



Weekly Report

Week 27

Week Ending Friday, 7th July 2023

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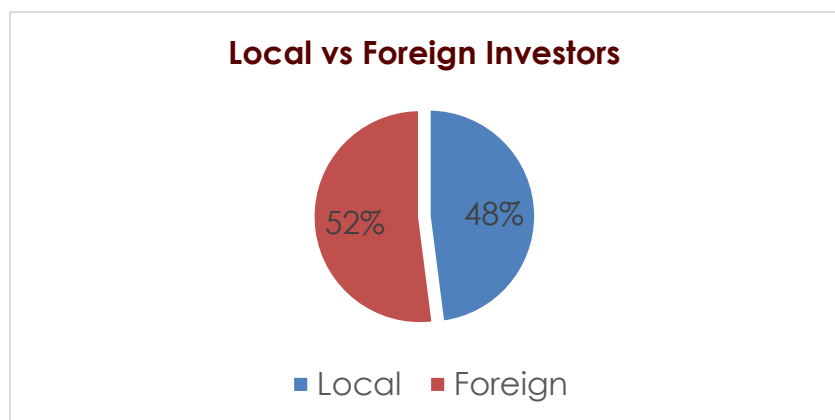
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Weekly Highlights

The Kenyan Government successfully obtained a Syndicated Medium-Term Loan Facility worth USD 500 million (70billion KSH) to support the financing of various development projects in the upcoming budget cycle of 2023/4. This loan has been arranged through collaboration with Citibank, Rand Merchant Bank (RMB), The Standard Bank of South Africa, and Standard Chartered Bank. The loan carries a repayment period of both 3 and 5 years but did not specify the respective amounts allocated to each tranche, or the interest terms of the loan. The proceeds from this substantial loan will be channeled through the National Treasury to support the implementation of development projects outlined in the approved development budget for the Fiscal Year 2022/2023.

We expect this to add additional strain to the government's debt servicing capacity given the current debt levels (foreign and domestic).

Foreign Against Local Investor Participation as at 07/07/2023



End Date	Local	Foreign
Friday, July 7, 2023	763,056,055.58	827,586,442.43
Participation	48%	52%

Source: NSE

Equities Market

Equity Market Commentary

The All Share Index (NASI) and NSE 25 both appreciated by 4.1% and 4.01% to close the week at 111.37 and 2,838.32 respectively. Equity turnover appreciated by 171.7% w-o-w to KES 1.591 billion. Volume traded appreciated by 148.6% to 79.19 million w-o-w.

Market Indices Performance

Index	This Week	Previous Week	Weekly Change %	YTD Change %
NASI	111.37	107.00	4.1%	-12.6%
NSE 20	1,618.11	1,574.92	2.7%	-3.5%
NSE 25	2,838.32	2,728.89	4.01%	-9.4%

Source: NSE

Market Statistics

	This Week	Previous Week	Change %
Market Capitalization (KES Bn)	1,734.57	1,666.29	4.1%
Volume (Mn)	79.19	31.86	148.6%
Equity Turnover (KES Mn)	1,590.64	585.47	171.7%

Source: NSE

Equities Performance

	Top Gainers	Previous Price (KES)	Current Price (KES)	Weekly Change %	YTD Change %
1	Olympia	3.91	5.1	30.43%	72.30%
2	Unga	15.3	18.6	21.57%	-41.88%
3	Kapchorua Tea	188.25	217.25	15.41%	91.83%
4	Car & General	26	29.5	13.46%	-37.83%
5	FTGH	1.2	1.32	10.00%	22.22%

Source: NSE and Faida Investment Bank Analysis

	Top Losers	Previous Price (KES)	Current Price (KES)	Weekly Change %	YTD Change %
1	Umeme	13.2	9.98	-24.39%	34.50%
2	BK Group	36.9	30.4	-17.62%	-3.49%
3	Sameer	2.65	2.24	-15.47%	6.67%
4	B.O.C	81.25	77	-5.23%	8.83%
5	Limuru Tea	430	410	-4.65%	-2.38%

Source: NSE and Faida Investment Bank Analysis

	Movers	Previous Price (KES)	Current Price (KES)	Turnover (KES Mn)
1	Safaricom	17.50	18.90	718.49
2	Equity	38.25	40	299.74
3	KCB	29.30	29.15	238.36
4	NMG	19.05	20.00	90.12
5	ABSA	11.80	12.10	84.69

Source: NSE and Faida Investment Bank Analysis

Exchange Rates

During the week, the Kenya Shilling continued to depreciate against the dollar, depreciating by 0.3% from 140.5235 for the week ending June 30th, to 140.9206 for this week ending July 7th.

