

DBIB WEEKLY BULLETIN

WEEK 08

Date: 25.02.2022

Contents:

Equity Market Sum Up	2
Fixed Income Wrap Up	4
Salient News	5
Corporate Actions	6
Appendix	7



WEEKLY BOURSE WRAP UP...

Week-on-Week Performance

.....
Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 12.57 MN (KES 1.43 BN) representing 61.25% of this week's turnover.

The stock **dropped** 6.1% w-o-w to close at KES 35.65 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 78.24% of foreign sales and 41.90% of foreign purchases.

.....

<u>Top gainers</u>	<u>%</u>
B.O.C Kenya	13.7
Liberty Kenya	6.8
TPS E.A	6.6
Kakuzi Ltd	5.7
Nation Media	2.8

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Unga Group	(9.0)
Olympia Capital	(8.1)
Sameer Africa	(7.9)
E.A. Cables Ltd	(6.7)
Sasini Ltd	(6.1)

((Source: NSE, DBIB Research))



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	12.57
E.A Breweries	2.40
KCB Group	1.84
Equity Group	1.33
ABSA Bank	1.20

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Car & General	88.5
B.O.C Kenya	33.2
Sanlam Kenya	29.9
Crown Paints	18.0
BAT Kenya	12.7

(Source: NSE, DBIB Research)

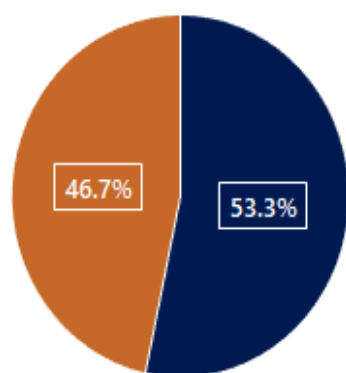


<u>Top Losers</u>	<u>%</u>
TPS E.A	(14.8)
NBV Ltd	(14.5)
Sameer Africa	(14.0)
Jubilee Holdings	(12.9)
Uchumi	(12.5)

(Source: NSE, DBIB Research)



WEEKLY LOCAL VS FOREIGN PARTICIPATION



■ Foreign Participation
■ Local Participation

(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Crown Paints	100.0
Centum	94.1
Equity Group	78.9
E.A Breweries	65.3
Jubilee Holdings	51.1

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Sasini	86.8
Jubilee Holdings	81.6
Safaricom	78.2
E.A Breweries	72.3
Equity Group	56.7

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
BK Group	98.4
Crown Paints	95.9
NSE	70.6
E.A Breweries	66.2

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
BK Group	95.1
Safaricom	82.6
E.A Breweries	81.9
Jubilee Holdings	55.1
TPS E.A	54.3

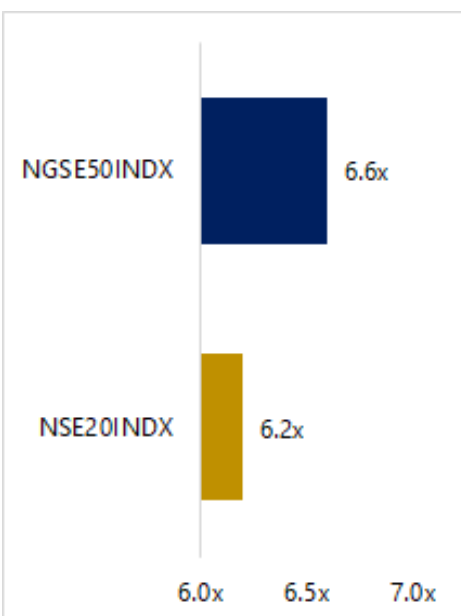
INDICES & MARKET METRICS MOVEMENT

NSE 20 & NASI shed 1.7% and 4.2% w-o-w to close at 1,883.33 and 160.03, respectively.

Weekly equity turnover rose 20.9% w-o-w to USD 20.52 MN (KES 2.34 BN).

USD | KES: KES weakened 0.1% w-o-w to close at 113.82 (-0.6% YTD).

