



# **MONTHLY ECONOMIC REVIEW**

**OCTOBER  
2006**

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## EXECUTIVE SUMMARY

### Monetary Policy Stance and Actions

Monetary policy remained focused on containing inflation at low and stable levels. To achieve this, BOU's monetary policy operations ensured that liquidity management does not exacerbate instability in the goods market, the domestic money market and the foreign exchange market.

A review of developments for the four-week period ended September 30, 2006 suggests that:

In the four weeks to September 30, 2006, total treasury bill issues of Shs. 70.3 billion (at cost) were offset by treasury bill maturities of Shs. 86.9 billion leading to a net injection of liquidity of Shs. 16.6 billion, compared to the net injection of Shs. 14.0 billion that was observed in the previous four-week period to August 31, 2006.

In a continuous effort to promote the development of financial markets alongside the conduct of monetary policy, Bank of Uganda issued a 2-year bond on September 20, 2006 with a face value of Shs. 20.0 billion.

On the short-term liquidity management front, gross issues of the REPO instrument, whose maturities ranged from 2 to 10 days, amounted to Shs. 129.8 billion during this period, against maturities of Shs. 165.2 billion. This is compared to issues and maturities of Shs. 238.2 billion and Shs. 143.2 billion, respectively over the preceding period ended August 31, 2006. By September 30, 2006, there was no outstanding stock of REPOs.

### Inflation Developments:

- During the month of September 2006, the year on year headline inflation as measured by the change in Consumer Price Index (CPI) eased to 6.2 percent, down from 7.5 percent recorded in August 2006. Slower price increases in all group categories except household and personal goods, led to the decline in annual inflation. This was also lower than the rate of 7.8 percent recorded in September 2005.
- The year on year underlying inflation rose further to 6.8 percent in September 2006, up from 6.4 percent in August 2006, largely attributed to the acceleration in goods prices during the year ended September 2006. This is the fourth consecutive increase since June 2006 and the highest level recorded since July 2001 when it was 7.1 percent. Goods inflation surged by 0.4 percentage points to 6.8 percent in September 2006, particularly pinned on increases in prices of heavily weighted items such as meat, eggs, fish, sugar, charcoal, and washing soap among others. While, services inflation decreased to 4.9 percent from 5.7 percent for the year ended August 2006 driven by the drop in bicycle fares and soccer admission fees during the year ended September 2006.
- The annual food crop inflation dipped to 4.2 percent in September 2006 from 11.7 percent in August 2006. This was due to slower increase in prices of matooke and bitter tomatoes and the decline registered in prices of cassava, and cabbage. The month on month food crop inflation fell to 0.5 percent from 2.9 percent in August 2006.

- The outlook for inflation points at food prices easing towards the end of the year as harvest season starts. In addition, the recent decline in pump prices of fuel as result of the developments in international prices of crude oil, coupled with governments' decision to install additional thermal power may reduce costs of doing business and subsequently lead to a downward trend in prices of goods and services.

### **Real Sector Developments**

- Trading activity at the Uganda Securities Exchange (USE) soared in September compared to August 2006. Total turnover grew by 266.2 percent from Shs. 326.4 million in August to Shs. 1,195 million in September. Similarly, the number of shares increased by 342.6 percent from 619,965 shares in August to 2,744,178 shares in September. The boost in the performance at the USE is attributed to the DFCU counter that recorded 96.1 percent of the total turnover in September 2006.
- The value of assets disbursed in the month of September 2006 decreased by 37.65 percent from Ushs 2,521.7 million in August to Ushs 1,572.4 million. The Transport sector recorded the largest share of disbursements, taking 35.5 percent of the total assets disbursed. This was followed by the Manufacturing sector, with a share of 30.7 percent. Other sectors that received disbursements were Commerce and Trade, Mining and construction, Agriculture, Education, and other services with 12.77 percent, 12.71 percent, 0.95 percent, 2.64 percent and 4.71 percent respectively.
- UMEME Limited purchases of electricity from Uganda Electricity Transmission Company Limited (UETCL) increased by 2.0 percent in August compared to July 2006. Similarly, the consumption of electricity, indicated by energy billings in GWH, increased by 3.4 percent in August 2006 compared to the previous month.
- During the period July – September 2006, the number of projects licensed increased by 17.4 percent to 135 from 115 recorded in the period April – June 2006. Total estimated investment, as well, increased tremendously by 94 percent to US\$ 584.037 million, from US\$ 300.442 million over the same observation period. In addition, planned employment grew by 36 percent to 16,738 positions from 12,313 recorded in the previous quarter. Most licenses were issued to the Tourism and Real Estate sectors, each pulling 20 percent of the total planned investment.

### **Domestic Securities and Money Market Developments:**

- In line with the monetary policy objectives and financial markets development, Bank of Uganda issued a new 2-year bond on September 20, 2006. The Shs. 20.0 billion issue was over subscribed by Shs. 8.2 billion and realized a cover ratio of 141.2 percent. At a weighted average price of 94.2 per Shs. 100, the resultant yield for the 10.0 percent coupon bond was 13.4 percent, compared to 12.4 percent for the 2-year bond that was issued on April 07, 2006. This auction brought the total outstanding stock of treasury bonds to Shs. 793.2 billion by end of September 2006. Coupon payments on the 3 and 5-year bonds totaling to Shs. 4.0 billion were effected during the month under review.
- The four week-period average indicative bid/offer yields-to-maturity in the secondary market were quoted at 12.16/11.91, 12.63/12.38, 13.98/13.73, and 15.58/15.33 percent for the 2-year, 3-year, 5-year, and 10-year bond tenors, respectively. This is compared to the respective average yields-to-maturity of 12.03/11.78, 12.74/14.49, 14.17/13.93, and 15.66/15.41 percent, in the

previous four-week period ended August 31, 2006. The 2-year bond rates went up in tandem with resultant rise in rates from the most recent 2-year bond primary auction. Within the month of September 2006, Shs. 0.7 billion and Shs. 0.01 billion were traded in the 2-year, and 3-year bonds at respective average yields-to-maturity of 13.1, and 14.5 percent.

- Two Treasury bill auctions, with offers of Shs. 50.0 billion each, were held in the month of September 2006 and were both largely under subscribed. The respective weighted annualized yields on the 91-day, 182-day, and 364-day bills stood at 9.2, 11.2, and 12.8 percent for the auction of September 27, 2006. This compares to rates of 8.1, 9.5, and 10.4 percent, recorded in the auction held on August 30, 2006. The average discount rates on Treasury bills in September 2006 were higher than those registered in September 2005 which ranged between 7.9, and 10.1 percent.
- In line with the rise in interest rates in the primary market, the average bid/offer yields-to-maturity in the secondary market for the 91-day, 182-day, and the 364-day treasury bills increased to 8.60/8.33, 10.37/10.10, and 11.86/11.57 percent in September 2006 from 7.66/7.39, 8.68/8.40, and 10.10/9.81 percent in August 2006, respectively.
- In the four weeks ended September 30, 2006, total secondary market trades of treasury bills amounted to Shs. 24.0 billion, of which Shs. 11.0 billion related to horizontal REPOs. This was lower than the Shs. 29.7 billion for the four weeks ended August 31, 2006. The average discount rates on these trades for the 91, 182, and 364-days securities were 8.5, 10.1, and 9.8 percent, respectively. During the month, the discount window at BOU was accessed, and one bank borrowed Shs. 6.0 billion for 7 days. The yield curve, based on the monthly average indicative yield-to-maturity bid and offer quotations in the secondary market, was gently upward sloping throughout the maturity profile of securities, becoming almost flat between the 364-day paper and the 3-year paper.
- Total volume of transactions in the domestic inter-bank money market (i.e. transactions of not more than 30 days in tenor) for the four weeks ended September 30, 2006 marginally declined to Shs. 303.2 billion at a weighted average rate of 8.3 percent from Shs. 307.5 billion recorded in August 2006 at a weighted average rate of 8.7 percent. The seven day transactions were the most dominant recording 91 transactions amounting to Shs. 138.2 billion at a weighted rate of 9.1 percent while the overnight amounted to Shs. 43.3 billion of total transactions at a weighted average rate of 7.6 percent. Transactions between domestic banks and foreign entities<sup>111</sup> in the money market amounted to Shs 9.8 billion, at an average rate of 8.9 percent in September 2006, compared to Shs. 15.2 billion at 9.6 percent in August 2006. All the commercial banks participated in the inter bank market during the four weeks.
- The weighted prime-lending rate for all commercial banks marginally increased from 18.3 percent reported in July to 18.6 percent in August 2006. There were no changes in the number of commercial banks charging rates for the various range categorizations. The range of these rates for the entire industry also remained at 16-21 percent.

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<sup>111</sup> A distinction is made between the inter-bank market in which only domestic commercial banks participate and the money market where foreign banks also carry out transactions.

