

#### NSE Performance - January 2022

Indicator	Jan-21	Dec-21	Jan-22	(y-o-y) %	(m-o-m) %
NSE 20	1,881.91	1,902.57	1,889.33	0.4%	-0.7%
NSE 25	3,434.52	3,743.90	3,680.19	7.2%	-1.7%
NASI	155.59	166.46	163.29	4.9%	-1.9%
NSE Mkt CAP (KES Bn)	2,390.29	2,592.92	2,543.44	6.4%	-1.9%
VOLUMES (Mn)	293.81	285.34	220.23	-25.0%	-22.8%
NSE Turnover (KES Bn)	8.85	10.45	8.24	-6.8%	-21.1%
BONDS (KES Bn)	52.72	51.44	46.81	-11.2%	-9.0%
Foreign Buys (KES Bn)	5.87	4.55	4.80	-18.2%	5.5%
Foreign Sales (KES Bn)	5.25	7.42	5.25	0.0%	-29.3%
Foreign Net (KES Bn)	0.62	(2.87)	(0.45)	-171.9%	84.5%
Dollar Return (NASI)	3.2%	2.2%	-1.5%		

#### Top Gainers

Counter	Dec-21	Jan-22	Δ%
CGen	33.95	59.25	74.5%
CBerger	30.50	36.25	18.9%
SGL	13.55	15.30	12.9%
Sasini	18.70	21.00	12.3%
TCL	1.17	1.30	11.1%

#### Top Losers

Counter	Dec-21	Jan-22	Δ%
NBV	6.06	4.95	-18.3%
Sanlam	11.55	9.74	-15.7%
Housing Finance	3.90	3.43	-12.1%
Umeme	6.74	5.94	-11.9%
KPLC	1.75	1.56	-10.9%

#### Months Top Movers

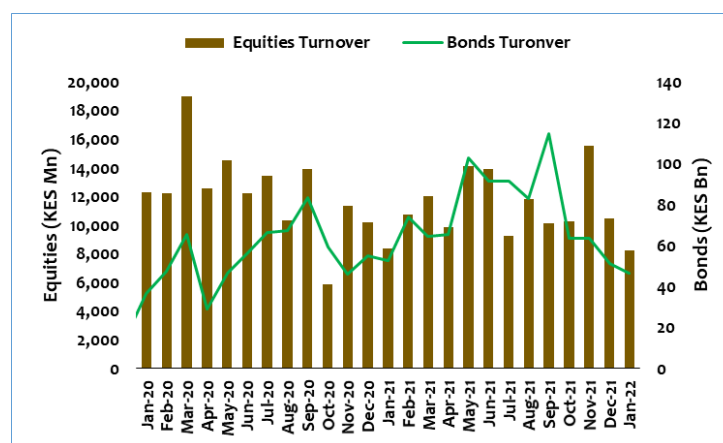
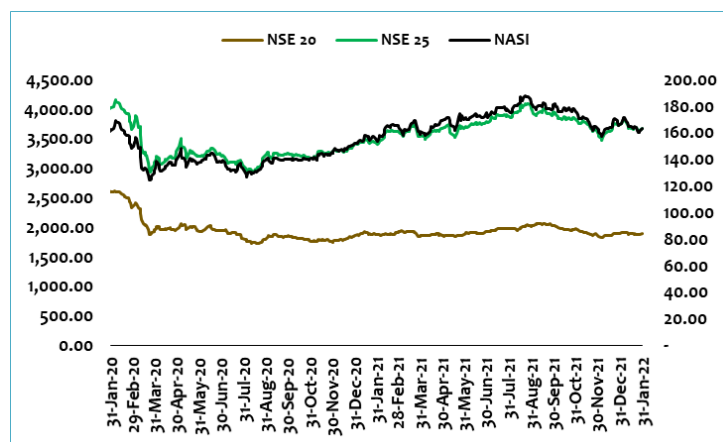
Counter	Value (KES Mn)	Volumes Mn	Net Foreign (KES Mn)	Foreign Activity
SCOM	4,266.89	123.72	(832.17)	73.0%
KCB	1,439.33	8.81	87.44	42.4%
EQTY	1,239.16	27.60	374.53	45.1%
EABL	816.67	24.17	(148.10)	75.7%
BAT	117.06	10.00	43.18	38.2%

