



CAPITAL WEEKLY

CAPITAL WEEKLY

EQUITIES

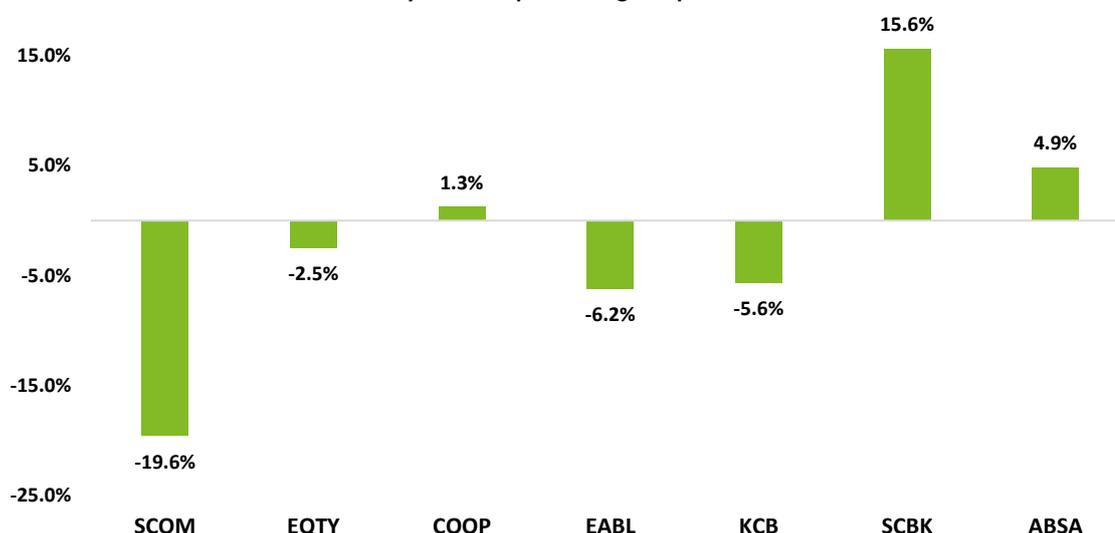
Market Summary

Market activity declined during the week with a 21.3% decrease in shares traded. The NSE 20 was down 0.1% w/w while the NASI was up 1.9% w/w. The large cap counters SCOM and KCB Group were up 3.2% and 0.3% w/w respectively while Equity Group and EABL were down 0.2% w/w and 0.5% w/w respectively. Equities turnover fell 5.4% w/w to KES 2.4Bn, with SCOM, NCBA, EQTY and KCB being the four top traded counters, accounting for 91.3% of total market turnover.

Foreigners remained net sellers during the week, with net outflows worth KES 822.8Mn, responsible for 26.7% 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	-0.1%	-8.2%
Nigeria	NGSEINDX	-0.9%	14.8%
Ghana	GGSECI	-0.5%	-10.8%
Uganda	UGSINDX	-2.0%	-12.4%
Tanzania	DARSDSEI	-0.4%	-1.6%
Rwanda	RSEASI	0.2%	1.5%
Egypt	EGX30	-1.4%	-16.9%
Mauritius	SEMDEX	-0.5%	-1.3%
BRVM	ICXCOMP	-0.8%	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 14.8% and 2.3% respectively, while Egypt and Uganda are the major losers, shedding 16.9% and 12.4% respectively.

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

CAPITAL WEEKLY

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](#)

CAPITAL WEEKLY

MACRO ECONOMIC

Key Highlights

Currency

The Kenya Shilling remained stable against major international and regional currencies during the week ending September 22. It exchanged at KES 120.54 per US dollar on September 22, compared to KES 120.41 per US dollar on September 15. The forex reserves currently stand at USD 7.45Mn (4.24 months of import cover), compared to USD 7.37Mn (4.20 months of import cover) the previous week.

