



# Weekly Report

## Week 9

Week Ending Friday, March 4h, 2022

### CONTACTS:

**Email:** [research@fib.co.ke](mailto:research@fib.co.ke)

**Website:** [www.fib.co.ke](http://www.fib.co.ke)

### HEAD OFFICE:

Crawford Business Park,  
Ground Floor,  
State House Road  
Tel: 0207606026-37  
P.O. Box 45236-00100  
Nairobi

## Global Markets

Index	Last Price*	Weekly Change	YTD Change
DJI	33,614.80	(1.3%)	(7.5%)
S&P 500	4,328.87	(1.3%)	(9.2%)
NASDAQ 100	13,837.83	(2.5%)	(15.2%)
DAX	13,094.54	(10.1%)	(17.6%)
FTSE 100	6,987.54	(6.7%)	(5.4%)
EURO STOXX 50	3,556.01	(10.4%)	(17.3%)
Shanghai Composite	3,447.65	(0.1%)	(5.3%)
NIKKEI 225	25,985.47	(1.9%)	(9.7%)
Commodities			
Brent Oil (USD/bbl.)	118.11	20.6%	51.9%
Gold (USD/Oz)	1,970.0	4.3%	7.7%

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

## Equities Market

### Equity Market Commentary

The All Share Index (NASI) increased by 2.88% w-o-w to close the week at 164.64, similarly the NSE 20 increased by 3.52% w-o-w to close the week at 1,897.90. Equity turnover increased by 3.29% to KES 2.4 billion while the volume traded decreased by 6.75% to 67.10 million. Notable price increases included; Nation Media Group (4.4% w/w to KES 20.30) and KPLC (3.1% w/w to KES 1.64). We expect similar fluctuations in foreign participation and price stability amongst bank stocks.

### Market Indices Performance

Index	This Week	Previous Week	Weekly Change %	YTD Change %
NASI	164.64	160.03	2.88%	-0.82%
NSE 20	1897.90	1,883.33	3.52%	-0.25%
NSE 25	3703.58	3,635.88	1.86%	-1.08%

Source: NSE

### Market Statistics

	This Week	Previous Week	Change %
Market Capitalization (KES Bn)	2,564.49	2,600.75	2.89%
Volume (Mn)	67.10	71.96	-6.75%
Equity Turnover (KES Mn)	2,411.90	2,335.05	3.29%

Source: NSE

**DISCLAIMER:** The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

## Equities Performance

Foreign Activity	Previous	Current	Weekly Change %
Foreign Trades	1,089,669,181	957,967,566.05	-12.09
Foreign Participation %		41.00%	

Top Gainers	Previous Price (KES)	Current Price (KES)	Weekly Change %	YTD Change
1. New Gold	1,880.00	2,075.00	10.37%	10.4%
2. Sameer	2.46	2.70	9.76%	(5.6%)
3. Eaagads	12.35	13.50	9.31%	0.0%
4. TransCentury	1.16	1.24	6.90%	6.0%
5. Unga	27.30	29.00	6.23%	4.9%

Top Losers	Previous Price (KES)	Current Price (KES)	Weekly Change	YTD Change %
1. Sanlam	15.00	11.90	(20.67%)	3.0%
2. Car General	64.00	52.52	(18.36%)	53.95
3. Sasini	20.10	18.10	(9.95%)	(3.2%)
4. BOC	93.25	85.00	(8.85%)	21.4%
5. Liberty	7.26	6.62	(8.82%)	(5.4%)

	Movers	Previous Price (KES)	Current Price (KES)	Turnover (KES Mn)
1.	Safaricom	37.95	37.50	1,345.92
2.	KCB	46.00	45.35	268.83
3.	Equity	52.50	51.75	254.02
4.	SCBK	134.25	132.00	166.97
5.	EABL	162.00	156.75	161.14

Source: NSE and Faida Investment Bank Analysis

## Derivatives Market

### Weekly Statistics

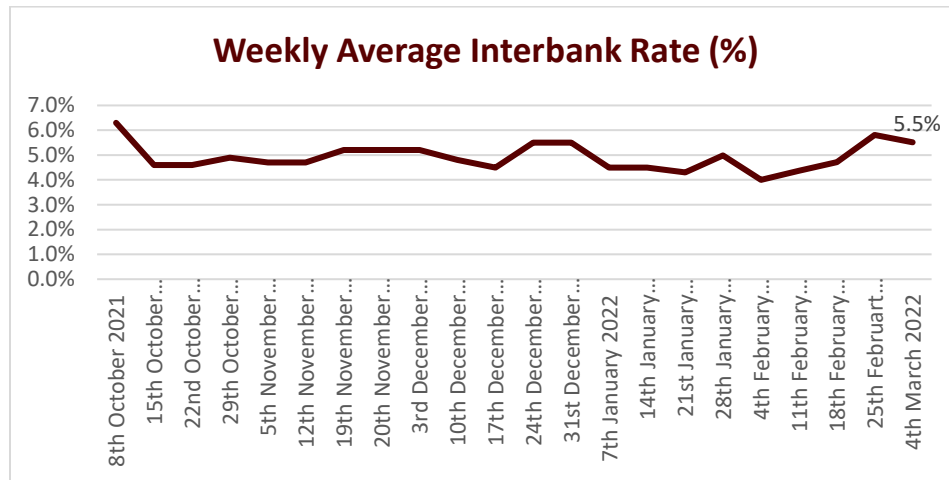
	This Week	Previous Week
Total Volumes	74	104
Total Value	2,528,190	3,715,640
Total Open Interest	418	411

