

Pergamon
INVESTMENT BANK



Quarterly Market Report

Q1 2025

Quarterly Market Performance Summary – Q1 2025

NSE Quarterly Performance - Q1 2025					
Indicator	Q1 2024	Q4-2024	Q1 2025	%Δ Y-Y	%Δ Q-Q
NSE 10	1,155.41	1,366.92	1,342.38	16.2%	-1.8%
NSE 20	1,752.43	2,300.17	2,226.88	27.1%	-3.2%
NSE 25	2,975.42	3,595.08	3,532.38	18.7%	-1.7%
NASI	113.09	132.13	130.81	15.7%	-1.0%
MKT CAP	1,766.95	2,076.83	2,056.07	16.4%	-1.0%
Volumes (Mn)	1,069.44	1,679.00	1,573.26	47.1%	-6.3%
Turnover (KES Mn)	18,508.63	40,474.86	25,902.90	40.0%	-36.0%
Turnover (USD Mn)	123.40	312.99	200.26	62.3%	-36.0%
Foreign Buys (KES Mn)	10,179.25	21,568.20	8,523.93	-16.3%	-60.5%
Foreign sells (KES Mn)	12,407.11	10,240.53	11,779.61	-5.1%	15.0%
Foreign Net (KES Mn)	(2,227.86)	11,327.66	(3,255.68)	46.1%	-128.7%
Foreign Net (USD Mn)	(14.85)	87.60	(25.17)	69.5%	-128.7%
Foreign Activity (%)	59.2%	38.8%	38.7%	-34.6%	-0.2%
Bonds Turnover (Bn)	459.12	350.35	667.83	45.5%	90.6%
Bonds deals	8,457	8,299	10,756	27.2%	29.6%

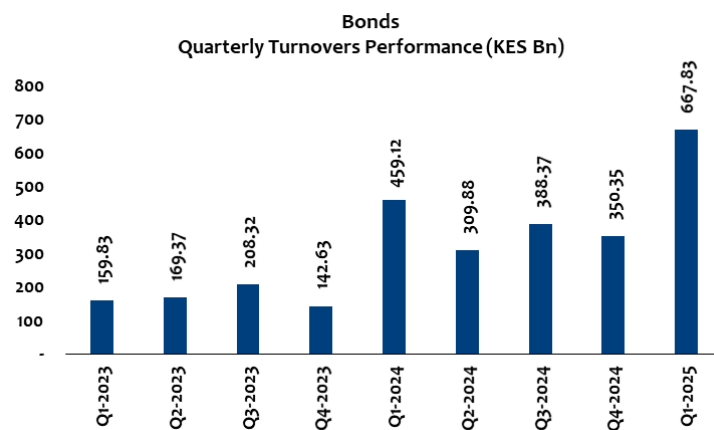
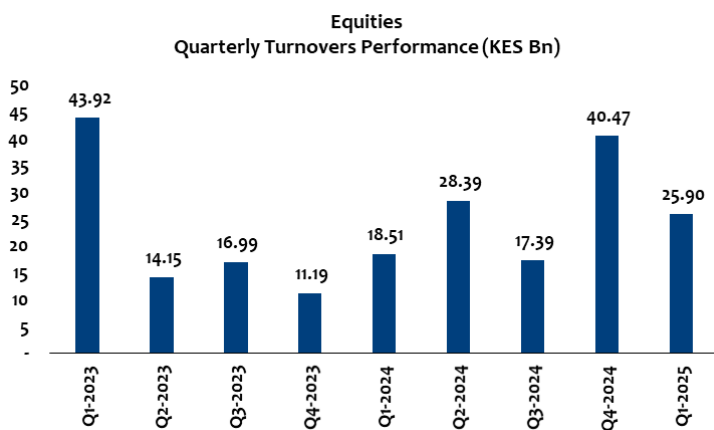
Top Gainers – Q1 2025					
Counter	28-Mar-24	31-Dec-24	28-Mar-25	%Δ Y-Y	%Δ Q-Q
Trans-Century	0.49	0.39	1.26	157.1%	223.1%
E.A. Cables	0.92	1.08	2.23	142.4%	106.5%
Uchumi	0.19	0.17	0.35	84.2%	105.9%
Home Afrika	0.30	0.37	0.76	153.3%	105.4%
Sanlam Kenya	6.46	4.95	8.40	30.0%	69.7%

