

DBIB WEEKLY BULLETIN

WEEK 48

Date: 03.12.2021

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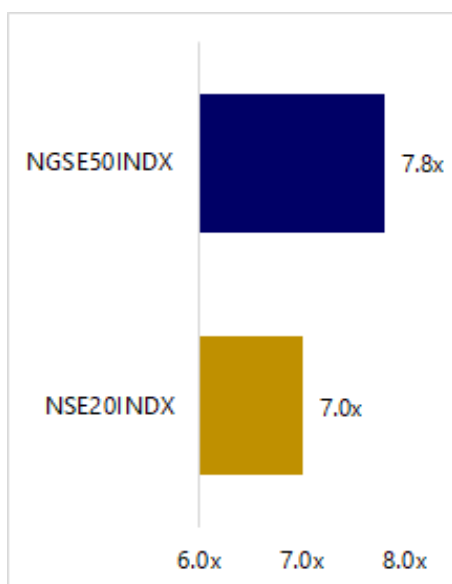
INDICES & MARKET METRICS MOVEMENT

NSE 20 and **NASI** shed 2.5% and 2.9% w-o-w to close at 1,839.46 and 160.03, respectively.

Weekly equity turnover dropped 40.3% w-o-w to USD 31.67 MN (KES 3.57 BN).

USD | KES: KES weakened 0.2% w-o-w to close at 112.63 (-3.2% YTD).

PEER P/E MULTIPLES



NSE20INDX* - NSE 20 Index
NGSE50INDX* - Nigeria Stock Exchange 50 Index

*LTM Price/EPS

(Source: Bloomberg, DBIB Research)

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	160.03	(2.88)	(10.83)	(5.79)	5.21
NSE-20	1,839.46	(2.49)	(9.18)	(3.63)	(1.55)
DBIB Select	102.29	(1.58)	(5.96)	(4.67)	4.81
FTSE 15	194.49	(4.75)	(9.55)	(2.61)	9.17
FTSE 25	212.33	(3.87)	(10.77)	(5.64)	7.47
FTSE Frontier 50	50,401.49	(1.14)	1.63	3.61	14.39

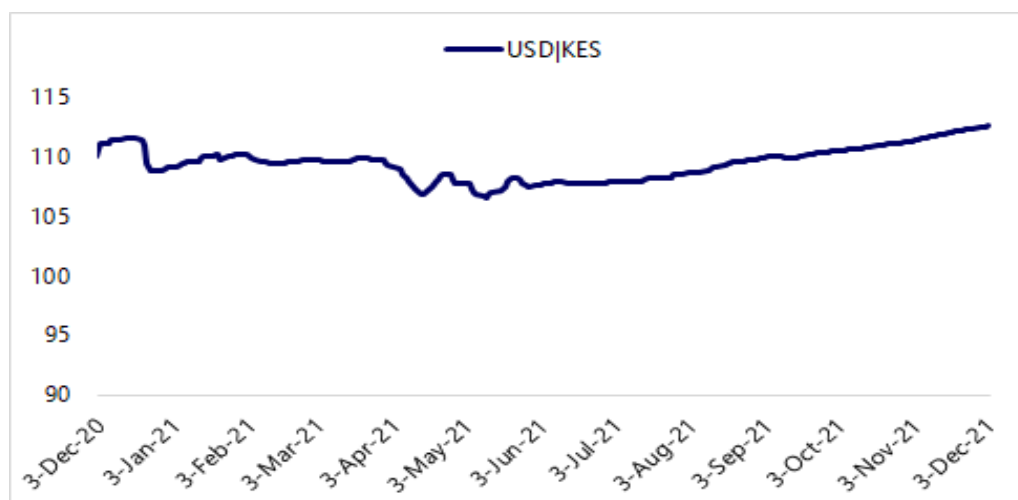
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,492.52	(2.88)	(6.55)	(10.88)	(5.77)
Market Turnover (USD m)	31.67	(40.32)	91.70	75.41	47.39
Market P/E (x)	15.04	(1.69)	(12.89)	(15.63)	4.99
Market Div. yld (%) *	3.77	6.65	37.59	26.14	(73.35)
Market ROE (%) *	39.87	6.59	206.86	663.11	352.59

