

WEEKLY MARKET PERFORMANCE SUMMARY – WEEK ENDING 8th MARCH 2024

Market Indicators' Performance - Week 10 2024			
Indicator	01-Mar-2024	08-Mar-2024	%Δ w-w
NSE 10	952.45	965.82	1.4%
NSE 20	1539.22	1556.1	1.1%
NSE 25	2,493.30	2,525.06	1.3%
NASI	93.25	94.90	1.8%
MKT CAP	1,456.85	1,482.65	1.8%
VOLUMES(Mn)	82.35	42.02	-49.0%
Turnover (Mn)	1,529.37	770.29	-49.6%
NSE Turnover (USD Mn)	10.64	5.38	-49.4%
Net Foreign Activity (Mn)	(493.02)	(66.15)	-86.6%
Foreign Activity (%)	47.3%	49.2%	816.9bps

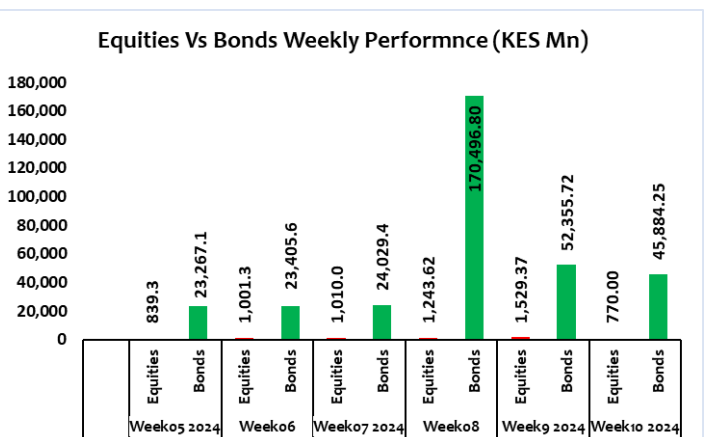
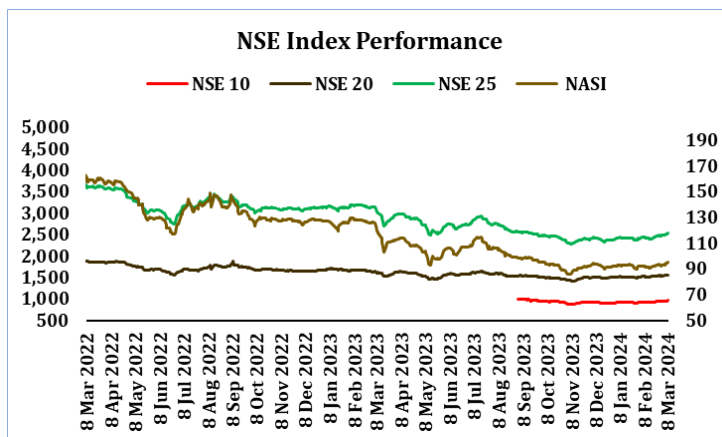
Top Gainers - Week 10 2024			
Counter	Week 49	Week 50	% Δ
Trans-Century	0.40	0.47	17.5%
Sanlam Kenya	6.12	7.02	14.7%
Sameer Africa	2.10	2.40	14.3%
Liberty Kenya	5.00	5.50	10.0%
EABL	105.75	115.00	8.7%

Top Losers - Week 10 2024			
Counter	Week 49	Week 50	% Δ
Scan-Group	2.35	2.15	-8.5%
Kenya Power	1.62	1.50	-7.4%
Standard Group	5.84	5.50	-5.8%
B.O.C Kenya	80.00	76.00	-5.0%
E.A.Cables	1.05	1.00	-4.8%

Counter	Volumes (Mn)	Turnover (KES Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
Safaricom	25.15	344.75	(121.02)	54.1%
Equity Group	3.58	143.22	(37.01)	81.8%
EABL	1.23	140.11	115.81	41.6%
Co-op Bank Group	2.09	26.63	-	0.0%
KCB Group	1.26	26.48	(14.33)	36.1%
Total (KES Mn)	42.02	770.08	(66.15)	68.1%
Total (USD Mn)		4.80	(0.41)	

