



Genghis **Weekly Cross Asset Strategy**

Macroeconomics. Fixed Income. Equities

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Genghis Equities Trading Idea for the Week...

Accumulate on Equity Group Plc- We consider the implementation of risk-adjusted credit pricing to be a beneficial boost to revenue growth amidst the high interest rate landscape. Moreover, capital provisions within the Group remain resilient, offering a buffer against non-performing loans. Consequently, we perceive enduring worth in the company.

Select SSA Market Indices

Sub-Saharan Markets Performance

Country	Index	Δ% W/W	Δ% YTD
Kenya	NSEASI	▲ 0.5%	▲ 1.2%
Nigeria	NGSEINDX	▼ (2.1%)	▲ 33.7%
Ghana	GGSECI	▲ 2.9%	▲ 4.7%
Botswana	BGSMDC	▲ 0.1%	▲ 0.9%
Uganda	UGSINDX	▲ 0.5%	▲ 5.3%
Tanzania	DARSDSEI	▲ 0.2%	▲ 1.1%
Rwanda	RSEASI	-	▲ 0.5%
Zambia	LUSEIDX	▲ 3.7%	▲ 12.0%
Egypt	EGX 30	▼ (1.2%)	▲ 14.0%
BRVM	ICXCOMP	▲ 0.0%	▼ (0.8%)
African Median		▲ 0.3%	▲ 0.7%

Source: Genghis Research

The select SSA markets closed the week ended 1st March 2024 on a net bullish position. Zambia was the best-performing market printing a 3,7% w/w gain. Nigeria, on the other hand, closed the week as the laggard, shedding 2.1% w/w.

• Equities:

Weekly Key Market Stats	Latest Week	Prev. Week	W/W % Δ
NASI	93.25	92.83	▲ 0.5%
NSE-20	1,539.22	1,536.69	▲ 0.2%
Turnover (Bn)	1.52	1.24	▲ 22.5%
Market Cap (Bn)	1,456.85	1,450.40	▲ 0.4%

Foreign Participation

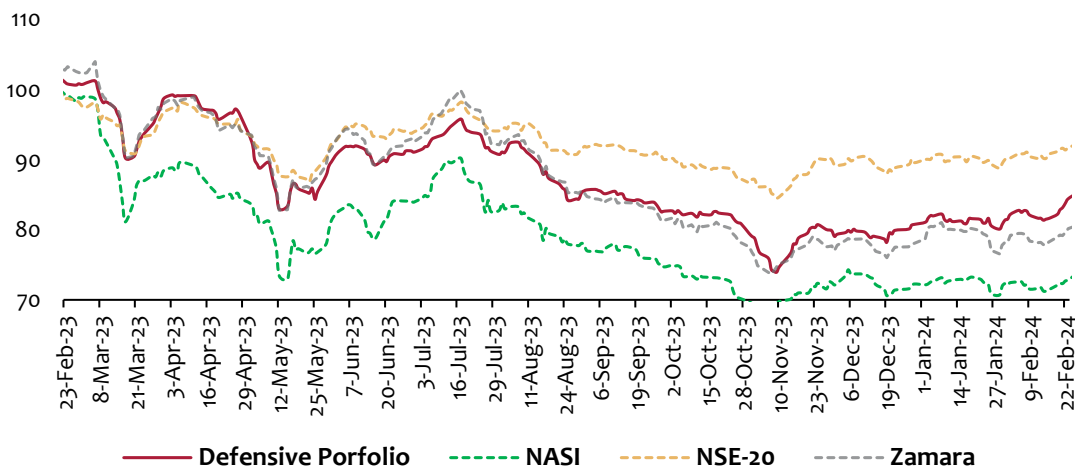
Turnover (Mn)	682.91	848.33	▼ (19.5%)
Net flows (Mn)	(416.91)	(261.17)	
Participation (%)	44.83%	68.21%	▼ (34.3%)

Foreigners' Stock Picks	FP Turnover (Mn)	Net Inflows/ (Outflows) (Mn)	FP/Total Market Turnover
Safaricom Plc	346.27	(209.67)	22.7%
Equity Group Ltd	265.36	(110.06)	17.4%
KCB Group Ltd	58.80	(95.47)	3.9%
EABL Ltd	2.81	5.62	0.2%
BAT Ltd	2.28	(2.45)	0.1%
Total FP	682.91	(416.91)	44.8%

Source: NSE, Genghis Research

Bullish market sentiments prevailed in the equities market, as signaled by the NASI and NSE-20 indices w/w performance. Total market turnover increased by 22.5% w/w to KES 1.52Bn up from KES 1.24Bn in the previous week. Foreigners' trading activity decreased by 19.5% w/w to KES 682.91Mn during the week. Foreign investors were bearish across key blue chips—printing overall net outflows amounting to KES 416.91Mn.

