

WEEKLY MARKET PERFORMANCE SUMMARY – WEEK ENDING 15^H MARCH 2024

Market Indicators' Performance - Week 11 2024			
Indicator	8 Mar 2024	15 Mar 2024	%Δ w/w
NSE 10	965.82	1041.88	7.9%
NSE 20	1556.1	1637.74	5.2%
NSE 25	2,525.06	2,702.28	7.0%
NASI	94.90	101.82	7.3%
MKT CAP	1,482.65	1,590.77	7.3%
VOLUMES(Mn)	42.02	166.22	295.6%
Turnover (Mn)	770.29	2,743.22	256.1%
NSE Turnover (USD Mn)	5.38	19.84	268.5%
Net Foreign Activity (Mn)	(66.15)	66.45	-200.4%
Foreign Activity (%)	49.2%	78.4%	2,926.6bps

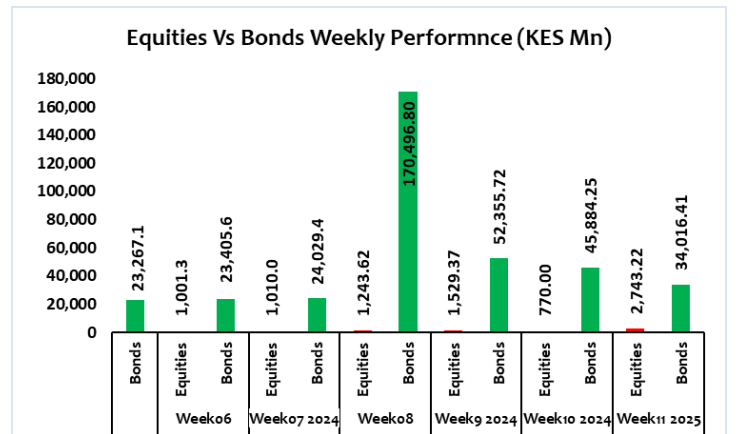
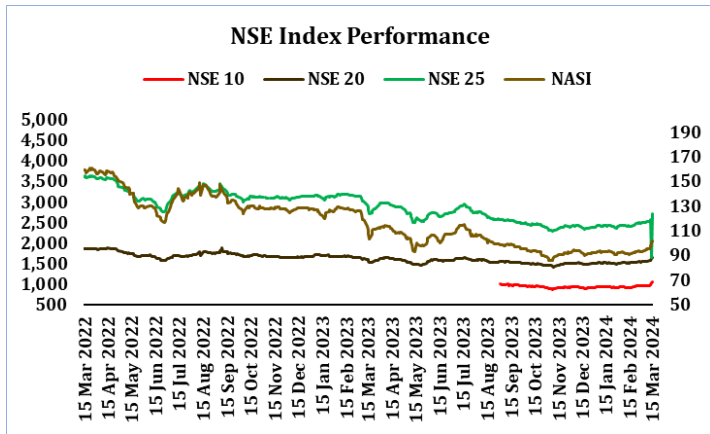
Top Gainers - Week 10 2024			
Counter	Week 10	Week 11	% Δ
KCB Group	20.70	24.00	15.9%
StanChart	162.50	183.00	12.6%
NBV	2.20	2.47	12.3%
Standard Group	5.50	6.16	12.0%
Co-op Bank Group	12.65	14.05	11.1%

Top Losers - Week 11 2024			
Counter	Week 10	Week 11	% Δ
EveReady	1.31	1.20	-8.4%
Sameer Africa	2.40	2.25	-6.3%
Portland Cement	9.00	8.50	-5.6%
Centum	8.98	8.54	-4.9%
Trans-Century	0.47	0.45	-4.3%

