



# Weekly Report

## Week 8

Week Ending Friday, February 25

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## Global Markets

Index	Last Price*	Weekly Change	YTD Change
DJI	34,058.75	(0.1%)	(6.3%)
S&P 500	4,384.65	0.8%	(8.0%)
NASDAQ 100	14,189.16	1.3%	(13.1%)
DAX	14,567.23	(3.2%)	(8.3%)
FTSE 100	7,489.46	(0.3%)	1.4%
EURO STOXX 50	3,970.69	(2.5%)	(7.6%)
Shanghai Composite	3,451.41	(1.1%)	(5.2%)
NIKKEI 225	26,476.50	(2.4%)	(8.0%)
Commodities			
Brent Oil (USD/bbl.)	97.93	4.7%	25.9%
Gold (USD/Oz)	1,889.34	(0.5%)	(0.5%)

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

## Equities Market

### Equity Market Commentary

The All Share Index (NASI) decreased by 4.16% w-o-w to close the week at 160.03, similarly the NSE 20 decreased by 1.73% w-o-w to close the week at 1,883.33. Equity turnover increased by 19.23% to KES 2.3 billion and the volume traded also increased by 31.71% to 71.90 million. Notable price declines included; KPLC (5.9% w/w to KES 1.56) and Britam Holdings (4.9% w/w to KES 6.88). We expect price stability this week.

### Market Indices Performance

Index	This Week	Previous Week	Weekly Change %	YTD Change %
NASI	160.03	166.97	-4.16%	-3.86%
NSE 20	1,883.33	1,916.42	-1.73%	-1.01%
NSE 25	3,635.88	3,755.89	-3.20%	-2.89%

Source: NSE

### Market Statistics

	This Week	Previous Week	Change %
Market Capitalization (KES Bn)	2,492.46	2,600.75	-4.16%
Volume (Mn)	71.90	54.59	31.71%
Equity Turnover (KES Mn)	2,300.00	1,929.05	19.23

Source: NSE

## Equities Performance

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Top Gainers	Previous Price (KES)	Current Price (KES)	Weekly Change %	YTD Change
1. BOC	82.00	93.25	13.72%	17.1%
2. Liberty	6.80	7.26	6.76%	(2.9%)
3. TP Serena	12.20	13.00	6.56%	(20.0%)
4. Kakuzi	392.50	415.00	5.73%	1.9%
5. NMG	19.45	20.00	2.83%	5.4%

Top Losers	Previous Price (KES)	Current Price (KES)	Weekly Change %	YTD Change %
1. Unga	30.00	27.30	(9.00%)	8.5%
2. Olympia	2.09	1.92	(8.13%)	4.5%
3. Sameer	2.67	2.46	(7.87%)	(6.6%)
4. EA Cables	1.20	1.12	(6.67%)	0.0%
5. Sasini	21.40	20.10	(6.07%)	14.4%

Movers	Previous Price (KES)	Current Price (KES)	Turnover (KES Mn)
1. Safaricom	34.55	35.65	385,78
2. Equity	51.50	51.75	61.18
3. Eabl	160.00	159.00	55.89
4. Absa	12.10	12.00	17.61
5. KPLC	1.58	1.56	2.60

Source: NSE and Faida Investment Bank Analysis

## Derivatives Market

### Weekly Statistics

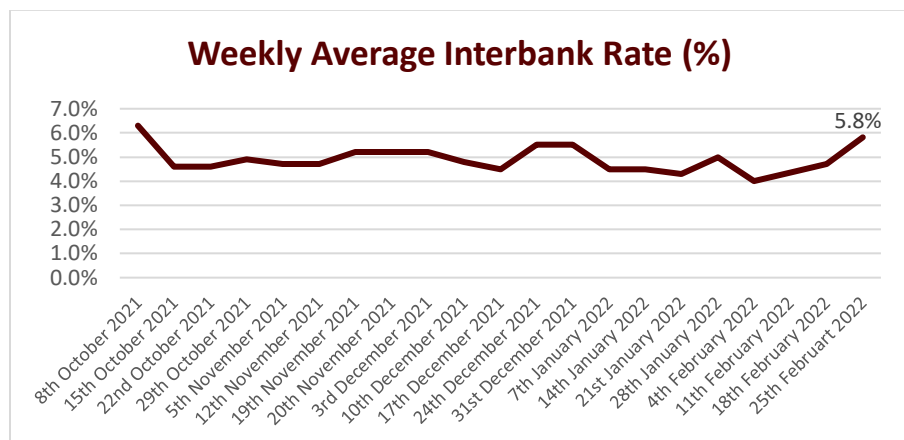
	This Week	Previous Week
Total Volumes	104	90
Total Value	3,715,640	3,725,520
Total Open Interest	411	376

