

WEEKLY MARKET PERFORMANCE SUMMARY – WEEK ENDING 9TH FEBRUARY 2024

Market Indicators' Performance - Week 06 2024			
Indicator	02-Oct-2024	09-Oct-2024	%Δ w-w
NSE 10	926.71	918.46	-0.9%
NSE 20	1512.56	1516.5	0.3%
NSE 25	2,425.69	2,415.45	-0.4%
NASI	92.37	91.18	-1.3%
MKT CAP	1,443.19	1,424.62	-1.3%
VOLUMES(Mn)	46.58	50.98	9.4%
Turnover (Mn)	839.45	1,003.63	19.6%
NSE Turnover (USD Mn)	5.22	6.26	19.9%
Net Foreign Activity (Mn)	(10.79)	(63,193.73)	585416.2%
Foreign Activity (%)	66.7%	68.1%	816.9bps

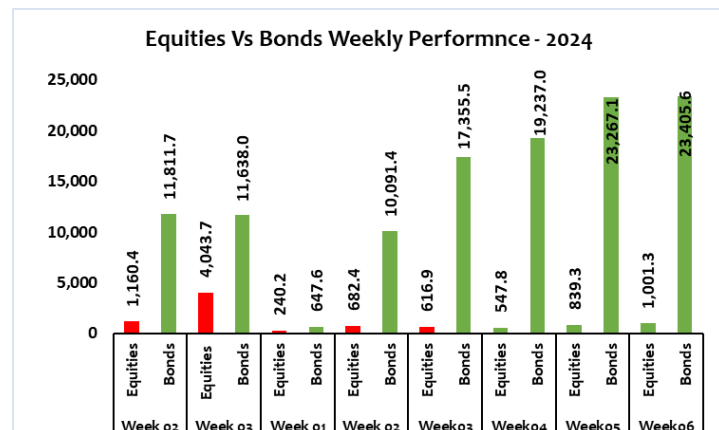
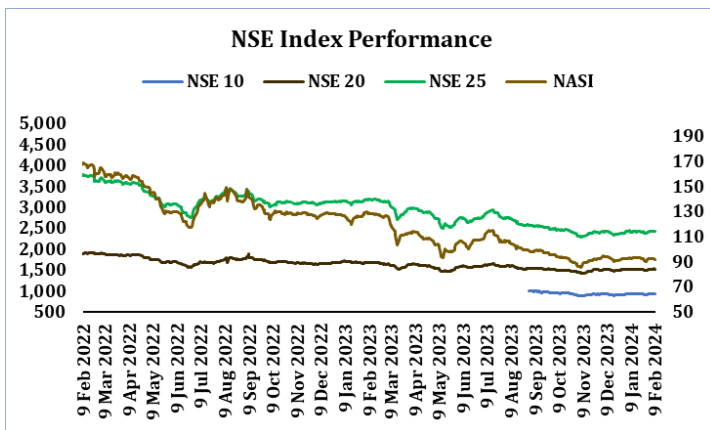
Top Gainers - Week 06 2024			
Counter	Week 05	Week 06	% Δ
Trans-Century	0.45	0.49	8.9%
HF Group Plc	3.53	3.79	7.4%
Scan-Group	2.35	2.52	7.2%
Kakuzi	364.00	385.00	5.8%
Jubilee Holdings	180.25	190.00	5.4%

Top Losers – Week 06 2024			
Counter	Week 05	Week 06	% Δ
Sasini Plc	21.95	20.00	-8.9%
Home Afrika	0.35	0.32	-8.6%
Umeme	15.50	14.50	-6.5%
Britam Holdings	5.00	4.70	-6.0%
ILAM Fahari	6.04	5.68	-6.0%

Counter	Volumes (Mn)	Turnover (KES Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
Equity Group	11.00	419.92	18.96	91.3%
Safaricom	23.53	313.74	(99.97)	75.3%
EABL	0.67	77.62	39.69	33.0%
ABSA Bank (K)	2.26	27.17	0.06	0.1%
Stanbic (K)	0.19	20.85	(5.47)	81.4%
Total (KES Mn)	51.15	1,003.38	(63.19)	68.1%
Total (USD Mn)		6.26	(0.39)	

