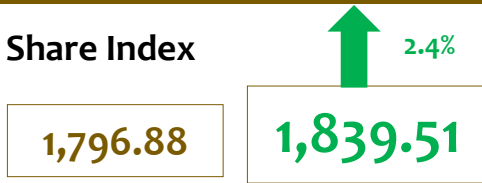
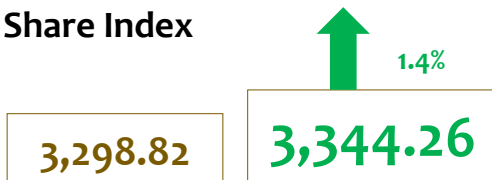


#### NSE Weekly Performance - Week 52 - 2020

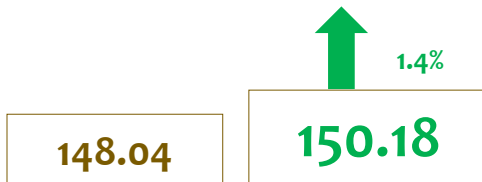
NSE 20 Share Index



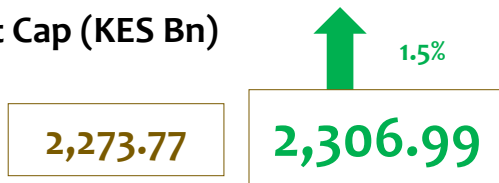
NSE 25 Share Index



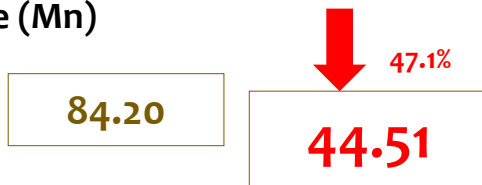
NASI



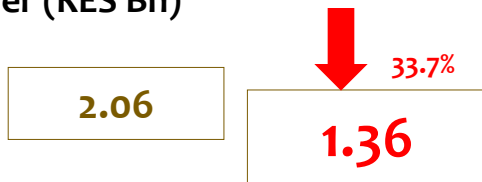
Market Cap (KES Bn)



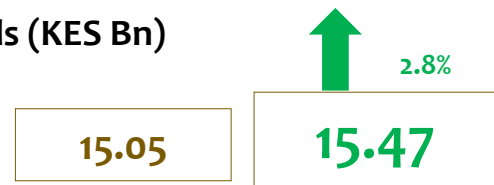
Volume (Mn)



Turnover (KES Bn)



Bonds (KES Bn)



Net Foreign (KES Bn)



#### Top Movers - Week 52 2020

Counter	Value (KES Mn)	Volumes (Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
SCOM	406.32	12.00	246.31	66.5%
KCB	273.61	7.04	(189.39)	49.2%
EQTY	255.24	7.37	(169.42)	60.4%
IMH	95.97	2.17	2.42	1.9%
EABL	88.42	0.58	(36.10)	40.2%

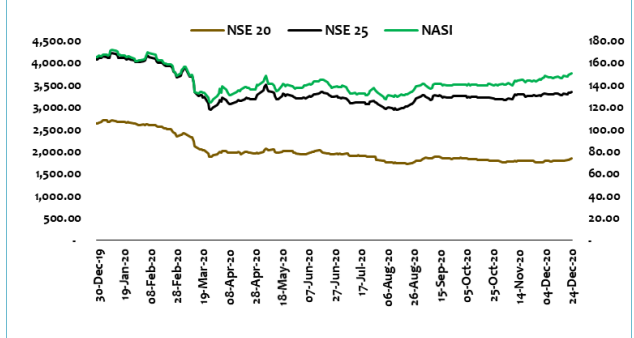
#### Top Gainers - Week 52

Counter	Week 51	Week 52	% Δ
BoK	18.40	20.80	13.0%
TCL	1.23	1.38	12.2%
Sanlam	11.80	12.95	9.7%
Bamburi	35.00	37.90	8.3%
DTK	67.25	72.50	7.8%

#### Top Losers - Week 52

Counter	Week 51	Week 52	% Δ
Car & Gen	25.00	22.00	12.0%
NBV	4.62	4.28	7.4%
I&M	45.20	43.40	4.0%
EA Cables	1.35	1.30	3.7%
Stanbic	79.00	82.00	3.7%

#### NSE Index Performance



# KINGDOM SECURITIES

## Weekly Market Highlights

Week 52 - 2020

**Equities Market:** Gains in large caps boosted the market pushing indexes to the green zone. NSE 20 Share Index gained 2.4% shoulders by 3.83%, 1.34%, 0.54% and 0.29% gains in EABL, Safaricom, KCB and Equity Group respectively.