PEER P/E MULTIPLES



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

*LTM Price/EPS

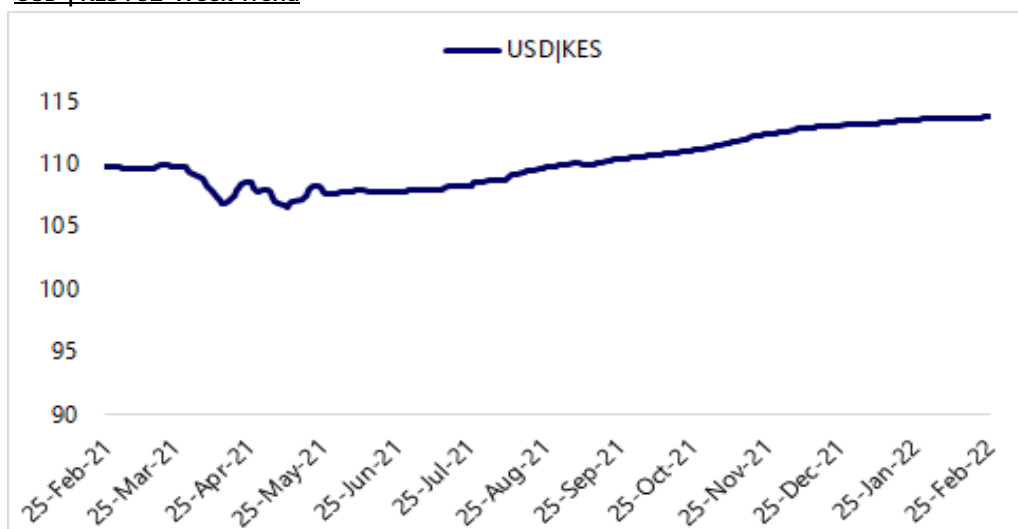
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	160.03	(4.16)	(2.88)	(14.51)	(3.86)
NSE-20	1,883.33	(1.73)	(0.16)	(7.42)	(1.01)
DBIB Select	99.19	(1.84)	(4.56)	(10.68)	1.47
FTSE 15	205.93	(2.40)	0.85	(8.36)	(1.70)
FTSE 25	216.60	(3.68)	(1.94)	(12.97)	(3.48)
FTSE Frontier 50	49,385.62	(3.61)	(3.14)	0.58	(3.97)

(Source: NSE, Bloomberg, DBIB Research)

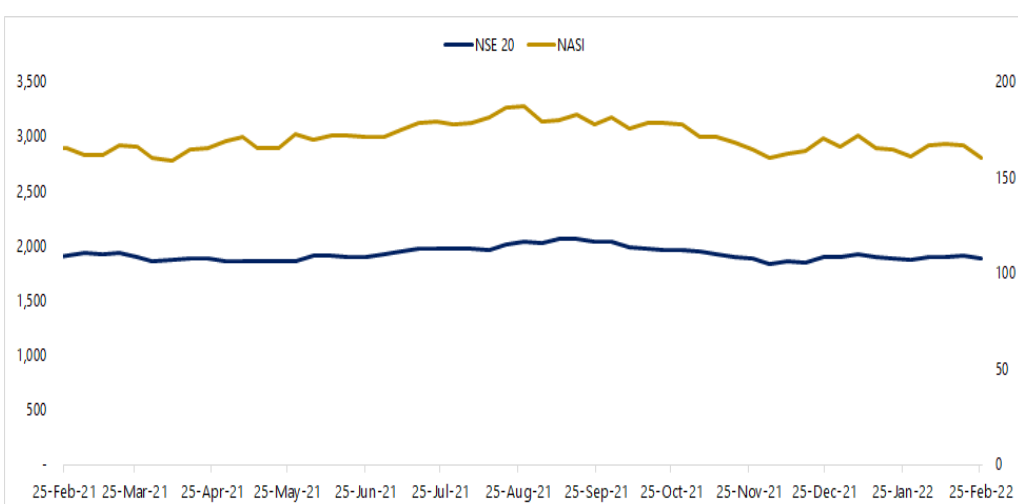
Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,492.46	(4.16)	(0.63)	(2.88)	(14.56)
Market Turnover (USD m)	20.52	20.89	(11.20)	(61.33)	(4.28)
Market P/E (x)	14.84	(6.08)	(2.37)	(3.01)	(19.35)
Market Div. yld (%) *	4.58	47.79	87.79	137.79	(12.21)
Market ROE (%) *	39.10	(37.12)	(70.12)	130.88	592.88

* 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 197.91 MN (KES 22.53 BN) representing a 217.4% w-o-w upsurge from USD 62.35 MN (KES 7.09 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 197.91 MN (KES 22.53 BN) representing a 217.4% w-o-w upsurge from USD 62.35 MN (KES 7.09 BN) recorded the previous week. The bond issue number IFB1/2022/19Yr emerged as the top traded bond with a turnover of KES 17.74 BN accounting for 78.8% of the week's turnover. The bond traded between 12.1000% and 13.0856%.

