

Q1 2024 NSE Market Performance Summary

NSE Annual Performance - Q1 2024

Indicator	Q1-2023	Q4-2023	Q1-2024	%Δ Q-Q
NSE 10		907.51	1,155.41	27.3%
NSE 20	1,622.00	1,501.16	1,752.43	16.7%
NSE 25	2,965.91	2,380.23	2,975.42	25.0%
NASI	112.76	92.11	113.09	22.8%
Mkt Cap	1,756.26	1,439.02	1,766.95	22.8%
Mkt Cap (USD Mn)	13.88	9.48	11.78	24.2%
VOLUMES(Mn)	1,091.89	780.76	1,069.44	37.0%
Equities Turnover (Kes. Mn)	43,915.59	11,185.02	18,508.63	65.5%
Foreign Buys (KES Mn)	8,677.14	5,653.98	10,179.25	80.0%
Foreign sells (KES Mn)	13,864.43	8,091.77	12,407.11	53.3%
Foreign Net (KES Mn)	(5,187.29)	(2,437.80)	(2,227.86)	-8.6%
Foreign Activity (%)	51.1%	61.4%	59.2%	-3.5%
Bonds Value (Bn)	115,806.16	87,020.93	459,123.04	427.6%
Bonds deals	7,721	6,196	8,457	36.5%

Top Gainers - Q1 2024

Counter	31/Mar/23	29/Dec/23	28/Mar/24	%Δ Q-Q
Liberty	4.81	3.69	5.48	48.5%
Equity Group	45.5	33.65	47.15	40.1%
KCB Group	35.5	21.9	30.05	37.2%
Co-op Bank	13.15	11.4	15.00	31.6%
KPLC	1.54	1.42	1.86	31.0%

Top Losers - Q1 2024

Counter	31/Mar/23	29/Dec/23	28/Mar/24	%Δ Q-Q
Home Afrika	0.31	0.37	0.30	-18.9%
Standard Group	8.52	7.74	6.50	-16.0%
NBV	3.68	2.7	2.30	-14.8%
Unga Group	18.6	16.85	14.75	-12.5%
ABSA New Gold	2596	3070	2,720.00	-11.4%

Q1 2024 Top Movers

Counter	Volumes (Mn)	Turnover (KES Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
Safaricom	526.13	7,900.05	(2,059.36)	73.4%
Equity Group	117.96	4,858.49	(647.66)	80.5%
KCB Group	105.62	2,537.94	192.50	33.9%
EABL	5.09	577.07	458.44	42.5%
LAPTRUST	27.50	550.00	-	0.0%
Total (KES Mn)	1,097.22	19,062.49	(2,625.26)	59.2%
Total (USD Mn)		118.84	(16.37)	

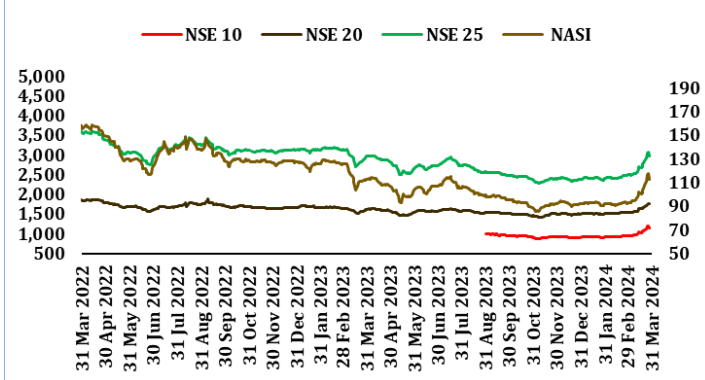
Q1 2024 Top Foreign Buys

Counter	Foreign Buy (KES Mn)	% Foreign Buy
Safaricom	4,939.66	62.5%
Equity Group	3,691.74	76.0%
KCB Group	952.71	37.5%
EABL	380.02	65.9%
KenGen	61.95	21.3%
Total (KES Mn)	10,179.25	44.0%
Total (USD Mn)	63.46	