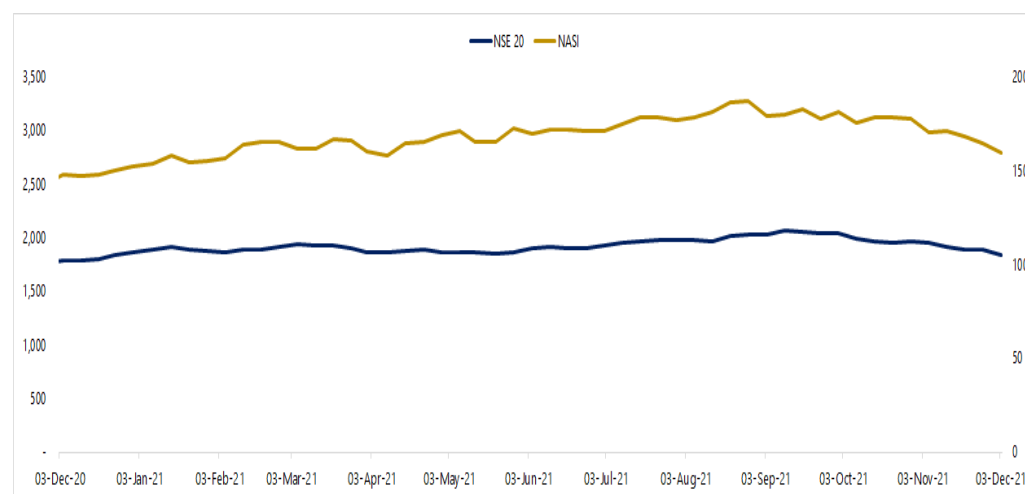
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes

(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend



Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

.....
Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 17.51 MN (KES 1.97 BN) representing 55.29% of this week's turnover.

The stock **dropped** 2.5% w-o-w to close at KES 37.05 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 84.60% of foreign sales and 71.16% of foreign purchases.

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Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Express Kenya	9.7
Eveready E.A	9.1
Trans-Century	5.7
Sasini	5.0
Sanlam	4.5

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Carbacid	(14.3)
Equity Group	(9.5)
E.A. Portland Cement	(7.9)
Britam	(6.5)
KCB Group	(6.2)

((Source: NSE, DBIB Research))



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	17.51
Equity Group	5.90
KCB Group	2.28
ABSA Bank	1.27
Stanbic Holdings	1.22

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Car & General	59.1
Nairobi Business Ventures	37.4
BK Group	31.7
Equity Group	27.5
Housing Finance	23.5

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
E.A. Portland Cement	(36.4)
Standard Group	(34.9)
Scangroup	(32.2)
DTB Kenya	(26.3)
Uchumi	(21.4)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
Stanbic Holdings	99.6
BAT Kenya	98.8
Crown Kenya	98.2
Safaricom	71.2

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
New Gold ETF	100.0
Jubilee Holdings	98.3
Equity Group	86.6
BAT Kenya	85.2
Safaricom	84.6

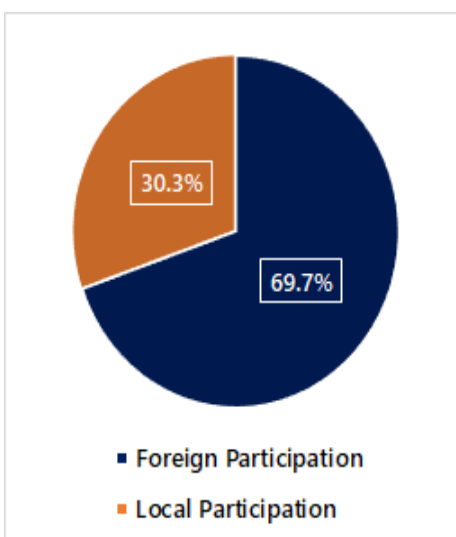
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	99.9
BOC Kenya	87.1
Safaricom	67.2
Equity Group	63.1
NSE	59.5

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	99.0
E.A Breweries	79.2
BAT Kenya	71.5
Safaricom	68.8
BK Group	65.5

WEEKLY LOCAL VS FOREIGN PAR-



(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 81.97 MN (KES 9.23 BN) representing a 49.5% w-o-w drop from USD 162.47 MN (KES 18.26 BN) recorded the previous week.

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December Issue: FXD4/2019/10 & FXD1/2018/20

This December, the government has issued the bonds: FXD4/2019/10 (8 yrs.) and FXD1/2018/20 (16.4 yrs.) with the aim of raising KES 40.0 BN for budgetary support. The coupon rates stand at 12.280% and 13.200% for FXD4/2019/10 and FXD1/2018/20, respectively. The period of sale runs from 22 November 2021 to 7 December 2021.