Top Foreign Buys - Week 06 2024		
Counter	Foreign Buy (KES Mn)	% Foreign Buy
Equity Group	393.02	93.6%
Safaricom	186.26	59.4%
EABL	45.44	58.5%
Stanbic	14.23	68.3%
KCB Group	6.42	32.7%
Total (KES Mn)	652.15	65.0%
Total (USD Mn)	4.07	

Top Foreign Sales - Week 06 2024		
Counter	Foreign sales (KES Mn)	% Foreign Sale
Equity Group	374.06	89.1%
Safaricom	286.23	91.2%
Stanbic	19.70	94.5%
KCB Group	13.91	70.8%
Umeme	9.19	70.4%
Total (KES Mn)	715.35	61.1%
Total (USD Mn)	4.46	



Equities Market

Equities Market performance remained down albeit the small improvements witnessed in the market especially on increased activities in the banking sector as its earning season draws closer. The market remains depressed by higher interest rates, high inflations that has impacted disposable income, and a weak local currency recently added to the heavy foreign outflows.

Only 50.98mn shares were traded valued at KES 1.00Bn, a 9.4% and 19.6% rise in market activity and value transacted respectively.

On overall, NSE market prices thinned 1.3% week-on-week (w-w) as evidenced by losses in the market tracking indices with an exclusion on the NSE 20, which was marginally supported by early price gains in the banking sector.

Market foreign participation rose from 66.7% to 68.1% on supported by higher foreign exits that stood at 71.3% in relation to total foreign buys of 65.0%.

The Banking sector rallied the market contributing 53.9% of the market value at KES 540.51Mn on what we view as early gains from the much-awaited earnings season in March 2024.

Heavy banking activity was witnessed in Equity Group (KES 37, -1.8%), making the counter the week's top mover after transacting KES 419.92Mn from 11.00Mn shares. Equity Group was the foreigners favorite with an average foreign activity of 91.3% of which foreign buys and sales were 93.6% and 89.1% respectively.

We remain confident on better returns on investment from the banking sector for FY-2023, and advise our clients to keenly watch especially, Equity Group, Co-op Bank Group, I&M, Stanbic Holdings, NCBA Group, and KCB Group in that order.

Trans-Century plc was the week's top gainer at 8.9% w-w from KES 0.45 to KES0.49 per share after trading 58,000 shares valued at KES 28,420.

Sasin plc was the week's top loser at 8.9% w-w from KES 21.95 to KES 20.00 ahead of its KES 0.50 dividend book closure due on 22 Feb. 2024. The company, in its FY-2023 financials reported a 43.8% y-y decline in profits before tax (PBT) to from KES 1,552.95Mn to KES 873.00M.

Fahari I-REIT also appeared in the top 5-losers list, shedding 6.0% from KES 6.04 to KES 5.68per share on its last trading in the NSE main market following an approval for delisting from its unitholders and subsequent approval of the authority. The company shares will proceed to trade over the counter on the Unquoted Securities Platform (USP) of the NSE.

Bonds Market

The Secondary market remained active for the second week in a row despite the ongoing primary auction for IFB1/2024/8.5-year paper closing on February 14th, 2024.

A total of KES 23.41Bn was exchanged from fewer deals of 47 transactions compared to KES 23.27Bn of 594 deals exchanged the week before. Transactions concentrated on four papers, FXD1/2022/03, the IFB1/2023/6.5 and the FXD 1/2020/5Yr, two of which are maturing next year, 2025.

We forecast of a renewed focus on the new IFB1/2024/8.5-year which will close and enter the secondary market in the coming week.

