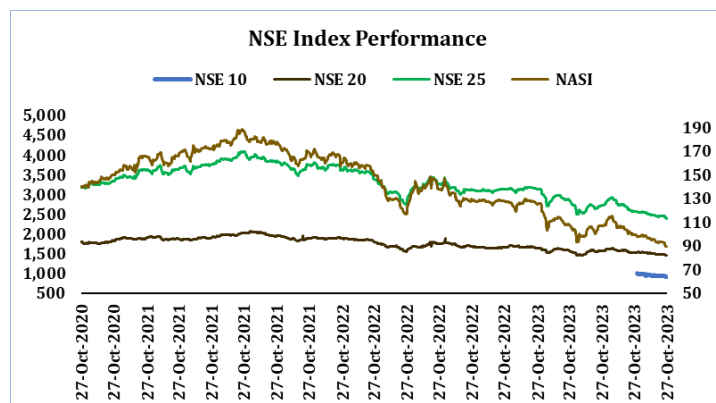


WEEKLY MARKET PERFORMANCE REPORT – WEEK ENDING 27TH OCTOBER 2023

Market Indicators' Performance - Week 43 2023			
Indicator	19-Oct-2023	27-Oct-2023	%Δ w-w
NSE 10	949.2	924.61	-2.6%
NSE 20	1490.1	1461.99	-1.9%
NSE 25	2,460.57	2,401.29	-2.4%
NASI	93.17	89.42	-4.0%
MKT CAP	1,455.72	1,397.03	-4.0%
VOLUMES - Mn	37.59	124.24	230.5%
Turnover – KES Mn	599.77	1,672.01	178.8%
NSE Turnover - USD Mn	4.04	11.23	177.8%
Net Foreign Activity-KES Mn	(141.41)	(352.13)	149.0%
Foreign Activity (%)	38.1%	67.4%	2,930.0bps

Top Gainers - Week 43 2023			
Counter	Week 42	Week 43	% Δ
Sasini	21.10	24.00	13.7%
Umeme	12.80	14.50	13.3%
Car & General	26.05	28.70	10.2%
Portland Cement	8.20	8.82	7.6%
Eveready East Africa	1.19	1.25	5.0%

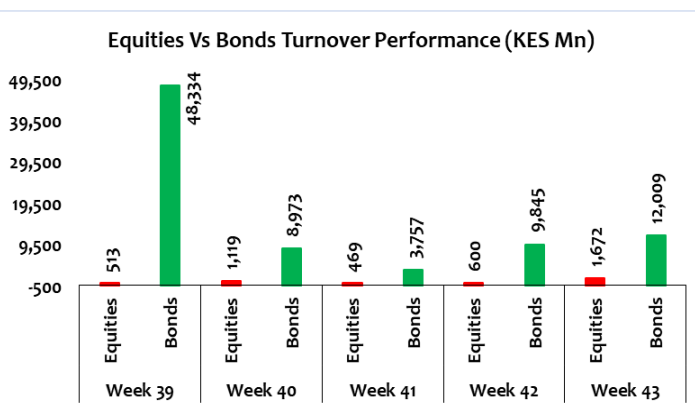
Top Losers - Week 43 2023			
Counter	Week 42	Week 43	% Δ
ILAM FAHARI I-REIT	7.52	6.30	-16.2%
Longhorn Publishers	2.40	2.16	-10.0%
Safaricom	13.80	12.50	-9.4%
Uchumi	0.22	0.20	-9.1%
Supermarket			
Express Kenya	3.65	3.37	-7.7%



Top Movers - Week 43 2023				
Counter	Turnover (KES Mn)	Volumes (Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
Safaricom	1,270.12	100.47	(333.08)	78.8%
Equity	157.71	4.20	(21.36)	58.2%
NMG	83.45	4.17	-	0.0%
KCB	22.91	1.18	(5.68)	23.5%
Umeme	21.86	1.62	11.76	71.9%
Total (KES Mn)	1,672.11	124.25	(352.13)	67.4%
Total (USD Mn)	11.15		(2.35)	

