

#### NSE Weekly Performance - Week 50 - 2020

NSE 20 Share Index

1,786.42

1,794.06

0.4%

Bonds (KES Bn)

6.88

13.01

89.2%

NSE 25 Share Index

3,312.97

3,296.20

0.5%

Net Foreign (KES Bn)

66.8%

0.56

71.9%

(0.18)

NASI

148.12

147.12

0.7%

Market Cap (KES Bn)

2,274.77

2,259.35

0.7%

Volume (Mn)

164.76

101.89

38.2%

Turnover (KES Bn)

5.32

2.68

49.6%

#### Top Movers - Week 50 2020

Counter	Value (KES Mn)	Volumes (Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
SCOM	1,385.68	42.28	189.37	84.6%
EQTY	728.75	20.97	(262.95)	78.1%
CARB	153.17	12.96	-	-
KCB	108.69	2.80	(23.20)	75.8%
BAT	103.21	0.1	(64.14)	48.8%

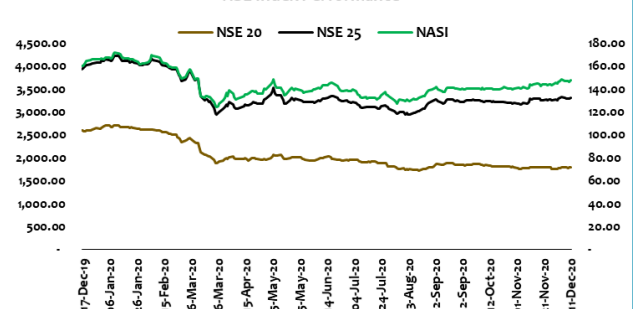
#### Top Gainers – Week 50

Counter	Week 49	Week 50	% Δ
BoK	15.00	20.15	34.3%
Bamburi	29.95	38.90	29.9%
Express	2.58	2.99	15.9%
Sanlam	11.00	12.65	15.0%
DTK	63.50	69.25	9.1%

#### Top Losers – Week 50

Counter	Week 49	Week 50	% Δ
HFCK	3.34	3.08	7.8%
Home Afrika	0.41	0.38	7.3%
KPLC	1.34	1.25	6.7%
BOC	63.50	60.00	5.5%
Olympia	2.32	2.20	5.2%

#### NSE Index Performance



# KINGDOM SECURITIES

## Weekly Market Highlights

Week 50 - 2020

**Equities Market:** The market rally slowed towards the end of the week as total weeks volumes declined by 38.2% with value traded shrinking by 49.6%. This was driven by fund managers finalizing rebalancing portfolios after reconstitution of the MSCI Frontier Markets Africa Index.

Gains in banking sector saw NSE 20 Share index improve marginally by 0.4% boosted by 0.86%, 0.82% and 0.33% in Co-op Bank, KCB and Stanchart. NSE 25 Share was dragged down by utilities and manufacturing sector to shed 0.5% while NASI was closed down 0.7% suppressed by a 1.64% dip in Safaricom.

Safaricom closed the week at KES 32.95 from KES 33.50 previously with volume traded declined by 55.9%. It maintained high foreign activity with 84.6% with a net buy of KES 189.37Bn.

Overall foreign activity increased to 71.9% from 66.8% last week with a net sale of KES 0.18Bn. Equity Group moved 20.97Mn shares with a foreign activity of 78.1% and a net outflow of KES 262.95Mn. This pushed the price down by 0.14% to close the week at KES 35.00.

Bamburi Cement gained 29.9% boosted by an upsurge in counties interest in low cost housing project which promise a jump in cement demand.

Carbacid acquisition target, BOC, saw its value decline by 5.5% to KES 60.00. The close of the week price was a recovery from a low of KES 57.25 which was 9.8% lower to the target price of KES 63.50.

