

MONTHLY MARKET PERFORMANCE REPORT – FEBRUARY 2022

NSE MARKET MONTHLY PERFORMANCE - FEBRUARY 2022					
Indicator	Feb-21	Jan-22	Feb-22	Δ (%) Y/Y	Δ (%) M/M
NSE 20	1,915.68	1,875.33	1,886.75	-1.5%	0.6%
NSE 25	3,624.96	3,639.37	3,621.15	-0.1%	-0.5%
NASI	165.39	161.04	160.25	-3.1%	-0.5%
Mkt Cap (Bn)	2,541.16	2,508.32	2,495.89	-1.8%	-0.5%
Equities Turnover (Bn)	10.76	8.24	9.97	-7.4%	20.9%
Volumes (Mn)	278.42	220.23	281.04	0.9%	27.6%
Foreign Buys (KES Mn)	6,393.69	4,714.66	5,778.64	-9.6%	22.6%
Foreign sells (Kes. Bn)	7,013.85	5,137.17	5,591.77	-20.3%	8.8%
Foreign Net (Kes. Bn)	(484.39)	(422.51)	186.87	-138.6%	-144.2%
Foreign Activity (%)	62.0%	59.7%	57.0%	-4.9%	-2.7%
Bonds Turnover (Bn)	63.58	46.81	53.79	-15.4%	14.9%
Bonds deals	1,759	1,496	2,060	17.1%	37.7%

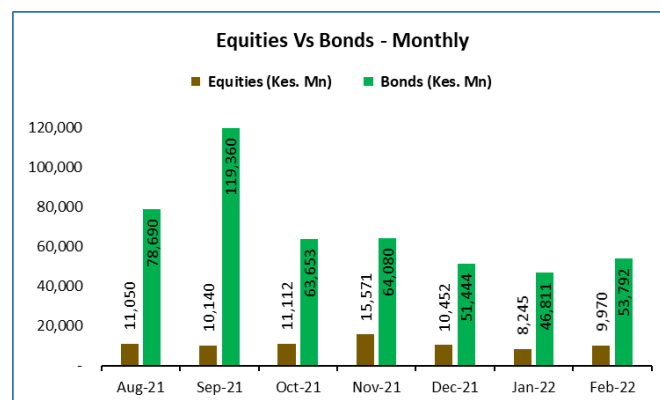
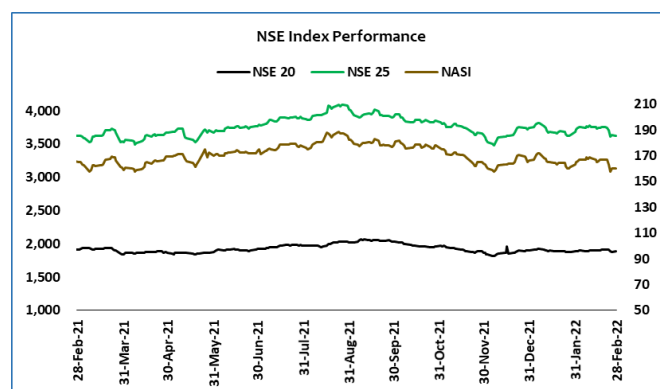
Top Movers - February 2022				
Counter	Volumes (Mn)	Value (KES Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
SCOM	147.75	5,507.29	(621.14)	75.5%
EQTY	31.46	1,658.60	605.91	41.6%
KCB	26.16	1,194.98	520.27	24.0%
EABL	4.38	706.16	30.38	82.7%
ABSA	14.84	176.92	59.34	18.2%

Top Foreign Sales - February 2022			
Counter	Price	Foreign sales (KES Mn)	% Foreign Sale
SCOM	35.95	4,470.55	81.2%
EABL	159.00	568.81	80.5%
EQTY	50.00	387.40	23.4%
BAT	489.75	61.53	73.0%
SBIC	95.00	33.91	24.9%

