

MONTHLY MARKET PERFORMANCE SUMMARY – October 2024

NSE MARKET QUARTERLY PERFORMANCE - OCTOBER 2024

Indicator	Oct-23	Sep-24	Oct-24	%Δ Y-Y	%Δ M-M
NSE 10	910.57	1,124.72	1,238.75	36.0%	10.1%
NSE 20	1,461.07	1,775.67	1,905.51	30.4%	7.3%
NSE 25	2,369.55	2,899.20	3,190.72	34.7%	10.1%
NASI	88.56	107.08	117.61	32.8%	9.8%
MKT CAP	1,383.61	1,676.24	1,840.97	33.1%	9.8%
Volumes (Mn)	298.99	334.04	382.17	27.8%	14.4%
Equities Value (KES Mn)	4,224.66	5,019.08	4,941.30	17.0%	-1.5%
Eq. Turnover (USD Mn)	28.28	38.85	38.25	35.3%	-1.5%
Foreign Buys (KES Mn)	2,380.16	2,148.31	1,878.67	-21.1%	-12.6%
Foreign sells (Kes. Mn)	2,951.18	2,119.62	2,448.59	-17.0%	15.5%
Foreign Net (Kes. Mn)	(571.02)	28.69	(569.92)	-0.2%	-2086.3%
Foreign Net (USD Mn)	(3.82)	0.22	(4.41)	15.4%	-2086.5%
Foreign Activity (%)	63.0%	42.5%	43.8%	-30.4%	3.0%
Bonds Turnover (Bn)	37.90	133.18	120.80	218.7%	-9.3%
Bonds deals	1,599	2,589	2,482	55.2%	-4.1%

Top Gainers - October 2024

Counter	29-Sep-23	30-Aug-24	30-Sep-24	%Δ Y-Y	%Δ M-M
Kenya Orchard	19.50	22.95	70.00	259.0%	205.0%
Liberty	3.80	5.36	7.50	97.4%	39.9%
KPLC	1.46	3.50	4.56	212.3%	30.3%
KenGen	2.35	3.00	3.82	62.6%	27.3%
I&M Holdings	17.05	23.50	28.10	64.8%	19.6%

Top Losers - October 2024

Counter	29-Sep-23	30-Aug-24	30-Sep-24	%Δ Y-Y	%Δ M-M
Sameer	2.13	2.59	2.18	2.3%	-15.8%
Kenya Re	1.74	1.29	1.10	-36.8%	-14.7%
Trans-Century	0.51	0.42	0.37	-27.5%	-11.9%
TPS E. Africa	11.25	14.10	12.70	12.9%	-9.9%
Car & General	27.40	25.50	23.00	-16.1%	-9.8%

Top Movers - October 2024

Counter	Volumes (Mn)	Turnover (KES Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
Safaricom	138.89	2,189.11	(699.40)	54.1%
KCB Group	22.57	844.84	(67.24)	42.1%
EABL	2.23	422.24	162.34	76.0%
Equity Group	7.29	333.71	83.93	46.0%
KPLC	47.45	200.51	18.41	7.4%
Total (KES Mn)	382.17	4,939.96	(569.92)	38.2%
Total (USD Mn)		38.24	(4.41)	