Top Foreign Buys - Week 10 2024		
Counter	Foreign Buy (KES Mn)	% Foreign Buy
Safaricom	125.88	36.5%
EABL	116.23	83.0%
Equity Group	98.71	68.9%
KCB Group	2.39	9.0%
Kenya Power	1.52	29.4%
Total (KES Mn)	345.66	65.0%
Total (USD Mn)	2.15	

Top Foreign Sales - Week 10 2024		
Counter	Foreign sales (KES Mn)	% Foreign Sale
Safaricom	246.90	71.6%
Equity Group	135.72	94.8%
KCB Group	16.73	63.2%
Stan-Chart	3.72	26.0%
Jubilee Holdings	2.66	85.6%
Total (KES Mn)	411.81	61.1%
Total (USD Mn)	2.57	



Equities Market

The local stock market prices were up 1.8% week-on-week even as activities dipped almost by half in the week ending 8th March 2024 despite the ongoing Banking sector earning season. The top ten most liquid counters' prices were 1.4% w-w up, rallied by price gains in the Banking stocks which contribute 50% of its composition. NSE 25 and NSE 20 followed with gains of 1.3% and 1.1% respectively.

The above price gains saw the market capitalization regain back 1.8% to KES 1,482.65Bn.

Only 42.02Mn shares were exchanged in the week, valued at KES 770.29Mn, a 49.0% and 49.6% decline in volumes and value traded respectively. This was as foreign activity remained below the 50% mark for the second week at 49.2%. Net foreign outflows declined from KES 493.02Mn to KES 66.15Mn as foreign sales outweighed foreign buys for the sixth time in a row since January 2024.

The telecommunication sector rallied the market, transacting 25.15Mn shares of KES 344.75Mn. Foreign activity on Safaricom (KES 13.90, +3.0% w-w) staggered to 54.1%, out of which foreign entries thinned to 36.5% as foreign exits also fell to 71.6% of all its buys and sales transactions, respectively.

The Banking sector came second, exchanging hands KES 237.31Mn from 8.65Mn shares. Equity Group took lead in the sector with a trade value of KES 143.22Bn out of which 81.8% were foreign participation, even as its price stabilized at KES 40.00 per share.

Stanbic Holdings Plc (KES 119.75, +4.1% w-w) became the first bank to register its full year 2024 (FY 2024) financials, announcing a final dividend of KES 14.20 per share whose book closure is scheduled for 17th May-2024. The Bank reported KES 17.09Bn profit before tax (PBT) for FY 2023, representing a 40.4% jump from a PBT of KES 12.17Bn of FY 2022. Its profits after tax rose 34.2% to KES 12.16Bn. Find our Full Earnings [Update HERE...](#)

The manufacturing sector took the third position transacting KES 149.10Mn from 1.33Mn shares. Foreign investors focus turned to the brewing company, East African Breweries, transacting a total of KES 140.11Mn from 1.23Mn shares. The counters foreign activity improved from 9.6% to 41.6% in the week, out of which 83.0% were foreign buys of all the buy side, as foreign sales recorded only 0.3% of the buy side. As a result, EABL's price rose 8.8% from KES 105.75 to KES 115.00 per share to appear in the top five gainers list.

Trans-Century emerged the week's top gainer at 17.5% from KES 0.40 to KES 0.47 per share after trading only 151,200 shares.

Below is the ongoing corporate action:

Ongoing Corporate Actions

Counter	Declared	Issue Date	Book Closure	Payment Date	Dividend	Total Dividend	EPS	Payout
Stanbic	Final dividend	6-Mar-24	17-May-24	TBA	14.20	15.35	30.75	49.9%
Sasin	Final	8-Jan-24	22-Feb-24	22-Mar-24	0.50			
Safaricom	Interim	22-Feb-24	15-Mar-24	31-Mar-24	0.55			
EABL	Interim	26-Jan-24	16-Feb-24	26-Apr-24	1.00			
BAT	Final	15-Feb-24	24-May-24	26-Jun-24	45.00	50.00	55.68	89.8%

Bonds Market

The secondary bonds market exchanged KES 36.24Bn from a total of 829 deals, even though 30.2% lower than that of KES 52.36Bn of 1,164 transactions witnessed the week before.

