



Key Market Indicators

Key Indicators (Weekly)	13-Sep-19	20-Sep-19	%
NSE20 Share Index	2,431.37	2,442.50	0.46
NSE25 Share Index	3,444.27	3,474.47	0.88
NSE All Share Index	143.81	144.98	0.81
Equity Turnover (KshMn)	1,792.78	2,824.41	57.54
Volume shares traded(Mn)	74.81	94.49	26.31
Bonds Traded (KES Bn)	8.15	7.90	3.07
Mkt. Cap. (Ksh Billion)	2,165.13	2,182.70	0.811
Mkt. Cap. (US\$ Billions)	20.68	21.02	1.64

Top Gainer Stocks

Stock	13-Sep-19	20-Sep-19	Δ (%)
EAAGADS	11.35	13.55	19.38
LONGHORN	5.60	6.62	18.21
E.A PORTLAND	14.50	16.55	14.14
TPS EASTERN	17.50	19.25	10.00
KAKUZI	350.00	385.00	10.00

Top Loser Stocks

Stock	13-Sep-19	20-Sep-19	Δ (%)
KPLC	3.62	3.02	16.57
B.O.C KENYA	67.50	60.00	11.11
E.A CABLES	3.06	2.80	8.50
LIBERTY KENYA	9.98	9.14	8.42
FLAME TREE	2.40	2.20	8.33

Top Movers

Counter	Price (Ksh)	Vol 'Mn'	Value (Ksh 'Mn')
KCB	40.10	16.39	657.35
BAT	484.75	0.92	446.60
SAFRICOM	27.35	16.09	440.06
EQUITY	37.90	11.29	427.77
EABL	199.00	1.52	302.50

Foreign Trades (13-Sep-2019 - 20-Sep-2019)

Day	BUYS(Ksh 'Mn')	SALES(Ksh 'Mn')	NET(Ksh 'Mn')
Monday	121.12	47.82	73.29
Tuesday	543.41	481.30	62.11
Wednesday	164.88	154.03	10.85
Thursday	702.45	729.79	-27.05
Friday	530.92	76.511	454.41
Total	2,063.08	1,489.46	573.62

Market Statistics (Values in 'Mn') 13-Sep- 2019 – 20-Sep- 2019

Day	Turnover (Mn)	Foreign Buys %	Foreign Sales %	Vol(Mn)
Monday	190.73	31.75	12.54	4.03
Tuesday	655.14	41.47	36.73	11.84
Wednesday	332.17	24.82	23.19	19.20
Thursday	1012.10	34.72	36.05	38.88
Friday	646.23	41.08	5.92	20.90
Total	2836.37			94.84

Source SCL

Average Interbank Rates

Date	Value (KshBn)	Ave. Interbank Rate (%)
06-Sep-12-Sep-2019	9.14	6.19
13-Sep-2019	24.54	6.34
16-Sep-2019	3.77	6.39
17-Sep-2019	3.05	6.63
18-Sep-2019	4.96	6.45
19-Sep-2019	9.88	7.04
13-Sep-19-Sep-2019	9.24	6.57

Currency	13-Sep-19	20-Sep-19	Δ %
US Dollar	103.79	103.83	0.04
STG Pound	127.90	129.70	1.41
EURO	114.04	114.75	0.62
Japanese Yen	96.28	96.13	0.16
SA Rand	7.10	7.10	0.00
KES/USHS	35.31	35.40	0.25
KES/TSHS	22.13	22.13	0.00
KES/RWF	8.88	8.88	0.00