Top Trades for the week ending 03 December 2021

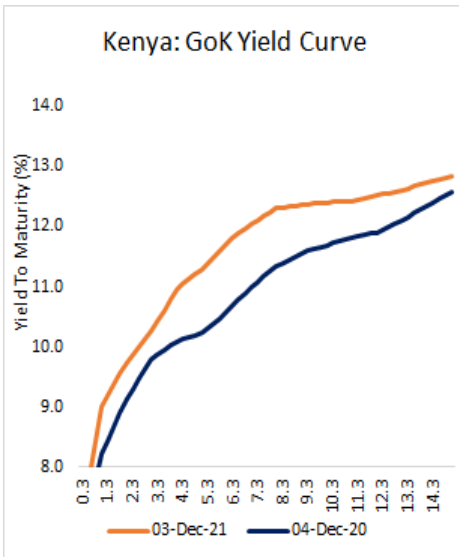
						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
29-Nov	FXD2/2019/15Yr	12.4	12.7340	12.5500	101.86	513.0
1-Dec	FXD1/2021/25Yr	24.4	13.9240	13.7671	101.95	400.0
2-Dec	IFB 1/2021/21Yr	20.9	12.7370	12.4553	104.58	312.5
29-Nov	IFB 1/2021/21Yr	20.9	12.7370	12.5500	103.85	300.0
30-Nov	FXD 4/2019/10Yr	8.0	12.2800	12.4500	99.42	300.0
1-Dec	FXD 4/2019/10Yr	8.0	12.2800	12.1565	100.91	300.0
1-Dec	IFB 1/2020/11Yr	9.9	10.9000	11.7569	98.99	300.0
2-Dec	FXD1/2021/25Yr	24.4	13.9240	13.6500	102.82	300.0
2-Dec	FXD 3/2019/10Yr	7.7	11.5170	11.4500	103.72	271.8
2-Dec	IFB 1/2021/16Yr	15.1	12.2570	12.3250	103.90	250.0
29-Nov	FXD1/2021/25Yr	24.4	13.9240	13.6000	103.07	204.1
30-Nov	IFB 1/2021/21Yr	20.9	12.7370	12.5000	104.21	203.0
30-Nov	IFB 1/2019/16Yr	13.9	11.7500	12.2500	98.15	200.0
2-Dec	FXD 1/2019/10Yr	7.2	12.4380	12.0250	105.36	200.0
30-Nov	IFB 1/2020/11Yr	9.9	10.9000	11.5000	100.13	170.0
2-Dec	IFB 1/2021/21Yr	20.9	12.7370	12.5500	103.96	150.0
30-Nov	FXD1/2021/20Yr	19.9	13.4440	13.3600	104.44	140.0
30-Nov	FXD 2/2019/5Yr	2.4	10.8720	9.7500	103.03	115.0
29-Nov	FXD1/2021/20Yr	19.9	13.4440	13.5000	103.44	100.0
29-Nov	IFB 1/2021/21Yr	20.9	12.7370	12.6500	103.20	100.0
29-Nov	IFB 1/2021/21Yr	20.9	12.7370	12.6400	103.27	100.0
30-Nov	FXD1/2012/15Yr	6.0	11.0000	11.7500	99.23	100.0

(Source: NSE, DBIB Research)

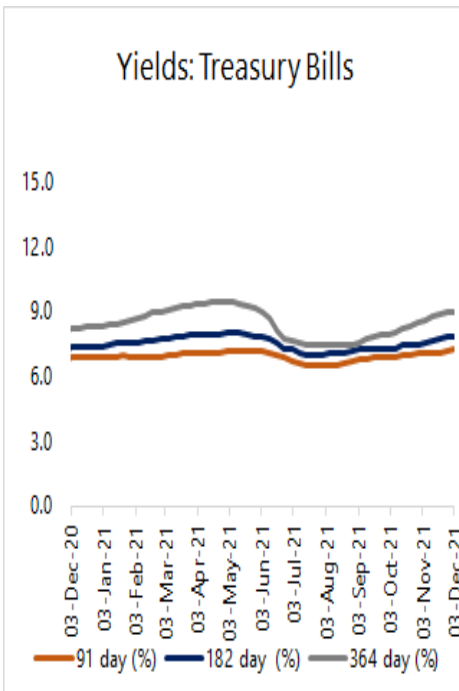
Treasury Bill auction for the week ending 03 December 2021

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	8.69	217.30	6.71	7.232	5.1
182-day	10.00	5.25	52.52	5.25	7.854	1.9
364-day	10.00	8.90	88.99	7.59	9.016	7.2

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

Centum 1H22 Earnings

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Centum Company (the listed entity) has released its 1H22 results reporting an 86.9% y-o-y decline in its bottom-line to KES 12.5 MN.

