

Kenya Weekly Commentary

Kenya Market Summary

Key Market Indicators

Index Returns	Level	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
Kenya NSE 20 Index Return	1,920.4	0.9%	3.4%	-5.9%	-1.6%	1.3%	0.9%
Kenya NASI Return	171.7	3.2%	5.5%	-3.4%	-2.0%	11.4%	3.2%
FTSE NSE Kenya 15 Return	212.4	1.4%	6.9%	-1.1%	0.4%	18.7%	1.4%
FTSE NSE Kenya 25 Return	230.3	4.5%	6.3%	-2.9%	-1.7%	15.1%	4.5%
FTSE Kenya Bond Index Return	96.1	0.0%	-0.4%	-0.6%	-0.3%	-1.8%	0.0%

Source: NSE, Kestrel Research

NSE versus other markets

Index Returns (USD)	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
Nairobi All Share Index	2.8%	5.2%	-5.6%	-7.6%	7.8%	2.8%
Johannesburg Index	2.2%	5.3%	3.9%	0.8%	13.9%	2.2%
Nigeria Stock Exchange	4.8%	4.6%	4.7%	11.8%	0.3%	4.8%
Ghana Stock Exchange	-2.1%	-2.8%	-5.4%	-3.5%	33.0%	-2.1%
Egyptian Stock Exchange	0.7%	4.4%	8.1%	12.3%	7.1%	0.7%
MSCI EFM ex SA Index	1.1%	3.0%	-1.3%	2.3%	7.2%	1.1%

Other market statistics

Currencies	Level	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)
USD/KES	113.24	-0.1%	-0.3%	-1.9%	-4.0%	-3.3%
USD/ZAR	15.60	2.2%	2.5%	-6.0%	-6.2%	-1.9%
USD/EGP	15.72	0.0%	0.0%	-0.1%	-0.1%	-0.1%
USD/NGN	415.27	2.2%	-0.2%	-0.3%	-1.0%	-8.0%
USD/GHS	6.18	0.0%	-0.4%	-1.7%	-4.5%	-5.1%

NSE most active counters

Counter	Value Traded (KES m)	Foreign Investor Net Buying/(Selling) (KES m)	Foreign Investor Activity as % of total	Weekly Price Change (%)	YTD (%)	% Below 12-month high	% Above 12-month low
Safaricom	1,174.6	36.9	86.3%	5.1%	5.1%	-11.2%	14.3%
Equity bank	447.3	287.3	43.1%	0.5%	0.5%	-2.3%	47.2%
KCB bank	115.6	-34.2	15.2%	1.2%	1.2%	-7.8%	28.9%
BAT Kenya	81.1	66.3	40.8%	4.3%	4.3%	-11.6%	14.6%
StanChart bank	19.1	-2.9	7.7%	1.8%	1.8%	-11.1%	5.2%

