



# Weekly Market Report

## Week 1

Week Ending on Friday, January 5<sup>th</sup> 2024

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## Weekly Highlights

### The Nairobi Securities Exchange Records Fourth Straight Year of Net Exits

The Nairobi Securities Exchange (NSE) closed 2023 with its fourth consecutive year of net foreign outflows, as investors withdrew a net amount of KES 20.04 billion in the 11 months leading up to November 2023.

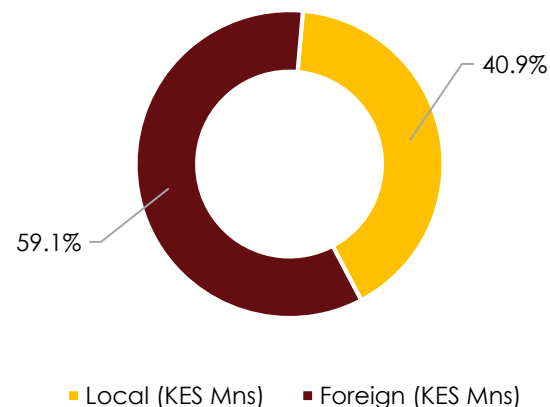
This is attributed to more attractive returns in alternative asset classes and developed markets outside Kenya. The primary factors driving these outflows include interest rate increases in the US, the UK, and the EU, prompted by high inflation from mid-2022, leading central banks to tighten monetary policies.

Moreover, global economic uncertainty has directed capital to the safety of the US economy, putting stock markets and currencies in frontier and emerging markets under pressure.

## Equities Market

### Foreign vs Local Investor Participation as at January 5<sup>th</sup> 2024

Local vs Foreign Participation



	Local (KES Mns)	Foreign (KES Mns)
Friday, January 05, 2024	98.26	142.01
Participation	40.9%	59.1%

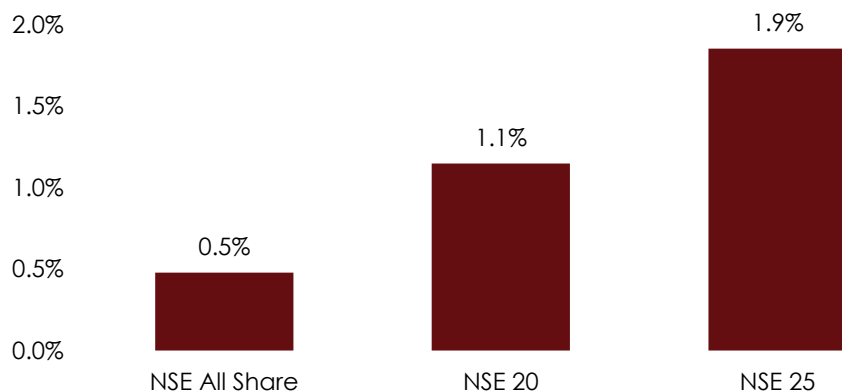
Source: Nairobi Securities Exchange

### Equities Market Commentary

Throughout the week, the NSE All Share Index (NASI) saw a 0.5% appreciation culminating in a closing value of 92.55 while the NSE 25 Index exhibited a 1.9% growth, ending the period at 2,424.34.

	This Week	Past Week	w-o-w Change	YTD Change
NSE All Share	92.55	92.11	0.5%	0.5%
NSE 20	1,518.40	1,501.16	1.1%	1.1%
NSE 25	2,424.34	2,380.23	1.9%	2.0%

### Kenyan Indices Performance



Source: Nairobi Securities Exchange and Bloomberg

The volume of shares traded experienced a notable 41.4% decrease concluding the week at 16.15 million highlighting a considerable reduction in transactional volume. The equity turnover contracted by 40.4% during the week to close at KES 240.26 million.