Top Foreign Buys - Week 43 – 2023		
Counter	Foreign Buy (KES Mn)	% Foreign Buy
Safaricom	834.07	65.7%
Equity Group	81.17	51.5%
Umeme	21.60	98.8%
Jubilee Holdings	8.05	79.1%
KCB Group	2.55	11.1%
Total (KES Mn)	951.48	56.9%
Total (USD Mn)	6.34	

Top Foreign Sales - Week 43 – 2023		
Counter	Foreign sales (KES Mn)	% Foreign Sale
Safaricom	1,167.15	91.9%
Equity Group	102.53	65.0%
Umeme	9.84	45.0%
KCB Group	8.23	35.9%
Jubilee Holdings	8.03	78.9%
Total (KES Mn)	1,303.61	37.2%
Total (USD Mn)	8.69	



Equities Market

Nairobi Securities Stock prices performed poorly in the week with all the market indices declining further on the prices being rediscounted ahead of the upcoming quarter three earnings season. The All-Share Index (NASI) fell to below 90 points at 89.42 points, a level last seen in October 2012 even as the new N10 index that tracks the top 10 most liquid counters shed an additional 24.59 points to a new low of 922.61.

Market foreign contribution nearly doubled from 48.1% the week before to 67.4% in the week with an increased foreign outflow of KES 352.13Mn, a 149.0% spike compared to KES 141.41Mn of the previous week. This pushed the market volume accelerate from 37.59Mn to 124.25Mn shares and thereby elevating the market value consequently.

Heavy foreign exits persisted from Safaricom resulting to the counter appearing on the top 5 losers' list at a 9.4% price decline from KES 13.80 to KES 12.50 per share. This saw the counter trade a total 100.47MN shares of KES 1,270.12Mn, representing 80.9% and 76.0% of the market volume and value traded in the week while retaining the counter on the top market movers list.

Average foreign activity on Safaricom went up to 78.8% with a 236.3% spike in net foreign outflows to KES 333.08Mn from a foreign participation of 46.2% of net foreign outflows KES 99.05Mn witnessed the week before. The telco counter has the highest in both foreign buys and sales at KES 834.07Mn (67.5% of all its market buys) and KES 1,167.15Mn (91.9% of its market sells).

Sasin Tea was the week's top gainer at 13.7% from KES 21.10 to KES 24.00 after moving only 4,400 shares even as investors expect netter financials signaled by the good bonus paid to Tea farmers. Fahari I-Reit was the top loser at 16.2% from KES 7.52 to KES 6.30 per shares immediately after announcing a 113.1% oversubscription in the recent redemption offer program.

During the week, Kengen plc announced a KES 0.30 dividend per share after reporting a 48.4% spike in profits of KES 5.02Bn in FY-2023 from KES 3.38Bn in FY 2022 benefitting from higher revenues recorded in the year. The dividend book closure and payment are scheduled for 30th November 2023 and 15th February 2023, respectively.

Kenya Power and lighting Company (KPLC) plc reported a loss after tax of KES 3.19Bn for FY-2023 from a profit of KES 3.26Bn reported same time last year. The company's performance was mainly impacted by higher cost of sales and currency translation which went up 22.4% and 89.3% from KES 117.58Bn to KES 143.58Bn and from KES 12.76Bn to KES 24.15Bn respectively.

East African Portland declared a loss after tax of KES 1.36Bn in the financial year ended 30th June 2023 from a profit of KES 541.59Mn reported same time last year. Its cost of sales was 33.6% up from KES 2,925.51Mn in FY 2022 to KES 3,909.86Mn in FY 2023 on what the cement producing company attributed to a tight working capital condition and the local currency depreciation which had a drastic impact on its energy and other operational costs.