Source: NSE

## Fixed Income

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## Interbank Rate



Source: CBK

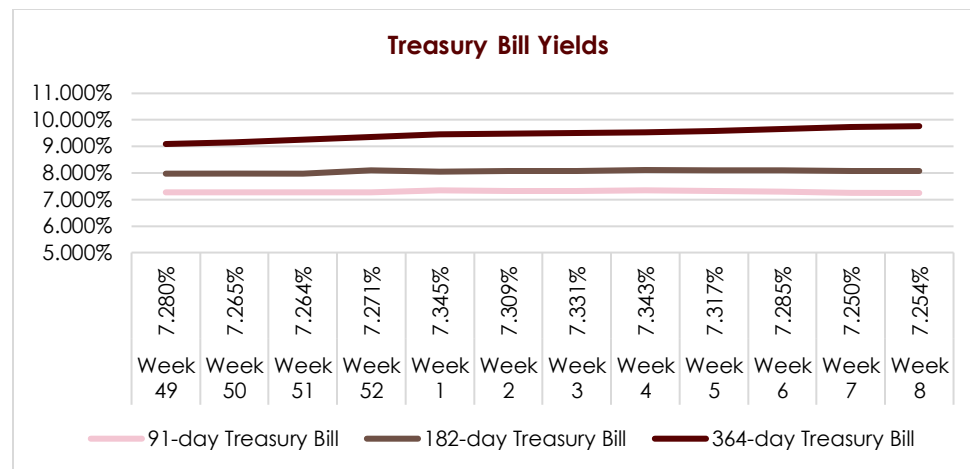
## Treasury Bill Auction Results

	Amount Offered	Bids Received	Subscription Rate	Bids Accepted	Yield	Change*
91 day	4.0	2.0	50.29%	2.0	7.254%	0.00%
182 day	10.0	4.0	40.35%	3.9	8.062%	-0.01%
364 day	10.0	9.2	92.24%	6.8	9.764%	0.04%
Total	24.0	15.3	63.63%	12.7		