	This Week	Past Week	w-o-w Change
Market Capitalization (KES Bns)	1,446.00	1,439.02	0.5%
Volume Traded (Mns)	16.15	27.58	-41.4%
Equity Turnover (KES Mns)	240.26	402.94	-40.4%

Source: Nairobi Securities Exchange and Bloomberg

### Equities Performance

Top Gainers	Last Week	Previous Week	Weekly Change	QTD	YTD
Liberty	4.22	3.69	14.4%	14.4%	14.4%
Williamson Tea	237.00	208.00	13.9%	13.9%	13.9%
Eveready	1.21	1.08	12.0%	12.0%	12.0%
Flame Tree	1.13	1.04	8.7%	8.7%	8.7%
EABL	122.50	114.00	7.5%	7.5%	7.5%

Source: Nairobi Securities Exchange

Top Losers	Last Week	Previous Week	Weekly Change	QTD	YTD
Longhorn	2.17	2.41	-10.0%	-10.0%	-
NBV	2.46	2.70	-8.9%	-8.9%	-8.9%
Sanlam	5.60	6.00	-6.7%	-6.7%	-6.7%
Scangroup	2.07	2.18	-5.0%	-5.0%	-5.0%
Fahari I-REIT	6.06	6.30	-3.8%	-3.8%	-3.8%

Source: Nairobi Securities Exchange

Top Movers	Last Week	Previous Week	Turnover (KES Mns)
Safaricom	13.60	13.90	115.3
Equity Group	35.65	33.65	67.3
KCB	22.55	21.90	15.8
Co-op	11.25	11.40	12.3
StanChart	162.25	162.00	7.4

Source: Nairobi Securities Exchange

## Exchange Rate

During the week, the Kenya Shilling continued to depreciate against the US Dollar recording a 0.6% depreciation.

	This Week	Past Week	w-o-w Change	QTD Change	YTD Change
United States Dollar (\$)	157.4	156.5	0.6%	0.6%	0.6%
Sterling Pound (£)	198.9	199.8	-0.4%	-0.4%	-0.4%
Euro (€)	172.2	173.8	-0.9%	-0.9%	-0.9%

Source: Central Bank of Kenya; Positive = KES Depreciation, Negative; KES Appreciation

## Global Markets

During the week, the majority of global equities experienced declines, with the exception of American indices which exhibited relative strength and remained in positive territory.

	This Week	w-o-w Change	YTD Change
Dow Jones Index	37,466.11	0.5%	0.5%
S&P 500 Index	4,697.24	1.1%	1.1%
Nasdaq 100 Index	16,305.98	2.5%	2.5%
DAX Index	16,594.21	-0.6%	-0.6%
FTSE 100 Index	7,689.61	-1.5%	-1.5%
Eurostoxx 50 Index	4,463.51	-3.1%	-3.1%
Shanghai Composite	2,929.18	-0.9%	-0.9%
Nikkei 225 Index	33,377.42	-0.6%	-0.6%

Source: Bloomberg

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## Commodities

During the week, oil commodity prices edged upwards. In particular, Murban Crude Prices which the Energy and Petroleum Regulatory Authority (EPRA) uses to calculate pump prices rose by 2.3%.

However, gold prices exhibited a decline during the same period.

	This Week	w-o-w Change	YTD Change
Brent Crude Oil	78.76	2.2%	2.2%
Murban Crude Oil	78.74	2.3%	2.3%
Gold	2,045.45	-0.8%	-0.8%

