



## Key Market Indicators

Key Indicators (Weekly)	06-Sep-19	13-Sep-19	%
NSE20 Share Index	2,419.67	2431.37	0.48
NSE25 Share Index	3,408.89	3444.27	1.04
NSE All Share Index	142.52	143.81	0.91
Equity Turnover (KshMn)	3,119.42	1792.78	42.53
Volume shares traded(Mn)	106.30	74.81	29.62
Bonds Traded (KES Bn)	13.40	8.15	39.18
Mkt. Cap. (Ksh Billion)	2,145.56	2165.13	0.91
Mkt. Cap. (US\$ Billions)	19.65	20.68	5.24

## Top Gainer Stocks

Stock	06-Sep-19	13-Sep-19	Δ (%)
HOUSING FINANCE	4.40	5.50	25.00
WPP SCANGROUP	12.30	13.25	7.72
WILLIAMSON TEA	130.00	140.00	7.69
E.A. CABLES	2.87	3.06	6.62
TOTAL KENYA	27.50	29.00	5.45

## Top Loser Stocks

Stock	06-Sep-19	13-Sep-19	Δ (%)
LONGHORN	6.44	5.60	13.04
TRANSCENTURY	3.60	3.20	11.11
EAGADS	12.60	11.35	9.92
OLYMPIA CAPITAL	2.20	2.04	7.27
NATION MEDIA	38.05	40.45	5.93

## Top Movers

Counter	Price (Ksh)	Vol 'Mn'	Value (Ksh 'Mn')
SAFARICOM	27.15	22.52	611.39
EABL	199.25	1.86	370.01
BARCLAYS	10.75	24.33	261.49
CO-OPERATIVE	11.95	10.58	126.40
EQUITY	37.90	2.78	105.38

## Foreign Trades (09-Sep-2019 - 13-Sep-2019)

Day	BUYS(Ksh 'Mn')	SALES(Ksh 'Mn')	NET(Ksh 'Mn')
Monday	101.58	117.92	-16.35
Tuesday	432.46	420.67	11.79
Wednesday	262.62	476.66	-214.04
Thursday	44.65	39.79	4.86
Friday	123.39	43.13	80.26
<b>Total</b>	<b>2254.94</b>	<b>1648.58</b>	<b>-133.48</b>

## Market Statistics (Values in 'Mn') 09-Sep-2019 - 13-Sep-2019

Day	Turnover (Mn)	Foreign Buys %	Foreign Sales %	Vol(Mn)
Monday	187.12	27.14	31.51	9.70
Tuesday	511.87	42.24	41.09	10.75
Wednesday	747.72	17.56	31.87	45.47
Thursday	103.98	21.47	19.13	2.98
Friday	242.67	25.42	8.89	11.30
<b>Total</b>	<b>1793.22</b>	<b>26.89</b>	<b>30.62</b>	<b>80.20</b>

Source SCL

## Average Interbank Rates

Date	Value (KshBn)	Ave. Interbank Rate (%)
30-Aug-05-Sep-2019	8.16	5.45
06-Sep-2019	5.46	6.11
09-Sep-2019	5.80	6.32
10-Sep-2019	7.73	6.27
11-Sep-2019	13.58	6.39
12-Sep-2019	13.13	6.57
06-Sep-12-Sep-2019	9.14	6.19

Currency	06-Sep-19	13-Sep-19	Δ %
US Dollar	103.89	103.79	0.09
STG Pound	128.21	127.90	0.24
EURO	114.91	114.04	0.76
Japanese Yen	97.16	96.28	0.91
SA Rand	7.01	7.10	1.28
KES/USHS	35.40	35.31	0.25
KES/TSHS	22.16	22.13	0.14
KES/RWF	8.87	8.88	0.11