#### Top Foreign Buys

Counter	Buys (KES Mn)	%Buys
SCOM	2,700.38	63.3%
EQTY	746.74	60.3%
KCB	653.82	45.4%
EABL	544.40	66.7%
BAT	66.30	56.6%

#### Top Foreign Sales

Counter	Sales (KES Mn)	% Sales
SCOM	3,532.55	82.8%
EQTY	692.50	84.8%
KCB	566.38	39.4%
EABL	372.22	30.0%
BAT	45.00	95.9%



#### Corporate Action

Counter	Declared	Issue Date	Book Closure	Payment Date	Dividend	Current Holdings	Final Holdings
EABL	Interim	28-Jan-22	28-Feb-22	27-Apr-22	3.75		
Sasini Plc	Final	11-Jan-22	22-Feb-22	15-Mar-22	0.50		
Car and General	First and Final	06-Jan-22	25-May-22	24-Mar-22	3.20		
Car and General	Bonus	21-May-21	31-May-21	15-Jul-21	0.04	71,181,000	142,362,000
Kengen	First and Final	01-Nov-21	24-Mar-22	10-Feb-22	0.30		

#### NSE Performance – January 2021

- The market continued on a three-month slump with NSE 20 Share Index shedding 0.7% to 1,889.33points heavily affected by large caps, Safaricom (KES 36.90, -2.8%), Equity Group (KES 50.50, -4.3%), KCB Group (KES 45.00, -1.0%). NSE 25 share and Nairobi All Share Index lost 1.7%.
- Year on year, the market closed up with market capitalization recovering KES 153.15Bn to KES 2,543.44Bn from KES 2,390.29Bn supported by the banking sector.
- Volumes transacted declined by 22.8% dragging turnover down 21.1% on low interest in banking sector, insurance sector and telecommunication sectors.
- Foreign activity stood at 60.3% and a net out flow of KES 0.45Bn compared to 57.2% in December 2021 and 62.8% in January 2021.
- Car and General gained 74.5% to close at KES 59.25 from KES 33.95 seen at the close of December. The stock performance was influenced by a first and final dividend of KES 3.20 with a book closure of Friday February 25<sup>th</sup>, 2022 and a payment date of 24<sup>th</sup> March 2022. The company also offered a 1:1 bonus share with a book closure of 24<sup>th</sup> March 2022 and credit date of 8<sup>th</sup> April 2022.
- Dollar return was a loss of 1.5% with NASI shedding 1.9% while KES depreciated by 0.4%.

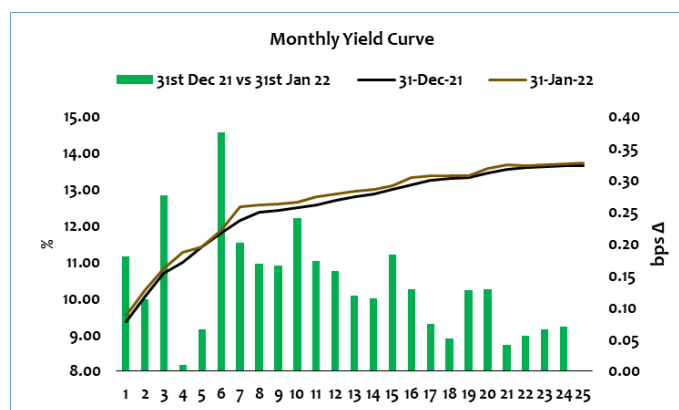
#### Bonds market

- Secondary bonds market saw a trade of KES 46.81Bn, a 9.0% drop from KES 51.44Bn attributed to the two primary issues in the month which saw a total subscription of 111.3%. acceptance remained high at 93.3%.
- IFB controlled 53.9% of the market with IFB1/2020/11Yr and IFB1/2021/21Yr controlling 15.7% and 12.0% of the market respectively.

