



Weekly Market Report

Week 48

Week Ending on Friday, November 29th, 2024

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Weekly Highlights

Treasury Seeks KES 13 Billion from Tax on Infrastructure Bonds

The government could generate up to KES 13.4 billion annually by introducing a 5% withholding tax on interest paid on new infrastructure bonds. This proposal is part of the Tax Laws (Amendment) Bill 2024, currently under stakeholder review. The bill seeks to amend the first schedule of the Income Tax Act, which presently exempts interest income from all bonds used to fund infrastructure projects.

According to the Nairobi Securities Exchange (NSE), there are 25 outstanding infrastructure bonds valued at KES 1.91 trillion. The estimated KES 13.4 billion in revenue is based on applying the proposed 5% tax to interest payments on these securities. New infrastructure bonds, subject to the tax, will be issued gradually to replace the existing ones.

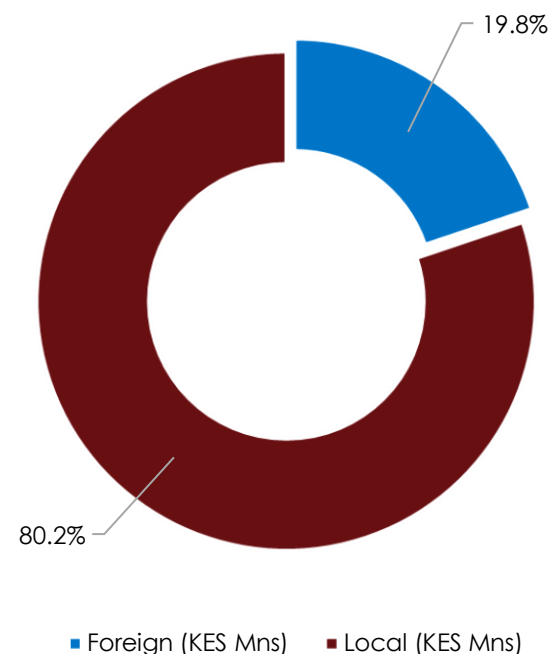
The proposal has sparked mixed reactions. Critics argue that taxing infrastructure bonds may reduce their appeal, potentially hindering the government's ability to secure financing through listed debt instruments. This could undermine the original intent of offering tax-free bonds to attract investment. However, some analysts believe the 5% tax will have minimal impact on investor interest, as it is lower than the tax rate on traditional bonds and remains competitive globally.

The withholding tax on infrastructure bonds is one of several measures proposed by the Treasury to achieve its KES 174.6 billion additional revenue target for the 2024/25 fiscal year.

Equities Market

Foreign vs Local Investor Participation

Local vs Foreign Participation



	Foreign (KES Mns)	Local (KES Mns)
Friday, November 29th, 2024	515.2	2,080.3
Participation	19.8%	80.2%