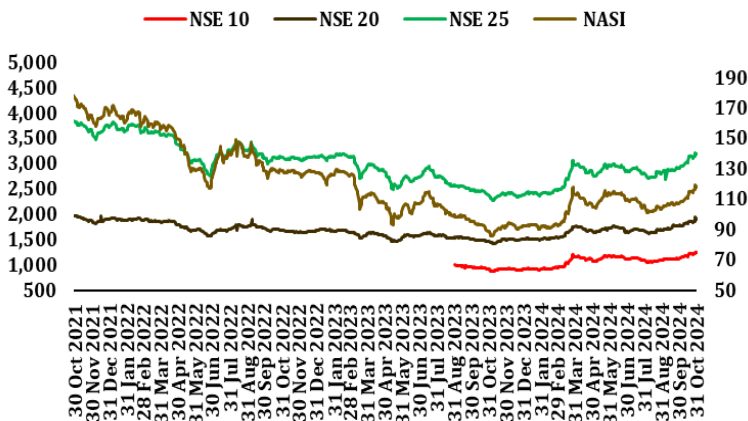
Top Foreign Buys - October 2024

Counter	Foreign Buy (KES Mn)	% Foreign Buy
Safaricom	835.11	38.1%
EABL	402.24	95.3%
KCB Group	321.96	38.1%
Equity Group	195.31	58.5%
DTBK	25.11	30.3%
Total (KES Mn)	1,878.67	38.0%
Total (USD Mn)	14.54	

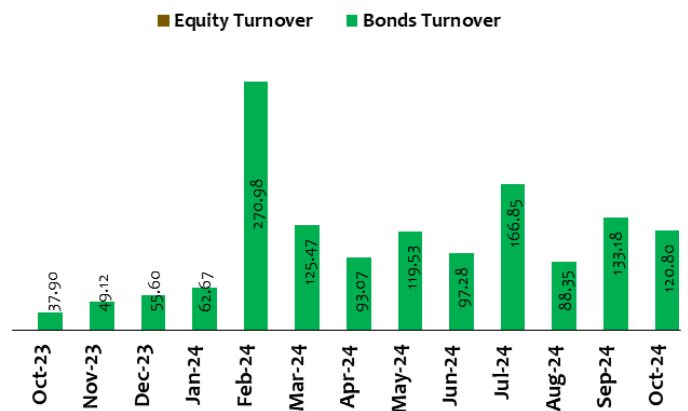
Top Foreign Sales – October 2024

Counter	Foreign sales (KES Mn)	% Foreign Sale
Safaricom	1,534.51	70.1%
KCB Group	389.20	46.1%
EABL	239.90	56.8%
Equity Group	111.38	33.4%
Kenya Re	53.05	64.6%
Total (KES Mn)	2,448.59	49.6%
Total (USD Mn)	18.95	

NSE Index Performance



Monthly Equities Vs Bonds Performance (KES Bn)



Equities Market

The NSE equities market performed better in October 2024m heavily supported by the second-interest rate cuts that happened early in the month. Improved market valuations across major counters also fueled the growth as dividend payments on some become even more predictable. This saw all the price tracking indices beat market expectations to rise as high as 10.1% for the NSE 10 and NSE 25 stocks as NSE 20 expanded 7.3%.

Overall, the market prices went up 9.8% month on month (m-m), pushing the market capitalization up by similar value from KES 1,676.24Bn to KES 1,840.97Bn by 31st October 2024.

Market value traded however shrunk 1.5% from KES 5.02Bn in September 2024 to KES 4.94Bn in October despite a 14.4% rise in the volumes traded from 334.04Mn to 382.15Mn shares in October. This was mainly occasioned by heavy transactions on low priced counters especially in the energy sector.

Foreign activity grew marginally to 43.8% with a high foreign outflow of KES 569.92Mn compared to a foreign activity of 42.5% in September which had a net foreign inflow of KES 28.69Mn.

Market focus remained on the telecommunication, banking, manufacturing energy and the insurance sectors which together combined transacted over 90% of the market value and transactions traded.

The telecom giant, Safaricom, overtook the banking sector to emerge the top market mover with KES 2,189.11Mn value from 138.89Mn shares representing 44.3% and 36.4% of the market value and transactions respectively. The telco's foreign activity averaged at 54.1% with a heavy foreign sale of 70.1% or KES 1,534.51Mn of its sale side as its foreign sales further dropped from 45.1% in September to close October at 38.1% of KES 835.11Mn. As a result, the counter contributed the most to the market's net foreign outflows with a net foreign outflow of KES 699.40Mn.