Bonds Primary Auction January 2022						
Tenure	Offer (KES Bn)	Bids Received	Subscription	Amount Accepted	Acceptance	WAR
FXD1/2020/5	60.00	28.39	94.6%	27.43	96.6%	11.667%
FXD2/2018/10		10.43	34.8%	7.30	70.0%	12.502%
FXD1/2021/20		27.98	93.3%	27.60	98.6%	13.444%
Total		66.81	111.3%	62.33	93.3%	

#### Yield Curve

- The yield curve saw a general upward shift with improved liquidity contained the upward shift short end.
- Mid-curve was affected by primary re-opening while demand by insurance companies affected the long end of the curve.



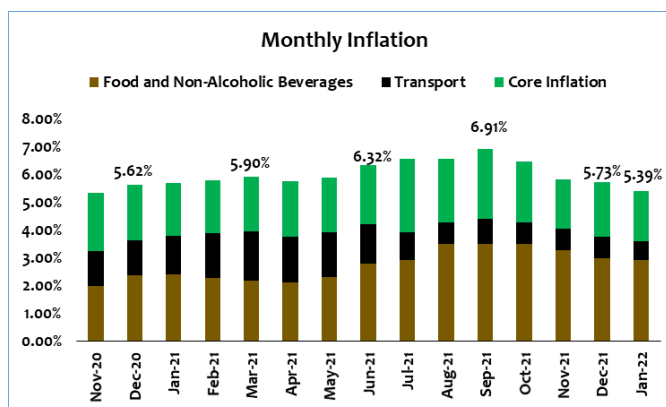
#### Central Bank Rates

- CBK MPC committee retained the CBR rate at 7.0% citing strong macroeconomic environment and stable banking industry.
- The shilling was supported by an increase in forex reserve balances after the a USD 258.1Mn disbursement by IMF was released for budgetary support. As of end of period under review, the reserves had declined by 6.0% compared end of December 2021.
- Current account deficit for 2021 stood at 5.4% compared to 4.6% in 2020 due to heavy importation especially petroleum products.

CBK Key Rates			
Key Rates	Dec-21	Jan-22	bps Δ
Central Bank Rate	7.0%	7.0%	-
Inter-Bank Rate	5.0%	5.1%	0.1
CBK Discount Window	13.0%	13.0%	-
91-Day T-Bill	7.3%	7.3%	0.1
Repo Rate	5.5%	5.5%	(0.0)
Inflation Rate	5.7%	5.4%	(0.3)

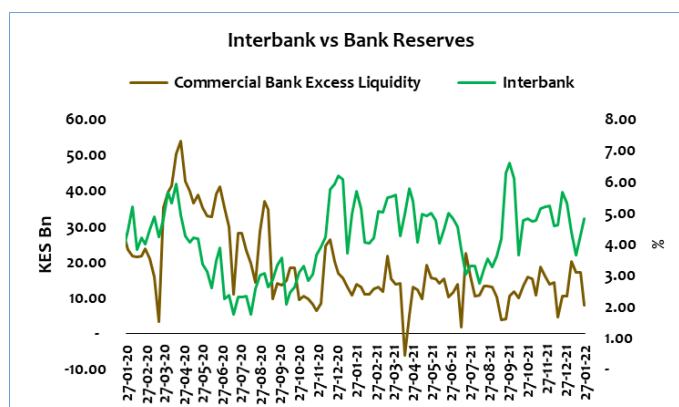
#### Inflation

- January Inflation stood at 5.37%, 34bps lower compared to 5.73% in December.
- The down move was supported by a 11bps decline in transport index and a 75bps drop in Housing, Water, Electricity, Gas and Other Fuels' Index due to lower electricity cost.