Top Foreign Buys - February 2022			
Counter	Price	Foreign Buy (KES Mn)	% Foreign Buy
SCOM	35.95	3,849.41	69.9%
EQTY	50.00	993.30	59.9%
EABL	159.00	599.20	84.9%
KCB	45.00	547.01	45.8%
BAT	489.75	37.28	44.2%

Top Gainers - February 2022			
Counter	Jan-2022	Feb-2022	% Δ
SLAM	9.74	13.50	38.6%
B.O.C.	70.50	85.00	20.6%
KPLC	1.56	1.70	9.0%
NMG	18.55	20.20	8.9%
UNGA	27.60	30.00	8.7%

Top Losers - February 2022			
Counter	Jan-2022	Feb - 2022	% Δ
TPS	14.00	12.50	-10.7%
TCL	1.30	1.18	-9.2%
JUB	303.50	279.00	-8.1%
NCBA	25.60	23.85	-6.8%
PORT	7.30	6.88	-5.8%



Equities Performance – February 2022

- Monthly market activity slightly improved on heavy foreign exits witnessed in the 2nd half of the month on sentimental reaction to the Russia-Ukraine war. Market indices remained relatively stable with a 0.6% uptick m/m on the NSE 20 index from 1,875.33 to 1,886.75 points as both NASI and NSE 25 shed 0.5% each on slight drops in their respective counters' prices.
- Volumes traded spiked 27.6% up from 220.23Mn to 281.04Mn shares benefitting from increased activities in telecommunications, banking, and energy sectors. Safaricom (Kes. 35.95, -2.6%) moved a total of 147.75Mn shares, a 33.2% up from that of 110.96Mn shares in January, representing 55.2% market turnover in comparison to an equity turnover of Kes. 9.97Bn of which 81.2% were foreign sales. The telecom counter announced a special dividend of Kes. 0.64 on 25th Feb whose book closure and payment are on 17th and 31st March respectively.

- The near banking earnings season saw the sector's activity jump 31.2% up from 69.04Mn to 90.59Mn shares pushing its value traded 18.4% up to Kes. 3.45Bn. Equity Group (Kes. 50.00, -1.0%) gained more attraction moving a total of Kes. 1.66Bn followed by KCB (Kes. 45.00, 0.0%) with a value of Kes. 1.19Bn as Absa (Kes. 11.90, +0.4%) took third position with Kes. 176.92Mn in Feb-2022.
- The energy sector spiked 89.3% in volumes from 11.58Mn to 21,93Mn shares at Kes. 63.83Mn, being overtaken in value by the manufacturing sector whose value for the month was Kes. 804.37Mn on higher trading prices.
- Overall foreign activity was 2.7% lower at 59.0% with a net foreign activity of Kes. 186.87Mn compared to an outflow of Kes. 422.51Mn in Feb as y/y performance remained stable at 59.6%.
- Sanlam was the month's top gainer at 38.6% from Kes. 9.74 to Kes. 13.50 after moving a total of 17,500 shares as TPS Eastern Africa lost the most at 19.7% from Kes. 14.00 to Kes. 12.50 after trading a total of 414,500 shares for the month.
- During the month BAT (Kes. 489.75, + 4.6%) declared a Kes. 50.00 final dividend, a 77.1% payout with a book closure on 22nd April with payment schedule on 24th May. [See our earnings update here.](#)

Ongoing Corporate Action List

DIVIDEND PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	AMOUNT	EPS	PAYOUT
Safaricom	I	25-Feb-22	17-Mar-22	31-Mar-22	0.64	1.71	37.4%
BAT	F	17-Feb-22	22-Apr-22	24-May-22	50.00	64.83	77.1%
EABL	I	27-Jan-22	28-Feb-22	27-Apr-22	3.75	8.45	44.4%
Kengen	F&F	1-Nov-21	16-Dec-21	10-Feb-22	0.30	0.18	166.7%
Car General	F&F	6-Jan-22	25-Feb-22	24-Mar-22	3.20	22.30	14.3%
Sasin	F	11-Jan-22	22-Feb-22	15-Mar-22	0.50	2.49	20.1%
F - Final, F&F - First and Final, SD - Special Dividend I - Interim, TBA- To be Advised							
BONUS PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	ISSUED	ISSUED AND PAID	SHARES
Car General	Bonus Share	06-01-22	24-03-22	08-04-22	1:1	40,103,308	80,206,616