Ongoing Corporate Actions

Counter	Declared	Issue Date	Book Closure	Payment Date	Dividend	Total Dividend	EPS	Payout
Umeme**	Interim	21-Aug-23	9-Feb-24	29-Feb-24	24.00	-	-	-
EABL	Final	28-Jul-23	15-Sep-23	27-Oct-23	1.75	5.50	12.47	44.1%
Centum	Final	28-Jul-23	11-Oct-23	30-Nov-23	0.60	0.60	-6.28	-9.6%
Kengen	First & Final	27-Oct-23	30-Nov-23	15-Feb-24	0.30	0.30	0.76	39.5%

** Uganda shilling (UGX), TBA - To be advised

Bonds Market

A total of KES 12.01Bn was traded from 415 deals as investors took advantage of declines in yield rates especially in the existing infrastructure bond papers in anticipation of better rates in the ongoing primary auction.

Heavy transactions were witnessed on the recent reopened papers, FXD 1/2023/2-Yr and FXD 1/2023/5Yr on high discounts in the papers.

Bond	Top Bond Movers				
	Value Traded (KES Mn)		Yield Movement (%)		Δ Yields (bps)
	Week 42 2023	Week 43 2023	Week 42 2023	Week 43 2023	
FXD 1/2023/5Yr	68.10	2,091.70	16.765	17.059	(29.4)
IFB1/2021/16Yr	22.10	1,316.90	16.003	15.433	57.1
IFB1/2022/18Yr	83.35	1,175.00	15.512	15.198	31.4
IFB1/2021/21Yr	191.90	1,001.10	15.635	15.526	11.0
FXD1/2016/10Yr (Re-opened)	2,332.05	986.80	18.072	17.347	72.5
Total Mkt Value	9,845.05	12,013.20			

The Government issued a 6.5-year infrastructure targeting KES 50.00Bn whose period of sale runs from 20th October to 8th November 2023. The paper is amortized in three redemption structures, 50% of the value set to be paid after 3.5-years on 10th May 2027, 30% on 7th May 2029 and 20% to be cleared on 6th May 2030.

Amounts of below KES 1.0Mn will be redeemed in full. Watch out for our Fixed income advisory note to be released in the new week.

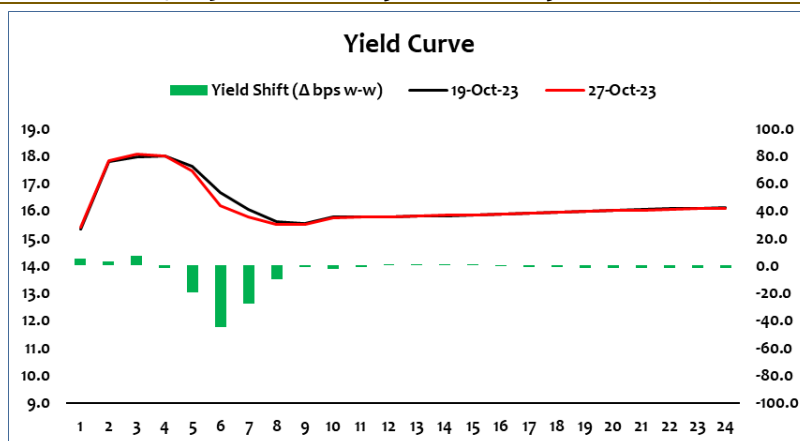
Primary Auction - November 2023				
Amortized Paper	offer (KES Mn)	Tenor	Period of Sale	Coupon
IFB1/2023/6.5	50,000	6.5-Years	20 th Oct. 2023 to 8 th Nov. 2023	Market Determined

Yield Curve

The yield curve remained relatively stable with movements experienced on the short end. The yield curve section on either side of the 6.5-year primary paper shifted downwards on low demand.

We forecast a further downward shift on the section weighed down by low demand as investors focus on the infrastructure bond in the primary.