Market cap expanded by 1.5% from overall upward price movement and the listing of Homeboyz Entertainment Plc (HBE). The entertainment company, HBE, listed 63.2Mn shares by introduction valued at KES 4.66 per share or company value of KES 294.51Mn.

Holiday mood led to low market activities as volumes declined by 47.1% pushing value traded down by 33.7% due to a shorter trading week and lower interest from fund managers.

Foreign activities declined to 49.2% from 71.9% the previous week with the market remaining a net sale of KES 0.18Bn.

**We expect a slow week dominated by local companies and retail investors dominating the market as retailers' cash out due to expected January spending.**

**Bonds Market:** A low market that saw a 12.4% decline in number of deals was countered by 2.8% increase in value with KES 15.47Bn transacting against KES 15.05Bn the previous week.

For the month of January 2021, treasury has issued two bonds market determined coupon bonds, FXD1/2021/2Yr and IFB1/2021/16 for a total sum of KES 75.00Bn.

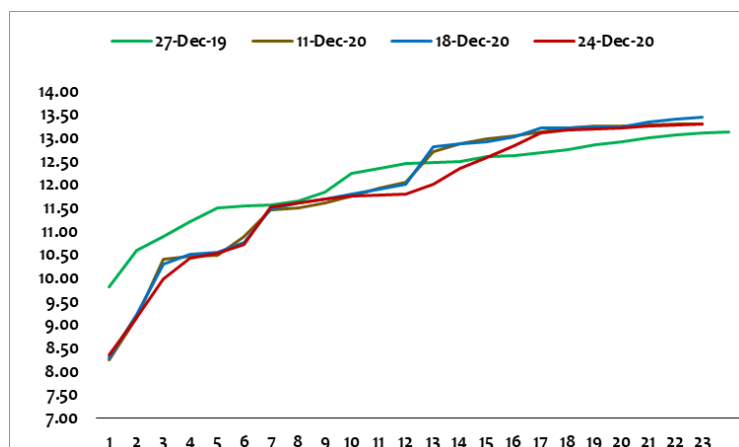
**The combined issue shows need for liquidity based on the short end paper and foreign reserve drive targeting the IFB which tends to attract heavy foreign participation. Follow bidding guidance on our January Pre-Auction Fixed Income Note.**

**Yield Curve –** During the week, there was an overall downward shift on the yield curve.

The short end remained low based on y-y and y-t-d yield curve with the long end above the two yield curves. With the reopening of the economy, we view a greater upward shift on the short end compared to the long end of the yield curve

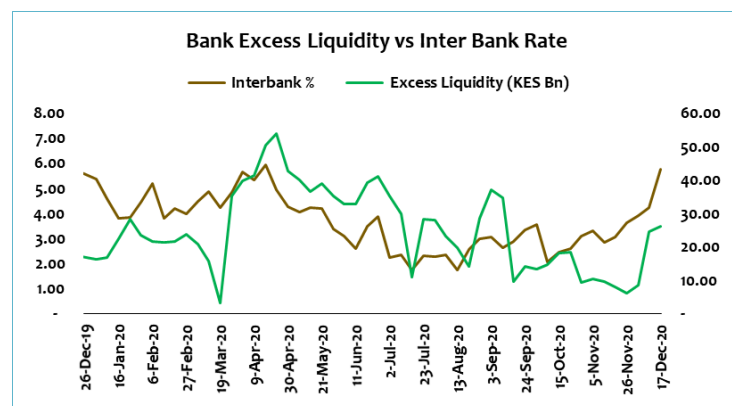
The upcoming 2-year primary issue will aid shift the curve marginally higher while the rest of the curve will shift downwards.

Yield Curve Key Rates %	03-Jan-20	18-Dec-20	24-Dec-20	(Y-t-D) bps	W-W bps
2-Yr	10.4458	9.2046	9.1414	130.4	6.3
5-Yr	11.4867	10.5508	10.5250	96.2	2.6
10-Yr	12.1035	11.7851	11.7421	36.1	4.3
15-Yr	12.5211	12.9167	12.5823	6.1	33.4
20-Yr	12.9125	13.2418	13.2066	29.4	3.5
23-Yr	13.0125	13.4470	13.2956	28.3	15.1



**Money Market:** Commercial banks reserves eased to 20.1Bn above the regulators target of 4.25%. Interbank week's average increased by 32.5bps higher at 5.87% from an average of 5.54% the previous week. Average demand declined to KES 11.17Bn from KES 13.89Bn.