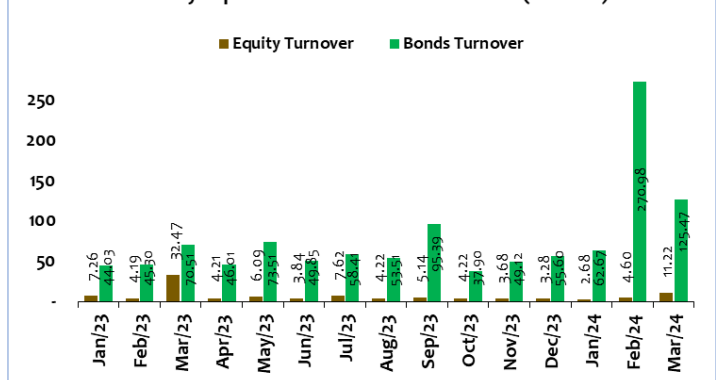
Top Foreign Sales - Week 11 2024

Counter	Foreign sales (KES Mn)	% Foreign Sale
Safaricom	6,650.69	84.2%
Equity Group	4,132.60	85.1%
KCB Group	767.45	30.2%
KenGen	254.03	87.2%
Bamburi Cement	143.92	38.2%
Total (KES Mn)	12,407.11	61.1%
Total (USD Mn)	77.35	

NSE Index Performance



Monthly Equities Vs Bonds Performance (KES Bn)



Equities Market

Equities Market performed better in the first quarter of 2024, supported by an overall better economic outlook for 2024 and the stellar earnings reported in March for full year (FY) 2023 especially that of the banking sector that remained the main driver of the market. This was after Kenya cleared fears of clearing its USD 2.0Bn by repurchasing back USD 1.5Bn in mid-February 2024.

All market indices were up in the quarter supported by the above price gains. The top ten most liquid counters went up 27.3% from 907.51 points to 1,155.41 points after being the first quarter of gains since it was launched on 1st September 2023. Nairobi All Share Index went up 22.8% as NSE 20 and NSE 25 went up 16.7% and 25.0% quarter on quarter respectively. Year-on-year equities prices were 0.3% up.

As a result, the NSE equities market capitalization expanded 22.8% Q-Q from KES 1,439.02Bn in Q4 2023 to close Q1-2024 at KES 1,766.95Bn. Year on year, the market cap was up marginally at 0.3% from KES 1,756.26Bn to KES 1,766.95Bn.

Value traded fell sharply at 57.9% y-y from KES 43.92Mn to KES 18.51Bn on effect from a 2.1% y-y decline in volumes transacted and prices of some major counters traded, including East African Breweries (KES 130.50, -23.5 y-y) and KCB (KES 30.05, -14.1% y-y) among others whose average price fell drastically in the period. Quarter on quarter (Q-Q), volumes exchanged expanded 37.0% to 1,069.44Mn shares on the better returns reported in the period.

Average foreign activity grew from 51.1% to 59.2% mainly elevated by a sustained heavy foreign outflow, albeit lower at KES 2.44Bn in relation to foreign outflows of KES 5.19Bn of Q1-2023.

Following a better outlook and performance of the banking sector, the sector performed extra well to top by moving KES 8.77Bn from 297.10Mn shares followed by the telecommunication sector and manufacturing sectors with market turnovers of KES7.90Bn and KES 0.79Bn of 526.13Bn and 6.48Mn shares respectively. Below are the volumes and value trade in millions per month.

Sector	Volumes Traded	Value Traded		Volumes Traded	Value Transacted
BANKING			Jan-23	332.34	7,259.37
	297.10	8,765.42	Feb-23	173.09	4,191.12
TELECOMMUNICATION			Mar-23	586.45	32,465.10
	526.13	7,900.05	Jan-24	151.39	2,683.00
MANUFACTURING & ALLIED			Feb-24	276.01	4,600.79
	6.48	793.22	Mar-24	642.04	11,224.85
REAL ESTATE INVESTMENT TRUST					
	27.78	551.70			
ENERGY & PETROLEUM					
	192.02	407.25			

Safaricom (KES 17.75, +17.7% up Q-Q, -1.4% down y-y), was the most traded counter with a market value of KES 7,000.05Mn from 526.13Mn shares supported by heavy foreign outflows. This was after one of the

major US based shareholders, FRMLLC, disposed huge holdings from the counter on in dividend protest. The sell off began in late 2022.

Foreign sales in Safaricom averaged at KES 6,650.69Mn compared to a total foreign buy of KES 4,939.66Mn, resulting to a foreign outflow of KES 2,059.36Mn.

Safaricom however, remains very promising in the long-run as returns from its Ethiopia subsidiary are expected to check in as from 2026, when it's projected to break -even. As such, we retain our Long-term BUY on the counter to long-term investors even as it seems to have almost hit the optimum in the local market.