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 (%)
Agricultural								
Eaagads	13.6	0.2	(0.5)	11.5	0.2	24.2	24.2	-
Kakuzi	385.0	0.1	0.2	351.7	0.0	14.3	14.3	0.0
Kapchorua Tea	70.0	(0.1)	0.0	73.2	0.0	-	2.3	0.1
Limuru Tea	470.0	-	(0.1)	470.0	-	370.1	250.0	0.0
Sasini	16.6	(0.0)	(0.4)	16.6	0.2	3.8	2.3	0.1
Williamson Tea	135.0	(0.0)	(0.1)	140.0	0.9	-	3.3	0.3
Automobiles								
Car & General	20.0	(0.1)	(0.0)	21.5	0.2	26.3	14.5	-
Banking								
Barclays Bank	10.9	0.0	0.1	10.8	168.0	8.0	8.5	0.1
Diamond Trust	112.0	0.0	(0.4)	37.9	-	4.7	4.6	0.0
Equity Bank	37.9	-	(0.1)	37.9	24.9	7.3	5.6	0.1
Housing Finance	5.6	0.0	(0.5)	5.5	427.8	-	-	-
I&M Holdings	45.0	(0.0)	(0.6)	45.7	2.8	2.8	2.5	0.1
KCB	40.1	0.0	(0.1)	38.5	657.3	5.1	5.9	0.1
National Bank	4.1	-	(0.6)	4.1	-	199.2	-	-
NIC Bank	28.6	0.0	(0.2)	28.1	5.2	4.3	4.1	0.0
Stanbic Holdings	96.0	-	0.2	96.0	50.3	6.0	5.7	0.1
StanChart	193.0	(0.0)	(0.1)	195.5	41.8	8.2	9.7	0.1
Co-op Bank	12.1	0.0	(0.2)	12.0	95.2	5.6	5.0	0.1
Commercial								
Atlas Development	-	-	-	-	-	-	-	-
Deacons E A	1.1	-	(0.7)	0.5	-	-	-	-
Eveready	7.1	(0.0)	2.0	1.1	0.1	0.4	0.4	-
Express	2.5	0.1	(0.3)	6.7	0.0	-	-	-
Kenya Airways	6.6	0.0	(0.6)	2.5	0.4	-	-	-
Longhorn Kenya	0.9	0.2	(0.8)	5.6	0.5	10.0	10.0	0.1
Nairobi Business V.	41.5	(0.0)	12.0	0.9	0.0	0.4	0.4	-
Nation Media	3.2	0.1	(1.0)	37.9	1.2	3.5	3.8	0.2
Sameer Africa	28.0	-	9.2	3.2	0.2	-	-	-
Standard Group	19.3	(0.0)	(0.5)	29.0	0.0	13.1	12.1	-
TPS EA	0.3	0.1	(1.0)	17.4	0.1	11.8	-	0.1
Uchumi	13.2	-	1.9	0.3	0.0	-	0.2	-
WPP Scangroup	13.2	(0.0)	(1.0)	13.3	0.9	11.8	8.8	0.1
Construction								
ARM	5.6	-	(0.6)	99.3	-	-	-	-
Bamburi Cement	103.0	0.0	(0.4)	80.0	0.3	7.1	7.5	0.1
Crown Berger	80.0	-	-	3.1	0.0	123.1	93.0	0.0
E.A.Cables	2.8	(0.1)	(0.5)	14.6	0.2	-	-	-
E.A.Portland	16.6	0.1	(0.4)	-	0.0	0.4	0.2	-
Energy								
KenGen	5.8	0.1	(0.3)	22.0	41.7	4.2	5.4	0.1
KenolKobil	22.0	-	0.5	3.6	-	13.4	16.1	0.0
KPLC	3.0	(0.2)	(0.7)	29.0	8.1	0.8	0.8	0.2
Total Kenya	29.4	0.0	0.2	6.7	0.3	11.4	10.2	0.0
Umeme Ltd	6.7	-	(0.5)	-	0.6	3.3	3.8	0.1
Insurance								
BRITAM	7.1	0.0	1.3	3.1	13.0	-	-	-
CIC	3.2	0.0	(0.9)	370.0	0.3	45.7	24.6	0.0
Jubilee	350.0	(0.1)	2.0	2.8	10.5	8.1	8.0	0.0
Kenya Re	2.9	0.0	(0.9)	9.9	18.1	0.6	0.6	0.2
Liberty Kenya	9.1	(0.1)	(0.7)	19.0	0.2	7.8	8.7	-
Sanlam	17.9	(0.1)	(0.4)	-	0.1	28.4	-	-
Investments								
Centum	31.0	0.1	(0.3)	0.5	7.7	2.8	2.6	-
Home Afrika	0.5	-	(0.7)	1,500.0	0.3	-	-	-
Kurwitu	1,500.0	-	-	2.0	-	-	-	-
Olympia Capital	2.2	0.1	(0.3)	3.2	0.0	8.5	8.5	-
TransCentury	3.2	-	(0.5)	-	0.0	-	80.0	-
Investment Service								
NSE	10.6	(0.1)	(0.5)	-	1.8	14.9	31.0	0.0
Manufacturing								
BOC	60.0	(0.1)	(0.4)	485.0	6.3	7.9	7.7	0.1
BAT	484.8	(0.0)	(0.4)	7.7	446.6	11.4	10.9	0.1
Carbacid	8.0	0.0	(0.3)	199.3	0.3	5.5	5.2	0.1
EABL	199.0	(0.0)	(0.2)	2.4	302.5	16.3	16.3	0.0
Flame Tree	2.2	(0.1)	(0.5)	12.6	0.1	1.6	2.1	-
Kenya Orchards	12.6	-	(0.9)	0.3	-	38.2	42.0	-
Mumias Sugar	0.3	-	(0.7)	31.6	0.2	-	-	-
Unga Group	35.0	0.1	0.2	-	0.0	8.1	9.4	0.0
Telecommunication								
Safaricom	27.4	0.0	0.0	27.2	440.1	17.3	17.3	0.0



