

### NSE Equities Monthly Performance

Indicator	Apr-22	Mar-23	Apr-23	y-y	m-m
NSE 20	1,800.64	1,622.05	1,578.88	-12.3%	-2.7%
NSE 25	3,382.77	2,965.91	2,855.03	-15.6%	-3.7%
NASI	150.17	112.76	107.63	-28.3%	-4.5%
NSE Mkt CAP (KES Bn)	2,340.77	1,756.26	1,676.09	-28.4%	-4.6%
NSE Mkt CAP (USD Mn)	20.81	14.47	13.69	-34.2%	-5.4%
VOLUMES (Bn)	192.63	583.05	198.06	2.8%	-66.0%
NSE Turnover (KES Bn)	5,843.07	32,432.01	4,214.04	-27.9%	-87.0%
NSE Turnover (USD Mn)	5,063.12	24,995.52	3,135.55	-38.1%	-87.5%
Foreign Buys (KES Bn)	2.86	4.41	1.85	-35.1%	-57.9%
Foreign Sales (KES Bn)	4.51	6.28	2.14	-52.6%	-66.0%
Foreign Net Δ (KES Bn)	(1.65)	(1.87)	(0.28)	82.9%	84.9%
Foreign Net Activity	62.9%	55.3%	47.3%		
Dollar Return (NASI)	-2.9%	-6.6%	-2.0%		

### Top Gainers

Counter	Mar-23	Apr-23	Δ%
Kakuzi	264.00	424.50	60.8%
Unga Group	18.60	23.00	23.7%
Umeme Ltd	11.65	14.15	21.5%
Eveready EA	0.66	0.79	19.7%
E.A. Portland	5.94	7.00	17.8%

### Top Losers

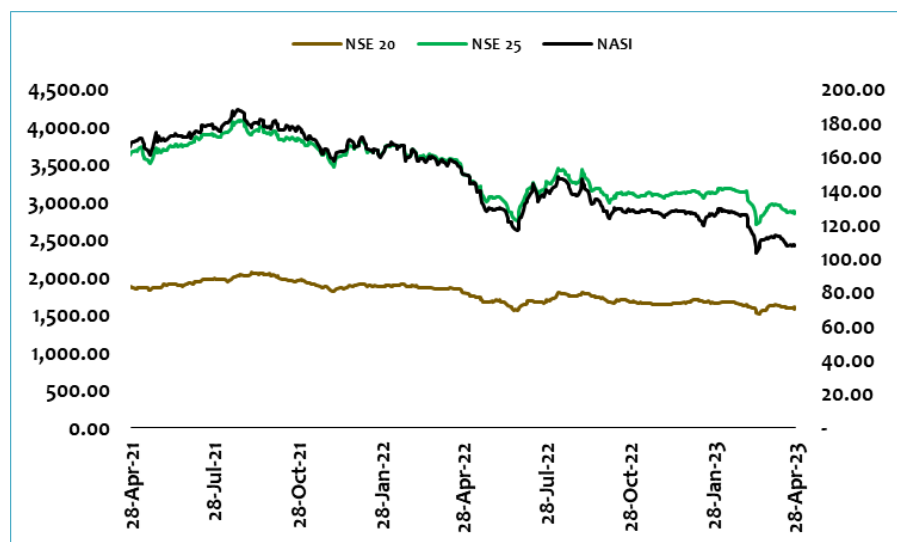
Counter	Mar-23	Apr-23	Δ%
Liberty Kenya	4.81	3.98	17.3%
I&M Holdings	20.85	17.30	17.0%
Nairobi Business	3.68	3.09	16.0%
Longhorn Kenya	2.61	2.22	14.9%
Bamburi Cement	28.05	24.05	14.3%

### Months Top Movers

Counter	Value (KES Mn)	Volumes Mn	Net Foreign (KES Mn)	Foreign Activity
SCOM	1,818.90	104.21	(530.80)	72.1%
EQTY	703.88	15.65	436.32	56.1%
KCB	429.36	12.13	(2.10)	10.4%
NCBA	280.17	7.05	(0.13)	0.0%
BAT	173.11	0.38	(83.39)	65.1%
<b>Total KES</b>	<b>4,214.48</b>	<b>198.06</b>	<b>(282.58)</b>	<b>0.0%</b>
<b>Total USD</b>	<b>31.36</b>		<b>(2.10)</b>	

