



# CAPITAL WEEKLY

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### EQUITIES

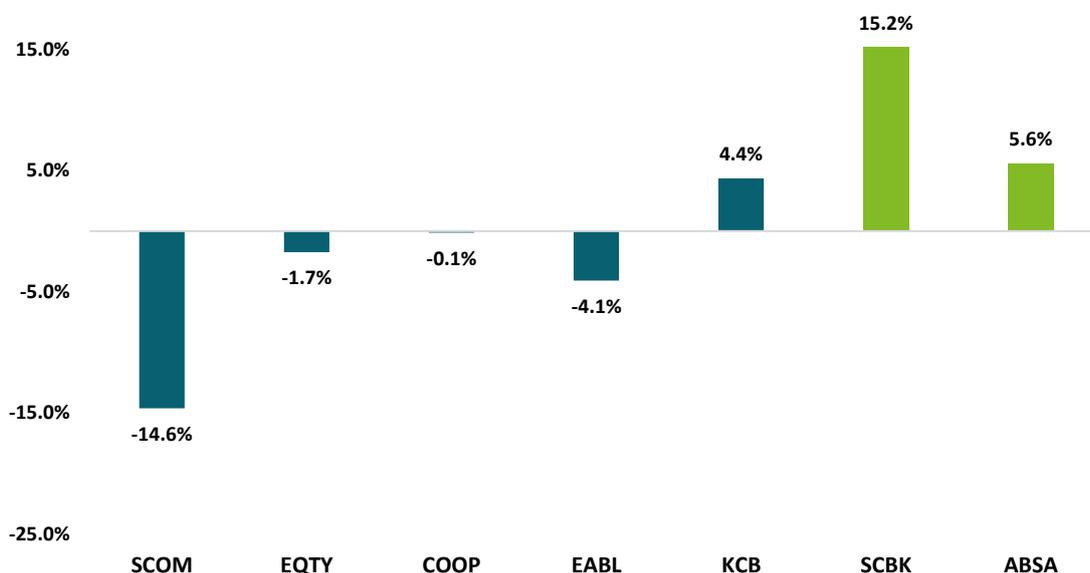
#### Market Summary

Market activity improved during the week with a 17.3% increase in shares traded. The NSE 20 was up 4.3% w/w while the NASI increased 8.4% w/w. The large cap counters Safaricom, Equity Group, KCB Group and EABL were up 12.6% w/w, 7.0% w/w, 8.7% w/w and 0.7% w/w respectively. Equities turnover was up 18.3% w/w to KES 2.7Bn, with SCOM, EQTY, KCB & KUKZ being the four top traded counters, accounting for 87.8% of total market turnover.

Foreigners remained net sellers during the week, with net outflows worth KES 855.5Mn, responsible for 54.6% of market activity.

Going into the week, activity is expected to continue to be dominated by the key traded counters SCOM, the banks and EABL.

YTD performance relative to NSE 20  
'how are the key counters performing compared to the market'



Source: NSE, KCB Capital

SSA Markets Performance			
Country	Index Code	W/W	YTD
Kenya	KNSMIDX	4.3%	-11.1%
Nigeria	NGSEINDX	-0.5%	20.7%
Ghana	GGSECI	-0.3%	-9.0%
Uganda	UGSINDX	6.5%	-12.8%
Tanzania	DARSDSEI	0.1%	-0.3%
Rwanda	RSEASI	0.0%	1.1%
Egypt	EGX30	-5.0%	-26.7%
Mauritius	SEMDEX	-1.9%	-1.2%
BRVM	ICXCOMP	-0.2%	2.3%

Source: Bloomberg, KCB Capital (Figures at 12pm GMT)

#### SSA Markets

YTD, Nigeria and BVRM are the top market gainers under our SSA universe coverage, up 20.7% and 2.3% respectively, while Egypt and Uganda are the major losers, shedding 26.7% and 12.8% respectively.

On a week-on-week basis, Egypt and Mauritius were the top losers while Uganda was the top gainer.

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## CORPORATE ACTIONS

Corporate Actions					
Company	NSE Ticker	Dividend/Bonus		Book Closure	Payment/Crediting Date
		Interim	Final		
Williamson Tea	WTK		KES 20.00	29-Jul-22	Subject to approval
Kapchorua Tea	KAPC		KES 10.00	29-Jul-22	Subject to approval
Bamburi Cement	BAMB		KES 3.58	26-May-22	26-Jul-22
Sasini Plc	SASN	KES 1.00		2-Jun-22	14-Jul-22
Crown Paints	BERG		KES 4.00	28-Jun-22	15-Aug-22
BOC Kenya	BOC		KES 2.90	27-May-22	19-Jul-22
Nation Media	NMG		KES 1.50	16-Jun-22	29-Jul-22
Total Energies	TOTL		KES 1.31	24-Jun-22	30-Jul-22
Jubilee Holdings	JUB		KES 8.00	22-Jun-22	25-Jul-22
Jubilee Holdings	JUB	Special Div	KES 5.00	22-Jun-22	25-Jul-22
Kenya Re	KNRE		KES 0.10	17-Jun-22	29-Jul-22
Nairobi Securities Exchange	NSE		KES 0.40	3-Jun-22	15-Jul-22
Nairobi Securities Exchange	NSE	Special Div	KES 0.50	3-Jun-22	15-Jul-22
Umeme	UMME		UGX 54.10	24-Jun-22	22-Jul-22
Diamond Trust Bank	DTK		KES 3.00	30-Jun-22	28-Jul-22
Safaricom Plc	SCOM		KES 0.75	29-Jul-22	31-Aug-22

