

DBIB WEEKLY BULLETIN

WEEK 50

Date: 16.12.2022

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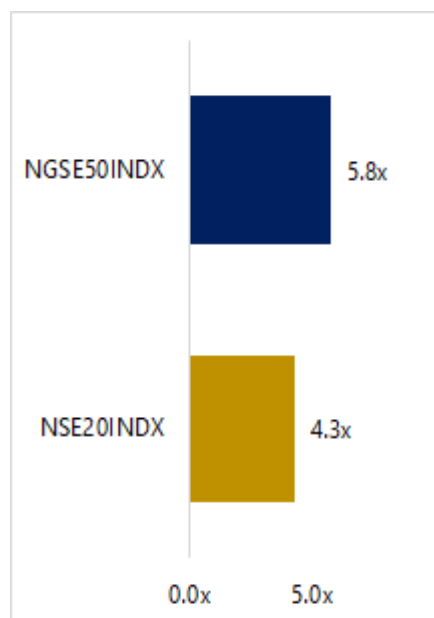
INDICES & MARKET METRICS MOVEMENT

NSE 20 and **NASI** rose by 0.4% and 1.6% w-o-w to close at 1,652.86 and 128.49.

Weekly equity turnover dropped by 36.9% w-o-w to close at USD 7.00 MN (KES 861.28 BN).

USD | KES: KES weakened 0.2% w-o-w to close at 122.99 (-8.7% year-to-date).

PEER P/E MULTIPLES



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

*LTM Price/EPS

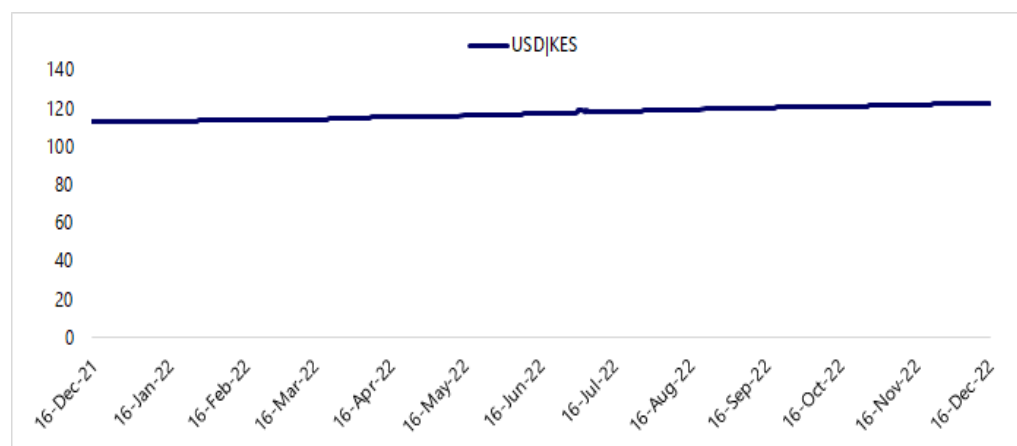
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	128.49	1.61	(2.91)	(21.48)	(22.81)
NSE-20	1,652.86	0.39	(5.43)	(10.88)	(13.12)
DBIB Select	109.19	0.69	173.80	5.58	11.70
MSCI Kenya (USD)	1,134.71	1.61	(4.95)	(30.43)	(32.23)
MSCI Frontier (USD)	483.62	(0.69)	(6.04)	(26.18)	(27.35)

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,001.95	1.61	(0.41)	(2.92)	(21.46)
Market Turnover (USD m)	7.00	(36.91)	(56.34)	(69.70)	(65.75)
Market P/E (x)	3.36	1.96	(1.04)	86.92	(78.09)
Market Div. yld (%) *	7.62	(8.07)	61.93	393.56	35.04
Market ROE (%) *	35.70	12.77	(97.23)	(419.25)	70.64

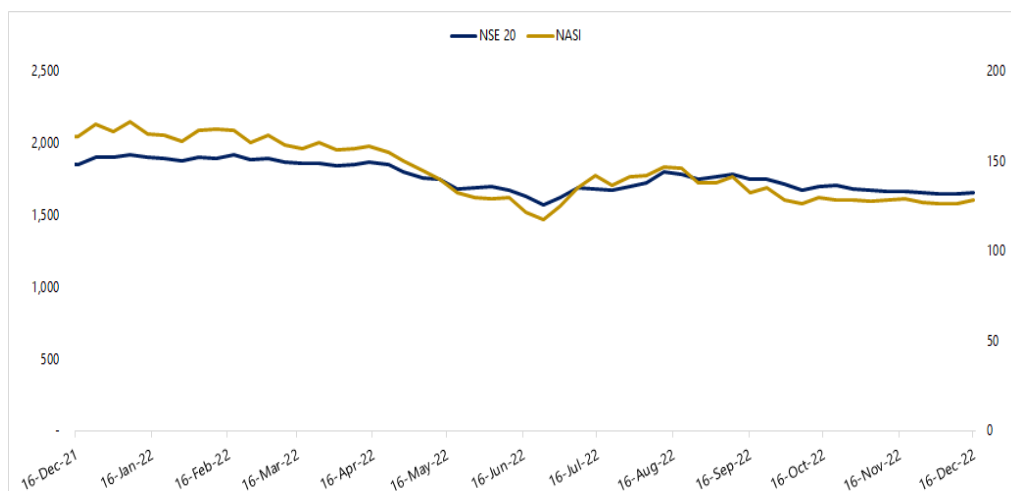
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes
(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

Safaricom emerged as the top traded counter on the bourse recording a weekly turnover of USD 2.04 MN (KES 250.30 MN) representing 18.37% of this week's turnover.