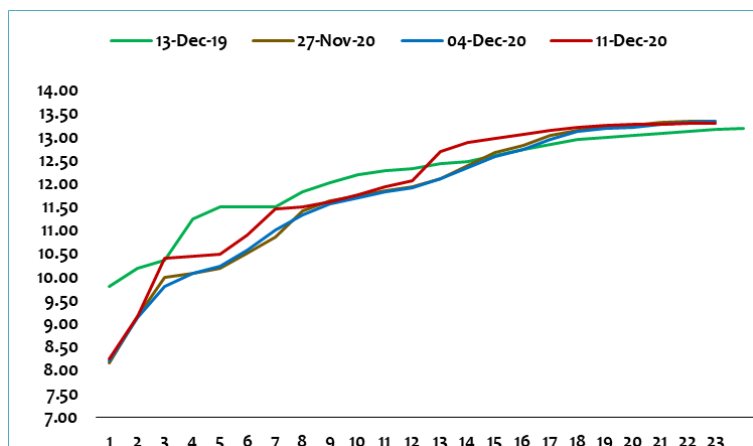
**Bonds Market:** End of primaries saw secondary bonds market activity increase with deals improving by 26.5% with value traded up 89.2% to KES 13.01Bn from KES 6.88Bn.

The FXD2/2018/20Yr and FXD1/2018/20Yr had the most interest with a total trade value of KES 4.23Bn. FXD2/2018/20Yr YTM shifted up by an average of 23.54bps while FXD1/2018/20Yr YTM shifted up by 19.66bps.

The primary issue received bids totaling KES 24.34Bn against KES 40.00Bn, a performance of 60.9%

Yield curve saw an upward shift in the mid curve area. This saw range between 2-Yr vs. 10-Yr, 2-Yr vs. 15-Yr and 5Yr vs 15-Yr widen. Long end of the curve showed no movement.

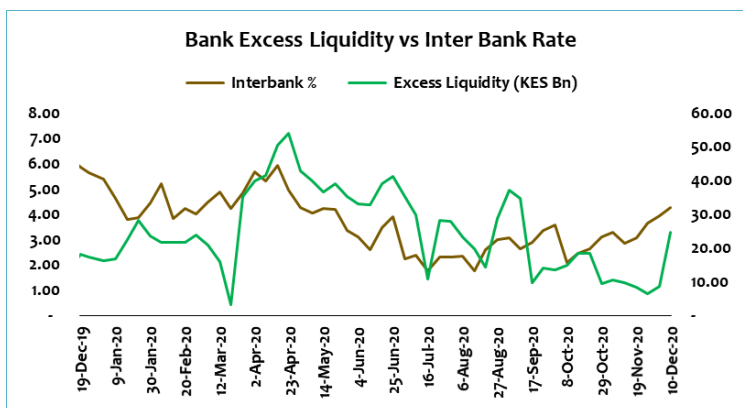
**We expect a stalemate between buyers and sellers with an expectation of an upward shift on the yield curve.**



Yield Curve Key Rates %	03-Jan-20	04-Dec-20	11-Dec-20	(Y-t-D) bps	W-W bps
2-Yr	10.4458	9.1245	9.1532	129.3	2.9
5-Yr	11.4867	10.2302	10.4908	99.6	26.1
10-Yr	12.1035	11.6952	11.7597	34.4	6.5
15-Yr	12.5211	12.5820	12.9775	45.6	39.5
20-Yr	12.9125	13.2091	13.2613	34.9	5.2
23-Yr	13.0125	13.3247	13.2930	28.1	3.2

**Money Market:** Commercial banks reserves was KES 24.6Bn above the regulators target of 4.25%. interbank increased by 28.5bps to 4.25% from 3.96% seen at the end of the week. The weeks average demand increased to KES 10.61Bn from KES 5.46Bn drive. Demand was necessitated by liquidity need due to the upcoming CRR cycle on 15<sup>th</sup> December.

