



## Key Market Indicators

Key Indicators (Weekly)	20-Sep-19	27-Sep-19	%
NSE20 Share Index	2,442.50	2435.92	0.27
NSE25 Share Index	3,474.47	3457.24	0.50
NSE All Share Index	144.98	144.27	0.49
Equity Turnover (KshMn)	2,824.41	2621.62	7.18
Volume shares traded(Mn)	94.49	85.11	9.93
Bonds Traded (KES Bn)	7.90	13.79	74.56
Mkt. Cap. (Ksh Billion)	2,182.70	2171.96	0.49
Mkt. Cap. (US\$ Billions)	21.02	20.92	0.48

## Top Gainer Stocks

Stock	20-Sep-19	27-Sep-19	Δ (%)
HFCK	5.50	7.28	32.36
EAAGADS	11.35	14.00	23.35
LONGHORN	5.60	6.88	22.86
EAPCC	14.50	17.50	20.69
TPS EASTERN	17.50	21.10	20.57

## Top Loser Stocks

Stock	13-Sep-19	20-Sep-19	Δ (%)
KPLC	3.62	2.92	19.34
STANDARD	28.95	24.85	14.16
B.O.C KENYA	67.5	59.5	11.85
LIBERTY KENYA	9.98	8.84	11.42
FLAME TREE	2.40	2.15	10.42

## Top Movers

Counter	Price (Ksh)	Vol 'Mn'	Value (Ksh 'Mn')
SAFARICOM	27.10	45.30	1227.74
EQUITY	37.45	10.21	382.19
KCB	42.00	7.56	317.49
NIC	28.95	3.10	89.70
CENTUM	31.20	1.23	38.47

## Foreign Trades (23-Sep-2019 - 27-Sep-2019)

Day	BUYS(Ksh 'Mn')	SALES(Ksh 'Mn')	NET(Ksh 'Mn')
Monday	135.52	102.52	33.00
Tuesday	178.93	151.11	27.83
Wednesday	1170.75	1117.10	53.65
Thursday	205.55	181.45	24.10
Friday	484.03	356.99	127.04
<b>Total</b>	<b>2174.79</b>	<b>1909.17</b>	<b>265.61</b>

## Market Statistics (Values in 'Mn') 23-Sep-2019 - 27-Sep-2019

Day	Turnover (Mn)	Foreign Buys %	Foreign Sales %	Vol(Mn)
Monday	172.60	39.26	29.70	7.03
Tuesday	384.65	23.26	19.64	12.11
Wednesday	1220.62	47.96	45.76	38.21
Thursday	273.31	37.60	33.20	8.47
Friday	571.27	42.36	31.25	9.96
<b>Total</b>	<b>2622.45</b>			<b>75.78</b>

Source SCL

## Average Interbank Rates

Date	Value (KshBn)	Ave. Interbank Rate (%)
13-Sep-19-Sep-2019	9.24	6.57
20-Sep-2019	8.40	6.99
23-Sep-2019	11.35	7.45
24-Sep-2019	8.08	7.14
25-Sep-2019	5.93	7.42

