

### Weekly Stock Market

NSE 20 Share Index  1.2%

1,909.36

**1,886.84**

NSE 25 Share Index  0.5%


3,107.31

**3,121.55**

NASI  1.8%


132.25

**134.59**

Volumes (Mn)  18.7%

138.79

**112.88**


Turnover (Bn)  3.7%

3.43

**3.30**

Foreign Activity (NET KES Bn)  22.9%

**12.93**

Bonds Turnover (KES Bn)  11.7%

11.58

**12.93**

Counter	Turnover (KES Bn)	Volumes (Mn)	Net Foreign Activity (KES Bn)	Foreign Participation
SCOM	1.87	69.67	(0.82)	71.6%
EQTY	0.46	14.37	(0.23)	62.0%
BAT	0.36	1.16	(0.00)	99.3%
KCB	0.32	9.32	(0.27)	44.8%
EABL	0.09	0.56	0.01	73.6%

#### Top Gainers - Week 30

Counter	17-Jul-20	24-Jul-20	% Δ
Kakuzi Tea	328.00	395.75	<b>20.7%</b>
Unga	28.05	30.00	<b>7.0%</b>
WTK	137.00	145.00	<b>5.8%</b>
Sasini	16.30	17.15	<b>5.2%</b>
EABL	160.00	167.75	<b>4.8%</b>

#### Top Losers - Week 30

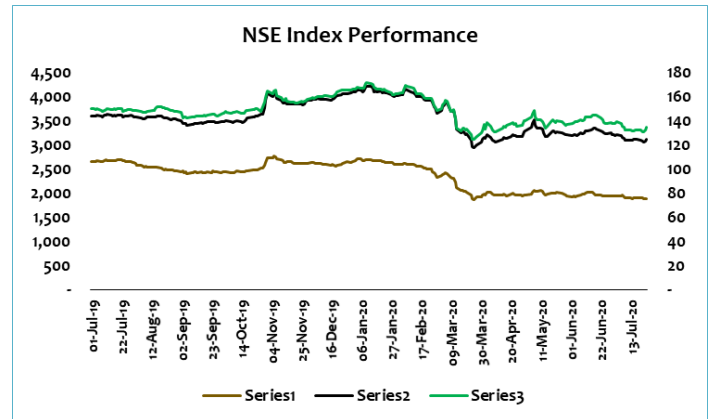
Counter	17-Jul-20	24-Jul-20	% Δ
TCL	2.35	2.03	<b>-13.6%</b>
NMG	12.65	11.05	<b>-12.6%</b>
Olympia	2.50	2.24	<b>-10.4%</b>
Sameer	4.26	3.87	<b>-9.2%</b>
NBV	0.60	0.55	<b>-8.3%</b>

#### Derivatives Market

SECURITY	PRICE	OPEN INTEREST	OI CHANGE
17 SEPT 20 ABSA	9.12	9	-
17 DEC 20 ABSA	9.28	1	-
17 SEPT 20 BATK	319.35	1	-
17 SEPT 20 EABL	168.85	17	-
17 SEPT 20 EQTY	32.06	12	-
17 DEC 20 EQTY	32.72	6	-
17 SEPT 20 KCBG	34.58	24	-
17 DEC 20 KCBG	34.19	5	-
17 SEPT 20 SCOM	28.29	25	-
17 DEC 20 SCOM	27.66	2	-
17 JUNE 21 SCOM	28.45	6	1