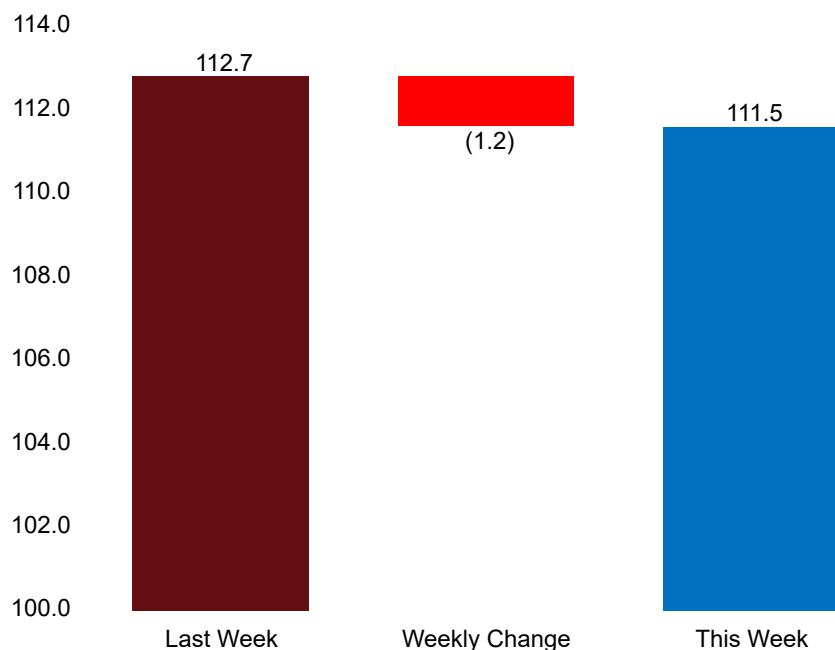
Source: Nairobi Securities Exchange

Equities Market Commentary

	This Week	Past Week	w-o-w Change	YTD Change
NSE All Share	111.5	112.7	-1.1%	21.1%
NSE 20	1,861.4	1,891.2	-1.6%	24.0%
NSE 25	3,063.3	3,118.3	-1.8%	2.0%
Benchmark	632.0	629.6	0.4%	-0.3%

The NSE All Share, NSE 20 and NSE 25 all dipped, shedding by 1.1%, 1.6% and 1.8 respectively. Therefore, closing the week at 111.5, 1,861.4 and 3,063.3 points.

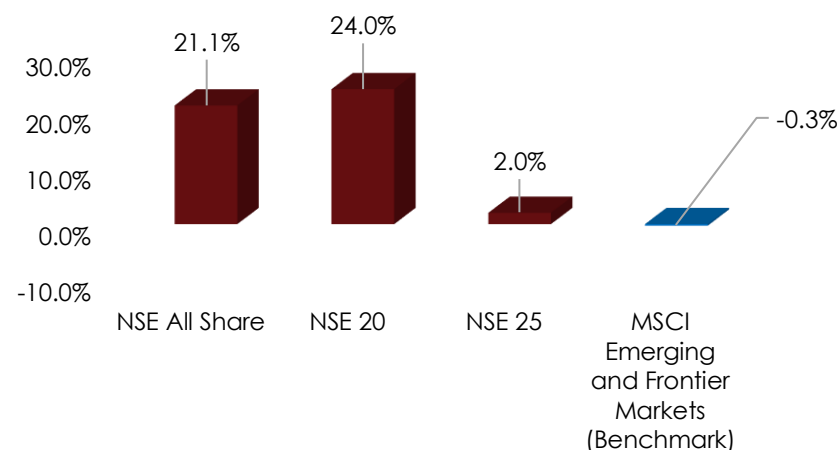
NSE All Share Index



Source: Nairobi Securities Exchange and Bloomberg

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YTD Index Performance



Source: Nairobi Securities Exchange and Bloomberg

	This Week	Past Week	w-o-w Change
Market Capitalization (KES Bns)	1,745.9	1,764.9	-1.1%
Volume Traded (Mns)	176.1	115.6	52.4%
Equity Turnover (KES Mns)	2,596.5	1,288.2	101.6%

Source: Nairobi Securities Exchange and Bloomberg

Volume Traded ticked up by 52.4% to KES 176.1 million, climbing from KES 115.6 in the previous week. Equity turnover jumped by 101.6% to KES 2.6 billion, while Market Cap ticked down by 1.1% to close the week at KES 1.7 trillion.

Equities Performance

Top Gainers	Last Week	Previous Week	Weekly Change	QTD	YTD
Uchumi	0.21	0.19	10.5%	16.7%	23.5%
Total	20.80	20.00	4.0%	-3.7%	15.6%
Kenya Power	4.53	4.36	3.9%	28.0%	219.0%
Williamson Tea	220.00	212.25	3.7%	0.9%	5.8%
BK Group	33.85	32.70	3.5%	1.0%	-5.4%

Source: Nairobi Securities Exchange

Top Movers	Last Week	Previous Week	Turnover (KES Mns)
Safaricom	15.00	14.90	1,400.59
Equity	45.00	45.95	801.53
Stanbic	130.00	127.75	68.02
EABL	165.75	180.00	55.11
KCB	38.40	39.05	46.22

Source: Nairobi Securities Exchange

Top Losers	Last Week	Previous Week	Weekly Change	QTD	YTD
KenGen	3.46	4.00	-13.5%	16.1%	72.1%
Carbacid	17.90	20.10	-10.9%	-19.7%	19.3%
Scangroup	2.02	2.24	-9.8%	-8.2%	-7.3%
Sanlam	4.52	5.00	-9.6%	-31.3%	-24.7%
Eaagads	12.00	13.25	-9.4%	3.4%	-14.0%

