

## QUARTERLY NSE PERFORMANCE

Indicator	Q3-2019	Q2-2020	Q3-2020	(Y-Y) %	(Q-Q) %
NSE 20	2,431.97	1,942.12	1,852.29	23.8%	4.6%
NSE 25	3,474.97	3,217.11	3,258.78	6.2%	1.3%
NASI	145.46	137.68	139.89	3.8%	1.6%
NSE Mkt CAP (KES Bn)	2,189.98	2,104.33	2,147.74	1.9%	2.1%
NSE Turnover (KES Bn)	27.23	39.72	37.74	38.6%	5.0%
VOLUMES (Bn)	0.94	1.42	1.51	60.7%	6.3%
BONDS (KES Bn)	172.30	132.07	217.51	26.2%	64.7%
Foreign Buys (KES Bn)	20.53	20.43	23.27	13.3%	13.9%
Foreign Sales (KES Bn)	20.05	30.68	27.84	38.8%	9.3%
Foreign Net Δ (KES Bn)	0.99	(10.25)	(4.57)	560.3%	55.4%
Dollar Return (NASI)	-1.1%	0.0%	0.4%		

## Top Movers - Q3-2020

Counter	Value (KES Bn)	Volumes (Mn)	Net Foreign Activity (KES Bn)	% Foreign Activity
SCOM	8.91	788.27	1.92	84.6%
EQTY	2.26	169.97	(0.37)	77.9%
KCB	0.68	84.39	(0.04)	46.6%
EABL	0.68	12.28	(0.27)	65.3%
COOP	0.17	23.35	(0.08)	28.7%

## Q3-2020 - Top Gainers

Counter	Q2-2020	Q3-2020	% Δ
NMG	13.40	17.90	33.6%
Eaagads	10.50	13.15	25.2%
NBV	0.55	0.66	20.0%
Bamburi	20.00	23.55	17.8%
Serena	14.90	16.95	13.8%

## Q3-2020 - Top Losers

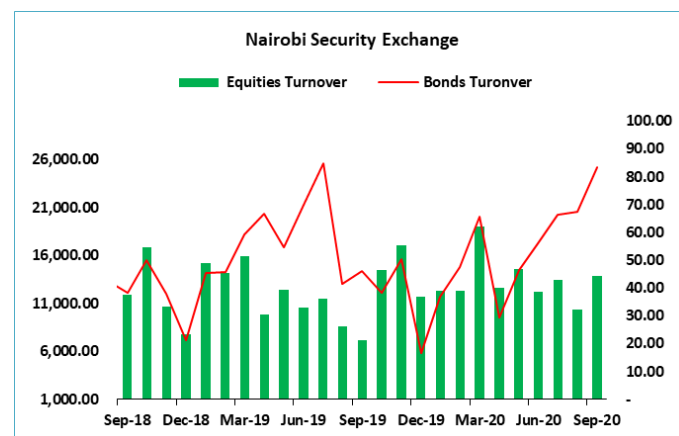
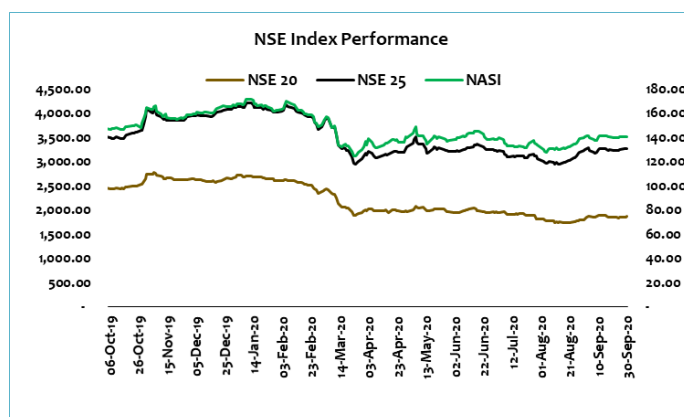
Counter	Q2-2020	Q3-2020	% Δ
Cables	1.79	1.44	19.6%
BoK	15.00	12.15	19.0%
SGL	22.50	18.65	17.1%
Olympia	2.40	2.10	12.5%
Kengen	5.82	5.10	12.4%

