

NSE Weekly Performance - Week 46 - 2020

NSE 20 Share Index

1,7838.52

1,785.88

0.2%

Bonds (KES Bn)

9.57

12.59

30.9%

NSE 25 Share Index

3,280.73

3,255.68

0.8%

Net Foreign (KES Bn)

56.9%

79.2%

(0.01)

0.02

NASI

143.93

143.72

0.1%

Market Cap (KES Bn)

2,209.91

2,206.65

0.1%

Volume (Mn)

82.38

71.35

13.4%

Turnover (KES Bn)

2.08

2.19

5.2%

Top Movers - Week 46 2020

Counter	Value (KES Mn)	Volumes (Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
SCOM	437.39	31.03	87.27	77.8%
EQTY	327.76	12.11	13.11	90.4%
KCB	123.72	1.84	8.95	87.8%
BAT	116.96	0.34	(89.50)	55.7%
SBIC	109.73	1.97	0.53	99.3%

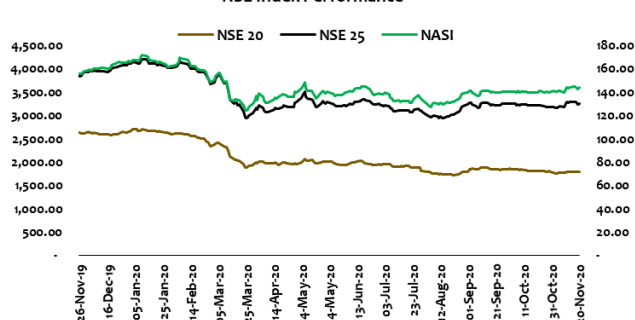
Top Gainers - Week 47

Counter	Week 46	Week 47	% Δ
Bamburi	24.90	28.00	12.4%
BOC	60.00	66.00	10.0%
BoK	12.60	13.50	7.1%
EA Cables	1.31	1.40	6.9%
Carbacid	8.00	8.52	6.5%

Top Losers - Week 47

Counter	Week 46	Week 47	% Δ
Express	3.91	3.10	20.7%
TCL	1.50	1.23	18.0%
Kapchorua	79.50	71.50	10.1%
EAPCC	14.40	13.00	9.7%
Sameer	3.40	3.09	9.1%

NSE Index Performance



Equities Market: Market performance reversed its upward trajectory with large caps losing their post reporting momentum. Growing threat of a fresh inter-county lockdown due to rising Covid-19 cases continues to create a threat to the local economy. County leaders have called for regional lockdown to contain the pandemic with governors threatening to take matters in their own hands.

The economy continues to face challenges with KRA collecting KES 379Bn in the first quarter of the fiscal year 2020-2021. This was a 10% decline compared to KES 421Bn. This was partially caused by fiscal policy on reduction on corporate, PAYE, and VAT rates.

NSE 20 Share index eased 0.2% w-w with the indicator having lost 33.2% y-t-d and 31.7% y-y basis. Large cap saw a 0.6% gain in Safaricom washed away by a 3.9% and 3.5% decline in Equity Group and KCB Respectively.

Volumes declined by 13.4% on low demand on Safaricom and KCB. Price improvement saw value traded increase by 5.2% with upside on Co-op Bank, NCBA and Stanbic.

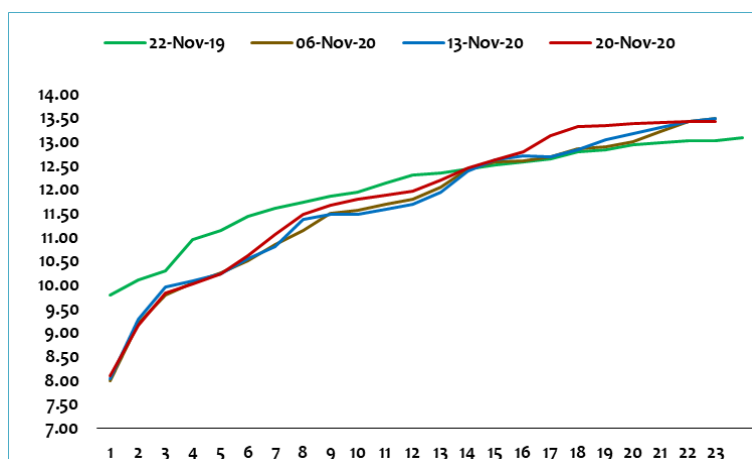
Foreign activities improved to 79.2% from 59.6% the previous week. Activities closed with a net buy of KES 0.02Bn.