The banking sector come second with a total value of KES 1,641.75Mn from 51.63Mn shares led by increased attention on KCB Group which exchanged 22.57Mn shares of KES 844.84Mn. KCB Group transactions were mainly informed by return of dividend payment confirmed by the KES 1.50 interim dividend paid on 30th October 2024. We expect KCB to further issue a final forecasted dividend of KES 3.00 per share in March 2024.

East African Breweries and Equity Group emerged the month's foreign favorite stocks with an average foreign entry of 95.3% and 58.3% of KES 402.24Mn and KES 195.31Mn respectively, in relation to their foreign sales of 56.8% and 33.4% of KES 239.90Mn and KES 111.38Mn respectively.

Kenya power & Lighting Company (KPLC) closed the top five movers' list with KES 200.51Mn from 47.45Mn shares, a half of which were traded in the last four trading days of the month. This followed its KES 0.70 dividend per share declared on 29th October, of book closure and payment dates, 2nd December 2024 and 31st January 2025 respectively.

Sector	Volumes		Turnovers	
	Sep-2024	Oct-2024	Sep-2024	Oct-2024
Telecommunication	97.11	138.89	1,452.26	2,189.11
Banking	72.04	51.63	2,461.26	1,641.75
Manufacturing	3.77	3.29	328.81	496.73
Energy & Petroleum	66.88	90.19	211.06	365.71
Insurance	67.02	75.92	107.82	130.87

This was after KPLC declared KES 30.08Bn net profits in FY-2024 compared to a loss of KES 3.19Bn reported the same time in 2023. The performance was strongly supported by a 21.0% jump in revenues from KES 190.98Bn in FY-2023 to KES 231.12BN in FY-2024 on improved electricity sales to the manufacturing sectors and the retail sectors. In the reporting period, the counter additional 447,251 new customers to its grid thus elevating the revenue base.

In the month, Kengen declared KES 0.65 dividend per share after reporting a 35.4% jump on its profits after tax from KES 5.02Bn in FY-2023 to KES 6.80Bn in FY-2024 on higher revenues from its geothermal and hydro energy bolstered by improved rainfall especially in its second half of the reporting period.

As a result, Kengen's dividend jumped from KES 0.20 to KES 0.65 whose book closure and payment dates will be announced after its annual general meeting scheduled for 28th November 2024. This saw the counter's emerge fourth on the month's top gainers list from KES 3.00 to KES 3.82 price per share.

Ongoing Corporate Actions

Counter	Declared	Book Closure	Payment Date	Dividend	Total Dividend	EPS	Payout
Umeme *	Interim	10-Oct-24	31-Oct-24	26.00			
Centum	Final Dividend	11-Oct-24	TBA	0.32	0.32	4.27	7.5%
EABL	Final Dividend	16-Sep-24	16-Oct-24	6.00			
BOC	Interim	20-Sep-24	14-Oct-24	1.50	7.00	10.30	68.0%
Absa Bank (K)	Interim	20-Sep-24	15-Oct-24	0.20			
KCB Group	Interim	12-Sep-24	30-Oct-24	1.50			
Kengen	Final	TBA	TBA	0.65	0.65	1.03	63.1%
Kenya Power	Final	2-Dec-2024	31-Jan-25	0.70	0.70	15.41	4.5%

Rights Issue

Counter	Declared	Ratio	Book Closure	Payment Date
HFCK	Rights Issue	2:1	1-Nov-24	23-Dec-24