- There was a marginal decline in the effective lending rate on the shilling denominated loans from 18.21 percent in July to 18.17 percent in August 2006. In the same period, the effective lending rate on the dollar denominated loans reversed the downward position reported in July 2006 of 8.7 percent to 9.2 percent in August 2006.
- There was continued stability in the weighted rates on shilling denominated demand, saving and time deposits marginally declining from 1.2 percent, 2.09 percent and 10.0 percent to 1.1 percent 2.07 percent and 9.0 percent respectively in the month under review. In the same period, the dollar denominated saving and time deposits rates marginally increased from 1.47 percent and 4.3 percent to 1.53 percent and 4.7 percent respectively while the deposit rate for demand marginally increased from 1.24 percent to 1.18 percent.

### **Non-Bank Financial Institutions (NBFIs) Activities**

- Total assets of the Credit Institutions (CIs) increased by 4.5 percent. This is higher than the growth of 3.4 percent observed over the same period a year ago. The increase in assets during August 2006 was mainly on account of 24.5 percent rise in the Credit Institutions balances with commercial banks.
- The stock of outstanding loans and advances to the private sector increased by 2.5 percent. Mortgage loans, which accounted for 59.7 percent of total loans, also increased by 2.5 percent to Shs. 85.8 billion, while secured and unsecured loans increased by 4.1 percent. The building and construction sector accounted for the largest share of 72.5 percent of total CIs advances as at end-August 2006.
- Savings and Time deposits increased by 6.4 percent and 5.3 percent respectively. Agency funds (funds collected on behalf of government from beneficiaries of the government's pool house sale scheme) increased marginally by 0.3 percent, to Shs. 33.7 billion.
- Total assets held by MDIs increased by 4.9 percent. This was mainly on account of an increase in MDI balances with financial institutions in Uganda of 3.5 percent and net loans outstanding of 3.3 percent.

### **Developments in the Foreign Exchange Market:**

- The Uganda shilling depreciated marginally against the US dollar in September 2006. On average, the exchange rate depreciated by 0.02 percent on a daily basis within this period. The shilling lost Shs. 6.9 to the US dollar to a monthly average mid-rate of Shs. 1,854.7 per US dollar in September 2006 from Shs. 1,847.7 per US dollar in August 2006.
- Bank of Uganda (BoU) did not intervene in the interbank foreign exchange market (IFEM) in September 2006. BoU maintained daily sterilization sales of US\$ 0.5 million to the IFEM and will continue to monitor market developments closely to ensure stability.

## **ECONOMIC AND MONETARY DEVELOPMENTS**

**As at September 29, 2006**

### **A. MONETARY POLICY STANCE AND ACTIONS**

Bank of Uganda (BOU)'s monetary policy is focused on containing inflation at low and stable levels. However, operations of its instruments are cautiously undertaken in order not to exacerbate instability in the money and foreign exchange markets. Sterilization of excess liquidity is usually effected through a combination of sales of Treasury bonds, Treasury bills and foreign exchange. This notwithstanding, BOU actively uses the Repurchase Agreements (REPOs/Reverse Repos) as a fine-tuning instrument in order to smooth out unexpected liquidity developments in the short run. This is in addition to adjustments in the pricing of the liquidity providing windows at the BOU i.e. the Rediscount Rate and Bank rate, to ensure a consistent monetary policy stance.

In line with its policy of a market-determined exchange rate, the Shilling value against other currencies continues to be determined by the supply and demand in the foreign exchange market. BOU only intervenes in the inter-bank foreign exchange market (IFEM) to curb instability.

In the four weeks to September 29, 2006, total treasury bill issues of Shs. 70.3 billion (at cost) were offset by treasury bill maturities of Shs. 86.9 billion leading to a net injection of liquidity of Shs. 16.6 billion, compared to the net injection of Shs. 14.0 billion that was observed in the previous four-week period to August 31, 2006. In a continuous effort to promote the development of financial markets alongside the conduct of monetary policy, Bank of Uganda issued a 2-year bond on September 20, 2006 with a face value of Shs. 20.0 billion. On the short-term liquidity management front, gross issues of the REPO instrument, whose maturities ranged from 2 to 10 days, amounted to Shs. 129.8 billion during this period, against maturities of Shs. 165.2 billion. This is compared to issues and maturities of Shs. 238.2 billion and Shs. 143.2 billion, respectively over the preceding period ended August 31, 2006. By September 30, 2006, there was no outstanding stock of REPOs.

### **B. DOMESTIC PRICE DEVELOPMENTS**

During the month of September 2006, the year on year headline inflation as measured by the change in Consumer Price Index (CPI) eased to 6.2 percent, down from 7.5 percent recorded in August 2006. Slower price increases in all group categories except household and personal goods, led to the decline in annual inflation. This was also lower than the rate of 7.8 percent recorded in September 2005.

By commodity group, year on year inflation for food fell to 7.0 percent in September 2006 from 9.4 percent in the year ended August 2006. The average prices of dry cassava, cabbage, milk, simsim and cooking oil were lower compared to their levels a year ago. This was supplemented by same trend observed in the following categories: the clothing and footwear inflation that eased to 5.6 percent in September 2006 from 8.2 percent in August 2006 on account of slower rise in prices of second hand clothing; the transport and communication inflation which dropped to 7.2 percent from 8.0 percent in August 2006 caused by the decline in bicycle fares; and the health, education, and entertainment inflation that decreased to 2.6 percent down from 3.6 percent in August 2006 on account of the decline in prices of some drugs and soccer admission fees.

The month-on-month headline inflation remained stable at 0.8 percent in September 2006, same level registered in August 2006. The average prices of items in the food; household and personal goods; and transport and communication groups rose during the month of September 2006. However, this was partly offset by the decline registered in prices of items in the beverages and tobacco; and clothing and footwear groups over the same period.

The year on year underlying inflation<sup>2</sup> rose further to 6.8 percent in September 2006, up from 6.4 percent in August 2006, largely attributed to the acceleration in goods prices during the year ended September 2006. This is the fourth consecutive increase since June 2006 and the highest level recorded since July 2001 when it was 7.1 percent. Goods inflation surged by 0.4 percentage points to 6.8 percent in September 2006, particularly pinned on increases in prices of heavily weighted items such as meat, eggs, fish, sugar, charcoal, and washing soap among others. While, services inflation decreased to 4.9 percent from 5.7 percent for the year ended August 2006 driven by the drop in bicycle fares and soccer admission fees during the year ended September 2006.

Similarly, the month-on-month underlying inflation rose to 0.8 percent in September 2006, up from 0.3 percent in August 2006. This was due to the increase in goods inflation that overwhelmed the decline in services inflation during the month of September 2006.

The annual food crop inflation dipped to 4.2 percent in September 2006 from 11.7 percent in August 2006. This was due to slower increase in prices of matooke and bitter tomatoes and the decline registered in prices of cassava, and cabbage. The month on month food crop inflation fell to 0.5 percent from 2.9 percent in August 2006.

The outlook for inflation points at food prices easing towards the end of the year as harvest season starts. In addition, the recent decline in pump prices of fuel as result of the developments in international prices of crude oil, coupled with governments' decision to install additional thermal power may reduce costs of doing business and subsequently lead to a downward trend in prices of goods and services.

The above inflationary developments are depicted in tables 1 and 2, and charts 1 and 2 below.

**Table1: Inflation Developments across different Groups: July 2006- September 2006**

Groups	Weights	Annual Changes (%)			Monthly Changes (%)		
		Jul-06	Aug-06	Sep-06	Jul-06	Aug-06	Sep-06
Food	45.2	7.7	9.4	7.0	-2.4	1.0	1.7
Beverages & Tobacco	8.6	0.8	1.3	1.4	-0.3	0.2	-0.3
Clothing & Footwear	5.5	6.2	8.2	5.6	0.7	1.7	-0.1
Rent, Fuel & Utilities	14.1	7.7	9.4	9.3	3.9	2.2	0.0
Household & Personal goods	5.3	6.5	7.6	8.5	0.0	-0.4	0.4
Transport & Communication	6.7	7.8	8.0	7.2	0.3	0.5	0.4
Health, Educ & Entertainment	14.6	2.6	3.6	2.6	0.6	0.2	0.0

