



# Weekly Report

## Week 7

Week Ending Friday, February 18th, 2022

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## Global Markets

Index	Last Price*	Weekly Change	YTD Change
DJI	34,079.18	(1.9%)	(6.2%)
S&P 500	4,348.87	(1.6%)	(8.8%)
NASDAQ 100	14,009.54	(1.7%)	(14.2%)
DAX	15,042.51	(2.5%)	(5.3%)
FTSE 100	7,513.62	(1.9%)	1.7%
EURO STOXX 50	4,074.28	(1.9%)	(5.2%)
Shanghai Composite	3,490.76	0.8%	(4.1%)
NIKKEI 225	27,122.07	0.2%	(5.8%)
Commodities			
Brent Oil (USD/bbl.)	93.54	(1.0%)	20.3%
Gold (USD/Oz)	1,898.43	2.1%	3.8%

Source: Bloomberg, NSE; \*As at 6:00 PM EAT

## Equities Market

### Equity Market Commentary

The All Share Index (NASI) decreased by 1.01% w-o-w to close the week at 166.97, while the NSE 20 increased by 1.01% w-o-w to close the week at 1,916.42. Equity turnover decreased by 26.38% to KES 1.9 billion and the volume traded also decreased by 16.07% to 54.59 million. Notable price increases included; British American Tobacco (11.7% w/w to KES 490.75) and Equity Group (8.8% w/w to KES 52.50). We expect price stability this week.

### Market Indices Performance

Index	This Week	Previous Week	Weekly Change %	YTD Change %
NASI	166.97	167.94	-0.58%	0.58%
NSE 20	1,916.42	1,897.34	1.01%	0.73%
NSE 25	3,755.89	3,758.51	-0.07%	0.32%

Source: NSE

### Market Statistics

	This Week	Previous Week	Change %
Market Capitalization (KES Bn)	2,600.75	2,615.91	-0.58%
Volume (Mn)	54.59	65.04	-16.07%
Equity Turnover (KES Mn)	1,929.05	2,620.41	-26.38%

Source: NSE

## Equities Performance

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Foreign Activity	Previous	Current	Weekly Change %
Foreign Trades	1,653,354,607	1,131,414,166	-31.57%
Foreign Participation %	63.10%	58.65%	

Top Gainers	Previous Price (KES)	Current Price (KES)	Weekly Change %	YTD Change
1. Sanlam	11.00	15.00	36.36%	29.9%
2. BAT	445.00	490.75	10.28%	11.2%
3. Olympia	1.91	2.09	9.42%	4.5%
4. Car General	61.00	66.00	8.20%	94.4%
5. BOC	76.00	82.00	7.89%	17.1%

Top Losers	Previous Price (KES)	Current Price (KES)	Weekly Change	YTD Change %
1. TP Serena	13.50	12.20	(9.63%)	(20.0%)
2. Transcentury	1.28	1.16	(9.38%)	(0.9%)
3. Unga	33.10	30.00	(9.37%)	8.5%
4. Home Afrika	0.39	0.37	(5.13%)	(7.5%)
5. Sameer	2.81	2.67	(4.98%)	(6.6%)

Movers	Previous Price (KES)	Current Price (KES)	Turnover (KES Mn)
1. Safaricom	38.50	37.95	1,097.40
2. Equity	53.25	52.50	312.30
3. EABL	160.00	162.00	170.05
4. KCB	45.30	46.00	155.22
5. Coop	12.95	13.15	63.87