Source: CBK Website

## Weekly Statistics

	This Week	Δ% W/W	Price Δ% YTD	20 Day Avg	Turnover (KES)	P/E	Trailing P/E	Div Yield (%)
<b>Agricultural</b>								
Eaagads	11.4	(0.1)	(0.5)	12.5	0.0	20.3	20.3	-
Kakuzi	350.0	-	0.1	350.0	-	13.0	13.0	0.0
Kapchorua Tea	74.0	-	0.1	74.0	-	-	2.5	0.1
Limuru Tea	470.0	-	(0.1)	470.0	-	370.1	250.0	0.0
Sasini	17.0	(0.0)	(0.4)	17.0	0.0	3.9	2.4	0.1
Williamson Tea	140.0	0.1	(0.1)	130.0	0.1	-	3.5	0.3
<b>Automobiles</b>								
Car & General	21.5	-	0.0	21.5	0.1	28.2	15.5	-
<b>Banking</b>								
Barclays Bank	10.8	(0.0)	0.1	11.0	261.5	7.9	8.4	0.1
Diamond Trust	110.5	(0.0)	(0.4)	37.0	-	4.6	4.5	0.0
Equity Bank	37.9	0.0	(0.1)	37.0	2.8	7.3	5.6	0.1
Housing Finance	5.5	0.3	(0.5)	4.4	105.4	-	-	-
I&M Holdings	45.7	(0.0)	(0.6)	46.5	1.5	2.9	2.6	0.1
KCB	38.5	0.0	(0.1)	38.3	70.7	4.9	5.6	0.1
National Bank	4.1	-	(0.6)	4.1	-	199.2	-	-
NIC Bank	28.1	-	(0.2)	28.1	4.5	4.2	4.0	0.0
Stanbic Holdings	96.0	-	0.2	96.0	0.8	6.0	5.7	0.1
StanChart	195.5	-	(0.1)	195.5	15.0	8.3	9.8	0.1
Co-op Bank	12.0	0.1	(0.3)	11.3	126.4	5.5	5.0	0.1
<b>Commercial</b>								
Atlas Development	-	-	-	-	-	-	-	-
Deacons E A	1.1	-	(0.7)	0.5	-	-	-	-
Eveready	6.7	0.0	1.8	1.1	0.1	0.4	0.4	-
Express	2.5	-	(0.3)	6.7	-	-	-	-
Kenya Airways	5.6	(0.0)	(0.7)	2.6	0.6	-	-	-
Longhorn Kenya	0.9	(0.1)	(0.8)	6.5	1.0	8.5	8.5	0.1
Nairobi Business V.	38.1	0.0	10.9	0.9	0.1	0.4	0.4	-
Nation Media	3.2	(0.1)	(1.0)	40.4	67.8	3.2	3.4	0.3
Sameer Africa	29.0	(0.0)	9.5	3.3	0.1	-	-	-
Standard Group	17.5	-	(0.5)	29.0	0.1	13.5	12.5	-
TPS EA	0.3	0.0	(1.0)	17.1	0.1	10.7	-	0.1
Uchumi	13.3	0.0	1.9	0.3	0.0	-	0.2	-
WPP Scangroup	13.3	0.1	(1.0)	12.4	0.6	11.8	8.8	0.1
<b>Construction</b>								
ARM	5.6	-	(0.6)	105.0	-	-	-	-
Bamburi Cement	99.3	(0.1)	(0.4)	85.0	0.1	6.9	7.2	0.1
Crown Berger	80.0	(0.1)	-	2.9	0.2	123.1	93.0	0.0
E.A.Cables	3.1	0.1	(0.5)	14.5	0.1	-	-	-
E.A.Portland	14.5	-	(0.5)	-	-	0.3	0.2	-
<b>Energy</b>								
KenGen	5.5	(0.0)	(0.4)	22.0	5.9	4.0	5.1	0.1
KenolKobil	22.0	-	0.5	3.7	-	13.4	16.1	0.0
KPLC	3.6	(0.0)	(0.6)	27.5	2.8	1.0	1.0	0.1
Total Kenya	29.0	0.1	0.2	6.7	1.6	11.3	10.1	0.0
Umeme Ltd	6.7	(0.0)	(0.5)	-	0.0	3.3	3.8	0.1
<b>Insurance</b>								
BRITAM	7.0	(0.0)	1.2	3.2	3.9	-	-	-
CIC	3.1	(0.0)	(0.9)	370.0	0.4	44.0	23.7	0.0
Jubilee	370.0	-	2.0	2.9	34.1	8.6	8.4	0.0
Kenya Re	2.8	(0.0)	(0.9)	9.7	4.5	0.6	0.5	0.2
Liberty Kenya	10.0	0.0	(0.7)	18.0	0.2	8.5	9.5	-
Sanlam	19.0	0.1	(0.4)	-	0.3	30.1	-	-
<b>Investments</b>								
Centum	29.4	0.0	(0.3)	0.5	10.6	2.7	2.5	-
Home Afrika	0.5	(0.0)	(0.7)	1,500.0	0.4	-	-	-
Kurwitu	1,500.0	-	-	2.2	-	-	-	-
Olympia Capital	2.0	(0.1)	(0.4)	3.6	0.0	7.8	7.8	-
TransCentury	3.2	(0.1)	(0.5)	-	0.0	-	80.0	-
<b>Investment Service</b>								
NSE	11.5	0.2	(0.4)	-	0.7	16.1	33.7	0.0
<b>Manufacturing</b>								
BOC	67.5	-	(0.4)	490.0	-	8.9	8.7	0.1
BAT	485.0	(0.0)	(0.4)	7.6	102.8	11.4	10.9	0.1
Carbacid	7.7	0.0	(0.4)	195.3	0.2	5.2	4.9	0.1
EABL	199.3	0.0	(0.2)	2.3	370.0	16.3	16.3	0.0
Flame Tree	2.4	0.0	(0.5)	12.6	0.0	1.8	2.2	-
Kenya Orchards	12.6	-	(0.9)	0.3	-	38.2	42.0	-
Mumias Sugar	0.3	(0.0)	(0.7)	32.0	0.2	-	-	-
Unga Group	31.9	(0.0)	0.1	-	0.0	7.4	8.5	0.0
<b>Telecommunication</b>								
Safaricom	27.2	0.0	0.0	26.8	611.4	17.2	17.2	0.0



