



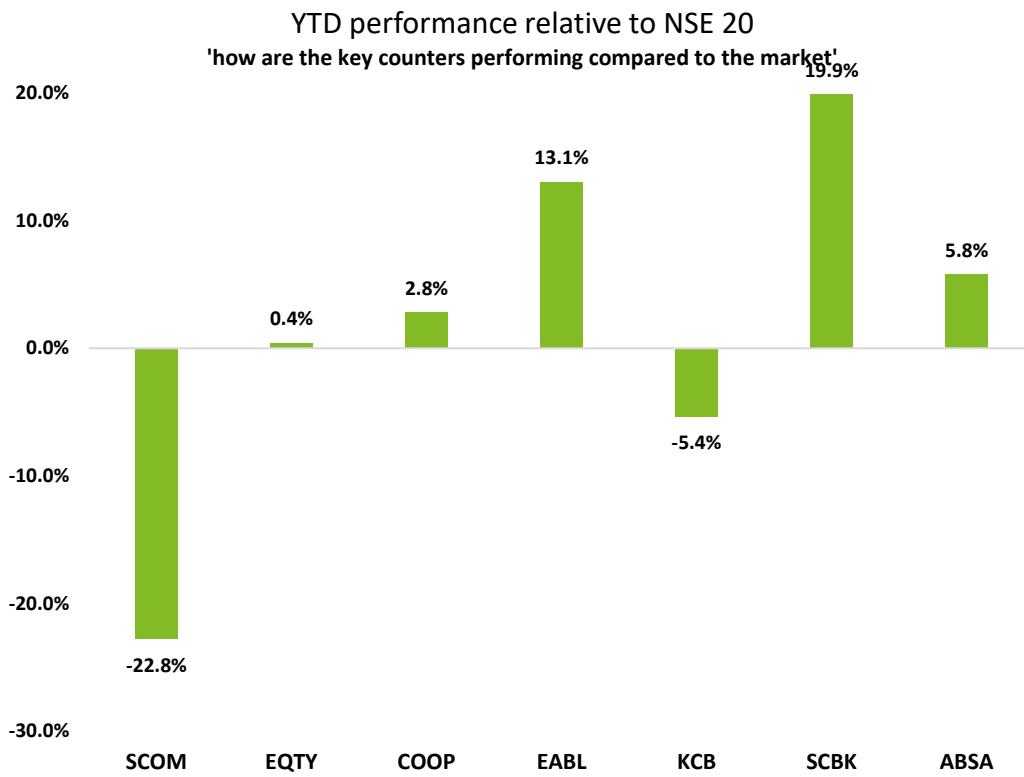
# CAPITAL WEEKLY

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## EQUITIES

### Market Summary

- In the international scene, the S&P 500 index closed 2.5% higher on Friday, taking its weekly gain to 4%. The tech-heavy Nasdaq Composite rallied 2.9% for a weekly advance of 2.2%. Both indices had back-to-back weekly gains for the first time since August.
- At the local bourse, market activity improved during the week with a 119.8% increase in shares traded. The NSE 20 was down 1.4% w/w while the NASI was up 0.1% w/w. Equities turnover rose 154.6% w/w to KES 1.6Bn, with WQTY, SCOM, KCB and EABL being the four top traded counters. Foreigners remained net sellers during the week, with net outflows worth KES 697.2Mn, responsible for 42.9% of market activity. Going into the week, we may see the market remain subdued with low foreign participation on expectation of further fed rate hikes and a looming recession.



Source: NSE, KCB Capital

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### SSA Markets

YTD, Nigeria and Rwanda are the top market gainers under our SSA universe coverage, up 2.8% and 1.5% respectively, while Ghana and Kenya are the major losers, shedding 11.8% and 11.7% respectively.