Source: NSE and Faida Investment Bank Analysis

## Derivatives Market

### Weekly Statistics

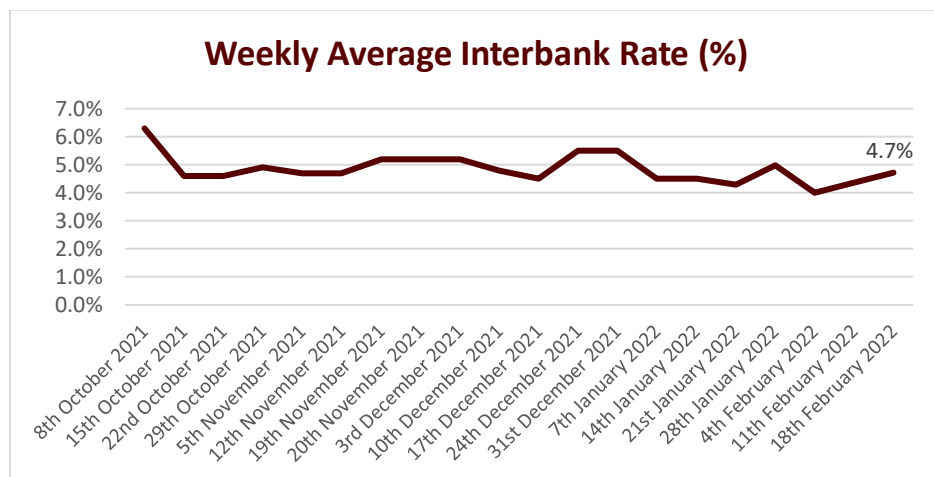
	This Week	Previous Week
Total Volumes	90	117
Total Value	3,725,520	4,467,260
Total Open Interest	376	342

Source: NSE

## Fixed Income

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## Interbank Rate



Source: CBK

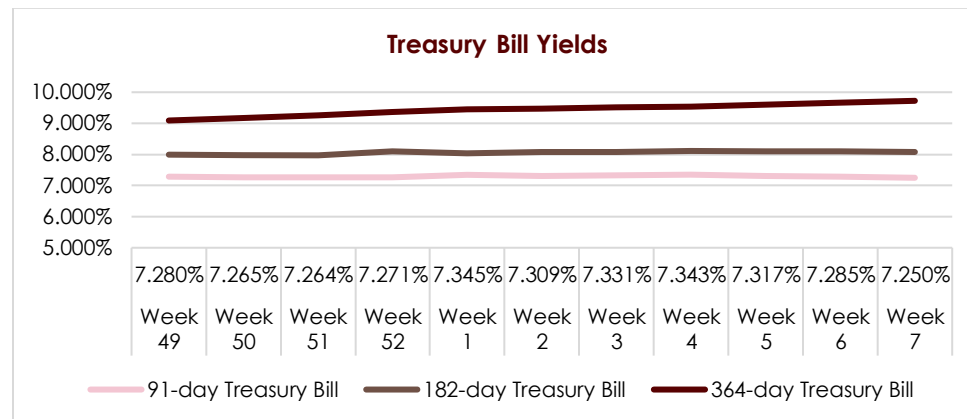
## Treasury Bill Auction Results

	Amount Offered	Bids Received	Subscription Rate	Bids Accepted	Yield	Change*
91 day	4.0	1.5	37.23%	1.4	7.250%	-0.04%
182 day	10.0	10.1	101.49%	10.0	8.075%	-0.03%
364 day	10.0	15.1	151.31%	14.7	9.724%	0.06%
Total	24.0	26.8	111.54%	26.1		