Source: NSE

**DISCLAIMER:** The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

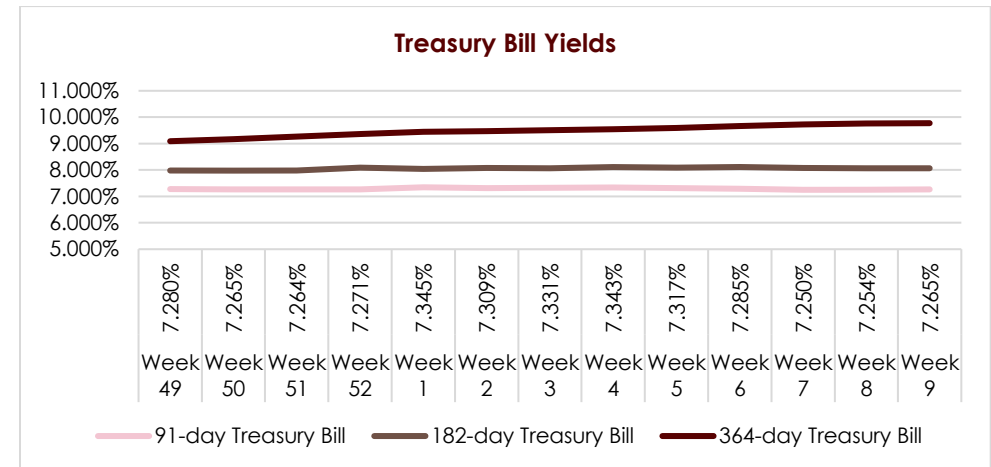
## Fixed Income

### Interbank Rate



Source: CBK

### Treasury Bill Yields



Source: CBK

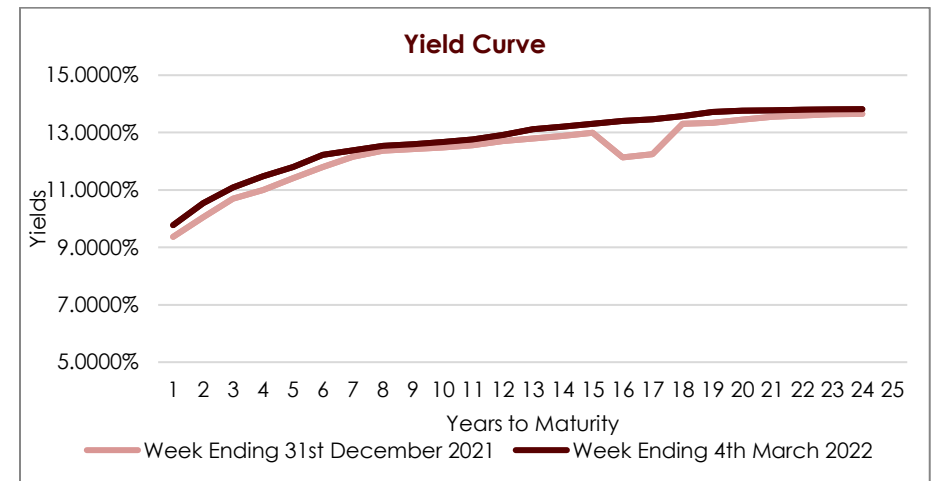
### Treasury Bill Auction Results

	Amount Offered	Bids Received	Subscription Rate	Bids Accepted	Yield	Change*
91 day	4.0	9.8	246.04%	9.8	7.265%	0.01%
182 day	10.0	12.6	126.01%	12.3	8.063%	0.00%
364 day	10.0	6.9	68.66%	4.4	9.774%	0.01%
Total	24.0	29.3	122.12%	26.5		