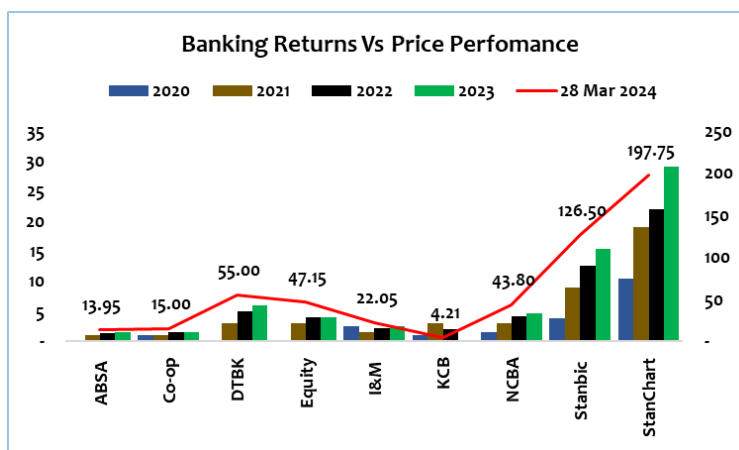
Equity Group came second in the top movers list after exchanging 117.96Mn shares of KES 4,858.49Mn supported by a retention of KES m4.00 final dividend whose book closure and payments dates are 24th May and 28th June respectively.

The better dividend payouts in the Banking sector saw Banks record sharp rises in their respective prices to take three positions on the quarter's top gainers, 2nd, 3rd and 4th positions led by Equity Group at 40.0% from KES 33.65 to KES 47.15 per share. KCB Group's price surged 37.2% form KES 21.90 to KES 30.05 per share followed by Co-op Bank Group which climbed 31.6% from KES 11.40 to KES 15.00 per share.

Ongoing Corporate Actions

Counter	Declared	Issue Date	Book Closure	Payment Date	Dividend	Total Dividend	EPS	Payout
Absa Bank (K)	Final dividend	18-Mar-24	30-Apr-24	23-May-24	1.35	1.55	2.83	54.8%
Co-op Bank Group	Final Dividend	21-Mar-24	28-Apr-24	10-Jun-24	1.50	1.50	3.92	38.3%
DTBK	Final Dividend	27-Mar-24	24-May-24	28-Jun-24	6.00	6.00	24.60	24.4%
Equity Group	First & Final	27-Mar-24	24-May-24	28-Jun-24	4.00	4.00	11.12	36.0%
I&M	First & Final	25-Mar-24	18-Apr-24	25-May-24	2.55	2.55	7.63	33.4%
KCB Group	Nil	20-Mar-24	-	-	-	-	-	-
NCBA Group	Final Dividend	27-Mar-24	30-Sep-24	29-May-24	3.00	4.75	13.02	0.36
Stanbic	Final dividend	6-Mar-24	17-May-24	TBA	14.20	15.35	30.75	49.9%
Stan-Chart	Final dividend	12-Mar-24	19-Apr-24	30-May-24	23.00	29.00	36.39	79.7%
Umeme**	Final	25-Mar-24	28-Jun-24	19-Jul-24	54.20			
Kakuzi	Final Dividend	20-Mar-24	31-May-24	15-Jun-24	24.00	24.00	23.14	103.7%
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%