Equity market commentary and outlook

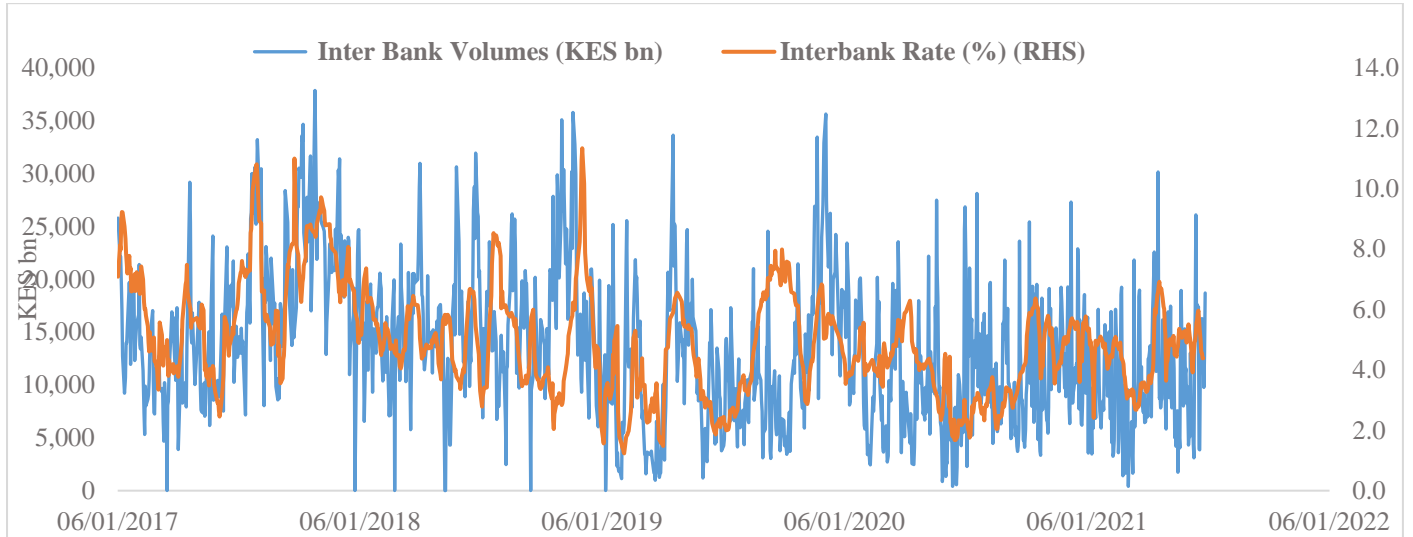
- Last week, KCB bank (+1.2% w/w) hit a 3-month high on the back of local demand. Driven by foreign buying, Safaricom recouped 5.1% w/w and Equity bank (+0.5% w/w) gained for the second straight week. BAT Kenya edged up 4.3% w/w buoyed by foreign demand while StanChart bank (+1.8% w/w) touched a 3-month high.

Debt market commentary and outlook

- Overall subscription rates rose to a 7-week high of 96.6% with high demand on the 91-Day and 364-Day T-Bills. The yield on the 91-Day T-Bill gained for the second consecutive week while the yield on the 182-Day paper notched down week-on-week. The yield on the 364-Day T-Bill sustained its upward trend, rising by 7.7bps.