Top Movers - Week 11 2024				
Counter	Volumes (Mn)	Turnover (KES Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
Safaricom	107.22	1,580.94	(52.94)	88.9%
Equity Group	13.10	526.13	(33.67)	89.5%
KCB Group	15.74	345.47	74.99	55.2%
EABL	0.85	99.52	76.85	39.4%
Co-op Bank Group	2.24	30.28	(0.16)	29.8%
Total (KES Mn)	166.22	2,742.91	66.45	68.1%
Total (USD Mn)		17.10	0.41	

Top Foreign Buys - Week 11 2024		
Counter	Foreign Buy (KES Mn)	% Foreign Buy
Safaricom	1,378.56	87.2%
Equity Group	454.10	86.3%
KCB Group	228.10	66.0%
EABL	77.66	78.0%
Kenya Power	15.50	91.5%
Total (KES Mn)	2,184.94	65.0%
Total (USD Mn)	13.62	

Top Foreign Sales - Week 11 2024		
Counter	Foreign sales (KES Mn)	% Foreign Sale
Safaricom	1,431.51	90.5%
Equity Group	487.78	92.7%
KCB Group	153.11	44.3%
Kenya Power	15.54	91.7%
KenGen	15.23	84.0%
Total (KES Mn)	2,118.49	61.1%
Total (USD Mn)	13.21	



Equities Market

Equities market valuations improved in the week on a general rise in prices supported by prospects of better returns on investment even as the Kenyan economic landscape seem to be strengthening for the better. Nairobi All Share Index (NASI) regained 7.3% week-on-week (w-w) to hit 101.82 points after operating below 100 points for over a half a year, starting in late August 2023.

NSE 20 was up 5.3% w-w up while the NSE 25 rose faster at 7.0% on price general price gains in the mid cap stocks.

The above price gains saw the market capitalization surge 7.3% to KES 1,590.77Bn, a level last seen in early August 2023.

Faster price gains were witnessed in telecommunications, banking and manufacturing pushed the overall market prices 7.3% w-w up. The N10 gained 7.9% to close above 1,000 in the week and for the first time since it was launched on 1st September 2023. The three sectors contribute 70% of the N10 constituents.

Market foreign activity fell from 78.4% to 49.2% in the week, still on a higher foreign sale that saw the market foreign outflows growth KES 66.15Mn.

Safaricom witnessed heavy activities during the week, on its interim dividend of KES 0.55 whose books were closing on 15th March 2024. The telecom giant experienced heavy foreign activity of 88.9%, most of which was foreign sales. Its foreign sales were 90.5% or KES 1,431.51Mn of all its market sales, while the foreign buys stood 87.2% or KES 1,378.56Mn of its market buys, resulting in a foreign outflow of KES 52.894Mn.

During the week, Standard Chartered Bank Kenya announced a KES 23.00 per share final dividend (total KES 29.00 for FY 2023 from KES 22.00 in FY 2022), after reporting a 15.0% rise in its profit before tax (PBT) for 2023. The Bank's PBT expanded from KES 17.10Bn in FY 2022 to KES 19.67Bn in FY 2023, benefitting from a faster in interest income which was 27.0% y-y up to KES 32.35Bn. Its profit after tax was 14.7% up year-on-year to KES 13.84Bn. We retain our BUY recommendation on the stock with a price target of above KES 190.00 per share.

KCB Group emerged as the week's top gainer at 15.9% from KES 20.70 to KES 24.00 even confidence of it issuing a final dividend low on impact from a weak liquidity ratio that resulted from aggressive acquisitions. The Bank remains one of the most stable bank with the largest regional presence, whose long-term returns are projected to be very strong.

Ongoing Corporate Actions

Counter	Declared	Issue Date	Book Closure	Payment Date	Dividend	Total Dividend	EPS	Payout
Stan-Chart	Final dividend	12-Mar-24	19-Apr-24	30-May-24	23.00	29.00	36.39	79.7%
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	1.50	2.41	62.2%
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 remained active transacting a total of KES 34.02Bn, still supported by the IFB1/2024/8.5 whose demand is still high in the market.