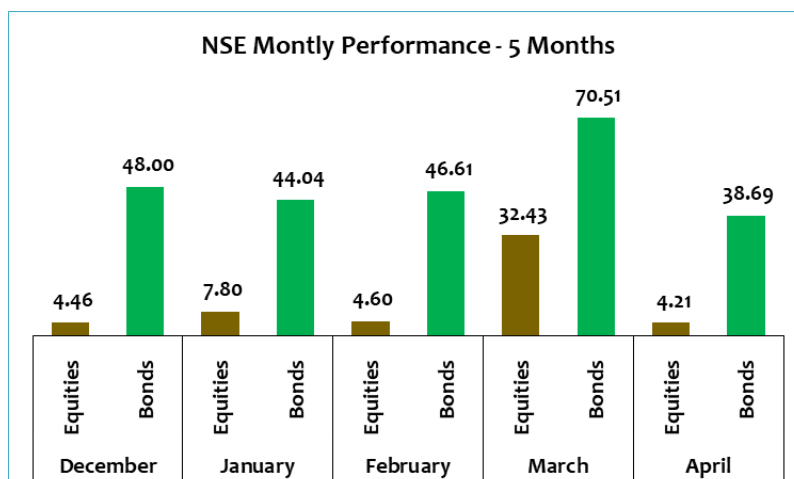
### Top Foreign Buys

Counter	Buys (KES Mn)	%Buys
SCOM	1,046.04	57.5%
EQTY	612.98	87.1%
BAT	71.02	41.0%
EABL	50.91	31.1%
KCB	43.45	10.1%
<b>Total KES</b>	<b>1,854.25</b>	<b>44.0%</b>
<b>Total USD</b>	<b>13.80</b>	



### Top Foreign Sales

Counter	Sales (KES Mn)	% Sales
SCOM	1,576.83	86.7%
EQTY	176.67	25.1%
BAT	154.41	89.2%
EABL	149.30	91.3%
KCB	45.56	10.6%
<b>Total KES</b>	<b>2,136.81</b>	<b>50.7%</b>
<b>Total USD Mn</b>	<b>15.90</b>	



### Equities Market Summary

The market performance thinned out with NSE 20 Share Index dipping by 2.7% m-m with value loss in telecommunication and insurance sector. The index performed 12.3% y-y down. NSE 25 Share Index was down 3.7% while market capitalization shed KES 80.17Bn with the NASI closing 5.1% lower.

Trade normalization saw a 60.6% drop in volumes traded while value traded were 87.0% down. This was a normalization post the EABL tender offer and heavy Safaricom traded that closed in March. Safaricom was the months top mover trading 104.21Mn shares valued at KES1.82Bn which represented 52.6% and 43.2% of months volumes and value traded respectively.

Foreign activity shrunk to 47.3% with a net outflow of KES 0.28Bn compared to activity levels of 55.3% and outflow of KES 1.87Bn in March. Safaricom saw the most foreign action with an activity of 72.1% and an outflow of KES 530.80Mn. Equity Group was the top large cap with foreign inflows of KES 436.32Mn from KES 56.1%. This was due to the positive review on the dividend payment of KES 4.00 per share.

Kakuzi Plc recovered 60.8% to be top gainer closing the month at KES 424.50. The agriculture company posted a 164.5% and 158.0% increase in profit before tax and profits after tax respectively. The company posted 34.5% increase in sales. Board of directors proposed a KES 24.00 per share dividend, a 9.1% rise from KES 22.00 in 2021.

Liberty Kenya was the month's top loser shedding 17.3% to end at KES 3.98. The insure has see a loss in market share to 3.52% from 4.09% which is an indication of a bleak future of the company.