Bonds Market

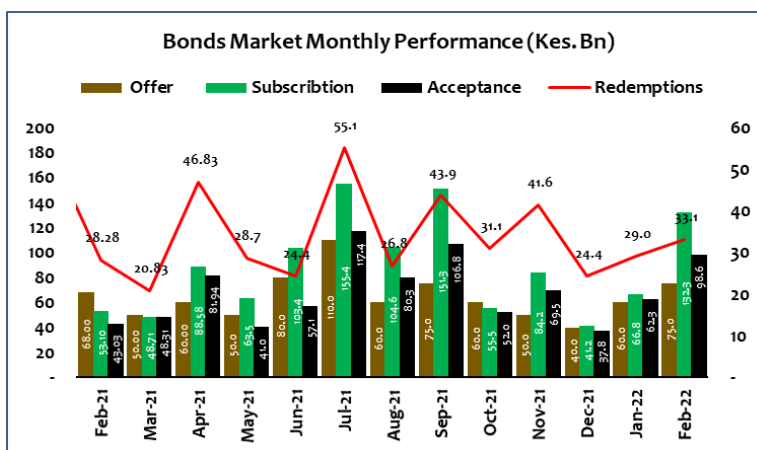
- The secondary bonds moved Kes. 53.78Bn from a total of 2,060 trades in comparison to Kes. 46.81Bn traded the week before. This represented a 37.7% improvement in bonds activity and a 14.9% growth in the value traded.
- Focus on the February IFB issue left the secondary trading IFB papers drop by 6.4% to 47.5% with total value traded Kes. 25.66Bn, when compared to a dominant performance of Kes. 53.9% witnessed in January. FXD1/2021/20Yr was the most sought paper in the month moving trading a total of Kes. 11.20Bn followed by IFB1/2021/16Yr which moved a total of Kes. 2.04Bn.

Week's Top Movers - Bonds			
Bond	January (Kes. Mn)	February (Kes. Mn)	Average Yield (%)
FXD1/2021/20Yr	3,386.00	11,200.30	13.800
IFB1/2021/16Yr	1,678.00	2,041.10	11.914
FXD1/2012/10Yr	10.00	2,015.25	-
FXD 1/2020/5Yr	5,180.65	1,684.15	10.811
IFB1/2020/11Yr	6,979.90	1,605.00	11.175

- Feb 2021 primary bonds witnessed oversubscriptions at 176.3% of Kes. 132.26Bn with an acceptance of Kes. 98.64Bn, a 74.6% acceptance.

February 2022 Primary Auction					
Tenure	Offer (KES Bn)	Subscription	Acceptance	WAR	Coupon
IFB1/2022/19	75.00	176.3%	74.6%	12.965%	12.965%

In March, we expect bond maturities and coupon payments of of Kes. 31.93Bn of which Kes. 3.65Bn is bond maturity payments while in April we look forward for coupon payments totaling to Kes. 33.20Bn

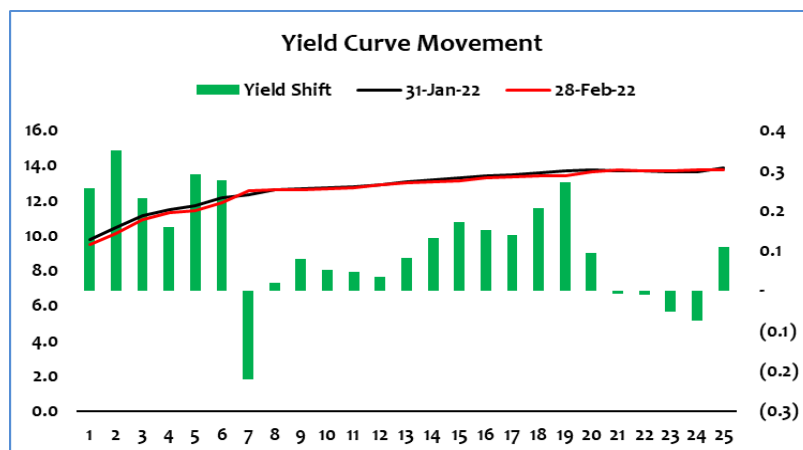


Yield Curve

The yield curve generally shifted upwards on tight liquidity in the market. Better rates on the short-term papers of below seven years saw their yields better-up, thus widening the yield curve on the short end faster.