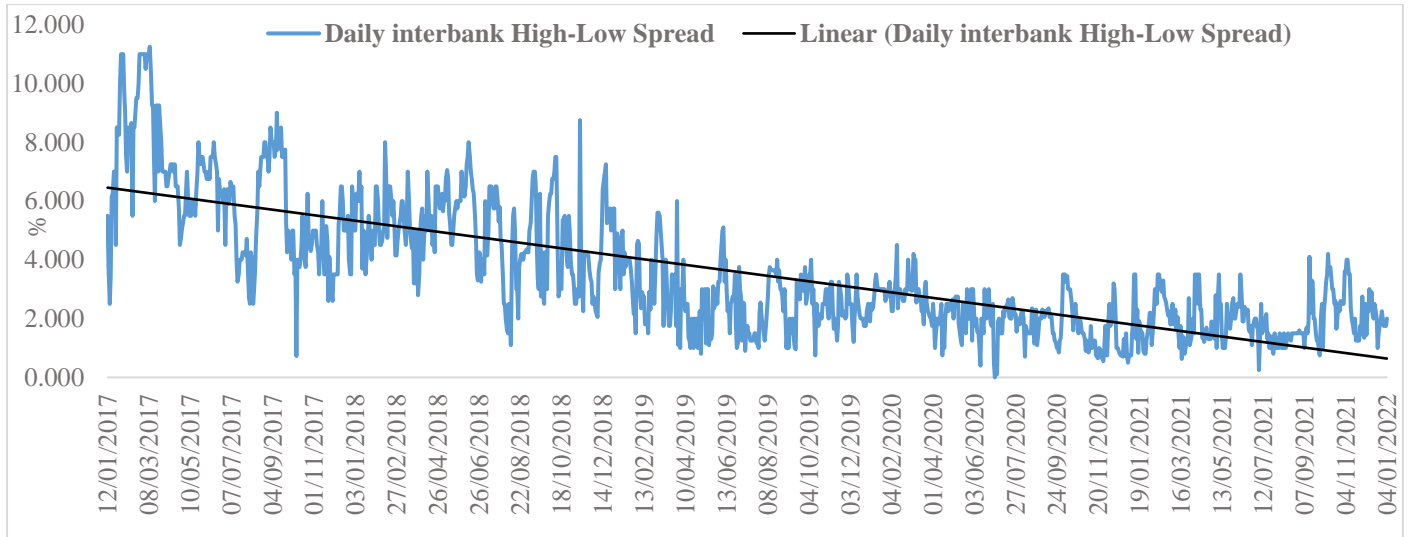
Key Rates and Spreads

Inter-bank rate declines to a 2-week low



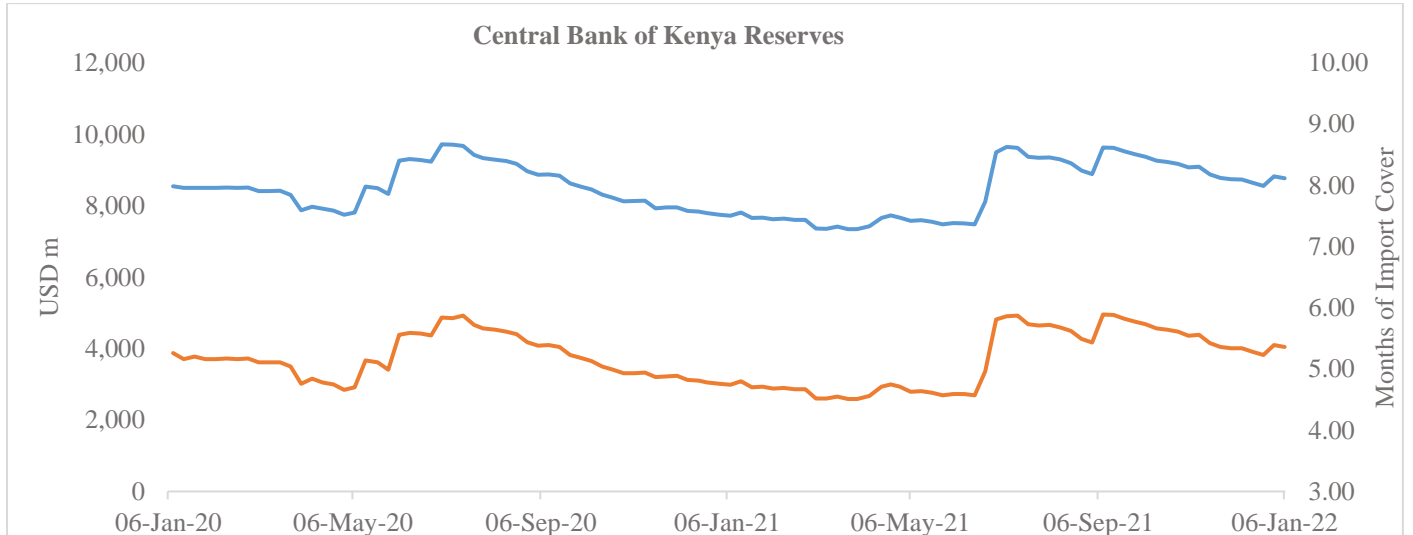
Source: CBK

Inter-bank spread narrows for the fourth week in a row



Source: CBK

Forex reserves and import cover declines week-on-week



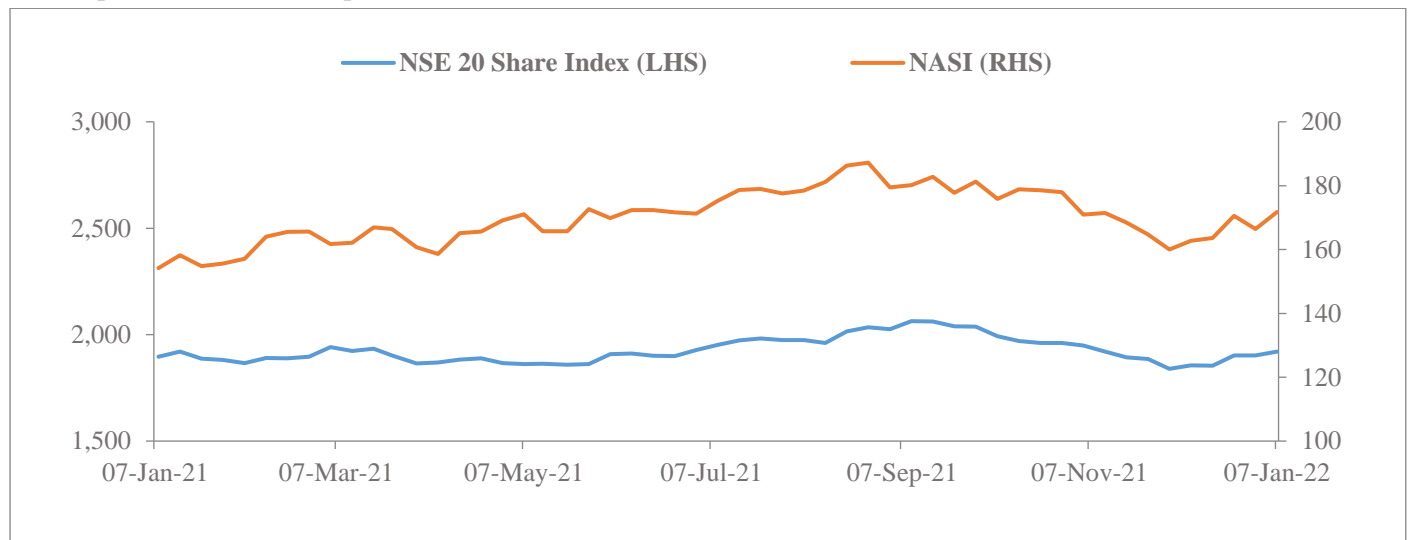
Source: CBK

Equity market trading commentary

Market activity picked up by 179.0% to stand at USD 16.9m (KES 1.9bn). Reversing its losses from the previous week, the NASI edged up 3.2% w/w to settle at 171.74, buoyed by gains across large-cap stocks. Similarly, the NSE 20 stretched its gains for the third straight week, inching up 0.9% w/w to close at 1,920.38. Local investor trading remained low at 33.7% of the market, down from 47.6% in the prior week. After ten consecutive weeks of net foreign outflows, foreign investors turned net buyers at USD 3.2m (KES 367.3m). Equity bank recorded the highest net foreign inflows at USD 2.6m (KES 289.3m). BAT Kenya and Safaricom followed with net foreign inflows of USD 0.6m (KES 66.3m) and USD 0.3m (KES 36.9m), respectively. On the other hand, KCB bank registered the highest net foreign outflows at USD 0.3m (KES 34.2m). StanChart bank recorded net foreign outflows, albeit a thin margin of USD 25.9k (USD 2.9m).

Last week, KCB bank (+1.2% w/w) hit a 3-month high on the back of local demand. Driven by foreign buying, Safaricom recouped 5.1% w/w and Equity bank (+0.5% w/w) gained for the second straight week. BAT Kenya edged up 4.3% w/w buoyed by foreign demand while StanChart bank (+1.8% w/w) touched a 3-month high. Following the release of FY21 results, Car & General (+9.1% w/w) emerged as one of the top gainers for the week. The company's FY21 EPS rose 223.7% y/y to KES 22.43, largely driven by revenue growth of 41.5% y/y against a slower growth in operating expenses (+30.8% y/y).

