

MSCI Indices Tracker – Bearish run continues across markets, banking stocks least affected

- Weighed by continued global quantitative tightening, in September, equity prices declined across all key markets – the **MSCI EFM** declined the most, 11.6% m/m mostly weighed by Frontier Market stocks.
- **MSCI EFM Africa ex ZA** declined 5.8% m/m - the best performer in the month. At -24.8% YTD, the Index fully reversed its status as the worst performer to the best performer – YTD, the MSCI EFM (-26.9%) has declined the most.

Egypt’s country weighting gained the most amidst a 6.1% m/m decline in the total market-cap of the top 10 Index constituents. Egypt’s country weighting (18.9%) in September was its highest in 2022. Kenya’s weighting slipped 50bps m/m, reflecting higher price declines in Safaricom and Equity Bank. Morocco’s country weighting declined the most (100bps m/m) weighed by Maroc Telecom (-9.4% m/m). YTD, Nigeria has outperformed (weighting up 330bps), while Egypt has underperformed, weighting down 271bps.

Across the sector weights, the Financials sector registered an 82bps m/m increase, to the highest level in 2022, mostly on account of a 61bps & 31bps m/m drop in weighting for the Communications & Materials sectors, respectively. All three large-cap telecoms sustained their weak m/m performance - Safaricom -11.1%, Maroc Telecom -9.4% and MTN Nigeria -1.3%. YTD Energy sector’s weighting has increased the most (+127bps), while Information Technology sector’s weighting has declined the most (-71bps).

Pointing to larger m/m price declines amongst mid-cap & small-cap Index constituents, despite the top 10 Index constituents’ total market-cap declining 6.1% m/m, their combined weighting improved to 67.2% from 67.1% in August.

- **Safaricom’s** weighting, retreated m/m in both the **MSCI EFM Africa ex ZA** & **MSCI FM** to 11.0% and 3.1% respectively. Safaricom’s ranking in the MSCI EFM Africa ex ZA remained steady at 2nd, while in the MSCI FM, its ranking moved back to its normal level, 4th up from 5th in August.
- **Equity Group’s** weighting and ranking in the **MSCI EFM Africa ex ZA**, shrugged-off a 3.5% m/m price decline, to close the month at 4.8% and 6th respectively, its highest levels in 2022.
- **MSCI FM** share price declines in Vietnam and Iceland pushed the Index to its 11.6% m/m decline. Baharain’s country weighting gained the most 91bps m/m. Similar to the MSCI EFM Africa ex ZA, the market-cap of the top 10 Index constituents declined (-8.2% m/m) but their combined Index weighting increased m/m. The Financial sector’s weighting increased the most by 84bps m/m – pushing the sector’s weighting in the Index to the highest level in 2022 (39.2%). Consumer staples sector’s weighting dropped the most by 50bps m/m, pulled down by Vietnam’s listed consumer staples companies.

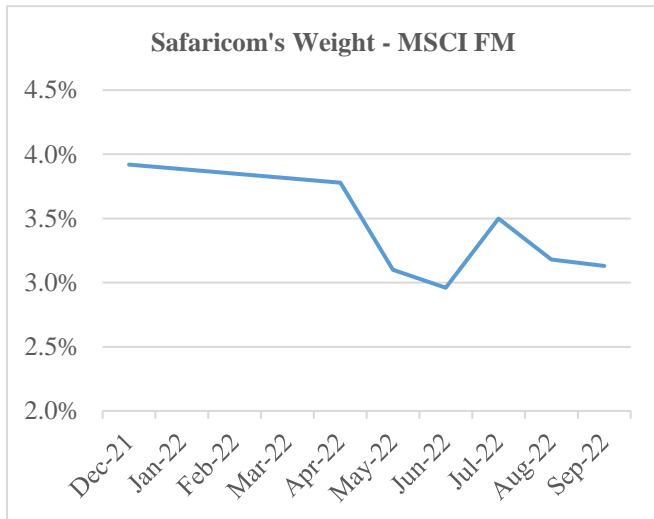
YTD, Baharain’s weighting has gained the most by 235bps while Kazakhstan has declined the most by 163bps. On the sector front, YTD, Financials’ weighting has increased the most (+322bps), while Industrial’s weighting has dropped the most (-332bps).

Performance

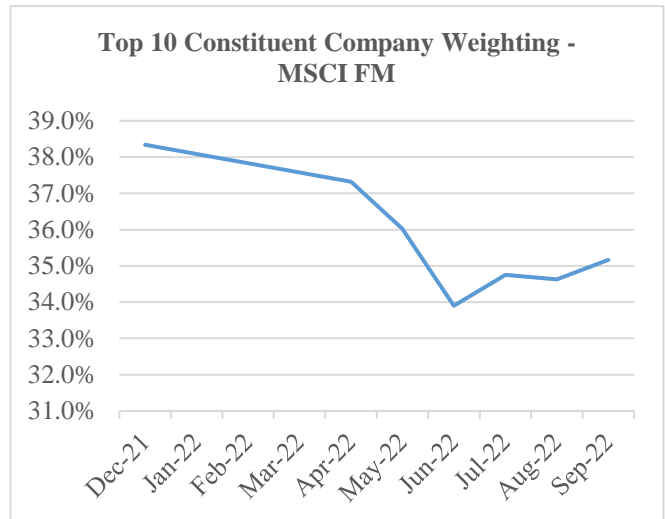
| | Dec-21 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | YTD |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| MSCI EFM Africa ex ZA | 2.2% | 0.0% | -6.5% | -5.2% | -0.1% | -0.5% | -5.8% | -24.8% |
| MSCI EFM | 1.9% | -5.5% | 0.4% | -6.6% | -0.1% | 0.5% | -11.6% | -26.9% |
| MSCI Frontier Markets | 1.5% | -2.7% | -6.3% | -5.3% | 1.3% | 1.9% | -9.2% | -25.5% |
| MSCI ACWI | 4.0% | -8.0% | 0.2% | -8.4% | 7.0% | -3.6% | -9.5% | -25.3% |