Currency Performance		
Notation Pair	W/W	YTD
USDKES	-0.1%	-6.6%
USDGBP	-5.2%	-24.6%
USDCNY	-2.0%	-12.2%
USDZAR	-1.9%	-12.6%
USDNGN	0.0%	-2.5%
USDGHS	-1.7%	-66.0%
USDUGX	-0.2%	-7.5%
USDTZS	0.0%	-1.1%
USDRWF	-0.1%	-2.1%

Source: CBK, KCB Capital

Money Market

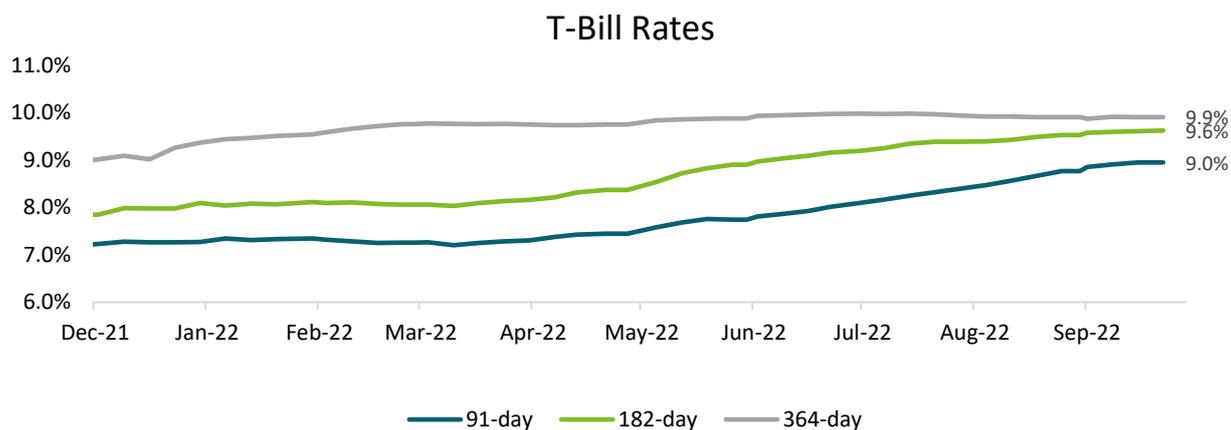
Liquidity in the money market decreased during the week ending September 22, as tax remittances more than offset government payments. Commercial banks' excess reserves stood at KES 12.3Bn in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 5.00% on September 22 compared to 3.99% on September 15. During the week, the average number of interbank deals increased to 36 from 34 in the previous week, while the average value traded increased to KES 30.7Bn from KES 21.8Bn in the previous week.

CAPITAL WEEKLY

FIXED INCOME

Key Highlights

- The Treasury bill auction of September 16, received bids totalling KES 11.2Bn, representing a performance of 46.6%. 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

Interest Rates

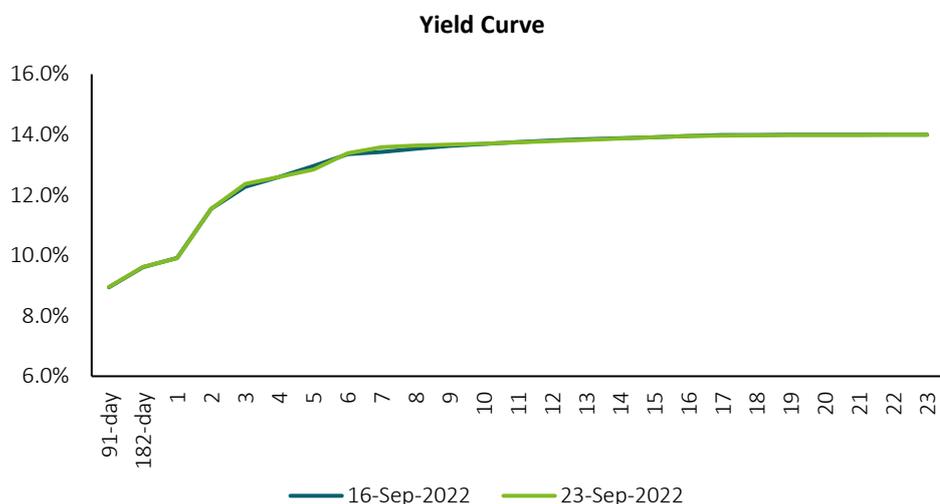
Key rates	This Week	Last Week
91-day T-Bill	8.95%	8.95%
182-day T-Bill	9.63%	9.62%
364-day T-Bill	9.91%	9.91%
2-Year	11.54%	11.55%
5-Year	12.84%	12.96%
10-Year	13.70%	13.69%
15-Year	13.91%	13.91%
Average Interbank Rate	5.00%	3.99%