## Sector Performances

Segment	06-Sep-19	13-Sep-19	Week/Week	YTD (%)
Banking	69.77	71.17	2.01	13.89
Manufacturing	50.23	50.34	0.21	18.54
Telecommunication	100.19	101.50	1.31	22.02
Energy & Petroleum	74.83	75.08	0.33	8.34
Insurance	50.35	50.47	0.24	35.03
Construction	58.61	57.99	1.05	5.62
Commercial	41.84	41.54	0.72	19.00
Agricultural	69.17	68.55	0.75	20.78
Automobile	84.78	84.78	0.00	24.08
Investment	63.72	61.36	3.71	3.10
NSE 20	2,419.67	2431.37	0.48	13.87
NASI	142.52	143.81	0.91	2.57

Source: Sterling Capital & NSE

## Kenya Weekly Commentary:

### Market Watch:

### Indices



### Equity Turnover

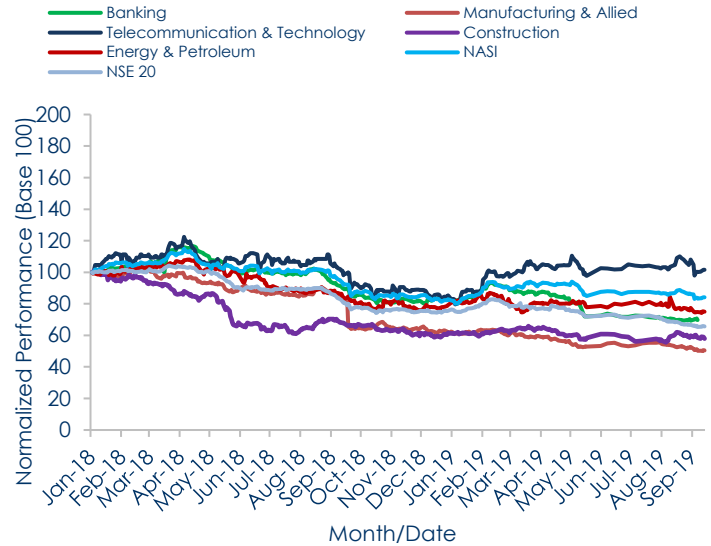


### Bond Turnover



Source: Sterling Capital & NSE

## Sector Performance



Source: Sterling Capital & NSE

## Debt Market:

### 1) Treasury Bonds

- Bond turnover over the week decreased by 39.00% from KES.13.40Bn last week to KES.8.15Bn this week.
- W/W bond deals increased from 343 to 473 during the week.

Metric	06-Sep-19	13-Sep-19
Bond Turnover	13.40	8.15

Source: NSE

### 2) Treasury Bills

- The 91 treasury bills was over-subscribed for the third week running with the subscription rate at 156.76%.
- The 182-day treasury bill was under-subscribed during the week at 10.81%, while the 364-day bill was over-subscribed at 115.04%.