Source: Nairobi Securities Exchange

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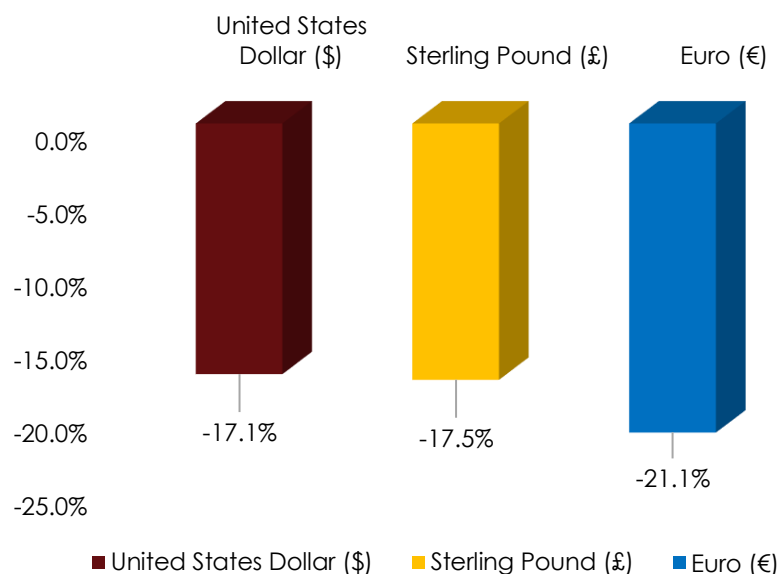
Exchange Rate

The Kenyan Shilling experienced a slight depreciation against the major trading currencies, shedding 0.1% against the Dollar, 0.6% against the Pound and 0.4% against the Euro.

	This Week	Past Week	w-o-w Change	QTD Change	YTD Change
United States Dollar(\$)	129.7	129.6	0.1%	0.5%	-17.1%
Sterling Pound (£)	164.8	163.9	0.6%	-3.6%	-17.5%
Euro (€)	137.1	136.5	0.4%	-3.8%	-21.1%

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

YTD Foreign Currency Performance vs KES



Source: Central Bank of Kenya Data

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Global Markets

	This Week	W-O-W Change	YTD Change
Dow Jones Index	44,910.7	1.4%	19.2%
S&P 500 Index	6,032.4	1.1%	26.5%
Nasdaq 100 Index	20,930.4	0.7%	24.4%
DAX Index	19,626.5	1.6%	17.2%
FTSE 100 Index	8,287.3	0.3%	7.2%
Eurostoxx 50 Index	4,804.4	0.3%	6.3%
Shanghai Composite	3,326.5	1.8%	11.8%
Nikkei 225 Index	38,208.0	-0.2%	14.2%

Source: Bloomberg

Most stock indexes on our watchlist ended the week with gains. U.S. markets advanced following President-elect Donald Trump's nomination of Scott Bessent, an experienced hedge fund manager, as Treasury Secretary. The move boosted investor confidence, with Bessent expected to bring a "Wall Street mindset" focused on economic stability and inflation control. However, Trump's statements about imposing a 25% tariff on imports from Mexico and Canada, along with a 10% tariff on Chinese imports, are likely to shape market movements in the coming week.

China's Shanghai Composite rose 1.8%, as optimism over potential government support outweighed concerns about possible U.S. tariff hikes.

Meanwhile, Japan's Nikkei slipped by 0.2%, reflecting caution among investors amid heightened geopolitical risks, which drove demand for safer assets.

Commodities

Oil prices ticked down this week, with Murban crude prices - which the Energy and Petroleum Regulatory Authority (EPRA) uses as a benchmark to calculate pump prices - dropping by 2.2%, with Brent crude dropping by 3.0%.

Gold prices also mirrored the price drops, ticking down by 2.7% to USD 2,643.2.

