



Weekly Report

Week 40

Week Ending Friday, October 7th 2022

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Weekly Highlights

Fuel price expected to drop-This is saw as the cost of imported refined fuel that will be used to determine prices in the monthly cycle starting Friday midnight has dropped 10 percent to \$105.96 per barrel down from the \$117.53. The drop in global prices of refined fuel offers relief to Kenyans who were bracing for more pain at the pump following the withdrawal of the fuel subsidy that had been in place since April last year.

Inflation continues to rise this after the scrapping off the Subsidies-Inflation rate in Kenya accelerated for the seventh consecutive month to 9.2% in September of 2022.It was the highest inflation figure since June of 2017, amid a continued sharp increase in the cost of food, fuel, and housing. On a monthly basis, consumer prices were up 0.9%, after a 0.4% rise in the previous month

Kenyans hold Sh905bn in dollars as shortage bites- Latest Central Bank of Kenya (CBK) data showed dollar deposits jumped 19.6 % from Sh755.9 billion at the beginning of the year, crossing the Sh900 billion mark for the first time. This has led to a high demand of dollars, which has seen those holding foreign currency charge top dollar for the foreign currency, further leading to depreciation of the shilling. The scramble for US dollars has seen a widening spread in the pricing of the foreign currency by a margin of more than Sh13.1

Bonds turnover declined by 24% on due to low liquidity-Bonds turnover at the Nairobi Securities Exchange (NSE) declined by 24.4% in the 9 months to September on fighter liquidity and reduced demand by banks, thus suffering valuation losses due to rising interest rates. Latest data show investors traded Sh583.63 billion worth of bonds in the period this year compared to Sh771.73 billion in a similar period in 2021.The drop is due to over-borrowing by the government to meet it targets and expectation of rising interest rates, which has led to a focus on short-term bonds.

Equities Market

Equity Market Commentary

The All Share Index (NASI) decreased by 1.6% to close the week at 126.32; as for the NSE 20, it also decreased, decreasing by 2.4% w-o-w to close the week at 1,676.77. Elsewhere, Equity turnover decreased by 40.1% to KES 1.49 billion, similarly to the volume traded which decreased by 34.1% to 56.63 million.

Market Indices Performance

Index	This Week	Previous Week	Weekly Change %	YTD Change %
NASI	126.32	128.41	(1.6%)	(24.1%)
NSE 20	1,676.77	1,717.68	(2.4%)	(11.9%)
NSE 25	3,034.74	3,102.05	(2.2%)	(18.9%)

Source: NSE

Market Statistics

	This Week	Previous Week	Change %
Market Capitalization (KES Bn)	2,000.82	2,101.53	(4.8%)
Volume (Mn)	56.63	109.23	(34.1%)
Equity Turnover (KES Mn)	1,488.16	2,783.12	(40.1%)

Source: NSE

Foreign Participation

Foreign Activity	Previous	Current	Weekly Change %
Foreign Trades	651,996,655.00	528,059,003	-19.01%
Foreign Participation %	26.22%	35.48%	

Equities Performance

	Top Gainers	Previous Price (KES)	Current Price (KES)	Weekly Change %	YTD Change %
1	B.O.C	77	84.25	9.42%	20.36%
2	TPS Eastern Africa	13	14	7.69%	-8.20%
3	E.A.Portland	7.46	8	7.24%	20.12%
4	Kakuzi	394.5	420	6.46%	9.09%
5	NCBA	30.3	31.95	5.45%	26.79%

Source: NSE and Faida Investment Bank Analysis

	Top Losers	Previous Price (KES)	Current Price (KES)	Weekly Change %	YTD Change %
1	Sameer	3.3	2.91	-11.82%	1.75%
2	Liberty	5.8	5.18	-10.69%	-26.00%
3	WPP Scangroup	3.46	3.11	-10.12%	-24.88%
4	BK Group	32.75	30	-8.40%	3.45%
5	Express	3.17	2.92	-7.89%	-28.78%