KES	Value	Weekly Change %	YTD Change %
US Dollar	140.9206	0.3%	14.2%
STG Pound	179.7579	1.4%	21.1%
EURO	153.3120	0.2%	16.8%

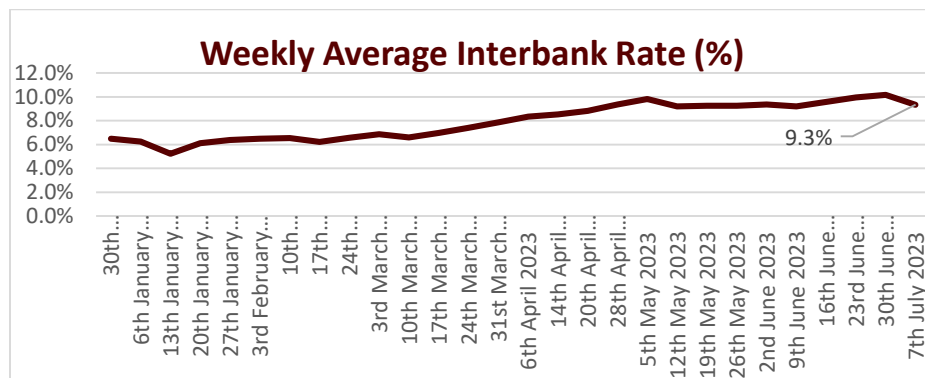
Source: CBK; Negative () = Depreciation, Positive = Appreciation

Global Markets

Index	Last Price as at 07/07/2023	Weekly Change%
DJI	33,761.05	2.9%
S&P 500	4,280.00	3.3%
NASDAQ	12,706.79	(2.6%)
DAX	12,706.79	(2.6%)
FTSE 100	7,252.06	(0.4%)
Euro Stoxx 50	3,484.80	(1.7%)
Shanghai	3,126.40	(1.9%)
NIKKEI 225	27,567.65	(0.3%)
Commodities		
Brent Oil (USD/bbl.)	90.97	(2.2%)
Gold (USD/Oz)	1,656.23	(3.3%)

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Interbank Rate



Source: CBK

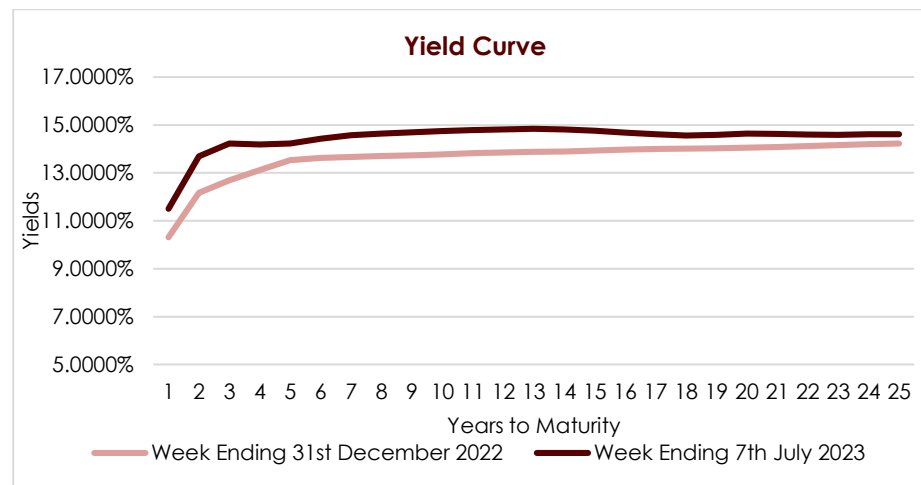
Treasury Bill Auction Results

	Amount Offered	Bids Received	Subscription Rate	Bids Accepted	Yield This Week	Change	Subscription w-o-w
91 day	4.0	26.7	667.69%	26.7	12.014%	0.11%	362.07%
182 day	10.0	1.1	11.43%	1.1	12.199%	0.25%	-47.95%
364 day	10.0	2.3	22.66%	2.3	12.250%	0.09%	49.67%
Total	24.0	30.1	125.49%	30.1			217.37%