### Bonds Market

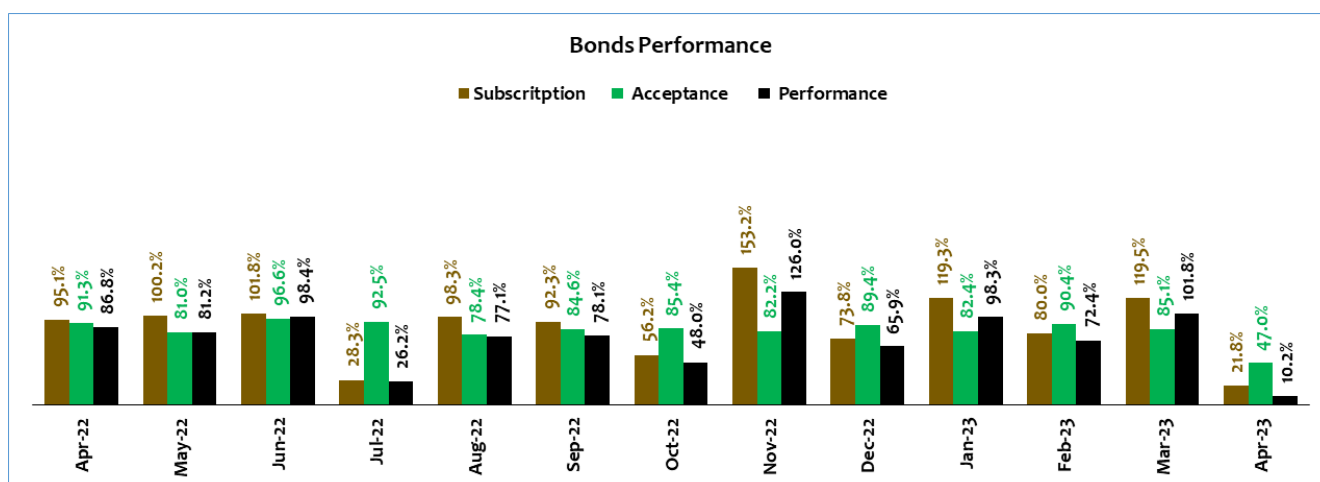
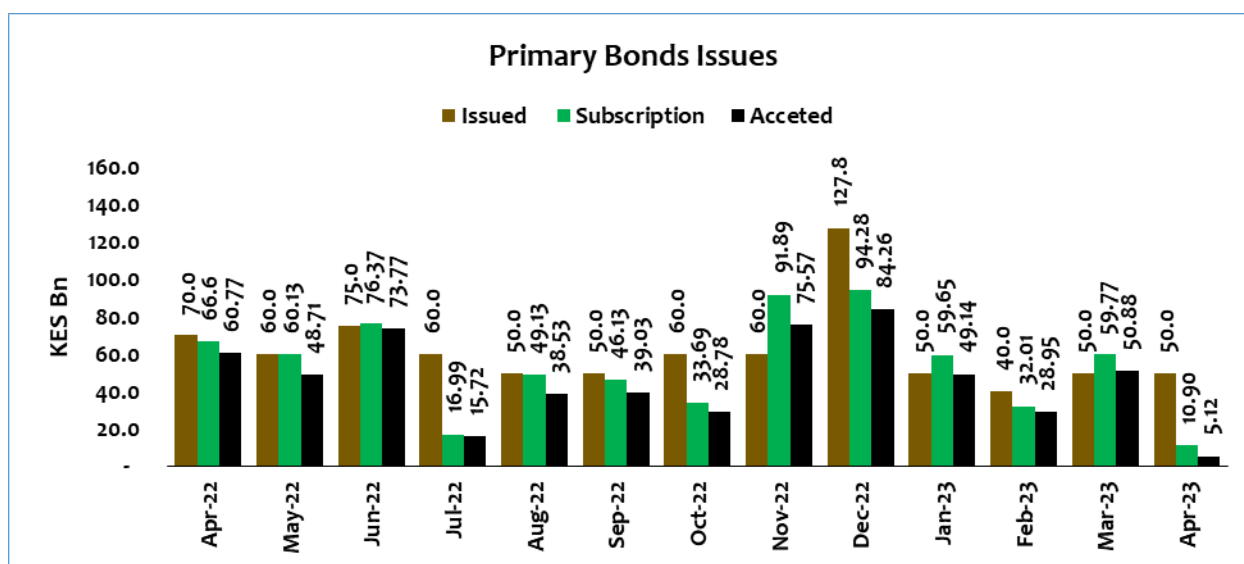
Bonds market saw a total trade of KES 38.69Bn, a 45.1% m-m dip compared to KES 70.51Bn. The market was deserted due to weak primary issue performance with most investors staying away due to the rising yields. The performance is another normalization with March seeing heavy foreign exits especially in the infrastructure bond space which has seen rates surge.