The stock rose by 2.7% w-o-w to close at KES 24.95 on Friday.

Foreign investors assumed a net selling position on the counter this week by accounting for 72.57% of foreign sales and 63.80% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Liberty Kenya	27.1
Sanlam Kenya	7.9
Eveready E.A	7.2
Trans-Century	6.3
Home Afrika	6.1

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
TPS E.A	(10.9)
Total Kenya	(8.8)
FAHARI I-REIT.	(8.4)
E.A. Portland	(7.9)
NBV Ltd	(6.9)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	2.04
E.A Breweries	1.84
Equity Group	1.75
KCB Group	0.44
DTB Group	0.19

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
NCBA Group	43.3
Olympia Capital	40.0
Crown Paints	31.3
Limuru Tea	31.3
Williamson Tea	23.1

(Source: NSE, DBIB Research)

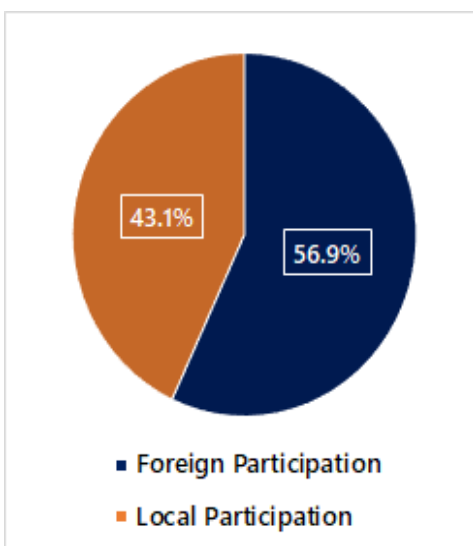


<u>Top Losers</u>	<u>%</u>
NBV Ltd	(46.9)
Centum	(41.3)
Jubilee Holdings	(36.9)
Safaricom	(34.3)
Britam	(33.3)

(Source: NSE, DBIB Research)



WEEKLY LOCAL VS FOREIGN PARTICIPATION



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
NBV Ltd	80.0
Safaricom	63.8
Equity Group	49.4
E.A Breweries	43.3
BAT Kenya	39.4

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
E.A Breweries	90.0
Equity Group	89.7
Britam	87.4
Williamson Tea	85.0
NBV Ltd	80.8

Y-T-D Foreign Performance

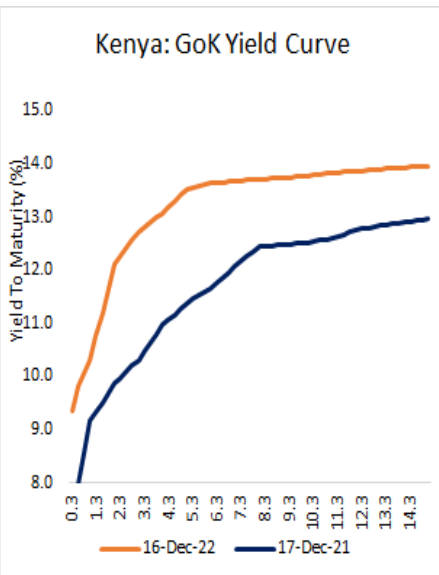
<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	99.9
BK Group	85.1
Stanbic Holdings	79.2
Crown Paints	76.9
Kapchorua Tea	64.5

(Source: NSE, DBIB Research)

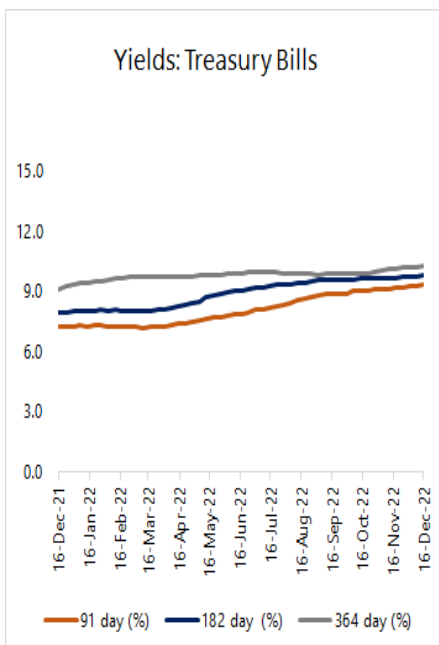
<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	99.3
Kenya Power	98.5
BAT Kenya	89.4
Safaricom	84.1
E.A Breweries	74.3

FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 123.20 MN (KES 15.15 BN) representing a 24.7% w-o growth from USD 98.77 MN (KES 12.13 BN) recorded the previous week.



