



CAPITAL WEEKLY

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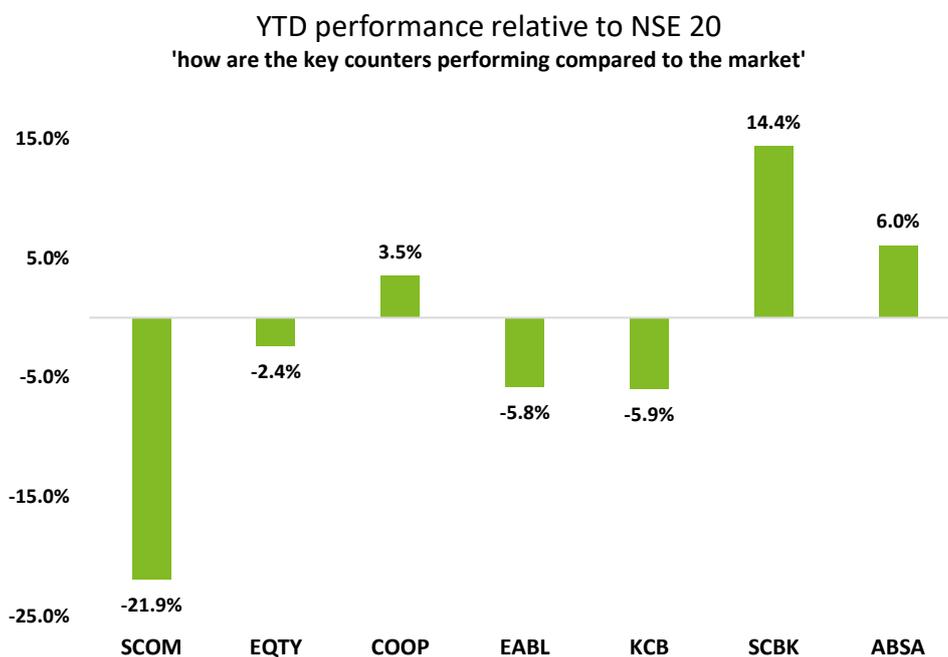
EQUITIES

Market Summary

Market activity improved during the week with a 66.8% increase in shares traded. The NSE 20 was down 2.2% w/w while the NASI fell 6.6% w/w. The large cap counters SCOM, KCB Group, Equity Group and EABL were down 9.2% w/w, 8.0% w/w, 2.9% w/w and 7.2% w/w respectively. Equities turnover rose 59.5% w/w to KES 2.6Bn, with SCOM, NCBA, EQTY and KCB being the four top traded counters, accounting for 80.4% of total market turnover.

Foreigners remained net sellers during the week, with net outflows worth KES 559.4Mn, responsible for 44.9% 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.



Source: NSE, KCB Capital

SSA Markets Performance			
Country	Index Code	W/W	YTD
Kenya	KNSMIDX	-2.2%	-8.1%
Nigeria	NGSEINDX	-0.4%	15.8%
Ghana	GGSECI	-0.3%	-10.4%
Uganda	UGSINDX	-2.0%	-10.6%
Tanzania	DARSDSEI	-2.2%	-1.2%
Rwanda	RSEASI	0.0%	1.4%
Egypt	EGX30	-1.8%	-15.7%
Mauritius	SEMDEX	-0.2%	-0.8%
BRVM	ICXCOMP	2.4%	3.1%

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 15.8% and 3.1% respectively, while Egypt and Uganda are the major losers, shedding 15.7% and 10.6% respectively.

On a week-on-week basis, Kenya and Tanzania were the top losers while BVRM was the top gainer.

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CORPORATE ACTIONS

Corporate Actions					
Dividend/Bonus					
Company	NSE Ticker	Interim	Final	Book Closure	Payment/Crediting Date
Jubilee Holdings	JUB	KES 1.00		9-Sep-22	11-Oct-22
B.O.C Kenya	BOC	KES 1.60		30-Sep-22	22-Oct-22
ABSA Group	ABSA	KES 0.20		21-Sep-22	12-Oct-22
NCBA Group	NCBA	KES 2.00		15-Sep-22	30-Oct-22
East African Breweries	EABL		KES 7.25	15-Sep-22	30-Oct-22
Centum Investment	CTUM		KES 0.587	30-Sep-22	Subject to approval
BAT Kenya	BAT	KES 5.00		12-Aug-22	16-Sep-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](#)

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MACRO ECONOMIC

Key Highlights

Currency

The Kenya Shilling remained stable against major international and regional currencies during the week ending September 15. It exchanged at KES 120.41 per US dollar on September 15, compared to KES 120.28 per US dollar on September 8. The forex reserves currently stand at USD 7.37Mn (4.20 months of import cover), compared to USD 7.35Mn (4.19 months of import cover) the previous week.