Top three traded bonds, which were all infrastructure bonds, traded a 38.7% of months value which supports the statement on foreign exits on infrastructure bonds.

April primary issue saw a 21.8% subscription rate and an acceptance of 47.0% with a performance of 10.2% with the government rejecting the aggression bidding on the low subscriptions.

NSE Bonds Monthly Performance April 2023					
Indicator	Apr-22	Mar-23	Apr-23	y-y	m-m
Deals	1,894	3,550	1,727	-8.8%	-51.3%
Value (KES Bn)	70.92	70.51	38.69	-51.3%	-45.1%

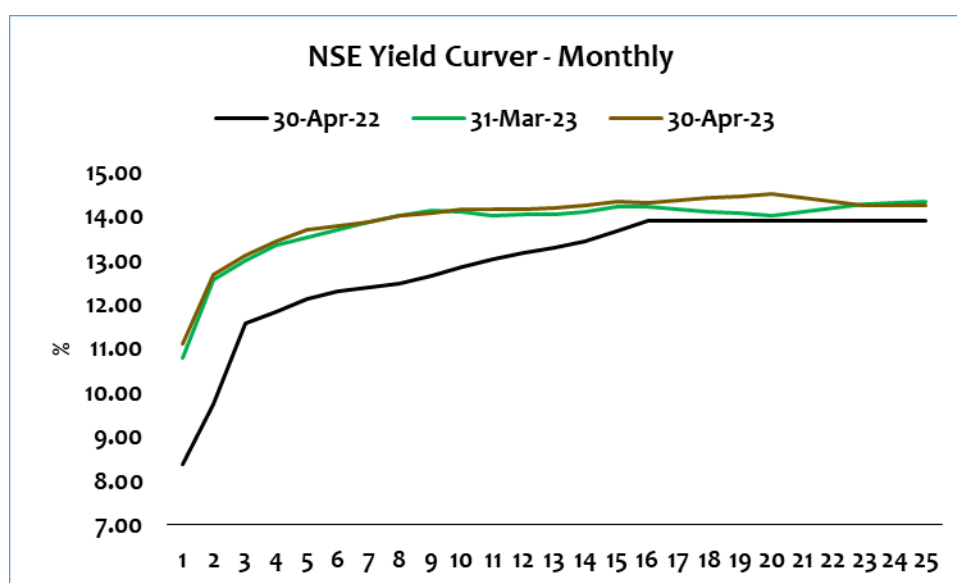
Top Bond Performance April-2023						
Bond	Amount KES Bn	Average Yield	Average Δ bps	Proportion to Weeks value	proportion to bond issue	
IFB1/2020/11Yr	5.46	14.3792%	69.59	14.2%	6.8%	
IFB1/2023/17Yr	5.44	13.9051%	1.79	14.1%	10.7%	
IFB1/2019/16Yr	3.99	13.3349%	-85.81	10.4%	23.7%	
<b>Total</b>	<b>38.49</b>			<b>100.0%</b>	<b>1.0%</b>	



### Yield Curve

Yield curve saw an upward shift on the short end paper with government focus on short papers issue and demand shift of T-Bills.

Yield Key Rates %	30-Apr-22	31-Jan-23	31-Mar-23	30-Apr-23	y-y bps Δ	y-t-d bps Δ	m-m bps Δ
2-Yr	11.5620	12.2988	12.5541	12.6820	112.0	38.3	12.8
5-Yr	12.2910	13.5286	13.5328	13.6963	140.5	16.8	16.4
10-Yr	13.0240	13.7789	14.0953	14.1491	112.5	37.0	5.4
15-Yr	13.8878	13.9826	14.2255	14.3294	44.2	34.7	10.4
20-Yr	13.8919	14.0473	14.0191	14.5045	61.3	45.7	48.5
23-Yr	13.8937	14.2220	14.2737	14.2518	35.8	3.0	-2.2



### Money Market

#### Interbank

In April, the interbank rate surged 150.6bps month-on-month higher from 7.86% in March to close April at 9.37%, pushing the average rate 158.6 bps up to a monthly average interbank of 8.63 % in April from that of 7.05% in March 2023. On year-on-year basis, the rate nearly doubled to 9.37% from that of 4.89% same time last year.