Source: NSE and Faida Investment Bank Analysis

	Movers	Previous Price (KES)	Current Price (KES)	Turnover (KES Mn)
1	KCB	41.45	39.60	987.31
2	Safaricom	24.95	24.75	620.36
3	Equity	46.45	44.50	268.01
4	NCBA	30.3	31.95	207.3
5	EABL	142	137	186.9

Source: NSE and Faida Investment Bank Analysis

Exchange Rates

The Kenya Shilling appreciated against major international during the week ending October 7. It exchanged at KES 120.8500 per US dollar on October 7, compared to KES 120.6735 per US dollar on September 30

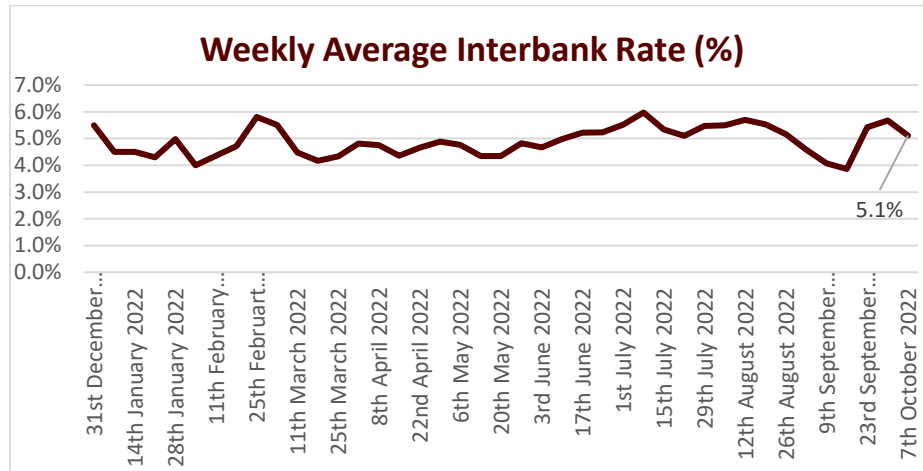
KES	Value	Weekly Change %	YTD Change %
US Dollar	120.8500	0.1%	6.8%
STG Pound	136.7082	4.6%	(10.1%)
EURO	119.5056	2.0%	(6.6%)

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

Global Markets

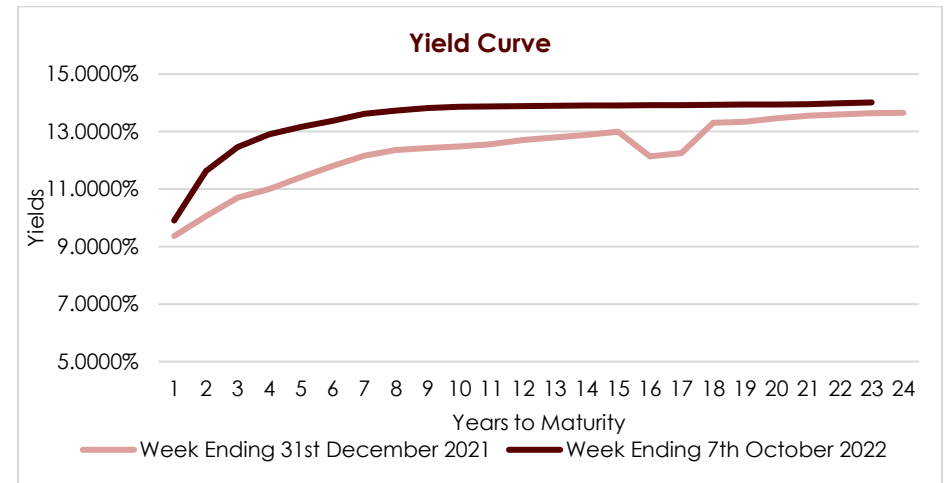
Index	Last Price	Weekly Change %
DJI	33,761.05	2.9%
S&P 500	4,280	3.3%
NASDAQ	12,706.79	(2.6%)
DAX	11,556.48	(5.6%)
FTSE 100	7,252.06	(0.4%)
Euro Stoxx 50	3,484.8	(1.7%)
Shanghai	3,126.40	(1.9%)
NIKKEI 225	27,567.65	(0.3%)
Commodities		
Brent Oil (USD/bbl.)	90.97	(2.2%)
Gold (USD/Oz)	1,656.23	(3.3%)

