

# KINGDOM SECURITIES

## QUARTERLY NSE PERFORMANCE

Indicator	Q4-2019	Q1-2020	Q1-2019	(Q-Q) %	(Y-O-Y) %
NSE 20	2,654.39	1,966.12	2,846.35	25.9%	30.9%
NSE 25	4,100.57	3,109.00	3,935.99	24.2%	21.0%
NASI	166.41	131.92	157.66	20.7%	16.3%
NSE Mkt CAP (KES Bn)	2,524.06	2,016.06	2,360.52	20.1%	14.6%
NSE Turnover (KES Bn)	43.51	43.62	45.24	0.3%	3.6%
VOLUMES (Bn)	1.23	1.36	1.40	10.3%	2.5%
BONDS (KES Bn)	150.11	36.79	150.68	75.5%	75.6%
Foreign Buys (KES Bn)	27.66	15.38	34.29	44.4%	55.2%
Foreign Sales (KES Bn)	28.43	25.68	33.54	9.8%	23.4%
Foreign Net Δ (KES Bn)	(0.77)	(11.62)	0.76	1408.5%	1635.1%

## NSE Q1-2020 Performance

- The market was on a free fall with NSE 20 share index plunging by 25.9% q/q and 30.9% y/y. NSE 25 share index lost 24.2% q/q and 21.0% y/y with NASI facing same predicament with a 20.7% and 16.3% downward move on q/q and y/y respectively.
- Market value deteriorated by 20.1% q/q and 14.6% y/y. Performance was dented by foreign exits in large cap companies that saw decline in value. Equity Group, KCB Group, EABL, Co-operative Bank and Safaricom shed 36.5%, 35.2%, 24.7%, 21.4% and 16.0% respectively.
- In Q-2020, a total of 1.36Bn shares transacted valued at KES 43.62Bn. Safaricom with KES 19.79Bn from 382.59Mn shares controlled market value.
- Performance was heavily impacted by foreign activities that contributed 60.1% with a net sale of KES 11.15Bn. Exits was driven by investor's flight to safety caused by fear of economic downturn leading to depressed company and industry performance cause by ongoing COVID-19 pandemic.
- Bonds market saw KES 150.11Bn trade compared to KES 106.28Bn in Q4-2019 and KES 150.68Bn in Q1-2019.

### On the News:

- Safaricom Plc CEO, **Peter Ndengwa**, officially takes office today April 1<sup>st</sup>, 2020. He takes over from Michael Joseph who was appointed on active capacity on July 1<sup>st</sup>, 2019.
- Kenya Airways CEO, **Allan Kalavuka**, officially takes office today April 1<sup>st</sup>, 2020. He takes over from Sebastian Mikosz who resigned effective December 31<sup>st</sup> 2019.
- Majority of listed companies with December end of year managed to release their financial with majority showing positive result in 2019 compared to 2018. Below see the upcoming corporate action.

### Market Outlook

- Market activity set to remain high with a net foreign sale dominating the reactivity leaving prices low.
- Secondary bonds market to continue with high activity as investors shifting to government securities.

### February 2020 - Top Movers

Counter	Value (KES Bn)	Volumes (Mn)	Net Foreign Activity (KES Bn)	% Foreign Activity
SCOM	19.76	382.59	(4.97)	72.0%
KCB	7.53	75.31	(1.75)	59.0%
EQTY	7.27	69.64	(3.92)	51.2%
EABL	3.25	8.52	0.04	63.8%
COOP	1.03	6.95	(0.28)	77.9%

### Q1-2020 - Top Gainers

Counter	Q4-2019	Q1-2020	% Δ
Carbacid	8.00	8.98	12.3%
Eaagads	10.10	11.00	8.9%
B.O.C Kenya	58.00	62.00	6.9%
Limuru Tea	450.00	475.00	5.6%
Olympia	2.01	2.10	4.5%

### Q1-2020 - Top Losers

Counter	Q4-2019	Q1-2020	% Δ
Flame Tree	2.47	1.11	55.1%
Home Afrika	0.60	0.33	45.0%
Bamburi	80.00	48.00	40.0%
NMG	39.80	24.30	38.9%
KPLC	2.81	1.77	37.0%