	This Week	w-o-w Change	YTD Change
Brent Crude Oil	72.9	-3.0%	-5.3%
Murban Crude Oil	72.7	-2.2%	-5.5%
Gold	2,643.2	-2.7%	28.1%

Source: Bloomberg

Treasury Bill Auction Results

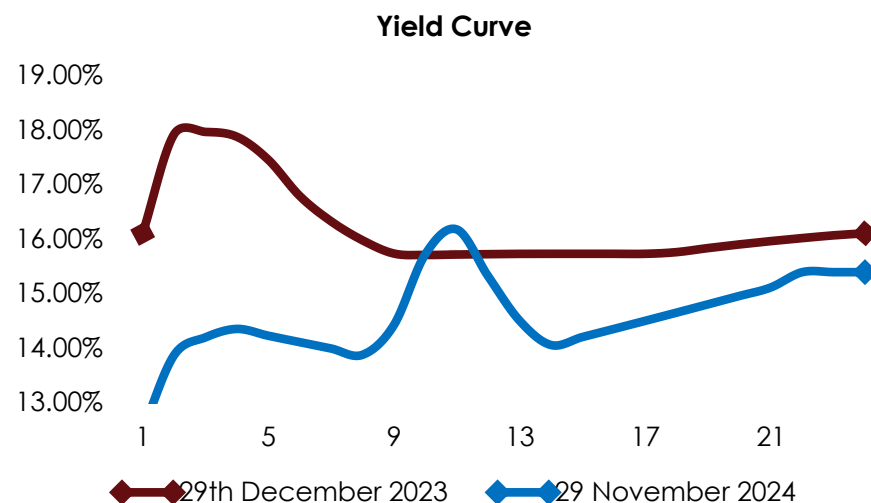
	Amount Offered	Bids Received	Subscription	Bids Accepted	Yield	Subscription w-o-w
91-day	4.0	18.8	470.4%	15.9	11.25%	-24.53%
182-day	10.0	10.4	104.2%	4.2	11.34%	-39.23%
364-day	10.0	21.4	214.2%	14.5	12.49%	-39.08%
Total	24.0	50.7	211.1%	34.7		-34.41%

Source: Central Bank of Kenya

Treasury bills came in oversubscribed this week with the 91-day, 182-day and 364-day papers posting subscription rates of 470.4%, 104.2% and 214.2% respectively. Although, total w-o-w subscription slowed by 34.4%.

Rates on government paper continue to descend, with the 182-day paper experiencing the largest drop, shedding by 0.8718%.

Nairobi Securities Exchange Yield Curve



Source: NSE Data

Stock Recommendation

Co-op Bank – Buy

This week we recommend a buy on Co-op Bank, with a welcome 4.4% growth in its profit after tax for the first nine months ended September 2024(Q3) and a 10.9% dividend yield.

Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Book Closure	Payment Date
HF Group	Rights Issue	3:1	13-Aug-2024	04-Nov-2024	23-Dec-2024
B.O.C	Final Dividend	6.05	30-Apr-2024	31-May-2024	18-Dec-2024
Centum	Final Dividend	0.32	30-Jul-2024	11-Oct-2024	13-Dec-2024
Carbacid	Final Dividend	1.70	31-Oct-2024	26-Nov-2024	18-Dec-2024
KPLC	Final Dividend	0.70	29-Oct-2024	02-Dec-2024	31-Jan-2025
Kengen	First & Final Dividend	0.65	29-Oct-2024	29-Nov-2024	13-Feb-2025
I&M	Interim Dividend	1.30	20-Nov-2024	16-Dec-2024	14-Jan-2025
EA Portlands	First & Final Dividend	1.00	28-Nov-2024	31-Dec-2024	28-Feb-2025

Counter Statistics

Agricultural Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Eaagads	12.00	-9.4%	3.4%	-14.0%	400	35.3	0.3	0.9
Kakuzi	397.00	0.0%	-9.7%	3.1%	3,600	11.4	1.3	12.0
Kapchorua Tea	230.00	1.5%	0.7%	7.0%	800	4.9	3.0	10.6
Limuru Tea	365.00	0.0%	0.0%	-3.9%	4	107.8	4.6	4.3
Sasini	14.40	-4.3%	-15.3%	-28.0%	39,400	8.5	0.3	3.9
Williamson Tea	220.00	3.7%	0.9%	5.8%	1,004	35.6	0.9	3.6
Sector Average		-1.4%	-3.3%	-5.0%		33.9	1.7	

Automobiles Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Car and General	21.05	0.0%	-8.5%	-15.8%	1,745	1.8	0.3	-