Top Losers - Q1 2025					
Counter	28-Mar-24	31-Dec-24	28-Mar-25	%Δ Y-Y	%Δ Q-Q
Agricorp	19.50	70.00	51.00	161.5%	-27.1%
Car & General	29.00	22.75	20.15	-30.5%	-11.4%
I&M	22.05	36.25	32.35	46.7%	-10.8%
B.O.C Kenya	83.50	88.75	80.50	-3.6%	-9.3%
Crown Paints	39.55	32.90	30.00	-24.1%	-8.8%

Top Movers List - Q1 2025				
Counter	Volumes (Mn)	Turnover (KES Mn)	Net Foreign Activity (KES Mn)	% Foreign Activity
Safaricom	444.60	8,035.73	(1,364.35)	60.7%
KCB Group	126.10	5,521.55	(941.58)	20.3%
Equity Group	55.28	2,644.25	(672.19)	33.6%
EABL	7.62	1,405.21	223.26	60.7%
ABSA Bank (K)	48.61	915.31	(43.97)	2.5%
Total (KES Mn)	1,575.40	26,218.87	(3,255.68)	33.4%
Total (USD Mn)		202.63	(25.16)	

Top Foreign Buys - Q1 2025		
Counter	Foreign Buy (KES Mn)	% Foreign Buy
Safaricom	4,890.30	60.9%
EABL	1,002.48	71.3%
KCB Group	914.86	16.6%
Equity Group	735.85	27.8%
Stanbic	271.37	41.3%
Total (KES Mn)	8,523.93	32.5%
Total (USD Mn)	65.88	

Top Foreign Sales - Q1 2025		
Counter	Foreign sales (KES Mn)	% Foreign Sale
Safaricom	6,254.65	77.8%
KCB Group	1,856.43	33.6%
Equity Group	1,408.04	53.2%
EABL	779.21	55.5%
Stanbic	428.21	65.2%
Total (KES Mn)	11,779.61	44.9%
Total (USD Mn)	91.04	



Equities Market

The stock market started on a high note reflecting improved valuations and increased market activity in quarter on of 2024 supported by the ongoing interest rate cuts as high inflations appeared to have contained right from the second half of 2024. The gains however are likely to be short lived on impacts from the ongoing global trade wars fronted by the US by way of elevated tariffs.

Local stocks activity rallied up in Q1 2025 supported by anticipation of better earnings from full year 2024 (FY2024) results announced in March 2025 in relation to Q1 2024. This saw prices surge up 15.7% year on year (y-y) as measured by the Nairobi All-Share Index (NASI) which gathered 17.72 points from 113.09 points by end of March 2024 to 130.81 points by closure of Q1 2025.

Quarter on quarter (Q-Q) however, prices lost 1.0% on average while activities sunk 36.0%. NSE 20 lost the most at 3.2% followed by NSE 10 and NSE 20 with 1.8% and 1.7% losses respectively.

Total turnovers for the quarter stood at KES 25.90Bn, a 40.0% y-y rise compared to that of KE 18.51Bn exchanged similar period in Q1 2024, strongly supported by improved activities in the banking and the telecommunication sectors which controlled 49.9% and 30.6% respectively, accounting for 80.5% of the quarter's turnovers.

Sector	Volumes Traded (Mn)	% of Market Volumes	Turnover(KES Mn)	% of Market Value
BANKING	391.04	24.8%	13,080.99	49.9%
TELECOMMUNICATION	444.60	28.2%	8,035.73	30.6%
MANUFACTURING & ALLIED	18.91	1.2%	1,932.59	7.4%
INSURANCE	338.52	21.5%	1,366.01	5.2%
ENERGY & PETROLEUM	205.52	13.0%	1,187.60	4.5%
COMMERCIAL AND SERVICES	81.20	5.2%	246.02	0.9%
INVESTMENT	69.20	4.4%	141.06	0.5%
INVESTMENT SERVICES	11.44	0.7%	70.32	0.3%
REAL ESTATE INVESTMENT TRUST	2.75	0.2%	55.00	0.2%
AGRICULTURAL	1.29	0.1%	50.66	0.2%
CONSTRUCTION & ALLIED	10.78	0.7%	48.55	0.2%
AUTOMOBILES & ACCESSORIES	0.15	0.0%	3.35	0.0%
EXCHANGE TRADED FUNDS	0.00	0.0%	1.01	0.0%

Foreign participation further edged down to an average of 38.7% in Q1 2025 with a 128.7% jump in net foreign outflows compared to an average of 59.2% in Q1 2024 of KES 2.23Bn net foreign outflows recorded in Q1 2024. Q-Q, foreign activity remained relatively stable from 38.8% in Q4 2024 to 38.7% in Q4 2025.