* - UGX - Uganda shillings, TBA - to be advised

Foreign Activity Performance

Month	Turnover (KES Mn)	Buys (KES Mn)	Sales (KES Mn)	Net (KES Mn)	Volumes (Mn)	Activity
Oct-2023	4,234.0	2,380.2	2,951.2	(571.0)	299.1	63.0%
Nov-2023	3,687.6	2,052.7	2,532.4	(479.7)	274.5	62.2%
Dec-2023	3,276.0	1,221.1	2,608.2	(1,387.1)	208.4	58.4%
Jan-2024	2,684.1	1,633.8	1,740.5	(106.7)	151.5	62.9%
Feb-2024	4,604.3	2,302.7	3,221.0	(918.2)	276.2	60.0%
Mar-2024	11,774.1	6,242.7	7,445.7	(1,202.9)	669.5	58.1%
Apr-2024	7,332.2	4,417.7	3,354.6	1,063.0	301.4	53.0%
May-2024	7,926.9	4,787.7	3,292.5	1,495.2	342.1	51.0%
Jun-2024	4,995.3	2,358.7	1,953.5	405.2	279.1	43.2%
Jul-2024	5,689.4	1,917.8	2,630.4	(712.6)	294.3	40.0%
Aug-2024	6,211.7	2,812.3	2,969.8	(157.5)	392.1	46.5%
Sep-2024	5,018.1	2,148.3	2,119.6	28.7	334.0	42.5%
Oct-2024	4,940.0	1,878.7	2,448.6	(569.9)	382.2	43.8%

Bonds Market

Secondary bonds market activity fell 4.1% m-m to exchange hands KES 120.80Bn from 2,482 deals compared to KES 133.18Bn of 2,589 deals traded in September 2024.

Infrastructure bond papers were the most traded papers trading a total of KES 81.45Bn representing 67.4% of the market value traded. Heavy trades happened on the IFB1/2024/8.5 issued in February 2024 and the IFB1/2023/17 & IFB1/2023/6.5 that were re-opened in August 2024.

Bond	Weekly Bonds Market Performance - October 2024					Yield Movement Δ bps w-w
	Value Traded (KES Mn)		Yield Movement (%)			
	Sept-2024	Oct-2024	Sept-2024	Oct-2024		
IFB1/2024/8.5Yr	24,842.50	31,643.00	16.5243	15.2770	-	124.74
IFB1/2023/17Yr (Re-opened)	28,159.40	29,057.30	16.4275	15.1999	-	122.76
IFB1/2023/6.5Yr	16,965.40	17,124.40	16.5283	15.2826	-	124.57
FXD 1/2023/5Yr	14,308.15	13,682.20	17.5038	16.7128	-	79.10
FXD1/2016/10Yr (Re-opened)	8,410.60	7,450.25	16.7686	16.0417	-	72.69
Total Mkt Value	133,180.21	120,804.92				

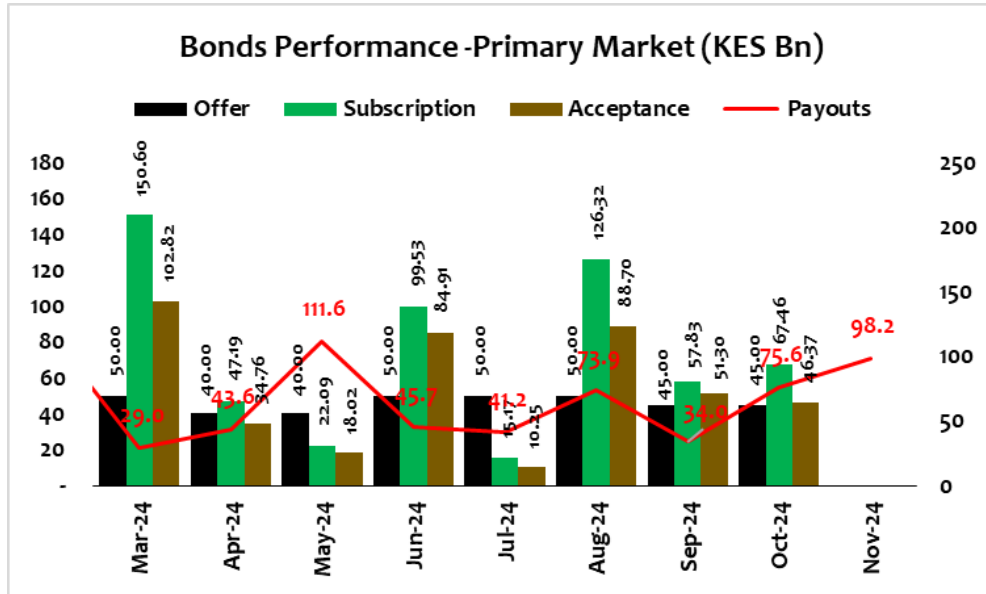
The October primary bonds auction was oversubscribed at 149.9% of KES 67.46Bn against a target of KES 45.00Bn as offered by the National Treasury. A total of KES 46.37BN was accepted, representing a 103.0% performance.

