

# KINGDOM SECURITIES

## Market Performance

May 2021

### NSE MONTHLY PERFORMANCE - May - 2021

Indicator	May-20	Apr-21	May-21	Y/YΔ (%)	M/MΔ (%)
NSE 20	1,948.08	1,866.58	1,871.55	-3.9%	0.3%
NSE 25	3,203.94	3,674.77	3,669.57	14.5%	-0.1%
NASI	137.13	169.15	169.97	23.9%	0.5%
Mkt Cap (Bn)	2,095.92	2,599.05	2,646.71	26.3%	1.8%
NSE Turnover (Bn)	14,560.91	9,871.07	14,159.05	-2.8%	43.4%
Volumes (Mn)	429.03	291.89	383.67	-10.6%	31.4%
Foreign Buys (KES Bn)	7.30	6.26	7.64	4.7%	22.1%
Foreign sells (Bn)	11.76	6.16	8.42	-28.4%	36.7%
Foreign Net (Bn)	(4.46)	0.10	-0.78	-82.5%	-915.8%
Bonds (Bn)	46.61	65.65	102.87	120.7%	56.7%
Bonds deals	1,892.00	2,047.00	2138.00	13.0%	4.4%

### Top Movers - Apr-21

Counter	Value (KES Bn)	Volumes (Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
SCOM	8.00	198.32	(172.80)	65.6%
KCB	2.03	48.19	(493.87)	35.0%
EQTY	1.93	46.31	(70.32)	47.9%
EABL	1.20	6.66	102.30	79.3%
COOP	0.18	14.45	(6.15)	8.5%

### Top Gainers - May 2021

Counter	Apr-21	May-21	% Δ
B.O.C	61.25	75.00	22.4%
Crown	36	42.80	18.9%
NBV	4.51	5.30	17.5%
NMG	16.55	18.70	13.0%
CGEN	21.6	24.20	12.0%

### Top Losers - May 2021

Counter	Apr-21	May-21	% Δ
I&M	44.05	21.30	51.6%
TPS	16.3	13.80	15.3%
EVRD	1.08	0.94	13.0%
SG	19	16.55	12.9%
LKL	4.55	4.00	12.1%

### Top Foreign Buys - May 2021

Counter	Foreign Buy (KES Mn)	% Foreign Buy
SCOM	5,163.68	64.6%
EABL	1,002.41	83.5%
EQTY	888.56	46.1%
KCB	462.71	22.8%
CTUM	48.57	66.7%

### Top Foreign Sales - May 2021

Counter	Foreign sales (KES Mn)	% Foreign Sale
SCOM	5,336.48	66.7%
EQTY	958.88	49.8%
KCB	956.58	47.2%
EABL	900.11	75.0%
CARB	59.88	70.7%

## NSE Market Report – May - 2021

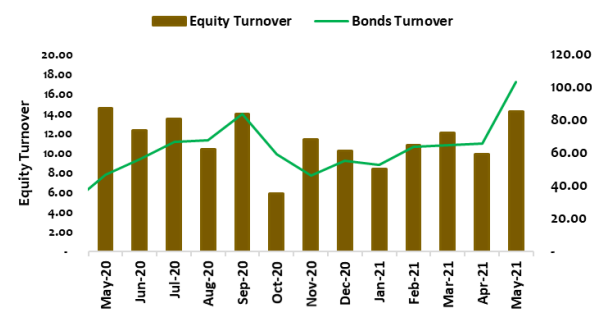
- Market activity rebounded in May 2021, attesting the ongoing economic recovery with the Banking and Telecommuting sectors amassing the most. NSE 20 gained 0.3% M/M to 1,871.55 points boosted by gains on Equity (Kes. 42.2, 7.8%) KCB (Kes. 42.30, 5.1%) and Safaricom (Kes. 40.85, 1.2%). This further pushed the market cap 1.8% up M/M and 26.3% Y/Y to Kes. 2,646.71Bn from Kes. 2,095.92Bn in May 2020.
- Quarter one financial reporting closure for banks, pushed the volumes 31.4% M/M up from 291.89Mn shares to 383.67Mn shares, causing turnover climb 43.4% to Kes. 14,159.05Bn from Kes. 9,871.07Bn in April.
- Foreign activity dipped 950bps from 66.2% to 57.6% with a total net outflow of Kes. 782.40Mn in comparison total to net outflow of Kes. 95.91Mn in the month before.
- Safaricom remained the top mover at Kes. 8.00Bn with a foreign dominance of 65.6%. Its foreign buys stood at 64.6% or Kes. 5.16Bn while the foreign sales stood 66.7% or Kes. 5.34Bn respectively. EABL and Equity followed on foreign buys at 83.5% and 46.1% respectively. Equity and KCB followed also on foreign sales at 49.8% and 47.2% respectively.
- BOC gained the most at 22.4% from Kes. 61.25 to Kes. 75.00 after recording an 81.9% improvement in PAT for the FY 2020 announced in late April 2021. Crown paints followed by gaining 18.9% M/M after announcing a rights issue of ratio 1:1 whose book closure was on 31<sup>st</sup> May with a payment on 13<sup>th</sup> August 2021.
- I&M recorded a 51.6% dip in share price from Kes. 44.04 to Kes. 21.30 following the share doubling after a share bonus issue late mid-May 2021. TPS and Eveready followed with losses of 15.3% and 13.0% from Kes. 16.30 to Kes. 13.80 and from Kes. 1.08 to Kes. 0.94 respectively.