The High interbank rate is attributed to a tight market liquidity environment occasioned by the high liquidity demand especially by the government even as the market absorbs the March 2023 interest rate hike of 75bps from 8.75% to 9.50% by the CBK.

Average liquidity demand was 14.4% m-m higher at KES 24.04Bn compared to that of KES 21.01Bn of March 2023.

Bank excess reserves spiked 148.3% to KES 22.10Bn after the March dry liquidity whose bank excess liquidity stood at an average of KES 11.16Bn.

We forecast the interbank remain high in May 2023 within a range of 9.25% to 9.50%.

Key Rates	30-Apr-22	31-Mar-23	30-Apr-23
Central Bank Rate	7.00%	9.50%	9.50%
Inter-Bank Rate	4.89%	7.86%	9.37%
Average Interbank (One month)	4.66%	7.05%	8.63%
Cash Reserve Requirement (CRR)	4.25%	4.25%	4.25%
Inflation	6.47%	9.2%	7.90%
91-Day T-Bill	7.448%	9.829%	10.159%
182-Day T-Bill	8.373%	10.344%	10.477%
364-Day T-Bill	9.755%	10.787%	11.059%
Bank Excess Liquidity (KES Bn)	25.30	8.90	22.10
Forex Reserves (USD Mn)	8,427	6,426	6,508
Months of Import Cover	5.01	3.59	3.62

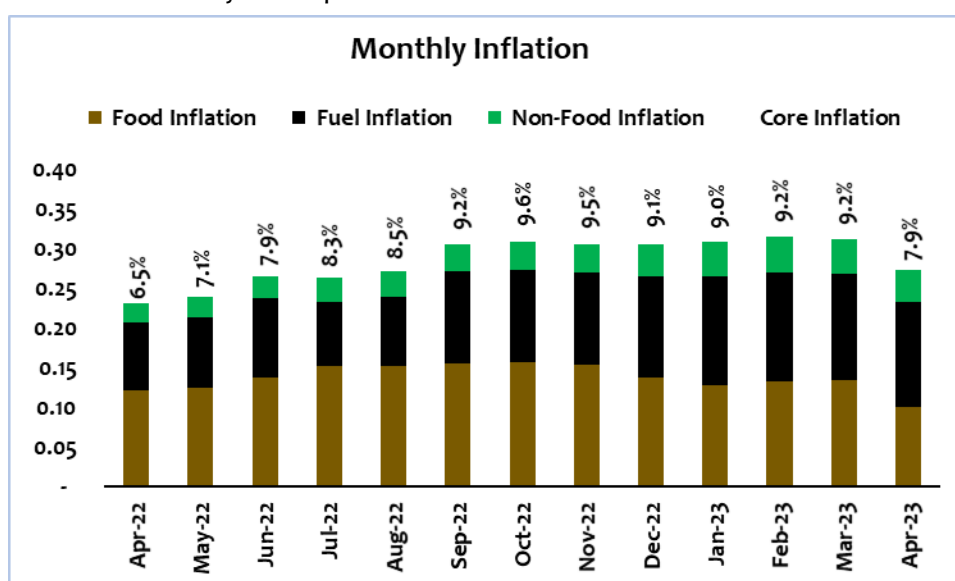
### Inflation

April Overall inflation dropped to 7.8% (still above the government target of 5.0% and 7.5%) from 9.2% in March following price declines in food items especially vegetables, benefitting from the April-May log-rain season. This saw food inflation decline from 13.4% to 10.1% in April. Spinach, Kales (Sukuma wiki), tomato and cabbage prices all declined at an average of 13.6%, 11.8%, 4.7% and 4.6% m-m to KES 69.30, KES 63.36, KES 107.82 and KES 62.16 respectively. Maize grain per kilogram was 1.6% m-m up to KES 78.87.

Fuel inflation slightly edged down from 13.4% March to 13.2% following international oil price declines globally.

Non-food inflation also fell marginally from 4.4% in March to 4.1% in April.

As the weather improves, we expect inflation to further drop to below 7.5% as locally produced food prices are expected to fall cooled further by the import of tax-free maize.