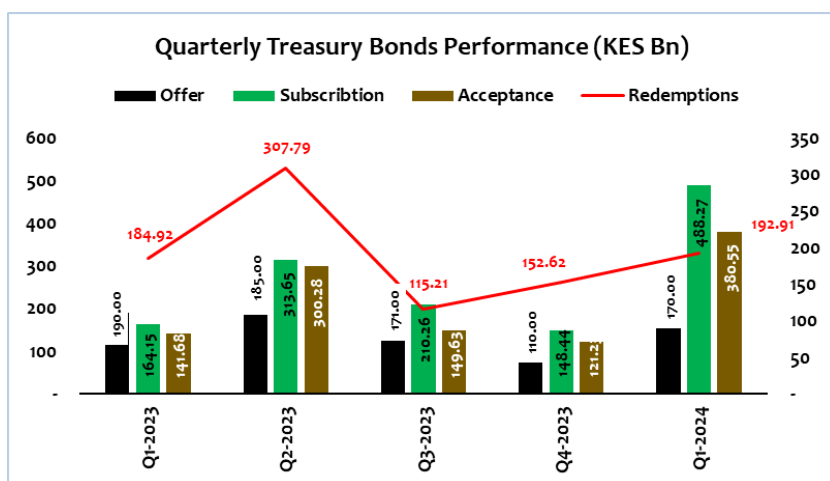
** - Uganda Shilling



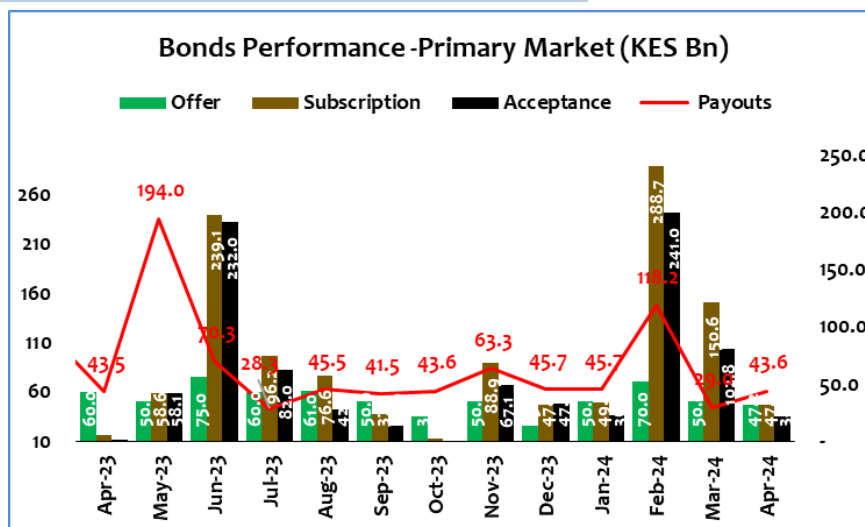
Bonds Performance

The primary bonds market performed much better in the quarter supported by appetizing returns that attracted investors. Returns a tax-free bond (infrastructure bond) touched a high of 18.4607%, a level last seen in November 2015.

The issuance of IFB1/2024/8.5-year, an amortized paper, the quarter had the highest bond borrowing of KES 380.55Bn, as the government tapped more liquidity with a vision of managing rates thereafter, in our view.



Month	Acceptance (KES Bn)	Redemptions (KES Bn)
Jan-23	49.14	47.09
Feb-23	28.95	43.37
Mar-23	63.59	94.46
Jan-24	36.77	45.74
Feb-24	240.96	118.16
Mar-24	102.82	29.01



In the secondary bonds trading market, a total of 459.09Bn was traded supported by heavy transactions on the new IFB1/2024/8.5-year paper on its attractive coupon rate of 18.4607%.

The paper, IFB1/2024/8.5-year, transacted 55.4% of the market value signaling how its remains to be the market mover.

Q1 2024 Secondary Bonds Market

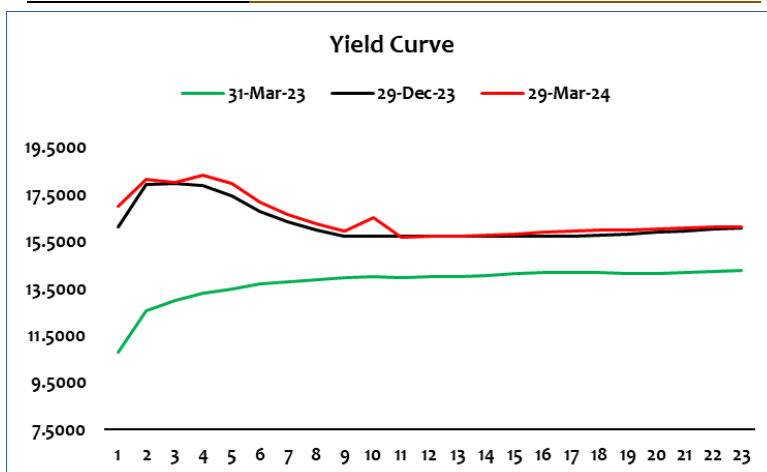
Bond	Value Traded (KES Mn)		Yield Movement (%)		Yield Movement
	Q4-2023	Q1-2024	Q4-2023	Q1-2024	Δ bps Q-Q
IFB1/2024/8.5Yr		254,203.20		16.3339	7.93
IFB1/2023/6.5Yr	35,344.40	50,176.80	16.4242	16.1990	-
					22.52

FXD 1/2020/5Yr	-	37,512.90	-	17.7400	1,774.00
FXD 1/2024/3Yr	-	9,421.95	17.1729	16.5176	-
FXD 1/2022/3Yr	2,400.10	8,147.90	-	-	65.54
Total Mkt Value	125,333.92	459,092.59			

Yield Curve

The yield curve further shifted upwards in the first quarter of 2024 further elevated by the liquidity demand in the market. However, the government seem to be comfortable with lower rates as evidenced by the fixing of rates for the upcoming auction for April 2024. This cements confidence of rates coming down especially in the second half of 2024.

