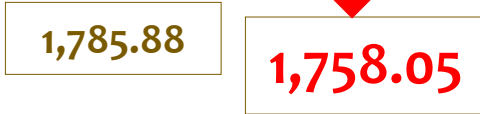


NSE Weekly Performance - Week 48 - 2020

NSE 20 Share Index



Bonds (KES Bn)



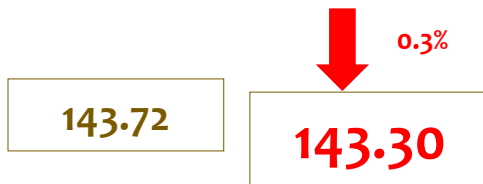
NSE 25 Share Index



Net Foreign (KES Bn)

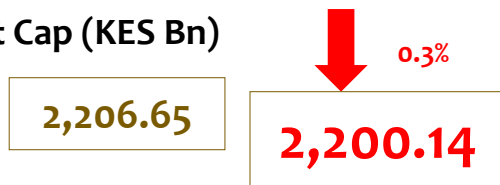


NASI



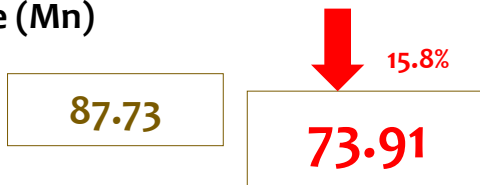
Top Movers - Week 48 2020				
Counter	Value (KES Mn)	Volumes (Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
SCOM	570.22	17.86	156.29	72.1%
EQTY	503.10	14.32	(99.64)	71.5%
KCB	375.48	10.12	(49.90)	72.4%
EABL	322.63	2.08	(230.31)	52.4%
NCBA	174.21	7.42	(2.07)	0.6%

Market Cap (KES Bn)



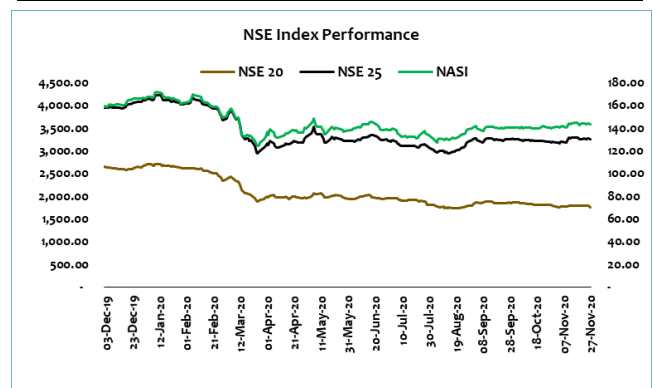
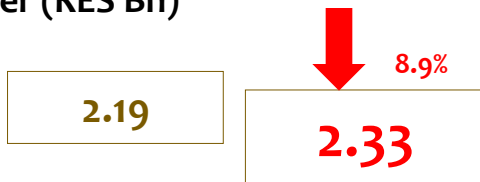
Top Gainers – Week 48			
Counter	Week 47	Week 48	% Δ
Carbacid	8.52	10.80	26.8%
Eveready	0.89	1.01	13.5%
TPS Serena	14.00	14.95	6.8%
Centum	16.00	17.00	6.3%
Jubilee	266.00	280.00	5.3%

Volume (Mn)



Top Losers – Week 48			
Counter	Week 47	Week 48	% Δ
KPLC	1.61	1.36	15.5%
Olympia	2.33	2.02	13.3%
SGL	25.30	22.80	9.9%
EAPCC	13.00	12.00	7.7%
Flame Tree	1.41	1.31	7.1%

Turnover (KES Bn)



KINGDOM SECURITIES

Weekly Market Highlights

Week 48 - 2020

Equities Market: Market indicators remained in the red with NSE 20 share easing by 1.6% with the last day value loss on large caps and liquid counters shedding value.

Decline in interest on Safaricom saw volumes drop by 15.8% as value moved down 8.9%. The counter remained the most traded share with 17.86MN shares transacted with value declining by 0.3% to KES 31.90 from KES 32.00. The low demand was due to a decline in foreign activity which was 71.1% from 83.4% the previous week.

Foreign exits in EABL, Equity and KCB left the market with a net sale of KES 332.97Mn with foreign activity shrinking to 61.7% from 79.2% the previous week.