Genghis Defensive Portfolio vs NSE 20, NASI Indices



Source: Genghis Research, NSE

Portfolio	M/M Return
Defensive Portfolio	▲ 5.6%
NASI	▲ 1.5%
NSE-20	▲ 1.8%
Zamara	▲ 2.8%

Our defensive portfolio remains ahead of the NASI, NSE-20 and Zamara indices.
Portfolio inception date: 3rd January 2023.

Key Economic Indicators

Indicator	Current	Previous
91-day T-Bill	16.62%	16.59%
Average Inter-bank rate	14.09%	14.04%
USD-KES Exchange rate	143.59	144.15
CBK Forex Reserves (USD Bn.)	6.96	7.22
Months of Import Cover	3.7	3.9
Inflation Rate	6.3%	6.6%
Current Account Deficit (% of GDP)	3.7%	3.7%

Source: Genghis Research, CBK

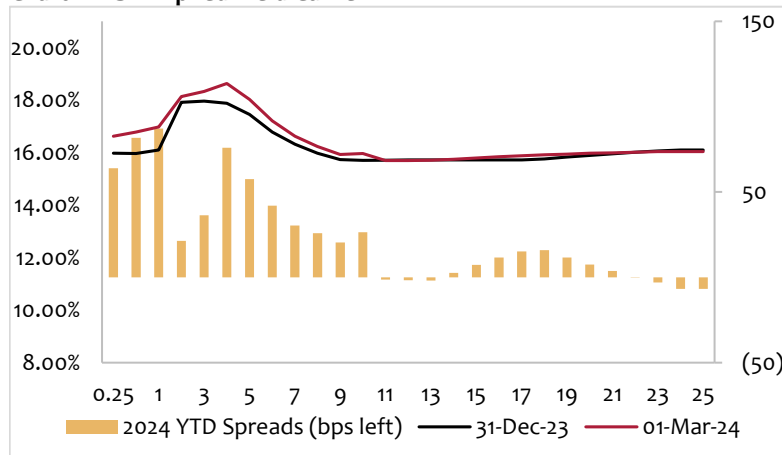
Fixed Income: Secondary fixed income market turnover decreased by 69% w/w to KES 52.36Bn down from KES 170.5Bn in the previous week. The bulk of trading activity was skewed towards medium-dated IFB issues.

The highlight of the week was the announcement of the [March 2024](#) Primary Bond Auction results. The auction seeks to raise KES 40Bn earmarked for budgetary support in the FY 2023/24. The auction consists of three bonds. The reopened FXD1/2024/03 and FXD1/2023/05 and the new issue FXD1/2024/10. The coupon rate for each bond is 18.3854%, 16.8440% and 16.0000% respectively. The auction runs from 27th Feb 2024 to 20th March 2024 for the FXD1/2023/05 & FXD1/2024/10 and 27th Feb 2024 to 6th March 2024 for the FXD1/2024/03.

Discount securities recorded a performance rate of 99.47%, down from 154.06% the previous week. The 91-day T-Bill registered an acceptance rate of 99.69% in the week to raise KES 12.22 Bn. Overall, spot market yields tightened by an average of 5bps w/w across all papers. The average accepted yields on the 91-day, 182-day, and 364-day papers stood at 16.6218%, 16.7849% and 16.9722% respectively.

Fixed Income Secondary Market Trading Recommendation

- The IFB1/2023/6.5 with bidding ranges of 17.35% to 17.65%
- The FXD1/2023/05 at bidding range of 18.35% to 18.55%
- The FXD1/2024/03 at bidding range of 18.15% to 18.45%
- The IFB1/2024/8.5 at bidding range of 17.75% to 17.95%

Chart 2: NSE Implied Yield Curve

Source: Nairobi Securities Exchange, Genghis Research

Macroeconomic Update: Kenya was recently placed into the 'grey list' by the Financial Action Task Force (FATF) as the country undergoes increased scrutiny for failing to meet strategic deficiencies in its policies to combat money laundering, terrorism financing, and proliferation risk. The country joins a list of 23 other countries, all of which lack strong safeguards against the flow of dirty cash and are working with the FATF to address these shortfalls. Kenya has been assigned a period of 12 months to address any deficiencies noted or face the risk of being labeled as a high-risk jurisdiction under the 'black list'. The last time Kenya was labeled as a high-risk country was in 2010, after the country delayed in enacting laws to curb criminal financing activities, but it was removed from the list four years later.

