

# DBIB WEEKLY BULLETIN

# WEEK 27

Date: 08.07.2022

## Contents:

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



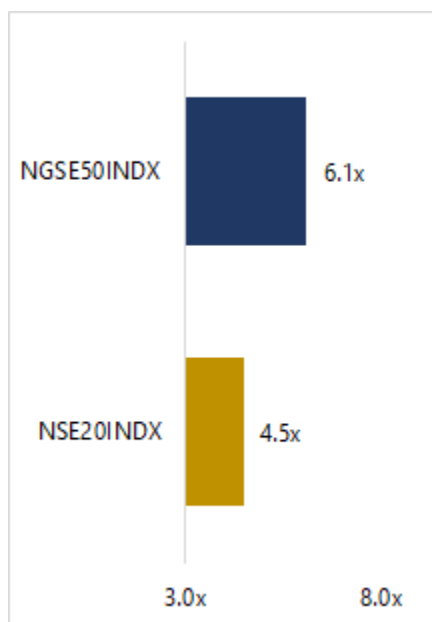
## INDICES & MARKET METRICS MOVEMENT

**NSE 20** and **NASI** gained 4.26% and 8.36% w-o-w to close at 1,691.93 and 135.39 respectively.

**Weekly equity turnover edged up** by 18.1% w-o-w to USD 22.94 MN (KES 2.71 BN).

**USD | KES:** KES weakened 0.2% w-o-w to close at 118.07 (-4.4% YTD).

### PEER P/E MULTIPLES



NSE20INDEX\* - NSE 20 Index  
NGSE50INDEX\* - Nigeria Stock Exchange 50 Index

\*LTM Price/EPS

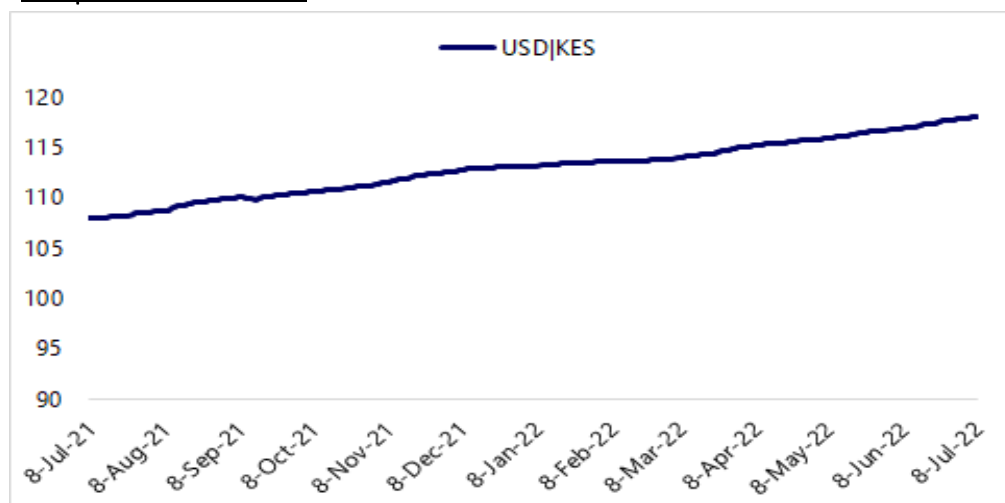
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	135.39	8.36	(13.92)	(21.17)	(18.67)
NSE-20	1,691.93	4.26	(8.59)	(11.90)	(11.07)
DBIB Select	91.29	3.02	(7.25)	(9.91)	(6.61)
FTSE 15	170.14	-	(14.92)	(19.90)	(18.79)
FTSE 25	170.32	-	(19.13)	(26.03)	(24.10)
FTSE Frontier 50	43,098.13	(0.96)	(13.28)	(16.67)	(16.19)

(Source: NSE, Bloomberg, DBIB Research)

