



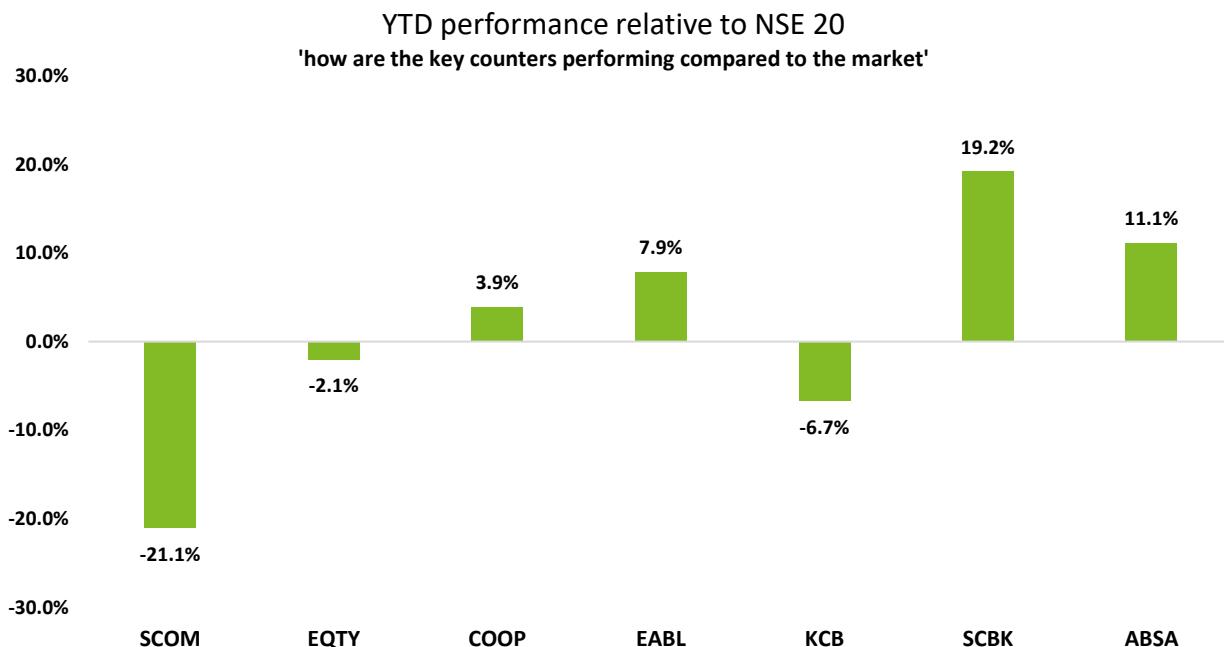
CAPITAL WEEKLY

CAPITAL WEEKLY

EQUITIES

Market Summary

- The S&P 500 gained on Friday and headed toward its best week since June as a report showing slowing inflation on Thursday raised hopes that the Federal Reserve would soon slow its tightening campaign. The S&P 500 added 0.6%, bringing its gain for the week to more than 5%, its best week since the one ended June 24 of this year. The Nasdaq Composite added 1.1% as investors continued to buy tech shares on hopes interest rates would ease. The Dow Jones Industrial average was the outlier, shedding 0.2% as shares of defensive stocks UnitedHealth and Merck declined.
- At the local bourse, market activity declined during the week with a 14.6% decrease in shares traded. The NSE 20 was down 0.6% w/w while the NASI gained 0.4% w/w. Equities turnover rose 6.4% w/w to KES 1.2Bn, with SCOM, BAT, KCB and EABL being the four top traded counters. Foreigners remained net sellers during the week, with net outflows worth KES 270.9Mn, responsible for 73.1% 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 2.9% and 1.5% respectively, while Uganda and Kenya are the major losers, shedding 15.2% and 12.4% 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	-0.5%	-12.4%
Nigeria	NGSEINDX	-0.7%	2.9%
Ghana	GGSECI	0.0%	-11.8%
Uganda	UGSINDX	-2.8%	-15.2%
Tanzania	DARSDSEI	-0.7%	-2.7%
Rwanda	RSEASI	0.0%	1.5%
Egypt	EGX30	4.4%	-1.6%
Mauritius	SEMDEX	0.0%	-2.9%
BVRM	ICXCOMP	-2.1%	-3.7%