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Centum Company (the listed entity) has released its 1H22 results reporting an 86.9% y-o-y decline in its bottom-line to KES 12.5 MN. The lower profitability was predominantly driven by a non-cash impairment provision of KES 413.0 MN.

Centum's operating profit however surged by 347.7% y-o-y to KES 425.4 MN (1H21: KES 95.0 MN) mainly supported by a 38.4% y-o-y rise in investment income to KES 1.0 BN and a 23.8% y-o-y reduction in finance costs to KES 255.4 MN. Operating expenses edged up by 10.0% y-o-y to KES 328.2 MN.

The Company's total comprehensive loss narrowed from KES 1.3 BN in 1H21 to KES 283.3 MN in 1H22 owing to lower revaluation losses; the Company booked revaluation losses of KES 295.8 MN in 1H22, lower than KES 1.4 BN realized in 1H21.

The Company stated that it did not take up any new long-term debt as part of its strategy to deleverage its balance sheet, and this resulted in lower finance costs (eased 23.8% y-o-y to KES 255.4 MN).

Net cash generated from operations declined by 80.1% y-o-y to KES 776.0 MN, while net cash used in investing activities rose by 7.9% y-o-y to KES 1.0 BN, and owing to their deleveraging strategy, the cash used in financing activities dipped by 92.9% y-o-y to KES 255.0 MN. The net effect was a negative closing cash and cash equivalent position of KES 636.0 MN -- composed of cash and cash equivalents of KES 298.0 MN (-82.9% y-o-y) and an overdraft of KES 934.0 MN (+85.0% y-o-y).

The Net Asset Value per share eased marginally by 1.2% y-o-y to KES 62.09 from KES 62.85 in 1H21 largely owing to the impact of the aforementioned impairment provision of KES 413.0 MN, the unrealized fair value loss of KES 295.8 MN through other comprehensive income and KES 219.0 MN in dividend payments (declared in FY21).

(Source: Company filings, DBIB Research).

UPCOMING EVENTS

Profit Warnings

1. WPP Scangroup

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Centum Investment	Final: KES 0.33	08-Oct-21	STA*
Carbacid Investments	Final: KES 0.70	26-Nov-21	17-Dec-21
Carbacid Investments	Special: KES 0.90	26-Nov-21	17-Dec-21
Stanchart Bank	Interim: KES 5.00	07-Dec-21	29-Dec-21
KCB Group	Interim: KES 1.00	09-Dec-21	14-Jan-22
KenGen	First & final: KES 0.30	16-Dec-21	10-Feb-22
NSE	Special: KES 0.50	17-Dec-21	31-Dec-21

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Unga Group	10:00 am	Virtual	10-Dec-21
KenGen	11:00 am	Virtual	16-Dec-21
Carbacid Investments	10:00 am	Virtual	17-Dec-21

APPENDIX

COMPANY INVESTMENT RATINGS

Buy: Share price may generate more than 15.0% upside over the next 12 months

Overweight: Share price may generate between 10.0% and 15.0% upside over the next 12 months

Hold: Share price may fall within the range of < +5.0%/ -10.0% over the next 12 months

Take Profit: Target price has been attained. Look to accumulate at lower levels. Company fundamentals however remain strong

Underweight: Share price may generate between 10.0% and 15.0% downside over the next 12 months

Sell: Share price may generate more than 15.0% downside over the next 12 months, significant business and/or financial risks present, industry concerns

Not Rated: Counter is not within regular research coverage

SECTOR INVESTMENT RATINGS

Overweight: Industry performance better than that of the whole market

Equal weight: Industry performance about the same as that of the whole market

Underweight: Industry performance worse than that of the whole market

DBIB SELECT INDEX

*The DBIB Select Index is an **in-house, bespoke index** designed by DBIB Research department to represent the performance of select Kenyan companies listed on the Nairobi Securities Exchange which fall within DBIB Research's class A and B coverage. The Index is market capitalization-weighted and comprises of counters in the Banking, Insurance, FMCG, Investments, Cement, Telco, Utilities and Media space. We believe this provides investors with a complementary index with which to measure the performance of the major capital and industry segments of the Kenyan Stock Market, hence appealing to broad range of investors and intermediaries seeking to develop structured portfolios based on indices.*

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