Strong cement performance reported by KNBS aided push Bamburi Cement stock up 12.4% to KES 28.00 from KES 24.90 with stock closing as top gainer.

Bonds Market: Bonds market saw better performance with KES 12.59Bn exchange, a 30.9% growth from KES 9.62Bn the previous week. FXD1/2018/25 and FXD3/2019/5 were top movers with a 1.15bps downward shift and an 8.38bps shift upwards on the two bonds respectively. FXD1/2018/25 benefited from the tap that received KES 7.96Bn on a KES 20.00Bn offer.

Primary bonds market saw CBK received 140% subscription on reopening of FXD2/2013/15 (67.8%) and FXD1/2018/20 (72.2%). They accepted 96.0%.

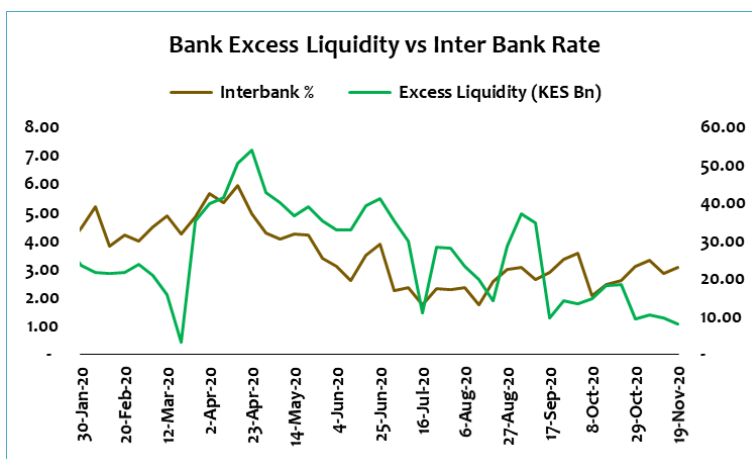
Yield curve saw short term key yields shift down on improved liquidity and with client opting to switch to the 364-day paper with short-term paper. Long end rates had a downward shift with little activities on that front. We forecast a further downward shift in long end of the curve as demand slows down on that front.



YTM Key Rates %	03-Jan-20	13-Nov-20	20-Nov-20	(Y-t-D) bps	W-W bps
2 Year	10.4458	9.2857	9.1535	129.2	13.2
5 Year	11.4867	10.2277	10.2215	126.5	0.6
10 Year	12.1035	11.4840	11.7890	31.5	30.5
15 Year	12.5211	12.6184	12.6130	9.2	0.5
20 Year	12.9125	13.1598	13.3838	47.1	22.4
23 Year	13.0125	13.4845	13.4298	41.7	5.5

Money Market: Market showed signs of starved liquidity with the weeks average interbank rate remaining stable at 3.01% from 3.02% the previous week. Average demand eased to an average of KES 4.81Bn from KES 7.87Bn with last day of the week posing high demand of KES 5.86Bn at a weighted rate of 3.14% against 2.74% the previous Friday.

Liquidity will remain tight towards the end of the month with low upcoming maturities on short term papers.

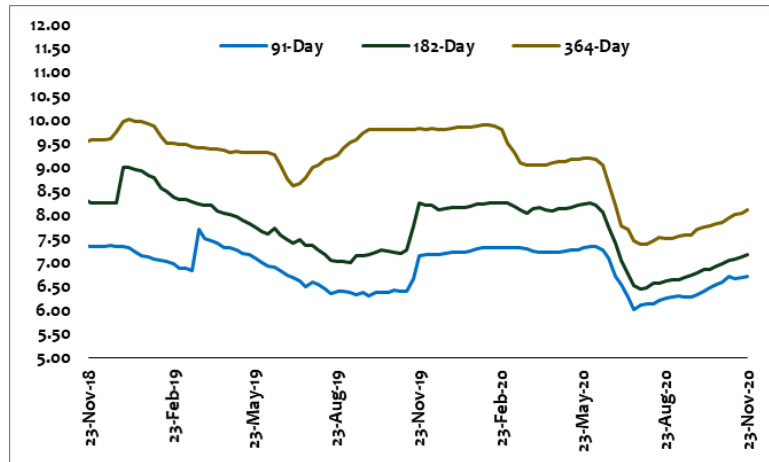


T-Bills – T-Bills subscription was at 112.6%, down from 126.6% the previous auction. Investors were aggressive leading to CBK accepting 89.4% with heavy rejection on the 182-day paper.