The IFB1/2024/8.5 paper traded 46.5% or KES 15.83Bn of the market value, even as its pricing continued to be higher on the declining yield rate on the high demand.

Weekly Bonds Market Performance - Week 11 20234

Bond	Value Traded (KES Mn)		Yield Movement (%)		D Yields (bps)
	Week 10 2024	Week 11 2024	Week 10 2024	Week 11 2024	
	IFB1/2024/8.5Yr	23,126.00	15,833.35	17.30	
IFB1/2023/6.5Yr	596.05	3,327.05	16.62	16.7131	9.03
FXD1/2012/20Yr (Re-opened)	2,100.20	2,910.00	16.75	17.1989	44.42
FXD 1/2020/5Yr	2,206.50	2,020.00	17.75	17.7987	5.36
FXD 1/2024/3Yr	-	1,897.50	-	17.1577	1,715.77
Total Mkt Value	36,243.25	34,016.41			

In the primary market, auction II of the re-opened paper FXD1/2023/05 and the new FXD1/2024/10-year paper will take place the coming Wednesday, 20th March 2024, where the government is targeting KES 40Bn from the market. The first auction was of FXD1/2024/03-year paper 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.

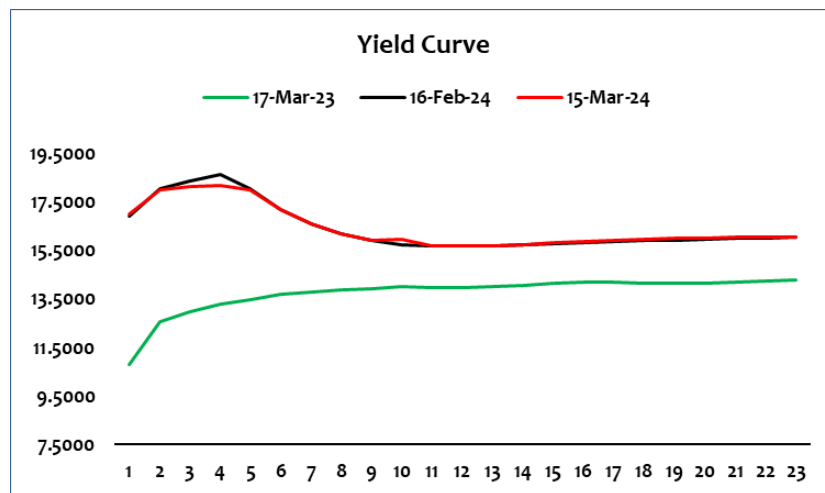
March 2024 – 1 st Auction							
Paper	offer (KES Bn)	Received (Kes Bn)	Accepted	Performance	Market WAR	Accepted WAR	Coupon Rate
FXD1/2024/03	40	43.07	34.27	85.7%	18.5155	18.4222	18.3854%

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 continued to display signs of shifting down as the mid-curve to the long-end remained relatively stable. Upward shifts were witnessed on the 5-year paper and the 10-year paper on effect from the similar papers trading in the primary market.

Yield Key Rates %	17-Mar-23	16-Feb-24	15-Mar-24	y-y Δbps	w-w Δbps
2-Yr	12.5555	18.0436	18.0224	-546.69	2.12
5-Yr	13.4730	18.0641	18.0254	-455.24	3.87
10-Yr	13.9963	15.7411	15.9870	-199.07	-24.59
15-Yr	14.1523	15.8040	15.8243	-167.20	-2.03
20-Yr	14.1475	15.9652	16.0207	-187.32	-5.55
23-Yr	14.2770	16.0397	16.0806	-180.36	-4.09