## NSE Q3 – 2020 Performance

- The quarter saw an improved performance with volumes growing by 6.3% q-q while inching 60.7% y-y while value stood at KES 37.74Bn, a 5% q-q dip from KES 39.72Bn seen in Q2-2020.
- The NSE 20 Share Index inched 4.6% lower q-q to 1,852.29 points from 1,942.12 points in Q2-2020. Large cap and liquid stocks upward turn saw NSE 25 Share Index gain 1.3% q-q. Year on year, NSE 25 Share Index slipped 6.2% downwards.
- The All Share Index was up by 1.6% to 139.89 points from 137.68 points in Q2-2020. Market cap closed the quarter 2.1% higher at KES 2,147.74Bn from KES 2,104.33Bn at end of Q2-2020. The capitalization improved after the August 6<sup>th</sup>, listing of 4.4Mn, 149.77Mn and 34.35Mn shares of KCB Group, NCBA Group and Stanchart Bank stocks.
- Foreign activity improved from 64.6% with a net sale of KES 10.25Bn to 67.4% with a net sale of KES 4.57Bn.
- Safaricom remained the top mover with 788.27Mn shares valued at KES 8.91Bn. The counter's foreign activity stood at 84.6% with a net buy of KES 1.92Bn.
- End quarter dollar return improved to 0.4% q-q from a 0.0% in Q2-2020. Year on year, dollar return improved from a negative return of 1.1% in Q3-2019.

## Secondary Bonds Market

- Bond Market- The quarter saw bonds valued at KES 217.51Bn transact, a 64.7% increase compared to KES 132.07Bn.



# KINGDOM SECURITIES

## Q3 - 2020

- The quarter saw the government offer a total of KES 220.00Bn in primary issue. They received a total of KES 283.41Bn and accepted KES 264.68Bn.

YTM Key Rates %	31-01-20	31-08-20	30-09-20	y-y bps Δ	m-m bps Δ
2 Year	10.4094	9.2500	9.1254	115.9	12.5
5 Year	11.5364	10.3960	10.4659	114.0	7.0
10 Year	12.3856	11.6221	11.5781	76.4	4.4
15 Year	12.5524	12.4076	12.3921	14.5	1.6
20 Year	12.9621	12.8558	12.8517	10.6	0.4
23 Year	13.1105	12.9940	12.9799	11.7	1.4

- The yield curve inched lower month on month with short end rates shifting 12.5bps lower on the 2-year key rate. The 5-year key rate was the only key rate to shift upwards by 7bps.

### Money Market

- Liquidity in the market was tight towards end of the quarter with banks excess reserves standing at KES 14.10Bn compared to KES 40.10Bn at the end of Q2-2020. Interbank rate closed at 3.34%, 55.4bps down compared to 3.89% at end of June 2020.