KCB Group price increased by 2.6% to close the week at KES 37.15 from 36.20 after announcing it had entered into an agreement with Atlas Mara for acquisition of 62.1% in Banque Populaire du Rwanda and 100% in African Banking Corporation Tanzania Limited.

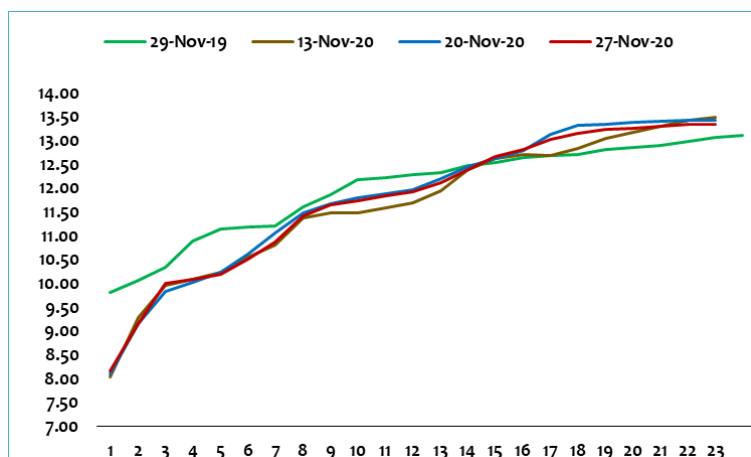
Notice by Carbacid and Aksaya Investment to acquire 100% share of BOC at KES 63.50. The news pushed Carbacid value up by 26.8% to KES 10.8 from KES 8.52. Bock Holdings, which holds 65.4% of BOC Kenya has issued an irrevocable undertaking to the offerors to accept the offer on certain terms and conditions including a stop date of 31st July 2021. The offer value has a premium of 11.1% and 6.1% on the 6-months and 12-months average but remains down 6.3% the week's closing value of KES 67.75.

We forecast activities in the market to remain mute with most fund managers staying away. We forecast a further decline on the NSE 20 share as the banks close Q3-2020 reporting.

Bonds Market: A 30.6% increase in number of deals aided push value traded up by 0.8% from KES 12.59Bn to KES 15.01Bn. We expect the market to remain active awaiting the primary issue.

IFB1/2020/11Yr and reopened FXD1/2018/20Yr were the most traded with IFB1/2020/11Yr yield shifting up by 12.2bps

Yield curve saw an aggregate downward shift in key rate yields. The long end had the largest downward shift with the 20-year rate shifting downwards by 13.4bps. Largest range was between the 5-Yr and 15-Yr bands with bands between the 2-Yr vs. 5-Yr and 10-Yr narrowing. we expect the long end of the curve to further shift downwards towards the 13.0% rate levels.

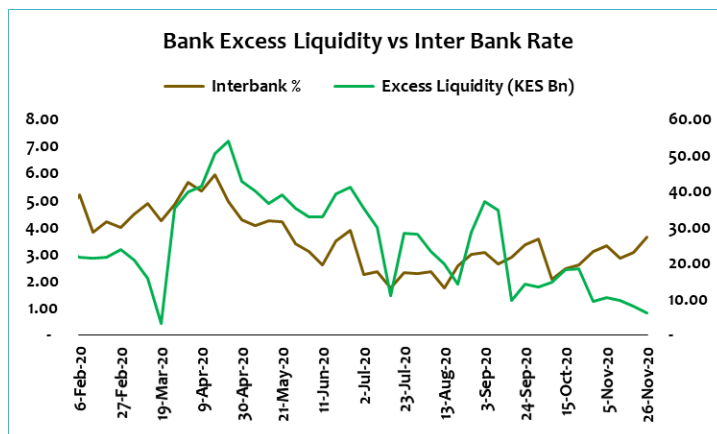


Key Yield Rates %	03-Jan-20	20-Nov-20	27-Nov-20	Y-t-D bps	W-W bps
2-Yr	10.4458	9.1535	9.1500	129.6	0.3
5-Yr	11.4867	10.2215	10.1850	130.2	3.7
10-Yr	12.1035	11.7890	11.7391	36.4	5.0
15-Yr	12.5211	12.6130	12.6626	14.1	5.0
20-Yr	12.9125	13.3838	13.2500	33.8	13.4
23-Yr	13.0125	13.4298	13.3436	33.1	8.6

Money Market: CBK MPC retained the CBR rate at 7% stating the key macroeconomic indicators remained stable.