Source: NSE, KCB Capital

## Stock Picks

We recently released a list of counters that stand out as top recommendations this month. To read the full report [click here](#)

## MACRO ECONOMIC

### Key Highlights

#### Currency

The Kenya Shilling remained stable against major international and regional currencies during the week ending July 7. It exchanged at KES 118.03 per US dollar on July 7, compared to KES 117.83 per US dollar on June 30. The forex reserves currently stand at USD 7.99Mn (4.61 months of import cover), compared to USD 7.98Mn (4.74 months of import cover) the previous week.

Currency Performance		
Notation Pair	W/W	YTD
USDKES	0.0%	-4.5%
USDGBP	-1.2%	-13.2%
USDCNY	-0.1%	-5.5%
USDZAR	-3.4%	-6.5%
USDNGN	-1.5%	0.1%
USDGHS	-0.8%	-31.0%
USDUGX	-0.4%	-5.8%
USDZS	0.1%	-0.8%
USDZWF	-0.4%	-0.2%

Source: CBK, KCB Capital

#### Current Account

Provisional data on balance of payments shows that the current account deficit was estimated at 5.3% of GDP in the 12 months to May 2022, compared to 5.0% of GDP in the 12 months to May 2021. The wider deficit reflects a higher import bill, particularly for oil, which more than offset increased receipts from agricultural and services exports, and remittances.

#### Money Market

The money market was liquid during the week ending July 7 partly reflecting government payments, which offset tax remittances. Commercial banks' excess reserves stood at KES 31.0Bn in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. During the week, the average number of interbank deals increased to 39 from 26 in the previous week, while the average value traded increased marginally to KES 20.1Bn from KES 19.0Bn in the previous week.

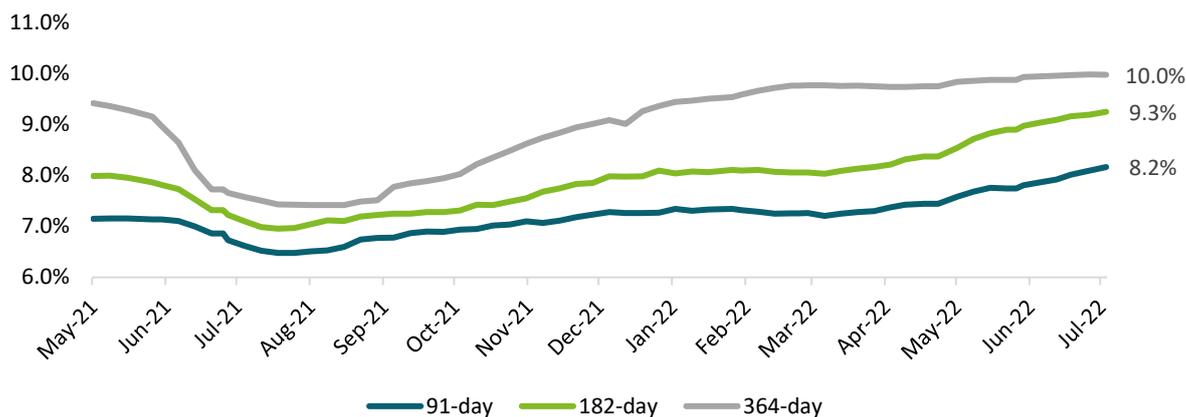
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### FIXED INCOME

#### Key Highlights

- The Treasury bill auction of July 1, received bids totalling KES 24.6Bn, representing a performance of 102.5%. Interest rates remained stable.