**Source: Computed from Uganda Bureau of Statistics data**

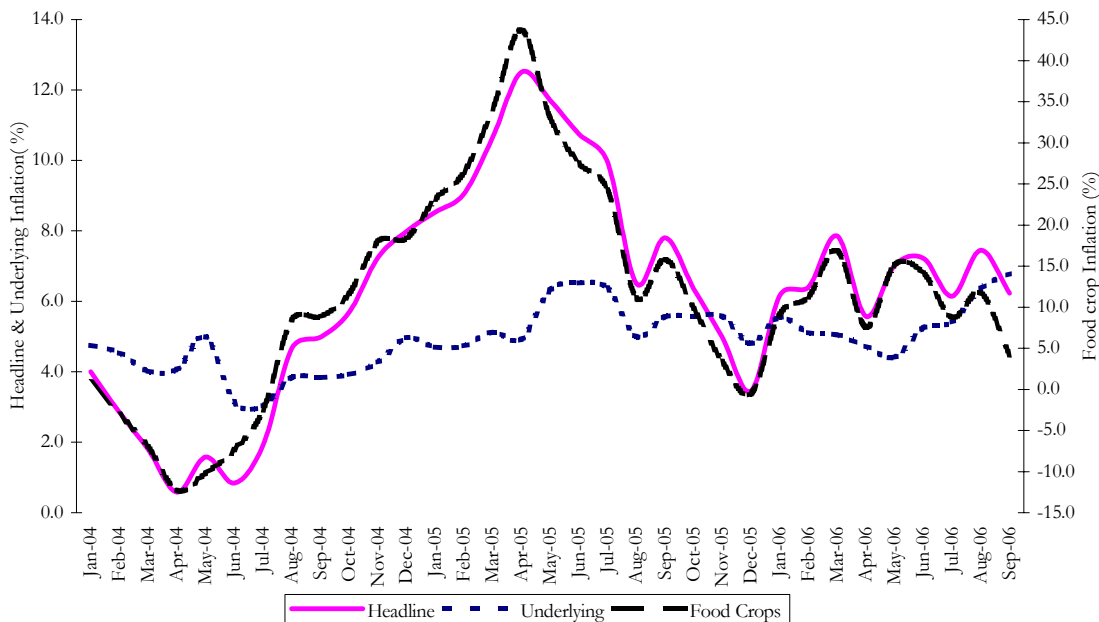
<sup>2</sup> Excludes food crops and related products such a milk, meat etc that are weather determined.

**Table 2. Developments in Inflation by different measures: July 2006-September 2006**

Period	Headline Inflation (%)		Underlying Inflation (%)		Food Crops Inflation (%)	
	Monthly	Annual	Monthly	Annual	Monthly	Annual
July 2006	-0.4	6.1	0.9	5.4	-4.5	8.8
August 2006	0.8	7.5	0.3	6.4	2.9	11.7
September 2006	0.8	6.2	0.8	6.8	0.5	4.2

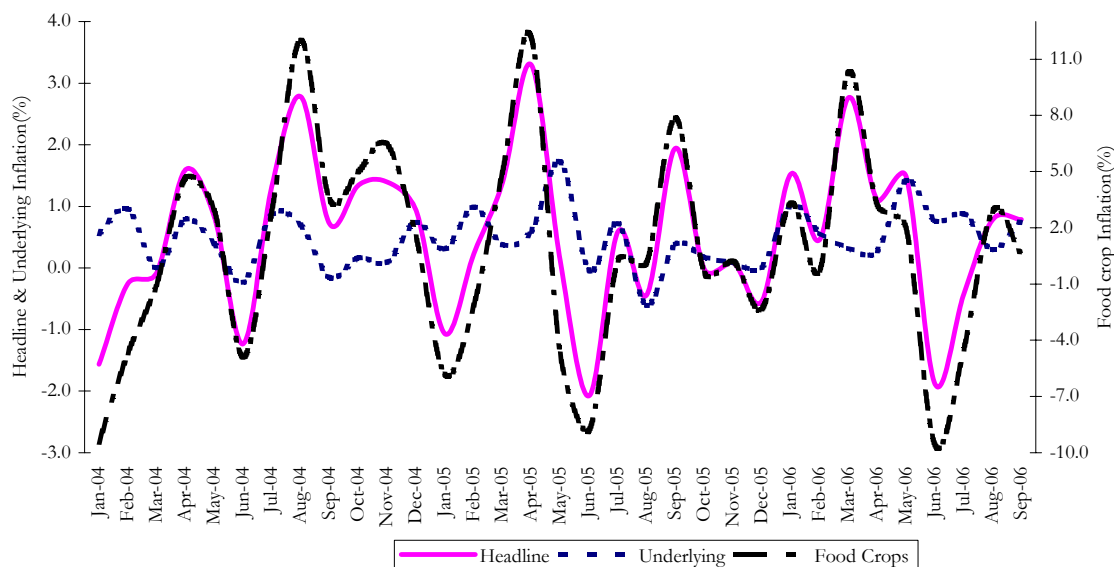
Source: Uganda Bureau of Statistics

**Chart 1: Annual Inflation Developments: January 2004-September 2006**



Source: Uganda Bureau of Statistics

**Chart 2: Monthly Inflation developments: January 2004-September 2006**



Source: Uganda Bureau of Statistics

## C. REAL SECTOR DEVELOPMENTS

This report highlights developments in the Finance and Energy sectors, using the latest available data on: activity at the Uganda Securities Exchange (USE), Leasing, Investment and electricity in the month of September 2006.

### 1.0 Finance Sector

#### 1.1 Uganda Securities Exchange (USE)

Trading activity at the Uganda Securities Exchange (USE) increased in September compared to August 2006. Total turnover grew by 266.2 percent from Shs. 326.4 million in August to Shs. 1,195 million in September 2006. Similarly, the number of shares increased by 342.6 percent from 619,965 shares in August to 2,744,178 shares in September.

The boost in the performance at the USE is largely attributed to the DFCU counter that recorded 96.1 percent of the total turnover in September 2006. This was mainly due to the price decrease at the DFCU counter from Shs. 500.0 in August to Shs. 430.0 in September. Institutional investors took advantage of the low price and bought shares in DFCU. Some trading was recorded on the counter of New Vision Limited (NVL) (2.5%), Uganda Clays Limited (UCL) (1.0 %), Bank of Baroda (BOBU) (0.3%) and British American Tobacco (BATU)(0.1%).

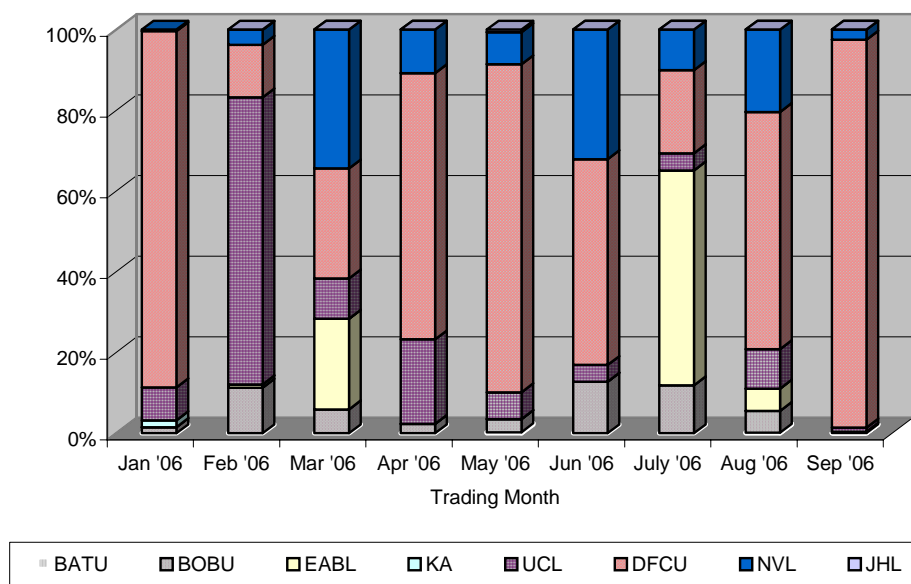
The USE All-Share Index increased by 5 percent on account of the 4.9 percent increase in Market Capitalization between August and September 2006.

**Table 3: Trading at Uganda Securities Exchange: May – September 2006**

	May '06	June '06	July '06	August '06	September '06
Trading Days	9	9	13	14	12
Total Turnover (Shs)	472,794,190	239,381,085	428,354,275	326,398,705	1,195,234,010
No. Shares	896,237	485,501	416,441	619,965	2,744,178
Market Capitalization (Billion Shs, E.O.P)	4,137.3	4,261.77	3,969.56	4039.62	4,237.83
All Share Index	833.91	810.97	795.52	808.50	849.20

Source: Uganda Securities Exchange

**Chart 3: Shares of Monthly Turnover at the USE Jan - September 2006**



Source: Uganda Securities Exchange

### 1.2 Leasing activity

The value of assets disbursed in the month of September 2006 decreased by 37.7 percent from Shs. 2,521.7 million in August to Shs 1,572.4 million.

The Transport sector recorded the largest share of disbursements, taking 35.5 percent of the total assets disbursed. This was followed by the Manufacturing sector, with a share of 30.7 percent. Other sectors that received disbursements were Commerce and Trade, Mining and construction, Agriculture, Education, and other services with 12.8 percent, 12.7 percent, 1.0 percent, 2.6 percent and 4.7 percent respectively.