Source: CBK, KCB Capital

CAPITAL WEEKLY

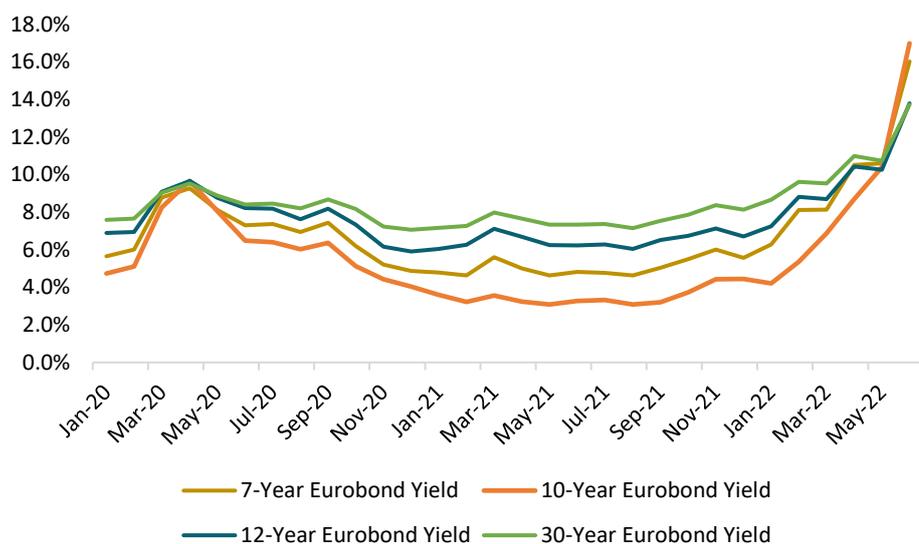
FIXED INCOME

Key Highlights



Source: CBK, KCB Capital

- Bond turnover in the domestic secondary market increased by 82.4% during the week ending September 22. In the international market, yields on Kenya's Eurobonds rose by an average of 47.2 basis points, with the 2024 maturity rising by 83.2 basis points. The yield on the 10-Year Eurobond for Angola and Ghana, also rose.