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

SSA Markets Performance			
Country	Index Code	W/W	YTD
Kenya	KNSMIDX	-1.4%	-11.7%
Nigeria	NGSEINDX	-1.1%	2.8%
Ghana	GGSECI	4.0%	-11.8%
Uganda	UGSINDX	0.7%	-11.1%
Tanzania	DARSDSEI	0.1%	-0.9%
Rwanda	RSEASI	0.0%	1.5%
Egypt	EGX30	7.8%	-7.3%
Mauritius	SEMDEX	-1.3%	-2.5%
BRVM	ICXCOMP	0.3%	-0.4%

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

### CORPORATE ACTIONS

Corporate Actions					
Dividend/Bonus					
Company	NSE Ticker	Interim	Final	Book Closure	Payment/Crediting Date
B.O.C Kenya	BOC	KES 1.60		30-Sep-22	22-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	30-Nov-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 October 27. It exchanged at KES 121.27 per US dollar on October 27, compared to KES 121.11 per US dollar on October 19. The forex reserves currently stand at USD 7.29Mn (4.11 months of import cover), compared to USD 7.32Mn (4.13 months of import cover) the previous week.

Currency Performance		
Notation Pair	W/W	YTD
USDKES	-0.1%	-7.2%
USDGBP	2.7%	-16.5%
USDCNY	-0.3%	-14.1%
USDZAR	-0.2%	-13.8%
USDNGN	-0.2%	-3.9%
USDGHS	-2.7%	-126.4%
USDUGX	0.1%	-7.0%
USDTZS	0.1%	-1.1%
USDRWF	0.0%	-2.6%

Source: CBK, KCB Capital

#### Money Market

Liquidity in the money market decreased during the week ending October 27, as tax remittances more than offset government payments. Commercial banks' excess reserves stood at KES 26.0Bn in relation to the 4.25% cash reserves requirement (CRR). Open market operations remained active. During the week, the average number of interbank deals increased to 34 from 33 in the previous week, while the average value traded increased to KES 32.2Bn from KES 26.8Bn.

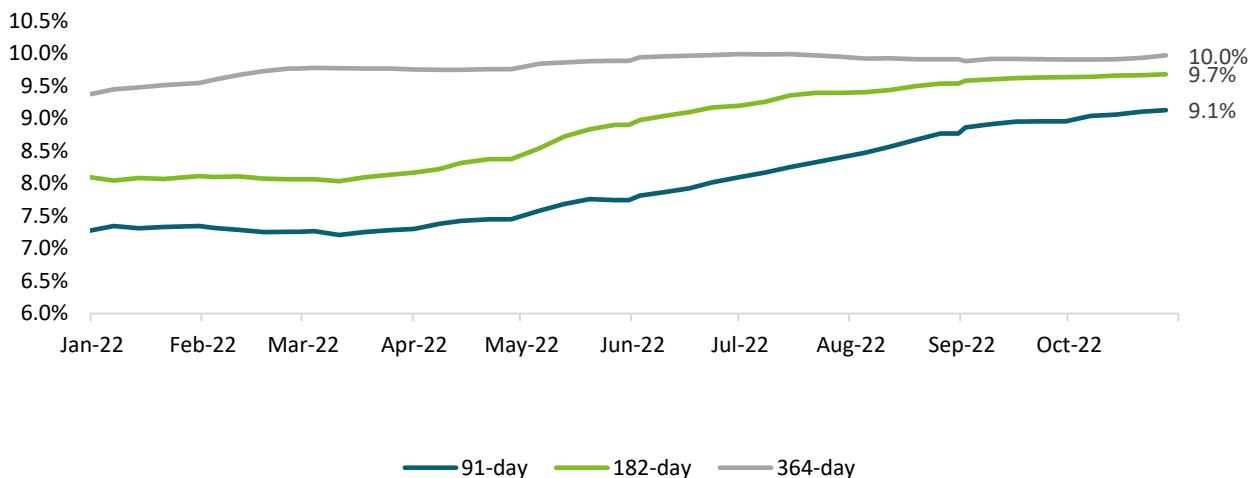
# CAPITAL WEEKLY

## FIXED INCOME

### Key Highlights

- The Treasury bill auction of October 27, received bids totaling KES 18.2Bn, representing a performance of 75.8%. Interest rates remained stable, only increasing marginally.