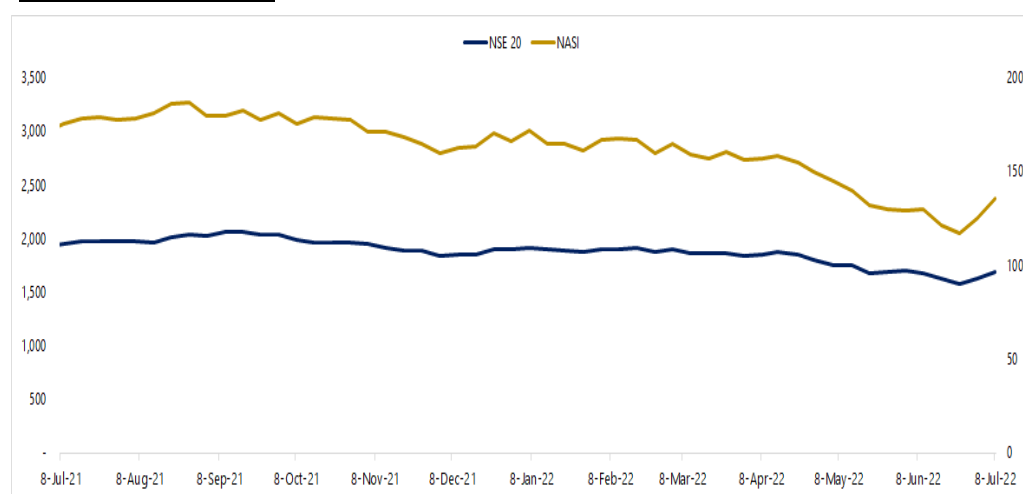
Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,088.95	7.31	3.22	(14.80)	(21.92)
Market Turnover (USD m)	22.94	18.14	29.75	136.80	35.57
Market P/E (x)	13.70	10.48	4.20	(14.91)	(21.26)
Market Div. yld (%) *	6.50	(60.00)	50.00	270.00	308.76
Market ROE (%) *	35.76	53.00	(380.00)	(415.00)	295.61

\* 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...

## Week-on-Week Performance

Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 11.33 MN (KES 1.34 BN) representing 49.39% of this week's turnover.

The stock rose by 12.6% w-o-w to close at KES 28.20 on Friday.

Foreign investors assumed a net selling position on the counter this week by accounting for 86.77% of foreign sales and 65.61% of foreign purchases.

<u>Top gainers</u>	<u>%</u>
Home Afrika	24.2
Williamson Tea	15.5
Nation Group	13.5
HFC Kenya	12.7
Safaricom	12.6

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
Kakuzi	(11.6)
Trans-Century Ltd	(10.4)
Sanlam	(8.3)
Carbacid	(3.9)
Crown Paints	(2.9)

(Source: NSE, DBIB Research)

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	11.33
Equity Group	3.93
KCB Group	3.45
Kakuzi	1.42
StanChart	1.23

(Source: NSE, DBIB Research)

## Y-T-D Performance

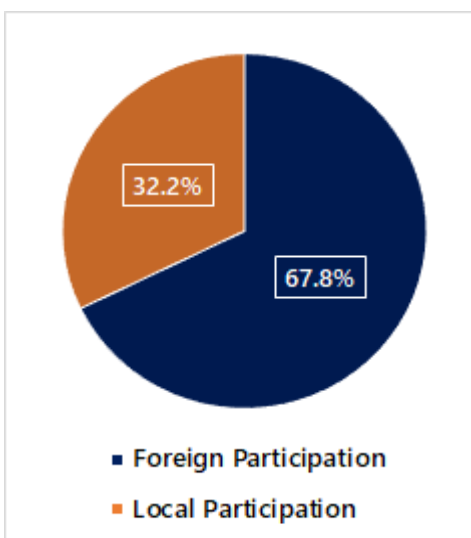
<u>Top gainers</u>	<u>%</u>
Crown Paints	32.1
Cars & General	32.1
Sameer	28.0
Portland Cement	26.1
BOC Kenya	17.9

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
NBV Ltd	(43.7)
Centum	(29.9)
Eveready	(26.5)
Safaricom	(25.7)
Longhorn	(23.5)

(Source: NSE, DBIB Research)

## WEEKLY LOCAL VS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Safaricom	65.6
Crown Paints	51.6
Centum	38.6
Equity	35.7
DTB	18.3

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BAT Kenya	99.5
BK Group	96.6
Safaricom	86.8
Equity	77.7
KenGen	67.4

## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	99.9
BK Group	93.4
Crown Paints	91.8
Stanbic	82.5
BAT Kenya	74.0

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	97.7
Safaricom	87.4
BAT Kenya	84.8
E.A Breweries	81.4
TPS E.A	77.7



The Bond market's turnover for the week stood at USD 108.08 MN (KES 12.76 BN) representing a 31.9% w-o-w fall from USD 158.91 MN (KES 18.73 BN) recorded the previous week.

## FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 108.08 MN (KES 12.76 BN) representing a 32.0% w-o-w fall from USD 158.91 MN (KES 18.73 BN) recorded the previous week. The bond issue number IFB1/2022/18Yr emerged as the top traded bond with a turnover of KES 3.38 BN accounting for 26.52% of the week's turnover. The bond traded between 13.0676% and 13.9000%.

### July Issue: FXD2/2013/15 & FXD2/2018/15

The CBK has re-opened the fixed coupon bonds: FXD2/2013/15 (5.8 years) and FXD2/2018/15 (11.3 years) with the intention of raising KES 40.0 BN for budgetary support. The coupon rate for FXD2/2013/15 stands at 12.000% while that of FXD2/2018/15 stands at 12.750%. The period of sale runs from 28 June 2022 to 19 July 2022.

### July Tap Sale Results: IFB1/2022/18

The Central Bank of Kenya (CBK) issued a tap sale for the infrastructure bond IFB1/2022/18, with the aim of raising KES 20.0 BN. From the auction, it received bids worth KES 6.4 BN (translating to a subscription rate of 32.1%) and in turn accepted KES 6.4 BN. The coupon rate of the bond stands at 13.742%.

### Top Trades for the week ending 08 July 2022

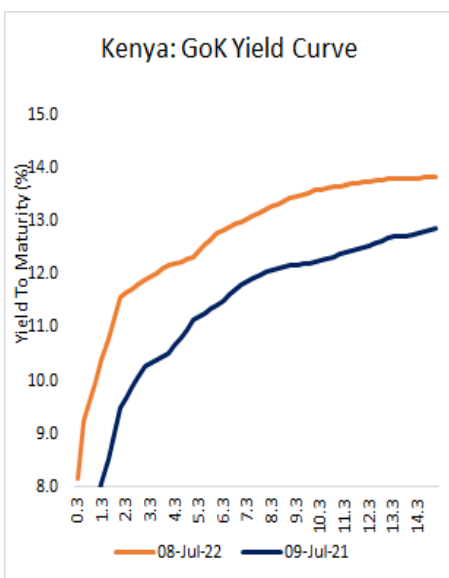
						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
5-Jul	IFB 1/2016/9Yr	0.0	12.5000	12.5179	101.65	543.1
4-Jul	IFB 1/2021/21Yr	0.0	12.7370	13.7500	97.84	505.7
4-Jul	IFB 1/2021/21Yr	0.0	12.7370	12.9942	102.28	500.0
5-Jul	IFB 1/2022/18Yr	0.0	13.7420	13.8000	100.47	460.0
5-Jul	IFB 1/2021/21Yr	0.0	12.7370	13.7250	98.02	400.0
6-Jul	IFB 1/2021/21Yr	0.0	12.7370	13.7813	97.73	400.0
5-Jul	IFB 1/2016/9Yr	0.0	12.5000	11.8500	102.92	373.0
6-Jul	IFB 1/2016/9Yr	0.0	12.5000	11.3000	104.02	373.0
8-Jul	IFB 1/2022/18Yr	0.0	13.7420	13.7500	100.87	340.0
7-Jul	IFB 1/2016/15Yr	0.0	12.0000	10.5000	110.13	330.5

(Source: NSE, DBIB Research)

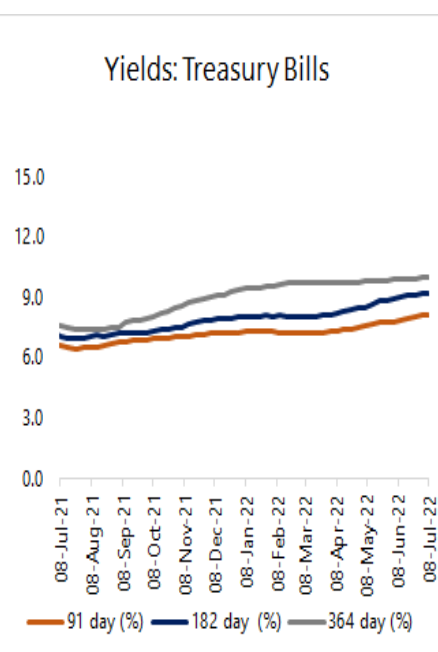
### Treasury Bill auction for the week ending 08 July 2022

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	11.04	275.99	11.04	8.167	7.0
182-day	10.00	8.43	84.34	8.43	9.253	5.7
364-day	10.00	51.12	51.15	4.74	9.980	(0.5)

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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## Salient News

### Kenya's GDP goes up 6.8% y-o-y in 1Q22

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According to KNBS, Kenya's GDP went up by 6.8% in the first quarter of 2022, surpassing pre-pandemic levels.