Yield Key Rates %	06-Jan-23	19-Oct-23	27-Oct-23	(y-t-d) bps	(m-m) bps
2-Yr	12.196	17.7895	17.8170	-562.10	-2.75
5-Yr	13.5472	17.6267	17.4315	-388.43	19.52
10-Yr	13.7798	15.7627	15.7367	-195.69	2.60
15-Yr	13.9356	15.8528	15.8563	-192.07	-0.35
20-Yr	14.0586	16.0138	15.9978	-193.92	1.60
24-Yr	14.2113	16.1189	16.0980	-188.67	2.09

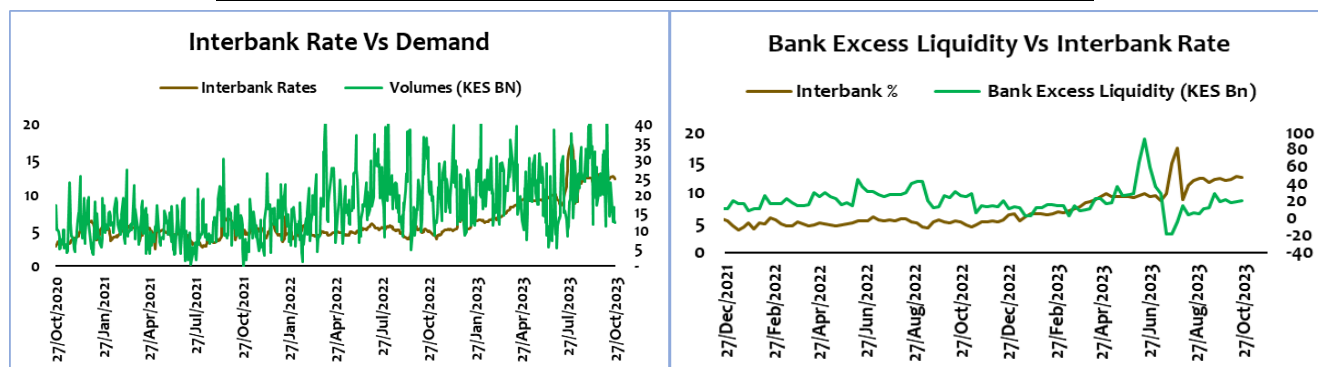


Interbank

The interbank rate hovered above 12.0% as per our earlier prediction to close the week at 12.36% from 12.62 the week before. Average interbank remained elevated at 12.54% from an average of 12.47% the week before. This was as liquidity demand remains high especially towards the infrastructure primary bond auction.

Bank excess reserves improved to KES 19.80Bn even after payments of VAT, with-holding, rental, and excise taxes that happened on 20th October 2023. We view the rise as resulting from a funds conservation for the upcoming auction.

Interbank Rate Week 43 2023			
Period/Narration	Previous Week	Current Week	%D w/w
Closed Week at	12.62%	12.36%	51.0bps
Average Rate	12.47%	12.54%	7.4bps
Closing Demand (KES BN)	23.52	12.28	-47.8%
Average Demand (KES BN)	18.09	14.05	-22.3%
Bank Excess Liquidity (KES BN)	18.90	19.80	4.8%



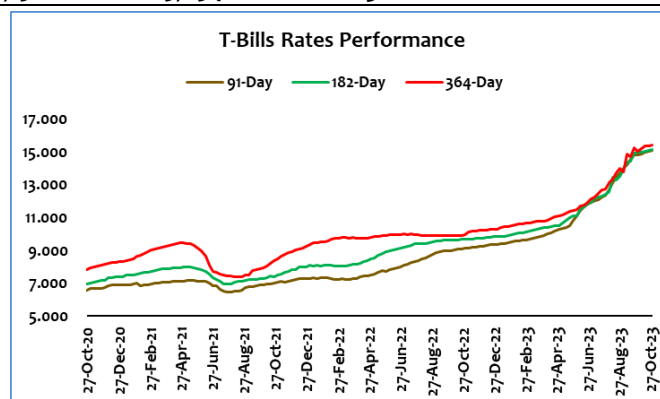
Treasury Bills

Weekly treasury bills auction was undersubscribed in the last week of October with only KES 18.15Bn or 75.6% being subscribed at a 86.2% acceptance of KES 15.65Bn.

