

DBIB WEEKLY BULLETIN

WEEK 17

Date: 28.04.2022

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WEEKLY BOURSE WRAP UP...

Week-on-Week Performance

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Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 3.20 MN (KES 370.1 MN) representing 38.24% of this week's turnover.

The stock **dropped** by 1.5% w-o-w to close at KES 33.70 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 90.19% of foreign sales and 72.32% of foreign purchases.

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<u>Top gainers</u>	<u>%</u>
Sameer Africa	14.3
Uchumi	11.8
B.O.C Kenya	9.9
E.A. Portland	9.8
Kapchorua Tea	9.7

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
ABSA Bank	(20.8)
Car & General	(16.0)
KCB Group	(12.9)
StanChart Bank	(11.4)
BAT Kenya	(11.1)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	3.20
Equity Group	2.51
NCBA Group	0.69
KCB Group	0.39
Stanbic Holdings	0.36

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Crown Paints	21.3
Stanbic Holdings	20.6
Nation Media	19.8
Umeme	16.3
B.O.C Kenya	15.0

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
NBV Ltd	(33.2)
Housing Finance	(23.1)
TPS E.A	(21.3)
Uchumi	(20.8)
Liberty Kenya	(19.7)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Crown Paints	99.7
Equity Group	91.7
Safaricom	72.3
Kapchorua Tea	66.6
KCB Group	40.7

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Standard Group	91.7
Safaricom	90.2
I&M Group	79.1
Equity Group	72.5
KenGen	61.5

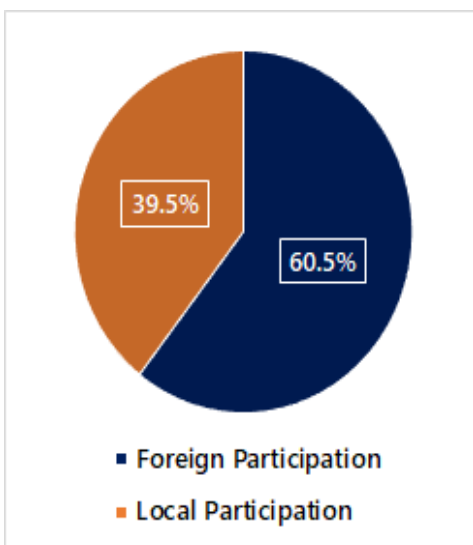
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	99.8
Crown Paints	98.4
BK Group	98.0
Umeme Ltd	87.9
BAT Kenya	81.1

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	91.8
TPS E.A	88.7
Safaricom	84.3
BAT Kenya	79.6
Umeme Ltd	76.9

WEEKLY LOCAL VS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

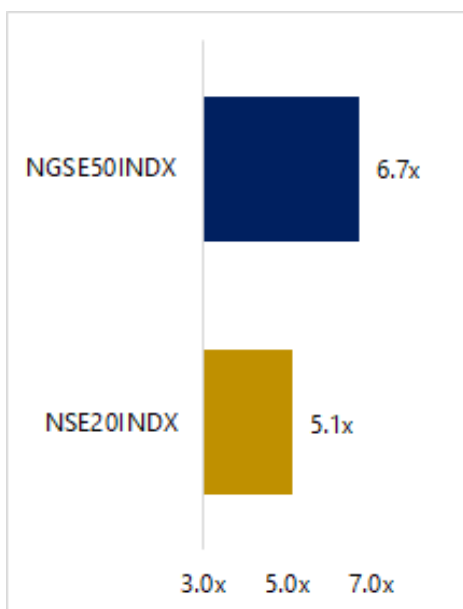
INDICES & MARKET METRICS MOVEMENT

NSE 20 and **NASI** shed 2.9% and 3.0% w-o-w to close at 1,800.64 and 150.17, respectively.

Weekly equity turnover fell by 50.2% w-o-w to USD 8.36 MN (KES 967.86 MN).

USD | KES: KES weakened 0.2% w-o-w to close at 115.77 (-2.3% YTD).