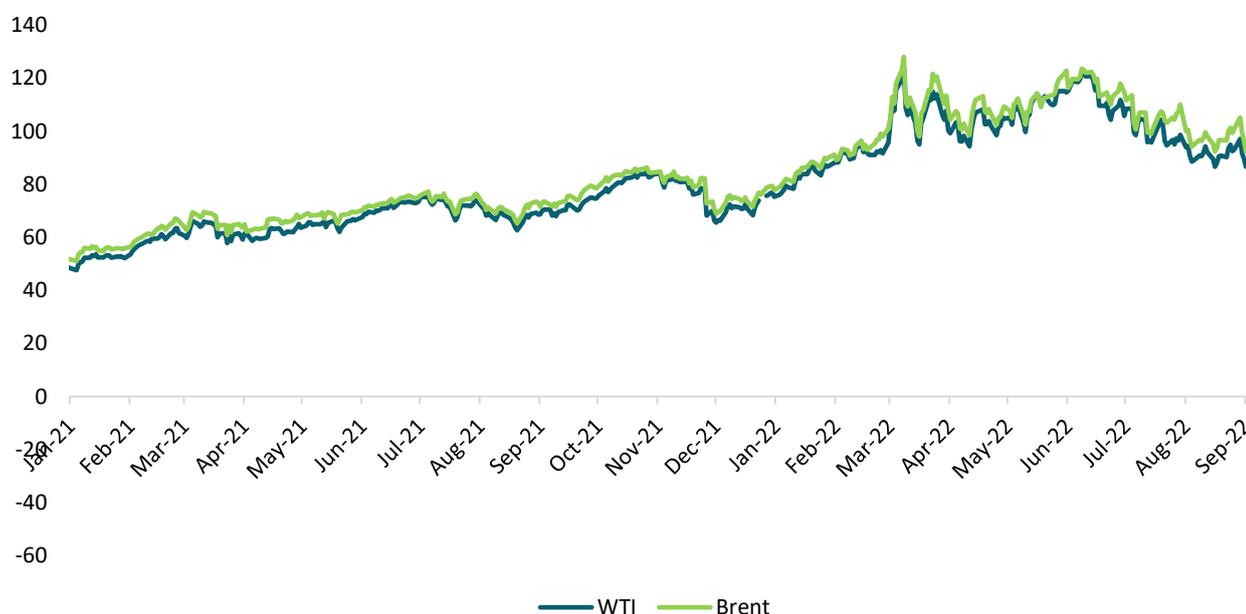
Source: CBK, KCB Capital

GLOBAL MARKETS

Key Highlights

- Concerns about inflation persisted in advanced economies during the week ending September 22 and major central banks tightened further their stance. The US Federal Reserve and the Bank of England raised their benchmark rates by 75 and 50 basis points, respectively. The index of the US dollar against a basket of major currencies strengthened by 1.5 percent during the week.
- International oil prices declined during the week ending September 22, following the Federal Reserve's decision to raise interest rates, which could dampen economic activity and demand for oil. Murban oil price decreased to USD 92.48 per barrel on September 22 from USD 94.92 per barrel on September 15.

Oil Prices



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

- The stock market continued selling off Friday, with the Dow Jones Industrial Average marking a new closing low for the year. Bond yields keep hitting new highs. The Dow dropped 486 points, or 1.6%, ending the day at 29,590 points, after briefly dipping into a bear market during intraday trading. The S&P 500 declined 1.7% and has wiped out its gains since the end of 2020. The Nasdaq Composite declined 1.8%.

CONTACTS

Research Desk		Dealing Desk
Linda Kiraithe lkkiraithe@kcbgroup.com Direct Line: +254 709 812 732		Joshua Munene Trader jgmunene@kcbgroup.com +254 709 812 730
		Timothy Macharia Trader tmacharia@kcbgroup.com +254 709 812 677

DISCLOSURES

This report has been prepared by KCB Capital Limited (hereinafter KCB Capital), a subsidiary of KCB Group PLC. This report is for distribution only under such circumstances as may be permitted by applicable law. Nothing in this report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. It is published solely for information purposes; It does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction. No representation or warranty, express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in the report. KCB Capital does not undertake that investor will obtain profits, nor will it share with investors any investment profits nor accept any liability for any investment losses.

Investments involve risks and investors should exercise prudence in making their investment decisions. The report should not be regarded by recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of KCB Group PLC as a result of using different assumptions and criteria.

Research will initiate, update, and cease coverage solely at the discretion of KCB Capital. The analysis contains herein is based on numerous assumptions. Different assumptions could result in materially different results. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel, and other constituencies for the purpose of gathering, synthesizing, and interpreting market information. KCB Capital is under no obligation to update or keep current the information contained herein. KCB Capital relies on information barriers to control the flow of information contained in one or more areas within KCB Capital, into other areas, units, groups, or affiliates of KCB. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Neither KCB Capital nor any of its affiliates, directors, employees, or agents accepts any liability for any loss or damage arising out of the use of all or any part of this report.

KCB Capital is a subsidiary of KCB Group, in which the company has an interest, hence this statement represents a disclosure of this potential conflict of interest. This report has been prepared independently and represents the analyst's sole opinion and objective analysis. Information in the public domain has been used in preparing this report.