March Issue : FXD1/2021/05, FXD1/2020/15 & FXD1/2021/25 (Re-opens)

This coming March, the government has issued the bonds: FXD1/2021/05 (4.7 yrs.), FXD1/2020/15 (12.9 yrs.) & FXD1/2021/25 (24.2 yrs.) with the aim of raising KES 50.0 BN for budgetary support. The coupons on FXD1/2021/05, FXD1/2020/15 & FXD1/2021/25 are set at 11.277%, 12.756% and 13.924% respectively. The period of sale runs from 24 February 2022 to 08 March 2022.

Top Trades for the week ending 25 February 2022

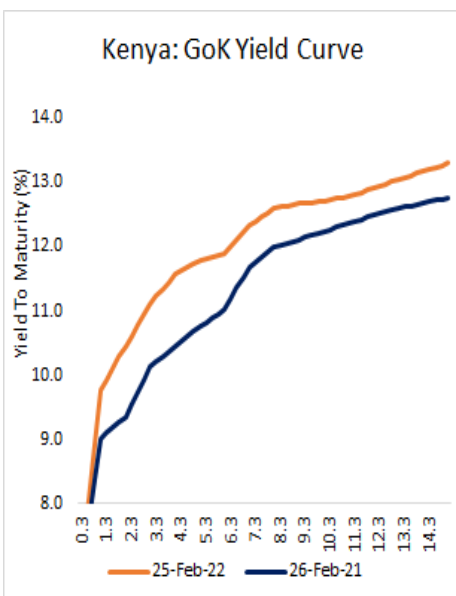
						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
23-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.9955	99.88	3,900.0
23-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.8500	100.79	3,150.0
23-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.9455	100.19	1,200.0
25-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.8500	100.86	835.0
24-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.8000	101.15	826.9
23-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.8250	100.95	750.0
24-Feb	FXD1/2012/20Yr	10.7	12.0000	12.7621	98.90	500.0
25-Feb	FXD1/2012/20Yr	10.7	12.0000	12.7370	99.07	500.0
25-Feb	FXD1/2012/20Yr	10.7	12.0000	12.5500	100.12	500.0
23-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.8750	100.64	400.0
25-Feb	FXD1/2021/20Yr	19.9	13.4440	13.8000	98.11	400.0
24-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.8300	100.95	373.0
24-Feb	FXD1/2021/20Yr	19.9	13.4440	13.7054	98.59	330.0
23-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.7500	101.43	320.0
23-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.8500	100.83	300.0
23-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.9000	100.48	280.0
23-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.9795	99.98	250.0
24-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.8500	100.83	250.0
25-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.9000	100.55	250.0
23-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.9250	100.32	244.0
25-Feb	IFB 1/2022/19Yr	18.9	12.9650	12.8000	101.18	219.0

(Source: NSE, DBIB Research)

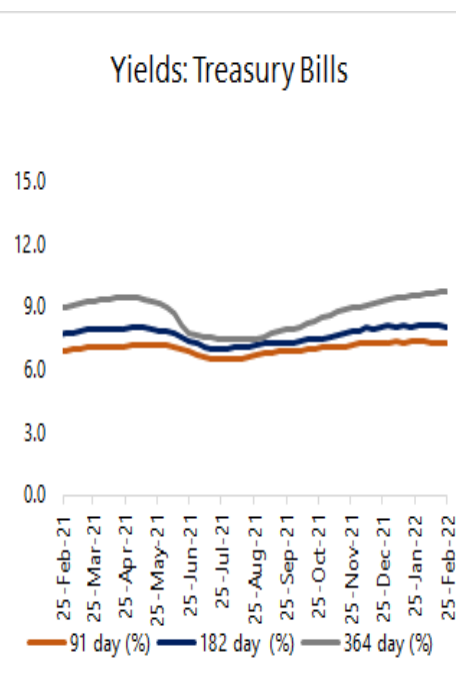
Treasury Bill auction for the week ending 25 February 2022

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	2.01	50.29	1.99	7.254	0.4
182-day	10.00	4.03	40.35	3.93	8.062	(1.3)
364-day	10.00	9.22	92.24	6.77	9.764	4.0

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

Safaricom announces an interim dividend

Safaricom has announced an interim dividend of KES 0.64 per ordinary share for the year ending 31st March 2022 following a board meeting that was held on 24th February 2022. This dividend will be paid on or about 31st March 2022 to members on the register as at the close of business on 17th March 2022.