Sector Performances

Segment	13-Sep-19	20-Sep-19	Week/Week	YTD (%)
Banking	71.17	71.85	0.95	13.07
Manufacturing	50.34	49.91	0.85	19.23
Telecommunication	101.50	102.24	0.74	22.92
Energy & Petroleum	75.08	73.33	2.33	-10.48
Insurance	50.47	49.38	2.16	-36.43
Construction	57.99	58.93	1.62	-4.03
Commercial	41.54	42.67	2.72	-16.79
Agricultural	68.55	70.21	2.42	-18.86
Automobile	84.78	79.05	6.76	-29.21
Investment	61.36	62.98	2.64	-0.54
NSE 20	2431.37	2442.50	0.46	13.47
NASI	143.81	144.98	0.81	3.41

Source: Sterling Capital & NSE

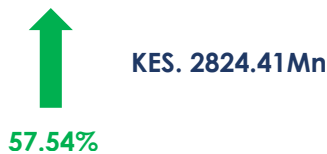
Kenya Weekly Commentary:

Market Watch:

Indices



Equity Turnover

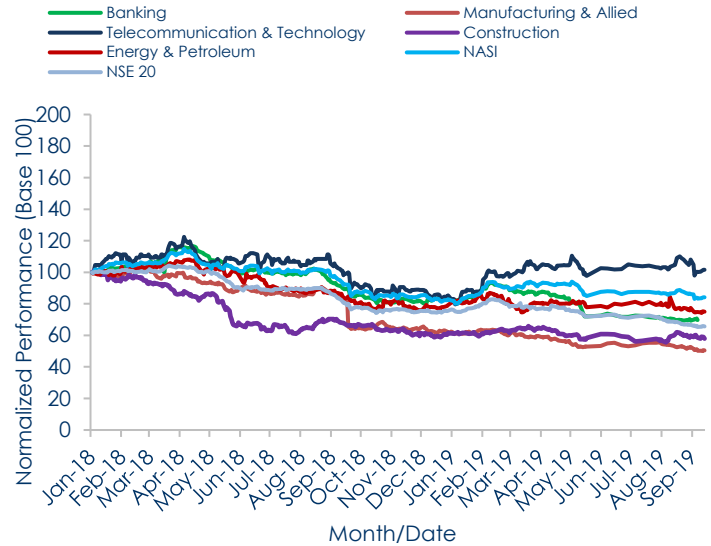


Bond Turnover



Source: Sterling Capital & NSE

Sector Performance



Source: Sterling Capital & NSE

Debt Market:

1) Treasury Bonds

- Bond turnover over the week decreased by 3.07% from KES. 8.15Bn last week to KES. 7.90Bn this week.
- W/W bond deals increased from 473 to 739 during the week.