**A low upcoming T-Bills redemption of KES 6.09Bn and the forthcoming primary issue on bonds will starve the market of liquidity leaving the interbank on the upper end of 5% levels.**



**T-Bills –** Auction saw subscriptions plunge to KES 12.67Bn or 52.8% from KES 21.34Bn with focus skewed to the 91-day paper which was oversubscribed at 143.8%.

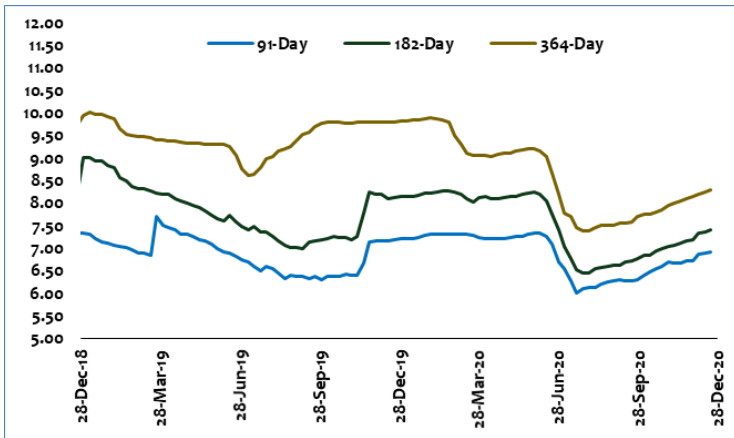
Acceptance eased to 80% from 98.4% previously with heavy rejection on the expensive bids on 364-day paper which had 47.6% acceptance levels. Rates edged marginally up by 5.5bps, 0.4bps and 1.3bps on the 364-day, 183-day and 91-day respectively to 8.338%, 7.403% and 6.929%

**We forecast a further undersubscription based on KES 6.09Bn expected in redemption. Demand will remain on the 91-day paper with a bidding target of 6.93%-6.94%.**

# KINGDOM SECURITIES

## Weekly Market Highlights

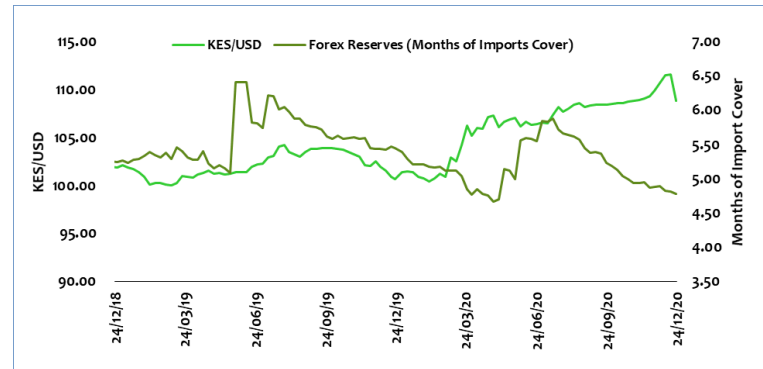
Week 52 - 2020



24-Dec-20	KES/USD	KES/GBP	KES/EUR	KES/JPY
W/W	2.5%	3.7%	2.7%	2.5%
M-t-D	1.2%	0.5%	0.8%	0.5%
M/M	0.7%	0.3%	1.8%	0.4%
Y-t-D	7.4%	9.9%	17.0%	13.3%
Y/Y	8.1%	12.4%	19.0%	14.3%

**Currency** – The shilling strengthened against the major currencies as commercial banks sold of dollars and reduced demand as companies closed off for the holiday.

The most gain was 3.7% on the GBP on w/w basis. The local currency gained 1.2% m-t-d on the dollar despite dollar reserves dipping by USD 49Mn to USD 7,788Mn or 4.78 Months of Import Cover on payment of international obligation including USD 6.88Bn on the USD 2Bn 2024 Eurobond which has a coupon of 6.875%.



*With the timing of the IFB1/2021/16, we expect a minor reprieve on the shilling against the dollar due to inflows from high foreign interest on the local infrastructure bonds.*

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