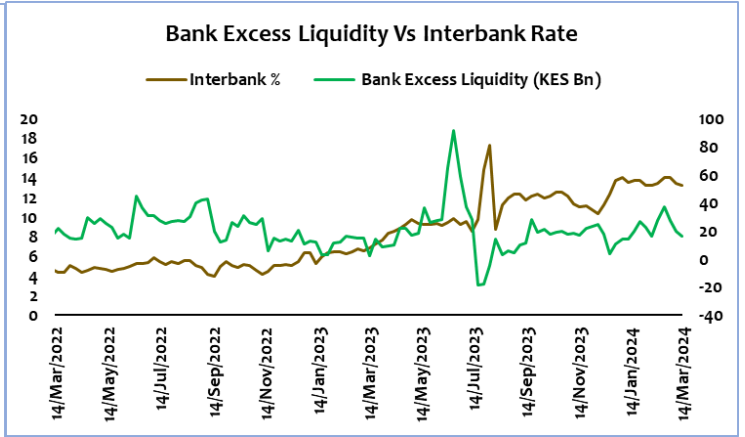
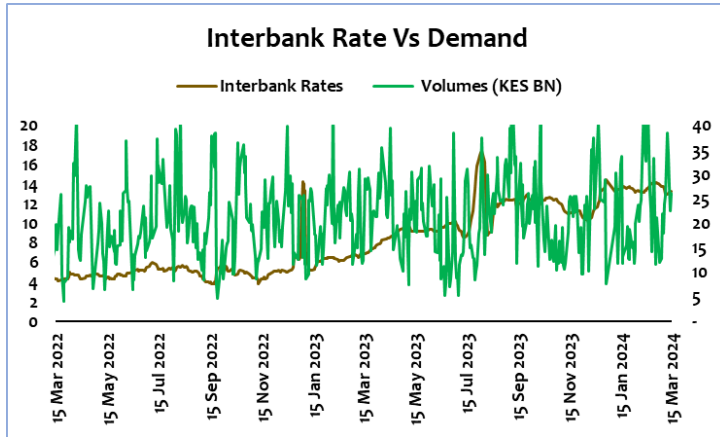


Interbank

Interbank rate continues trading around the CBR rate as intended by the regulator. This is even as investors continue channeling funds to government papers leaving banks to borrow from one another at expensive rates.

In the coming week we expect some pressure on the interbank rate as tax payments for value added tax (VAT), rental, excise duty and withholding taxes.

Interbank Rate Week 11 2024			
Period/Narration	Previous Week	Current Week	%Δ w/w
Closed Week at	13.00%	13.32%	97.0bps
Average Rate	13.55%	13.18%	54.0bps
Closing Demand (KES BN)	22.82	13.00	-43.0%
Average Demand (KES BN)	20.54	20.54	0.0%
Bank Excess Liquidity (KES BN)	20.00	16.10	-19.5%



Treasury Bills

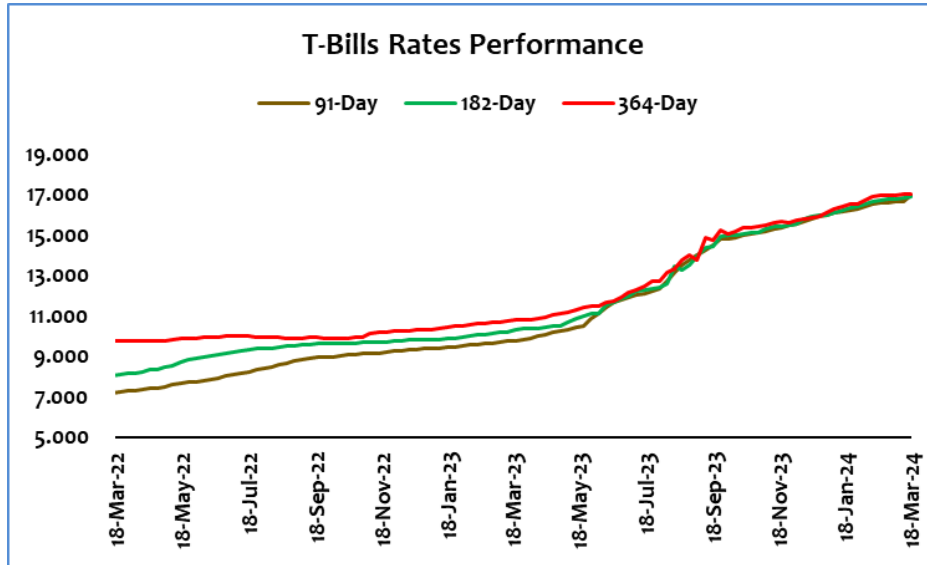
Returns in the T-bills paper continued to soar higher in the week as the government seem to attract more liquidity towards re-servicing the T-bills maturities that fall due.