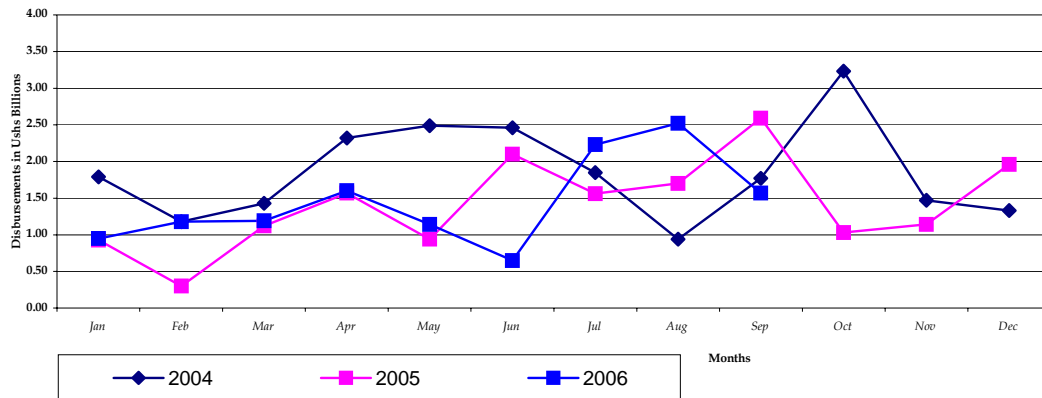
From Chart 4, it can be observed that in the month of September 2006 the value of total assets disbursed decreased contrary to the trend observed in the same month a year ago. This is mainly due to the delay of funds from the European Investment Bank (EIB).

Table 4: Sectoral Distribution of Assets Leased in Million Shillings: May – September 2006

A. Sector	May'06		June'06		July '06		Augr'06		Sep'06	
	Peren t	Peren t	Peren t	Peren t	Peren t	Peren t	Peren t	Peren t	Peren t	
B. Transport	275.0	24.2	183	28.2	174.5	8	277.15	10.99	558.43	35.52
Commerce & Trade	331.2	29.1	20	3.08	813.8	36	345.31	13.69	200.78	12.77
Mining & Construction	-	-	2.45	0.38	46.5	2	278.95	11.06	199.83	12.71
Tourism	29.1	2.6			-	-	18.04	0.72		
Health	54.8	4.8			-	-	-			
Agriculture	173.1	15.2	18.6	2.9	254.7	11	1,392.56	55.22	15.00	0.95
Manufacturing	207.8	18.0	366	56.3	812.9	36	128.05	5.08	482.73	30.70
Education	59.8	5.3			16	1	32.04	1.27	41.50	2.64
Banking	-	-			47	2	-			
Real Estate					-	-	-			
Other Services	-	-			69.3	3	49.60	1.97	74.00	4.71
Professional Services			60	9.20	-	-	-			
<b>TOTAL</b>	<b>1,137.9</b>	<b>100</b>	<b>650.0</b>	<b>100</b>	<b>2,234.7</b>	<b>100</b>	<b>2,521.71</b>	<b>100</b>	<b>1,572.35</b>	<b>100</b>

Source: DFCU leasing

Chart 4: Trends of Leasing Activities: 2004-2006



Source: DFCU leasing

## 2.0 Energy Sector

### 2.1 Energy Consumption

This section of the report covers provisional electricity consumption level for the period ending August 2006 as reported by UMEME Limited. The number of live customers increased by 0.5 percent in August compared to July 2006.

UMEME Limited purchases of electricity from Uganda Electricity Transmission Company Limited (UETCL) increased by 2.0 percent in August compared to July 2006. Similarly, the consumption of electricity indicated by energy billings in GWH increased by 3.4 percent in August 2006 compared to the previous month.

**Table 5: Energy Consumption by Tariff Category in Giga Watt Hours (GWH): May – August 2006**

<b>Number of Live Customers:</b>				
	<b>May-06</b>	<b>June-06</b>	<b>July-06</b>	<b>August-06</b>
Domestic	266,803	267,675	268,554	270,007
Commercial	24,010	24,049	24,075	24,130
Industrial	951	966	978	979
Street Lighting	316	314	315	314
<b>Total</b>	<b>292,080</b>	<b>293,004</b>	<b>293,922</b>	<b>295,430</b>
<b>Consumption in GWH:</b>				
	<b>May-06</b>	<b>June-06</b>	<b>July-06</b>	<b>August-06</b>
Domestic	21.90	26.42	25.01	23.24
Commercial	8.85	10.91	10.33	11.49
Industrial	46.42	48.43	45.86	49.28
Street Lighting	0.03	0.04	0.04	0.02
<b>Total</b>	<b>77.21</b>	<b>85.80</b>	<b>81.24</b>	<b>84.04</b>
<b>Purchases in GWH:</b>				
	<b>May-06</b>	<b>June-06</b>	<b>July-06</b>	<b>August-06</b>
UMEME purchases from UETCL	122.10	119.10	123.10	125.60

<b>C. Number of Live Customers: Month-month Percentage Changes</b>				
	<b>May-06</b>	<b>June-06</b>	<b>July-06</b>	<b>August-06</b>
Domestic	0.39	0.3	0.3	0.5
Commercial	0.14	0.2	0.1	0.2
Industrial	0.96	1.6	1.2	0.1
Street Lighting	-0.63	-0.6	0.3	-0.3
<b>Total</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.5</b>
<b>Consumption in GWH: Month-month Percentage Changes</b>				
	<b>May-06</b>	<b>June-06</b>	<b>July-06</b>	<b>August-06</b>
Domestic	-17.08	20.6	-5.3	-7.1
Commercial	-14.24	23.2	-5.3	11.2
Industrial	5.24	4.3	-5.3	7.5
Street Lighting	-40	22.9	-5.4	-50
<b>Total</b>	<b>-4.6</b>	<b>11.1</b>	<b>-5.3</b>	<b>3.4</b>
<b>Purchases in GWH: Month-month Percentage Changes</b>				
	<b>May-06</b>	<b>June-06</b>	<b>July-06</b>	<b>August-06</b>
UMEME purchases from UETCL	3.4	-2.5	3.4	2.0

Source: Umeme limited

### 3.0 Manufacturing Sector

#### 3.1 Investment

Information on actual investment activity is based on licenses issued by the Uganda Investment Authority (UIA). During the period July – September 2006, the number of projects licensed increased by 17.4 percent to 135 from 115 recorded in the period April – June 2006. Total estimated investment, as well, increased tremendously by 94 percent to US\$ 584.0 million, from US\$ 300.4 million over the same observation period. In addition, planned employment grew by 36 percent to 16,738 positions from 12,313 recorded in the previous quarter.

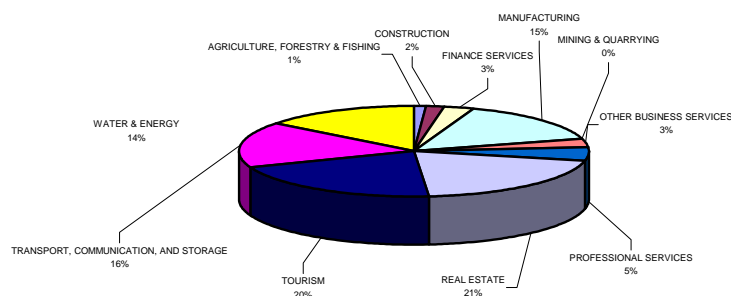
Most licenses were issued to the Real Estate sector, accounting for 21 percent of the total planned investment. This was followed by the Tourism and Transport, Communication and Storage sectors with 20 percent and 16 percent of the total planned investment respectively. The Agricultural sector, which had the largest share of the total planned investment in the last quarter, only had 1 percent of the total planned investment. Table 6 below summarizes investment activity for the period July – September 2006.

**Table 6: Sectoral Distribution of Projects Licensed by Uganda Investment Authority: July – September 2006**

Sector	Number of Projects Licensed	Planned Investment (US\$)	Planned Employment	Percentage Share of Investment
Agriculture, Forestry & Fishing	11	7,190,465	940	1
Manufacturing	58	87,000,000	5103	15
Mining & Quarrying	1	316,000	39	0
Tourism	17	119,387,000	1465	20
Professional Services	8	28,638,000	541	5
Water & Energy	5	84,482,000	3669	14
Transport, Communication & Storage	5	95,490,000	1738	16
Real Estate	3	118,935,000	1053	21
Construction	14	9,659,000	927	2
Finance Services	4	16,132,000	359	3
Other business services	9	16,808,000	835	3
<b>TOTAL</b>	<b>135</b>	<b>584,037,465</b>	<b>16,738</b>	<b>100.00</b>

Source: Uganda Investment Authority (UIA)

**Chart 5: Percentage Share of Investment: July - September 2006**



Source: Uganda Investment Authority (UIA)

## D. DEVELOPMENTS IN THE DOMESTIC SECURITIES AND MONEY MARKET

### Primary Market for Treasury Bonds

In line with the monetary policy objectives and financial markets development, Bank of Uganda issued a new 2-year bond on September 20, 2006. The Shs. 20.0 billion issue was over subscribed by Shs. 8.2 billion and realized a cover ratio of 141.2 percent. At a weighted average price of 94.2 per Shs. 100, the resultant yield for the 10.0 percent coupon bond was 13.4 percent, compared to 12.4 percent for the 2-year bond that was issued on April 07, 2006. This auction brought the total outstanding stock of treasury bonds to Shs. 793.2 billion by end of September 2006. Coupon payments on the 3 and 5-year bonds totaling to Shs. 4.0 billion were effected during the month under review. Table 7 below shows details of the most recent Treasury bond issues for each tenor. All issues in the market so far are listed on the Uganda Securities Exchange.