The country's placement in the 'grey list' presents many challenges as investors might shy away from investing in the country due to lack of confidence, leading to lower foreign direct investments. The country might also face higher financing costs, with investors now viewing Kenya as a high-risk area, and this might also lead to further downgrades by credit rating agencies. The latest listing also affects the country's ambition to be the financial gateway into the African market.

This latest rating also comes after the government made several amendments to the Anti-Money Laundering Act of 2023 following the recommendations presented after the 2022 mutual assessment conducted by the Eastern and Southern Africa Money Laundering Group.

For Kenya to be lifted from the 'grey list', the country is expected to complete terrorism and financing risk assessments, update its national strategies for anti-money laundering as well as increase money laundering and terrorism financing investigations and prosecutions.

Expected in the week...

7th March 2024 - 91-day, 182-day, and 364-day Treasury Bills Auction.

Corporate Calendar...

Dividend	Book closure	Payment
Umeme Ltd (US\$ 24.00 ID)	9 th Feb 2024	29 th Feb 2024
Safaricom (KES 0.55 ID)	15 th March 2024	31 st March 2024
EABL (KES 1.00 ID)	16 th February 2024	26 th April 2024

* FD means Final Dividend, ID means Interim Dividend, SD means special dividend, and FFD means First and Final Dividend. TBA - subject to approval