Safaricom retained the quarter's top mover position after changing hands 444.60Mn shares valued at KES 8,035.73Mn supported by heavy foreign exits. The telco recorded KES 1,364.35Mn net foreign outflows after its foreign sales transactions hit KES 6,254.65Mn or 77.8% of all its sales compared to KES 4,890.30Mn or 60.9% of all its buys transactions.

The giant telco's price however gained 3.3% y-y from KES 17.75 on 31st March 2024 to KES 18.30 per share supported by its local subsidiary (Safaricom Kenya), albeit still held low by its Ethiopia Subsidiary losses.

KCB Group, Equity Group and Absa Bank (K) took second, third and fifth positions supported by their KES 1.50, KES 1.55 and KES 4.25 respective final dividends declared March 2025.

This is despite KCB Group's dividends being quite low against market expectations in spite of an impressive financial results in which the net profits accelerated up 64.9% y-y from KES 37.46Bn to KES 61.77Bn

In the second quarter of 2024, we expect heavy sale offs as investors keenly monitor the market for better exits points before and after the respective dividend book closures. This will further be accelerated by panic sales sentiment reactions to the United States' trade tariff stand-off with the rest of the world.

Ongoing Corporate Actions

Counter	Issued	Book Closure	Payment Date	Dividend	Total Dividend	EPS	Payout
Absa Bank (K)	Final Dividend	30-Apr-25	22-May-25	1.55	1.75	3.84	45.6%
BK Group **	Final Dividend	30-May-25	25-Jun-25	19.02	29.34	97.80	30.0%
Co-op Bank	First & Final	28-Apr-25	10-Jun-25	1.50	1.50	4.33	34.6%
DTBK	Final Dividend	23-May-25	27-Jun-25	7.00	7.00	27.33	25.6%
Equity Group	First & Final	23-May-25	30-Jun-25	4.25	4.25	12.34	34.4%
I&M Group	Final Dividend	16-Apr-25	22-May-25	1.70	3.00	9.30	32.3%
KCB Group	Final Dividend	03-Apr-25	TBA	1.50	3.00	18.70	16.0%
NCBA Group	Final Dividend	30-Apr-25	28-May-25	3.25	5.50	13.27	41.4%
Stanbic	Final Dividend	16-May-25	TBA	18.90	20.74	34.70	59.8%

Stan-Chart	Final Dividend	30-Apr-25	28-May-25	37.00	45.00	52.65	85.5%
CIC Group	Final Dividend	22-Apr-25	18-Jun-25	0.13	0.13	1.04	12.5%
CIC Group	Bonus Share	22-Apr-25	18-Jun-25	1 : 10			
Liberty	Final Dividend	TBA	TBA	0.50	1.00	2.59	38.6%
Liberty	Special Dividend	TBA	TBA	0.50	1.00	2.59	38.6%
Kenya Re	Final Dividend	TBA	TBA	0.15	0.15	0.79	19.0%
Laptrust	Final Distribution	02-Apr-25	30-Apr-25	0.82	0.82		
BAT Kenya	Final Dividend	23-May-25	25-Jun-25	45.00	50.00		
EABL	Interim Dividend	21-Feb-25	30-Apr-25	2.50			
Kenya Power	Interim Dividend	28-Feb-25	11-Apr-25	0.20	0.20	5.11	3.9%
Safaricom	Interim Dividend	03-Mar-25	31-Mar-25	0.55			
EABL	Interim Dividend	21-Feb-25	30-Apr-25	2.50			