*Change = Current Rate – Previous Rate; 1.0% = 100 bps
Amount Offered, Bids Received and Bids Accepted are in KES Billions

- Yields on all Treasury bills sustained a stable trend during the week. Overall, treasury bills were oversubscribed a subscription rate of 125.49%.
- In particular, the 91-day treasury bill had a subscription of 667.69%, it continues to show the investors preference towards shorter dated papers due to duration risk.

Government Securities Yield Curve



Source: NSE

Primary Market Projections for FXD1/2023/5 and FXD1/2016/10 :

FXD1/2023/5

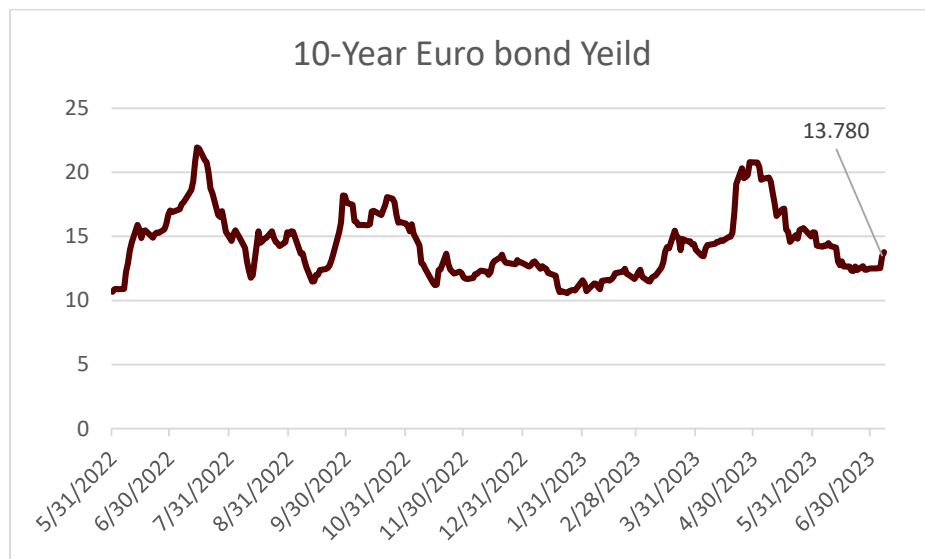
- Non- Aggressive bids: 15.50% -15.99%
- Aggressive bids: 16.00% - 16.49%

FXD1/2016/10

- Non- Aggressive bids: 15.19% -15.49%
- Aggressive bids: 15.50% - 15.89%

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10-Year Eurobond Yield Curve



Source: Bloomberg

During the week, the Eurobond yield appreciated by 10.20% from 12.50 for the week ending June 30th, to 13.78 for this week ending July 7th.

Recommendations

- **Safaricom** - Long Term Buy
- **EABL** - Long Term Buy
- **KCB** - Buy
- **COOP**-Buy
- **Jubilee**-Buy
- **EQUITY**- Buy

NSE Most Traded Bond & Coupon rate.

Most Traded bond	Coupon (%)	No of Trades
IFB1/2023/7Yr	15.837	512

Source: NSE

Outlook

Amid a high interest rate environment, we are seeing investors shy away from longer dated papers as they anticipate higher rates driven by:

- I. Global interest rates
- II. Increased government borrowing for budgetary support.

Long-term bonds may be viewed as more volatile due to the higher risk of holding for a longer period. We therefore recommend:

- a) Hold current bonds to avoid paper losses from rising yields.
- b) Reinvest income from bond investment portfolio.
- c) Increase exposure to short and medium term bonds (between 90 days to 2 years).
- d) Use bond ladders i.e. a series of bonds that mature at regular intervals such that as rates rise, each of these bonds is reinvested at a higher rate. This counters interest rate and liquidity risk as well as offer steady income from regular occurring interest payments.

Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Kapchorua Tea	First & Final dividend	25.00	29-Jun-23	23-Aug-23	4-Sep-23
Williamson Tea	Final dividend	30.00	29-Jun-23	23-Aug-23	4-Sep-23
Safaricom	Final dividend	0.62	11-May-23	28-Jul-23	31-Aug-23
Crown Paints	Final dividend	4.00	27-Apr-23	28-Jun-23	14-Aug-23
NSE	First & Final dividend	0.20	31-Mar-23	30-May-23	31-Jul-23
NMG	Final dividend	1.50	6-Apr-23	16-Jun-23	31-Jul-23
Total Energies Marketing Kenya	First & Final dividend	1.31	24-Apr-23	15-Jun-23	31-Jul-23
Kenya Re Insurance	Final dividend	0.20	28-Mar-23	16-Jun-23	28-Jul-23
Bamburi Cement	First & Final dividend	0.75	28-Apr-23	27-May-23	27-Jul-23
JUBILEE	Final dividend	8.00	20-Apr-23	14-Jun-23	26-Jul-23
JUBILEE	Special dividend	3.00	20-Apr-23	14-Jun-23	26-Jul-23
BOC Kenya	Final dividend	4.45	2-May-23	31-May-23	21-Jul-23
Umeme	Final dividend	2.24	27-May-23	27-Jun-23	20-Jul-23

Counter Statistics

Banking Sector	Price (KES)	YTD change	% w-o-w Change	Volume Traded	P/E (X)	Dividend Yield	P/B (X)	ROE
KCB	29.15	-23.49%	-0.51%	4,501,900	2.29	6.9%	0.58	21.80%
Equity Bank	40.00	-10.11%	4.58%	3,589,900	3.20	10.0%	0.99	30.40%
NCBA	39.40	0.13%	1.42%	30,000	4.10	10.8%	0.69	17.20%
Stanbic	119.75	17.40%	7.64%	1,100	5.22	10.5%	0.71	15.30%
Absa Bank Kenya Plc	12.10	-1.63%	2.54%	199,200	3.90	11.2%	0.88	24.30%
Housing Finance	4.82	51.10%	-3.98%	10,500	-1.09	0.0%	0.20	N/A
Co-operative Bank	12.20	-0.81%	0.00%	100,700	3.30	12.3%	0.67	21.20%
Diamond Trust Bank	50.00	0.00%	0.30%	1,400	2.31	10.0%	0.22	6.80%
Standard Chartered	162.00	13.49%	0.93%	7,800	4.40	13.6%	0.86	22.10%
I&M	18.50	8.82%	8.19%	53,200	2.73	12.2%	0.37	2.72%
Sector Average					3.04	9.7%	0.62	16.2%

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Commercial and Services	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E (X)	Dividend Yield	EPS(KES)	ROE
Kenya Airways	3.83	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Nation Media Group	20.00	25.39%	4.99%	99,600	7.80	7.5%	2.38	5.60%
WPP Scangroup	2.97	-1.33%	2.77%	1,200	21.21	0.0%	0.14	-2.10%
Uchumi Supermarket	0.23	0.00%	-4.17%	1,400	N/M	N/M	N/M	N/M
Longhorn Publishers	2.46	-18.00%	0.41%	2,500	2.46	0.0%	0.03	25.10%
Eveready	1.54	123.19%	6.94%	65,600	N/M	N/M	N/M	N/M
Sameer Africa Plc	2.24	6.67%	-15.47%	6,000	2.24	0.0%	0.36	N/A
Standard Group	9.08	-13.11%	-0.87%	-	9.08	0.0%	(10.05)	-40.00%
TPS Eastern Africa Ltd	11.65	-12.73%	0.00%	-	11.65	0.0%	(3.40)	-1.70%
Sector Average					9.07	1.25%		-2.6%