## Bonds Market

Bonds market saw a 56.7% M/M jump in value from Kes. 65.65Bn to Kes. 102.87Bn while the total number of deals went 4.4% up to 2,138 deals from 2047 deals in April.

Infrastructure bonds dominated the market with the IFB1/2021/18 taking lead at a value of Kes. 22.98Bn.

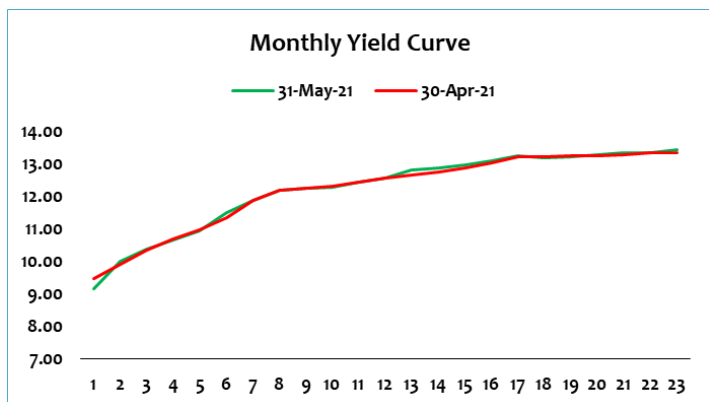
### Equity Turnover Vs Bonds Turnover



#### Yield Curve

The yield curve generally remained flat despite the high demand for the long-term papers while experiencing a slight shift on the short end.

As we come to the end of the financial year 2020/2021, we expect minimal shifts on the yield curve with an upward shift on the lower end begged on the ongoing economic recovery.



Yield Key Rates %	31/5/20	30/04/21	31/05/21	y-y bps Δ	M/M bps Δ
2-Yr	10.1074	9.9226	10.0133	9.41	9.07
5 Yr	11.6045	10.9646	10.9555	-64.90	-0.91
10 Yr	12.2531	12.3197	12.2979	4.48	-2.18
15 Yr	12.7944	12.8893	12.9869	19.25	9.76
20 Yr	13.0558	13.2570	13.3003	24.45	4.33
23 Yr	13.4478	13.3543	13.4360	-1.18	8.17

#### Money Market and Key Rates

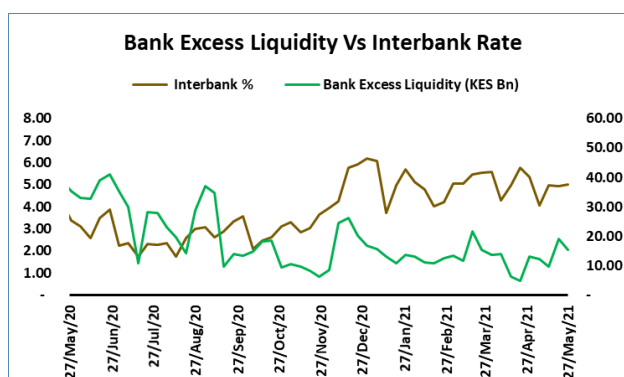
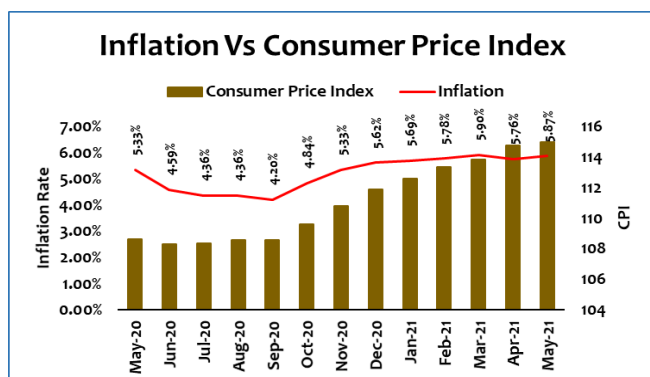
The monetary policy committee met on 26<sup>th</sup> May and retained the CBR rate at 7% following the relatively strong economic recovery in Q1 2021.