Bond	Top Bond Movers				Δ Yields (bps)
	Value Traded (KES Mn)		Yield Movement (%)		
	Week 2 2024	Week 3 2024	Week 2 2024	Week 3 2024	
FXD 1/2022/3Yr	-	3,862.40	-	18.2960	-
IFB1/2023/6.5Yr	11,178.25	3,831.75	16.88	16.7242	(15.85)
FXD 1/2020/5Yr	2,700.00	3,250.50	18.11	17.8182	(28.68)
FXD 1/2021/5Yr (Re-opened)	1,504.20	2,998.40	18.38	18.1806	(20.04)
FXD2/2013/15Yr (Re-opened)	-	1,400.00	-	11.4833	
Total Mkt Value	23,267.11	23,405.56			

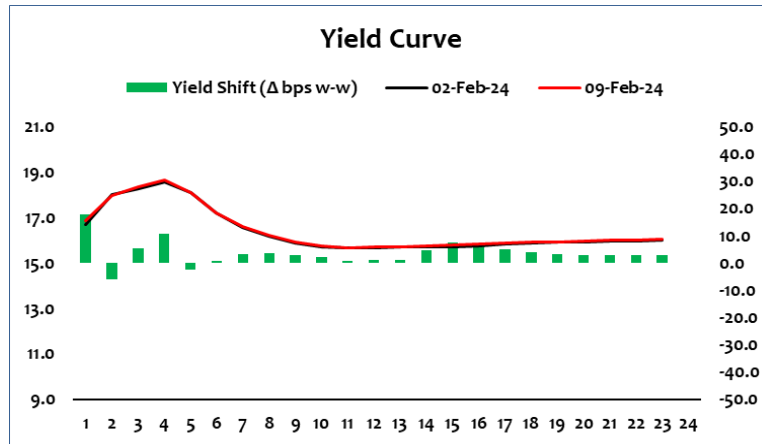
Ongoing IFB.2024.8.5 Sale					
Paper	offer (KES Mn)	Period of Sale	Auction Date	Value Date	Value Date
IFB1/2024/8.5	50,000	24 th Jan. to 14 th Feb. 2024	14 th February 2024	15-Jan-24	Market determined

Yield Curve

The yield curve continues to shift upwards as pricing of the revised Central Bank Rate takes effect.

Yield Key Rates %	05-Jan-24	02-Feb-24	09-Feb-24	y-t-d bps	w-w bps
2-Yr	17.9234	18.0128	17.9541	-3.07	5.87
5-Yr	17.4396	18.1073	18.0815	-64.18	2.59
10-Yr	15.7044	15.7190	15.7426	-3.81	-2.36
15-Yr	15.7253	15.6772	15.8032	-7.80	-12.61
20-Yr	15.8983	15.9362	15.9647	-6.63	-2.84

23-Yr 16.0647 16.0095 16.0393 2.54 -2.98



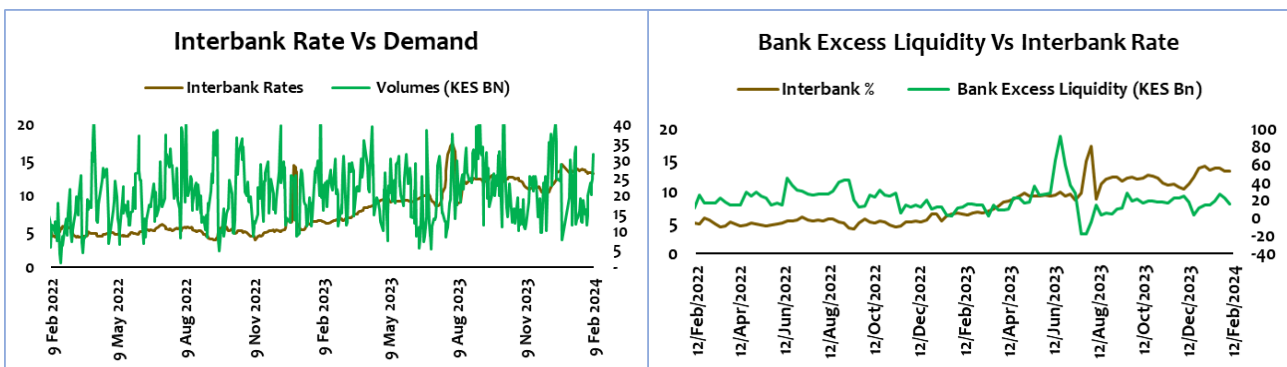
Interbank

Pressure on the interbank rate eased during the week from 13.25% to 13.14% on Friday, 9th February. Average interbank, was 12.0bps down w-w from 13.39% to 13.27%.

