as essential in transforming the lives of the African people, and referred to as the High 5s: “Light up and Power Africa”, “Feed Africa”, “Industrialize Africa”, “Integrate Africa” and “Improve the Quality of Life for the People of Africa”.

AELP: Unlocking Opportunities in African Markets

Connecting African markets..

7

Stock Exchanges

14

Countries

\$ 1.25 trillion

Market capitalization

..providing diverse products...

Equities

Bonds

ETFs

Derivatives

REITs

Funds

and more..

...and access to Africa's largest companies.



Overview of AELP Markets



Bourse Régionale des Valeurs Mobilières

The Bourse Régionale des Valeurs Mobilières (BRVM) is a regional stock Exchange shared by eight countries in the West African region. These countries are Benin, Burkina Faso, Côte D'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

They are members of the West African Economic and Monetary Union (WAEMU), which is a fully integrated political and economic zone. The WAEMU countries have the same currency, the CFA Franc (XOF) that is pegged to the euro, the same Central Bank, one stock market, one central depository and settlement bank, one regulatory authority for financial market regulation. The CFA franc is to be renamed the "eco" during 2020.

The BRVM was created as a private company in 1996 and started its activities two years later with 34 listed companies and (USD) \$2 billion in market capitalization. Today, the BRVM has 46 listed companies, \$15bn total market capitalization, \$940,000 value traded every day, 54 listed bonds (sovereign and corporate) with 4 Islamic bonds with a market capitalization of \$809 million.

Market Snapshot¹

Equities	Bonds
46	58
\$ 8.12 bn	\$ 7.25 bn



30

dealing
members



1.86%

Turnover
Velocity

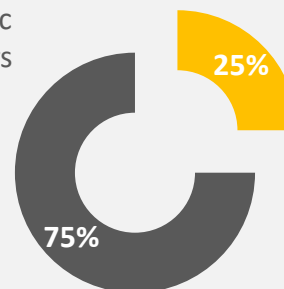


\$937,395

Avg. daily
value traded

Market Participation²

Domestic
investors



Foreign
investors

¹ As at December 31, 2019; ² As at December 31, 2019

Casablanca Stock Exchange



Creating Value

The Casablanca Stock Exchange (CSE) was established in 1929. It operates within a modern market infrastructure which includes a market authority, the AMMC, a central depository, Maroclear, and a centralized payment system operated by the Central Bank.

CSE is a member of the World Federation of Exchanges (WFE), the Sustainable Stock Exchanges (SSE) Initiative as well as the SIIA's Financial Information Services Division (FISD).

The CSE demutualized in 2016 and launched an ambitious strategy thereafter to assist in the country's economic development, meet the needs of market operators, develop the stock market and be ranked amongst the leading stock markets in Africa.

Also in 2016, the Exchange successfully implemented a state-of-the-art technology platform provided by London Stock Exchange Technology. Casablanca Stock Exchange has also implemented the ELITE programme in partnership with LSEG. This programme helps companies and prepares them to meet the financial market requirements.

Market Snapshot¹

Equities

Bonds

76

39

\$ 67 bn

\$ 532 m



17

10%

\$31.9 m

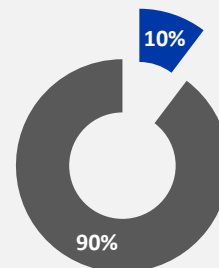
dealing
members

Turnover
Velocity³

Avg. daily value
traded⁴

Market Participation²

Domestic
investors



Foreign
investors

¹ As at January 2020; ² As at December 31, 2019; ³ Period: February 2019 to January 2020; ⁴ Period: January to December 2019;

The Egyptian Exchange



The Egyptian Exchange (EGX) is one of the oldest stock markets in the Middle East and North Africa (MENA) region. The EGX traces its origins to 1883 when the Alexandria Stock Exchange was established. Ever since, the Exchange has been serving the Egyptian capital market and advocating for capital markets development in the MENA Region.

The EGX is a member of the World Federation of Exchanges (WFE) and the African Securities Exchanges Association (ASEA). It is a founding member and currently chair of the Arab Federation of Exchanges (AFE). The Executive Chairman of the EGX currently serves as Chairman of the working committees of The Federation of Euro-Asian Stock Exchanges (FEAS). EGX is also a founding member of the United Nations Sustainable Stock Exchanges (SSE) Initiative.

EGX offers listing and trading services, specialized activities, market-data solutions, technology services and more.