MARKET SCORECARD

AGRICULTURAL	52-Week High	52-Week Low	Current Price	Daily Change (%)	Year-to-date change (%)	Volumes Traded	Turnover	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E (x)	P/B (x)	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)	Gearing
Eaagads Ltd	14.40	10.00	13.00	▼ (4.4%)	▼ (7.1%)	1,600	20,800	418.0	0.03%	(1.84)	-	(7.07)	0.36	0.0%	0.0%	0.0%	0.0%	0.3
Kakuzi Plc	430.00	240.00	367.50	-	▼ (4.5%)	-	-	7,203.0	0.49%	31.73	24.00	11.58	1.29	6.5%	55.6%	11.1%	14.3%	(0.2)
Kapchorua Tea Kenya Plc	240.00	100.00	219.50	▼ (5.4%)	▲ 2.1%	200	43,900	1,717.4	0.12%	53.23	25.00	4.12	0.91	11.4%	62.2%	22.0%	15.8%	0.4
The Limuru Tea Co. Plc	430.00	380.00	380.00	-	-	100	38,000	912.0	0.06%	2.72	2.50	139.71	4.82	0.7%	52.9%	3.4%	2.8%	0.2
Sasini Plc	31.40	18.45	19.95	▼ (7.2%)	▼ (0.3%)	4,700	93,765	4,549.7	0.31%	5.12	1.00	3.90	0.32	5.0%	19.5%	8.2%	7.1%	0.1
Williamson Tea Kenya Plc	20.35	1.84	229.50	▲ 2.0%	▲ 10.3%	200	45,900	4,019.2	0.27%	41.45	30.00	5.54	0.62	13.1%	103.4%	11.2%	8.4%	0.3
Industry Median				▼ (2.2%)	▼ (0.1%)			18,819.3	1.29%			4.83	0.76	5.8%	54.2%	9.7%	7.8%	0.3
AUTOMOBILES & ACCESSORIES																		
Car & General (K) Ltd	49.00	21.30	26.15	-	▲ 4.6%	-	-	1,048.7	0.07%	1.80	0.80	14.53	0.12	3.1%	9.4%	0.8%	0.4%	1.1
Industry Median				-	▲ 4.6%			1,048.7	0.07%			14.53	0.12	3.1%	9.4%	0.8%	0.4%	1.1
BANKING																		
ABSA Bank Kenya Plc	12.95	10.10	12.95	▲ 0.8%	▲ 13.1%	586,200	7,591,290	70,338.4	4.81%	2.99	1.35	4.33	1.08	10.4%	50.2%	24.9%	3.2%	6.7
BK Group Plc	37.00	28.45	32.00	▼ (0.2%)	▼ (10.6%)	22,500	720,000	28,696.3	1.96%	9.69	3.90	3.30	0.68	12.2%	50.0%	20.7%	3.6%	4.7
Diamond Trust Bank Kenya Ltd	55.25	44.00	48.95	▲ 0.4%	▲ 8.7%	4,500	220,275	13,686.5	0.94%	22.57	5.00	2.17	0.17	10.2%	23.1%	7.6%	1.1%	6.2
Equity Group Holdings Plc	46.90	33.65	40.00	▼ (1.1%)	▲ 18.9%	4,580,800	183,232,000	150,947.0	10.32%	12.23	4.00	3.27	0.78	10.0%	33.6%	23.9%	2.7%	7.8
HF Group Plc	5.10	3.06	4.00	-	▲ 14.9%	700	2,800	1,538.5	0.11%	1.53	-	2.61	0.18	0.0%	0.0%	6.8%	1.0%	6.0
I&M Group Plc	21.00	15.85	18.90	▲ 1.9%	▲ 8.0%	20,300	383,670	31,253.4	2.14%	7.35	2.25	2.57	0.40	11.9%	33.2%	15.4%	2.2%	5.9
KCB Group Plc	39.20	15.75	21.20	▲ 2.4%	▼ (3.2%)	121,500	2,575,800	68,125.4	4.66%	12.82	2.00	1.65	0.31	9.4%	17.5%	18.8%	2.0%	8.6
NCBA Group Plc	41.70	30.70	39.10	▼ (0.1%)	▲ 0.4%	120,300	4,703,730	64,418.0	4.40%	9.48	4.25	4.12	0.73	10.9%	50.8%	17.6%	2.3%	6.7
Stanbic Holdings Plc	129.75	97.25	115.00	▲ 6.2%	▲ 5.7%	2,700	310,500	45,462.0	3.11%	28.63	12.60	4.02	0.71	11.0%	55.0%	17.7%	2.9%	5.0
Standard Chartered Bank Kenya Ltd	171.00	135.25	162.25	▼ (0.3%)	▲ 0.2%	16,200	2,628,450	61,306.2	4.19%	35.30	22.00	4.60	1.03	13.6%	67.8%	21.7%	3.5%	5.2
The Co-operative Bank of Kenya Ltd	13.35	10.20	13.05	▲ 0.4%	▲ 14.5%	2,737,800	35,728,290	76,566.7	5.23%	3.96	1.50	3.30	0.71	11.5%	40.3%	21.5%	3.5%	5.1