Currency Performance		
Notation Pair	W/W	YTD
USDKES	-0.1%	-6.4%
USDGBP	-1.5%	-18.5%
USDCNY	-0.9%	-9.9%
USDZAR	-1.8%	-10.5%
USDNGN	0.0%	-2.5%
USDGHS	0.3%	-63.3%
USDUGX	0.0%	-7.2%
USDZS	-0.1%	-1.1%
USDZWF	-0.8%	-2.0%

Source: CBK, KCB Capital

Remittances

Remittance inflows in August 2022 totaled USD 310.5Mn compared to USD 312.9Mn in August 2021, a decline of 0.8%. The cumulative inflows for the 12 months to August 2022 totaled USD 3,992Mn compared to USD 3,481Mn in the same period in 2021, an increase of 14.7%. The strong remittances inflows continue to support the current account and the stability of the exchange rate. The US remains the largest source of remittances into Kenya, accounting for 58% in August 2022.

Money Market

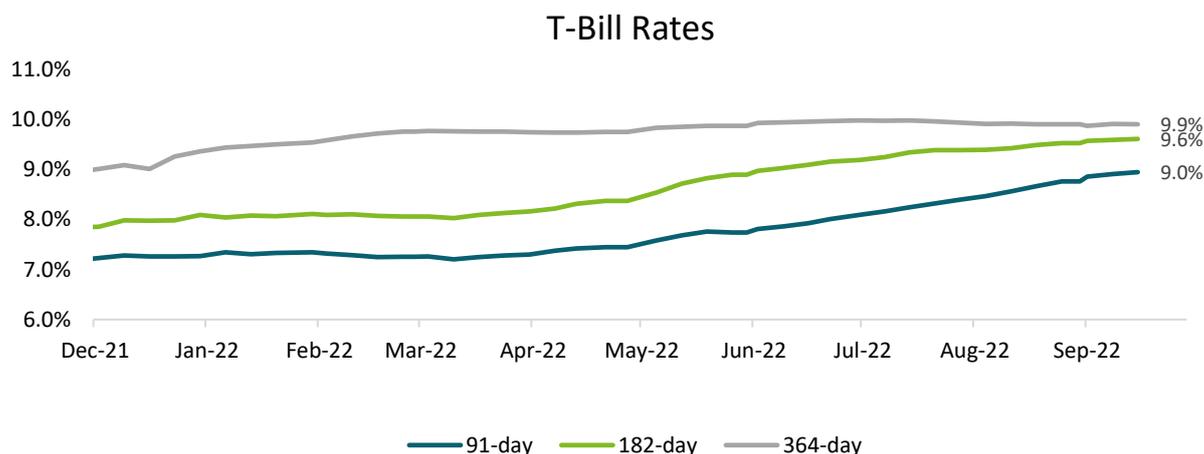
Liquidity in the money market decreased during the week ending September 15, as tax remittances more than offset government payments. Commercial banks' excess reserves stood at KES 20.0Bn in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. During the week, the average number of interbank deals increased to 34 from 26 in the previous week, while the average value traded increased to KES 21.8Bn from KES 13.1Bn in the previous week.

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FIXED INCOME

Key Highlights

- The Treasury bill auction of September 16, received bids totalling KES 23.3Bn, representing a performance of 97.0%. Interest rates remained stable, with 91-day and 182-day Treasury bill rates increasing while the 364-day Treasury bill rate declined marginally.



Source: CBK, KCB Capital

- During the Treasury bond auction of September 14, the re-opened 10-year, and 15-year fixed rate Treasury bonds received bids totaling KES 46.1Bn against an advertised amount of KES 50.0Bn, representing a performance rate of 92.3%. The weighted average rate of accepted bids was 13.949% and 13.983% respectively.

Interest Rates		
Key rates	This Week	Last Week
91-day T-Bill	8.95%	8.91%
182-day T-Bill	9.62%	9.60%
364-day T-Bill	9.91%	9.92%
2-Year	11.55%	11.52%
5-Year	12.96%	12.85%
10-Year	13.69%	13.69%
15-Year	13.91%	13.91%
Average Interbank Rate	3.99%	4.16%