Banks excess liquidity dipped to 6Bn above CBK requirement starving the Market of liquidity. Weeks average interbank rate inched 46.3bps higher to 3.47% from 3.01% the previous week. Heavy demand at the start of the week pushed average demand to KES 13.33Bn from of KES 4.81Bn.

Liquidity will remain tight towards the end of the month with tax payout outstripping upcoming government payouts on redemptions.



KINGDOM SECURITIES

Weekly Market Highlights

Week 48 - 2020

T-Bills – Tight liquidity saw subscriptions inch downwards to 64.3% from 112.6% the previous auction. Aggressive bidding saw heavy rejections with CBK accepting 87.2%.

Reinvestment on the 91-day paper with aggressive bids led to over subscription of 114.5%. Rejection on rates concern saw acceptance of 78.5% with return inching upward marginally by 2.4bps to 6.73%.

We expect subscriptions to remain low the rest of the year with heavy dependency on redemption while rates will continue to inch slowly upwards.

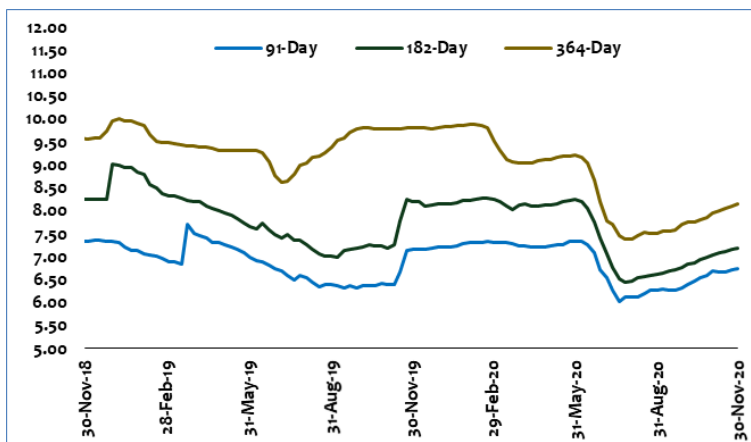
Currency - The Shilling weakened further as support from foreign inflows diminished as regulator continues to depend heavily on reserves to contain the value erosion.

The shilling lost 0.5% against the USD while further economic pressure in UK and EU from Covid-19 Pandemic second wave saw the shilling weaken by 1.3% and 1.1% against the GBP and EUR. The region remains top trade destination for Kenyan agricultural goods.

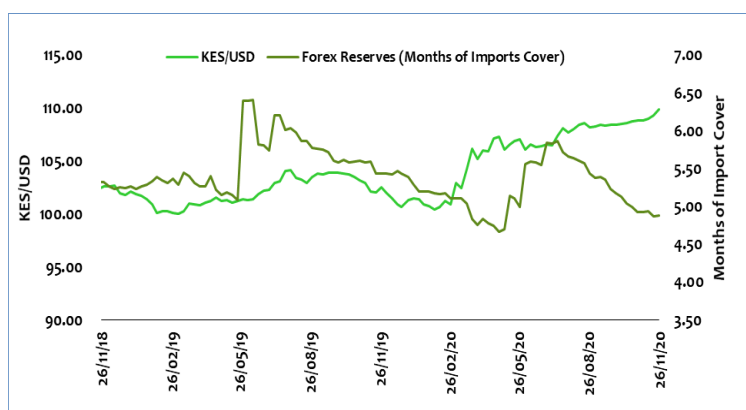
We forecast a further depreciation as we enter the holiday season with further threat coming from USD 77.50Mn interest payment on the 8.25% - 2048 and 7.25% - 2028 Eurobond due on December 28th, 2020.

Dollar reserves increased value by 0.3% while improving from 4.87 Months of Import Cover to 4.88 Months of Import Cover. Further relief would only come from the expected concessionary borrowing for budgetary support from IMF and World Bank.

IMF staff concluded a virtual mission to Kenya from October 27 to November 17, 2020, to undertake negotiations on a 3½ year Extended Fund Facility (EFF)/Extended Credit Facility (ECF) arrangement.



	27-Nov-20	KES/USD	KES/GBP	KES/EUR	KES/JPY
W/W		0.5%	1.3%	1.1%	0.3%
M-t-D		1.1%	4.1%	2.9%	1.5%
M/M		1.1%	3.5%	1.7%	1.7%
Y-t-D		8.5%	10.4%	15.5%	13.7%
Y/Y		7.4%	11.5%	16.1%	12.4%



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