Key Rates	May-21		
	April-21	May-21	M/MΔ
Central Bank rate	7.000%	7.000%	0.00bps
Interbank Rate	5.138%	4.623%	9.63bps
Inflation	5.76%	5.87%	14.00bps
91-Day	7.101%	7.148%	7.20bps
182-Day	7.922%	7.958%	10.30bps
364-Day	9.391%	9.346%	24.90bps
Forex Reserves	7,563	7,549	-0.2%
Import Cover	4.71	4.57	-3.0%

**Inflation:** Inflation spiked 11bps to close at 5.87% in May 2021 depressed by 2.8% rise in petroleum prices and an average of 2.2% uptick in food prices which overweighed the drop in prices of other commodities.

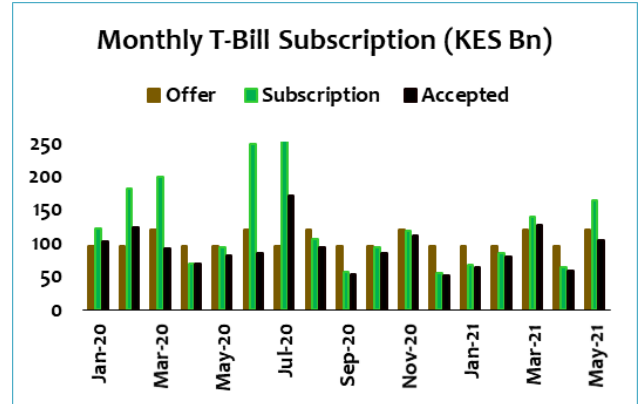
**Interbank:** Interbank improved 52bps to close at an average of 4.62% in May from that of 5.14% in April. Liquidity improved with demand reducing from an average of Kes. 10.56Bn to 9.56Bn majorly boosted by increased T-bill maturities of Kes. 96.85Bn from Kes. 73.24Bn in the month before.

Bank excess liquidity improved by 35.6% to an average of Kes. 14.13Bn from Kes. 10.42Bn in April 2021.



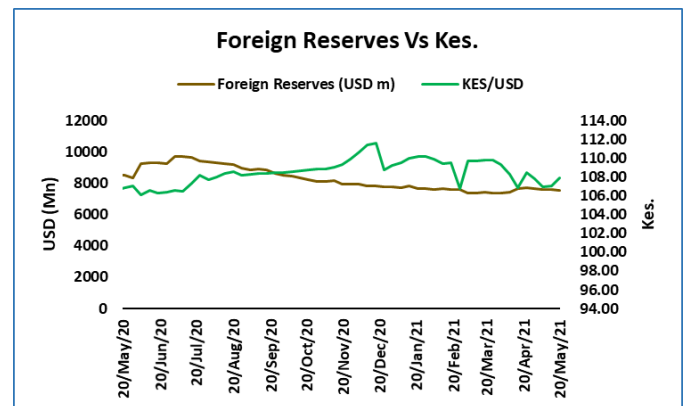
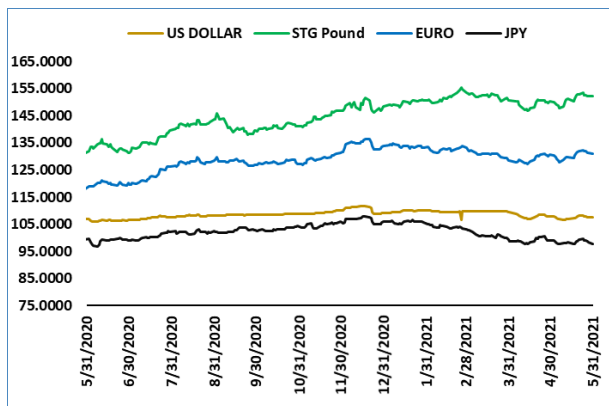
#### T-bills

- The month saw CBK offer a total of 120Bn in T-bills while receiving Kes. 163.47Bn and accepting only 104.56Bn representing 64.0% as we near the closure of the current financial year with little spending on government projects.
- The 364-day paper remained oversubscribed for the whole month at an average of 240.1% as its yields remained appetizing at an average of 9.35%. The rest of the papers remained undersubscribed but picked at month end.