Market performance over the past 12 months



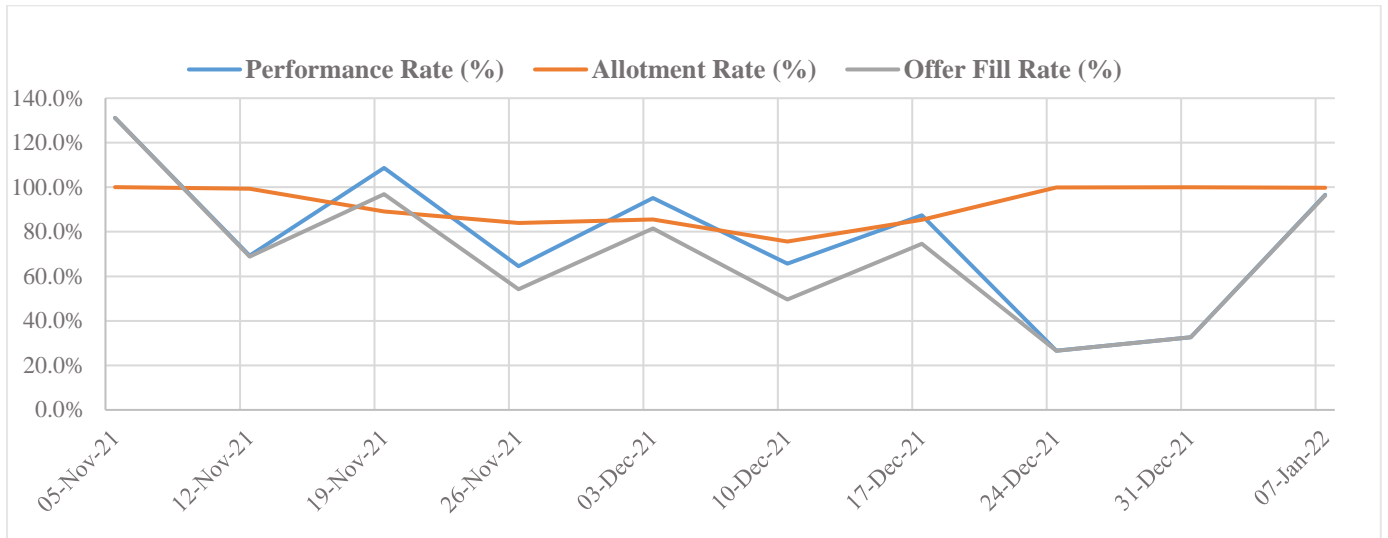
Source: NSE

Debt market trading commentary

Overall subscription rates rose to a 7-week high of 96.6% with high demand on the 91-Day and 364-Day T-Bills. The yield on the 91-Day T-Bill gained for the second consecutive week while the yield on the 182-Day paper notched down week-on-week. The yield on the 364-Day T-Bill sustained its upward trend, rising by 7.7bps.

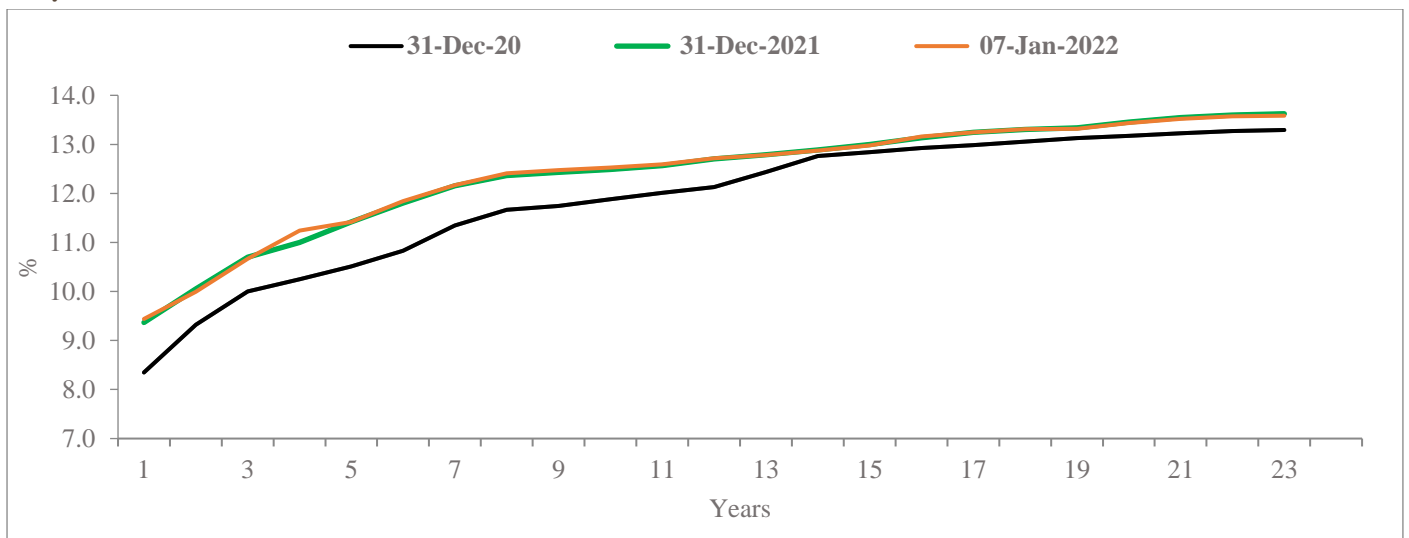
The Central Bank of Kenya offered KES 4.0bn for the 91-Day T-Bill and KES 10.0bn each for the 182-Day T-Bill and the 364-Day T-Bill. It received bids worth KES 5.7bn for the 91-Day T-Bill, implying a subscription rate of 141.3%. It accepted bids worth KES 5.7bn at an average yield of 7.345% (+7.4bps w/w). The 182-Day T-Bill received bids worth KES 6.3bn, implying a performance rate of 63.3%. It accepted bids worth KES 6.3bn at an average yield of 8.041% (-5.4bps w/w). The 364-Day T-Bill received bids worth KES 11.2bn, implying a performance rate of 112.0%. It accepted bids worth KES 11.2bn at an average yield of 9.444% (+7.7bps w/w).