T-Bill Rates



Source: CBK, KCB Capital

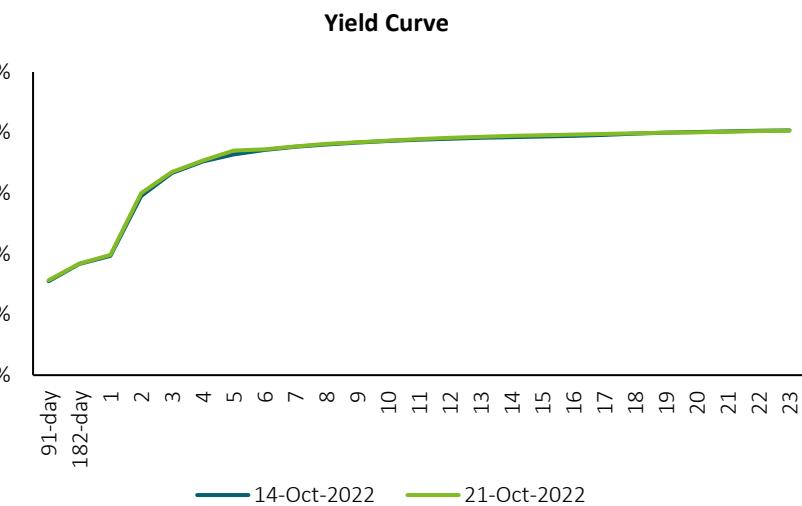
Interest Rates		
Key rates	This Week	Last Week
91-day T-Bill	9.13%	9.10%
182-day T-Bill	9.68%	9.66%
364-day T-Bill	9.97%	9.93%
2-Year	12.00%	11.90%
5-Year	13.40%	13.28%
10-Year	13.74%	13.72%
15-Year	13.92%	13.85%
Average Interbank Rate	5.02%	5.18%

Source: CBK, KCB Capital

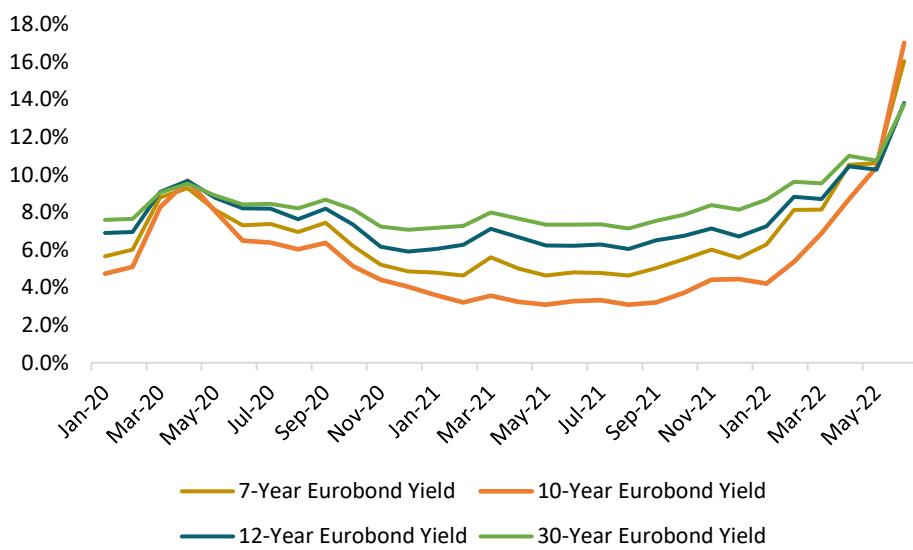
# CAPITAL WEEKLY

## FIXED INCOME

### Key Highlights



- Bond turnover in the domestic secondary market increased by 61.0 percent during the week ending October 27. In the international market, yields on Kenya's Eurobonds declined by an average of 61.3 basis points, with 2024 maturity declining by 108.8 basis points. The yields on the 10-Year Eurobonds for Angola and Ghana also declined.