PEER P/E MULTIPLES



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

*LTM Price/EPS

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	150.17	(3.02)	(6.75)	(15.62)	(9.79)
NSE-20	1,800.64	(2.86)	(3.98)	(8.19)	(5.36)
DBIB Select	95.14	(2.41)	(3.53)	(11.76)	(2.67)
FTSE 15	187.10	(6.11)	(8.47)	(10.56)	(10.69)
FTSE 25	199.05	(4.45)	(8.27)	(15.22)	(11.30)
FTSE Frontier 50	48,196.51	(1.68)	(4.29)	(7.86)	(6.28)

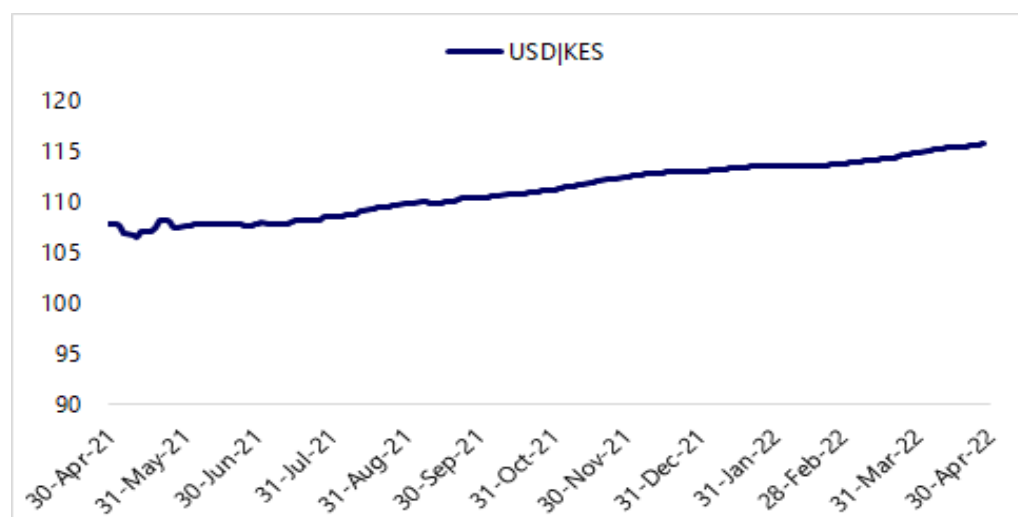
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,340.77	(3.03)	(3.71)	(6.68)	(15.71)
Market Turnover (USD m)	8.36	(50.23)	(50.71)	(63.82)	(52.32)
Market P/E (x)	15.57	(0.72)	(0.68)	2.44	(13.98)
Market Div. yld (%) *	6.33	20.14	213.44	291.99	203.44
Market ROE (%) *	39.65	27.94	27.24	140.22	17.24

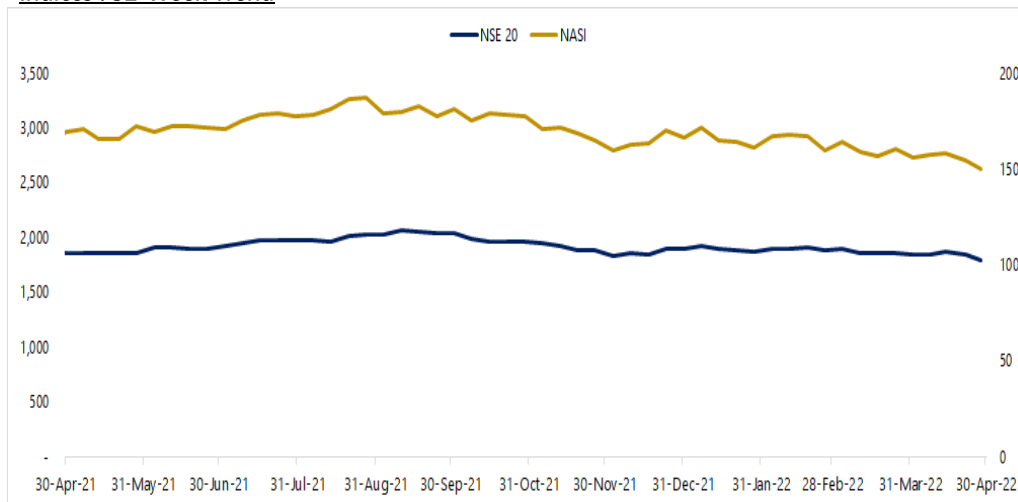
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes

(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend



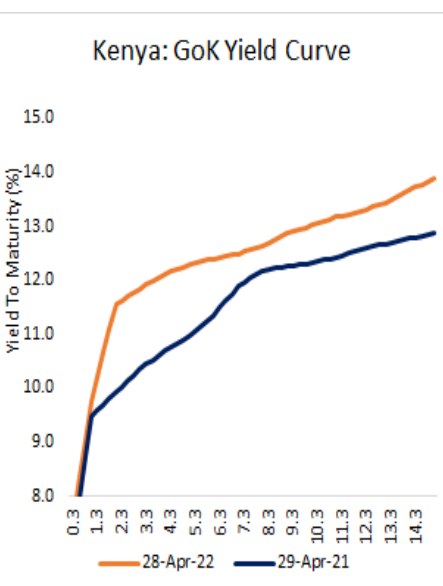
Indices : 52-Week Trend



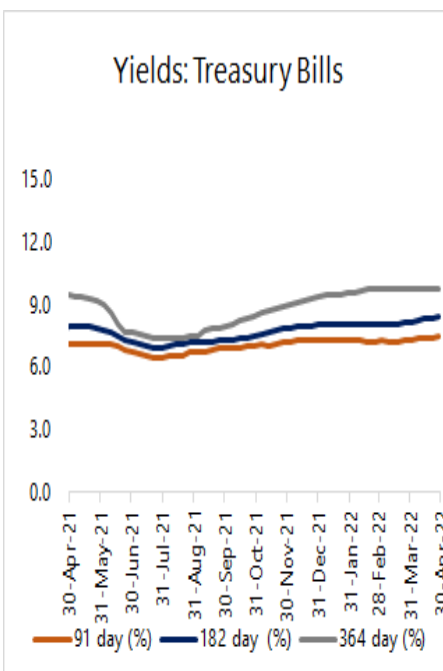
(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 129.92 MN (KES 15.04 BN) representing a 26.8% w-o-w increase from USD 102.50 MN (KES 11.85 BN) recorded the previous week.



Source: NSE, DBIB Research



Source: NSE, DBIB Research

The Bond market's turnover for the week stood at USD 129.92 MN (KES 15.04 BN) representing a 26.8% w-o-w increase from USD 102.50 MN (KES 11.85 BN) recorded the previous week. The bond issue number IFB1/2019/16Yr emerged as the top traded bond with a turnover of KES 4.00 BN accounting for 26.6% of the week's turnover. The bond traded between 11.9300% and 13.0800%.

May Issue: FXD1/2022/10 (New) & FXD1/2021/25 (Re-opened)

The Central Bank has newly issued an FXD1/2022/10 (10.0 years) and re-opened the FXD1/2021/25 (24.1 years). The aim is to raise a total of KES 60.0 BN from the bonds for budgetary support. The period of sale runs from 28th April 2022 to 10 May 2022. FXD1/2022/10's coupon rate will be market determined while that of FXD1/2021/25 will remain fixed at 13.924%.

Top Trades for the week ending 28 April 2022

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
28-Apr	IFB 1/2019/16Yr	13.5	11.7500	12.8500	93.82	1,085.3
28-Apr	IFB 1/2018/15Yr	10.7	12.5000	12.5500	102.93	850.0
26-Apr	IFB 1/2019/16Yr	13.5	11.7500	13.0500	92.68	757.6
26-Apr	IFB 1/2019/16Yr	13.5	11.7500	12.6000	95.13	500.0
26-Apr	IFB 1/2020/11Yr	9.3	10.9000	12.8000	93.71	439.1
27-Apr	IFB 1/2020/11Yr	9.3	10.9000	12.5500	94.76	439.1
27-Apr	IFB 1/2019/16Yr	13.5	11.7500	12.8500	93.79	400.0
28-Apr	FXD 1/2022/3Yr	2.9	11.7660	11.7000	100.70	400.0
28-Apr	IFB 1/2019/16Yr	13.5	11.7500	12.9300	93.38	400.0
27-Apr	IFB 1/2013/12Yr	3.4	11.0000	11.2912	100.29	358.2
28-Apr	IFB 1/2013/12Yr	3.4	11.0000	11.2614	100.40	358.2
25-Apr	IFB 1/2020/11Yr	9.3	10.9000	11.0000	101.40	300.0
26-Apr	IFB 1/2019/16Yr	13.5	11.7500	12.8000	94.03	300.0
26-Apr	IFB 1/2019/16Yr	13.5	11.7500	12.2500	97.10	300.0
27-Apr	IFB 1/2020/11Yr	9.3	10.9000	12.8079	93.71	300.0