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

CORPORATE ACTIONS

Company	NSE Ticker	Corporate Actions				
		Dividend/Bonus	Interim	Final	Book Closure	Payment/Crediting Date
Carbacid Investments	CARB			KES 1.70	25-Nov-22	16-Dec-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 10. It exchanged at KES 121.74 per US dollar, compared to KES 121.45 per US dollar on November 3. The forex reserves currently stand at USD 7.24Mn (4.05 months of import cover), compared to USD 7.21Mn (4.04 months of import cover) the previous week.

Currency Performance		
Notation Pair	W/W	YTD
USDKES	-0.2%	-7.7%
USDGBP	3.0%	-15.4%
USDCNY	1.1%	-11.8%
USDZAR	3.4%	-8.5%
USDNGN	-0.1%	-4.4%
USDGHS	-3.1%	-133.8%
USDUGX	0.6%	-5.8%
USDTZS	0.0%	-1.1%
USDRWF	-0.5%	-3.3%

Source: CBK, KCB Capital

Money Market

Liquidity in the money market increased during the week ending November 10, as government payments more than offset government receipts. Commercial banks' excess reserves stood at KES 28.8Bn in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 4.20% on November 10 compared to 4.54% on November 3. During the week, the average number of interbank deals decreased to 19 from 33 in the previous week, while the average value traded decreased to KES 13.1Bn from KES 20.4Bn in the previous week.

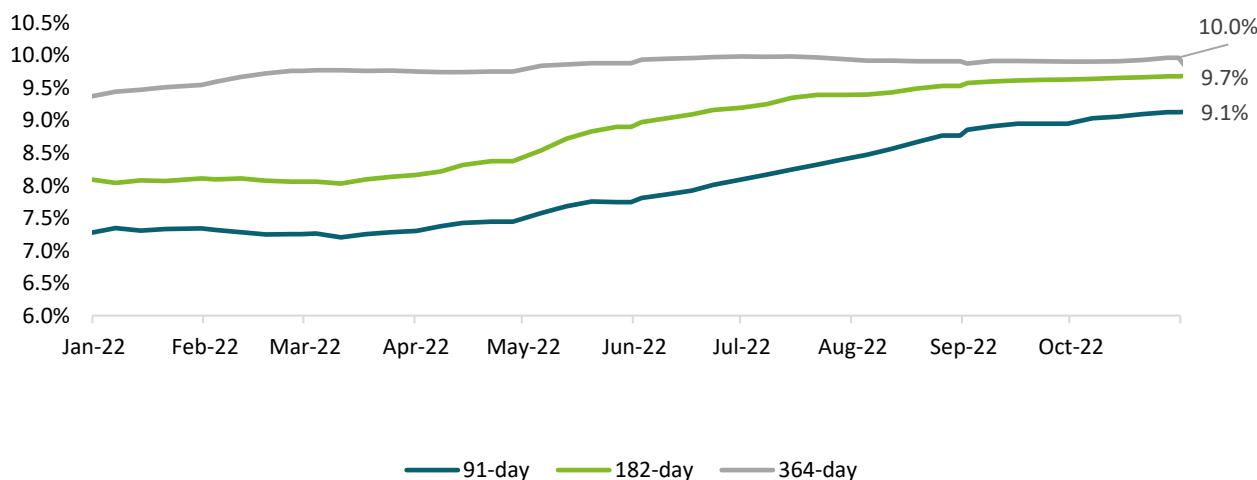
CAPITAL WEEKLY

FIXED INCOME

Key Highlights

- The Treasury bill auction of November 10, received bids totaling KES 49.1Bn, representing a performance of 204.5%. Interest rates remained stable, only increasing marginally.
- During the Treasury bond auction of November 9, the 14-year IFB1/2022/014 issued received bids totaling KES 91.8Bn against an advertised amount of KES 60.0Bn, representing a performance rate of 153.1%. The weighted average rate of accepted bids was 13.938%.