Following the low maturities of KES 19.73Bn due on 18th March 2024, only KES 22.43Bn was subscribed with the government accepting KES 19.85Bn with KES 19.45B being rollover redemptions.

Rates on the 91-day paper rose faster to at 30.79bps in the week from 16.6597% to 16.9676% becoming the highest return since 15th November 2015.

In the new week we expect maturities of KES 19.73Bn, which we expect to be re-invested back. See below rate movement:

T-Bills Performance							
Tenure	Offer (KES Bn)	Subscription	Acceptance	Performance	Current WAR (%)	Previous WAR	w-w Δ bps
364-Day	10,000	4,775	2,788	27.9%	16.9889%	16.9845%	0.4
182-Day	10,000	3,603	3,281	32.8%	16.8900%	16.8477%	4.2
91-Day	4,000	14,056	13,778	344.4%	16.6976%	16.6597%	3.8
Total	24,000	22,434	19,846	82.7%			



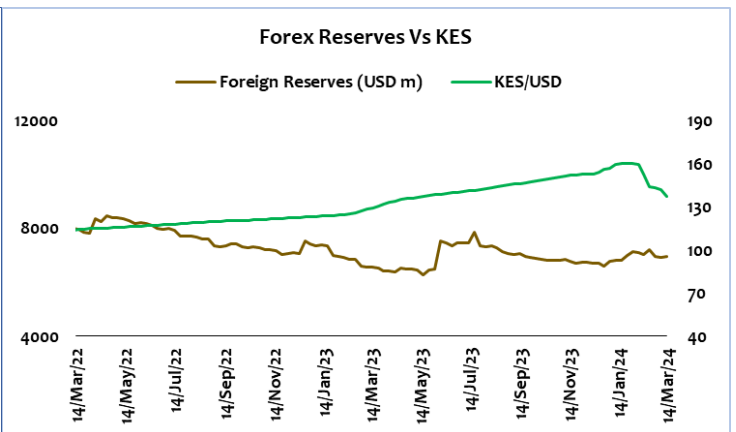
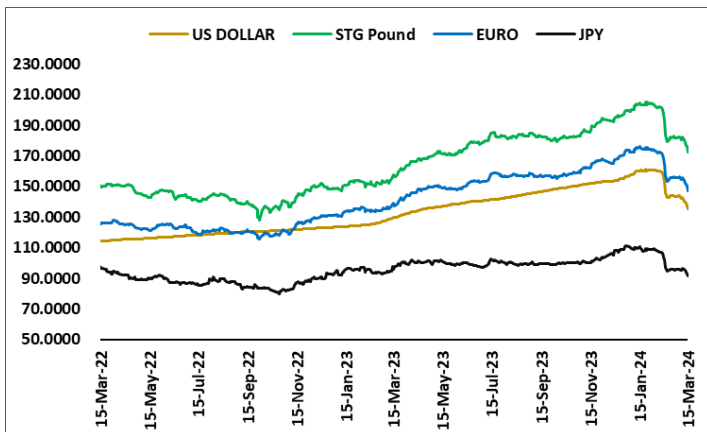
Currency

The Kenyan shilling remained strong in the week, supported by heavy US dollar supply in the market from investors who had hoarded dollars awaiting demand to soar. This is majorly after the government issued a new Eurobond to buy back USD 1.5Bn out of the 2.0Bn maturing Eurobond due on 24th June 2024.