Source: Bloomberg

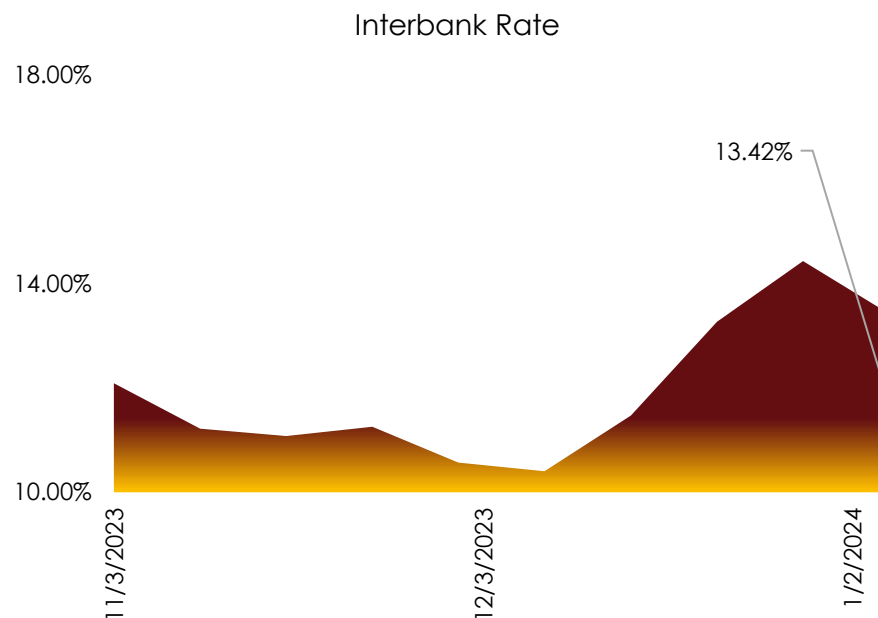
## Treasury Bill Auction Results

	Amount Offered	Bids Received	Subscription	Bids Accepted	Yield	Subscription w-o-w
91-day	4.0	26.3	657.80%	25.3	16.06%	208.96%
182-day	10.0	4.7	46.72%	4.7	16.09%	1346.44%
364-day	10.0	1.3	12.95%	1.3	16.28%	-22.08%
<b>Total</b>	<b>24.0</b>	<b>32.3</b>	134.50%	<b>31.2</b>		207.36%

Source: Central Bank of Kenya

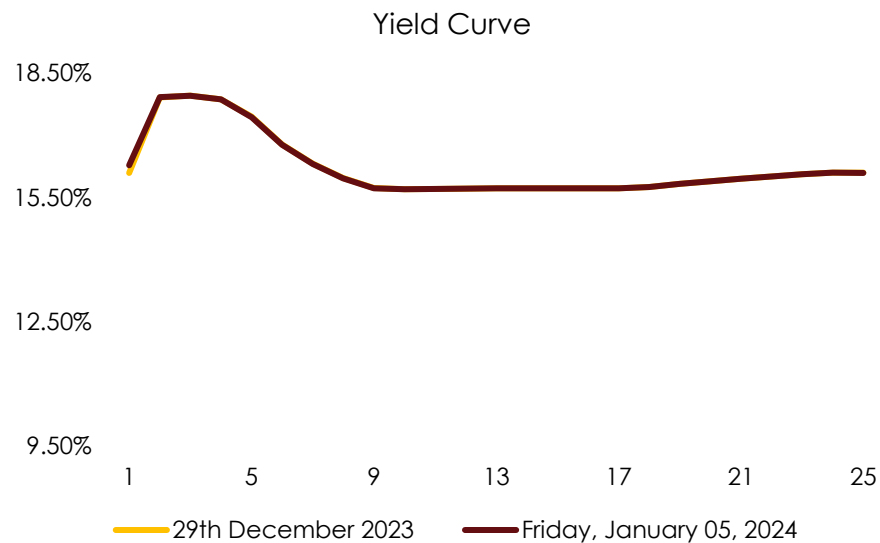
Overall, Treasury Bills were oversubscribed this week with a subscription rate of 134.50%. In particular, the 91-day T-Bill continues to be oversubscribed coming in at 657.80% showing investors' preference towards shorter-dated papers.

