

DBIB WEEKLY BULLETIN

WEEK 22

Date: 03.06.2022

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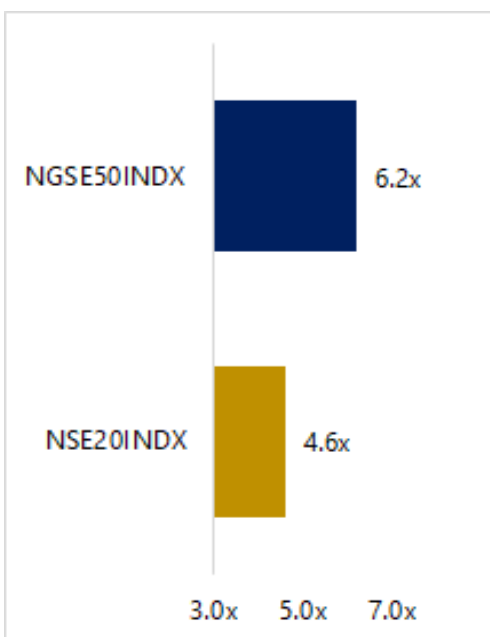
INDICES & MARKET METRICS MOVEMENT

NSE 20 gained 0.7% w-o-w to close at 1,699.83 while **NASI** shed 0.3% w-o-w to close at 129.41.

Weekly equity turnover declined by 45.1% w-o-w to USD 19.92 MN (KES 2.33 BN).

USD | KES: KES weakened 0.1% w-o-w to close at 116.83 (-3.3% YTD).

PEER P/E MULTIPLES



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

*LTM Price/EPS

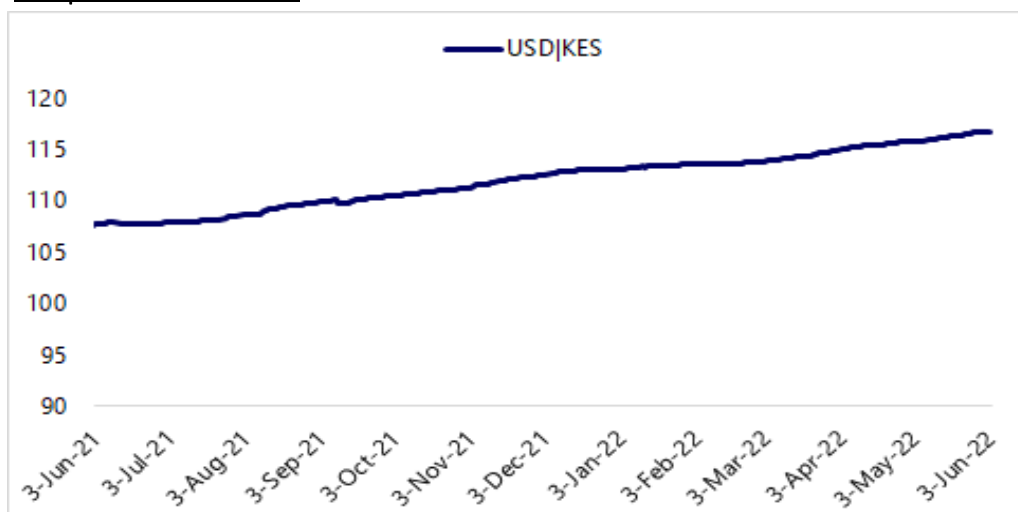
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	129.41	(0.33)	(21.40)	(19.13)	(22.26)
NSE-20	1,699.83	0.71	(10.44)	(7.59)	(10.66)
DBIB Select	89.79	(0.21)	(10.40)	(12.22)	(8.15)
FTSE 15	174.80	0.65	(15.86)	(10.12)	(16.56)
FTSE 25	176.03	0.27	(20.54)	(17.10)	(21.56)
FTSE Frontier 50	45,909.75	(0.04)	(5.36)	(8.91)	(10.72)

(Source: NSE, Bloomberg, DBIB Research)