Treasury Bill	Amount Offered (KES.Bn)	Bids Received (KES.Bn)	Amount Accepted (KES.Bn)	Performance Rate (%)
91-Day	4.0	6.27	6.27	156.76
182-Day	10.0	1.08	1.08	10.81
364-Day	10.0	11.50	7.22	115.04
<b>Total</b>	<b>24.0</b>	<b>18.86</b>	<b>14.57</b>	<b>78.56</b>

Source: CBK



T-Bill	Yield		Acceptance Rate (%)
	%	Δ Basis points	
91 -Days	6.315	6	100.00
182 -Days	7.143	14.8	100.00
364 -Days	9.582	6.2	62.79

Source: CBK

Key Rates	(%)	Date
CBK Rate	9.00	24-Jul-19
Interbank Rate	6.57	12-Sep-19
CBK Discount Window	15.00	24-Jul-19
REPO	6.90	16-Aug-19
Horizontal REPO	11.50	02-Sep-14
Inflation	5.00	Aug-19

Source: CBK

### Interbank Rates & Volume

- The weekly weighted average interbank rate increased from 5.45% to 6.19% during the week.
- The average weekly interbank volume went up from KES. 8.16Bn to KES. 9.14Bn.

### News Updates

#### **Kenya's debt levels a sign of impending distress as it nears KES.6Tn mark**

- Recent statistics released by the Kenyan National Treasury revealed that Kenya's total public stood at KES.5.95Tn as of the end of August 2019.
- Out of this amount KES.3Tn is owed to foreign lenders whereas, the remainder of KES.2.9Tn represents domestic debt.
- Fears of the Government facing difficulties in servicing the rising debt levels have been compounded by the fact that the total debt represents 57 per cent of the country's GDP (Gross Domestic Product).
- The debt levels swelled further in August 2019 as the country borrowed an additional KES.210Bn by issuing a third Eurobond in May this year.
- Analysts have predicted that Kenya's debt is likely to touch KES.6Tn by the end of the year.

### Our View

- **We are pessimistic regarding the sustainability of Kenya's rising public debt levels.**
- Although the National Treasury remains unperturbed by the swelling debt load of the country, we believe it is high time that they undertake serious steps to manage the country's load.
- As increasing amounts of money is spent on paying the interest on loans, it will only divert money away from expenditure on infrastructure projects, improving the quality of healthcare and education in the country.
- Moreover, tax rates are likely to be raised which will further reduce the already low levels of individuals' disposable income which, in turn, will hamper consumption and investments in the economy, thereby leading to a decline in the country's economic growth rate.

**Source: Kenyan Wall Street & Sterling Capital Research**



## MPs at loggerheads with the National Treasury as they continue to oppose repealing the interest rate caps

- A parliamentary committee, on Monday, refused to support the proposal to have the interest rate caps lifted.
- The MPs who are part of this committee are adamant that by removing the interest rate caps, majority of Kenyans will not gain access to credit as bank loans will become expensive.
- However, acting National Treasury Cabinet Secretary Ukur Yattani, retorted by stating that since interest rate caps were enforced, credit to Small & Medium Enterprises (SMEs) has declined significantly.
- This is supported by statistics provided the Central Bank of Kenya (CBK) which shows that credit growth to the private sector has declined from 9.4 per cent on average in 2016 to 5.2 per cent in 2018.
- On the other hand, investing in government securities (which are considered less risky) has grown from 2.3 per cent to 19.9 per cent.

## Our View:

- **We continue to remain skeptical over the Parliament reversing the interest rate caps.**
- Although, statistics from the CBK distinctly point to the failure of interest rate capping, the MPs continue to out rightly back this measure which is why we believe the caps will not be abolished in the near future.
- In addition, commercial banks are likely to continue to favor government securities owing to the rising risk of default on loans borrowed by SMEs – a trend witnessed by the growing level of Non-Performing Loans (NPLs).
- As a result, SMEs will continue to struggle without access to additional capital from banks.

**Source – The Standard and Sterling Research**

## Company Announcements

Company	Announcement	Book Closure Date	Payment Date
NMG	Interim dividend KES.1.50	13/9/2019	30/9/2019
Standard Chartered	Interim dividend KES.5.00	23/9/2019	30/10/2019
EABL	Final dividend- KES.6.00	Subject to approval	Subject to approval
Centum	Final dividend KES.1.20	02/10/2019	(Subject to approval)
NIC	Interim dividend KES.0.25	30/9/2019	15/10/2019
Longhorn	Final dividend KES.0.52	28/11/2019	26/02/2020
Barclays	Interim dividend KES.0.20	07/9/2019	11/10/2019
Jubilee	Interim dividend KES.1.00	13/9/2019	07/10/2019
B.O.C Kenya	Interim dividend KES.2.35	27/9/2019	15/10/2019