Interbank Rate



Source: CBK

Government Securities Yield Curve



Source: NSE

Treasury Bill Auction Results

	Amount Offered	Bids Received	Subscription Rate	Bids Accepted	Yield	Change*
91 day	4.0	18.1	452.17%	10.8	9.036%	0.08%
182 day	10.0	6.9	68.83%	6.9	9.639%	0.01%
364 day	10.0	1.4	14.28%	1.4	9.905%	0.81%
Total	24.0	26.4	109.99%	19.1		

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

Inflation rate



- Inflation rate in Kenya accelerated for the seventh consecutive month to 9.2% in September of 2022. It was the highest inflation figure since June of 2017, amid a continued sharp increase in the cost of food, fuel, and housing. On a monthly basis, consumer prices were up 0.9%, after a 0.4% rise in the previous month

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**RESULTS FOR RE-OPENED TEN YEAR AND FIFTEEN-YEAR TREASURY BONDS ISSUE NOS.
FXD1/2017/10 & FXD1/2020/15 DATED 10/10/2022**

TENOR	<i>FXD1/2017/10</i>	<i>FXD1/2020/15</i>	<i>Total</i>
DUE DATES	19/07/2027	5/2/2035	
Total Amount Offered (Kshs. M)			40,000.00
Total bids Received at cost (Kshs. M)	17,256.31	1,543.83	18,800.14
Amount Accepted (Kshs. M)	14,109.57	1,006.54	15,116.11
Competitive bids (Kshs. M)	7,112.94	581.78	7,694.72
Non-competitive bids (Kshs. M)	6,996.63	424.76	7,421.39
Market Weighted Average Rate (%)	13.512	14.144	
Weighted Average Rate of Accepted Bids (%)	13.369	13.97	
Coupon Rate (%)	12.966	12.756	

Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Jubilee Holdings	Interim Dividend	1	30-Aug-22	29-Sep-22	11-Oct-22
B.O.C Kenya	Interim Dividend	1.6	29-Aug-22	9-Sep-22	22-Oct-22
ABSA Bank Kenya	Interim Dividend	0.2	26-Aug-22	21-Sep-22	21-Oct-22
EABL	Final Dividend	7.25	28-Jul-22	15-Sep-22	30-Oct-22
Centum Investment	Final Dividend	0.587	26-Jul-22	30-Sep-22	30-Nov-22

Counter Statistics

Banking Sector	Price (KES)	YTD change	% w-o-w Change	Volume Traded	C/I Ratio	P/E (X)	Dividend Yield	P/B (X)	ROE	
KCB	39.60	-12.87%	-4.46%	162,800	35.6%	3.74	7.6%	0.80	21.7%	
Equity Bank	44.50	-15.64%	-4.20%	2,666,100	48.5%	4.28	6.7%	1.00	13.0%	
NCBA	31.95	26.79%	5.45%	311,700	43.1%	5.15	5.5%	0.60	6.5%	
Stanbic	97.00	11.17%	-3.00%	100	48.9%	5.33	3.9%	0.70	6.8%	
Absa Bank Kenya Plc	10.95	-7.59%	-4.37%	62,700	44.6%	5.48	1.8%	1.10	11.7%	
Housing Finance	3.32	-14.87%	-1.78%	62,600	120.9%	-0.75	0.0%	0.20	-3.8%	
Co-operative Bank	11.85	-8.49%	0.00%	83,600	49.9%	4.23	8.4%	0.70	8.5%	
Diamond Trust Bank	49.40	-16.97%	-1.20%	2,900	38.2%	3.53	5.5%	0.20	4.6%	
Standard Chartered	134.75	5.07%	-1.46%	17,100	47.3%	5.12	7.8%	0.90	9.4%	
I&M	16.90	-19.91%	-0.59%	29,500	48.1%	3.45	15.1%	0.40	6.5%	
Sector Average						53.4%	3.96	6.23%	0.66	7.9%