Currency	20-Sep-19	27-Sep-19	Δ %
US Dollar	103.83	103.82	0.01
STG Pound	129.70	128.19	1.16
EURO	114.75	113.70	0.92
Japanese Yen	96.13	96.56	0.45
SA Rand	7.10	6.93	2.39
KES/USHS	35.40	35.45	0.14
KES/TSHS	22.13	22.15	0.09
KES/RWF	8.88	8.89	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	14.0	0.2	(0.4)	11.5	0.0	25.0	25.0	-
Kakuzi	420.0	0.2	0.3	353.3	0.1	15.6	15.6	0.0
Kapchorua Tea	74.8	0.0	0.1	74.2	0.1	-	2.5	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	0.1	3.8	2.3	0.1
Williamson Tea	135.8	(0.0)	(0.1)	140.0	2.3	-	3.4	0.3
<b>Automobiles</b>								
Car & General	22.0	0.0	0.0	21.5	0.1	28.9	15.9	-
<b>Banking</b>								
Barclays Bank	11.0	0.0	0.1	10.8	23.8	8.0	8.6	0.1
Diamond Trust	113.5	0.0	(0.4)	37.9	-	4.7	4.6	0.0
Equity Bank	37.5	(0.0)	(0.1)	37.9	6.9	7.2	5.6	0.1
Housing Finance	7.3	0.3	(0.3)	5.5	382.2	-	-	-
I&M Holdings	45.0	(0.0)	(0.6)	45.7	4.2	2.8	2.5	0.1
KCB	42.0	0.1	(0.0)	39.6	317.5	5.4	6.2	0.1
National Bank	4.1	-	(0.6)	4.1	-	199.2	-	-
NIC Bank	29.0	0.0	(0.1)	28.1	89.7	4.4	4.1	0.0
Stanbic Holdings	96.0	-	0.2	96.0	18.8	6.0	5.7	0.1
StanChart	194.3	(0.0)	(0.1)	195.5	2.3	8.2	9.7	0.1
Co-op Bank	11.8	(0.0)	(0.3)	12.0	48.4	5.4	4.9	0.1
<b>Commercial</b>								
Atlas Development	-	-	-	-	-	-	-	-
Deacons E A	1.1	-	(0.7)	0.5	-	-	-	-
Eveready	6.5	0.0	1.7	1.1	0.0	0.4	0.4	-
Express	2.5	(0.0)	(0.3)	6.7	0.4	-	-	-
Kenya Airways	6.9	0.0	(0.6)	2.5	2.6	-	-	-
Longhorn Kenya	0.9	0.2	(0.8)	5.6	1.2	10.4	10.4	0.1
Nairobi Business V.	41.3	(0.0)	11.9	0.9	0.0	0.4	0.4	-
Nation Media	3.2	0.1	(1.0)	37.9	2.0	3.5	3.7	0.2
Sameer Africa	24.9	0.0	8.0	3.2	0.1	-	-	-
Standard Group	21.1	(0.1)	(0.4)	28.9	0.0	11.6	10.7	-
TPS EA	0.3	0.2	(1.0)	17.0	0.0	12.9	-	0.1
Uchumi	13.3	(0.1)	1.9	0.3	0.3	-	0.2	-
WPP Scangroup	13.3	0.0	(1.0)	13.3	0.6	11.9	8.9	0.1
<b>Construction</b>								
ARM	5.6	-	(0.6)	99.3	-	-	-	-
Bamburi Cement	95.5	(0.0)	(0.5)	80.0	0.1	6.6	6.9	0.1
Crown Berger	80.0	-	-	3.1	-	123.1	93.0	0.0
E.A.Cables	2.9	(0.1)	(0.5)	14.4	0.2	-	-	-
E.A.Portland	17.5	0.2	(0.4)	-	0.0	0.4	0.2	-
<b>Energy</b>								
KenGen	5.9	0.1	(0.3)	22.0	5.6	4.3	5.4	0.1
KenolKobil	22.0	-	0.5	3.6	3.0	13.4	16.1	0.0
KPLC	2.9	(0.2)	(0.7)	29.0	4.4	0.8	0.8	0.2
Total Kenya	29.0	-	0.2	6.7	0.1	11.3	10.1	0.0
Umeme Ltd	6.6	(0.0)	(0.5)	-	0.0	3.3	3.7	0.1
<b>Insurance</b>								
BRITAM	7.0	0.0	1.3	3.1	5.2	-	-	-
CIC	3.3	0.1	(0.9)	370.0	0.2	47.1	25.4	0.0
Jubilee	350.0	(0.1)	2.0	2.8	14.6	8.1	8.0	0.0
Kenya Re	2.9	0.0	(0.9)	9.9	3.4	0.6	0.6	0.2
Liberty Kenya	8.8	(0.1)	(0.7)	19.0	0.0	7.6	8.4	-
Sanlam	18.8	(0.0)	(0.4)	-	0.2	29.8	-	-
<b>Investments</b>								
Centum	31.2	0.1	(0.3)	0.5	38.5	2.9	2.7	-
Home Afrika	0.5	(0.0)	(0.7)	1,500.0	0.4	-	-	-
Kurwitu	1,500.0	-	-	2.0	-	-	-	-
Olympia Capital	2.1	0.0	(0.4)	3.2	0.0	8.1	8.1	-
TransCentury	3.2	(0.0)	(0.5)	-	0.4	-	79.0	-
<b>Investment Service</b>								
NSE	10.7	(0.1)	(0.5)	-	0.9	15.1	31.5	0.0
<b>Manufacturing</b>								
BOC	59.5	(0.1)	(0.4)	485.0	1.1	7.8	7.7	0.1
BAT	485.8	0.0	(0.4)	7.7	218.5	11.4	10.9	0.1
Carbacid	8.0	0.0	(0.3)	199.9	0.2	5.5	5.2	0.1
EABL	194.0	(0.0)	(0.2)	2.4	186.2	15.9	15.9	0.0
Flame Tree	2.2	(0.1)	(0.5)	12.6	0.1	1.6	2.0	-
Kenya Orchards	12.6	-	(0.9)	0.3	-	38.2	42.0	-
Mumias Sugar	0.3	(0.0)	(0.8)	31.7	0.1	-	-	-
Unga Group	34.0	0.1	0.2	-	0.0	7.9	9.1	0.0
<b>Telecommunication</b>								
Safaricom	27.1	(0.0)	0.0	27.2	1,227.7	17.2	17.2	0.0