**Suspended *N/M - Not Meaningful

Agriculture	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E (X)	Dividend Yield	EPS(KES)	ROE
Eaagads	13.10	24.76%	9.17%	1,000	50.38	-	0.26	25.70%
Kakuzi Plc	418.00	8.57%	9.28%	100	10.00	5.74%	43.15	14.70%
Kapchorua Tea	217.25	91.83%	15.41%	800	3.30	11.51%	27.35	19.70%
Limuru Tea Co. Plc	410.00	-2.38%	-4.65%	-	193.20	-	(3.98)	2.70%
Sasini	29.00	29.18%	-3.33%	4,200	8.20	3.45%	5.12	8.60%
Williamson Tea Kenya	240.00	50.00%	-1.74%	1,800	3.70	12.50%	29.14	13.00%
Sector Average					44.80	5.53%		14.07%

Energy & Petroleum	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
KenGen	2.32	-27.95%	0.43%	122,400	3.20	0.0%	0.72	1.2%
Kenya Power	1.63	4.49%	3.16%	1,706,300	0.91	0.0%	2.00	2.7%
Total Kenya	20.05	-15.93%	4.70%	-	3.20	6.5%	3.00	8.3%
Sector Average					2.44	2.18%		4.1%

Insurance Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
CIC Insurance	1.95	0.00%	2.63%	136,900	0.57	6.7%	4.60	12.80%
Britam	5.10	-1.92%	1.59%	13,500	0.56	0.0%	6.10	8.60%
Jubilee	189.00	-4.91%	5.00%	-	0.33	6.35%	2.30	18.90%
Kenya Re	1.84	0.55%	2.22%	112,400	0.15	10.87%	1.70	9.00%
Sanlam Kenya	8.00	-16.49%	9.59%	1,100	3.69	0.0%	0.20	N/A
Liberty	4.24	-24.29%	4.69%	400	0.25	0.0%	3.70	-2.00%
Sector Average					0.93	3.98%	3.10	9.46%

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Investment Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	P/B (X)	ROE
Centum Investment	9.06	8.11%	0.67%	3,600	0.00	14.35%	0.14	1.6%
Home Afrika Ltd	0.35	9.38%	0.00%	18,200	N/M	N/M	N/M	N/A
Trans-Century	0.63	-32.26%	-4.55%	57,400	N/M	N/M	N/M	N/A
Sector Average					0.00	14.35%	0.14	0.5%

Investment Services	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
NSE	6.30	-7.08%	5.35%	2,300	126.20	3.17%	0.51	0.7%
Sector Average					126.20	3.17%		0.70%

Construction & Allied	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	NPM*	ROE
Bamburi Cement	25.90	-17.78%	2.78%	1,200	33.60	10.6%	3.4%	0.6%
E.A. Portland Cement	6.50	-4.41%	7.62%	1,500	0.90	0.0%	0.0%	2.5%
Crown Paints Kenya	44.35	5.97%	1.14%	300	8.90	9.0%	6.6%	23.4%
E.A.Cables	0.82	-2.38%	3.80%	34,700	-0.80	0.0%	0.0%	-34.3%
Sector Average					10.65	4.91%	2.50%	-1.95%

Real Estate Investment Trust	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
STANLIB FAHARI I-REIT	6.00	-0.08	-0.01	9,500	19.55	10.00%	0.82	N/A
Sector Average						10.00%		

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	18.90	-21.74%	8.00%	3,157,600	8.80	3.28%	1.55	47.1%
Sector Average					8.80	3.28%		47.1%

Manufacturing & Allied Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Mumias Sugar	0.27	0.00%	0.00%	-	N/M	N/M	N/M	N/M
EABL	158.75	-5.22%	2.42%	7,400	9.15	6.9%	15.00	73.3%
FTG Holdings	1.32	22.22%	10.00%	800	0.00	0.0%	-1.21	-0.7%
Carbacid	15.15	26.25%	9.39%	10,500	4.40	11.2%	2.78	21.0%
BAT	450.50	-2.07%	4.10%	2,600	6.80	11.9%	68.92	57.3%
B.O.C Kenya	77.00	8.83%	-5.23%	-	16.10	5.8%	5.55	6.7%
Sector Average					7.29	7.16%		26.3%

**Suspended

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