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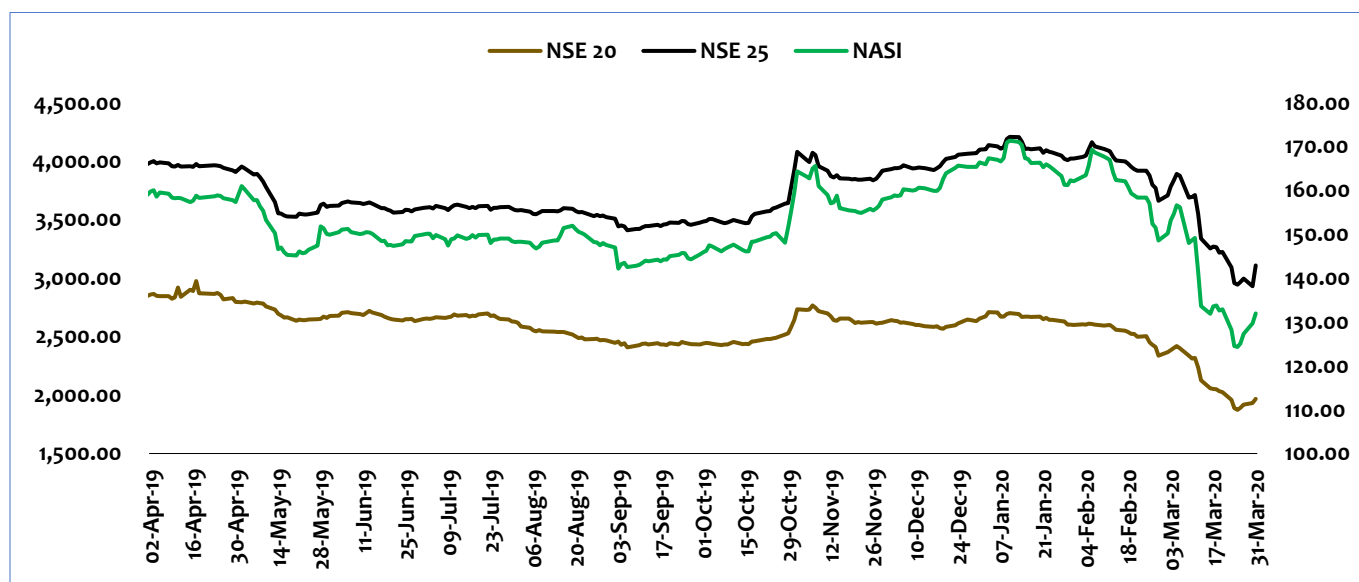


Figure 1: NSE Main Index Movement

Source NSE, KSL

## Corporate Action

COMPANY	DECLARED	RATE KES	ANNOUNCEMENT	BOOK CLOSURE	PAYMENT DATE
NCBA	Final Dividend	1.50	26-Mar-20	23-Apr-20	Subject to Approval
I&M Holdings	first & final div	2.55	26-Mar-20	Subject to Approval	Subject to Approval
Kenya Re	Final Dividend	0.10	27-Mar-20	12-Jun-20	01-Jul-20
Bank of Kigali (FRW)	Final Dividend	14.40	27-Mar-20	12-Jun-20	01-Jul-20
ABSA Kenya	Final Dividend	0.90	24-Mar-20	Subject to Approval	Subject to Approval
Umeme (USHS)	Final Dividend	41.30	23-Mar-20	10-Apr-20	17-Jul-20
Limuru Tea	First & final div	0.70	23-Mar-20	10-Apr-20	26-Jul-20
Kakuzi Plc	First & final div	14.00	20-Mar-20	19-Jun-20	15-Jul-20
Equity Group	First & final div	2.50	20-Mar-20	12-Jun-20	24-Jul-20
DTB	First & final div	2.70	20-Mar-20	25-Jun-20	24-Jul-20
Stanchart Bank	Final Dividend	15.00	19-Mar-20	27-Apr-20	28-May-20

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- **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.

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