Metric	13-Sep-19	20-Sep-19
Bond Turnover	8.15	7.90

Source: NSE

2) Treasury Bills

- The 91 day and 182 day papers were under-subscribed with the subscription rate at 17.10% and 7.09% respectively.
- The 364-day treasury bill received bids worth KES. 23.50Bn, an over-subscription of 234.99%.

Treasury Bill	Amount Offered (KES.Bn)	Bids Received (KES.Bn)	Amount Accepted (KES.Bn)	Performance Rate (%)
91-Day	4.0	0.68	0.68	17.10
182-Day	10.0	0.71	0.71	7.09
364-Day	10.0	23.50	1.99	234.99
Total	24.0	24.89	3.38	103.71

Source: CBK



T-Bill	Yield		Acceptance Rate (%)
	%	Δ Basis points	
91 -Days	6.368	5.3	99.57
182 -Days	7.150	0.7	99.91
364 -Days	9.705	12.3	62.79

Source: CBK

Key Rates	(%)	Date
CBK Rate	9.00	24-Jul-19
Interbank Rate	7.04	19-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 6.19% to 6.57% during the week.
- The average weekly interbank volume went up from KES. 9.14Bn to KES. 9.24Bn.

News Updates

Kenya's CBK wipes off KES. 56.2Bn from the money market in order to curtail market liquidity

- The Central Bank of Kenya (CBK) repurchased KES.56.2Bn worth of money market securities on Monday, 16 September.
- The move indicates that the CBK expects liquidity to increase significantly in the coming few months, from its already elevated levels.
- The CBK mopped up the KES.56.2Bn worth of money market securities by accepting all the bids placed by commercial banks of the aforementioned amount.
- In exchange of the securities sold by banks, the CBK will pay interest which will be determined competitively, with the maximum rate at the CBR (Central Bank Rate) - 9%.

Our View

- **The tightening market liquidity will have the twin impact of stabilizing the foreign exchange rate and in particular the USD-KES exchange rate and a reduction in the demand for treasury securities.**
- With respect to the USD-KES exchange rate, which stands at US\$ 1 = KES. 103.79, the decline in market liquidity will result in a decline in the supply of KES, thus strengthening the local currency.
- We expect some commercial banks to temporarily shift focus towards the repo market on account of comparatively higher returns that investing in short term domestic securities.
- The 91 and 182 day T-Bill rates stood at 6.3% and 7.1%, respectively in last week's debt auctions which compare unfavourably with the weighted average cut of rate of 9% in the repo market.
- We could possibly see a further decline in demand for T-bills (78.6% subscription rate in last week's auction).

Source: Kenyan Wall Street & Sterling Capital Research



MPs continue to oppose the repealing of interest rate caps

- The finance committee of the Parliament opposed the National Treasury's attempted move to scrap the cap on commercial lending rates on Wednesday, 18 September.
- The interest rates on loans extended by commercial banks were capped at 4% above the benchmark Central Bank Rate (CBR), which stands at 9%, on September 14, 2016.
- The controversial move has been deemed to squeeze private sector credit growth, particularly lending to Small and Medium enterprises (SMEs), as banks consider these entities too risky to advance money to.
- Consequently, according to the Central Bank of Kenya (CBK), the economic growth rate of Kenya has declined by 0.4% since 2017.
- The finance committee stated that it is open to making the provisions of the Banking Amendment Act of 2016 clearer to improve its understanding.

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Source- Business Daily, Central Bank of Kenya and Sterling Research

Company Announcements

Company	Announcement	Book Closure Date	Payment Date
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
B.O.C Kenya	Interim dividend KES.2.35	27/9/2019	15/10/2019