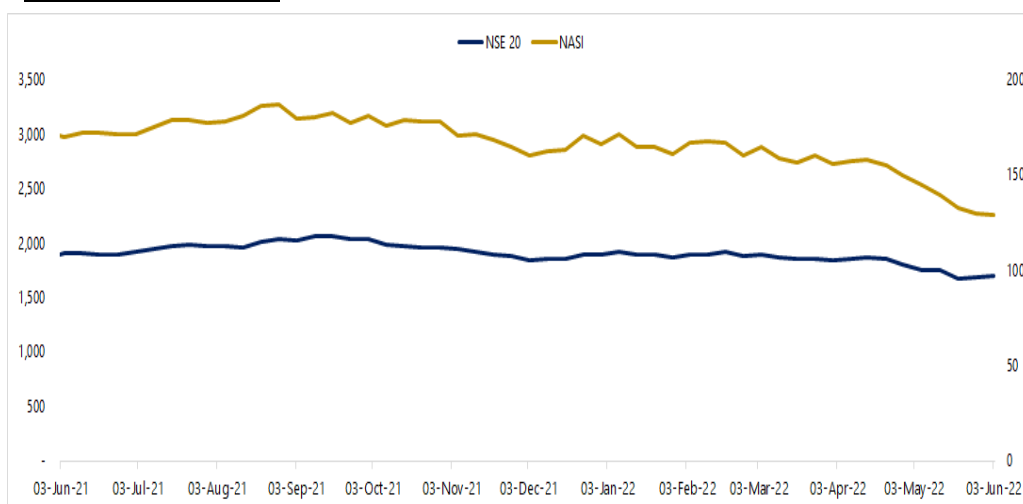
Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,016.43	(0.33)	(10.61)	(21.37)	(19.10)
Market Turnover (USD m)	19.92	(45.05)	66.04	(5.94)	(37.11)
Market P/E (x)	13.17	(0.75)	(11.82)	(14.91)	(12.43)
Market Div. yld (%) *	6.44	(37.60)	191.18	267.47	293.61
Market ROE (%) *	35.20	(28.72)	(433.75)	(466.67)	196.44

* 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

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Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 8.37 MN (KES 977.82 MN) representing 42.02% of this week's turnover.

The stock **dropped** by 0.9% w-o-w to close at KES 26.20 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 90.81% of foreign sales and 61.75% of foreign purchases.

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<u>Top gainers</u>	<u>%</u>
NBV Ltd	36.6
WPP Scangroup	18.1
FAHARI I-REIT.	12.0
Uchumi	11.1
DTB Kenya	10.0

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Co-operative Bank	(8.4)
Bamburi Cement	(8.1)
Home Afrika	(5.9)
Stanbic Holdings	(3.7)
Unga Group	(3.3)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	8.37
Equity Group	5.97
New Gold ETF	2.33
KCB Group	1.49
E.A Breweries	0.75

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Crown Paints	29.5
Sanlam Kenya	20.3
Stanbic Holdings	19.2
Umeme	18.7
E.A. Portland	17.1

(Source: NSE, DBIB Research)

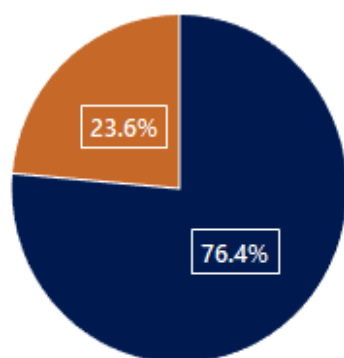


<u>Top Losers</u>	<u>%</u>
Safaricom	(31.0)
Centum	(30.4)
NBV Ltd	(27.9)
Liberty Kenya	(21.4)
TPS E.A	(21.3)

(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>
New Gold ETF	100.0
Kapchorua Tea	73.9
Equity Group	62.5
Safaricom	61.7
KCB Group	58.5

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
New Gold ETF	100.0
Equity Group	95.6
Britam Holdings	94.2
Safaricom	90.8
E.A Breweries	88.5

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	99.9
Crown Paints	96.9
BK Group	95.8
Stanbic Holdings	82.5
BAT Kenya	81.5

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	97.8
Safaricom	86.1
BAT Kenya	81.9
TPS E.A	81.6
E.A Breweries	79.5

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 91.07 MN (KES 10.64 BN) representing a 25.0% w-o-w drop from USD 121.43 MN (KES 14.17 BN) recorded the previous week.

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June Issue: IFB1/2022/18 (New)

The Central Bank of Kenya has invited bids for a new infrastructure bond IFB1/2022/18 with the intention of raising KES 75.0 BN for funding infrastructure projects in the current fiscal year FY21/22. The bond will have a tenor of 18 years and the coupon rate will be market determined. The period of sale runs from 23 May 2022 to 7 June 2022.

