



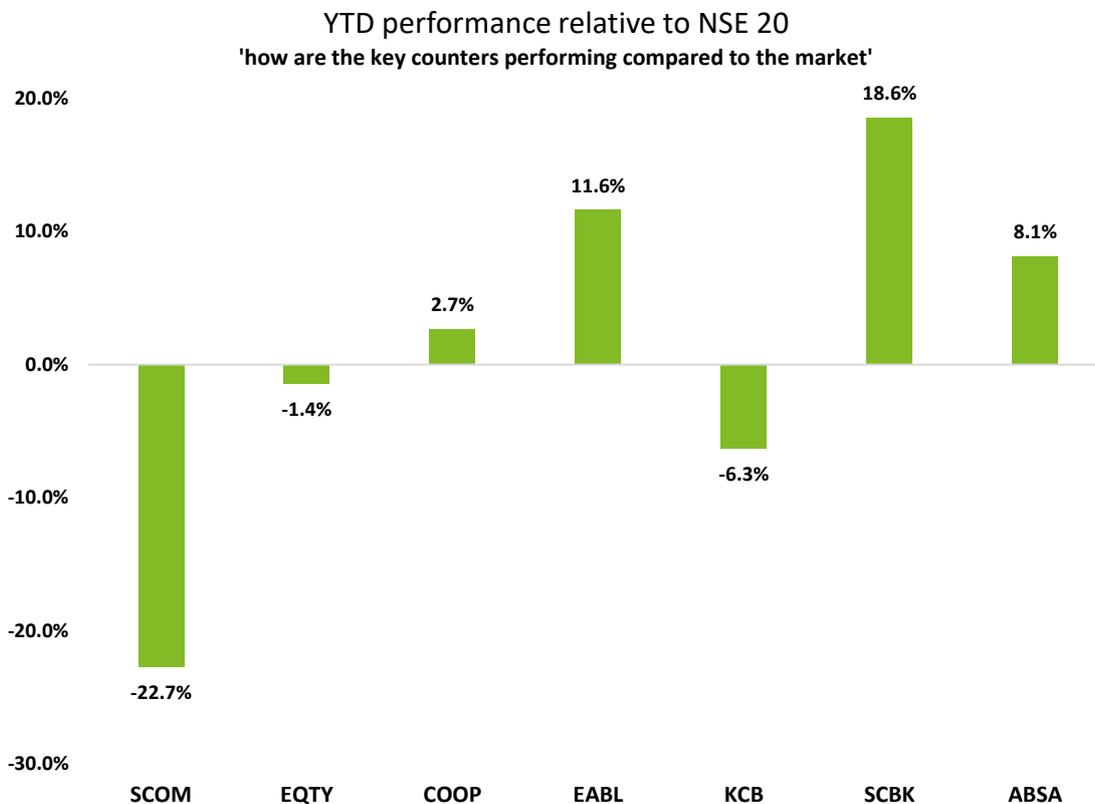
CAPITAL WEEKLY

CAPITAL WEEKLY

EQUITIES

Market Summary

- The stock market continued falling Thursday, one day after Federal Reserve Chairman Jerome Powell reinforced his commitment to reining in inflation with higher interest rates, sending bond yields higher. The Dow Jones Industrial Average dropped 147 points, or 0.5%. The S&P 500 fell 1.1%, and the Nasdaq Composite declined 1.7%. That comes after all three indexes dropped Wednesday, with the Nasdaq down more than 3%.
- At the local bourse, market activity declined during the week with a 15.3% decrease in shares traded. The NSE 20 was down 0.3% w/w while the NASI dropped 0.7% w/w. Equities turnover fell 30.3% w/w to KES 1.1Bn, with SCOM, EQTY, KCB and EABL being the four top traded counters. Foreigners remained net sellers during the week, with net outflows worth KES 93.3Mn, responsible for 72.1% of market activity. Going into the week, we expect to see foreigners maintain a net selling position.



Source: NSE, KCB Capital

CAPITAL WEEKLY

SSA Markets

YTD, Nigeria and Rwanda are the top market gainers under our SSA universe coverage, up 3.6% and 1.5% respectively, while Uganda and Kenya are the major losers, shedding 12.7% and 11.9% respectively.

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

SSA Markets Performance			
Country	Index Code	W/W	YTD
Kenya	KNSMIDX	-0.3%	-11.9%
Nigeria	NGSEINDX	0.8%	3.6%
Ghana	GGSECI	0.0%	-11.8%
Uganda	UGSINDX	-1.9%	-12.7%
Tanzania	DARSDSEI	-1.1%	-2.0%
Rwanda	RSEASI	0.0%	1.5%
Egypt	EGX30	1.7%	-5.7%
Mauritius	SEMDEX	-0.5%	-2.9%
BRVM	ICXCOMP	-1.3%	-1.6%

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 November 3. It exchanged at KES 121.45 per US dollar, compared to KES 121.27 per US dollar on October 27. The forex reserves currently stand at USD 7.21Mn (4.04 months of import cover), compared to USD 7.29Mn (4.131 months of import cover) the previous week.