## Sector Performances

Segment	20-Sep-19	27-Sep-19	Week/Week	YTD (%)
Banking	71.85	73.98	2.97	10.49
Manufacturing	49.91	49.17	1.49	20.43
Telecommunication	102.24	101.31	0.91	21.80
Energy & Petroleum	73.33	72.70	0.86	11.25
Insurance	49.38	49.75	0.76	35.95
Construction	58.93	58.95	0.03	4.06
Commercial	42.67	42.16	1.21	17.80
Agricultural	70.21	72.63	3.45	16.07
Automobile	79.05	86.96	10.00	22.13
Investment	62.98	62.07	1.45	1.98
NSE 20	2442.50	2435.92	0.27	0.27
NASI	144.98	144.27	0.49	0.49

Source: Sterling Capital & NSE

## Kenya Weekly Commentary:

### Market Watch:

### Indices

	<b>NSE 20</b> 2,435.92		<b>NSE 25</b> 3457.24		<b>NASI</b> 144.27
	<b>0.27%</b>		<b>0.50%</b>		<b>0.49%</b>

### Equity Turnover

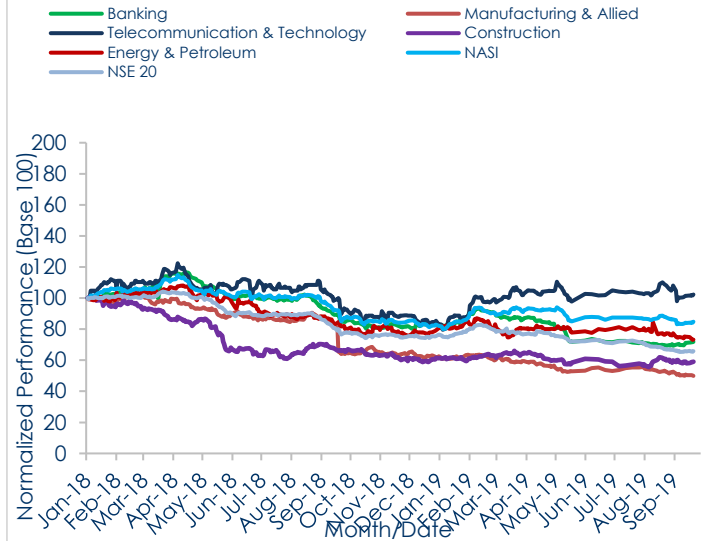
	<b>KES. 2621.62Mn</b>
	<b>7.18%</b>

### Bond Turnover

	<b>KES. 13.79Bn</b>
	<b>74.56%</b>

Source: Sterling Capital & NSE

## Sector Performance



Source: Sterling Capital & NSE

## Debt Market:

### 1) Treasury Bonds

- Bond turnover over the week increased by 74.56% from KES. 7.90Bn last week to KES. 13.79Bn this week.
- W/W bond deals increased from 473 to 739 during the week.