Demand for mid-term papers saw rates on the mid-curve better as investors cashed in on the better yields as the long end suffered on investors preferring the recent issues IFB auction.

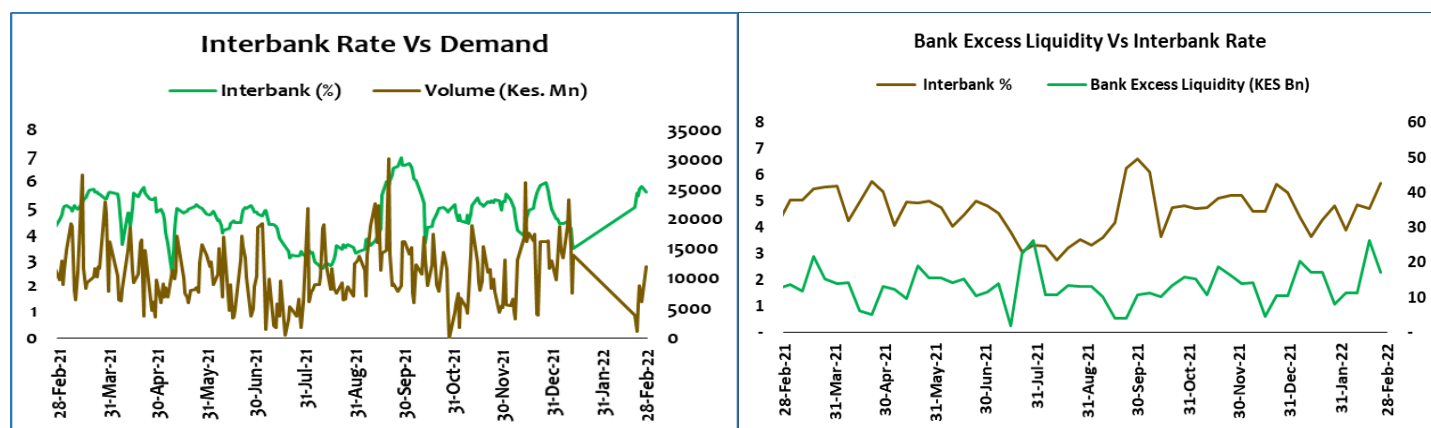
Yield Key					
Rates %	29-Feb-21	31-Jan-22	28-Feb-22	y-y bps Δ	M/M bps Δ
2-Yr	9.3500	10.1000	10.4500	-110.00	35.00
5-Yr	10.7539	11.4261	11.7150	96.11	28.89
10-Yr	12.2399	12.6611	12.7117	47.18	5.06
15-Yr	12.7652	13.1276	13.2973	53.21	16.97
20-Yr	13.1580	13.6241	13.7173	55.93	9.32
25-Yr		13.7332	13.8410	-	10.78