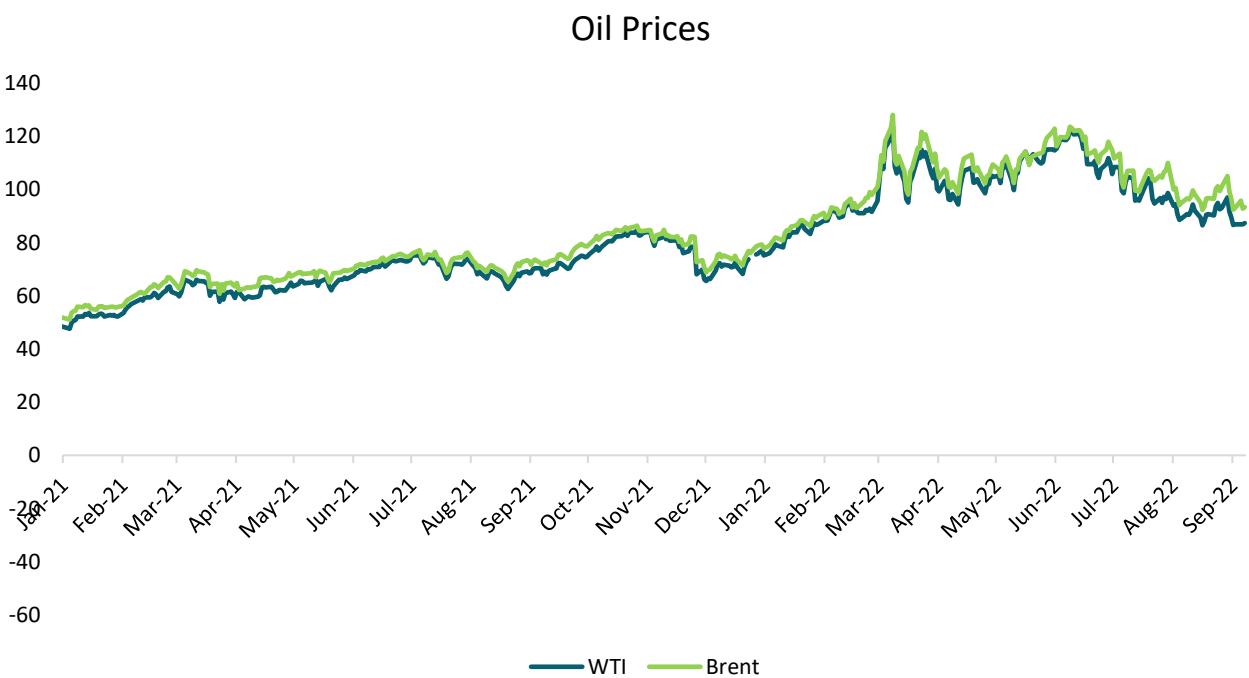


# CAPITAL WEEKLY

## GLOBAL MARKETS

### Key Highlights

- Inflationary pressures remained a major concern in advanced economies, with Central Banks continuing to raise policy rates. The European Central Bank raised its key policy rate by 75 basis point to its highest level in more than a decade. In the US, while recession risks remain, GDP growth rebounded in the third quarter to 2.6% after contracting in the first half of the year. The index of the US dollar against a basket of major currencies weakened by 2.0% during the week ending October 27.
- International oil prices increased during the week ending October 27 due to higher demand. Murban oil price rose to USD 94.99 per barrel on October 27 from USD 93.00 per barrel on October 20.



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

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