P/B (X) – FY2021

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	0.00%	0.00%	-	N/M	0.0%	N/M	N/M
Nation Media Group	16.55	-10.30%	-2.36%	3,500	6.90	0.0%	2.40	1.7%
WPP Scan group	3.11	-24.88%	-10.12%	37,100	2.83	11.7%	1.10	6.0%
Uchumi Supermarket	0.25	4.17%	4.17%	105,400	N/M	0.0%	N/M	N/M
Longhorn Publishers	3.24	-46.53%	0.31%	164,000	3.24	16.0%	N/M	17.3%
Eveready	0.76	-22.45%	-5.00%	7,600	N/M	0.0%	N/M	-10.8%
Sector Average					4.32	4.62%		3.6%

**Suspended *N/M - Not Meaningful

Construction & Allied	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	NPM*	ROE
Bamburi Cement	32.75	-13.82%	-3.96%	7,900	9.10	9.2%	3.2%	3.8%
E.A. Portland Cement	1.15	-4.17%	-3.36%	6,400	0.38	0.0%	0.0%	0.0%
Sector Average					4.74	4.58%	1.6%	1.9%

*NPM - Net Profit Margin

Energy & Petroleum Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
KenGen	3.47	-17.18%	-0.86%	27,300	17.35	8.6%	0.20	9.0%
Kenya Power	1.84	5.14%	-2.13%	444,400	2.30	0.0%	1	N/M
Total Kenya	23.75	-5.00%	0.85%	2,800	5.40	5.5%	4	10.8%
Sector Average					8.35	4.71%		9.0%

Insurance Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/B(X)	P/E(X)	Loss Ratio	Expense Ratio
CIC Insurance	2.00	-9.50%	-0.50%	112,600	0.70	10.00	69.8%	34.4%
Britam	5.86	-21.87%	-1.68%	11,000	0.80	299.00	80.6%	58.1%
Jubilee	240.00	-24.23%	-2.04%	200	0.40	2.67	101.3%	44.2%
Kenya Re	1.98	-13.91%	0.00%	97,100	0.20	1.80	67.7%	8.9%
Sanlam Kenya	9.94	-13.94%	0.00%	6,300	0.00	0.17	85.8%	35.5%
Liberty	5.18	-26.00%	-10.69%	16,400	0.40	4.32	119.6%	48.7%
Sector Average					0.42	52.99	87.7%	38.3%

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Investment Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	P/B(X)	EPS (KES)	ROE
Centum Investment	8.96	-94.57%	-5.29%	6,500	-9.96	0.10	-0.90	9.3%
Home Afrika Ltd	0.37	-7.50%	0.00%	17,900	N/M	N/M	N/M	2.6%
Trans-Century	1.23	5.13%	2.50%	1,000	N/M	N/M	-10.6	4.7%
Sector Average					-9.96	0.10	(5.75)	5.5%

*P/B based on company Net Asset Value

Investment Services	Price (KES)	YTD Change	% w-o-w change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
NSE	7.28	-9.00%	-1.36%	2,400	14.56	3.8%	0.50	3.9%
Sector Average					14.56	3.85%		

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	0.0%	N/M	-69.4%
EABL	137.00	-16.97%	-3.52%	320,000	24.91	2.2%	5.50	46.6%
FTG Holdings	1.27	0.79%	4.10%	8,900	2.12	0.0%	0.60	4.8%
Carbacid	11.70	6.36%	1.74%	1,800	7.31	6.0%	1.60	10.0%
BAT	433.50	-1.81%	-1.48%	3,300	6.69	10.4%	64.80	51.2%
Sector Average					10.26	3.71%		

**Suspended

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	24.75	-34.78%	-0.80%	20,918,000	14.56	5.5%	1.70	48.0%
Sector Average					14.56	5.54%		

Real Estate Investment Trust	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	NAVPS*	Dividend Yield	EPS (KES)
ILAM FAHARI I-REIT	7.04	0.12	-0.01	3,100	20.80	10.51%	0.82
Sector Average						NA	

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