Yield Key Rates %	31-Mar-23	29-Dec-23	29-Mar-24	y-y Δbps
2-Yr	12.5555	17.9195	18.1404	-558.49
5-Yr	13.4730	17.4514	17.9811	-450.81
10-Yr	13.9963	15.7043	16.5024	-250.61
15-Yr	14.1523	15.7253	15.8254	-167.31
20-Yr	14.1475	15.8974	16.0409	-189.34
23-Yr	14.2770	16.0641	16.1387	-186.17



Money Market

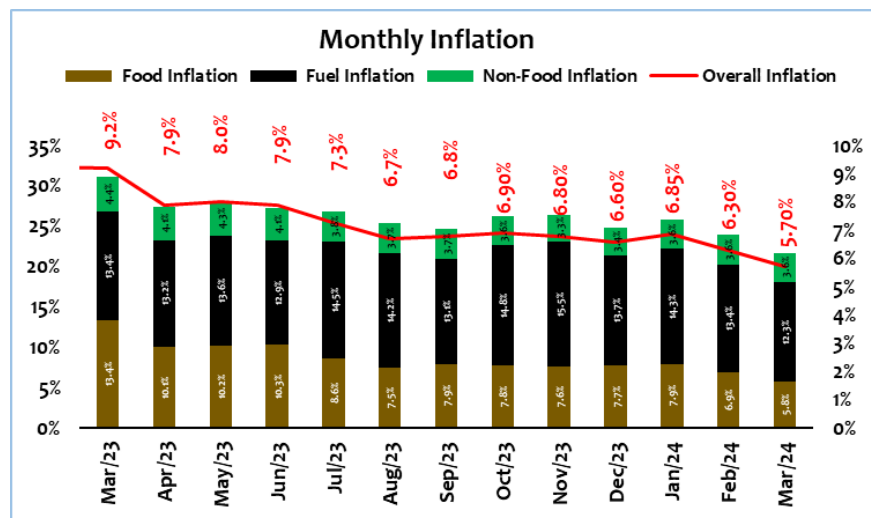
CBK

On February 6th, 2024, the Monetary policy Committee (MPC) further tightened the Central Bank Rate with addition rate hike of 50.obps to 13.0% citing a stubborn inflation rate that turned up 25.obps from 6.60% in December 2023 to 6.85% by end of January 2024.

This was further supported by price increase across all the three major contributors of inflation; food inflation had surged 7.9% in Jan 2024 from 7.7% in Jan 2024 as fuel and non-food inflation rose by 14.3% and 3.6% in the same month from rises of 13.7% and 3.4% the month before. By end of March,

By end of the Q1 2024, the situation however changed significantly as inflation turned down to 6.30% in February and 5.50% by end of March 2024.

In April and May 2024, we anticipate further declines in inflation as the economy prices in the appreciation of the shilling and the slight declines in the international oil prices witnessed in Jan and February 2024



Fuel Prices excluding Electricity (KES)

	Mar-23	Dec-24	Mar-24
Dielsel	180.05	212.97	199.77
Petrol	162.91	202.21	191.77
Kerosene	146.86	199.78	189.48

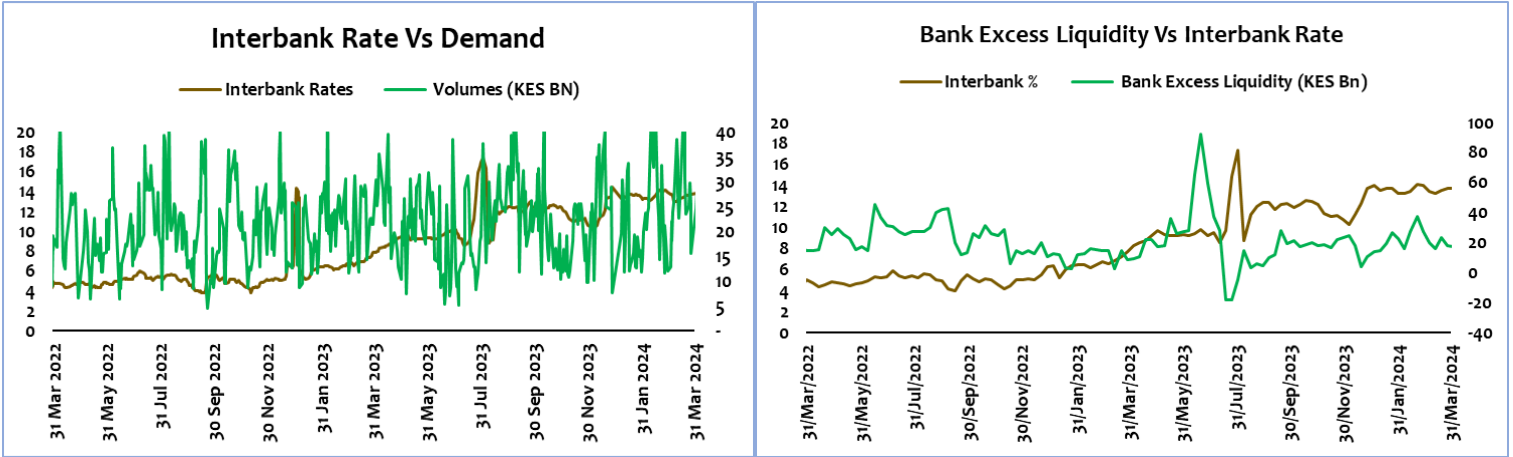
In the next MPC meeting we expect the CBR rate to stabilize at 13.00% even as we forecast start of cuts come June 2024, in the third meeting of the year. This will be supported by the above further drop in inflation.