**Table 7: Summary of Government Treasury bond Issues as at September 30, 2006**  
*(In Billions of Uganda Shillings, unless otherwise stated)*

Tenure/Issue date →	2 Year New Issue Apr 07-06	2 Year New Issue Sept 20-06	3 Year New Issue Aug 23-06	5 Year New Issue May 31-06	10 Year New Issue May 19-04
Maturity Date	Apr 03-08	Sept 18-08	Aug 20-09	May-26-11	May 08-14
Offers	30.000	20.000	20.000	20.000	15.000
Total Bids	69.783	28.244	43.647	43.504	25.166
O/w Competitive	69.753	28.189	43.627	43.489	25.154
Over (Under) Subscription	39.783	8.244	23.647	23.504	10.166
Amount Sold (Face Value)	30.000	20.000	20.000	20.000	15.000
Amount Sold (Cost Price)	28.760	18.842	18.820	17.542	12.991
Cover Ratio %	232.610	141.220	218.235	217.159	167.773
Previous Cover Ratio %	130.940	232.610	99.095	161.135	...
WAP per Shs. 100	95.865	94.208	94.099	87.711	86.608
Previous WAP per Shs. 100	100.373	95.865	92.039	89.438	...
Yield to Maturity %	12.397	13.396	12.676	14.271	13.477
Previous Yield to Maturity %	13.000	12.397	13.990	15.124	...
Coupon Rate	10.000	10.000	10.250	10.750	11.000

Source: Bank of Uganda

### Secondary Market for Treasury bonds

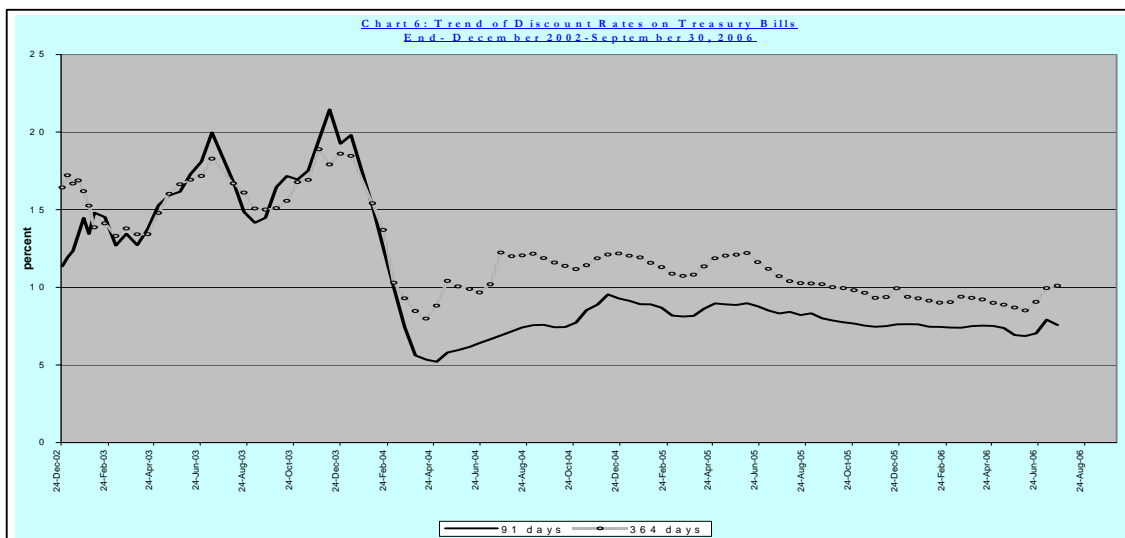
The four week-period average indicative bid/offer yields-to-maturity in the secondary market were quoted at 12.16/11.91, 12.63/12.38, 13.98/13.73, and 15.58/15.33 percent for the 2-year, 3-year, 5-year, and 10-year bond, respectively. This is compared to the respective average yields-to-maturity of 12.03/11.78, 12.74/14.49, 14.17/13.93, and 15.66/15.41 percent, in the previous four-week period ended August 31, 2006 (See Table 8). The 2-year bond rates went up in tandem with resultant rise in rates from the primary issue of most recent 2-year bond. Within the month of September 2006, Shs. 0.7 billion and Shs. 0.01 billion were traded in the 2-year, and 3-year bonds at respective average yields-to-maturity of 13.1, and 14.5 percent.

**Table 8: Bid/Offer Rates in the Secondary Market for Treasury bonds over the four week-period to September 30, 2006**

	Tenor of bond							
	2-year		3-year		5-year		10-year	
	Yield-to-maturity quotation (percent)							
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
Min	11.50	11.25	12.10	11.85	12.75	12.50	14.90	14.65
Max	14.00	13.75	12.90	12.65	14.50	14.25	16.50	16.25
Average	12.16	11.91	12.63	12.38	13.98	13.73	15.58	15.33

Source: Bank of Uganda

## Primary Market for Treasury bills



Source: Research Department-Bank of Uganda

Two Treasury bill auctions, with offers of Shs. 50.0 billion each, were held in the month of September 2006 and were both largely under subscribed. The respective weighted annualized yields on the 91-day, 182-day, and 364-day bills stood at 8.8, 10.6, and 12.6 percent for the auction of September 13, 2006, and at 9.2, 11.2, and 12.8 percent for the auction of September 27, 2006. This compares to rates of 8.1, 9.5, and 10.4 percent, for the 91-day, 182-day, and 364-day bills respectively, recorded in the auction held on August 30, 2006. The average discount rates on Treasury bills in September 2006 were higher than those registered in September 2005 which ranged between 7.9, and 10.1 percent (see Chart 6 above).

## Secondary Market for Treasury bills

In line with the rise in interest rates in the primary market, the average bid/offer yields-to-maturity in the secondary market for the 91-day, 182-day, and the 364-day treasury bills increased to 8.60/8.33, 10.37/10.10, and 11.86/11.57 percent in September 2006 from 7.66/7.39, 8.68/8.40, and 10.10/9.81 percent in August 2006, respectively.

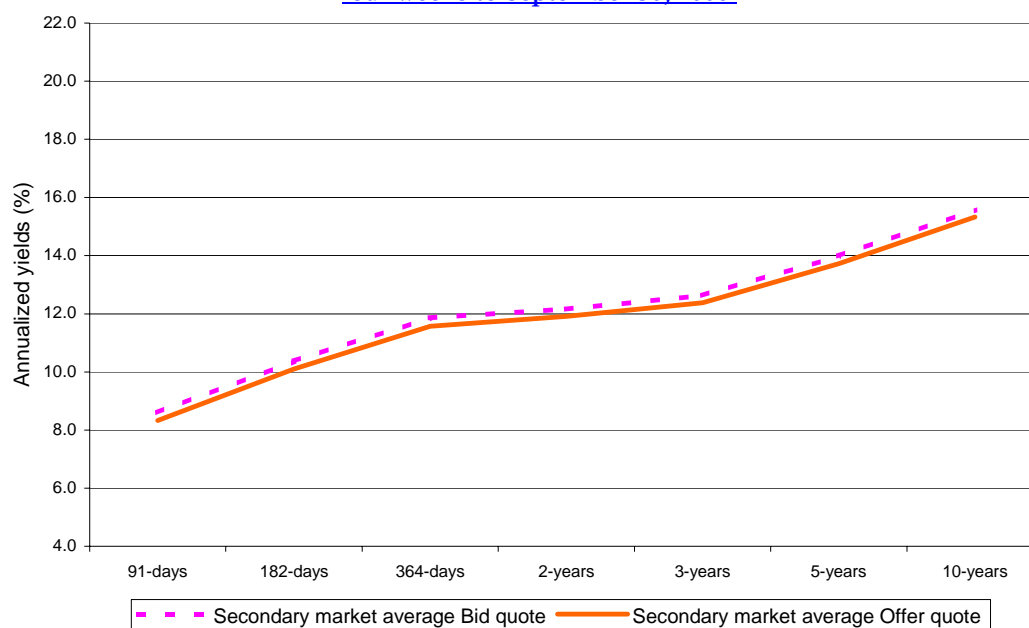
**Table 9: Bid/Offer Rates and Transactions in the Secondary Market for Treasury bills over the four-week period to September 30, 2006**

	Tenor of bills					
	91-days		182-days		364-days	
	Yield-to-Maturity quotation (percent)					
	Bid	Offer	Bid	Offer	Bid	Offer
Min	8.32	8.05	9.93	9.65	11.23	10.94
Max	9.39	9.13	11.60	11.27	12.86	12.56
Average	8.60	8.33	10.37	10.10	11.86	11.57
	Trading Activity					
Transactions (Shs billion)	20.35		0.15		3.48	
O/w Horizontal REPOs	11.00		-		-	
- Av. H/REPOs rate	9.00 percent		-		-	
O/w- Outright sales	9.35		0.15		3.48	
Total trades across maturities	23.98					
- Av Discount rate	8.54 percent		10.13 percent		9.83 percent	
- Av Yield to maturity	8.76 percent		10.73 percent		10.34 percent	
Rediscounts at BOU	-					
Borrowing at BOU	6.00					

Source: Bank of Uganda

In the four weeks ended September 30, 2006, total secondary market trades of treasury bills amounted to Shs. 24.0 billion, of which Shs. 11.0 billion related to horizontal REPOs. This was lower than the Shs. 29.7 billion for the four weeks ended August 31, 2006. The average discount rates on these trades for the 91, 182, and 364-days securities were 8.5, 10.1, and 9.8 percent, respectively. During the month, the discount window at BOU was accessed, and one bank borrowed Shs. 6.0 billion for 7 days. The yield curve, based on the monthly average indicative yield-to-maturity bid and offer quotations in the secondary market, was gently upward sloping throughout the maturity profile of securities, becoming almost flat between the 364-day paper and the 3-year paper (See Chart 7).