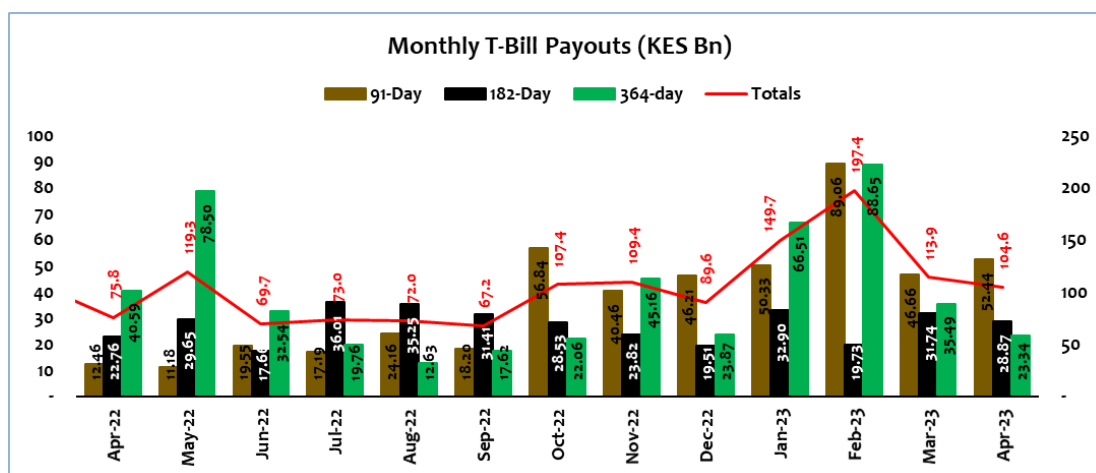
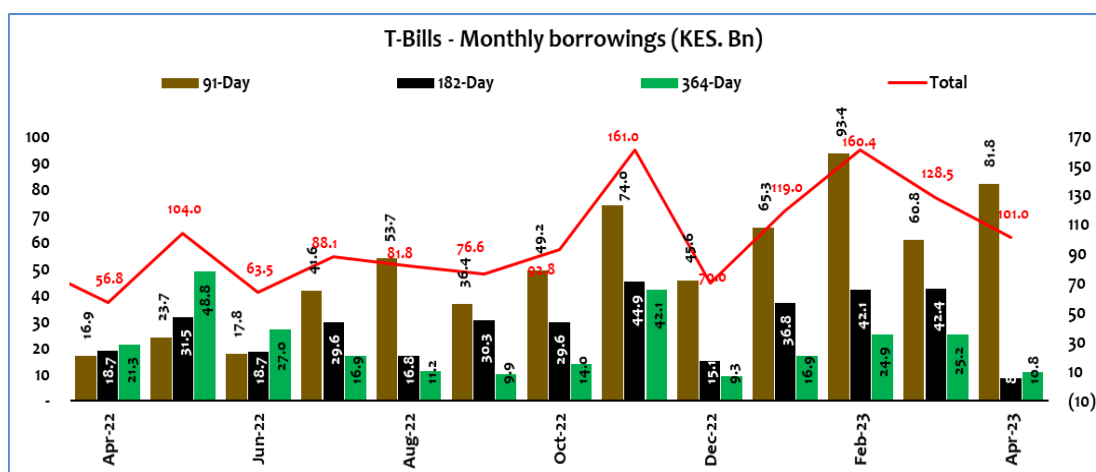
### Treasury Bills

The month saw a total of KES 105.18Bn being subscribed with KES 100.97Bn being accepted, 105.2% performance against April's target of KES 96 Billion. The auctions heavily benefitted from reinvestments of a KES 104.65Bn payout that happened in the month.