The performance was

October 2024 Primary Auctions (KES Bn)							
October Auctions	Paper	Offer	Subscribed	Accepted	Market Weighted Rate	Yield Accepted	Coupons
Main Auction	FXD1/2016/010	30.00	37	28.03	17.0639%	16.9837%	15.039%
Main Auction	FXD1/2022/010		14	32.51	17.3402%	16.9516%	13.490%
Tap-sale	FXD1/2022/010	15	16	15.09		16.9516%	13.490%
Total							

In November, primary auctions are scheduled for 6th November for FXD1/2023/10 & FXD1/2022/15 and 13th November for FXD1/2024/10, targeting KES 45.00Bn from the public.

Month	Coupon (KES Mn)	Principal Amount (KES Mn)	Total (KES Mn)
Sep/24	33.95	-	33.95
Oct/24	43.63	31.95	75.59
Nov/24	76.92	21.26	98.19
Dec/24	45.94	53.34	99.28

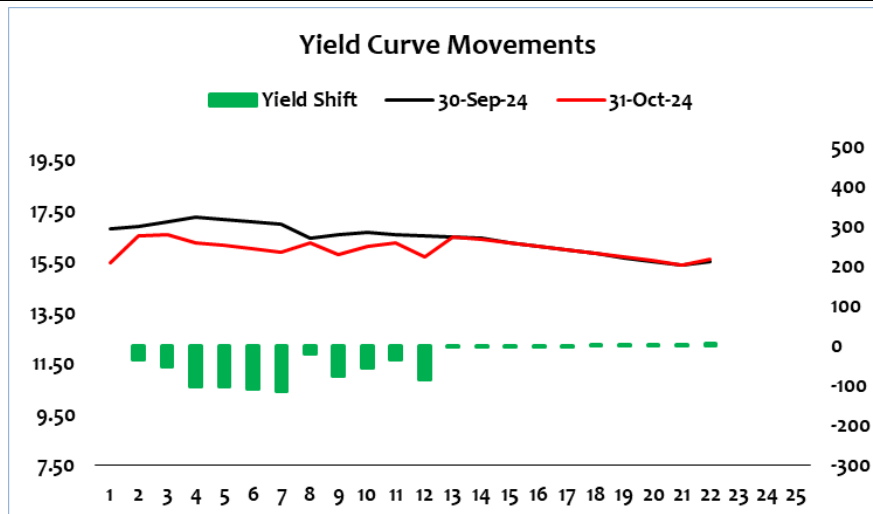


Yield Curve

The yield curve generally shifted downwards in October on effect from the second largest rate cut of 75.0bps from 12.75% to 12.0%. The short end widened faster supported by heavy activity in the section.

In November we anticipate a further downward shift as rates maintain a downtrend generally.