#### Currency

- The Kenya shilling remained relatively strong M/M against the dollar and Japanese yen gaining 0.2% and 1.2% from Kes. 107.84 and Kes. 98.93 to Kes. 107.59 and Kes. 97.75 against the dollar and yen respectively. Foreign reserves remained adequate supporting the shilling at average of USD. 7,549Mn.
- Against the British pound and the Euro, the shilling weakened by 1.4% and 0.2% from Kes. 150.27 and Kes. 130.63 to Kes. 152.32 and Kes. 130.88 respectively. This followed aggressive vaccination and return to normal in the European zone as the US economic stimulus kept the yields low amidst inflation rise expectations.
- Elsewhere, the Japanese government slashed its economic outlook citing new weaknesses in private consumption and business conditions as a result of covid-19. This is likely to negatively impact the Yen.



#### Corporate Action List

COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	AMOUNT	DIVIDEND PAYMENT	
						EPS	PAYOUT
Kengen	F&F	28-01-21	29-03-21	22-07-21	0.30	2.79	10.8%
BAT Kenya	F	19-02-21	16-04-21	12-05-21	41.50	55.18	75.2%
Cgen	F&F	28-01-21	22-02-21	25-03-21	0.80	6.85	11.7%
Stanbic Hold	F&F	04-03-21	21-05-21	TBA	3.80	13.13	28.9%
Co-op Bank	F&F	17-03-21	13-04-21	14-04-21	1.00	1.98	50.5%
KCB Group	F&F	17-03-21	26-04-21	26-06-21	1.00	6.10	16.4%
Kakuzi Plc	F&F	18-03-21	31-05-21	30-06-21	18.00	31.74	56.7%
Fahari I-REIT	F&F	19-03-21	06-04-21	30-04-21	0.60	0.82	73.2%
UMEME*	F&F	23-03-21	25-06-21	19-07-21	12.20	27.00	45.2%
Stanchart	F&F	25-03-21	27-04-21	27-05-21	10.50	13.95	75.3%
NCBA	F&F	26-03-21	20-04-21	09-06-21	1.50	2.77	54.2%
NSE Ltd	F&F	26-03-21	04-06-21	30-08-21	0.53	0.65	81.5%
I&M Holdings	F&F	31-03-21	10-05-21	21-05-21	2.25	9.77	23.0%
Total Kenya	F&F	06-04-21	25-06-21	30-07-21	1.57	4.03	39.0%
Jubilee Holdings	F&F	16-04-21	26-05-21	26-07-21	8.00	50.06	16.0%
Bamburi	F&F	20-04-21	16-05-21	15-07-21	3.00	2.90	103.4%
B.O.C	F	21-04-21	25-05-21	19-07-21	4.15	5.21	79.7%
sasin Tea	F	05-11-21	06-02-21	15-07-21	0.50	0.07	
Safaricom	F	13-05-21	30-07-21	31-08-21	0.92	1.71	53.8%
Kenya Re	F&F	02-06-21	30-06-21	13-08-21	0.20	1.00	20.0%

BONUS PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	ISSUED	ISSUED AND PAID	SHARES
I&M Holdings	Bonus Share	31-03-21	10-05-21	21-05-21	1:1	826,810,738	1,653,621,476
Crown Paints	Rights Issue	21-05-21	31-05-21	31-08-21	1:1		

AGM MEETING		
Counter	Date	Venue
KCB Group	25-05-21	Virtual
Stanbic Holdings	20-05-21	Virtual
NCBA Group	09-06-21	Virtual
Stanchart Kenya	27-05-21	Virtual
Housing Finance	28-05-21	Virtual
Absa Kenya	27-05-21	Virtual
Britam Holdings	28-05-21	Virtual
Safaricom	30-07-21	Virtual
NSE	06-03-21	Virtual
Kenya Re	30-06-21	Virtual

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