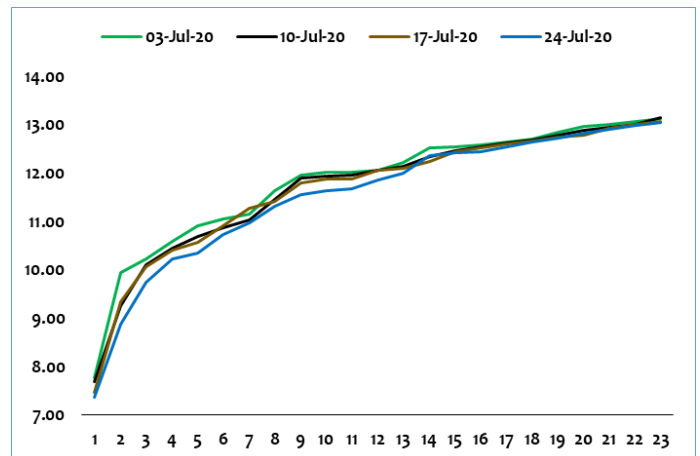
### NSE Market Performance

- Equities activities slowed down with volumes declining by 16.5% on lower interest in Safaricom and Equity Holding.
- While week's foreign activity increased to 69.0% from 58.2% the previous week, an absolute decline in foreign activity saw volumes decline 18.7% while a 4.1% recovery on Safaricom saw turnover decline at a lesser rate of 3.7%.
- We forecast an active week with the book closure of Safaricom on Friday July 31<sup>st</sup>, 2020 and the release of EABL Full Year 2020 results on Thursday July 30<sup>th</sup>, 2020.**



**Secondary Bonds:** Close of Primary Bond issue led to an 11.7% increase to KES 12.93Bn from KES 11.58Bn the previous week with heavy activity on IFB1/2020/9Yr with KES 3.69Bn.

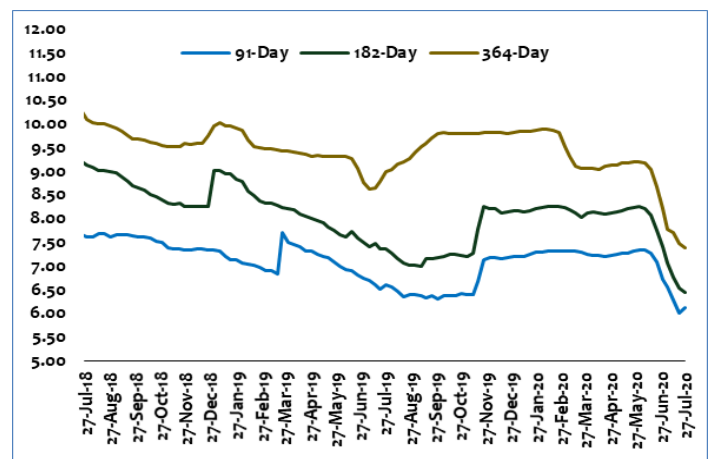
- Yield curve saw a further downward shift downward with largest downward seen on the 2-year key rate. Activities remain high on the on the short end with the range between 15 year - 2-year and 15-year - 5-year.
- High activities between the 5-year and 10-years lead to the least shift in range.



### Money market

#### T-Bill

- Weeks's T-Bill Auction witnessed a decline in subscriptions due to the closing of the primary bond issue. A total of KES 35.90Bn (149.5%) was received compared to a subscription of 271.5% the previous week.
- Return on 91-day paper improved by 10.1 bps while 182-day and 364-day papers shed 8.4bps and 9.4bps respectively.
- With investors torn between managing short term liquidity while locking in return, we expect subscriptions to increase with rates declining. Focus will remain on the 364-day and 91-day papers. We advise our clients to bid 5.95%, 6.29% and 7.22% on the 91-day, 182-day and 364-day respectively.**



Tenor	Amount Accepted KES Bn	Subscriptions Rate	Acceptance Rate	WAR
91-Day	23,633.05	236.9%	99.8%	6.112%
182-Day	1,388.27	13.9%	100.0%	6.440%
364-Day	10,816.32	270.4%	100.0%	7.370%

### Interbank

- Interbank Environment will remain liquid as we head towards end month. We forecast interbank to marginally tick to the 2.15%-2.3% range fueled by end month liquidity demand.