The recent infrastructure bond, IFB1/2024/8.5, remained the most sought paper trading a total of KES 32.13Bn, representing 63.8% of the market value. This is as the yield rates continue relaxing down cementing the our confidence of the upcoming rate cuts.

Bond	Weekly Bonds Market Performance - Week 10 20234				Δ Yields (bps)	
	Value Traded (KES Mn)		Yield Movement (%)			
	Week 09 2024	Week 10 2024	Week 09 2024	Week 10 2024		
IFB1/2024/8.5Yr	39,626.70	23,126.00	17.40	17.3022	-	9.72
FXD 1/2020/5Yr	5,200.00	2,206.50	17.70	17.7450		4.50
FXD1/2012/20Yr (Re-opened)	9.90	2,100.20	18.69	16.7547	-	193.86
FXD1/2010/25Yr	-	1,950.00	-	16.9406		1,694.06
IFB1/2020/6Yr	143.05	1,560.90	15.27	15.8572		59.22
Total Mkt Value	52,355.72	36,243.25				

In the primary bonds auction, the first auction was oversubscribed at 107.7% of KES 43.07Bn with the government accepting only 34.27Bn representing 79.6% on what we view as aggressive bidding.

The paper was priced at a premium, at a rate of 18.4222% opposed to a market weighted market average rate of 18.5155%, that falls within our earlier prediction.

March 2024 – 1 st Auction							
Paper	offer (KES Bn)	Received (Kes Bn)	Accepted	Performance	Market WAR	Accepted WAR	Coupon Rate
FXD1/2024/03	40	43.07	34.27	85.7%	18.5155	18.4222	18.3854%

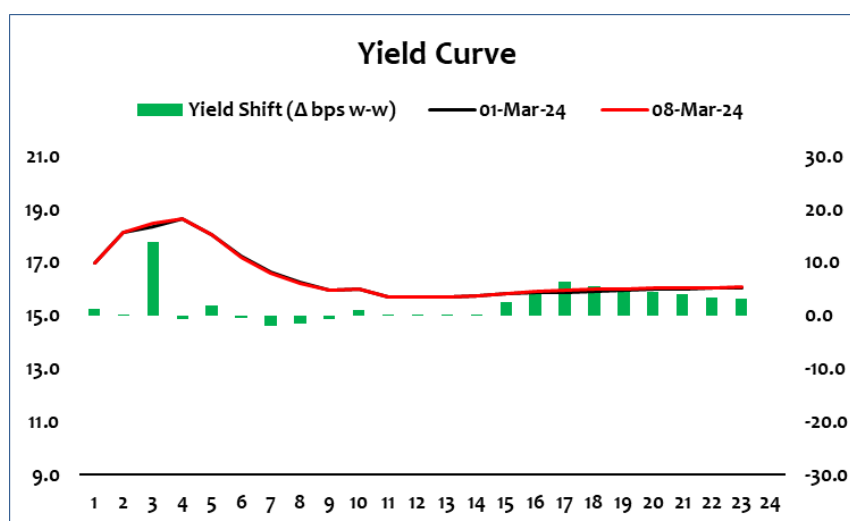
The 2nd auction for re-opened FXD1/2023/05-year and the new FXD1/2024/10-year will happen on 20th March 2024 as follows, watch our for our bidding advice.

Feb. 2024 Auction – 2 nd Auction					
Paper	offer (KES Mn)	Period of Sale	Auction Date	Value Date	Coupon Rates
FXD1/2023/05	40,000	27 th Feb. to 20 th Mar. 2024	20 th March 2024	25 th March 2024	16.8440%
FXD1/2024/10					16.0000%

Yield Curve

The yield curve generally remained stable with upward shifts on years of the papers in the March primary auction. We forecast, the yield curve to start relaxing downwards in the next two months on the expected low demand for cash from the government.