**While we expect liquidity to remain tight, we anticipate interbank demand to ease towards the end of the week releasing pressure on the interbank rate.**



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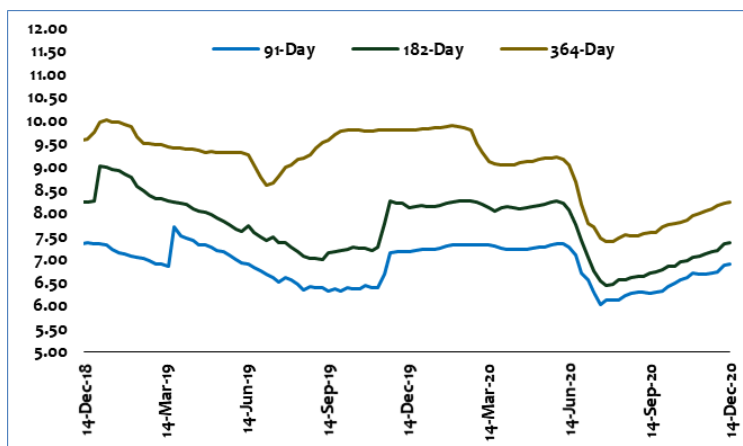
**T-Bills** – T-Bills auction remained undersubscribed for the third week running with KES 9.85Bn received (41.1% success vs. 45.5% previous auction) with acceptance remaining at a high of 98.7% compared to 90.6%. rates remained on an upward trajectory.

Need for liquidity by banks saw maturities outstripping subscription, a trend we expect to ease this week.

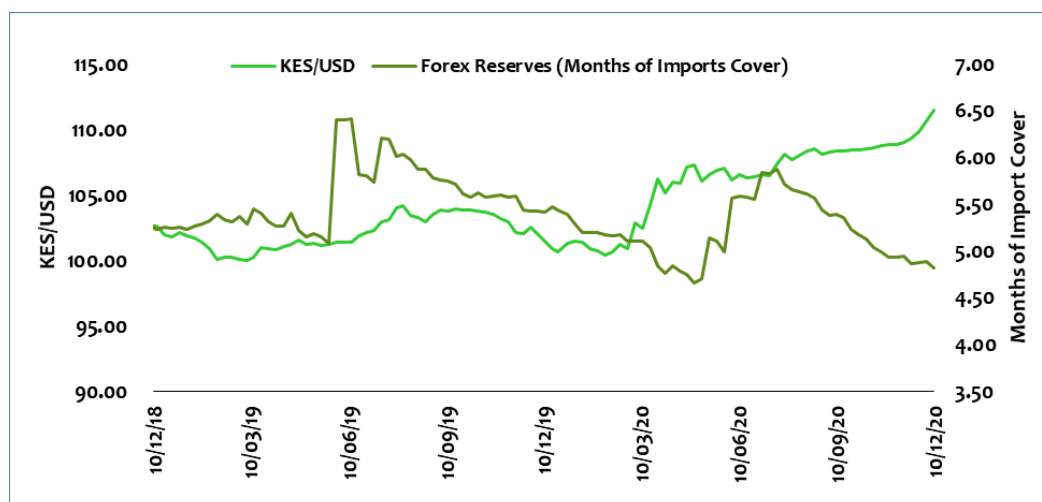
**With weeks expected redemptions close to 17.31Bn, we expect demand on the 91-day and 364-day papers with a bidding target of 6.95%-6.97% on 91-day and 8.30%-8.32% on 364-day.**

**Currency** - The Shilling weakened by 0.4% on the dollar while gaining marginally by 0.3% on the GBP. High demand and pay on international obligation continue to erode dollar reserves with reserves standing at 4.82 Months of Import Cover compared to 4.88 Months of Import Cover as at end of November.

**We expect the shilling to remain under pressure towards the end of the year with Eurobond interest obligation of USD 36.25Mn due on December 28<sup>th</sup>, 2020.**



11-Dec-20	KES/USD	KES/GBP	KES/EUR	KES/JPY
W/W	0.4%	0.3%	0.4%	0.0%
M-t-D	1.3%	0.9%	2.5%	1.0%
M/M	2.3%	2.6%	4.9%	3.2%
Y-t-D	10.0%	11.2%	18.8%	14.4%
Y/Y	9.8%	10.9%	20.0%	14.4%



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