Market Snapshot 2019

Equities	Bonds	ETFs
244	105	1
\$ 12.09 bn	\$ 11.4 bn	\$ 0.19 m



140

dealing
members



27.38%

Turnover
Velocity



\$44.26 m

Avg. daily
value traded

Market Participation 2019

Domestic
investors

88%

12%

Foreign
investors

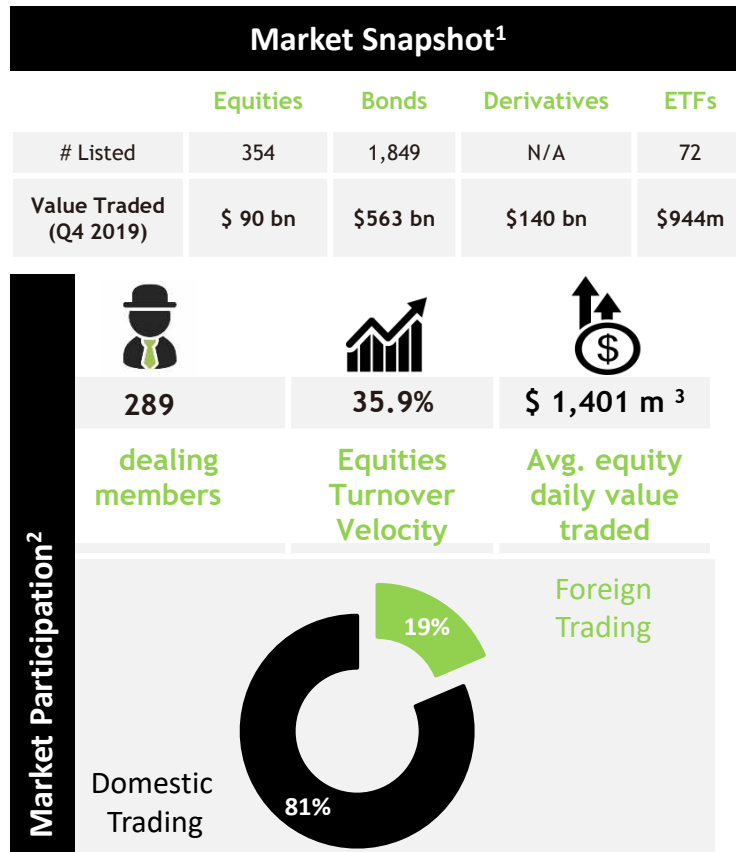
Figures cover the calendar year 2019

Johannesburg Stock Exchange



The JSE is a multi-product Stock Exchange providing listing, trading, clearing and settlement services for products ranging from equities to bonds, and financial derivatives to commodities. It does this by operating a regulated and completely electronic market place on which issuers and entrepreneurs list in order to raise capital or achieve public profile and to which a range of intermediaries connect in order to allocate capital and the savings of the public.

130 years into its existence, the JSE has for eight years in a row been recognized as one of the top three best regulated securities exchanges in the world (by the World Economic Forum Global Competitiveness Survey) and is home to some of the world's leading global companies including AB InBev, Prosus, British American Tobacco, BHP Billiton, Glencore and to South African giants such as Naspers, FirstRand and other leading banks, insurers and telecoms companies. The JSE trades approximately \$1.4bn daily on the equity market, ranking the JSE the 20th largest stock exchange in the world by market capitalization and the largest Exchange in Africa.



¹ As at December 2019 or Q419; ² As at December 31, 2019; ³ Average daily value traded across equities, bonds and derivatives.

Nairobi Securities Exchange



The Nairobi Securities Exchange (NSE) is a leading African Exchange, based in Kenya – one of the fastest-growing economies in Sub-Saharan Africa.

Founded in 1954, NSE has a six-decade heritage in listing equity and debt securities. It offers a world-class trading facility for local and international investors looking to gain exposure to Kenya and Africa’s economic growth.

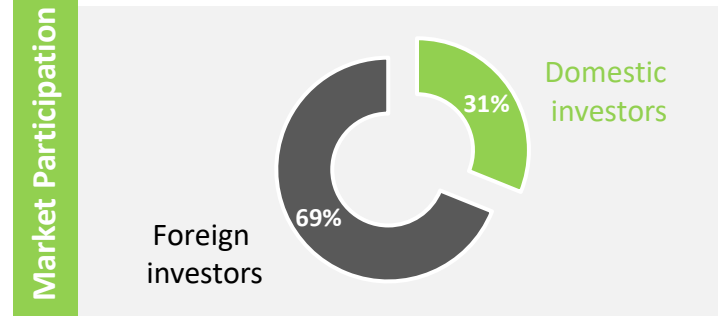
NSE demutualized and self-listed in 2014. Its Board and management team are comprised of some of Africa’s leading capital markets professionals, who are focused on innovation, diversification and operational excellence in the Exchange.

NSE is playing a vital role in the growth of Kenya’s economy by encouraging a savings and investment, as well as helping local and international companies access cost-effective capital. It operates under the jurisdiction of the Capital Markets Authority of Kenya. It is a full member of the World federation of Exchanges (WFE), and a founding member of ASEA and the East African Securities Exchanges Association (EASEA). It is also a member of the Association of Futures Markets and a partner exchange in the SSE.