** - Rwandan Franc, TBA - to be advised

Foreign Activity Performance – Quarterly (KES Mn)						
Quarter	QUARTERLY Turn.	F. Buys	F. Sales	Net F.oreign	Volumes	avrg
Q1-2023	22,060	8,677	13,864	(5,187)	968	51.1%
Q2-2023	14,031	5,587	7,091	(1,504)	749	45.2%
Q3-2023	17,565	6,534	10,097	(3,562)	1,099	47.3%
Q4-2023	11,198	5,654	8,092	(2,438)	782	61.4%
Q1-2024	19,062	10,179	12,407	(2,228)	1,097	59.2%
Q2 2024	29,116	20,426	17,462	2,963	1,162	65.1%
Q3 2024	16,919	6,878	7,720	(841)	1,021	43.1%
Q4-2024	41,006	21,568	10,241	11,328	1,695	38.8%
Q1-2025	26,219	8,524	11,780	(3,256)	1,575	38.7%

Bonds Market Performance

Bonds turnover improved by nearly half year on year in Q1 2025 to KES 671.69Bn from that of KES 459.09Bn exchanged in Q1 2024. This was mainly supported by quick moves by investors to lock in investments before the interest rates drop further.

Normal fixed papers were the most traded papers, transacting KES 400.20Bn, representing 59.6% of the entire market value traded. This was as infrastructure papers became more expensive in the secondary market on elevate demand.

Quarterly Top Bond Movers - Q1 2025										
Paper	Value Traded (KES Mn)					Yield Movement (%)				
	Q1 2024	Q4 2024	Q1 2025	%Δ Q-Q	%Δ Y-Y	Q1 2024	Q4 2024	Q1 2025	Δ bps Q-Q	Δ bps Y-Y
IFB1/2023/17Yr (Re-opened)	1,706.95	67,816.90	83,076.15	22.5%	4766.9%	16.2109	15.3253	13.3858	-193.96	-282.51
IFB1/2024/8.5Yr	254,203.20	79,118.65	75,399.20	-4.7%	-70.3%	16.4455	16.6489	13.1930	-345.58	-325.24
FXD 1/2023/5Yr	4,011.60	29,079.05	66,189.55	127.6%	1550.0%	19.1100	17.3630	12.0421	-532.10	-706.79
IFB1/2022/14Yr	1,848.50	1,022.10	47,922.55	4588.6%	2492.5%	16.4247	15.9122	13.3415	-257.07	-308.32
FXD1/2023/10Yr	108.15	11,013.00	33,403.05	203.3%	30785.9%	15.2334	14.8845	13.3603	-152.42	-187.31
Total Mkt Value	459,093.75	350,345.53	671,689.53	91.7%	46.3%					

In the primary market trading auctions, a total of KES 299.91Bn was subscribed against a government target of KES 125.00Bn while KES 214.54Bn being accepted to account for a 171.6% performance, against target.

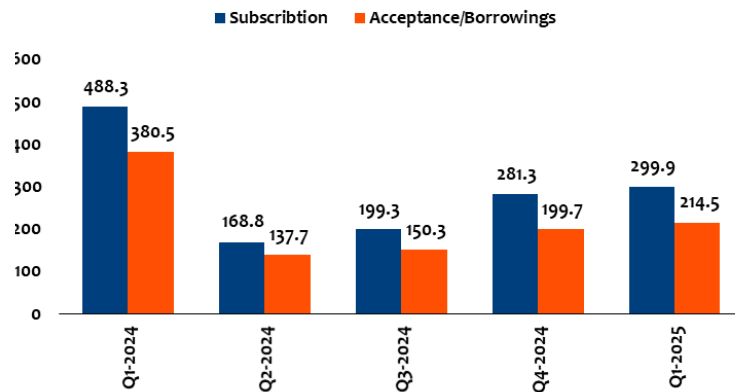
This was against a total payouts of KES 176.17Bn with KES 27.69Bn being maturities payments for FXD1/2010/015 that matured in March.

In Q2 2025, we expect heavy payouts of KES 304.93Bn from Bonds alone and KES 369.54Bn maturities from treasury bills.