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

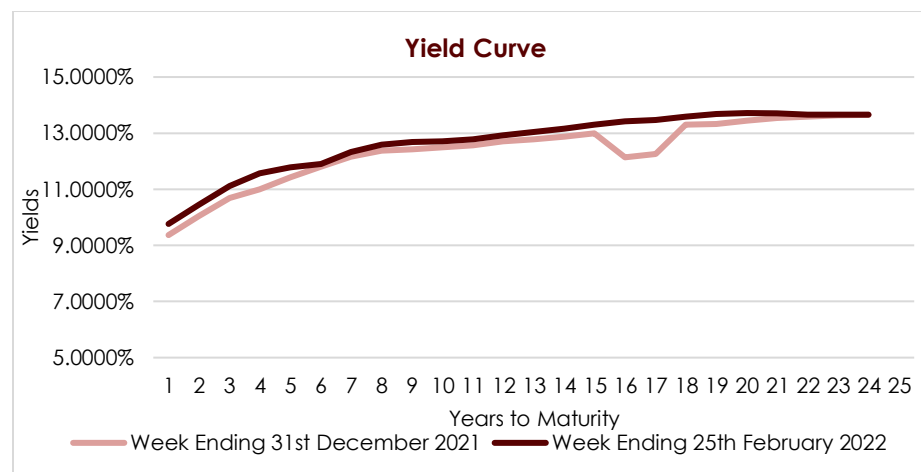
Source: CBK

## Treasury Bill Yields



Source: CBK

## Government Securities Yield Curve



Source: NSE

## Macroeconomic Indicators

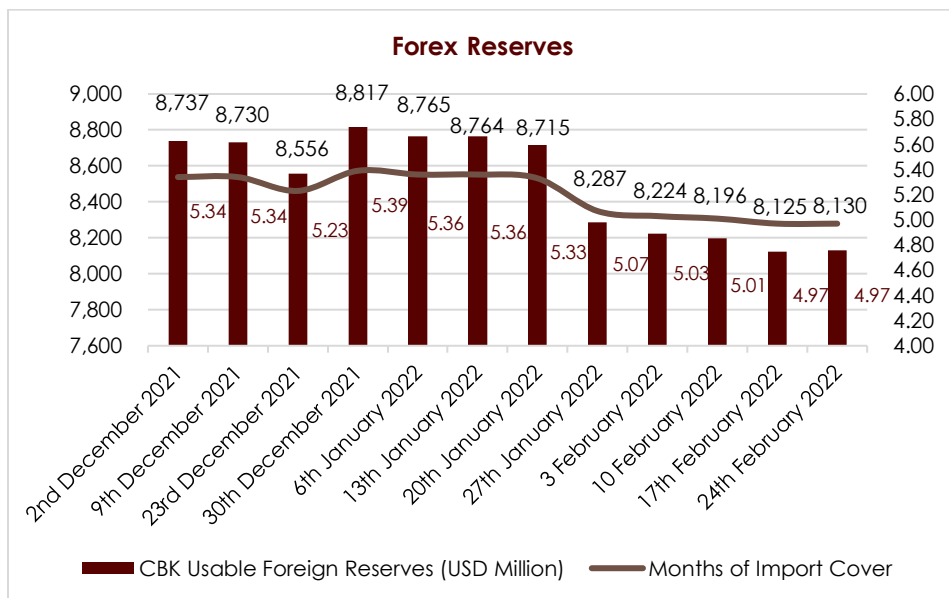
### Exchange Rates

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KES	Value	Weekly Change %	YTD Change %
US Dollar	113.8206	0.1%	0.6%
STG Pound	152.8926	(0.9%)	0.6%
EURO	127.7638	(1.1%)	(0.2%)

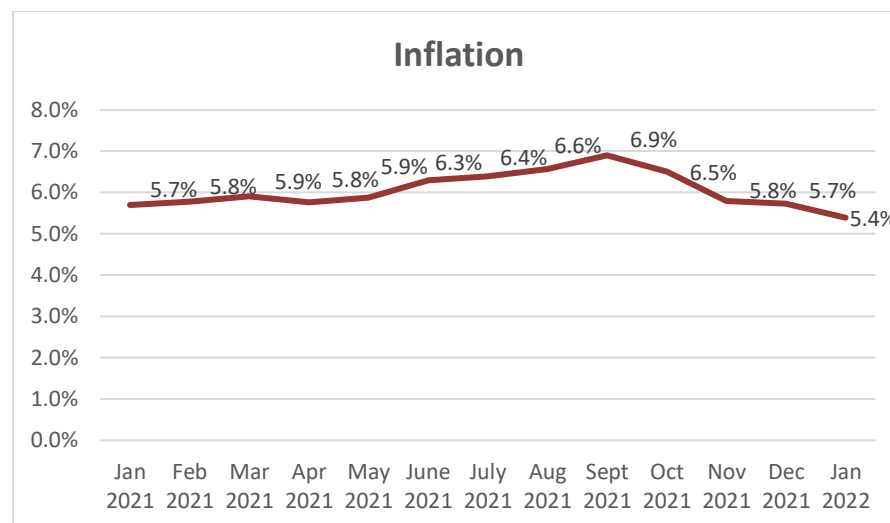
Source: CBK; Negative ( ) = Depreciation, Positive = Appreciation

## 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
Safaricom Plc	Interim dividend	0.64	25-Feb-2022	<b>17-Mar-2022</b>	31-mar-2022
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 hassle 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 thought 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