Industry Median				▲ 0.4%	▲ 8.0%			612,338.5	41.87%			3.30	0.71	10.9%	40.3%	18.8%	2.7%	6.0
COMMERCIAL AND SERVICES																		
Eveready East Africa Ltd	1.85	0.61	1.37	▲ 3.0%	▲ 26.9%	-	-	287.7	0.02%	(0.28)	-	(4.89)	4.62	0.0%	0.0%	0.0%	0.0%	(0.4)
Express Kenya Plc	5.40	3.20	3.50	-	▼ (5.4%)	-	-	167.0	0.01%	(0.73)	-	(4.79)	0.28	0.0%	0.0%	0.0%	0.0%	(0.9)
Homeboyz Entertainment Plc	4.66	4.66	4.66	-	-	-	-	294.5	0.02%	(0.97)	-	(4.80)	17.43	0.0%	0.0%	0.0%	0.0%	8.2
Longhorn Publishers Plc	3.27	2.01	2.20	▼ (8.7%)	▼ (8.7%)	100	220	599.4	0.04%	(2.52)	-	(0.87)	2.07	0.0%	0.0%	0.0%	0.0%	8.6
Nairobi Business Ventures Ltd	4.77	2.11	2.25	▲ 5.1%	▼ (16.7%)	5,000	11,250	3,045.9	0.21%	(0.02)	-	(137.62)	4.66	0.0%	0.0%	0.0%	0.0%	0.2
Nation Media Group Plc	21.10	14.15	20.00	-	▼ (0.2%)	200	4,000	4,147.9	0.28%	0.40	1.50	50.00	0.49	7.5%	88.2%	1.0%	0.5%	1.0
Sameer Africa Plc	20.35	1.84	2.10	-	▼ (7.5%)	-	-	584.5	0.04%	0.60	-	3.50	1.36	0.0%	0.0%	38.8%	13.8%	1.8
Standard Group Plc	171.00	135.25	5.84	▼ (9.9%)	▼ (96.4%)	100	584	477.3	0.03%	(7.93)	-	(0.74)	6.10	0.0%	0.0%	0.0%	0.0%	3.9
TPS Eastern Africa (Serena) Ltd	16.45	11.00	14.90	-	▼ (9.4%)	100	1,490	2,714.4	0.19%	1.46	-	10.21	0.27	0.0%	0.0%	2.6%	1.4%	0.8
Uchumi Supermarket Plc	2.89	0.17	0.19	-	▲ 11.8%	21,800	4,142	69.3	0.00%	(5.56)	-	(0.03)	(0.02)	0.0%	0.0%	0.0%	0.0%	(2.0)
WPP Scangroup Plc	3.20	1.99	2.35	▲ 9.3%	▲ 7.8%	2,100	4,935	1,015.6	0.07%	(0.05)	-	(47.00)	0.20	0.0%	0.0%	0.0%	0.0%	0.6
Industry Median				-	▼ (5.4%)			13,403.5	0.92%			(0.80)	0.92	0.0%	0.0%	0.0%	0.0%	0.7
CONSTRUCTION & ALLIED																		
Bamburi Cement Ltd	42.00	0.43	41.00	-	▲ 14.4%	231,100	9,475,100	14,881.3	1.02%	0.49	0.75	83.67	0.37	1.8%	133.9%	0.4%	0.4%	0.2
Crown Paints Kenya Plc	44.80	32.30	36.50	▼ (5.7%)	▲ 2.4%	100	3,650	5,196.2	0.36%	4.03	4.00	9.06	1.38	11.0%	69.1%	15.2%	7.1%	1.2
E.A Cables Ltd	1.10	0.73	1.05	▼ (0.9%)	▲ 8.2%	35,800	37,590	265.8	0.02%	(1.01)	-	(1.04)	0.52	0.0%	0.0%	0.0%	0.0%	9.4
E.A Portland Cement Co. Ltd	9.40	5.32	9.00	-	▲ 12.5%	-	-	810.0	0.06%	(14.17)	-	(0.64)	0.54	0.0%	0.0%	0.0%	0.0%	0.8
Industry Median				▼ (0.5%)	▲ 10.4%			21,153.3	1.45%			4.21	0.44	0.9%	34.5%	0.2%	0.2%	1.0
ENERGY & PETROLEUM																		
KenGen Co. Plc	3.26	1.96	2.00	-	▼ (0.5%)	156,900	313,800	13,189.0	0.90%	0.72	0.30	2.78	0.05	15.0%	39.5%	1.7%	0.9%	0.9
Kenya Power & Lighting Co Plc	1.72	1.35	1.62	▼ (3.0%)	▲ 14.1%	1,644,000	2,663,280	3,161.4	0.22%	(1.64)	-	(0.99)	0.06	0.0%	0.0%	0.0%	0.0%	5.2
TotalEnergies Marketing Kenya Plc	24.00	15.80	18.00	-	▲ 27.8%	300	5,400	11,331.8	0.77%	3.93	1.31	4.58	0.37	7.3%	33.8%	8.2%	4.1%	1.0
Umeme Ltd	17.75	7.50	13.40	▼ (1.5%)	▼ (16.3%)	112,900	1,512,860	21,760.0	1.49%	2.34	2.49	5.73	0.29	18.6%	70.0%	5.0%	4.0%	0.2