Interbank

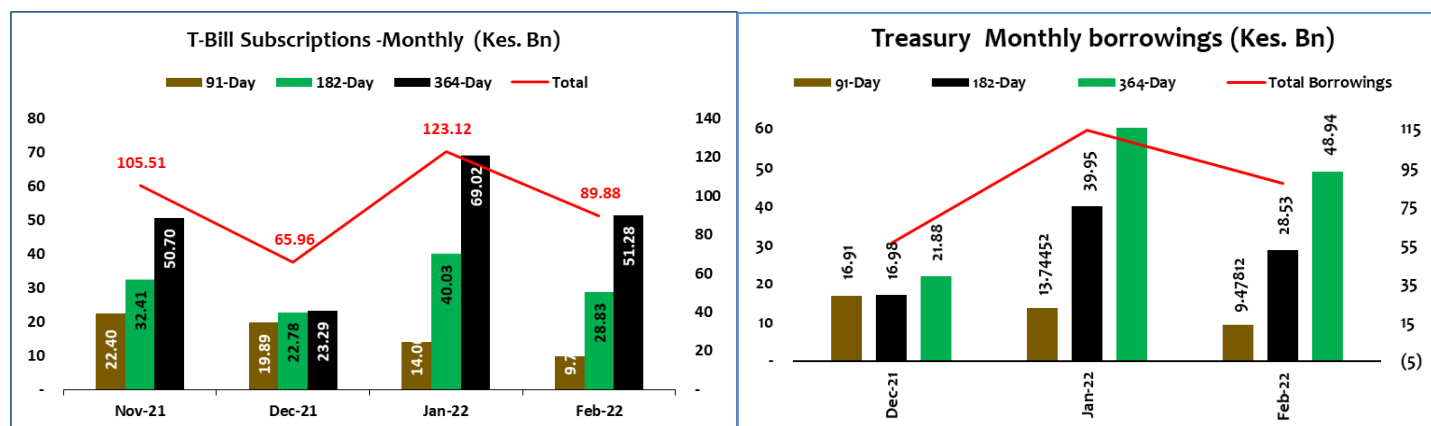
- Tight market liquidity drained by the Feb IFB bond saw the interbank spike 53.3bps up from 5.05% to 5.58%. Average interbank was 23.3bps up to close at 4.73% up from an average of 4.49% in Jan-2021.
- Liquidity demand spiked 108.3% from Kes. 5.77Bn to Kes. 12.02Bn as investors took positions in the capital market securities.
- With the above coupon and bond maturity payments in Feb-2022, plus a total of Kes. 115.74Bn, we foresee a fairly liquidity market in March.

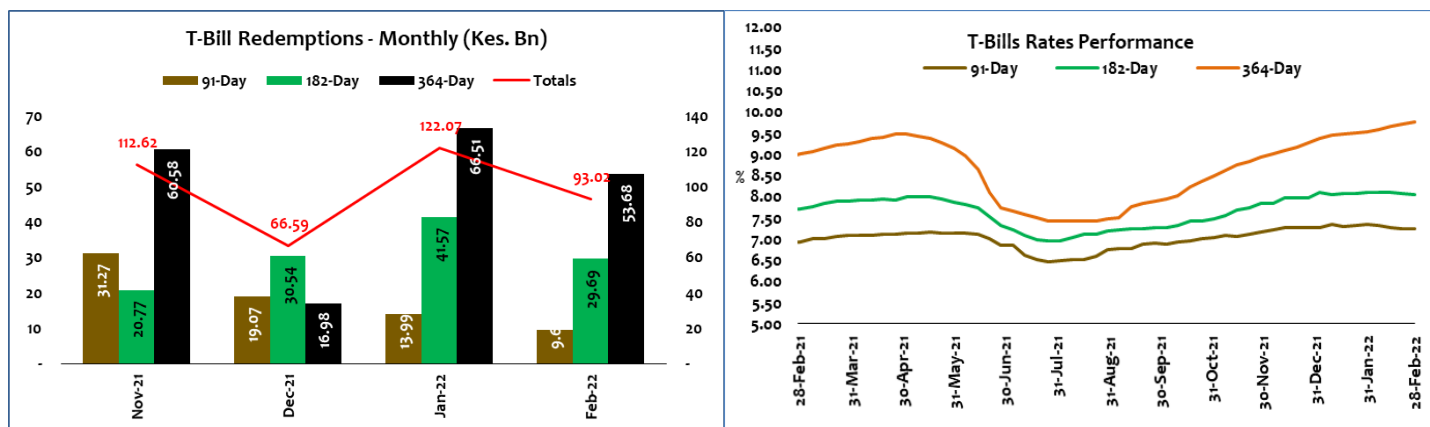
Interbank Rate Week 8 - 2022			
Period/Narration	Jan-21	Current Week	%Δ w/w
Closed Week at	5.05%	5.58%	53.3bps
Average Rate	4.49%	4.73%	23.3bps
Closing Demand (Kes. Bn)	5,770	12,020	108.3%
Average Demand (Kes. Bn)	14,367	10,605	-26.2%
Bank Excess Liquidity (Kes. Bn)	8.00	17.00	112.5%