Sell & Buy Backs

26-Apr	FXD 3/2019/10Yr	7.3	11.5170	11.3500	103.02	100.0
26-Apr	FXD 3/2019/10Yr	7.3	11.5170	11.3250	103.15	100.0
26-Apr	FXD1/2019/15Yr	11.7	12.8570	12.0500	108.21	100.0
26-Apr	FXD1/2019/15Yr	11.7	12.8570	12.0250	108.37	100.0

(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 28 April 2022

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	10.18	254.59	10.18	7.497	4.9
182-day	10.00	8.70	87.01	8.70	8.458	8.5
364-day	10.00	9.39	93.95	9.29	9.776	2.1

(Source: NSE, DBIB Research)

Salient News

Bamburi Cement FY21 results

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Bamburi Cement Limited released its FY21 results reporting a 22.2% y-o-y increase in after tax profits to KES 1.4 BN.

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Bamburi Cement Limited released its FY21 results reporting a 22.2% y-o-y increase in after tax profits to KES 1.4 BN driven by strong top-line growth along with robust cost management initiatives. EPS for the period stood at KES 3.58, 23.9% higher y-o-y. **The board recommended the payment of a first and final dividend of KES 3.58 per share** on or about 26th July 2022 to shareholders on register at the close of business on 26th May 2022.

Turnover grew by 18.6% y-o-y to KES 41.4 BN due to (i) increased volumes in both Kenya and Uganda owing to improved performance in the retail and key account segments (ii) and an increase in the overall average selling price on account of premium product sales.

Operating costs rose by 18.3% y-o-y to KES 39.2 BN as a result of increased coal, power, imported clinker and global fuel prices. Operating profits advanced by 16.7% y-o-y to KES 2.3 BN placing the operating profit margin at 5.6%, 9 bps lower y-o-y.

Total assets edged up by 4.6% y-o-y to KES 51.7 BN on account of a 16.1% y-o-y rise in current assets to KES 14.7 BN and a 0.7% y-o-y marginal increase in non-current assets to KES 37.0 BN.

Total liabilities went up by 7.0% y-o-y to KES 16.5 BN while shareholder's funds inched higher by 2.8% y-o-y to KES 31.1 BN.

The company recorded an 11-fold dip in net increase in cash and cash equivalents to KES 430.0 MN. This was attributable to a 49.3% y-o-y decline in net cash generated from operations to KES 3.1 BN, a 27.7% y-o-y increase in net cash used in investing activities to KES 1.4 BN and a more than 7-fold increase in net cash used in financing activities to KES 1.3 BN.

The company expects sustainable housing projects and significant investments in infrastructure projects to fuel growth in the Kenyan business while in Uganda, it expects more investments in public infrastructure especially in the oil industry to fuel growth in demand.

The counter is currently trading at a P/E multiple of 9.8x and a P/B multiple of 0.4x. Its ROE stands at 4.4% while ROA stands at 2.7%. Dividend yield stands at 9.6% as per current prices.

(Source: Company, DBIB Research)

Salient News cont'd

BOC Kenya FY21 results

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BOC Kenya released its FY21 results reporting a 6.6% y-o-y advancement in its profit after tax to KES 108.3 MN.

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BOC Kenya released its FY21 results reporting a 6.6% y-o-y advancement in its profit after tax to KES 108.3 MN. Earnings per share for the period stood at KES 5.55 compared to KES 5.21 in FY20. **The board recommended a final dividend of KES 2.90** having already declared an interim dividend of KES 1.50, placing the total dividend for the year at KES 4.40. If approved, the final dividend will be paid on or about 19th July 2022 to shareholders on the register at the close of business on 27th May 2022.

Revenue grew by 25.8% y-o-y to KES 1.4 BN owing to increased demand for medical oxygen as the company supplemented its local with imported production to meet the emergency demand occasioned by the COVID-19 pandemic. Revenues for medical gases increased by 33.9% y-o-y while industrial gases, and welding products & services maintained the same trajectory as they rose by 15.1% y-o-y and 20.9% y-o-y respectively.

Non-current assets dropped by 6.3% y-o-y to KES 841.6 MN while current assets fell by 3.0% y-o-y to KES 1.2 BN. This placed total assets at KES 2.0 BN, 4.4% y-o-y lower y-o-y. Total liabilities eased by 15.2% y-o-y to KES 408.3 MN while total equity decreased by 1.2% y-o-y to KES 1.6 BN.