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According to KNBS, Kenya's GDP went up by 6.8% in the first quarter of 2022, surpassing pre-pandemic levels. This was because of recovery in most economic activities owing to the re-opening of the economy. Some of the sectors that recorded significant recovery included transportation and storage (8.1%), accommodation and food services activities (56.2%), professional, administrative and support services (14.9%) and other service activities (11.1%). The growth was also underpinned by accelerated growth in manufacturing, wholesale and retail, and financial activities along with sustained growth in construction, real estate, and ICT activities. On the contrary, economic activity was held back by the agricultural sector which contracted by 0.7% owing to insufficient rainfall during the preceding quarter and delayed long rains during the quarter under review. The Treasury estimates that the economy will grow at 6.0% this year steered by robust growth in the services sector and the expansion of industrial output.

*Source: KNBS, Business Daily*

### KCB receives KES 1.8 BN to fund mortgages

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KCB Group has received KES 1.8 BN from the Kenya Mortgage Refinancing Company (KMRC) to fund mortgages.

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KCB Group has received KES 1.8 BN from the Kenya Mortgage Refinancing Company (KMRC) to fund mortgages. The group has become the eighth lender to receive funding from KMRC with the amount disbursed to KCB being the largest to a single financier (the amount is 34.8% more than the KES 1.34 BN advanced to the seven lenders). Co-op Bank and HF Group were amongst the seven lenders who received funding from KMRC. Co-op Bank received funding of KES 550.0 MN while HF Group received funding of KES 515.0 MN.

*Source: Business Daily*

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Safaricom has launched a zero-interest credit service called Faraja which will allow customers to shop for goods and pay later.

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### Safaricom launches Faraja, a zero-interest service

Safaricom has launched a zero-interest credit service called Faraja which will allow customers to shop for goods and pay later. The credit service, which is in partnership with Equity Bank, will apply to goods ranging from as low as KES 20 up to a maximum of KES 100,000 and the transaction charges applicable at the point of sale will be paid by Equity Bank. Faraja is designed to essentially work as a digital credit card and is set to undercut products such as Lipa Later.

*Source: Business Daily*

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## Salient News

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**Kenya Power has indicated that it intends to offer fixed internet services** before the end of the current financial year (FY22/23).

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### Kenya Power to offer internet services by June 2023

Kenya Power has indicated that it intends to offer fixed internet services before the end of the current financial year (FY22/23). The venture into fixed internet services will be an advancement of its current model through which the company leases fibre-optic cables attached to its transmission lines to internet service providers. Kenya Power has been piloting the fixed internet offering to a number of its corporate customers for the past few months.

*Source: Business Daily*

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**Safaricom plans to commence its operations in Ethiopia** in August 2022.

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### Safaricom to commence operations in Ethiopia in August 2022

**Safaricom plans to commence its operations in Ethiopia in August 2022.** Safaricom stated that it will begin the launch in Dire Dawa, Ethiopia on the aforementioned month (August 2022) and switch on the network in 24 cities across the country by April 2023.

*Source: Business Daily*

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**Centum Real Estate Ltd issued a profit warning** stating that it expects its net earnings for the year ended 31 March 2022 to be at least 25.0% lower on a y-o-y basis.

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### Centum real estate arm issues profit warning

Centum's real estate arm, Centum Real Estate Ltd, issued a profit warning stating that it expects its net earnings for the year ended 31 March 2022 to be at least 25.0% lower on a y-o-y basis. The company mainly attributed the deterioration in performance to lower revaluation gains on investment property in FY22.

*Source: Company Filings*

## UPCOMING EVENTS

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
NSE	Final: KES 0.40	03-Jun-22	15-Jul-22
NSE	Special: KES 0.50	03-Jun-22	15-Jul-22
BOC Kenya	Final: KES 2.90	27-May-22	19-Jul-22
Umeme Ltd	Final: USH 54.10	24-Jun-22	22-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
Bamburi Cement	First & Final: KES 3.58	26-May-22	26-Jul-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
Kenya Re	First & Final: KES 0.10	17-Jun-22	29-Jul-22
TotalEnergies	First & Final: KES 1.31	24-Jun-22	30-Jul-22
Crown Paints	First & Final: KES 4.00	28-Jun-22	15-Aug-22
Safaricom	Final: KES 0.75	31-Mar-22	31-Aug-2022

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

## AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Safaricom	11:00 a.m.	Virtual	29-Jul-22

*(Source: Company filings , DBIB Research)*

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## 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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