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

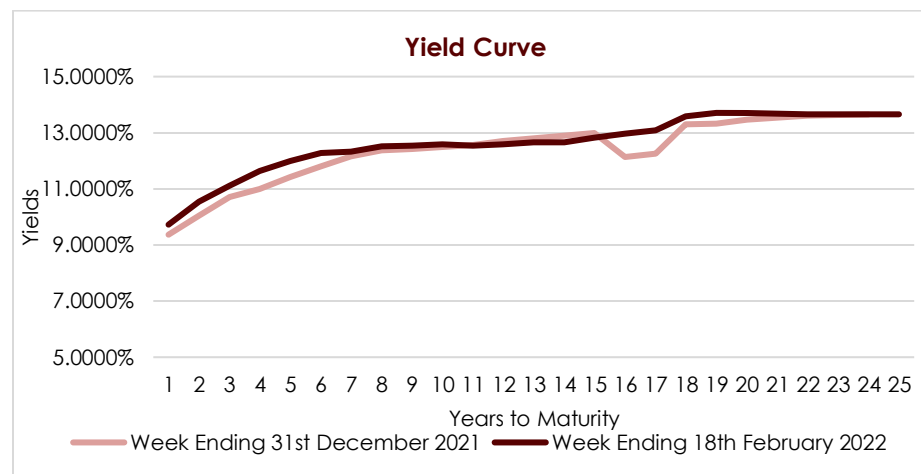
Source: CBK

## Treasury Bill Yields



Source: CBK

## Government Securities Yield Curve



Source: NSE

## Macroeconomic Indicators

### Exchange Rates

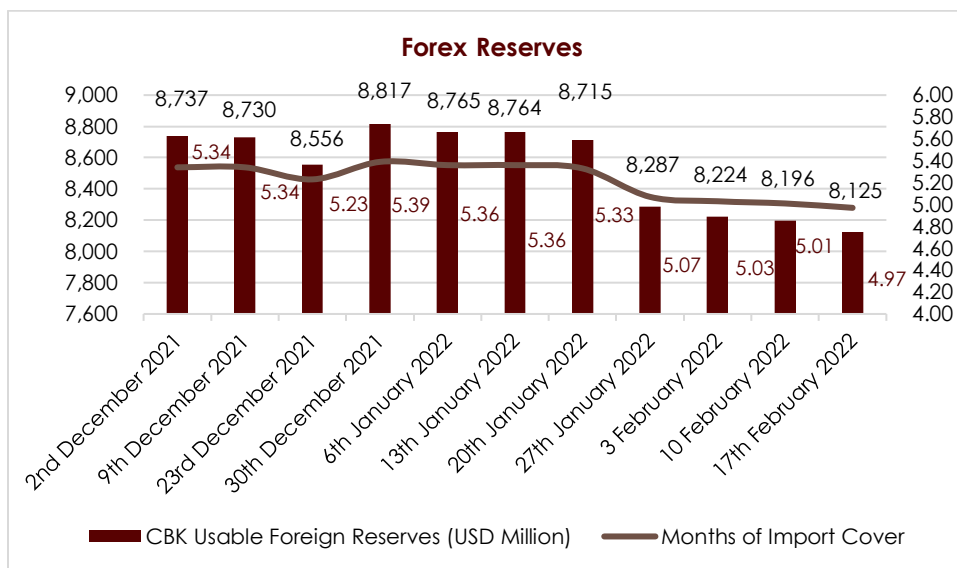
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KES	Value	Weekly Change %	YTD Change %
US Dollar	113.6735	0.0%	0.5%
STG Pound	154.3015	0.3%	1.5%
EURO	129.2485	(0.3%)	1.0%

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

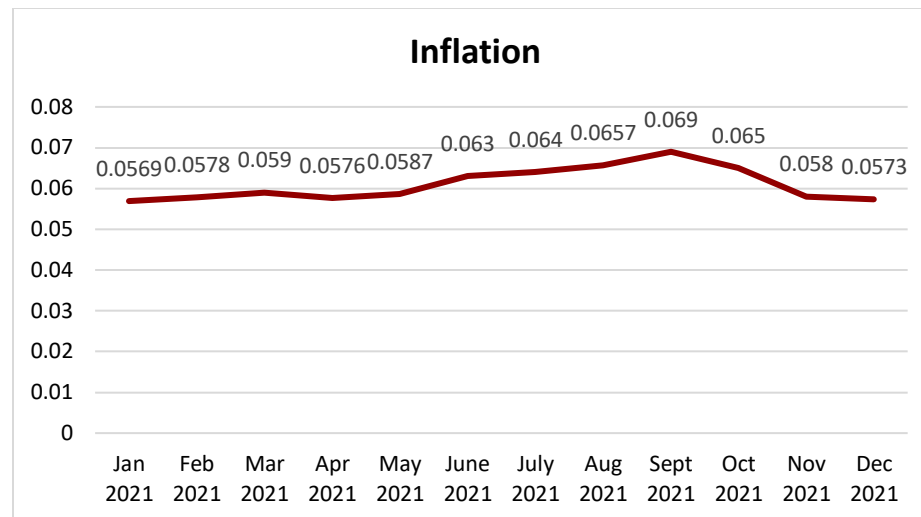
During the week, the Kenya Shilling appreciated against the US Dollar, Euro and the STG Pound.