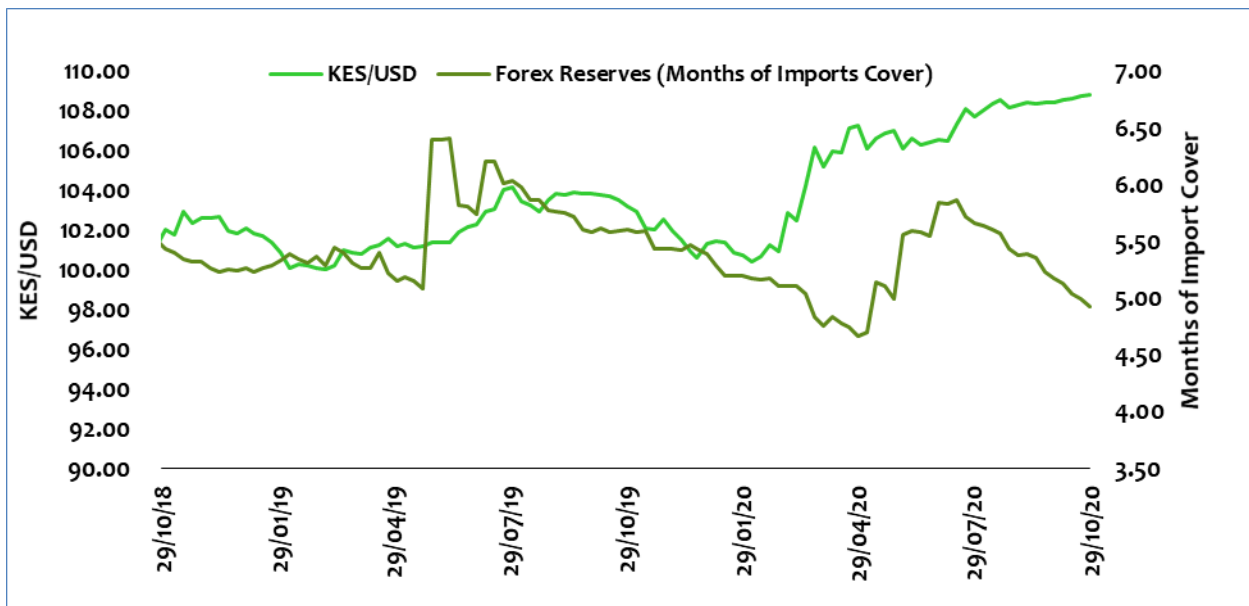
We expect subscriptions to subside as the liquidity tightens with banks 4-week average excess liquidity remaining below KES 10Bn.

As per our earlier forecast, demand will remain on the 364-day and 91-day paper with investors opting for higher return, preferring to reinvest at higher rates. This trend is bound to continue with investors opting to reinvest their payouts at higher rates.

Currency Shilling depreciated further against the majors to touch a high of 109.3924 on the USD. The erosion was necessitated from the dollar demand on the interest payment of c.USD 44Mn on the 2032 USD 1.2Bn Eurobond. The local currency will remain under pressure as global economy face a potential lockdown on the surge of Covid-19 cases from the second wave against the prospect of a working vaccine.



	20-Nov-20	KES/USD	KES/GBP	KES/EUR	KES/JPY
W/W		0.3%	0.9%	0.5%	1.5%
M-t-D		0.5%	2.7%	1.8%	1.2%
M/M		0.7%	3.2%	1.6%	1.8%
Y-t-D		7.9%	9.0%	14.2%	13.3%
Y/Y		7.5%	9.9%	14.8%	12.1%



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