The 91-day paper was the only paper oversubscribed at 266.0% of KES 10.64Bn at an acceptance of 76.5% or KES 8.14Bn. The rest of the papers were undersubscribed.

Returns on investment across the papers further flourished to hit new levels of 15.1112% 15.1289% and 15.3867% for the 91-, 182- and 364-day papers respectively.

T-Bills Performance							
Tenure	Offer (KES Bn)	Subscription	Acceptance	Performance	Current WAR (%)	Previous WAR 7-Aug-2023	w-w Δ bps y-t-d
364-Day	40,000	1,843	1,843	4.6%	15.3867%	15.3405%	4.6
182-Day	40,000	5,668	5,668	14.2%	15.1289%	15.0763%	5.3
91-Day	16,000	10,639	8,143	50.9%	15.1112%	15.0458%	6.5
Total	96,000	18,150	15,654	16.3%			



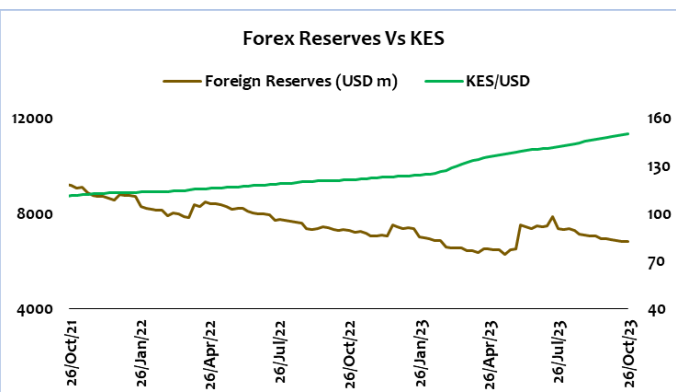
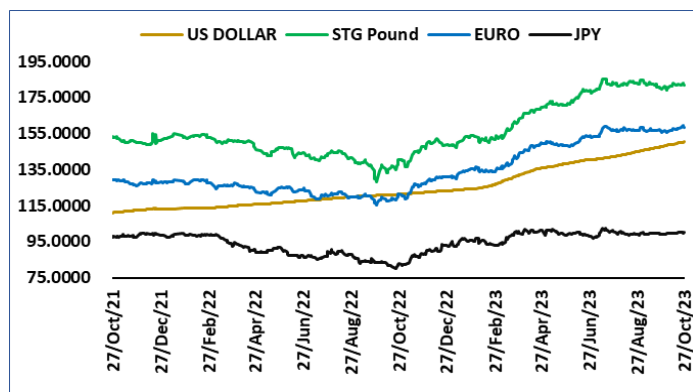
Currency

The local currency lost further against the US dollar on what we view as a high demand for the dollars globally. This is further held down by the low forex reserves drained by foreign dominated debt obligations.

The Kenya shilling lost 0.4% w-w from KES 149.79 to KES 150.36 per US dollar while gaining 0.1% w-w against the British pound from KES 182.30 to KES 182.05. against the Euro and the Japanese yen, the shilling lost 0.3% and 0.1% w-w.

Forex reserves slightly improved in the week to USD 6,836Mn but remain pressured by heavy coupon payouts due in November and December 2023 for the May-2027 and June-2024 papers respectively.