Yield Key Rates %	31-Oct-23	30-Sep-24	31-Oct-24	Δ bps y-y	Δ bps Q-Q
2-Yr	17.8215	16.8775	16.5271	129.44	35.04
5-Yr	17.4231	17.1851	16.1715	125.16	101.36
10-Yr	15.7371	16.6554	16.0944	-35.73	56.10
15-Yr	15.8565	16.2685	16.2600	-40.35	0.85
20-Yr	15.9981	15.5289	15.5371	46.10	-0.82
23-Yr	16.0528	15.5356	15.6156	-	-8.00



Money Market

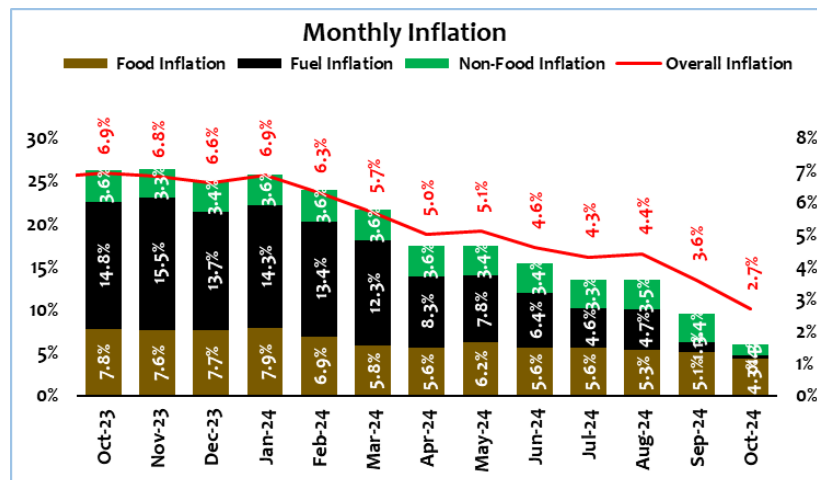
Inflation

October inflation touched a 14-year low of 2.7% compared to 6.9% of Oct-2023, held down by low prices across the three major sectors that contribute over 57% in the consumer price index. Month on month (m-m) inflation rise 0.2%.

Food inflation and non-alcoholic beverages rose by 4.3% in October, a lower pace compared to a rise of 5.1% of Sept-2024 and 7.8% of Oct-2023. This was mainly supported by low food prices for maize flour and wheat flour which fell 1.7% each for a 2kg packet. Prices of sugar also sunk 2.3% as that of Sukuma week dropped by 1.3% per kilogram. Mangos prices, Carrots, oranges and tomatoes went up 9.9%, 5.7%, 5.1% and 3.1% respectively.

Fuel inflation grow marginally at 0.4% in the month compared to rises of 1.1% and 14.8% of Sept-2024 and Oct-2023 respectively. Petrol price dropped 2.0% as that of diesel and paraffin got lower by 4.3% per litre each.

Improvement in fuel prices followed a global weakening of oil prices that went down following a weak demand especially from China, the world's largest consumer of oil.



Interbank

The interbank rate fell by almost similar rate to rate cut from 12.80% in Sept-2024 to close October at 12.10%. Average interbank also edged down to 12.15% from an average of 12.68% the previous month.

Bank excess reserves improved 218.6% m-m to KES 39.5Bn as prospects of liquidity improving checked in the market.