Market Snapshot

Equities	Bonds	ETFs	Derivatives ¹	REITs
61	82	1	24	1
\$1.5 bn	\$6.4 bn	\$34,390	\$0.20 m	\$0.45 m

24	6.06%	\$6.0 m
dealing members	Turnover Velocity	Avg. daily value traded



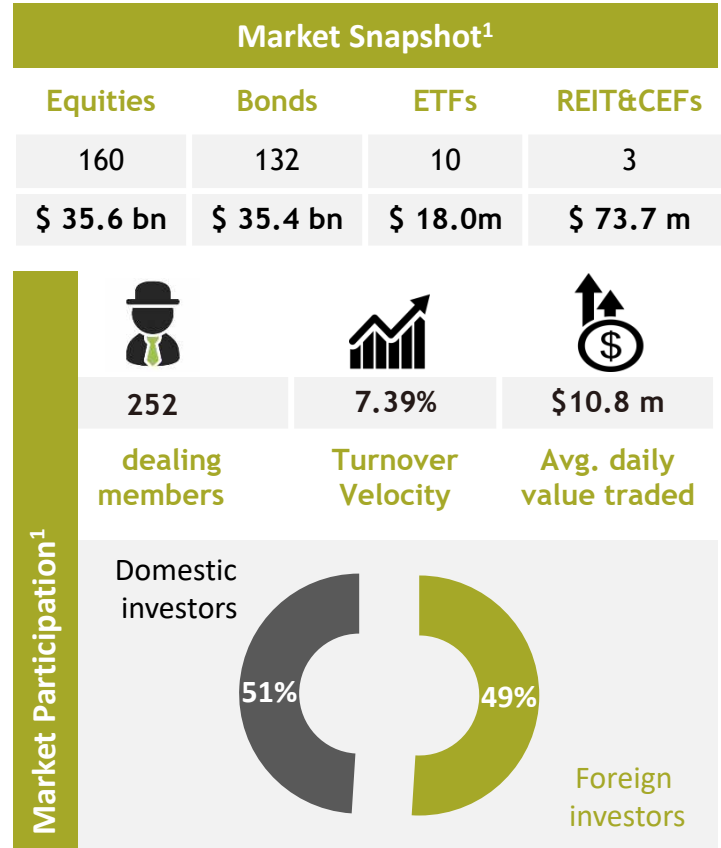
As at December 31, 2019; ¹Number of Listed Contracts

The Nigerian Stock Exchange

The Nigerian Stock Exchange services the largest economy in Africa and is championing the development of Africa’s financial markets. The NSE, a registered company limited by guarantee, was founded in 1960. It is licensed under the Investments and Securities Act (ISA) and regulated by the Securities and Exchange Commission (SEC) of Nigeria. The Exchange offers listing and trading services, licensing services, market-data solutions, ancillary technology services and more.

The NSE is committed to adopting the highest levels of international standards evident in its affiliation with a number of global organizations that promote the development and integration of best practices. It is a founding member of ASEA and belongs to the International Organization of Securities Commissions (IOSCO), the WFE and SSE Initiative, amongst others.

The NSE continues to evolve in order to meet the needs of its valued customers and to achieve the highest level of competitiveness. It is an open, professional and vibrant Exchange, connecting Nigeria, Africa and the world.



¹ As at December 31, 2019

Stock Exchange of Mauritius



The Stock Exchange of Mauritius Ltd (SEM) started its operations in July 1989 as a domestic equity-centric Exchange. It has since witnessed a significant overhaul of its operational and regulatory framework to become one of the leading small Exchanges in Africa.

The SEM is a multi-asset class Exchange. It operates a multi-currency capital-raising, listing, trading and settlement platform. It is today well-positioned as an attractive capital-raising and listing platform for local, niche international and Africa-focused ventures.

Since 2010, SEM has embarked on a new strategic orientation to move away from its domestic equity-centric focus to embrace a multi-asset class international focus. The results have been quite compelling and SEM has welcomed the listings of 157 new products since 2010, out of which 86 are international products.

Since 2010, \$6.5bn has been raised by SEM-listed companies to fund their growth, create jobs and contribute to Mauritius' economic growth. SEM is a member of ASEA and WFE, and is represented at the Board level of WFE.

Market Snapshot¹

Equities	Bonds	ETFs	Others ³
107	57	4	35
\$ 12.1 bn	\$ 1.7 bn	\$ 39.9 m	\$ 1.3 bn



9

dealing
members



16%

Turnover
Velocity

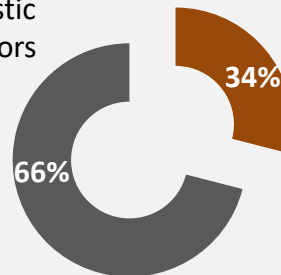


\$1.8 m

Avg. daily
value traded

Market Participation²

Domestic
investors



Foreign
investors

¹ As at March 3, 2020; ² As at December 27, 2019;

³ Refers to funds and structured products

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