Currency Performance		
Notation Pair	W/W	YTD
USDKES	-0.2%	-7.4%
USDGBP	-2.1%	-18.9%
USDCNY	0.9%	-13.0%
USDZAR	1.3%	-12.3%
USDNGN	-0.4%	-4.3%
USDGHS	-0.2%	-126.7%
USDUGX	0.6%	-6.4%
USDZS	-0.1%	-1.1%
USDZWF	-0.2%	-2.8%

Source: CBK, KCB Capital

Inflation

Inflation increased to 9.6% in October from 9.2% in September, on account of elevated food and energy prices. Food inflation increased marginally to 15.8% from 15.5% in September. Fuel inflation increased to 12.6% from 11.7% in September due to spill over effects of pump price adjustments on transport.

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 September 2022, a similar position recorded in September 2021. The stable deficit is supported by receipts from service exports and resilient remittances.

Money Market

Liquidity in the money market increased during the week ending November 3, as government payments more than offset tax remittances. Commercial banks' excess reserves stood at KES 25.0Bn in relation to the 4.25% cash reserves requirement (CRR). Open market operations remained active. During the week, the average number of interbank deals remained relatively stable at 33 compared to 34 in the previous week, while the average value traded declined to KES 20.4Bn from KES 32.2Bn in the previous week.

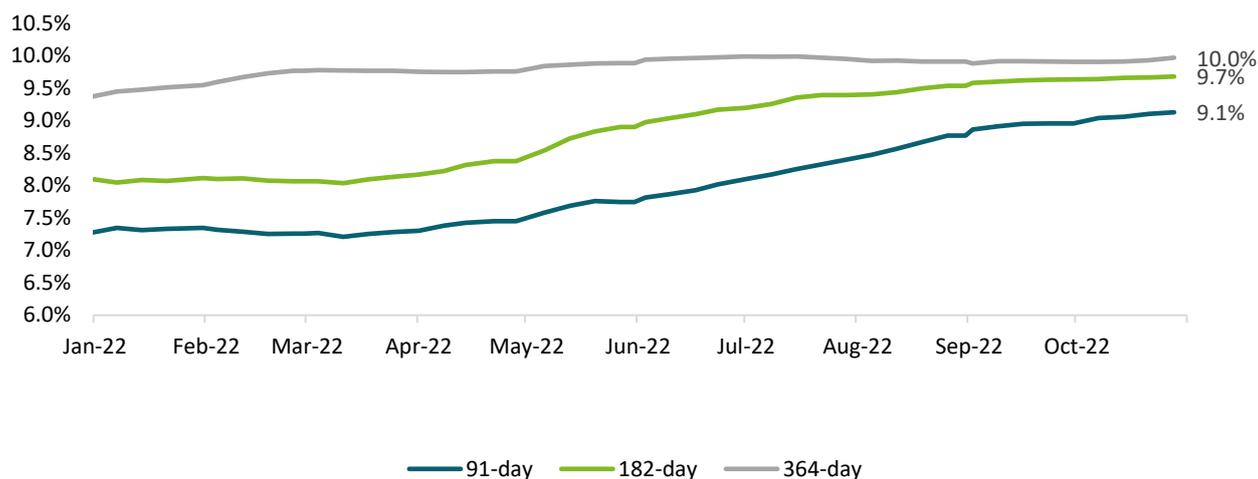
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FIXED INCOME

Key Highlights

- The Treasury bill auction of November 3, received bids totaling KES 43.7Bn, representing a performance of 181.9%. 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	9.14%	9.13%
182-day T-Bill	9.69%	9.68%
364-day T-Bill	9.69%	9.97%
2-Year	12.00%	12.00%
5-Year	13.33%	13.40%
10-Year	13.73%	13.74%
15-Year	13.96%	13.92%
Average Interbank Rate	4.54%	5.02%