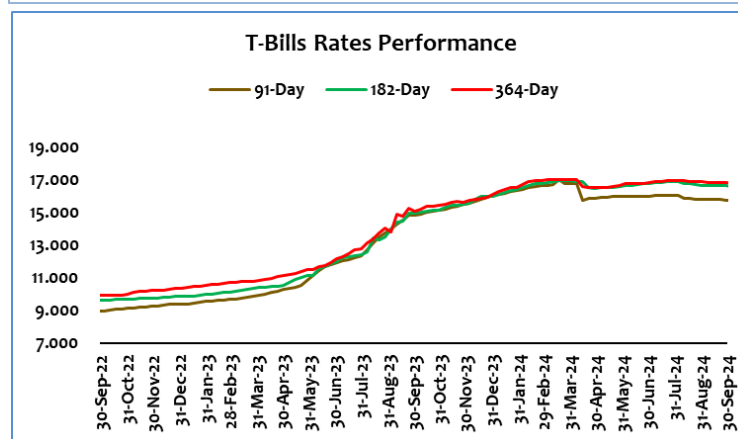
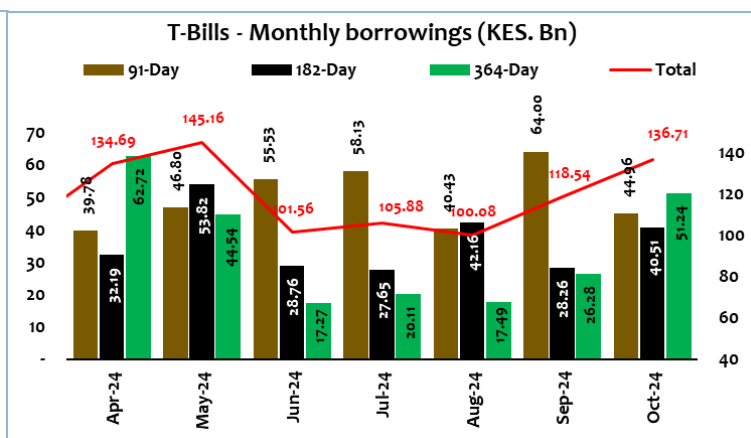
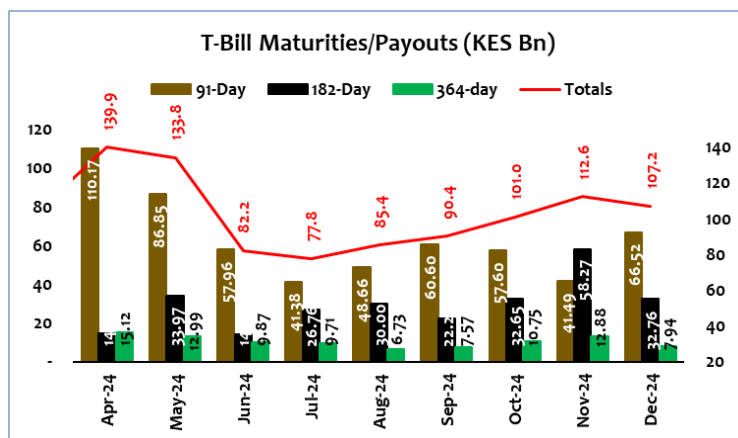
We anticipate the interbank rate to drop further as rate cuts are implemented while following the CBR rate closely.

Key Rates	31-Oct-23	30-Sep-24	31-Oct-24
Central Bank Rate	12.50%	12.75%	12.00%
Inter-Bank Rate	12.51%	12.80%	12.10%
Cash Reserve Requirement (CRR)	4.25%	4.25%	4.25%
Inflation	6.7%	4.4%	2.7%
91-Day T-Bill	15.111%	15.718%	14.432%
182-Day T-Bill	15.129%	16.589%	15.147%
364-Day T-Bill	15.387%	16.800%	15.469%
Bank Excess Liquidity (KES Bn)	19.8	12.4	39.5
Forex Reserves (USD Mn)	7,286	8,071	8,586
Months of Import Cover	4.1	4.1	4.4

Treasury Bills

August Treasury Bills auction was heavily oversubscribed at 1305.9% of KES 293.69Bn supported by heavy maturities of KES 101.00Bn and new investments especially from pension funds and money market firms.

Return on investment reversed to a entered its second month of losses immediately after the second monetary policy review which saw 75.0bps cut from 12.75% to 12.00%. The pace of decline improved in a measure to support liquidity in the market as informed by low private sector credit growth of only 1.3% in August.