Yield Key Rates %	05-Jan-24	01-Mar-24	08-Mar-24	y-y bps	y-y bps
2-Yr	17.9234	18.1329	18.1346	-21.13	-0.18
5-Yr	17.4396	18.0264	18.0452	-60.55	-1.88
10-Yr	15.7044	15.9686	15.9778	-27.34	-0.92
15-Yr	15.7253	15.7987	15.8230	-9.77	-2.44
20-Yr	15.89833821	15.9729	16.0166	-11.83	-4.37
23-Yr	16.0647	16.0335	16.0640	0.08	-3.04



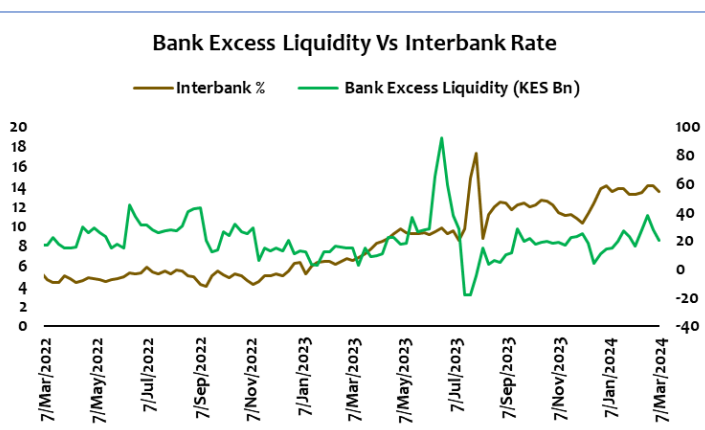
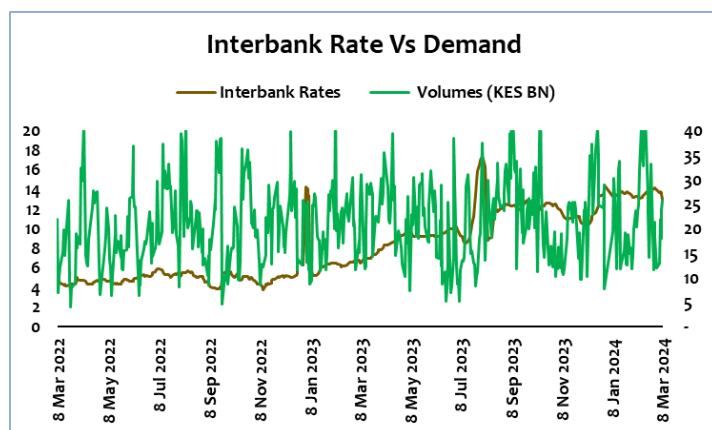
Interbank

Low liquidity demand from the government saw the interbank rate drop by almost 100bps from 13.97% the Friday before, to close the week at 13.00%. Average interbank rate fell 54.0bps from 14.09% to 13.55%.

This was despite the pay as you earn (PAYE) that payment that happened at the close of the week and the above KES 34.27Bn due on Monday, March 11, 2024, towards the primary bond auction payment.

T-bill maturities for the week stood at KES 24.96Bn with KES 40.25Bn being expected on Monday, March 11, 2024. The week had zero coupon payouts as KES 4.53Bn is expected on Monday, March 11, 2024.

Interbank Rate Week 10 2024			
Period/Narration	Previous Week	Current Week	%Δ w-w
Closed Week at	13.97%	13.00%	97.0bps
Average Rate	14.09%	13.55%	54.0bps
Closing Demand (KES Bn)	11.97	22.82	90.6%
Average Demand (KES Bn)	15.65	20.54	31.2%
Bank Excess Liquidity (KES Bn)	27.40	20.00	-27.0%



