

## % in QUARTERLY NSE PERFORMANCE-

Indicator	Q1-2020	Q2-2020	Q2-2019	(Q-o-Q) %	(Y-o-Y) %
NSE 20	1,966.12	1,942.12	2,633.32	1.2%	26.2%
NSE 25	3,109.00	3,217.11	3,586.58	3.5%	10.3%
NASI	131.92	137.68	149.61	4.4%	8.0%
NSE Mkt CAP (KES Bn)	2,016.06	2,104.33	2,278.90	4.4%	7.7%
NSE Turnover (KES Bn)	43.62	39.42	32.38	9.0%	22.7%
VOLUMES (Bn)	1.36	1.42	1.58	4.2%	10.3%
BONDS (KES Bn)	150.11	132.07	191.13	12.0%	30.9%
Foreign Buys (KES Bn)	15.38	20.43	23.85	32.9%	14.4%
Foreign Sales (KES Bn)	25.68	30.68	22.54	19.4%	36.1%
Foreign Net Δ (KES Bn)	(11.62)	(10.25)	1.32	11.8%	879.3%

## NSE Q2 - 2020 Performance

- Foreign activity improved to 64.5% in Q2-2020 from 60.9% in Q1-2020. A net foreign sell of 10.25Bn, with top five large caps dominating 83.5% of the outflows.
- Overall gains by Safaricom (0.35%), KCB (2.54%) and EABL (0.31%) helped boost total market value up by 4.4%.
- Safaricom was top mover with 548.41Mn shares with a value of KES 16.67Bn traded. on overall, the company gained a marginal 0.35% in value to close the quarter at KES 28.65 from KES 28.55 in Q1-2020. The communication company saw the CFO move on a promotion as a CFO of Vodafone Business. The company reported an earning of KES 1.5Bn from the police surveillance business.
- Top Gainers - Speculative investors remained the beneficiary of the markets with KQ gaining 3.28%, Flame Tree 1.57% and Eaagads 20.1%.
- Top losers - Bamburi lost 36.4%, Home Afrika 18.0% and NMG 17.2%.

### Market Updates

- Co-Operative Bank of Kenya is set to acquire 90% of Jamii Bora Bank by issuing 224.1Mn shares valued at KES 1Bn or KES 4.46 per share. This will lead to a shareholder's dilution of 3.6%.
- Equity Group discontinues discussion on the acquisition of banking assets from Atlas Mara Limited in Rwanda, Tanzania, Zambia and Mozambique in exchange for shares in Equity Group.
- Nationalization of Kenya Airways is set to be initiated with the tabling of National Aviation Management Bill 2020.
- Nomination of Auditor General awaiting vetting by Parliament.

### Market Outlook

- We project the market to remain under pressure as economic pressure spills over to Q3-2020.
- Full Year - EABL, KPLC, Kengen, Mumias, EAPCC, Uchumi, Mumias, Unga, Longhorn.

## Q2 - 2020 - Top Movers

Counter	Value (KES Bn)	Volumes (Mn)	Net Foreign Activity (KES Bn)	% Foreign Activity
SCOM	16.67	548.41	(0.37)	77.6%
EQTY	7.37	195.34	(3.92)	60.2%
KCB	5.10	136.97	(3.10)	52.6%
EABL	2.88	17.29	(0.82)	74.6%

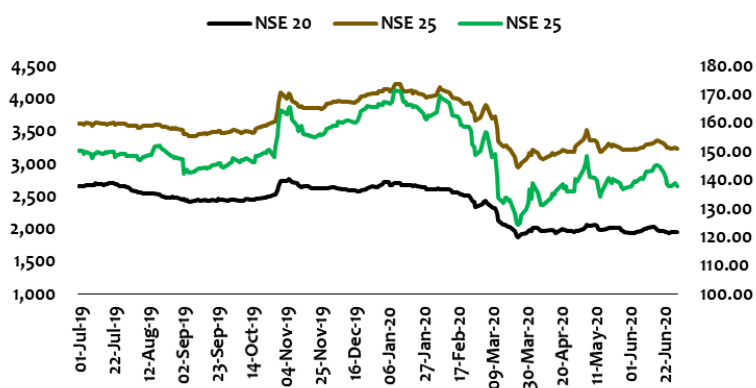
## Q2-2020 - Top Gainers

Counter	Q1-2020	Q2-2020	% Δ
KQ	2.21	3.28	48.4%
Flame Tree	1.17	1.57	34.2%
Eaagads	8.24	9.90	20.1%
Sameer	2.92	3.50	19.9%
EA Cables	1.74	2.08	19.5%