Source: CBK, KCB Capital

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FIXED INCOME

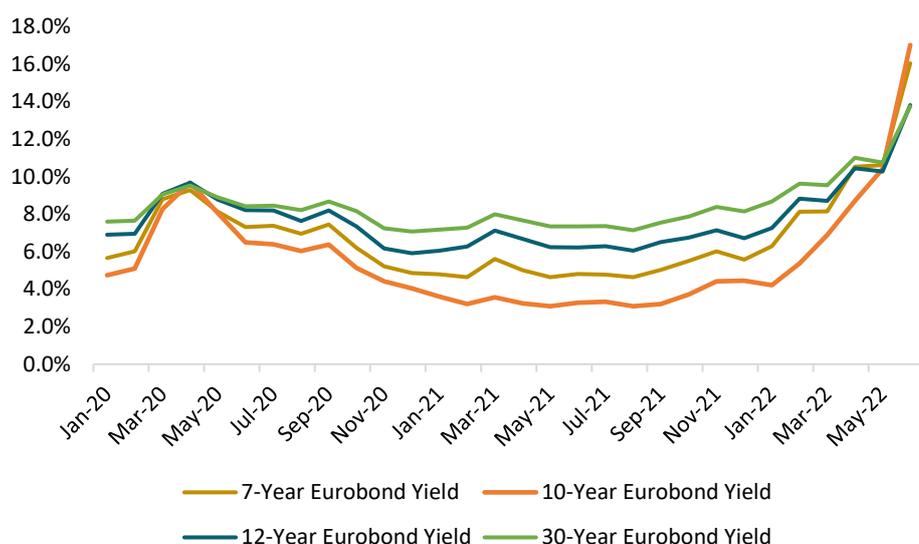
Key Highlights

Yield Curve



Source: CBK, KCB Capital

- Bond turnover in the domestic secondary market declined by 50% during the week ending November 4. In the international market, yields on Kenya's Eurobonds declined by an average of 44.4 basis points, with 2024 maturity declining by 58.2 basis points. The yield on the 10-Year Eurobond for Ghana increased while that of Angola declined.



Source: CBK, KCB Capital

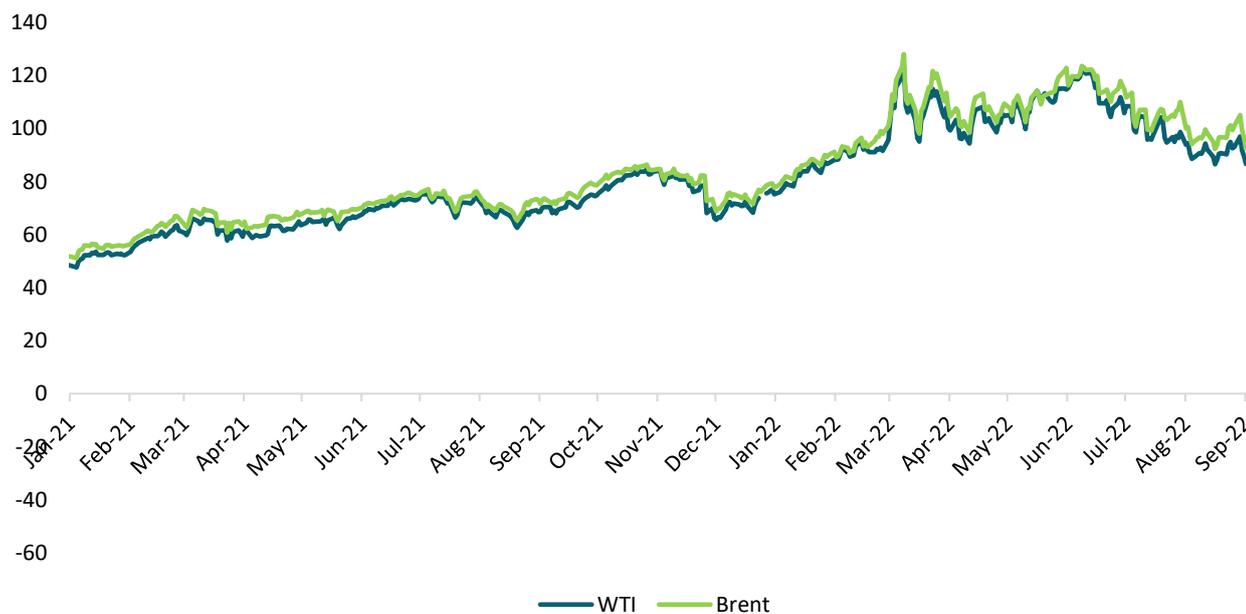
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GLOBAL MARKETS

Key Highlights

- Concerns about inflation persisted during the week ending November 3. The US Federal Reserve and the Bank of England raised their benchmark interest rates by 75 basis points. The Euro Area inflation rate increased to 10.7 percent in October from 9.9 percent in September. The index of the US dollar against a basket of major currencies strengthened by 2.1 percent during the week ending November 3.
- International oil prices decreased during the week ending November 3 due to low demand. Murban oil price declined to USD 93.26 per barrel on November 3 from USD 94.99 per barrel on October 27.

Oil Prices



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

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

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