T-Bill Rates



Source: CBK, KCB Capital

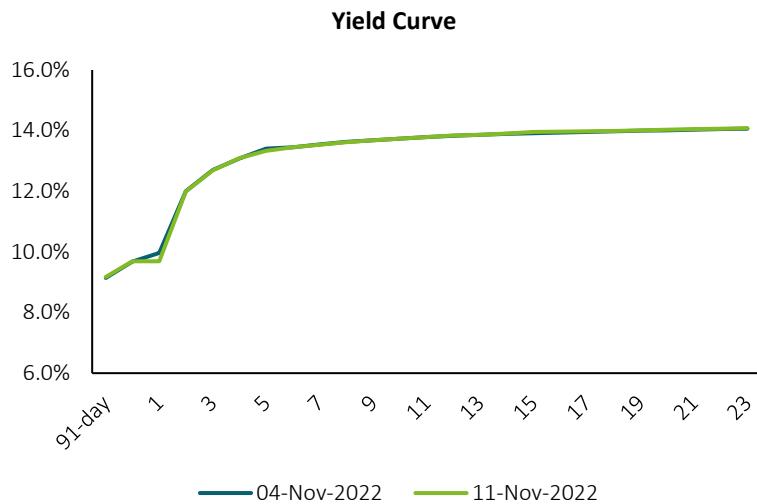
Interest Rates		
Key rates	This Week	Last Week
91-day T-Bill	9.17%	9.14%
182-day T-Bill	9.69%	9.69%
364-day T-Bill	9.69%	9.69%
2-Year	12.00%	12.00%
5-Year	13.33%	13.33%
10-Year	13.73%	13.73%
15-Year	13.96%	13.96%
Average Interbank Rate	4.20%	4.54%

Source: CBK, KCB Capital

CAPITAL WEEKLY

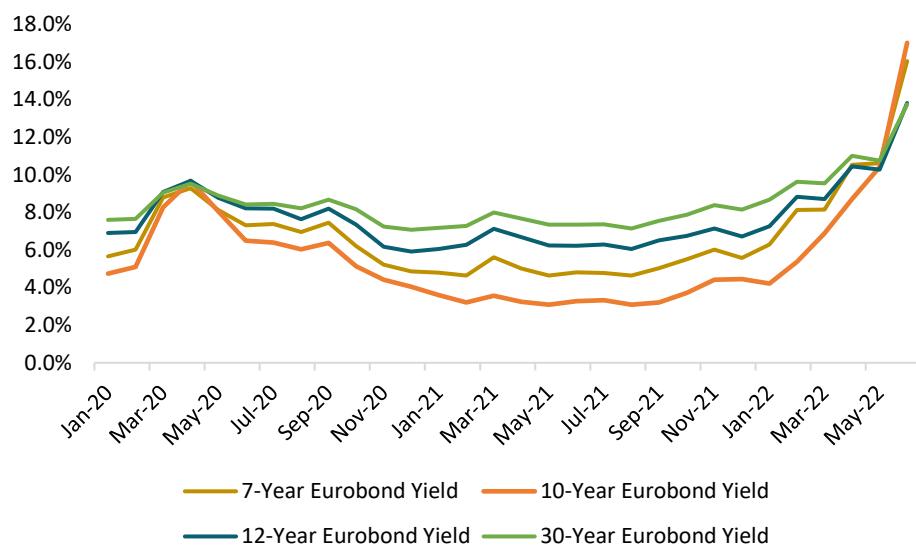
FIXED INCOME

Key Highlights



Source: CBK, KCB Capital

- Bond turnover in the domestic secondary market increased by 44.0% during the week ending November 10. In the international market, yields on Kenya's Eurobonds declined by an average of 238.7 basis points, with 2024 maturity declining by 287.1 basis points. The yield on the 10-Year Eurobond for Ghana increased while that of Angola declined by 113.2 basis points.