**Chart 7: Yield Curve Analysis for the Secondary Securities Market for the four weeks to September 30, 2006**



Source: Bank of Uganda

### Domestic Inter-bank market

Total volume of transactions in the domestic inter-bank money market (i.e. transactions of not more than 30 days in tenor) for the four weeks ended September 30, 2006 marginally declined to Shs. 303.2 billion at a weighted average rate of 8.3 percent from Shs. 307.5 billion recorded in August 2006 at a weighted average rate of 8.7 percent. The seven day transactions were the most dominant recording 91 transactions amounting to Shs. 138.2 billion, as shown in Table 10 below, at a weighted rate of 9.1 percent while the overnight amounted to Shs. 43.3 billion of total transactions at a weighted average rate of 7.6 percent. Transactions between domestic banks and foreign entities<sup>3[1]</sup> in the money market amounted to Shs 9.8 billion, at an average rate of 8.9 percent in September 2006, compared to Shs. 15.2 billion at 9.6 percent in August 2006. All the commercial banks participated in the inter bank market during the four weeks.

**Table 10: Summary of inter bank money market activity**

Tenor	Month Of August 2006			Month Of September 2006		
	No. of transactions	Amount (Shs bn)	Weighted Rate	No. of transactions	Amount (Shs bn)	Weighted Rate
Overnight	14	15.2	7.7	27	43.3	7.56
2 days	12	12.9	8.6	13	21.6	6.98
3 days	18	28.9	6.9	24	33.3	6.67
4 days	22	38.5	7.1	16	30.5	7.85
5 days	3	7.0	14.2	5	2.6	8.56
6 days	25	52.2	8.8	14	31.7	8.65
1 week	79	139.2	9.4	91	138.2	9.06
> 1 week	8	13.6	9.0	2	2.0	10.38
<b>Total</b>	<b>181</b>	<b>307.5</b>	<b>8.7</b>	<b>192</b>	<b>303.2</b>	<b>8.27</b>

<sup>3[1]</sup> A distinction is made between the inter-bank market in which only domestic commercial banks participate and the money market where foreign banks also carry out transactions.

### Commercial Bank's Prime and Retail Interest Rates

The weighted prime-lending rate for all commercial banks marginally increased from 18.3 percent reported in July to 18.6 percent in August 2006. However, there were no changes in the number of commercial banks charging rates for the various range categorizations. The range of these rates for the entire industry also remained at 16-21 percent. Table 11 below summarizes these developments.

**Table 11: Trends of the Prime Lending Rates During September 2006**  
(Figures are end-period)

Prime Lending Rate (%)	Sept 01, 2006	Sept 08, 2006	Sept 15, 2006	Sept 22, 2006	Sept 29, 2006
0.0 – 10.9	0	0	0	0	0
11.0 – 13.9	0	0	0	0	0
14.0 – 15.9	0	0	0	0	0
16.0 – 18.0	5	5	5	5	5
18.1 – 19.9	7	7	7	7	7
20.0 – 21.9	3	3	3	3	3
Range (Min – Max)	16%-21%	16%-21%	16%-21%	16%-21%	16%-21%

Source: Bank of Uganda

Information on the commercial banks' effective lending and deposit rates is available up to August 2006. As portrayed in Table 12, there was a marginal decline in the effective lending rate on the shilling denominated loans from 18.21 percent in July to 18.17 percent in August 2006. In the same period, the effective lending rate on the dollar denominated loans reversed the downward position reported in July 2006 of 8.7 percent to 9.2 percent in August 2006.

**Table 12: Commercial Banks' Lending and Deposit Rates (Percent)**

Weighted Average rates	Shilling Denominated				Foreign Currency Denominated			
	May 2006	June 2006	July 2006	Aug 2006	May 2006	June 2006	July 2006	Aug 2006
Lending	18.23	18.60	18.21	18.17	9.26	9.92	8.71	9.16
Demand Deposits	1.09	1.11	1.19	1.09	1.22	1.17	1.24	1.18
Savings Deposits	2.00	2.02	2.09	2.07	1.45	1.45	1.47	1.53
Time Deposits	8.05	7.57	10.02	9.04	4.44	2.86	4.29	4.66

Source: Bank of Uganda

There was continued stability in the weighted rates on shilling denominated demand, saving and time deposits marginally declining from 1.2 percent, 2.09 percent and 10.0 percent to 1.1 percent, 2.07 percent and 9.0 percent respectively in the month under review. In the same period, the dollar denominated saving and time deposits rates marginally increased from 1.47 percent and 4.3 percent to 1.53 percent and 4.7 percent respectively while the deposit rate for demand marginally increased from 1.24 percent to 1.18 percent.

## (i) Non-Bank Financial Institutions (NBFIs) Activities

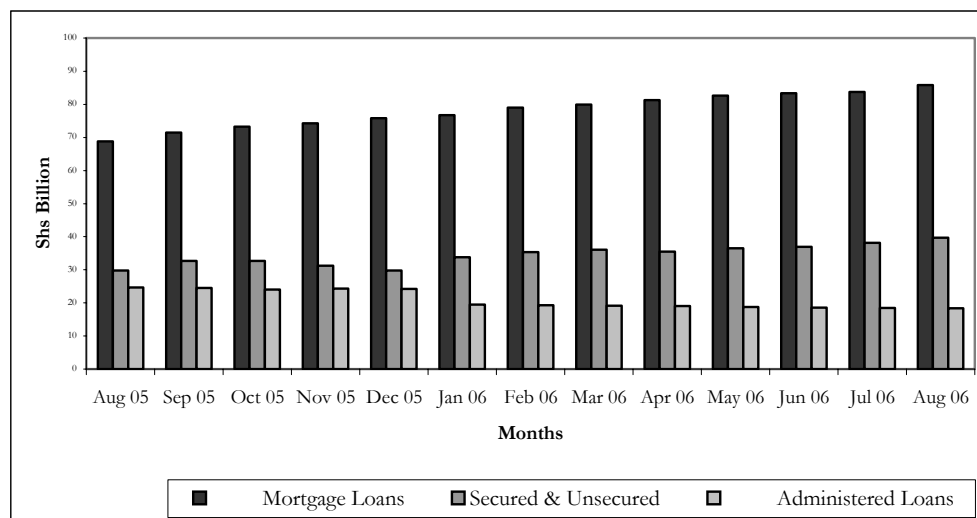
### (a) Credit Institutions<sup>4</sup>

#### Assets:

In the month of August 2006, the total assets of the Credit Institutions (CIs) increased marginally by 4.5 percent to Shs. 232.2 billion from Shs. 222.2 billion at the end of July 2006 (Table 15). This is higher than the growth of 3.4 percent observed over the same period a year ago. The increase in assets during August 2006 was mainly on account of 24.5 percent rise in the Credit Institutions balances with commercial banks.

Loans and advances: The stock of outstanding loans and advances to the private sector increased by 2.5 percent to Shs. 143.8 billion as at end-August 2006. Mortgage loans, which accounted for 59.7 percent of total loans, also increased by 2.5 percent to Shs. 85.8 billion, while secured and unsecured loans increased by 4.1 percent to Shs. 39.7 billion at the end of August 2006. Administered loans, on the other hand, decreased by 0.4 percent to Shs. 18.4 billion. The building and construction sector accounted for the largest share (72.5 percent) of total CIs advances as at end-August 2006, while the trade and commerce sector absorbed the second largest share of 13.3 percent. The developments in the loans and advances by credit institutions are shown in chart 9 below.