#### T-Bill Rates

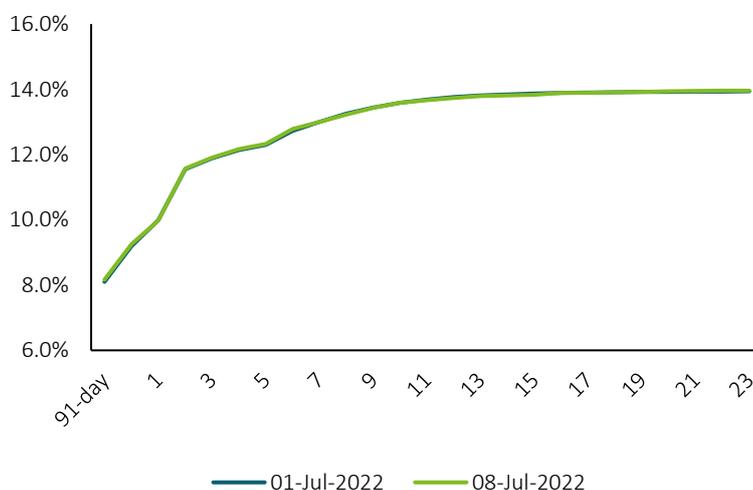


Source: CBK, KCB Capital

- During the Treasury bond tap sale of July 7, the 18-year infrastructure bond received bids totalling KES 6.4Bn against an advertised amount of KES 20.0Bn, representing a performance rate of 32.1%.
- Bond turnover in the domestic secondary market declined by 33.8% during the week ending July 7. In the international market, the yields on Kenya's Eurobonds increased by an average of 37.72 basis points. The yield on the 10-Year Eurobonds for Angola and Ghana also increased.

Interest Rates		
Key rates	This Week	Last Week
91-day T-Bill	8.17%	9.25%
182-day T-Bill	9.25%	9.98%
364-day T-Bill	9.98%	11.57%
2-Year	11.57%	11.90%
5-Year	12.33%	12.78%
10-Year	13.59%	13.67%
15-Year	13.84%	13.89%
Average Interbank Rate	5.89%	5.33%

#### Yield Curve



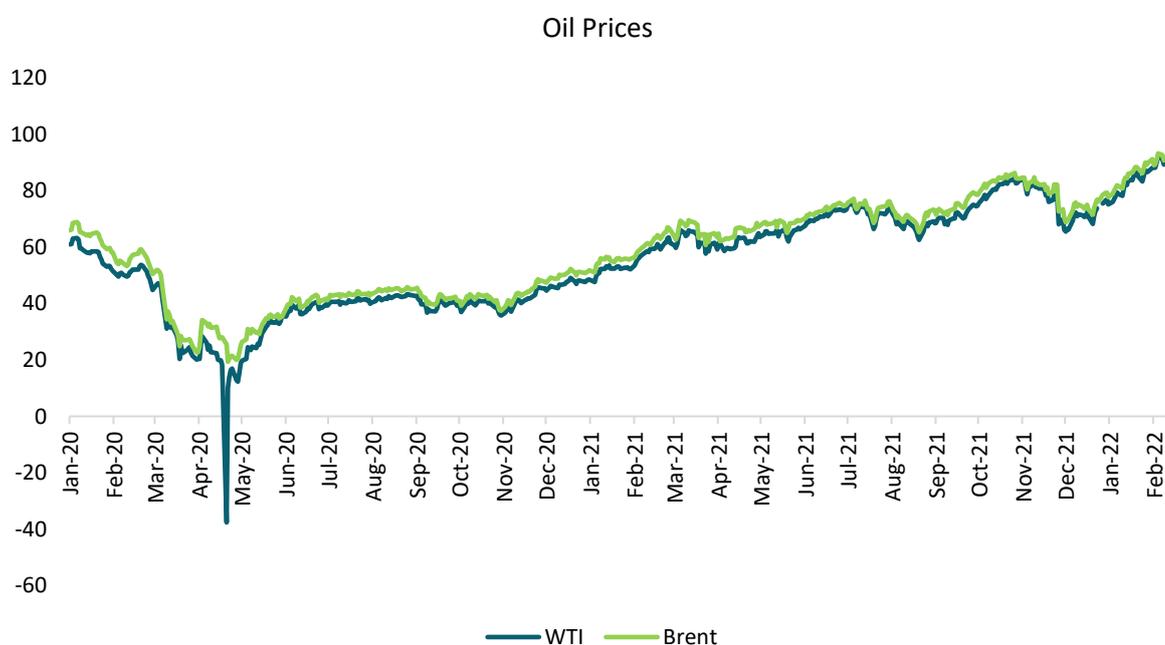
Source: CBK, KCB Capital

## CAPITAL WEEKLY

### GLOBAL MARKETS

#### Key Highlights

- Concerns about inflation remained during the week ending July 7, with more countries increasing policy rates to address these concerns. The index of the US dollar against a basket of major currencies strengthened by 1.9% during the week, reaching a 20-year high. The euro declined by 2.5% against the dollar, approaching parity. Equity markets gained during the week despite lingering concerns of a global economic slowdown.
- International oil prices declined during the week ending July 7, after the OPEC+ agreed to increase monthly overall production. Murban oil prices dropped to USD 105.4 per barrel on July 7, compared to USD 118.74 per barrel on June 30.



Source: Bloomberg, KCB Capital (Figures at 12pm GMT)

- U.S. stocks closed mixed Friday, with the technology-heavy Nasdaq Composite ending higher as the Dow Jones Industrial Average and S&P 500 index slipped, after a stronger-than-expected June jobs report. All three major benchmarks booked weekly gains, with the Nasdaq leading the way up.

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