Net cash from operating activities went up by 245.5% y-o-y to KES 141.6 MN while net cash generated from investing activities edged up by 2.5% y-o-y to KES 242.2 MN. Net cash used in financing activities increased 91 times to KES 111.4 MN.

BOC is currently trading at a P/E multiple of 13.2x and a P/B multiple of 0.9x. Its ROE and ROA stand at 6.8% and 5.4%, respectively. Dividend yield as per current prices stands at 6.0%.

(Source: Company, DBIB Research)

Salient News cont'd

E.A Cables FY21 results

E.A Cables released its FY21 results reporting a loss after tax of KES 299.7 MN, a 60.2% y-o-y drop from a loss after tax of KES 753.2 MN in FY20.

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.....

Revenue rose by 2.7% y-o-y to KES 1.8 BN while cost of sales grew by 3.9% y-o-y to KES 1.3 BN. This placed gross profit at KES 565.3 MN, fairly flat on a y-o-y basis. As such, gross profit margin dropped by 81 bps y-o-y to 30.6%.

Operating expenses dropped by 4.1% y-o-y to KES 488.3 MN while other income advanced by 712.8% y-o-y to KES 61.0 MN.

Total assets fell by 5.9% y-o-y to KES 5.6 BN following a 4.3% y-o-y drop in non-current assets to KES 4.6 BN and a 13.0% y-o-y decline in current assets to KES 956.5 MN. Total liabilities edged down by 1.3% y-o-y to KES 4.5 BN while total equity eased by 21.1% y-o-y to KES 1.1 BN.

Net cash flow generated from operating activities decreased by 28.8% y-o-y to KES 188.2 MN. Net cash flow used in investing activities increased by 368.9% y-o-y to KES 6.9 MN while net cash used in financing activities dropped by 6.3% y-o-y to KES 274.8 MN.

(Source: Company, DBIB Research)

UPCOMING EVENTS

Profit Warnings

1. WPP Scangroup
2. Sanlam

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
I&M Group	First & Final: KES 1.50	21-Apr-22	26-May-22
ABSA Bank	First & Final: KES 1.10	25-Apr-22	26-May-22
KCB Group	Final: KES 2.00	25-Apr-22	STA*
StanChart Bank	Final: KES 14.00	27-Apr-22	25-May-22
NCBA Group	Final: KES 2.25	29-Apr-22	05-May-22
Stanbic Holdings	Final: KES 7.30	20-May-22	STA*
Equity Group	First & Final: KES 3.00	20-May-22	30-Jun-22
Co-operative Bank	First & Final: KES 1.00	30-May-22	17-Jun-22
Kakuzi	First & Final: KES 22.00	31-May-22	30-Jun-22
NSE	Final: KES 0.40	03-Jun-22	15-Jul-22
NSE	Special: KES 0.50	03-Jun-22	15-Jul-22
Kenya Re	First & Final: KES 0.10	17-Jun-22	29-Jul-22
BK Group	First & Final: FRw 28.7	22-Jun-22	01-Jul-22
Umeme Ltd	Final: USH 54.10	24-Jun-22	22-Jun-22
DTB Kenya	First & Final: KES 3.00	30-Jun-22	28-Jul-22
Nation Media Group	Final: KES 1.50	16-Jun-22	29-Jul-22
Jubilee Holdings	Final: KES 8.00	22-Jun-22	25-Jul-22
Jubilee Holdings	Special: KES 5.00	22-Jun-22	25-Jul-22
TotalEnergies	First & Final: KES 1.31	24-Jun-22	30-Jul-22

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
NCBA Group	10:00 a.m.	Virtual	05-May-22
CIC Group	10:00 a.m.	Virtual	13-May-22
Stanbic Holdings	11:00 a.m.	Virtual	19-May-22
Umeme Ltd	10:00 a.m.	Hybrid	19-May-22
HF Group	10:00 a.m.	Virtual	20-May-22
StanChart Bank	11:00 a.m.	Virtual	25-May-22
BOC Kenya	11:00 a.m.	Virtual	23-Jun-22

(Source: Company filings , DBIB Research)

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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RESEARCH TEAM

Email: research@dyerandblair.com | Contact: +254 709 930 128