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Banking Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Absa	14.95	-2.6%	6.4%	30.6%	1,458,214	4.3	1.1	26.3
Bank of Kigali	33.85	3.5%	1.0%	-5.4%	7,900	-	-	23.3
Diamond Trust Bank	53.50	1.9%	8.6%	18.8%	233,708	2.1	0.2	9.8
Equity Group	45.00	-2.1%	1.6%	33.7%	17,993,362	3.6	0.8	23.3
Housing Finance	4.00	2.6%	-3.1%	14.9%	998,774	3.4	0.2	5.2
I&M	30.10	0.8%	27.8%	72.0%	337,378	3.7	0.6	16.3
KCB	38.40	-1.7%	10.8%	75.3%	1,199,802	2.4	0.5	21.7
NCBA	43.15	-2.0%	-0.7%	10.8%	310,546	3.2	0.7	23.1
Stanbic Bank	130.00	1.8%	9.7%	19.5%	528,121	4.2	0.7	18.5
StanChart	243.25	0.7%	15.6%	50.2%	39,625	4.8	1.1	24.0
The Co-op Bank	13.80	-1.8%	2.2%	21.1%	1,264,952	4.1	0.6	19.9
Sector Average		0.1%	7.3%	31.0%		3.6	0.6	

Commercial Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Eveready	1.08	-6.9%	2.9%	0.0%	16,600	-	-	-
Express Kenya	3.44	0.0%	-1.7%	-7.0%	800	-	0.3	(18.1)
Longhorn	2.30	0.9%	-11.5%	-4.6%	500	-	6.4	(331.8)
Nairobi Business Ventures	2.09	-4.1%	2.5%	-22.6%	178,310	2.8	0.1	2.7
Nation Media Group	11.95	-7.4%	-19.8%	-40.4%	194,776	7.8	0.3	(6.0)
Sameer	2.42	2.1%	-6.6%	6.6%	29,000	-	-	-
Standard Group	4.70	-8.2%	-16.1%	-39.3%	9,800	-	20.8	(183.9)
TPS East Africa	14.20	-4.7%	-3.4%	-13.7%	19,300	2.9	0.4	14.2

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Uchumi	0.21	10.5%	16.7%	23.5%	75,687	-	-	-
WPP Scangroup	2.02	-9.8%	-8.2%	-7.3%	213,351	52.6	0.2	0.3
Sector Average		-2.8%	-4.5%	-10.5%		16.5	4.1	

Construction Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Bamburi	63.25	0.4%	7.2%	76.4%	59,438	16.1	0.7	(3.1)
Crown Paints	32.10	-1.1%	7.2%	-10.0%	4,200	481.6	1.4	0.3
E.A. Cables	1.01	1.0%	3.1%	4.1%	79,872	-	0.5	(31.5)
E.A. Portland	33.40	-8.7%	-4.0%	317.5%	34,300	1.0	0.2	(6.7)
Sector Average		-2.1%	3.4%	97.0%		166.2	0.7	

Energy Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
KenGen	3.46	-13.5%	16.1%	72.1%	10,878,088	3.4	0.1	2.5
Kenya Power	4.53	3.9%	28.0%	219.0%	7,078,739	0.3	0.1	-
Total Kenya	20.80	4.0%	-3.7%	15.6%	16,355	4.4	0.1	10.1
Umeme	16.60	0.6%	0.6%	3.8%	37,704	-	-	1.3
Sector Average		-1.2%	10.2%	77.6%		2.7	0.1	

Insurance Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Britam	5.98	1.7%	-0.3%	24.8%	336,317	4.2	0.6	14.6
CIC	2.04	-6.4%	-2.4%	-8.9%	337,980	3.4	0.6	16.7
Jubilee	172.00	1.2%	6.8%	-7.0%	5,571	1.9	0.2	15.5
Kenya Re	1.14	2.7%	-10.2%	-39.4%	15,089,493	1.3	0.1	11.4
Liberty	7.12	0.6%	23.6%	93.0%	12,863	6.2	0.4	7.4

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Sanlam Kenya	4.52	-9.6%	-31.3%	-24.7%	24,101	0.1	0.0	18.5
Sector Average		-1.6%	-2.3%	6.3%		2.8	0.3	

Investment Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Centum	9.64	-0.2%	-0.2%	14.8%	316,573	2.2	0.2	7.5
Home Afrika	0.35	-2.8%	2.9%	-5.4%	320,700	1.5	-	-
Olympia	2.93	-2.0%	0.0%	-10.4%	27,800	5.6	0.1	2.1
TransCentury	0.40	0.0%	0.0%	-23.1%	295,160	-	-	-
Sector Average		-1.2%	0.7%	-6.0%		3.1	0.1	