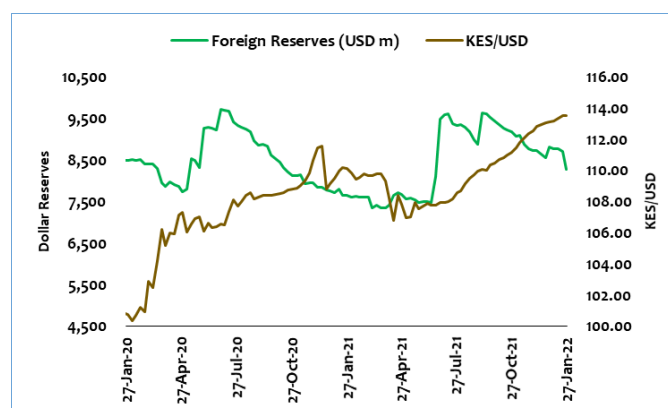
#### Interbank

- Favorable liquidity in January saw interbank stable to close at 5.0503%, 9.8bps lower compared to 4.9521% see on December 31<sup>st</sup>, 2021.
- January monthly average rate was 4.4929%, 60.2bps lower from 5.0952% with average monthly demand increasing by 21.8% to KES 14.37Bn from an average of 11.80Mn.
- Commercial bank reserves remained strong on positive maturity and coupon payment.



#### Currency

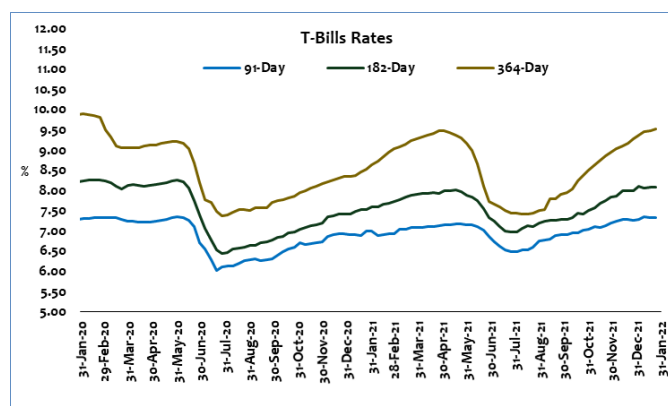
- Kenya shilling closed the month on a losing note against the dollar easing 0.4% on m-m and y-t-d basis.
- The local was stable against the pound and yen while gaining on the euro.
- Forex reserves dipped by 6.0% on payment of January dues.
- We expect the reserves to come under pressure in February.



31-Jan-22	KES/USD	KES/GBP	KES/EUR	KES/JPY	Dollar Index
W/W	0.0%	-0.9%	-1.2%	-1.2%	0.7%
M-t-D	0.4%	0.1%	-0.7%	0.3%	0.3%
M/M	0.4%	0.1%	-0.7%	0.3%	0.3%
Y-t-D	0.4%	0.1%	-0.7%	0.3%	0.3%
Y/Y	3.1%	1.3%	-4.5%	-6.8%	6.6%

#### Treasury Bills

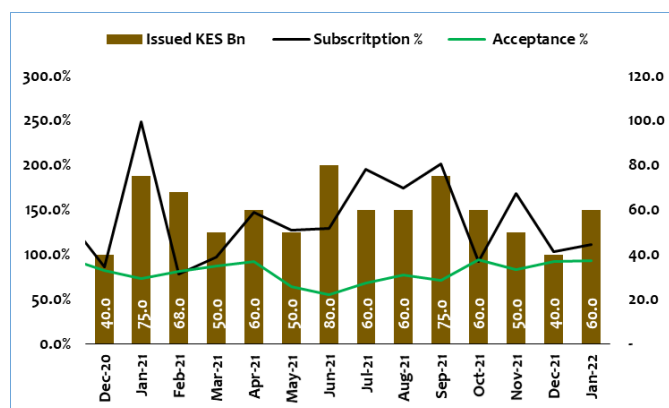
- Market liquidity aided by maturities of >KES 119.93Bn led to 102.6% oversubscription.
- Demand skewed to the 364-day paper with an oversubscription of 138.0% attracting a 33.4bps compared to an upward move of 13.0bps and 7.3bps on the 181-day and 91-day paper.