Interbank

The pegging of the interbank rate around the CBR rate plus or minus 250bps has so far helped reduce volatility that has gone past 17.0%.

In the quarter, the interbank rate almost doubled year on year from 7.86% by end of Q1-2023 to 13.75% on higher liquidity and the above rate hikes that saw investors channel cash to the National Treasury while leaving banks to borrow exorbitantly from each other and from customers to support business.

Key Rates	Q1-2023	Q4-2023	Q1-2024
Central Bank Rate	10.50%	12.50%	13.00%
Inter-Bank Rate	7.86%	14.44%	13.75%
Average Monthly Interbank	6.94%	11.99%	13.60%
Cash Reserve Requirement (CRR)	4.35%	4.25%	4.25%
Inflation	9.20%	5.85%	5.70%
91-Day T-Bill	9.829%	15.883%	16.729%
182-Day T-Bill	10.344%	15.972%	16.888%
364-Day T-Bill	10.787%	15.901%	16.990%
Bank Excess Liquidity (Avg KES Bn)	14.50	17.98	23.20
Forex Reserves (USD Mn)	6,426	6,743	7,088
Forex Reserves -Avg (USD Mn)	6,788	6,780	6,993
Months of Import Cover	3.85	3.63	3.80
Bank Excess Average Liquidity (Avg Kes Bn)	8.90	21.85	18.30

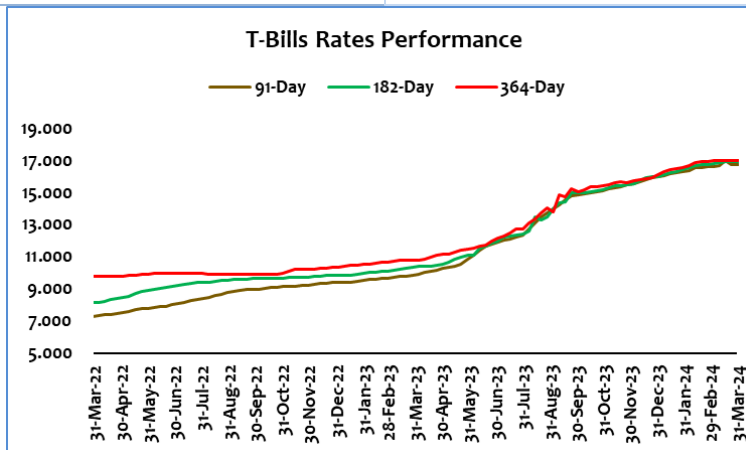
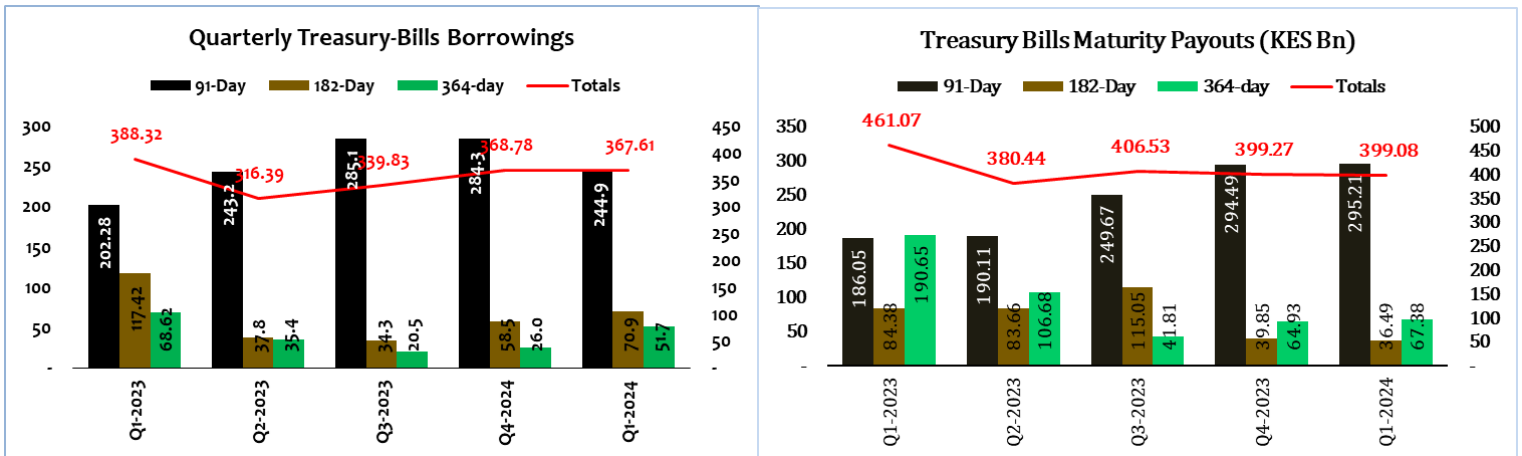