Demand for cash however went up 59.0% w-w from KES 20.02Bn to KES 31.83Bn pushing the average demand 60.1% to KES 24.88Bn, on what we attribute to the liquidity demand towards the ongoing infrastructure bond auction. The PAYE tax payment that happened on 9th February also partly impacted the demand.

Bank excess reserves went down 28.6% w-w to KES 16.20Bn because of the above.

Interbank Rate Week 02 2024			
Period/Narration	Previous Week	Current Week	%Δ w-w
Closed Week at	13.26%	13.14%	11.5bps
Average Rate	13.39%	13.27%	12.0bps
Closing Demand (KES Bn)	20.02	31.83	59.0%
Average Demand (KES Bn)	15.54	24.88	60.1%
Bank Excess Liquidity (KES Bn)	22.70	16.20	-28.6%



Treasury Bills

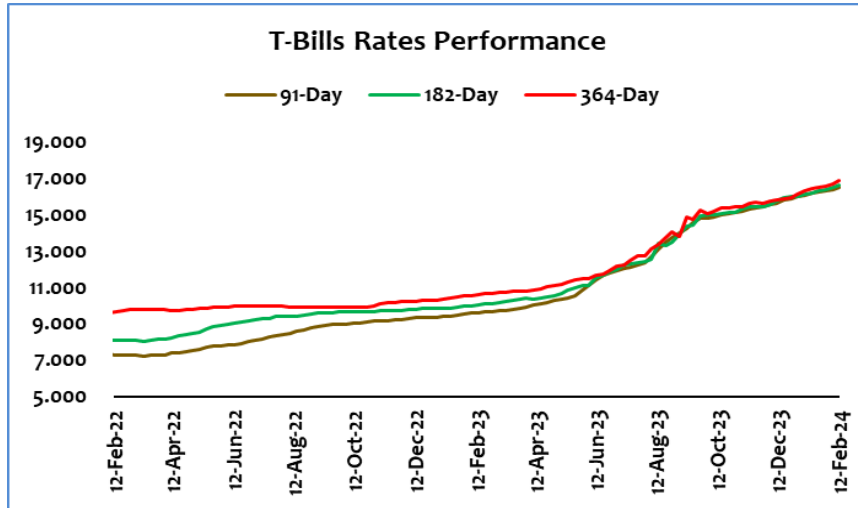
The week's T-bill auction saw oversubscriptions of KES 51.12Bn, a 213.0% subscription with KES 48.76Bn being accepted, resulting to a weekly performance of 203.2% against the government target of KES 24.00Bn.

The subscription is mainly supported by the maturities of KES 48.94Bn due on Monday, February 12, 2024.

Tight liquidity and thirst for cash by the government continue to drive returns on investments higher to the current high of 16.50%, 16.63% and 16.86% for the 91-, 182, and 364-day papers respectively, levels last seen in November 2015.

T-Bills Performance

Tenure	Offer KES Bn)	Subscription	Acceptance	Performance	Current WAR (%)	Previous WAR %	w-w Δ bps
364-Day	10,000	6,968	6,113	61.1%	16.8574%	16.6801%	17.7
182-Day	10,000	9,447	9,386	93.9%	16.6331%	16.5058%	12.7
91-Day	4,000	34,705	33,258	831.5%	16.5038%	16.3747%	12.9
Total	24,000	51,120	48,757	203.2%			