Metric	20-Sep-19	27-Sep-19
Bond Turnover	7.90	13.79

Source: NSE

### 2) Treasury Bills

- The 91 day and 182 day papers were fully subscribed with the subscription rate at 100%.
- The 364-day treasury bill received bids worth KES. 19.88Bn, an under-subscription of 58.25%.

Treasury Bill	Amount Offered (KES.Bn)	Bids Received (KES.Bn)	Amount Accepted (KES.Bn)	Performance Rate (%)
91-Day	4.0	3.29	3.29	82.37
182-Day	10.0	0.44	0.44	4.36
364-Day	10.0	19.88	11.58	198.78
<b>Total</b>	<b>24.0</b>	<b>23.61</b>	<b>15.31</b>	<b>98.37</b>

Source: CBK



T-Bill	Yield		Acceptance Rate (%)
	%	Δ Basis points	
91 -Days	6.307	6.10	100.00
182 -Days	7.1575	2.50	100.00
364 -Days	9.777	7.20	58.25

Source: CBK

Key Rates	(%)	Date
CBK Rate	9.00	24-Jul-19
Interbank Rate	7.42	25-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

## News Updates

### Shilling gains on the back of increased US dollar inflows

- The shilling rounded the week off on a strong note by trading at an average of KES.103.70 on Friday, 20th September - a 0.13% gain from Thursday's closing average of KES.103.83.
- The gain in the value of the shilling has been attributed to diaspora remittances and improved performance of Kenyan exports, particularly the horticulture, tourism, and transport services sectors.
- Moreover, a decline in the growth of imports of foodstuffs and SGR (Standard Gauge Railway) -related equipment was observed.
- The Central Bank of Kenya (CBK) stated that it expects the country's Current Account Deficit (CAD) – the difference between a country's level of exports and imports – to narrow from 5% of GDP in 2018 to 4.5% of GDP in 2019.
- Furthermore, the CBK is confident that the country has adequate foreign exchange reserves to deal with any short-term shocks in the foreign exchange market.
- Currently, the CBK has reserves that can cover up to 5.72 months of the country's imports, which is well above the minimum import cover required to be held.

## Our View

- **Although the shilling displayed a resilient performance against the US dollar last week, we expect it to come under pressure in the days leading up to the 30th September demonetization deadline.**
- That is, we see a potential depreciation in the shilling against major global currencies due to an influx of shillings towards the end of the month.
- The CBK could enter the repo (repurchase) market to mop up the high liquidity in support of the local currency.

Source – Business Daily, Kenyan Wall Street, Central Bank of Kenya and Sterling Research



## Safaricom losing ground in the voice call segment

- Safaricom shed nearly 10% share in the voice call segment – the largest amount amongst the local telecom operators.
- Statistics released by the Communications Authority of Kenya (CAK) point to the fall in mobile voice traffic from 59.9% in Q3 of FY2019 to 56.8% in Q4.
- Overall, Safaricom's share in the total voice call segment declined significantly from 70.0% in FY2018 to 60.6% in FY2019 – a stark decline from the over 80% share as recently as FY2017.
- In stark contrast, Airtel has consistently gained market share in the voice call segment from 12.90% in FY2017 to around 34.80% in FY2019.
- Safaricom recorded the lowest average number of minutes per call for both on-net and off-net calls at 1.2 and 0.6 minutes, respectively.
- In contrast, Airtel subscribers spent on average 3.5 minutes per on-net call.

## Our View:

- **The decline in Safaricom's voice call traffic is in line with our expectations.**
- Safaricom insists the falling share in the voice call segment is part of an overall sectoral trend as customers increasingly shift to using instant messaging platforms such as WhatsApp to communicate.
- Furthermore, the considerably higher tariffs Safaricom charges its customers over its rivals is a likely factor that induces customers to make shorter calls.
- It must be noted that the voice call segment still is the largest contributor to the company's total revenues at around 40%.
- Hence, losing market share in this key segment is likely to dent its profit margins.
- However, the company is adamant that the increasing usage of mobile data and mobile money payments (MPESA) will offset the fall in growth of its voice call segment.

**Sources- Standard Kenya, Communications Authority 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
Unga Group	Final dividend KES.0.50	05/12/2019	15/01/2019