Source: MSCI

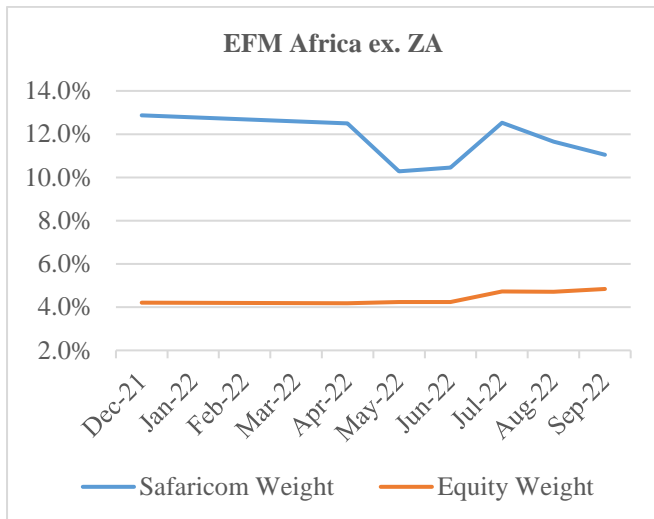
Safaricom's bearish run continues...



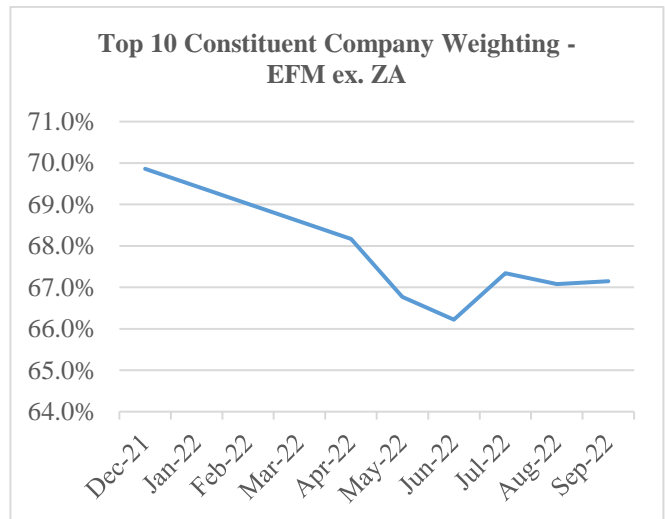
Mid & Small caps underperform large-caps



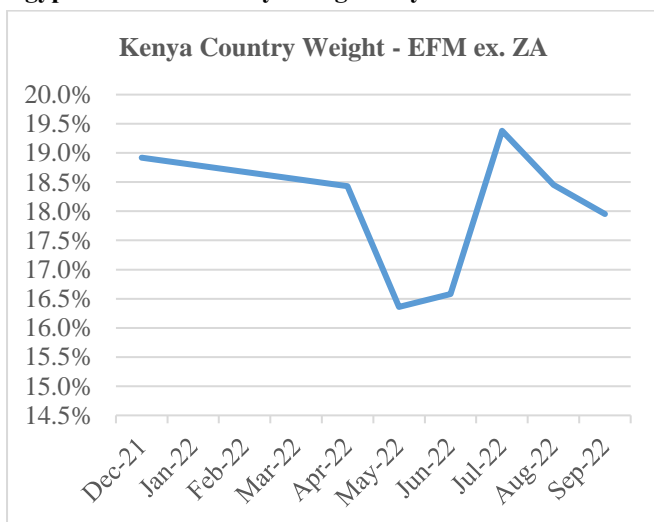
Safaricom retreats, while Equity's weighting climbs



Telecoms continue to decline faster than financials



Egypt rebounds...Kenya weighed by Safaricom



Indices details

| Index | Constituent Countries |
|--|--|
| MSCI Emerging Frontier Markets Africa ex South Africa | Egypt, Burkina Faso, Benin, Guinea-Bissau, Ivory Coast, Kenya, Mauritius, Mali, Morocco, Niger, Nigeria, Senegal, Togo and Tunisia. |
| MSCI Frontier Markets | Bahrain, Bangladesh, Burkina Faso, Benin, Croatia, Estonia, Guinea-Bissau, Iceland, Ivory Coast, Jordan, Kenya, Lithuania, Kazakhstan, Mauritius, Mali, Morocco, Niger, Nigeria, Oman, Pakistan, Romania, Serbia, Senegal, Slovenia, Sri Lanka, Togo, Tunisia and Vietnam. |
| MSCI Emerging + Frontier Markets (EFM) | <p>EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.</p> <p>FM countries include: Bahrain, Bangladesh, Burkina Faso, Benin, Croatia, Estonia, Guinea-Bissau, Iceland, Ivory Coast, Jordan, Kenya, Lithuania, Kazakhstan, Mauritius, Mali, Morocco, Niger, Nigeria, Oman, Pakistan, Romania, Serbia, Senegal, Slovenia, Sri Lanka, Togo, Tunisia and Vietnam.</p> |
| MSCI All Country World Index (ACWI) | <p>DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US.</p> <p>EM countries include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.</p> |

Indices rebalancing

The indices are reviewed quarterly—in **February, May, August** and **November**. During the **May** and **November** semi-annual index reviews, the index is rebalanced and the large and mid capitalization cut-off points are recalculated.

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