Euro-bond Paper	29/Sep/22	29/Jun/23	29/Sep/23	Δ bps y-t-d	Δ bps w-w
Jun-2024	17.884	12.029	17.838	4.60	(580.90)
May-2027	14.005	10.139	12.169	183.60	(203.00)
Feb-2028	14.675	10.908	13.098	157.70	(219.00)
May-2032	14.299	10.739	12.208	209.10	(146.90)
Jan-2034	12.950	10.106	12.014	93.60	(190.80)
Feb-2048	14.030	11.001	12.376	165.40	(137.50)

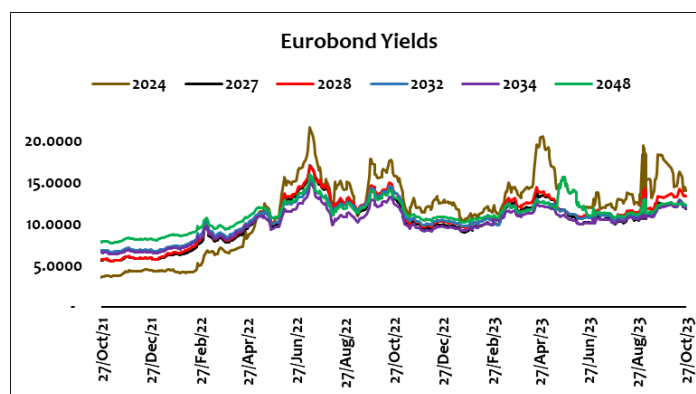


Eurobond

Yields on Kenya's international bonds receded in the week with that on the June-2024 paper falling by 227.10bps on what we view as reaction to the recent government plan to purchase up to USD 500Mn from the secondary market in an aim to alleviate concerns over its obligations.

The move is expected to drive the overall price upwards as investors continue demanding better yield to maturity rates.

Euro-bond Paper	29-Sep-22	19-Oct-23	27-Oct-23	Δ bps y-t-d	Δ bps w-w
Jun-2024	17.884	16.266	13.995	388.90	227.10
May-2027	14.005	12.882	11.864	214.10	101.80
Feb-2028	14.675	14.191	13.342	133.30	84.90
May-2032	14.299	12.943	12.278	202.10	66.50
Jan-2034	12.950	12.818	11.924	102.60	89.40
Feb-2048	14.030	12.372	12.220	181.00	15.20



Research Analyst Certification:

The research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report hereby certifies that all the views expressed herein accurately reflect their personal views. Each research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the view(s) expressed by that research analyst in this research report.

Terms of Use – Disclaimer:

This research report has been prepared by Kingdom Securities Limited and is for information purposes only. This research report should not be construed as an offer or solicitation to sell or buy any investment or product. Any opinions expressed herein reflect the analyst's judgment at the date of publication and neither Kingdom Securities Limited, nor any of its affiliates or employees accepts any responsibility in respect of the information or recommendations contained herein. Unless otherwise stated, the opinions contained in this material are as of the date indicated and are subject to change at any time without prior notice. Past performance is not a guarantee or indication of future results.

The information and opinions contained in this Material have been derived from sources believed to be reliable and in good faith or constitute Kingdom Securities' judgement as at the date of this research, but no warranty is made as to their accuracy and any opinions are subject to change and may be superseded without notice. In no circumstances will Kingdom Securities or its employees be liable to you for any errors or omissions in this report or for any losses you may incur in following any recommendations in the report. Kingdom Securities is a Subsidiary of Co-operative Bank of Kenya.

Kingdom Securities Ltd – A subsidiary of Co-operative Bank Limited.

Co-operative Bank House- 5th Floor, P.O Box 48231 - 00100 Nairobi, Kenya

Office: 0711049540/0711049956

Email: info@kingdomsecurities.co.ke

Research Department

Shadrack Manyinsa	+254 711 049 956
--------------------------	-------------------------

Sales Team

Dennis Langat	+254 711 049 592
Edgar Martim	+254 711 049 534
Alfred Too	+254 711 049 330
Asena Moffat	+254 711 049 663
Ashley Odundo	+254 711 049 195
Gloria Ohito	+254 711 049 993

Client Service and Operations

Joab Kiprono	+254 711 049 528
Purity Malombe	+254 711 049 729