During the week, the shilling gained a further 5.4% against the US dollar, the British pound, and the Euro, see below table.

Forex reserves improved in the week attracting a total of 55.00Mn from USD 6,919Mn to USD 6,974Mn. This was after a 0.6% w-w drp the previous week on what we viewed as the effect of Eurobond coupon payments for the February 2028 paper papers. Check out our summary for the week before.

Currency	15-Mar-23	08-Mar-24	15-Mar-24	%Δ Y-Y	%Δ w-w
Dollar	129.59	142.80	135.15	-4.3%	5.4%
STG Pound	157.64	182.21	172.35	-9.3%	5.4%
Euro	138.86	155.67	147.31	-6.1%	5.4%
JPY	96.14	96.56	91.26	5.1%	5.5%
US Dollar Index	104.65	102.71	103.43	-1.2%	0.7%

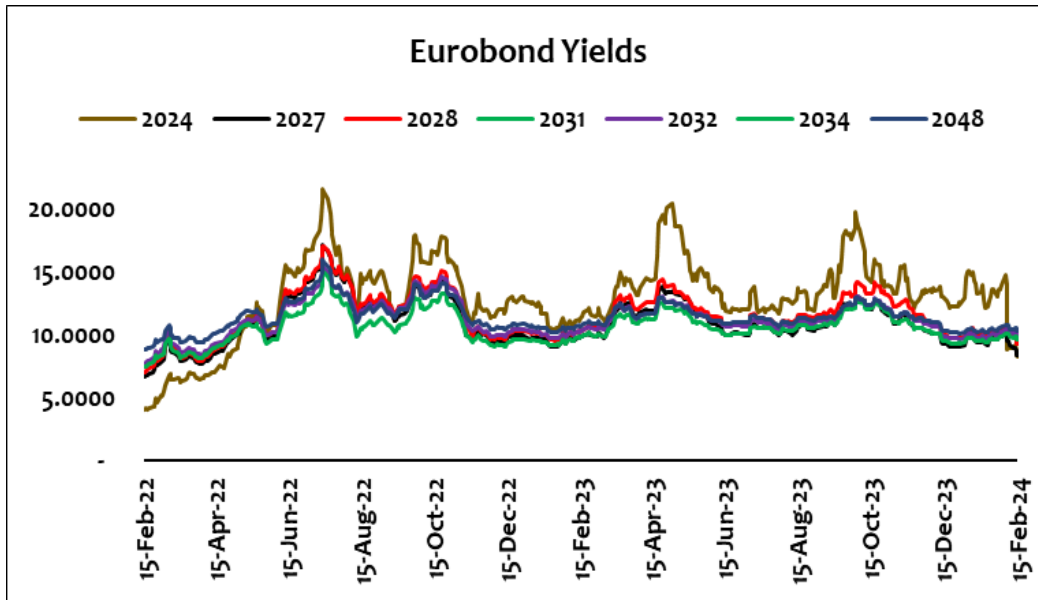


Eurobond

Yield to maturity rates on Kenya's international paper are expected continue dropping, reaping off from the February Eurobond buyback action.

During the week, the Feb 24, 2024, paper gained a further 34.0bps to trade close to its coupon at 7.02%. The paper's coupon rate is 6.875%.

Euro-bond Paper	02-Jan-24	08-Mar-24	15-Mar-24	Δ bps y-y	Δ bps m-m
Jun-2024	12.963	7.360	7.020	594.30	34.00
May-2027	9.198	7.977	8.231	96.70	(25.40)
Feb-2028	9.873	8.852	8.999	87.40	(14.70)
Feb-2031		9.387	9.564		(17.70)
May-2032	9.780	9.271	9.509	27.10	(23.80)
Jan-2034	9.426	9.281	9.537	(11.10)	(25.60)
Feb-2048	10.212	9.971	10.138	7.40	(16.70)



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