Source: CBK, KCB Capital

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FIXED INCOME

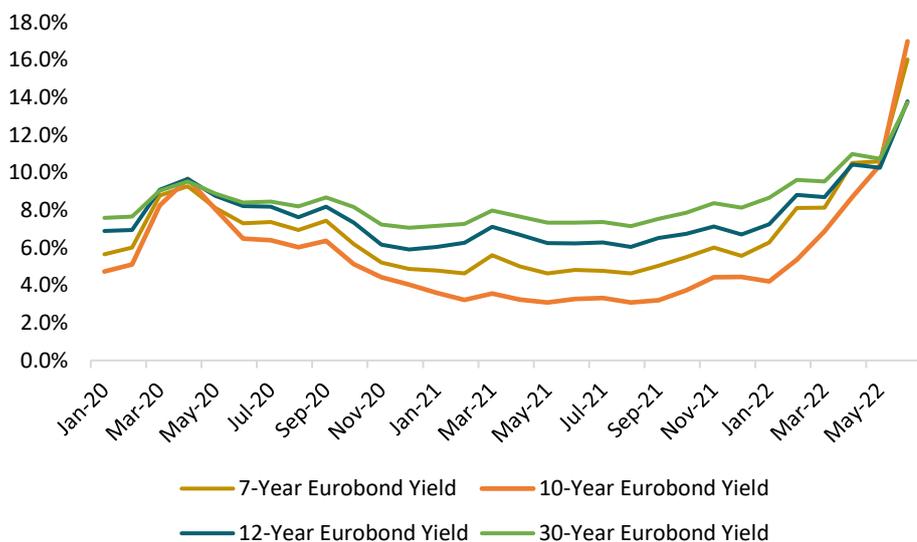
Key Highlights

Yield Curve



Source: CBK, KCB Capital

- Bond turnover in the domestic secondary market decreased by 70.9% during the week ending September 15. In the international market, yields on Kenya's Eurobonds declined by an average of 36.67 basis points with 2024 maturity declining by 122.6 basis points. The yields on the 10-Year Eurobond for Angola and Ghana also declined.



Source: CBK, KCB Capital

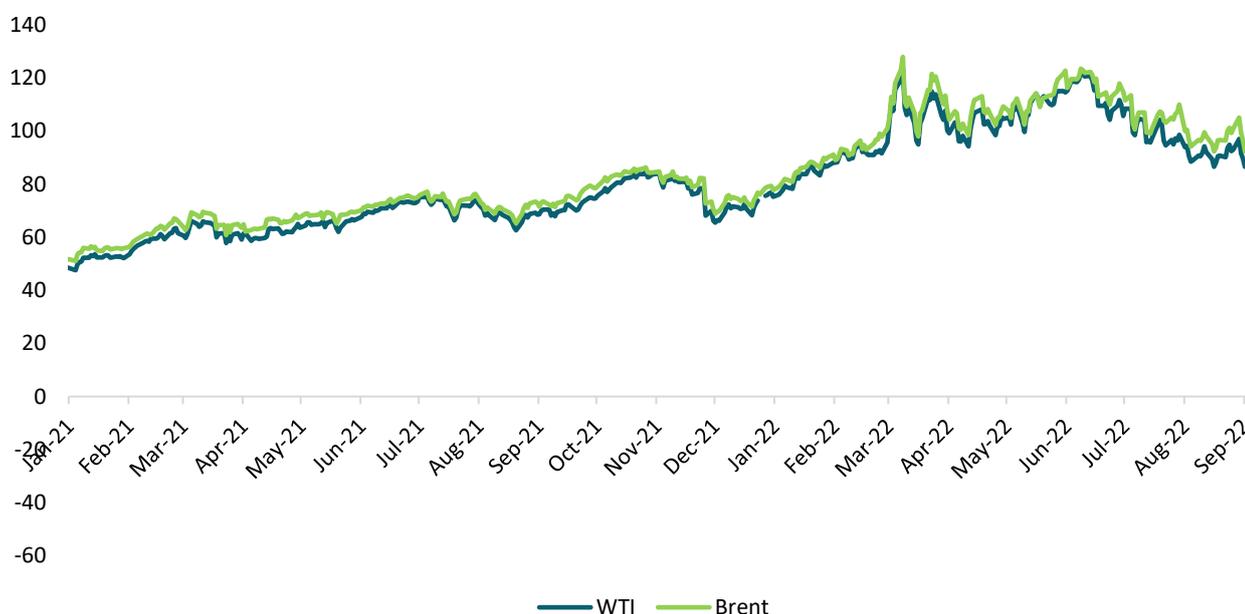
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GLOBAL MARKETS

Key Highlights

- Concerns about inflation in advanced economies persisted during the week ending September 15. Inflation in the United States continued to remain elevated at 8.3% in August despite declining for the second consecutive month, leading to a sharp drop in global equity markets. Inflation in the United Kingdom also remained high at 9.9% in August. The index of the US dollar against a basket of major currencies strengthened by 0.03% during the week.
- International oil prices rose during the week ending September 15, reflecting an increase in US commercial crude oil inventories. Murban oil price increased to USD 94.92 per barrel on September 15 from USD 88.64 per barrel on September 8.

Oil Prices



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

- The S&P 500 fell Friday, led by a FedEx-induced plunge in industrials after the shipments company's profit warning triggered fresh worries about the global economy ahead of an expected Federal Reserve rate hike next week. The S&P 500 fell 1.1%, the Dow Jones Industrial Average fell 0.8%, or 244 points, the Nasdaq was down 1.4%.

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