## Interbank Rate



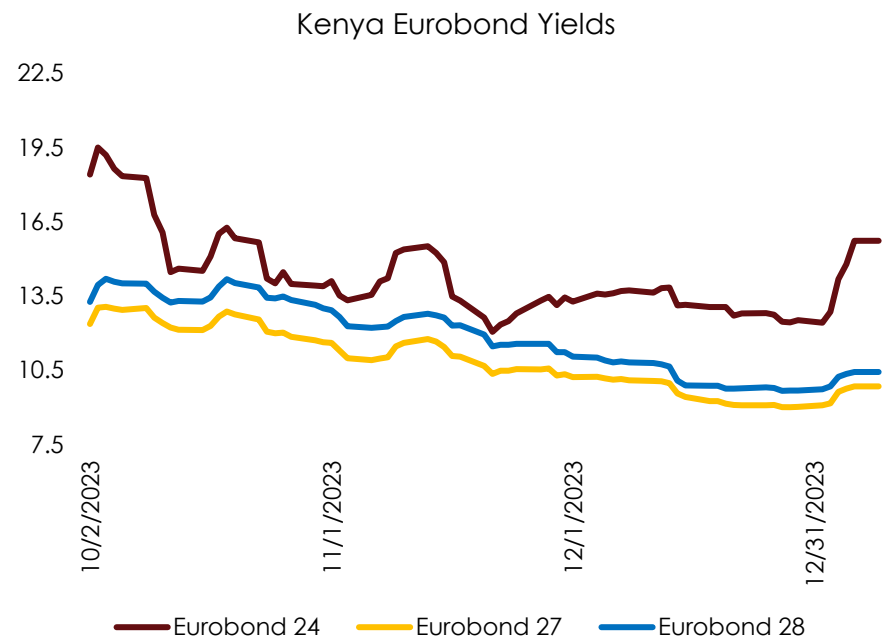
Source: Central Bank of Kenya

## Yield Curve



Source: Nairobi Securities Exchange

## Kenya Outstanding Eurobonds Yield



Source: Bloomberg

Yields on Kenya's outstanding Eurobonds have been on a downward trend yet Eurobond 24 yields have experienced a rise in recent weeks. This is attributed to heightened market concerns over economic uncertainties and increased issuer-specific risks associated with Eurobond 24.

## Recommendations

- **Equity Bank** – Long-Term Buy
- **EABL** – Long-Term Buy
- **Standard Chartered** – Hold

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## Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Book Closure	Payment Date
Umeme Limited	Interim Dividend	0.94	21-Aug-2023	09-Feb-2024	29-Feb-2024
KenGen	Interim Dividend	0.30	27-Oct-2023	30-Nov-2023	15-Feb-2024

## Counter Statistics

Agricultural Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Eaagads	13.95	0.0%	0.0%	0.0%	200	41.0	0.4	0.9
Kakuzi	385.00	0.0%	0.0%	0.0%	200	12.1	1.3	11.3
Kapchorua Tea	225.00	4.7%	4.7%	4.7%	700	4.5	0.6	10.6
Limuru Tea	380.00	0.0%	0.0%	0.0%	1	139.6	4.8	3.5
Sasini	20.00	0.0%	0.0%	0.0%	4,600	8.3	0.3	3.9
Williamson Tea	237.00	13.9%	13.9%	13.9%	1,400	5.8	0.7	12.0
<b>Sector Average</b>		<b>3.1%</b>	<b>3.1%</b>	<b>3.1%</b>		<b>35.2</b>	<b>1.4</b>	

Automobiles Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Car and General	25.05	0.2%	0.2%	0.2%	3,500	2.2	0.4	-

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Banking Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Absa	11.65	1.7%	1.7%	1.7%	229,012	3.9	1.0	25.8
Bank of Kigali	35.80	0.0%	0.0%	0.0%	6,800	-	-	21.7
Diamond Trust Bank	46.50	3.2%	3.2%	3.2%	6,400	2.1	0.2	8.9
Equity Group	35.65	5.9%	5.9%	5.9%	1,890,500	2.9	0.7	27.8
Housing Finance	3.35	-3.7%	-3.7%	-3.7%	32,410	-	0.1	-
I&M	17.50	0.0%	0.0%	0.0%	286,700	2.6	0.4	-
KCB	22.55	3.0%	3.0%	3.0%	699,900	1.8	0.3	19.7
NCBA	38.05	-2.3%	-2.3%	-2.3%	18,800	4.0	0.7	18.5
Stanbic Bank	111.25	2.3%	2.3%	2.3%	7,100	4.9	0.7	15.3
StanChart	162.25	0.2%	0.2%	0.2%	45,221	4.4	0.9	22.7
The Co-op Bank	11.25	-1.3%	-1.3%	-1.3%	1,088,800	2.9	0.6	22.1
<b>Sector Average</b>		<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>		<b>3.3</b>	<b>0.6</b>	

Commercial Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Eveready	1.21	12.0%	12.0%	12.0%	13,650	-	-	-
Express Kenya	3.70	0.0%	0.0%	0.0%	100	-	0.3	(13.9)
Longhorn	2.17	-10.0%	-10.0%	-10.0%	3,200	21.0	0.9	(10.2)
Nairobi Business Ventures	2.46	-8.9%	-8.9%	-8.9%	1,800	-	-	-
Nation Media Group	20.40	1.7%	1.7%	1.7%	25,337	7.8	0.5	-
Sameer	2.25	-0.9%	-0.9%	-0.9%	1,700	-	-	-
Standard Group	7.74	0.0%	0.0%	0.0%	500	-	20.8	(183.9)
TPS East Africa	16.45	0.0%	0.0%	0.0%	2,700	8.4	0.3	3.8
Uchumi	0.18	5.9%	5.9%	5.9%	19,500	-	-	-