Primary Auctions Bonds Performance (KES Bn)



Primary Auctions Borrowings Vs Payouts



Yield Curve

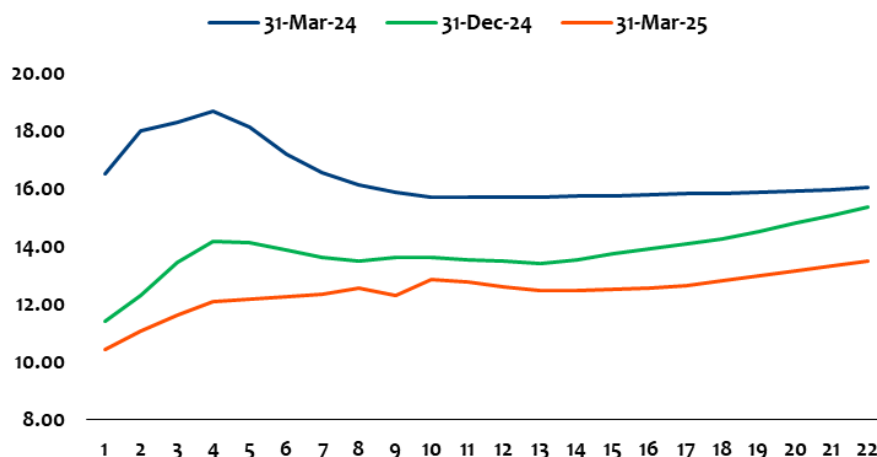
The yield curve further shifted down in the quarter influenced by the ongoing interest rate cuts transmissions in the market. The gap widened on what we view as the deliberate intervention by the Central Bank to ensure lending rates are lowered.

Re-opening of existing bonds with lower coupons added to the pressure of narrowing down general yields, leaving investors with no option other than taking up the lower rates. This saw investors investing via secondary market pay dearly as existing bond holders smile.

Overall, we expect the yield curve to maintain a downward shift supported by the keen attention of the regulator to see interest rates narrow down.

Yield Key Rates %	31-Mar-24	31-Dec-24	31-Mar-25	Δbps y-y	Δbps Q-Q
2-Yr	17.9854	12.2994	11.0646	692.08	123.48
5-Yr	18.1153	14.1419	12.1762	593.91	196.57
10-Yr	15.7149	13.6012	12.8556	285.93	74.56
15-Yr	15.7533	13.7171	12.4995	325.38	121.76
20-Yr	15.9050	14.7820	13.1384	276.66	164.36

Yield Curve Movements



Interbank

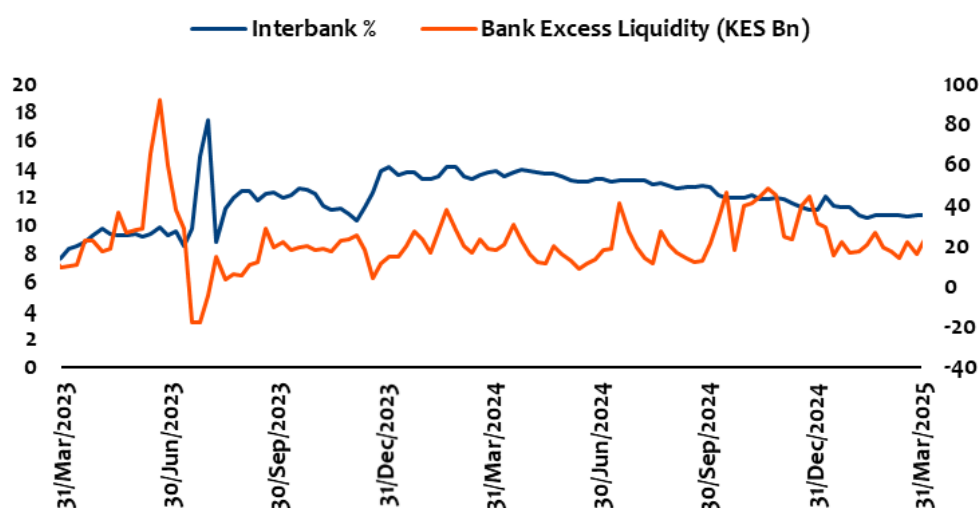
The interbank closed the quarter slightly below the Central Bank Rate (CBR) at 10.68% as guided by the policy of tracking the CBR at CBR $\pm$ 250.bps instituted in August 2024. As a result average interbank rate went down 307.2bps despite the strained liquidity mopped by the government through primary auctions.

Liquidity demand however, remained low in the quarter to average at KES 19.21Bn compared to KES 23.84Bn traded in Q1-2024. This further supported in lowering the interbank rate to below the CBR.

Bank excess liquidity also declined down to KES 16.0Bn by end of the quarter while averaging at KES 20.4Bn compared to KES 18.3Bn of 31st March 2024. This is despite the reduced cash reserve ratio (CRR) creating more liquidity for banks.