### Currency

- Shilling weakened against all major currencies on increase on end month merchandise and oil import demand.
- KES recovered mildly on Friday on regulatory intervention. We expect the KES to remain under pressure this week

24-Jun-20	KES/USD	KES/GBP	KES/EUR	KES/JPY
W/W	0.5%	1.9%	2.1%	1.2%
M-t-D	1.4%	4.8%	4.6%	2.4%
M/M	1.6%	3.5%	3.9%	1.4%
Y-t-D	6.6%	3.1%	10.2%	8.7%
Y/Y	4.1%	6.4%	8.1%	5.7%

### Corporate Actions

COMPANY	DECLARED	RATE KES	BOOK CLOSURE	PAYMENT DATE
WPP Scangroup	Special div	8.00	28-Jul-20	27-Aug-20
Safaricom	First & Final div	1.40	31-Jul-20	1-Nov-20
Williamson Tea	Final div	20.00	18-Aug-20	To be Advised
Kapchorua Tea	Final div	10.00	30-Jul-20	To be Advised
Centum	First & Final div	1.20	Subject to Approval	Subject to Approval
Umeme	Final div	41.30 (Ushs)	28-Jul-20	17-Aug-20

Company	Bonus	Book Closure	Date of Credit
Nation Media	1:10	12-Jun-2020	To be advised
NCBA	1:10	12-May-2020	To be advised
Stanchart	1:10	27-April-2020	To be advised

# KINGDOM SECURITIES

## Research analyst certification:

The research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report hereby certifies that all of the views expressed herein accurately reflect their personal views. Each research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the view(s) expressed by that research analyst in this research report.

## Terms of use – Disclaimer:

This research report has been prepared by Kingdom Securities Limited and is for information purposes only. This research report should not be construed as an offer or solicitation to sell or buy any investment or product. Any opinions expressed herein reflect the analyst's judgment at the date of publication and neither Kingdom Securities Limited, nor any of its affiliates or employees accepts any responsibility in respect of the information or recommendations contained herein. Unless otherwise stated, the opinions contained in this material are as of the date indicated and are subject to change at any time without prior notice. Past performance is not a guarantee or indication of future results.

The information and opinions contained in this Material have been derived from sources believed to be reliable and in good faith or constitute Kingdom Securities' judgement as at the date of this research but no warranty is made as to their accuracy and any opinions are subject to change and may be superseded without notice. In no circumstances will Kingdom Securities or its employees be liable to you for any errors or omissions in this report or for any losses you may incur in following any recommendations in the report. Kingdom Securities is a Subsidiary of Co-operative Bank of Kenya.

## Recommendation Guide:

Analysts' stock ratings are defined as follows:

- **Buy** – A buy rating reflects 1) An analyst has a bullish conviction on a stock 2) A 30% or greater expected return.
- **Accumulate** – An accumulate rating reflects 1) An analyst has a lesser bullish conviction on a stock 2) Expected return falls between 10% and 30%.
- **Hold** – A hold rating reflects 1) An analyst has a neutral conviction (lack of bullish or bearish conviction) on a stock 2) Expected return falls within the range of 5% to 10%.
- **Speculative Buy** – A speculative buy rating reflects 1) An analyst has a bullish conviction accompanied by a substantially higher than normal risk 2) Expected return falls above 10%.
- **Sell** – A sell rating reflects 1) An analyst has a bearish conviction on a stock 2) Expected return falls below 5%.

\*Expected Return (ER) represents the sum total of both capital appreciation and the dividend yield.

**Kingdom Securities Ltd – A subsidiary of Co-operative Bank Limited.**

**Co-operative Bank House- 5th Floor, P.O Box 48231 - 00100 Nairobi, Kenya**

**Office: 0711049540/0711049956**

**Email: [kingdomresearch@co-opbank.co.ke](mailto:kingdomresearch@co-opbank.co.ke)**

### Research Department

Willis Nalwenge, CFA [wnalwenge@co-opbank.co.ke](mailto:wналwenge@co-opbank.co.ke)

Fred Mwireri [fmwireri@co-opbank.co.ke](mailto:fmwireri@co-opbank.co.ke)

### Equities Trading

Andrew Karanja [amkaranja@co-opbank.co.ke](mailto:amkaranja@co-opbank.co.ke)

Justus Ogalo [jogalo@co-opbank.co.ke](mailto:jogalo@co-opbank.co.ke)