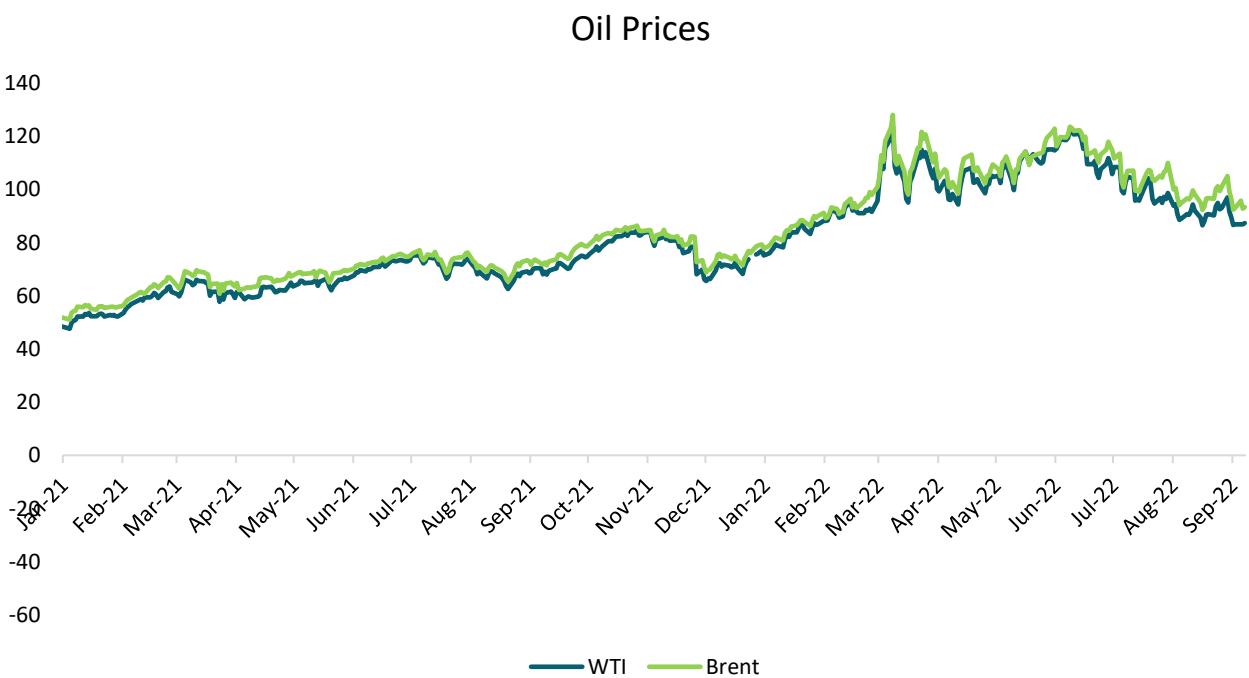
Source: CBK, KCB Capital

CAPITAL WEEKLY

GLOBAL MARKETS

Key Highlights

- Concerns about inflation persisted during the week ending November 10, despite the US annual inflation rate easing to 7.7% in October from 8.2% in September. The index of the US dollar against a basket of major currencies weakened by 4.2 percent during the week ending November 10.
- International oil prices decreased during the week ending November 10, due to increases in the US oil inventory and concerns about rebound in COVID-19 cases in China. Murban oil price fell to USD 91.00 per barrel on November 10 from USD 93.26 per barrel on November 3.



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

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.