Top Trades for the week ending 03 June 2022

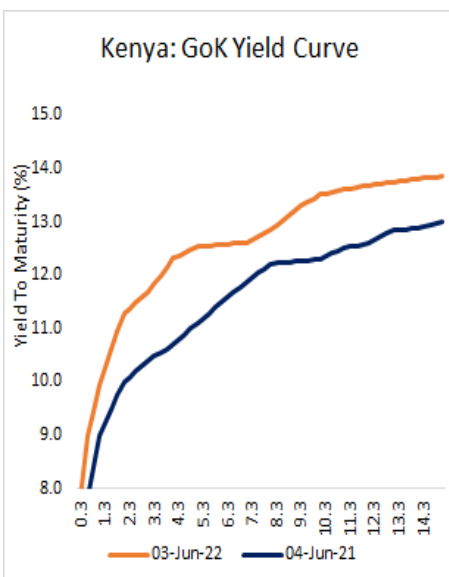
						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
30-May	FXD1/2020/5Yr	2.9	11.6670	11.7000	100.58	1,200.0
30-May	IFB 1/2021/18Yr	16.8	12.6670	13.1650	98.80	1,075.0
2-Jun	IFB 1/2021/18Yr	16.8	12.6670	13.1500	98.99	1,075.0
31-May	FXD1/2020/5Yr	2.9	11.6670	11.5000	101.09	500.0
2-Jun	FXD1/2020/5Yr	2.9	11.6670	11.6250	100.85	300.0
3-Jun	FXD1/2020/5Yr	2.9	11.6670	11.4750	101.25	300.0
3-Jun	IFB 1/2022/19Yr	18.7	12.9650	12.6555	105.54	300.0
3-Jun	FXD1/2022/15Yr	14.9	13.9420	13.8250	102.19	292.0
3-Jun	FXD1/2021/5Yr	4.4	11.2770	12.5000	96.56	250.0
30-May	IFB 1/2020/11Yr	9.2	10.9000	12.9500	94.20	205.0
31-May	FXD1/2020/5Yr	2.9	11.6670	11.6000	100.85	200.0
31-May	IFB 1/2020/11Yr	9.2	10.9000	12.7500	95.03	200.0
2-Jun	IFB 1/2019/16Yr	13.5	11.7500	13.2000	93.08	200.0
2-Jun	IFB 1/2022/19Yr	18.7	12.9650	13.1117	102.64	200.0
30-May	IFB 1/2021/21Yr	20.2	12.7370	13.5000	98.03	180.0
31-May	IFB 1/2021/21Yr	20.2	12.7370	13.3000	99.24	180.0
31-May	IFB 1/2021/21Yr	20.2	12.7370	13.1250	100.36	180.0
30-May	FXD1/2018/25Yr	21.0	13.4000	13.9200	102.39	175.0
30-May	FXD3/2007/15Yr	0.4	12.5000	9.2000	102.11	153.0
2-Jun	FXD1/2022/15Yr	14.9	13.9420	13.8250	102.15	150.0

(Source: NSE, DBIB Research)

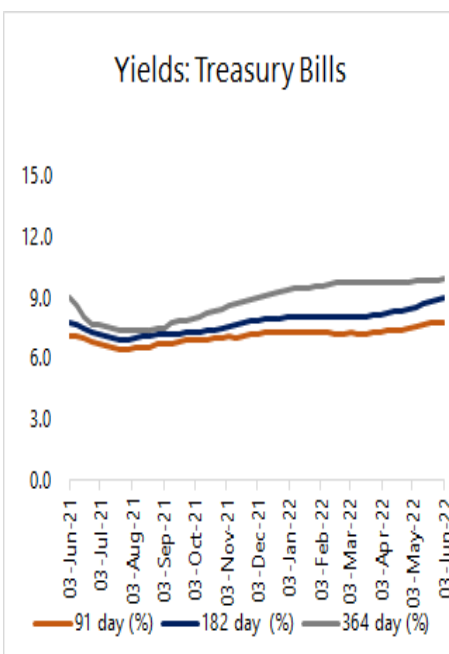
Treasury Bill auction for the week ending 03 June 2022

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	8.41	210.13	3.51	7.811	6.7
182-day	10.00	7.27	72.74	2.50	8.974	7.3
364-day	10.00	5.03	50.31	5.01	9.935	5.4

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

Annual inflation rate stood at 7.1% in May 2022

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The **annual headline inflation rate** rose to 7.1% in May 2022 from 6.5% in April 2022.