January-2022						
Tenure	Offer (KES Bn)	Subscription	Acceptance	WAR % Dec 21	WAR % Jan 22	Δbps M-M
364-Day	50,000	138.0%	88.0%	9.134%	9.468%	33.4
182-Day	50,000	80.1%	99.8%	7.949%	8.080%	13.0
91-Day	20,000	70.3%	97.7%	7.260%	7.333%	7.3
Total	120,000	102.6%	93.0%			

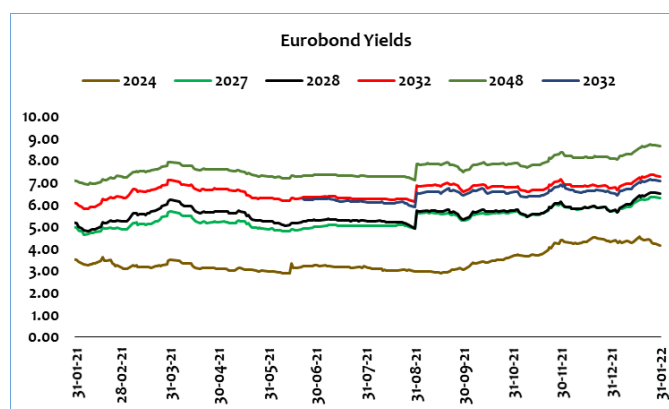
#### Bonds Primary Action

- Bonds payout for January was a coupon of KES 26.05Bn and an offer of KES 60.00Bn.
- Domestic borrowings for the six months as of December 2021 stood at KES 468.46Bn, 46.5% performance on 2021-22 budget. The lag to the 50% mark was due to a borrowing slowdown in December.



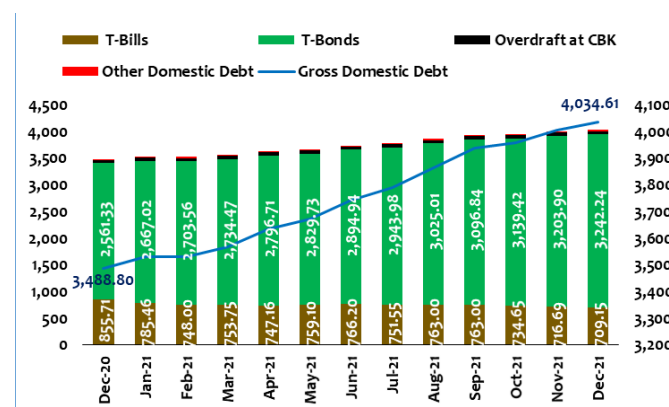
#### Eurobond

- Eurobond yields on the 2024 bond eased by 15.6bps to 4.173% from 4.329% while 2032 bond shifted up 55.3bps.
- Overall yields have been inching upwards as investors continue to price political risk after parliament passed the Political Parties (Amendment) Bill of 2021 on January 5th, 2022 and president enacted it into law.



#### Net Domestic Debt

- As of 21st January, net domestic debt increased marginally by 0.3% to KES 4047.57Bn from KES 4,034.61Bn as at close of December 2021.
- The slow decline was due to control of short-term borrowing with proportion of T-Bills to domestic debt declining to 17.2% from 17.6% over the period.
- This remains in line with the government strategy of lengthening the yield to maturity and reduce holding on short-term papers.



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