T-Bills Performance: Overall performance rate jumps to a 7-week high with strong demand on the 91 and 364-Day T-Bills



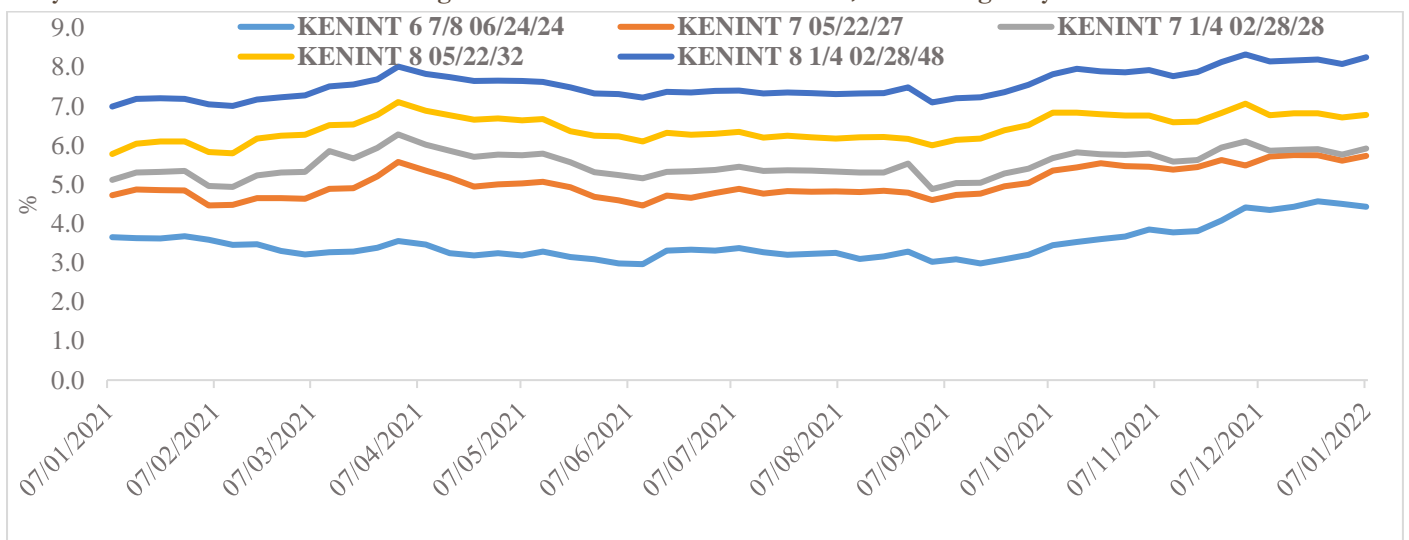
Source: CBK

Kenya Domestic Yield Curve



Source: CBK

Kenya Eurobond Yields: Yields on long-term maturities rise week-on-week, albeit marginally