Aug/24	85.40
Sep/24	90.44
Oct/24	101.00
Nov/24	112.64

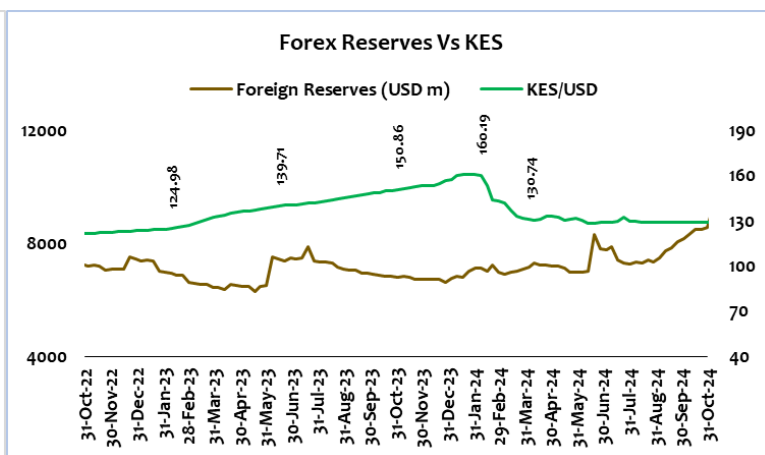
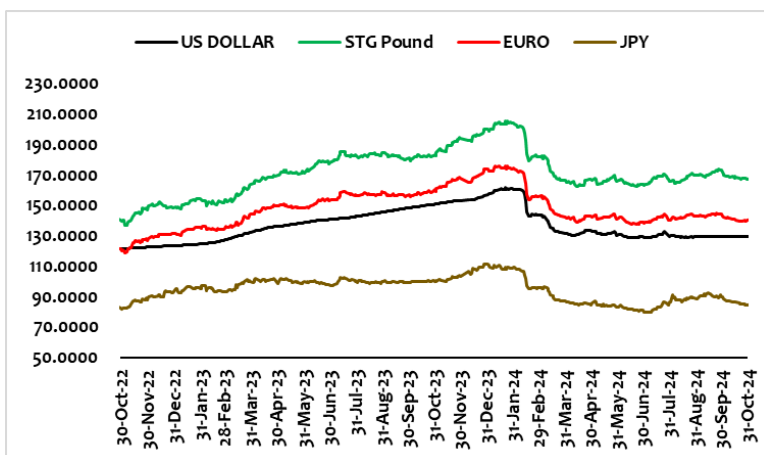
Currency

The Kenyan shilling remained strong in the month, trading at an average of KES 129.20 per US dollar supported by sufficient forex reserves. This was further strengthened low fuel prices which maintained demand for US dollar low.

Foreign exchange reserves closed the month touched a high of USD 8,586Mn, sufficient for 4.4 months of import cover from that of USD 8,071Mn of 4.1 months of import cover recorded in September 2024. This was quite high compared to USD 6,836Mn of 3.67-months import cover recorded in October 2023.

Forex remittances for August 2024 improved 3.1% m-m to KES 427.20Mn compared to USD 414.26Mn of July 2024. Year on year forex remittances were higher by 20.5% from USD 354.43Mn to USD 427Mn with the US contributing the most at USD 250.08Mn or 58.5% of the remittances.

	DATE	31-Oct-23	02-Jan-24	30-Sep-24	31-Oct-24	% Δ y-y	%Δ y-t-d	%Δ q-q
US DOLLAR		150.5588	156.99	129.20	129.20	14.2%	17.7%	0.0%
STG Pound		182.7226	199.85	173.03	167.32	8.4%	16.3%	3.3%
EURO		159.5629	173.65	144.24	140.18	12.2%	19.3%	2.8%
JPY		100.2689	110.98	90.97	84.45	15.8%	23.9%	7.2%
US Dollar Index		106.66	102.20	100.78	103.98	2.5%	-1.7%	-3.2%



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 of 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: kingdomresearch@co-opbank.co.ke

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