(Source: Company filings, DBIB Research).

Unga Group 1H22 Earnings

Unga Group released its 1H22 earnings reporting a dip in its profit after tax by 89.9% y-o-y to KES 8.5 MN. This was driven by a decline in revenue along with depressed margins owing to a surge in the cost of key raw materials attributable to global shortages, rise in freight cost and a weakened Kenya shilling. EPS for the period stood at KES 0.003 vis-à-vis KES 0.63 in 1H21.

Revenue for the period dropped by 9.4% y-o-y to KES 8.8 BN due to reduced sales volumes in both human and animal nutrition segments.

Finance income grew four-fold y-o-y to KES 32.6 MN while finance costs rose by 24.3% y-o-y to KES 128.7 MN.

Total assets increased by 1.6% y-o-y to KES 9.9 BN on account of a 7.0% y-o-y rise in current assets to KES 6.1 BN but held back by a 6.1% y-o-y drop in non-current assets to KES 3.8 BN. Total liabilities fell by 2.2% y-o-y to KES 3.5 BN while total equity rose by 3.8% y-o-y to KES 6.4 BN.

Net cash used in operating activities stood at KES 417.1 MN. Net cash used in investing activities dropped by 67.8% y-o-y to KES 20.9 MN while net cash used in financing activities increased almost five times y-o-y to KES 182.0 MN.

On a trailing basis, Unga Group is trading at a P/E and P/B multiple of 5.0x and 0.3x against industry median P/E and P/B multiples of 5.7x and 1.0x, respectively. Its ROE stands at 6.4% against an industry median of 16.0% while ROA stands at 4.1% against an industry median of 5.0%.

(Source: Company filings, DBIB Research).

.....
Safaricom has announced an interim dividend of KES 0.64 per ordinary share for the year ending 31st March 2022.
.....

.....
Unga Group released its 1H22 earnings reporting a dip in its profit after tax by 89.9% y-o-y to KES 8.5 MN.
.....

Salient News cont'd

EAPCC 1H22 Earnings

EAPCC released its 1H22 results recording a loss after tax of KES 907.1 MN as compared to a loss after tax of KES 1.0 BN in 1H21 as a result of cost containment measures by the management and board.

.....
EAPCC released its 1H22 results recording a loss after tax of KES 907.1 MN as compared to a loss after tax of KES 1.0 BN in 1H21.
.....

Revenue declined by 30.4% y-o-y to KES 967.6 MN backed by a working capital deficit which hindered the business from undertaking plant refurbishment and resourcing of the value chain. Cost of sales dropped by 21.9% y-o-y to KES 1.3 BN.

Total assets shed 1.1% y-o-y to KES 34.2 BN. Total liabilities rose by 3.8% y-o-y to KES 14.1 BN while total equity eased 4.3% y-o-y to KES 20.1 BN.

Net cash used in operating activities rose by 22.3% y-o-y to KES 452.5 MN. Net cash generated from investing activities rose by 74.7% y-o-y to KES 411.0 MN while net cash generated from financing activities edged down 5.4% y-o-y to KES 33.9 MN.

(Source: Company filings, DBIB Research).

UPCOMING EVENTS

Profit Warnings

1. WPP Scangroup
2. Kakuzi
3. Sanlam
4. Fahari I-REIT

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Sasini	Final: KES 0.50	22-Feb-22	15-Mar-22
Car & General (K)	First & Final: KES 3.20	25-Feb-22	24-Mar-22
E.A Breweries	Interim: KES 3.75	28-Feb-22	27-Apr-22
Safaricom	Interim: KES 0.64	17-Mar-22	31-Mar-22
Car & General (K)	Bonus Issue: 1:1	24-Mar-22	08-Apr-22
BAT Kenya	Final: KES 50.0	24-May-22	22-Apr-22

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Sasini	11:00 a.m.	Virtual	04-Mar-22
Car & General (K)	10:00 a.m.	Virtual	24-Mar-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.*

DISCLAIMER

While every care has been taken in preparing this report and it has been prepared from sources believed to be reliable, no representation, warranty, or undertaking (express or implied) is given and no responsibility is accepted by Dyer and Blair Investment Bank Limited, its related companies, subsidiaries, affiliates, its employees and agents, as to the accuracy and completeness of the information contained herein or in respect of any reliance on or use thereof. This report is solely intended for distribution to clients of Dyer and Blair Investment Bank Limited. Any information may be changed after distribution at any time without any notice.

RESEARCH TEAM

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