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The **annual headline inflation rate** rose to 7.1% in May 2022 from 6.5% in April 2022. The monthly inflation rate for May 2022 came in at 0.8%, a decrease from a monthly inflation rate of 1.7% recorded in April 2022. The increase in annual inflation was mainly steered by increased prices of food and non-alcoholic beverages (index went up by 12.4% y-o-y); housing, water, electricity, gas and other fuels (index rose by 6.0% y-o-y); transport (index inched higher by 6.4% y-o-y); and furnishings, household equipment and routine household maintenance (index increased by 7.9% y-o-y).

Source: KNBS

MPC raises CBR from 7.00% to 7.50%

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The Central Bank of Kenya's Monetary Policy Committee (MPC), has raised the **Central Bank Rate (CBR)** from 7.00% to 7.50%

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The **Central Bank of Kenya's Monetary Policy Committee (MPC)**, has raised the **Central Bank Rate (CBR)** from 7.00% to 7.50% in a bid to anchor inflation expectations tied to the increased global commodity prices, supply chain disruptions and a weakening KES. Annual inflation stood at 6.47% in April 2022 compared to 5.56% in February 2022.

Source: CBK

SAHL completes its acquisition of Stanbic Holdings' additional shares

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Stanbic Africa Holdings Ltd (SAHL) announced that it had completed the acquisition of 27,333,909 ordinary shares of **Stanbic Holdings**.

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Stanbic Africa Holdings Ltd (SAHL) announced that it had completed the acquisition of 27,333,909 ordinary shares of **Stanbic Holdings**. This brings its overall shareholdings to 296,188,531 shares amounting to 74.92% of the total issued share capital of Stanbic Holdings.

Source: Company filings

Kenya Power to receive financial support

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Kenya Power is expected to receive financial support from a KES 86.95 BN State loan disbursed by international lenders.

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Kenya Power is expected to receive financial support from a KES 86.95 BN state loan disbursed by international lenders. The actual amount which Kenya Power will receive was not disclosed. The loan was received from the International Development Agency (IDA) and International Bank of Reconstruction and Development (IBRD).

In January, Kenya Power cut retail tariffs by 15.0% which was tied to the firm's aim to lower system losses. The firm's top-line is expected to come under pressure due to a 15.0% reduction on electricity bills which is expected to affect its profitability and cash flow position. **Nonetheless, the Treasury has offered Kenya Power a KES 7.05 BN subsidy to enable the company to cut electricity bills by a further 15.0% without impacting its cash flows.**

Source: Business Daily

UPCOMING EVENTS

Company	Announcement	Book Closure	Payment
KCB Group	Final: KES 2.00	25-Apr-22	07-Jul-22
Equity Group	First & Final: KES 3.00	20-May-22	30-Jun-22
Bamburi Cement	First & Final: KES 3.58	26-May-22	26-Jul-22
BOC Kenya	Final: KES 2.90	27-May-22	19-Jul-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
Crown Paints	First & Final: KES 4.00	28-Jun-22	15-Aug-22
Safaricom	Final: KES 0.75	STA*	STA*

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

Company	Time	Venue	Date
Britam Holdings	10:00 a.m.	Virtual	08-Jun-22
Sameer	10:00 a.m.	Virtual	09-Jun-22
Limuru Tea	11:00 a.m.	Sarova Panafric Htl	10-Jun-22
Bamburi Cement	2:30 p.m.	Virtual	16-Jun-22
BK Group	3:00 p.m.	Virtual	17-Jun-22
Liberty Kenya	11:00 a.m.	Virtual	17-Jun-22
Kenya Re	11:00 a.m.	Virtual	17-Jun-22
Jubilee Holdings	11:00 a.m.	Virtual	22-Jun-22
BOC Kenya	11:00 a.m.	Virtual	23-Jun-22
Equity Group	10:00 a.m.	Virtual	29-Jun-22
DTB Group	11:00 a.m.	Virtual	30-Jun-22

(Source: Company filings , DBIB Research)

Htl: Hotel

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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