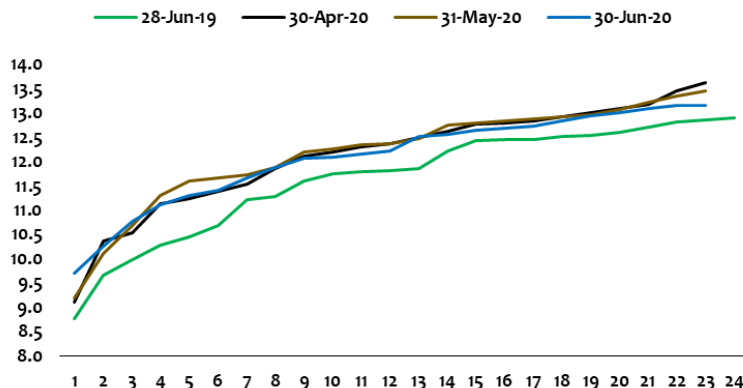
## Q2-2020 - Top Losers

Counter	Q1-2020	Q2-2020	% Δ
Bamburi	44.00	28.00	36.4%
Home Afrika	0.50	0.41	18.0%
NMG	18.60	15.40	17.2%
Sanlam	16.00	13.50	15.6%
Portland	14.25	12.60	11.6%

### NSE Indices



### Monthly NSE Yield Curve



## Interbank Market

- Interbank rate for the month of June averaged at 3.2%; 80.obps dip from 4.0% recorded in the month of May indicating liquidity in the market.
- Liquidity was supported majorly by the reduction of Cash Reserve Requirement (CRR) from 5.25% to 4.25%, payments of of KES 244.43Bn in T-Bills, KES 69.87Bn in bond coupons and KES 50.35Bn in bond redemptions in Q2-2020 compared to KES 297.34Bn in T-Bills ad KES 52.86Bn in bond coupons in Q1-2020.

Key CBK Rates	31-05-20	30-06-20
CBR Rate	7.00%	7.00%
Avg Interbank rate	4.01%	3.18%
91-day T-Bill	7.29%	7.08%
182-day T-bill	8.20%	7.86%
364-day T-bill	9.18%	8.78%
Inflation	5.47%	4.59%

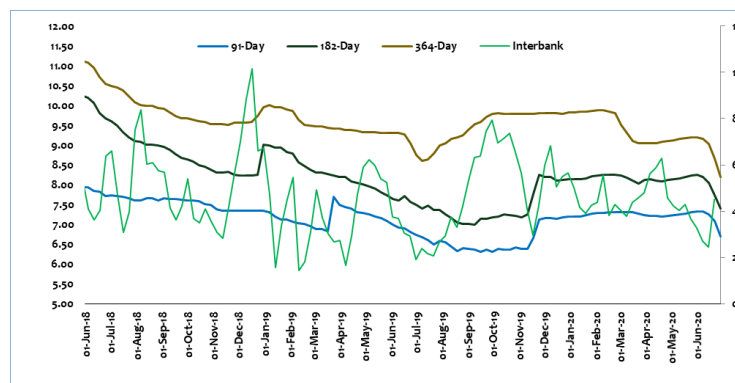
## Currency performance

- The shilling recorded a marginal 26bps m/m strength against the USD to close at 106.52. It consequently closed at 120.14 and 131.17 against the Euro and STG Pound respectively.

30-06-2020	USD	EUR	GBP
W/W	0.10%	0.53%	0.79%
M/M	0.26%	0.99%	0.63%
YTD	4.86%	5.47%	1.63%
Y/Y	3.96%	3.19%	0.92%

## Forex Reserve

- Forex reserves improved by 11.74% in the month of June to average at 5.75 months of import cover in comparison to 4.99 months recorded in the previous month. The forex reserve as at 25<sup>th</sup> June 2020 stood at USD 9,229Mn.



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

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