**Chart 9: Outstanding Loans and Advances of the Credit Institutions, August 2005 – August 2006 (Billion Shs at end-period)**



#### Deposits:

In August 2006, private sector deposits<sup>5</sup> of the CIs increased from Shs. 102.6 billion to Shs. 108.9 billion. Specifically, Savings deposits increased by 6.4 percent to Shs. 79.2 billion, while Time deposits increased by 5.3 percent to Shs. 29.7 billion. Agency funds (funds collected on behalf of government from beneficiaries of the government's pool house sale scheme) increased marginally by 0.3 percent, to Shs. 33.7 billion.

<sup>4</sup> Covers 7 credit institutions.

<sup>5</sup> This excludes Agency Funds

**Table 14: Developments in the Activities of Credit Institutions (Shs Billion)**

	Dec 2005	Mar 2006	Jun 2006	Jul 2006	Aug 2006
<b>Total Assets</b>	<b>213.68</b>	<b>215.64</b>	<b>222.24</b>	<b>222.24</b>	<b>232.20</b>
O/w Loans and advances	129.81	135.03	138.91	140.30	143.84
Secured & unsecured	29.77	36.08	36.92	38.12	39.66
Mortgage	75.79	79.85	83.39	83.73	85.81
Administered	24.25	19.11	18.59	18.45	18.37
Other <sup>c</sup>	83.87	80.61	83.33	81.94	88.36
<b>Total Liabilities</b>	<b>213.83</b>	<b>215.64</b>	<b>222.24</b>	<b>222.24</b>	<b>232.20</b>
O/w Deposits Liabilities <sup>a</sup>	131.28	133.37	138.37	138.21	144.59
Savings	66.39	67.66	72.91	74.44	79.20
Time	30.95	30.90	30.44	28.18	29.66
Agency Funds	32.88	33.58	33.24	33.64	33.74
Other <sup>b</sup>	82.55	82.27	83.87	84.02	87.61

**Source: CIs monthly reports to BOU**  
a/ Includes accrued interest  
b/ Includes balances due to commercial banks, administered funds, other liabilities, provisions, capital, and Profit/loss.  
c/ Includes investments, balances with banks, cash, fixed assets, net due from own offices in Uganda for items in transit and other assets

Source: Bank of Uganda

#### (b) Micro finance Deposit-Taking Institutions (MDIs)<sup>6</sup>

##### Assets:

In the month of August 2006, the total assets held by MDIs stood at Shs. 116.8 billion, representing an increase of Shs. 5.5 billion (or 4.9 percent) from Shs. 111.4 billion in July 2006. This was mainly on account of an increase in MDI balances with financial institutions in Uganda (3.5 percent) and net loans outstanding (3.3 percent). Net loans outstanding accounted for the largest share at 58.1 percent of total assets.

##### Loans and advances:

The stock of the outstanding loans to the private sector increased by 3.0 percent to Shs. 71.0 billion over the period under review. Allowances for loan losses (general and specific) amounted to Shs. 3.2 billion, representing a decrease of 3.0 percent from Shs. 3.3 billion in July 2006, hence the net loans by end-August 2006 of Shs. 67.9 billion. The Trade and Commerce sector, continued to hold the largest share of the MDIs' loans, which grew by over 50 percent to Shs. 57.2 billion (80.5 percent of total loans).

##### Liabilities

##### Deposits:

In August 2006, deposit liabilities in the MDIs amounted to Shs. 19.4 billion, of which Savings and Time deposits were Shs. 17.7 and Shs. 1.3 billion, respectively. This was an increase of Shs. 1.1 billion in deposit liabilities from Shs. 18.4 billion in July 2006. Over the period, loan insurance funds increased marginally from Shs. 15.0 billion in July 2006 to Shs. 15.2 billion in August 2006.

<sup>6</sup> Covers 4 Institutions

### Borrowings:

Total borrowings of the MDIs decreased from Shs. 32.3 billion to Shs. 32.0 billion. Specifically, short-term borrowings (market rate) decreased by 19.8 percent to Shs. 3.6 billion while long-term borrowings (market rate) increased by 2.2 percent to Shs. 28.4 billion.

**Table 15: Developments in the Activities of Micro finance Deposit-Taking Institutions (Shs Billion)**

	Dec 2005	Mar 2006	Jun 2006	Jul 2006	Aug 2006
<b>Total Assets</b>	<b>103.69</b>	<b>102.16</b>	<b>107.62</b>	<b>111.35</b>	<b>116.82</b>
Notes and Coins	2.29	2.52	2.58	2.85	3.38
Balances with financial institutions in Uganda	12.92	11.53	12.24	11.05	11.43
Investments in Treasury bills	11.45	13.46	13.75	15.48	15.42
Net loans outstanding	63.16	59.93	62.92	65.72	67.86
Inter branch/Due from own offices	0.17	0.06	0.34	0.35	0.05
Net Fixed Assets	8.01	8.42	9.28	9.31	9.52
Long Term Investments	0.41	0.53	0.62	0.65	0.71
Other Assets	5.27	5.72	5.88	5.94	8.45
<b>Deposit Liabilities</b>	<b>15.48</b>	<b>16.27</b>	<b>17.72</b>	<b>18.38</b>	<b>19.43</b>
Savings Deposits	14.95	15.33	16.30	16.76	17.70
Time Deposits	0.32	0.58	1.18	1.29	1.30
<b>Total Private Sector Deposits</b>	<b>15.27</b>	<b>15.91</b>	<b>17.47</b>	<b>18.04</b>	<b>19.00</b>
Accrued Interest	0.21	0.36	0.24	0.34	0.43
Loan Insurance Fund*	15.17	15.00	14.88	15.03	15.20
Total Borrowing	32.71	30.86	29.49	32.32	32.01
Other Liabilities**	9.07	8.84	8.32	8.23	11.06
<b>Total Liabilities</b>	<b>72.43</b>	<b>70.97</b>	<b>70.40</b>	<b>73.96</b>	<b>77.70</b>
Total Equity	18.57	18.51	19.77	19.93	20.44
Subordinated Debt	9.79	9.79	13.66	13.66	14.88
Preference Shares	2.90	2.90	3.80	3.80	3.80
<b>Total Liabilities and Equity</b>	<b>103.69</b>	<b>102.16</b>	<b>107.62</b>	<b>111.35</b>	<b>116.82</b>
Source: MDIs monthly reports to BOU					
* Money deposited by borrowers as insurance for loans					
** Other Liabilities includes grants/ deferred income, interbranch due to own offices, and other long-term liabilities.					

Source: Bank of Uganda

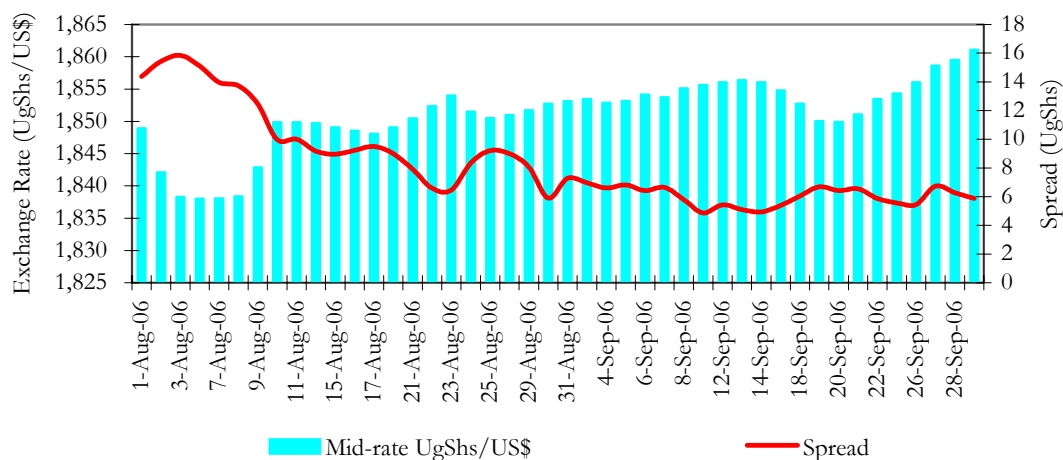
## E. EXCHANGE RATE AND FOREIGN EXCHANGE MARKET

During September 2006, the shilling depreciated 0.4 percent losing Shs. 6.9 against the US dollar to a monthly average mid-rate of Shs. 1,854.7 per US dollar from Shs. 1,847.7 per US dollar in August 2006. BoU did not intervene in the IFEM in September 2006.

Movements in the exchange rate largely reflected market stability, as indicated in the charts below. IFEM purchases from and sales to the public were broadly square at US\$ 250.7 million and US\$ 250.9 million, respectively. Public demand marginally exceeded supply by US\$ 0.2 million, which

coupled with market weak expectations of shilling weakness accounted for the limited depreciation indicated above. Broadly, the daily changes in the exchange rate displayed measured mean reversion that underpinned market stability. The shilling opened the month at UgShs. 1,853.5 on September 1, 2006 and moved steadily to close at UgShs. 1,861.1 per US dollar on September 29, 2006.