T-Bills

- Treasury bills market subscriptions receded 27.0% in Feb-2021 on a short month compared to Kes. 123.12Bn in January.
- Demand for liquidity and preference on the 364-day paper saw its yields spike 22bps m/m from 9.544% to 9.764% while yields on the 91 and 182-day paper edged down 8.9bps and 5bps respectively to 7.254% and 8.062% respectively.

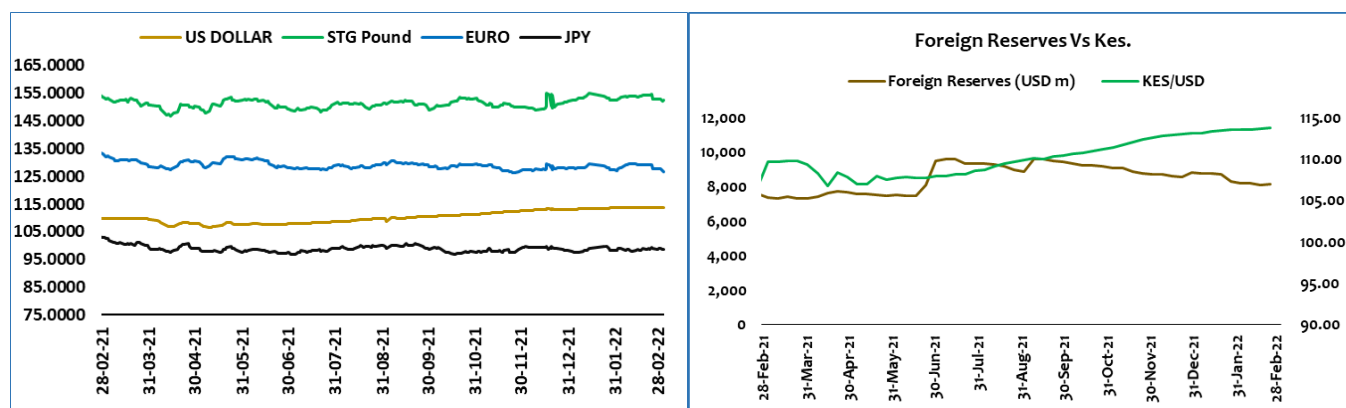




Currency

- The Kenyan shilling shed 0.1%, 0.1%, 0.3% and 0.1% m/m against the dollar, pound, Euro, and the yen to kes. 113.84, Kes. 152.68, Kes. 127.65 and Kes. 98.50 respectively. This is largely because of the ongoing Russia-Ukraine crisis and the rising international oil prices.
- Foreign reserves improved 0.1% from USD. 8,125Mn to 8,130Mn on foreign receipts from the February infrastructure bond which happened on Monday 21st Feb.
- Elsewhere in the last week of February, was disrupted and hurt after Russia was disconnected from the Society for Worldwide Interbank and Financial Telecommunication (SWIFT) plus other rising sanctions installed against Russia.
- The ongoing Russia-Ukraine war is anticipated to have a far-reaching effect including spikes in international oil prices, raw materials and food prices will rally inflation up globally.

Currency	Feb-21	Jan-22	Feb-22	%Δ Y/Y	%Δ M/M
Dollar	109.80	113.57	113.84	-3.7%	-0.2%
STG Pound	154.68	152.55	152.68	1.3%	-0.1%
Euro	133.83	127.22	127.65	4.6%	-0.3%
JPY	103.45	98.40	98.50	4.8%	-0.1%



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KINGDOM SECURITIES

Monthly Market Performance

February 2022

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