Industry Median				▼ (0.7%)	▲ 6.8%			49,442.2	3.38%			3.68	0.17	11.1%	36.6%	3.4%	2.5%	1.0
INSURANCE																		
Britam Holdings Plc	5.68	4.05	4.54	▼ (2.4%)	▼ (5.2%)	15,200	69,008	11,456.6	0.78%	1.13	-	4.02	0.49	0.0%	0.0%	12.1%	1.7%	6.1
CIC Insurance Group Ltd	2.52	1.68	2.01	-	▼ (10.3%)	37,900	76,179	5,257.2	0.36%	0.58	0.13	3.47	0.60	6.5%	32.5%	17.3%	3.0%	4.8
Jubilee Holdings Ltd	200.00	148.25	185.00	-	-	-	-	13,407.5	0.92%	62.29	11.00	2.97	0.29	5.9%	12.5%	9.6%	2.5%	2.8
Kenya Re- Insurance Corporation Ltd	2.02	1.54	1.97	-	▲ 4.8%	22,200	43,734	5,515.6	0.38%	1.31	0.20	1.50	0.13	10.2%	15.5%	8.9%	5.0%	0.8
Liberty Kenya Holdings Ltd	5.54	3.45	5.00	▼ (9.1%)	▲ 35.5%	7,000	35,000	2,678.5	0.18%	0.91	-	5.49	0.30	0.0%	0.0%	5.4%	1.1%	3.7
Sanlam Kenya Plc	9.58	5.60	6.12	▼ (10.0%)	▲ 2.0%	5,900	36,108	881.3	0.06%	(1.32)	-	(4.64)	1.07	0.0%	0.0%	0.0%	0.0%	42.4
Industry Median				▼ (1.2%)	▲ 1.0%			39,196.8	2.68%			3.22	0.39	3.0%	6.2%	9.3%	2.1%	4.3
INVESTMENT																		
Centum Investment Co Plc	9.50	8.00	8.56	▼ (1.6%)	▲ 1.9%	40,600	347,536	5,697.1	0.39%	(5.01)	0.60	(1.71)	148.57	7.0%	(9.6%)	0.0%	0.0%	2.1
Home Afrika Ltd	0.40	0.27	0.32	▼ (3.0%)	▼ (13.5%)	12,700	4,064	129.7	0.01%	(0.11)	-	(2.91)	(0.05)	0.0%	0.0%	0.0%	0.0%	(2.9)
Kurwitu Ventures Ltd	1500.00	1500.00	1500.00	-	-	-	-	153.4	0.01%	(19.22)	-	(78.06)	2.98	0.0%	0.0%	0.0%	0.0%	9.7
Olympia Capital Holdings Ltd	5.36	2.40	3.40	-	▲ 4.0%	-	-	136.0	0.01%	0.61	-	5.58	0.13	0.0%	0.0%	2.4%	1.7%	0.4
Trans-Century Plc	1.30	0.40	0.40	▼ (9.1%)	▼ (23.1%)	57,000	22,800	150.1	0.01%	(9.11)	-	(0.04)	(0.02)	0.0%	0.0%	0.0%	0.0%	(2.4)
Industry Median				▼ (1.6%)	-			6,266.3	0.43%			(1.71)	0.13	0.0%	0.0%	0.0%	0.0%	0.4
INVESTMENT SERVICES																		
Nairobi Securities Exchange Plc	7.00	5.52	6.00	▲ 2.7%	▼ (0.3%)	5,600	33,600	1,562.4	0.11%	0.17	0.20	35.29	0.81	3.3%	400.0%	2.3%	2.1%	0.1
Industry Median				▲ 2.7%	▼ (0.3%)			1,562.4	0.11%			35.29	0.81	3.3%	400.0%	2.3%	2.1%	0.1
MANUFACTURING & ALLIED																		
B.O.C Kenya Plc	90.25	65.00	80.00	-	▼ (2.4%)	-	-	1,562.0	0.11%	6.13	4.40	13.05	0.96	5.2%	79.3%	7.4%	5.7%	0.3
British American Tobacco Kenya Plc	479.75	16.45	415.00	-	▲ 1.8%	4,400	1,826,000	41,500.0	2.84%	54.65	50.00	7.59	2.55	12.0%	89.8%	33.6%	22.7%	0.5
Carbacid Investments Plc	17.55	12.00	15.85	▼ (0.3%)	▲ 5.7%	9,100	144,235	4,039.4	0.28%	4.62	1.70	3.43	0.97	10.7%	53.1%	28.3%	28.8%	(0.0)
East African Breweries Plc	187.00	100.00	105.75	▼ (0.2%)	▼ (7.2%)	191,200	20,219,400	109,796.6	7.51%	9.01	5.50	11.74	2.84	5.2%	44.1%	24.2%	6.5%	2.7
Flame Tree Group Holdings Ltd	1.43	0.92	1.15	-	▲ 10.6%	2,800	3,220	204.8	0.01%	(0.92)	-	(1.25)	0.15	0.0%	0.0%	0.0%	0.0%	1.7
Kenya Orchards Ltd	19.50	10.40	19.50															

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