Source: Bloomberg

Top counters by market capitalization

Company	Sector	Year	12 M	12 M	Price	YTD	Market ¹ cap (USD m)	Weighting	EPS	DPS	NAV	P/E	Div	P/B	ROE %	Daily Trading ¹ vol (USD)	
		end	High	Low		%						ratio x	yld %	ratio x			
Safaricom	Telecom	Mar	44.95	34.90	39.90	5.1	14,120	59.5%	1.81	1.37	3.4	22.0	3.4	11.7	53.2	2,834,204	
Equity Bank	Banking	Dec	54.25	36.00	53.00	0.5	1,767	7.4%	8.30	-	41.4	6.4	-	1.3	20.0	730,971	
KCB Bank	Banking	Dec	49.90	35.70	46.00	1.2	1,306	5.5%	10.56	2.00	50.7	4.4	4.3	0.9	20.8	584,403	
EA Breweries	Breweries	Jun	193.75	148.25	164.75	-0.2	1,151	4.8%	5.51	-	7.8	29.9	-	21.1	70.4	451,890	
Co-op Bank	Banking	Dec	13.95	11.60	12.95	0.0	671	2.8%	2.16	1.00	16.2	6.0	7.7	0.8	13.3	42,072	
Absa Bank	Banking	Dec	11.85	8.62	11.80	-0.4	566	2.4%	1.93	-	10.1	6.1	-	1.2	19.2	67,034	
StanChart Bank	Banking	Dec	146.75	124.00	130.50	1.8	436	1.8%	19.75	15.50	140.4	6.6	11.9	0.9	14.1	39,011	
BAT Kenya	Tobacco	Dec	499.75	385.75	442.00	0.1	390	1.6%	57.23	45.00	105.2	7.7	10.2	4.2	54.4	100,593	
NCBA Bank	Banking	Dec	28.15	22.95	25.95	3.0	378	1.6%	5.21	2.25	45.4	5.0	8.7	0.6	11.5	42,660	
I&M Holdings	Banking	Dec	25.00	20.35	21.40	1.4	313	1.3%	5.54	2.25	41.1	3.9	10.5	0.5	13.5	7,449	
Stanbic Bank	Banking	Dec	95.25	74.00	87.00	-0.3	304	1.3%	17.12	5.50	113.2	5.1	6.3	0.8	15.1	61,240	
KenGen	Power	Jun	5.18	3.91	4.12	-1.7	240	1.0%	0.15	0.18	31.9	27.6	4.4	0.1	0.5	15,283	
Bank of Kigali	Banking	Dec	40.00	18.50	29.00	0.0	230	1.0%	6.11	1.58	34.0	4.7	5.4	0.9	18.0	2,053	
Jubilee Insurance	Insurance	Dec	390.00	261.75	310.00	-2.1	198	0.8%	94.16	10.00	507.5	3.3	3.2	0.6	18.6	22,851	
Kenya Airways	Airlines	Dec	3.99	3.83	3.83	0.0	192	0.8%	(5.88)	-	(13.0)	-	-	-	-	-	
Britam	Insurance	Dec	8.38	6.72	7.52	0.3	168	0.7%	(2.82)	-	7.2	-	-	1.0	(39.2)	2,386	
DTB Bank	Banking	Dec	77.50	54.75	60.00	0.8	148	0.6%	14.50	-	241.4	4.1	-	0.2	6.0	12,493	
Total Oil	Oil	Dec	26.30	21.85	24.60	-1.6	137	0.6%	6.14	1.57	43.8	4.0	6.4	0.6	14.0	1,421	
Bamburi Cement	Cement	Dec	46.35	33.55	38.00	0.0	122	0.5%	2.91	3.00	83.5	13.1	7.9	0.5	3.5	5,376	
Umeme Ltd.	Power	Dec	7.40	5.48	6.74	0.0	97	0.4%	0.80	0.37	14.8	8.5	5.4	0.5	5.4	1,364	
Centum Investment	Finance	Mar	18.00	14.10	14.40	2.1	85	0.4%	(2.42)	0.33	69.7	-	2.3	0.2	(3.5)	30,682	