Currency

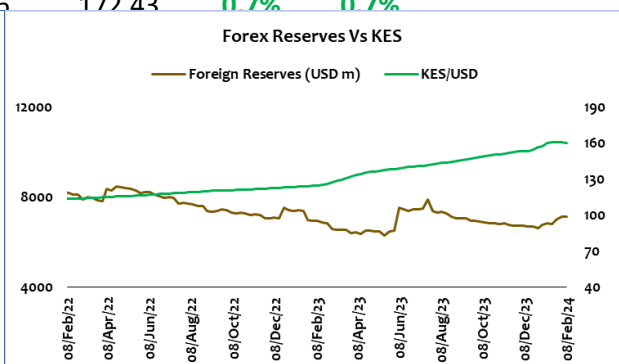
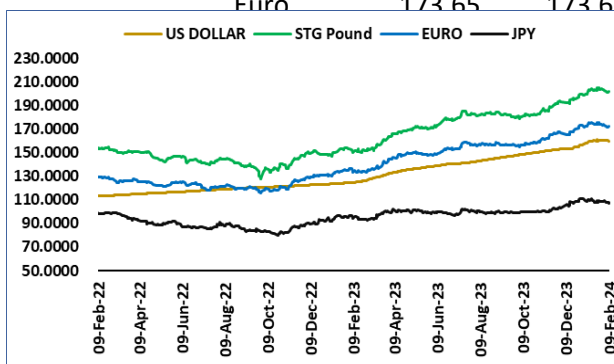
The Kenyan shilling remained stable in the week, gaining 0.3% w-w against the US dollar, reaping off from the recent CBK initiatives of having a one forex rate across the market and removal of the maximum 20.0bps spread.

The shilling further gained against the British pound, the euro and the Japanese yen at 0.6%, 0.7% and 2.1% respectively.

We view that the shilling will remain stable and even gain more in the coming days after the anticipated Eurobond buyback which was expected to exert more pressure.

Forex reserves remain on an upward trajectory on disbursements from the IMF and world bank expected before April 2024. The reserves remain stable at USD 7,131Mn, sufficient for 3.8-mnth of import cover.

Currency	02-Jan-24	02-Feb-24	09-Feb-24	%Δ y-t-y	%Δ w-w
Dollar	156.99	160.57	160.09	-2.0%	0.3%
STG Pound	199.85	203.30	202.00	-1.1%	0.6%
Euro	173.65	173.66	172.43	0.7%	0.7%

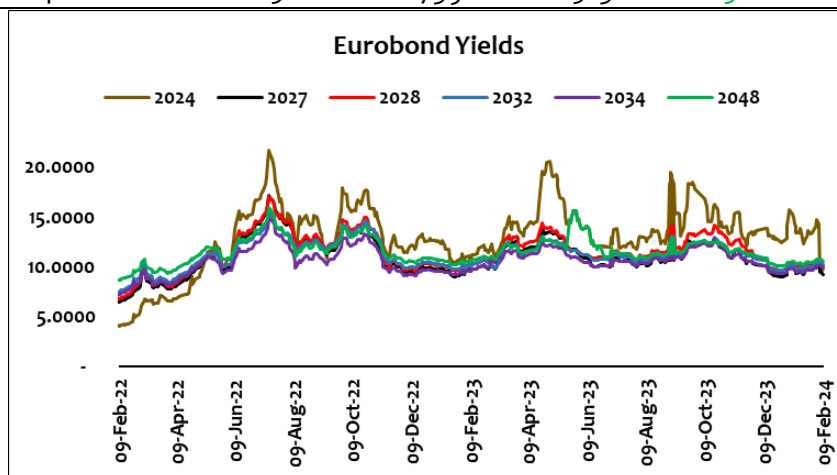


Eurobond

Kenya's international bonds witnessed a reprieve in the week, yields rates on the Jun-2024, May-2027 and the Feb-2028 paper all edged down immediately after the government announcing a buyback of the Jun-2024 paper. See below rate movement.

However, decline in the Jun-2024 paper do not impact the pricing of the paper in the buyback program, since the Kenyan government is purchasing the paper at par together with the accrued interest. The paper is trading at a yield to maturity of from a coupon of 6.875% per annum.

Euro-bond Paper	08-Feb-23	02-Feb-24	09-Feb-24	Δ bps y-y	Δ bps m-m
Jun-2024	10.692	14.707	9.834	85.80	487.30
May-2027	9.567	10.116	9.214	35.30	90.20
Feb-2028	10.043	10.664	10.109	(6.60)	55.50
May-2032	10.042	10.454	10.157	(11.50)	29.70
Jan-2034	9.572	10.079	9.848	(27.60)	23.10
Feb-2048	10.528	10.739	10.523	0.50	21.60



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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

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