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

Source: CBK

### Government Securities Yield Curve



Source: NSE

**DISCLAIMER:** The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

## Macroeconomic Indicators

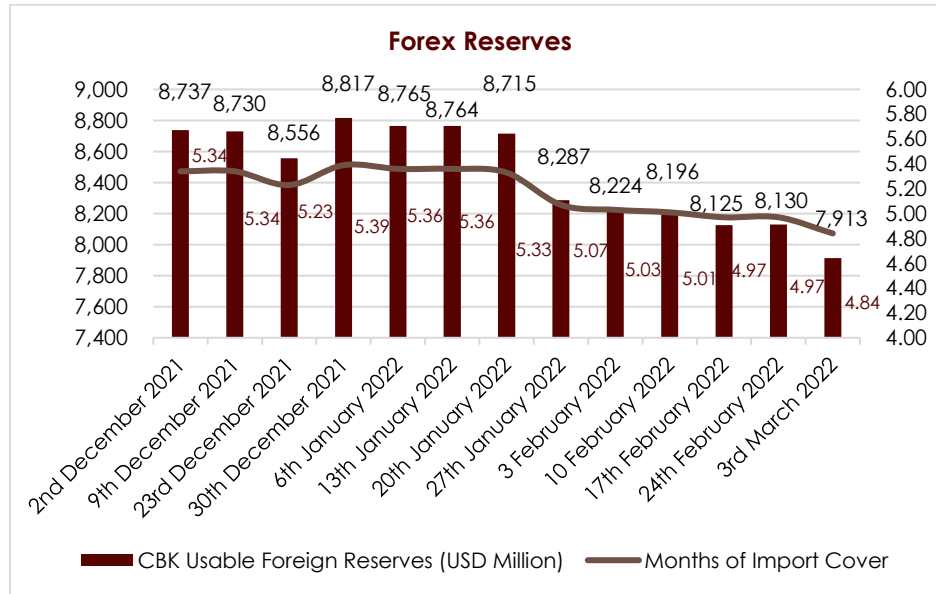
### Exchange Rates

KES	Value	Weekly Change %	YTD Change %
US Dollar	113.9147	0.1%	0.7%
STG Pound	152.4115	(0.3%)	0.2%
EURO	127.0935	(0.5%)	(0.7%)

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

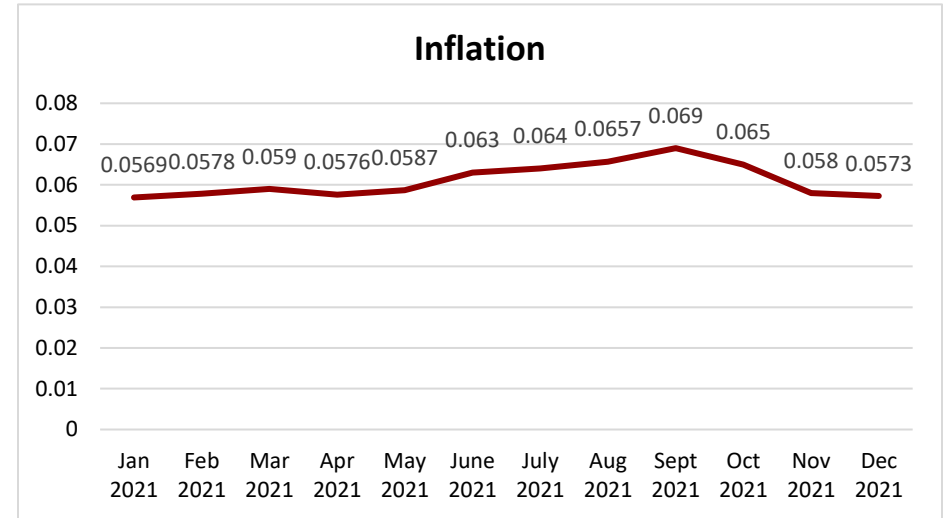
During the week, the Kenya Shilling appreciated against the US Dollar, Euro and the STG Pound.

### 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

**DISCLAIMER:** The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

## Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Stanbic Holdings Plc	Final Dividend	7.30	03-Mar-2022	<b>20-May-2022</b>	TBA
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 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 FXD1/2021/5Yr, FXD1/2020/15Yr and FXD1/2021/25Yr:

**FXD1/2021/5** is a 4.7 Year paper with a coupon rate of 11.277%. We recommend bidding as follows:

- Aggressive bids 11.90% - 12.05%
- Non Aggressive bids 11.75% - 12.89%

**DISCLAIMER:** The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

**FXD1/2020/15** is a 12.9 Year paper with a coupon rate of 12.756%. We recommend bidding as follows:

- Aggressive bids 13.50% - 13.65%
- Non Aggressive bids at 13.25% - 13.49%.

**FDX1/2021/25** is a 24.2 year paper with a coupon rate of 13.924%. we recommend bidding as follows:

- Aggressive bids: 14.05%- 14.20%
- Non-aggressive bids: 13.90%- 14.04%

### 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

**Equity** – Long term buy

**I&M** – Hold

**Coop** – Long term buy

**EABL** – Buy

**BAT** – hold

# There's a new way to get the latest research and analysis from Faida Investment Bank

To receive Investment Opportunities and the Latest Market Recommendations on WhatsApp save

**+254743552341** in your contacts list.

To invest in Money Market Funds, please email: **[info@fib.co.ke](mailto:info@fib.co.ke)**

For Online Share Trading (OST) via browser, please click **[here:](#)**

For the Faida M-Trader Application, please click **[here:](#)**





### 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