Source: NSE, DBIB Research



Source: NSE, DBIB Research

The Bond market's turnover for the week stood at USD 123.20 MN (KES 15.15 BN) representing a 24.7% w-o-w growth from USD 98.77 MN (KES 12.13 BN) recorded the previous week. The bond issue number IFB1/2022/06 emerged as the top traded bond with a turnover of KES 5.52 BN accounting for 36.4% of the week's turnover. The bond traded between 12.1000% and 13.2750%.

Bond Issue: IFB1/2022/06 (tap sale), FXD1/2020/05 (re-opened) and FXD1/2022/15 (re-opened)

The Central Bank Kenya has issued a tap sale on IFB1/2022/06 with the aim of raising KES 20.0 BN. Its coupon rate remains fixed at 13.215%. The period of sale runs from 14 December 2022 to 22 December 2022, or upon attainment of quantum, whichever comes first.

The Central Bank has re-opened FXD1/2020/05 (2.4 years) and FXD1/2022/15 (14.3 years) with the intention of raising KES 50.0 BN. The coupon rates remain fixed at 11.667% for FXD1/2020/05 and 13.942% for FXD1/2022/15. The period of sale runs from 14 December 2022 to 10 January 2023.

Top Trades for the week ending 16 December 2022

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
14-Dec	IFB1/2022/6Yr	6.0	13.2150	13.0000	101.01	1,022.2
13-Dec	IFB1/2022/6Yr	6.0	13.2150	13.2650	100.12	1,000.0
15-Dec	IFB1/2018/15Yr	10.1	12.5000	13.5250	100.06	800.0
15-Dec	IFB1/2022/6Yr	6.0	13.2150	13.1500	100.56	700.0
16-Dec	IFB1/2022/6Yr	6.0	13.2150	13.2750	100.19	600.0
15-Dec	FXD1/2022/25Yr	24.8	14.1880	14.4000	100.55	500.0
15-Dec	IFB1/2018/15Yr	10.1	12.5000	13.1000	102.02	500.0
15-Dec	IFB1/2022/6Yr	6.0	13.2150	13.2650	100.19	500.0
16-Dec	IFB1/2022/6Yr	6.0	13.2150	13.2419	100.30	500.0
16-Dec	FXD1/2022/25Yr	24.8	14.1880	14.2750	101.43	360.0
16-Dec	IFB1/2022/14Yr	13.9	13.9380	13.9000	101.40	340.0
14-Dec	FXD1/2008/20Yr	5.5	13.7500	13.7000	100.26	300.0
15-Dec	FXD1/2020/5Yr	2.4	11.6670	12.3000	99.91	300.0

(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 16 December 2022

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	19.51	487.75	7.70	9.356	2.9
182-day	10.00	6.72	67.21	6.72	9.821	2.5
364-day	10.00	2.99	29.90	2.99	10.299	5.4

(Source: NSE, DBIB Research)

Salient News

KCB Groups completes TMB acquisition

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KCB Group have announced the completion of the acquisition of Trust Merchant Bank (TMB) following the receipt of all the regulatory approvals, placing its stake at 85.0%.

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KCB Group announced the completion of the acquisition of Trust Merchant Bank (TMB) following the receipt of all the regulatory approvals, placing its stake at 85.0%. This is in line with the Group's aim to scale its operations by establishing its presence in new markets as well as providing income diversification from a geographical perspective. This acquisition will enable the Group to (i) broaden its core banking business (ii) diversify into DRC's insurance sector through TMB's subsidiary, Afrissur SA, and (iii) capitalize on cross-border trade from the Indian to Atlantic Oceans.

Source: Company Filings

Crown Paints issues a profit warning

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Crown Paints have announced that they expect their FY22 earnings to decline by more than 25.0% as compared to FY21.

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Crown Paints announced that they expect their FY22 earnings to decline by more than 25.0% as compared to FY21. The drop in earnings is attributable to the increased cost of raw materials, volatility in foreign exchange rates and the economic slow-down during the period.

Source: Company Filings

UPCOMING EVENTS

Profit Warnings

1. Sameer
2. NSE
3. Bamburi
4. Crown Paints

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
TransCentury	Rights issue: 5:1	13-Dec-22	28-Feb-23
StanChart	Interim: KES 6.00	15-Dec-22	29-Dec-22
Carbacid	Final: KES 1.70	25-Nov-22	16-Dec-22
KenGen	Final: KES 0.20	STA*	STA*
KCB Group	Interim: KES 1.00	08-Dec-22	13-Jan-22

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
-	-	-	-

(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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