Treasury Bills

Returns across treasury bill papers to touch eight-year highs of 16.9676%, 16.9137% and 16.9890% for the 91-, 182- and 364-day papers by mid-March 2024.

Overall, the papers were oversubscribed supported by heavy payouts and new investors who sought the better rates. A total of KES 429.68Bn was subscribed while the government accepted 85.6%, see below graphical presentations.

The maturities for the period stood at KES 399.08Bn, slightly lower from KES 399.27Bn Q4-2023 and KES 461.07Bn of Q1 2023.



Currency

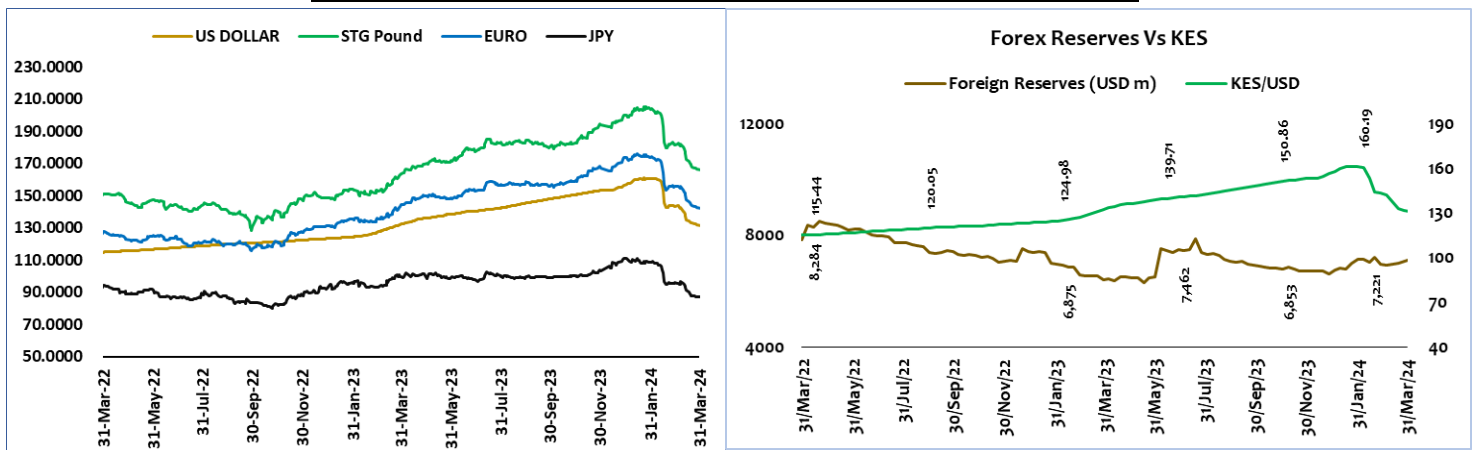
The Kenyan shilling gained momentum in the quarter extra ordinally in the quarter on what we view as weakened demand the four major currencies after the government bought back the USD 2.5Bn from the market. This was as speculative investors who were waiting for the government to purchase the same, especially the US dollar to pay the maturing USD 2.0Bn due on 24th June 2024.

The Eurobond repurchase appeared to lift burdens in nearly the entire economy raising prospects of foreign direct investments to the country after the by then looming country default was lifted.

In the quarter, forex reserves gathered 12.6% y-y and 7.2% Q-Q to USD 7,088Mn, enough for 3.8 months of import cover. This was heavily supported by overflows from the above Eurobond and infrastructure (IFB1/2024/8.5-year paper).

Elsewhere, the USD dollar gained against a basket of currencies, going up by 3.1% y-y and 2.0% Q-Q.