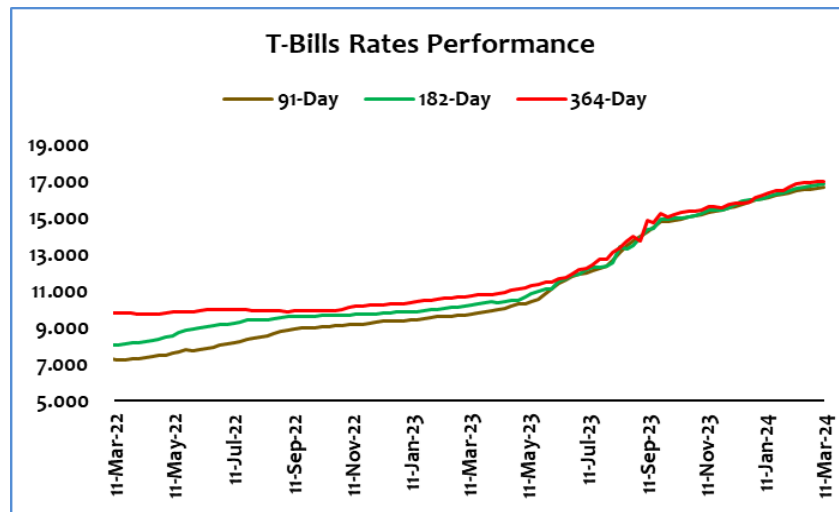
Treasury Bills

T-bills auctions were oversubscribed at 174.2% or KES 41.82Bn against a weekly target of KES 24.00Bn, with the government accepting KES 40.28Bn representing a performance of 167.8%. The performance remained elevated re-investments from rollover redemptions of KES 40.01Bn.

Returns on investments across the papers flourished further to new high s of 16.98%, 16.85% and 16.66% for the 364, 182 and 91-day papers respectively.

Heavy oversubscriptions remain on the 91-day paper as investors watch for the rate the ceiling points of the returns.

T-Bills Performance							
Tenure	Offer (KES Bn)	Subscription	Acceptance	Performance	Current WAR (%)	Previous WAR %	w-w Δbps
364-Day	10,000	11,135	9,709	97.1%	16.9845%	16.9722%	1.2
182-Day	10,000	10,063	10,063	100.6%	16.8477%	16.7849%	6.3
91-Day	4,000	20,619	20,505	512.6%	16.6597%	16.6218%	3.8
Total	24,000	41,817	40,277	167.8%			



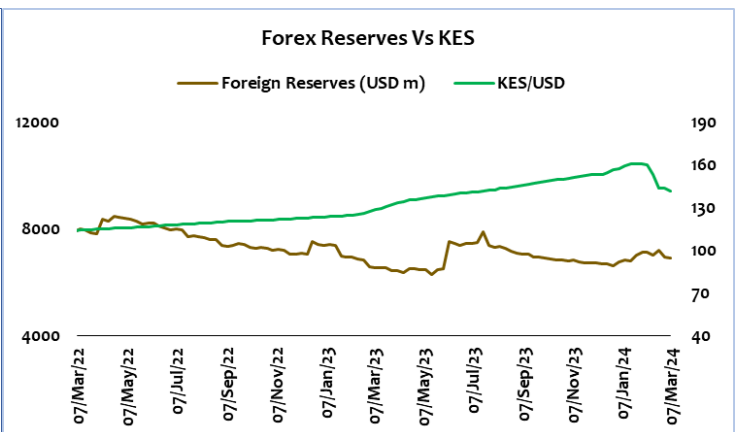
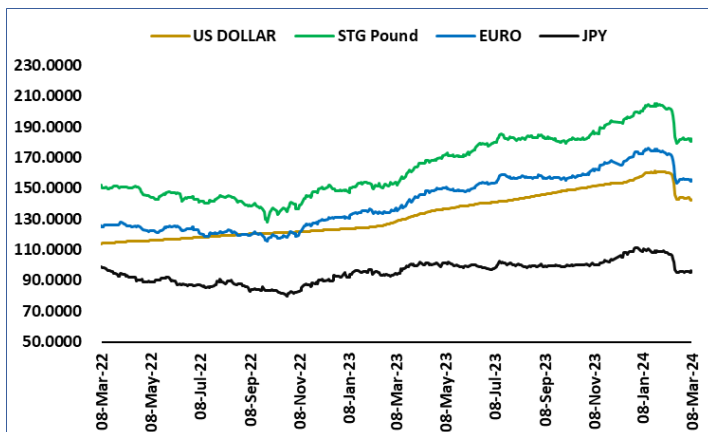
Currency

The Kenyan shilling remained strong in the week, gaining 0.5% w-w from KES 143.52 to KES 142.80, while remaining flat at KES 155.67 per euro. Against the British pound and the Japanese yen, the shilling lost 0.3% and 0.7% respectively.