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WPP Scangroup	2.07	-5.0%	-5.0%	-5.0%	41,800	-	0.2	-
<b>Sector Average</b>		<b>-0.5%</b>	<b>-0.5%</b>	<b>-0.5%</b>		<b>12.4</b>	<b>3.8</b>	

Construction Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Bamburi	37.50	4.6%	4.6%	4.6%	26,200	51.4	0.4	0.6
Crown Paints	35.00	-1.8%	-1.8%	-1.8%	821	6.1	0.7	23.1
E.A. Cables	0.99	2.1%	2.1%	2.1%	4,900	-	0.3	-
E.A. Portland	8.00	0.0%	0.0%	0.0%	1,400	1.0	0.0	(6.7)
<b>Sector Average</b>		<b>1.2%</b>	<b>1.2%</b>	<b>1.2%</b>		<b>19.5</b>	<b>0.4</b>	

Energy Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
KenGen	2.00	-0.5%	-0.5%	-0.5%	1,771,600	2.6	0.0	1.8
Kenya Power	1.40	-1.4%	-1.4%	-1.4%	310,506	0.8	-	-
Total Kenya	18.00	0.0%	0.0%	0.0%	12,900	4.6	0.1	8.4
Umeme	15.50	-3.1%	-3.1%	-3.1%	11,900	-	-	10.5
<b>Sector Average</b>		<b>-1.3%</b>	<b>-1.3%</b>	<b>-1.3%</b>		<b>2.7</b>	<b>0.1</b>	

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Insurance Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Britam	4.94	3.1%	3.1%	3.1%	50,000	4.7	0.5	12.4
CIC	2.20	-1.8%	-1.8%	-1.8%	27,800	4.1	0.7	16.7
Jubilee	185.00	0.0%	0.0%	0.0%	624	2.0	0.3	15.5
Kenya Re	1.83	-2.7%	-2.7%	-2.7%	433,621	1.4	0.1	9.4
Liberty	4.22	14.4%	14.4%	14.4%	600	6.8	0.3	3.8
Sanlam Kenya	5.60	-6.7%	-6.7%	-6.7%	14,100	0.1	0.0	-
<b>Sector Average</b>		<b>1.1%</b>	<b>1.1%</b>	<b>1.1%</b>		<b>3.2</b>	<b>0.3</b>	

Investment Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Centum	8.46	0.7%	0.7%	0.7%	145,900	-	0.1	(7.9)
Home Afrika	0.39	5.4%	5.4%	5.4%	185,000	-	-	-
Olympia	3.47	6.1%	6.1%	6.1%	5,600	5.7	0.1	2.4
TransCentury	0.52	0.0%	0.0%	0.0%	160,300	-	-	-
<b>Sector Average</b>		<b>3.1%</b>	<b>3.1%</b>	<b>3.1%</b>		<b>5.7</b>	<b>0.1</b>	

Investment Services Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Nairobi Securities Exchange	6.08	1.0%	1.0%	1.0%	20,600	36.2	0.8	2.2

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Manufacturing Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
BOC Kenya	82.00	0.0%	0.0%	0.0%	200	10.8	1.0	9.1
British American Tobacco	428.50	5.2%	5.2%	5.2%	2,000	6.3	3.1	50.4
Carbacid	15.35	2.3%	2.3%	2.3%	31,300	4.8	0.9	20.5
EABL	122.50	7.5%	7.5%	7.5%	10,300	9.8	4.5	52.4
Flame Tree	1.13	8.7%	8.7%	8.7%	3,900	-	0.1	(12.2)
Kenya Orchards	19.50	0.0%	0.0%	0.0%	100	130.3	9.8	7.8
Unga Group	16.85	0.0%	0.0%	0.0%	1,109	-	0.3	1.3
<b>Sector Average</b>		<b>3.4%</b>	<b>3.4%</b>	<b>3.4%</b>		<b>32.4</b>	<b>2.8</b>	

Telecommunications Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Safaricom	13.60	-2.2%	-2.2%	-2.2%	8,465,900	8.7	2.5	34.4

REIT Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
ILAM Fahari I-REIT	6.06	-3.8%	-3.8%	-3.8%	14,500	-	0.3	(0.8)

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