Currency	31-Mar-23	29-Dec-23	28-Mar-24	%Δ Y-Y	%Δ Q-Q
Dollar	132.33	156.46	131.80	0.4%	15.8%
STG Pound	163.67	199.80	166.55	-1.8%	16.6%
Euro	144.37	173.78	142.67	1.2%	17.9%
JPY	99.63	111.00	87.11	12.6%	21.5%
US Dollar Index	102.51	101.38	104.53	2.0%	3.1%



Eurobond

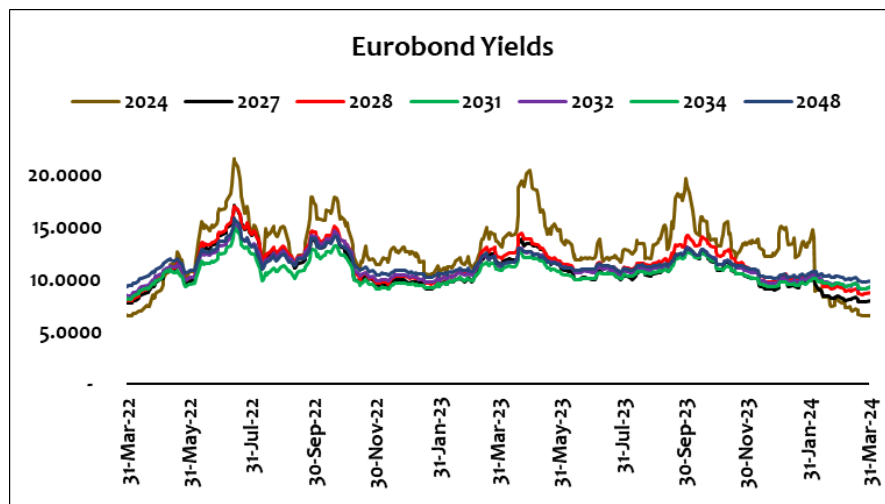
Yields on Kenya's international papers fell sharply in the quarter supported by a new valuation of these loans immediately after clearing of a default position.

The June 24th, 2024, paper became the most attractive paper as its value improved by over 700bps (7.0) year on year and 500bps (5%) Q-Q in by close of the quarter.

The new Eurobond of Feb-2031 that facilitated the payment was priced aggressively at a coupon of 9.75% against that of 6.75% on the 24th of June 2024 maturing paper.

Euro-bond Paper	31-Mar-23	29-Dec-23	27-Mar-24	Δ bps y-y	Δ bps Q-Q
Jun-2024	13.620	12.307	6.556	706.40	575.10
May-2027	11.612	9.026	7.833	377.90	119.30
Feb-2028	12.184	9.716	8.611	357.30	110.50

Feb-2031			9.252		
May-2032	11.328	9.635	9.103	222.50	53.20
Jan-2034	11.013	9.297	9.128	188.50	16.90
Feb-2048	11.499	10.129	9.770	172.90	35.90

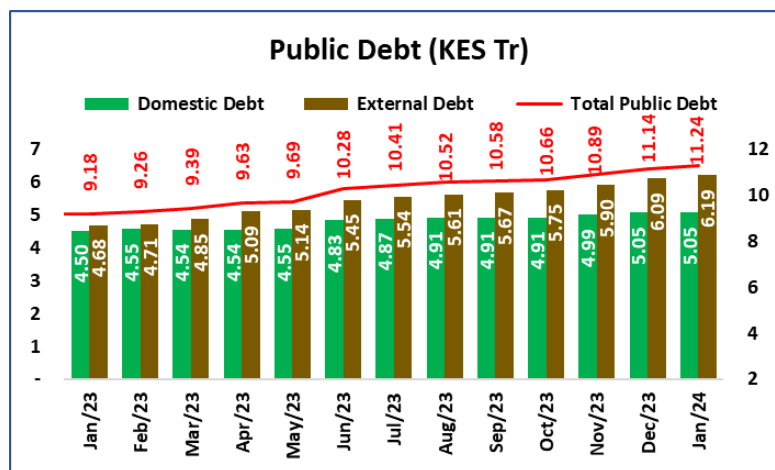


Public Debt

Overall public debt stood at KES 11.24 Trillion with domestic debt contributing KES 5,050.40Bn or 44.9% and an external debt of KES 6,290.00Bn by the close of January 2024.

Year on year external debt jumped 32.2% from KES 4,681.12Bn to KES 6,190.00Bn on being heavily impacted by the weakening of the shilling. During the same period, the shilling weakened 29.2% which reversed a weakening of 5.9% by end March 2024, which we expect to bring down external debt to about KES 5.0r.

Domestic debt remains was contained with a rise of 12.2% year-on-year from KES 4,501.71Bn to KES 5,050.40, an additional of 548.69Bn which is 64.4% of the current fiscal year 2023/24 budget estimate of KES 851.90Bn domestic borrowings target.



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