Kakuzi	Agric	Dec	423.50	327.75	420.00	9.1	73	0.3%	27.77	18.00	275.9	15.1	4.3	1.5	10.1	3,436	
Kenya Re	Insurance	Dec	2.70	2.22	2.30	0.0	57	0.2%	1.05	0.20	12.3	2.2	8.7	0.2	8.6	3,941	
CIC Insurance	Insurance	Dec	3.39	2.00	2.13	-3.6	49	0.2%	0.12	-	2.9	17.1	-	0.7	4.3	2,120	
ARM Cement	Cement	Dec	5.55	5.55	5.55	0.0	47	0.2%	(7.77)	-	19.8	-	-	0.3	(39.2)	-	
Sasini Tea & Coffee	Agric	Sept	22.40	16.50	21.25	13.6	43	0.2%	(1.48)	0.50	56.5	-	2.4	0.4	(2.6)	31,078	
Crown Paints	Manufac.	Dec	42.80	19.65	30.50	0.0	38	0.2%	5.66	-	14.8	5.4	-	2.1	38.4	1,009	
Nation Media	Media	Dec	26.10	12.65	19.45	5.4	36	0.2%	3.50	1.36	38.7	5.6	7.0	0.5	9.0	5,416	
Liberty K. Holdings	Insurance	Dec	10.30	6.52	7.04	0.6	33	0.1%	1.04	-	16.7	6.8	-	0.4	6.2	203	
Kenya Power	Power	Jun	2.02	1.28	1.72	-1.7	30	0.1%	0.76	-	29.3	2.3	-	0.1	2.6	14,555	
TPSEA Serena	Tourism	Dec	18.00	13.70	15.25	0.0	25	0.1%	(4.70)	-	37.5	-	-	0.4	(12.5)	2,366	
Carbacid	Gases	July	13.25	10.00	10.90	-0.9	25	0.1%	1.63	0.70	13.7	6.7	6.4	0.8	11.9	2,738	
NSE	Finance	Dec	10.15	7.74	8.16	2.0	19	0.1%	0.61	0.53	8.2	13.4	6.5	1.0	7.4	10,496	
Unga Ltd	Food	Jun	33.15	26.10	27.65	0.0	18	0.1%	3.88	-	56.7	7.1	-	0.5	6.8	27	
WPP Scangroup	Media	Dec	6.40	3.57	4.18	1.0	16	0.1%	(4.01)	-	12.1	-	-	0.3	(33.2)	2,936	
Sanlam Kenya	Insurance	Dec	14.00	9.16	11.55	0.0	15	0.1%	(1.88)	-	9.5	-	-	1.2	(19.8)	203	
Car & Gen	Motors	Sept	37.05	20.00	37.05	9.1	13	0.1%	22.12	3.20	114.3	1.7	8.6	0.3	19.4	-	
Housing Finance	Banking	Dec	4.99	3.31	3.81	-2.3	13	0.1%	(4.02)	-	20.8	-	-	0.2	(19.3)	4,069	
BOC Kenya	Gases	Dec	75.25	57.00	73.00	4.3	13	0.1%	4.78	6.70	84.3	15.3	9.2	0.9	5.7	1,189	
Standard Newspapers	Media	Dec	22.50	13.50	14.90	10.0	11	0.0%	(1.45)	-	10.6	-	-	1.4	(13.7)	155	
Longhorn	Publishing	Jun	4.9	3.64	3.99	-0.2	10	0.0%	0.03	-	2.7	145.4	-	1.5	1.0	883	
Limuru Tea	Agric	Dec	360.00	263.00	320.00	0.0	7	0.0%	(0.50)	0.70	75.9	-	0.2	4.2	(0.7)	66	
EA Portland	Cement	Jun	11.25	6.06	7.00	5.1	6	0.0%	(30.77)	-	208.4	-	-	0.0	(14.8)	97	
TransCentury	Finance	Dec	1.53	1.03	1.36	16.2	5	0.0%	(6.72)	-	(9.5)	-	-	-	-	24	
												Average	17.0	3.6	8.4	40.5	5,155,894

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