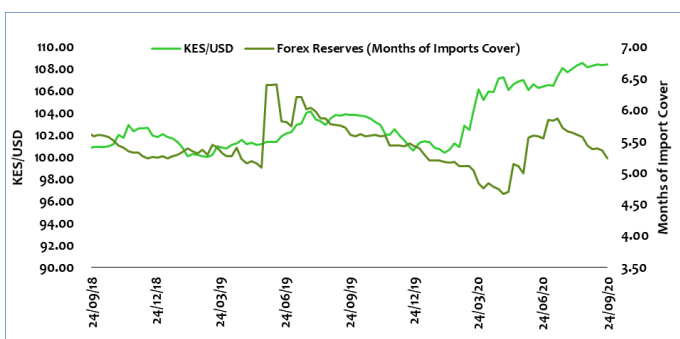
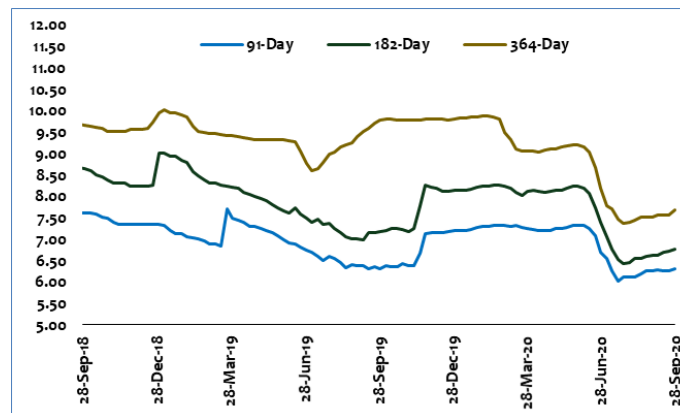
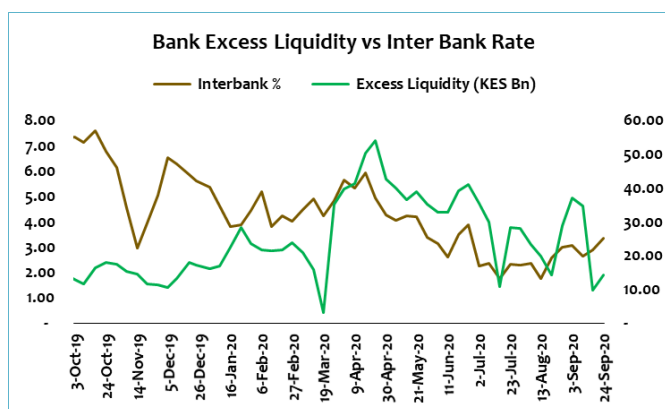
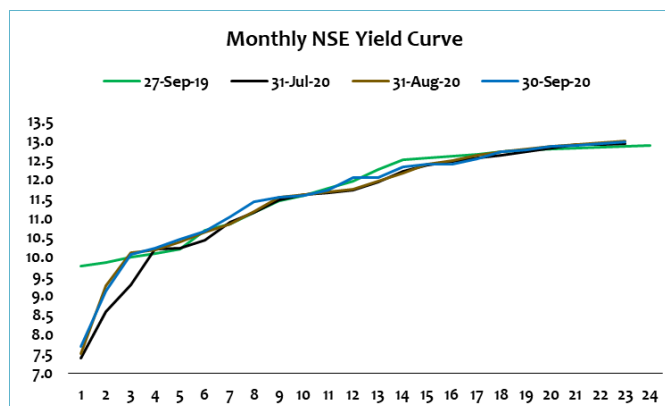
**T-Bill:** Tight liquidity saw auction subscription decline in August and September. The Quarter saw an issue of KES 312Bn with a subscription of KES 424.68Bn (136.12%) and an acceptance of rate of 74.8%.

- Yields on the short-term papers closed the quarter at 6.309%, 6.773% and 7.690% having shed 39.1bps, 62.2bps and 50.4bps respectively on the 91-day, 182-day and 364-day paper respectively.
- We expect liquidity to improve and forecast the rates to continue edging upwards mildly till the end of Q4-2020 as investors remain aggressive.
- The extension of the monetary and fiscal policy till the end of the year, we expect demand on the 91-day paper to remain high as investor manage short term liquidity and the expectation of reversal of the CRR from 4.25% to 5.25%.

**Forex reserves** declined to USD 8,627Mn or 5.23 months of import cover compared to USD 9,229Mn or 5.55 months of import cover.

**Currency:** The shilling depreciated by 1.8% against the dollar while shedding 6.2%, 5.7% and 3.5% on the GBP, EUR and JPY respectively. The local currency closed 7.1% down y-t-d while closing 4.4% y-y weaker year.

- We forecast the shilling to remain under pressure with increased pressure from energy and merchandise importers as we head into the holiday season and the upcoming USD 136.64Mn Eurobond interest payments in November and December 2020.



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