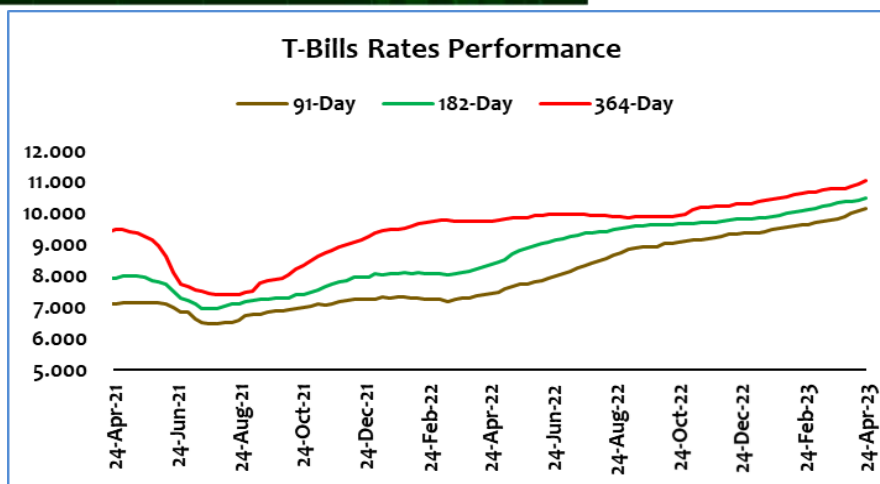
Individual paper performance saw the 91-day paper stand-out as the most preferred paper with a KES 81.80Bn or 81.0% of the total borrowing for April. This was as return on investment on the paper flourished to 10.159%, a 33.0bps m-m rise from that of 9.829% by end of March 2023. The three month's interest deviation from that of the 182 and 364-day papers narrowed to 23.6% and 84.9bps making it the best bet for short-term investment.

Overall return on investment across the papers remained on an uphill buoyed by the high government demand for cash. The 91-day paper hit a 7-year new high of 10.275 as that of the 182- and 364-day recorded a five year high of 10.511% and 11.124% respectively on the month's last auction that happened on Thursday, 27th April.

We forecast heavy demand to remain on the 91-day paper with a forecasted return on investment of between 10.35% and 10.65% in May on as we expect high reinvestments on the upcoming treasury bill payouts of KES 184.95Bn due in May 2023.







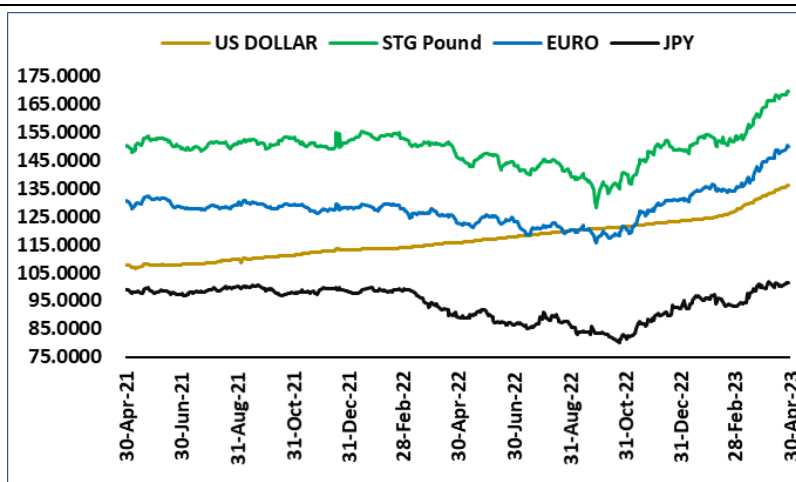
### Currency

The local shilling remained weak against major currencies shedding 2.8%, 3.5%, 3.7% and 1.8% against the US dollar, British pound, Euro and the Japanese Yen respectively to close April at KES 136.01, KES 169.37, KES 149.72 and KES 101.41 respectively,

The shilling has lost 17.5% Year-to-date against the US dollar, being heavily affected by global policy tightening, high international fuel prices, global supply chain disruptions and high dollar denominated external debt.

Forex reserves experienced a relief at the close of the month upon disbursements of USD 250Mn syndicated loan from the International Monetary Fund (IMF). We expect forex reserves to further improve in May as we expect USD 1.0Bn budgetary support from the world Bank.

Currency	28-Apr-22	31-Mar-23	28-Apr-23	%Δ y-t-d	%Δ m-m
Dollar	115.7735	132.3324	136.0118	-17.5%	-2.8%
STG Pound	146.0897	163.6715	169.3679	-15.9%	-3.5%
Euro	122.8294	144.3688	149.7215	-21.9%	-3.7%
JPY	89.1354	99.6291	101.4078	-13.8%	-1.8%
US Dollar Index	101.6700	102.5100	101.6700	0.0%	0.8%



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