The shilling remains strengthened by heavy US dollar supply supported by cash injection by the world bank and the IMF and the recent Eurobond issue that alleviated a demand towards the June 24, maturing Eurobond.

Forex reserves further dropped 0.6% w-w from USD 6,962Mn to USD 6,919Mn after a Eurobond coupon payment that happened 28th Feb for the February 2028 paper. The paper's total outstanding amount is USD 1.0Bn with an interest rate of 7.25% per annum.

Currency	08-Mar-23	01-Mar-24	08-Mar-24	%Δ y-y	%Δ w-w
Dollar	128.36	143.52	142.80	-11.2%	0.5%
STG Pound	154.14	181.75	182.21	-18.2%	-0.3%
Euro	136.94	155.65	155.67	-13.7%	0.0%
JPY	94.41	95.88	96.56	-2.3%	-0.7%
US Dollar Index	105.66	103.86	102.71	-2.8%	-1.1%

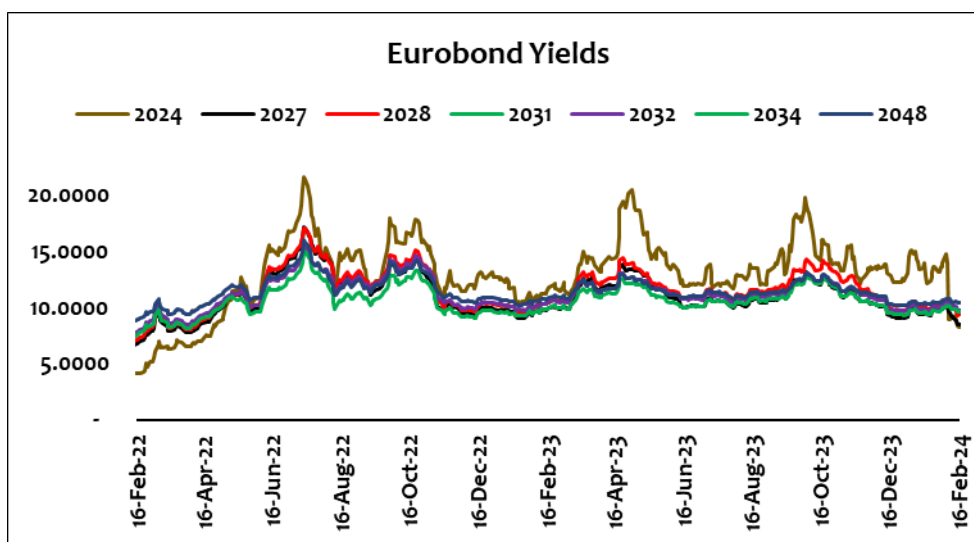


Eurobond

All yield rates on Kenya's international papers traded below the 10% mark as investor confidence in the local market remains high upon payment of 75% of its Eurobond maturing on June 24, 2024. This saw the papers' value improve as some investors cashed in.

As the overall rates are projected to cool down, we view the yield rates on Kenya's Eurobonds to oscillate at small margins from their coupon rates in the short-term.

Euro-bond Paper	08-Mar-23	01-Mar-24	08-Mar-24	Δ bps y-y	Δ bps w-w
Jun-2024	11.346	8.028	7.360	398.60	66.80
May-2027	10.198	8.384	7.977	222.10	40.70
Feb-2028	10.965	9.354	8.852	211.30	50.20
Feb-2031		9.693	9.387		30.60
May-2032	10.734	9.621	9.271	146.30	35.00
Jan-2034	10.124	9.631	9.281	84.30	35.00
Feb-2048	10.994	10.292	9.971	102.30	32.10



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