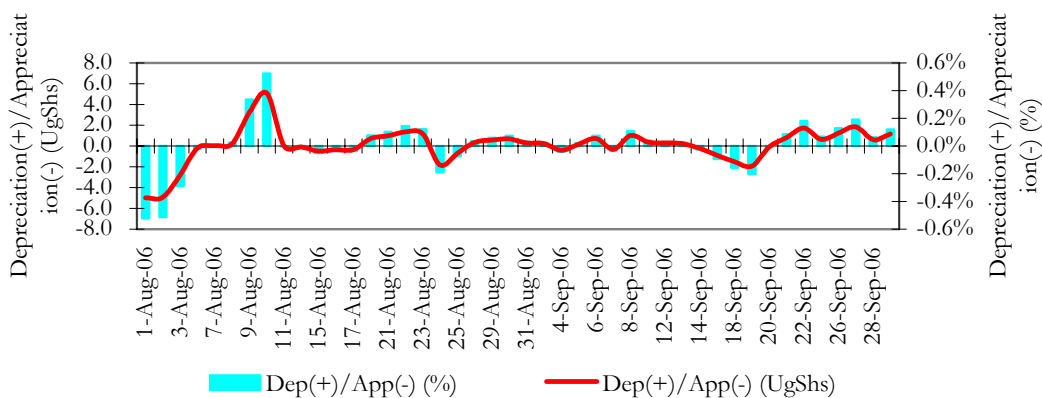
**Chart 10: Daily Exchange Rate Developments**



Source: Bank of Uganda

Price action reflected orderly trading conditions with little change in the bid-ask spreads of the currency pair. The spread ranged between UgShs.5.0 and UgShs. 7.0 and averaged UgShs. 6.0, indicating the absence of distortionary volatility in the IFEM.

**Chart 11: Daily Changes in the Exchange Rate**

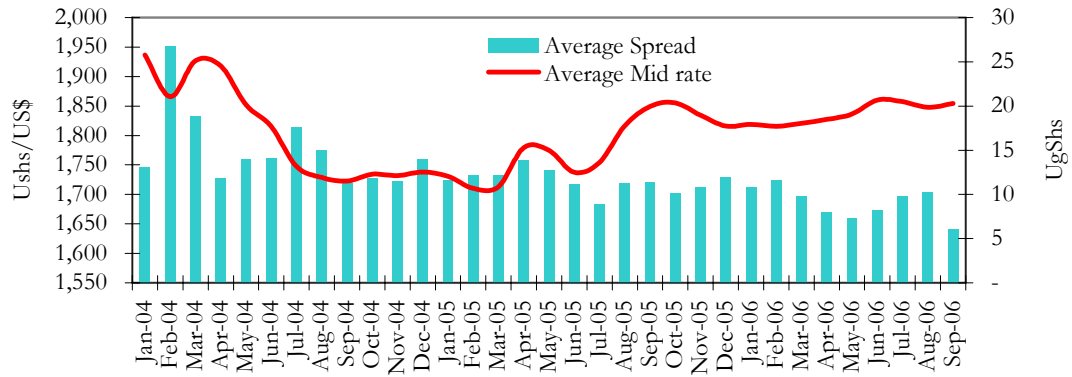


Source: Bank of Uganda

Commercial banks' daily retail purchases and sales averaged US\$ 12.0 million in September 2006 compared to average purchases of US\$ 11.8 against daily average sales of US\$ 12.4 million in August 2006. IFEM gross retail sales amounted to US\$ 250.9 million in September 2006 from US\$ 285.3 million in August 2006; while gross retail purchases were US\$ 250.7 million from US\$ 270.6 million over the same period. Similarly, interbank trading decreased from US\$ 87.8 million in August 2006 to US\$ 46.1 million in September 2006, representing a fall of 48.0 percent. See appendix 2

BoU maintained daily sales of US\$ 0.5 million to the IFEM for liquidity sterilisation purposes. The Bank will continue monitoring developments in the IFEM and stand ready to intervene to smoothen out destabilising spikes in the exchange rate.

**Chart 12: Monthly Foreign Exchange Developments: January 2004 - September 2006**



### F. POLICY OUTLOOK

In the coming months, Bank of Uganda’s monetary policy stance will aim at ensuring that inflation remains low and stable. It will also ensure that liquidity management does not cause instability in either the domestic or foreign exchange market.

**Appendix 1: Mid Exchange Rate in the IFEM, Spreads, Commercial Banks' Purchases and Sales.**

	Average midrate	Average spread	Sterilization	Purchases	Sales	Interbank	Cross currency
1-Aug-06	1,848.94	14.4	-0.3	18.8	16.5	6.7	1.6
2-Aug-06	1,842.11	15.4	-0.3	24.8	20.3	17.2	0.3
3-Aug-06	1,838.27	15.8	-0.3	23.0	21.8	4.2	3.2
4-Aug-06	1,838.01	15.1	-0.3	8.5	14.2	2.6	3.2
7-Aug-06	1,838.05	14.0	-0.3	9.7	7.6	2.6	1.5
8-Aug-06	1,838.39	13.7	-0.3	7.5	10.3	2.7	0.4
9-Aug-06	1,842.86	12.5	-0.3	10.0	8.4	4.6	1.4
10-Aug-06	1,849.86	10.0	-0.3	13.1	10.7	8.7	0.8
11-Aug-06	1,849.84	10.0	-0.3	8.3	8.5	2.4	1.7
14-Aug-06	1,849.71	9.2	-0.3	12.1	9.4	3.0	1.0
15-Aug-06	1,849.04	9.0	-0.3	12.5	11.0	1.1	2.2
16-Aug-06	1,848.55	9.2	0.0	6.6	10.7	5.0	0.6
17-Aug-06	1,848.07	9.5	-0.3	8.0	13.7	3.6	0.4
18-Aug-06	1,849.08	9.0	-0.3	12.7	10.9	1.2	4.3
21-Aug-06	1,850.45	7.9	-0.3	12.5	12.7	1.7	1.6
22-Aug-06	1,852.36	6.6	-0.5	12.1	7.9	3.7	0.9
23-Aug-06	1,853.99	6.5	-0.5	8.0	7.5	2.2	0.8
24-Aug-06	1,851.47	8.4	-0.5	8.2	12.5	6.0	1.1
25-Aug-06	1,850.48	9.2	-0.5	8.7	9.3	1.7	0.5
28-Aug-06	1,850.95	9.0	-0.5	10.8	18.9	1.1	0.9
29-Aug-06	1,851.74	8.0	-0.5	10.2	10.6	2.2	1.9
30-Aug-06	1,852.72	5.9	-0.5	13.1	16.8	2.2	0.7
31-Aug-06	1,853.13	7.3	-0.5	11.5	15.1	1.6	-
	<b>1,847.74</b>	<b>10.2</b>	<b>-8.2</b>	<b>270.6</b>	<b>285.3</b>	<b>87.8</b>	<b>30.7</b>
1-Sep-06	1,853.45	7.0	-0.5	12.6	7.6	0.8	0.1
4-Sep-06	1,852.90	6.6	-0.5	13.2	7.9	4.7	1.0
5-Sep-06	1,853.15	6.8	-0.5	7.9	7.8	1.6	0.6
6-Sep-06	1,854.15	6.4	-0.5	9.7	10.1	0.8	0.5
7-Sep-06	1,853.72	6.7	-0.5	11.0	15.6	2.2	0.7
8-Sep-06	1,855.14	5.8	-0.5	10.2	10.3	1.9	2.4
11-Sep-06	1,855.65	4.9	-0.5	10.5	9.9	1.7	0.8
12-Sep-06	1,856.06	5.4	-0.5	11.1	10.6	0.6	1.0
13-Sep-06	1,856.37	5.1	-0.5	12.9	9.8	1.8	2.1
14-Sep-06	1,856.06	4.9	-0.5	13.5	12.5	3.0	0.5
15-Sep-06	1,854.81	5.4	-0.5	9.3	10.5	1.6	0.3
18-Sep-06	1,852.73	6.0	-0.5	12.2	11.6	4.9	-
19-Sep-06	1,850.03	6.7	-0.5	10.4	15.7	4.0	0.8
20-Sep-06	1,849.91	6.4	-0.5	9.1	17.3	1.5	3.8
21-Sep-06	1,851.04	6.5	-0.5	13.1	10.2	1.5	0.5
22-Sep-06	1,853.46	5.9	-0.5	14.6	15.8	4.4	0.3
25-Sep-06	1,854.35	5.5	-0.5	14.5	19.2	1.3	0.4
26-Sep-06	1,856.07	5.5	-0.5	16.3	12.2	3.4	0.9
27-Sep-06	1,858.63	6.7	-0.5	11.5	9.4	1.7	0.3
28-Sep-06	1,859.49	6.3	-0.5	15.0	15.0	1.3	0.5
29-Sep-06	1,861.09	5.9	-0.5	12.2	11.9	1.6	0.2
	<b>1,854.68</b>	<b>6.0</b>	<b>-10.5</b>	<b>250.7</b>	<b>250.9</b>	<b>46.1</b>	<b>17.7</b>

Source: Bank of Uganda