Investment Services Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Nairobi Securities Exchange	5.96	2.1%	-3.6%	-1.0%	1,377,279	80.2	0.8	1.0

Manufacturing Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
BOC Kenya	89.00	0.0%	12.7%	8.5%	300	8.3	0.9	11.5
British American Tobacco	350.00	-0.3%	1.1%	-14.1%	21,902	7.2	2.4	34.3
Carbacid	17.90	-10.9%	-19.7%	19.3%	415,100	5.4	1.0	19.3
EABL	165.75	-7.9%	9.4%	45.4%	314,852	16.1	5.5	36.1
Flame Tree	0.92	-6.1%	-11.5%	-11.5%	166,231	-	0.1	(13.0)
Kenya Orchards	70.00	0.0%	180.0%	259.0%	2	529.9	33.1	6.7
Unga Group	16.00	0.6%	-3.0%	-5.0%	10,312	-	0.3	(21.3)
Sector Average		-3.5%	24.1%	43.1%		113.4	6.2	

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Telecommunications Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Safaricom	15.00	0.7%	0.0%	7.9%	96,263,800	10.6	3.9	30.2

Top 10 Dividend Yield

	Last Price	Dividend Yield
Kenya Re	1.14	26.3%
KenGen	3.46	18.8%
Kenya Power	4.53	15.5%
Nation Media Group	11.95	12.6%
Crown Paints	32.10	12.5%
Diamond Trust	53.50	11.2%
Umeme	16.60	11.0%
The Coop Bank	13.80	10.9%
Absa	14.95	10.4%
Carbacid	17.90	9.5%

Banking

	Last Price	Dividend Yield
Absa	14.95	10.4%
Bank of Kigali	33.85	7.1%
Diamond Trust	53.50	11.2%
Equity Bank	45.00	8.9%
Housing Finance	4.00	0.0%
I&M	30.10	4.3%
KCB	38.40	3.9%
NCBA	43.15	7.0%
Stanbic	130.00	1.4%
StanChart	243.25	9.5%
The Coop Bank	13.80	10.9%

Agricultural

	Last Price	Dividend Yield
Eaagads	12.00	0.0%
Kakuzi	397.00	6.0%
Kapchorua	230.00	6.5%
Limuru Tea	365.00	0.3%
Sasini	14.40	3.5%
Williamson Tea	220.00	6.8%

Commercial and Services

	Last Price	Dividend Yield
Eveready	1.08	0.0%
Express Kenya	3.44	0.0%
Longhorn	2.30	0.0%
NBV	2.09	0.0%
Nation Media Group	11.95	12.6%
Sameer	2.42	0.0%
Standard Group	4.70	0.0%
TP Serena	14.20	0.0%
Uchumi	0.21	0.0%
ScanGroup	2.02	0.0%

Automobile

	Last Price	Dividend Yield
Car and General	21.05	3.8%

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Construction and Allied

	Last Price	Dividend Yield
Bamburi	63.25	8.7%
Crown Paints	32.10	12.5%
E.A. Cables	1.01	0.0%
E.A. Portland	33.40	3.0%

Energy and Petroleum

	Last Price	Dividend Yield
KenGen	3.46	18.8%
Kenya Power	4.53	15.5%
Total Kenya	20.80	9.1%
Umeme	16.60	11.0%

Insurance

	Last Price	Dividend Yield
Britam	5.98	0.0%
CIC	2.04	6.4%
Jubilee	172.00	7.2%
Kenya Re	1.14	26.3%
Liberty Kenya	7.12	5.6%
Sanlam	4.52	0.0%

Investment

	Last Price	Dividend Yield
Centum	9.64	3.3%
Home Afrika	0.35	0.0%
Olympia	2.93	0.0%
TransCentury	0.40	0.0%

Investment Services

	Last Price	Dividend Yield
NSE	5.96	2.7%

Manufacturing & Allied

	Last Price	Dividend Yield
BOC	89.00	6.8%
British American Tobacco	350.00	1.4%
Carbacid	17.90	9.5%
EABL	165.75	3.6%
Flame Tree	0.92	0.0%
Kenya Orchards	70.00	0.0%
Unga Group	16.00	0.0%

Telecommunications

	Last Price	Dividend Yield
Safaricom	15.00	4.7%

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