Key Rates	Q1-2024	Q4-2024	Q1-2025
Central Bank Rate	13.00%	11.25%	10.75%
Inter-Bank Rate	13.75%	11.10%	10.68%
Average Interbank	13.60%	11.86%	10.89%
Bank Excess Liquidity (KES Bn)	18.30	44.00	16.00
Liquidity Demand (KES Bn)	15.48	11.76	11.42
Average Liquidity Demand (KES Bn)	23.84	35.07	19.21
Cash Reserve Requirement (CRR)	4.25%	4.25%	3.5%
Inflation	5.70%	3.0%	3.600%
Average Inflation	6.3%	2.8%	3.467%
91-Day T-Bill	16.7306%	9.8946%	8.7907%
182-Day T-Bill	16.9137%	10.0216%	9.0583%
364-Day T-Bill	16.9890%	11.4095%	10.4117%
Forex Reserves (USD Mn)	7,088	9,201	9,956
Months of Import Cover	3.80	4.70	5.10

Bank Excess Liquidity Vs Interbank Rate



Treasury Bills

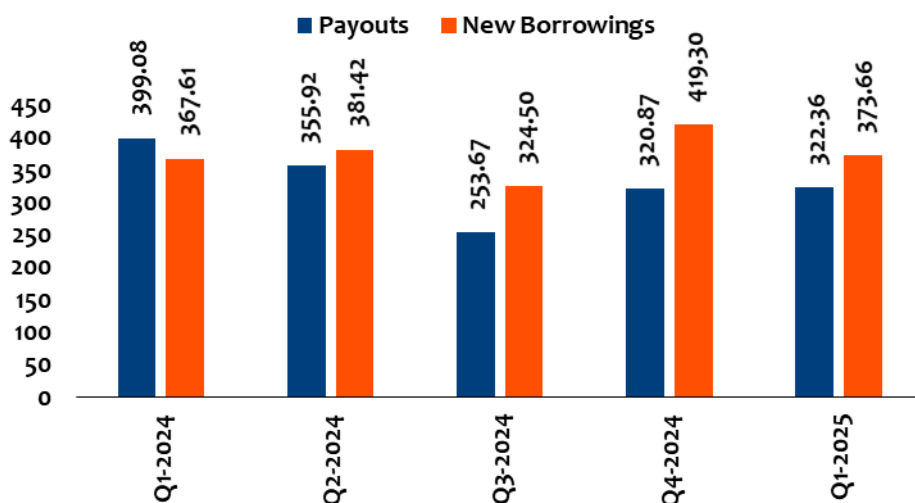
T-bills market witnessed heavy oversubscriptions despite the papers' returns dropping sharply in the quarter. A total of KES 430.98Bn was subscribed at an 85.1% acceptance of KES 366.81Bn. This represents a 117.6% performance against a quarterly target of KES 312.00Bn.

The performance was mainly supported by re-investments from the KES 322.36Bn that matured in Q1 2025 and some new investments from banks after their returns dropped drastically.

Returns on the 91-day paper dropped faster at 794.0bps y-y from 16.9137% by end of March 2024 to close Q1 2025 at 9.0583%. The 182- and 364-day paper followed suit with losses of 785.5bps and 657.7bps respectively. Quarter on quarter the rates declined quite gradually, see above page.

In Q2 2025, we expect T-bill maturities of KES 369.54Bn most of which we expect to be re-invested back and support oversubscriptions. The target for the new quarter stands at KES 312.00Bn.