### Forex Reserves



Source: CBK

### Inflation



Source: KNBS

### Gross Domestic Product (GDP)

Real GDP Growth by Sector	3Q2020	3Q2021
Agriculture	4.2%	(1.8%)
Mining & Quarrying	7.0%	25.1%
Manufacturing	(1.7%)	9.5%
Electricity and Water Supply	0.2%	4.5%
Construction	12.5%	6.4%
Wholesale & Retail Trade	(5.0%)	6.9%
Accommodation & Food Services	(63.4%)	24.8
Transport & Storage	(10.1%)	13.0%
Information & Communication	3.2%	5.8%
Financial & Insurance	3.0%	6.7%
Public Administration	6.3%	6.9%
Professional, Admin & Support Services	(19.7%)	13.5%
Real Estate	3.7%	5.2%
Education	(17.4%)	64.7%
Health	5.2%	8.4%
Other Services	(12.9%)	13.3%

Source: KNBS

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## Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
BAT Kenya Plc	Final dividend	50.00	18-Feb-2022	<b>22-Apr-2022</b>	24-May-2022
East African Breweries Plc	Interim dividend	3.75	28-Jan-2022	<b>28-Feb-2022</b>	27-Apr-2022
Sasini Plc	Final dividend	Kes. 0.50	11-Jan-22	<b>22-Feb-22</b>	15-Mar-22
Car & General	First & Final dividend	Kes. 3.20	6-Jan-22	<b>25-Feb-22</b>	24-Mar-22
Car & General	Bonus	1:1	6-Jan-22	<b>24-Mar-22</b>	08-April-22

Source: NSE

## Investment Options

### 1. Commercial Paper

Commercial paper is a short-term debt instrument issued by large companies to meet short-term borrowing needs such as financing of their working capital. The interest earned can be higher compared to other asset classes. Faida Investment Bank offers you an opportunity to invest in commercial paper. For more information, email us on [info@fib.co.ke](mailto:info@fib.co.ke)

### 2. Hazina

Faida Investment Bank is making investments in Kenyan Government Bonds simple and easily accessible. We have developed a hustle free, easy and convenient way to help our clients invest in government bonds. Whether you are in Kenya or in the Diaspora, a member of an investment group, or a company, you can invest and earn a consistent predictable 'risk-free' return. For more information, email us on [fixedincome@fib.co.ke](mailto:fixedincome@fib.co.ke).

### Primary Market Projections for FXD2/2018/10, FXD1/2021/20 and IFB1/2022/019:

**FXD2/2018/10** is a 6.88 Year paper with a coupon rate of 12.502%. We recommend bidding as follows:

- Aggressive bids 12.35% - 12.49%
- Non Aggressive bids 12.20% - 12.35%

**FXD1/2021/20** is a 19.56 Year paper with a coupon rate of 13.444%. We recommend bidding as follows:

- Aggressive bids 13.64% - 13.75%
- Non Aggressive bids at 13.52 - 13.64%.

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## IFB1/2022/019:

- Aggressive bids: 12.82%- 12.90%
- Non-aggressive bids: 12.70%- 12.81%

We anticipate the cut-off to be around 12.94%. Seeing as this is a tax-free bond, we expect the auction to be over-subscribed by about 75%, meaning bids received should be around 130Billion out of the targeted 75Billion Kshs.

### 3. Sanlam Money Market Fund

Different investors have different risk profiles. Knowing your risk profile helps you make a better decision on whether a particular investment suits your goals. For investors who consider themselves as low risk (risk averse) capital preservation is key. The Money Market Fund offers an opportunity to investors, both individuals and corporates, to make a return as well as have their capital preserved. Faida through its partnership with Sanlam, is offering you an opportunity to invest in the Money Market Fund. To get more information on this, please call us on **+254207606031**.

### 4. Stock picks

**ABSA** – Buy

**Equity** – Hold

**I&M** – Buy

**Coop** – Buy

**HF** – Sell

**Eabl** – Buy

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### Recommendations Guide

**LONG-TERM BUY:** The Company has strong fundamentals. However, there are certain investments or strategies that would require an investor to have a long-term view of the company to allow for capital appreciation. Also, the company may be facing headwinds which we view as short term

**BUY:** Strong fundamentals. Minimal risks to the catalysts/growth drivers

**NEUTRAL:** This is where the positives and negatives in a company almost balance out. You can accumulate for the long term

**SELL:** Deteriorating fundamentals. Risks outweigh the catalyst/growth drivers