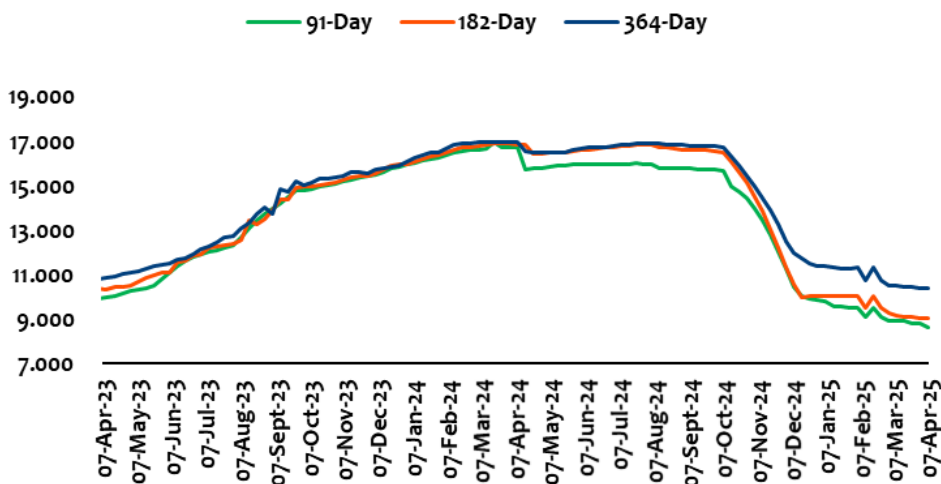
T-Bills Payouts Vs Borrowings



T-Bill Maturities

Q4-2024	320.87
Q1-2025	322.36
Q2-2025	369.54

T-Bills Rates Performance



Currency

The local Kenyan shilling remained stable in the quarter to gain 1.9% against the US dollar, 2.2% against the Euro and 1.6% against the Japanese yen by mend of Q1 2025.

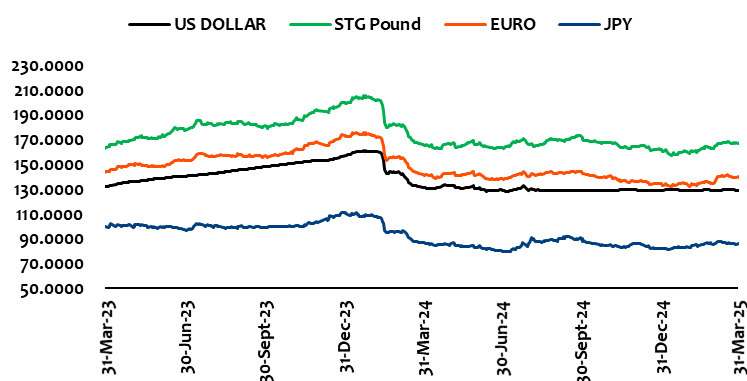
This was mainly backed by muted demand for the major foreign currencies especially the US dollar after the government secured a USD 1.50Bn Eurobond in early March which bolstered the forex reserves and the shilling.

On 3rd March 2025, Kenya raised USD 1.5Bn from an 11-year amortized Eurobond will be repaid in 3-equal instalments in 2024, 2035 and 2036. A total of USD 900Mn from the issue was used to clear the USD 900 Eurobond that was to mature on 22nd May 2027 while part of the remaining amount was to clear some expensive concessional facilities. The paper's coupon was priced at 9.5%.

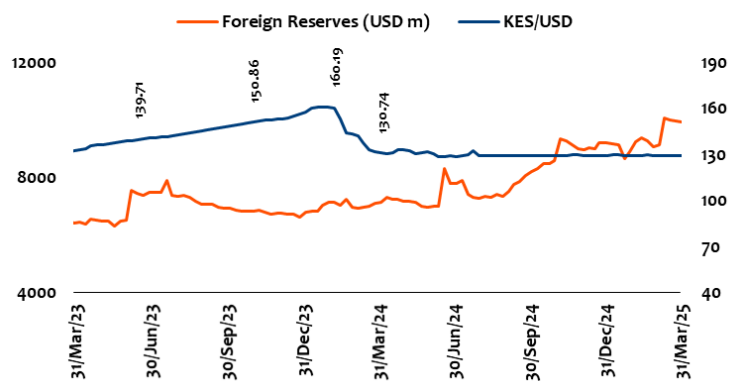
Forex reserves improved 40.2% year on year from USD 7,088Mn in Q1 2024 to USD 9,936Mn by end of Q1 2025 strongly supported by above forex inflows, diaspora remittances and receipts from agricultural exports.

Currency	28-Mar-24	31-Dec-24	28-Mar-25	%Δ Q-Q	%Δ y-y
Dollar	131.80	129.29	129.32	0.0%	1.9%
STG Pound	166.55	162.27	167.35	-3.1%	-0.5%
Euro	142.67	134.29	139.51	-3.9%	2.2%
JPY	87.11	82.12	85.73	-4.4%	1.6%
US Dollar Index	104.53	108.49	104.04	-4.1%	-0.5%

Currency Performance



Forex Reserves Vs KES



End

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