

DBIB WEEKLY BULLETIN

WEEK 23

Date: 10.06.2022

Contents:

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

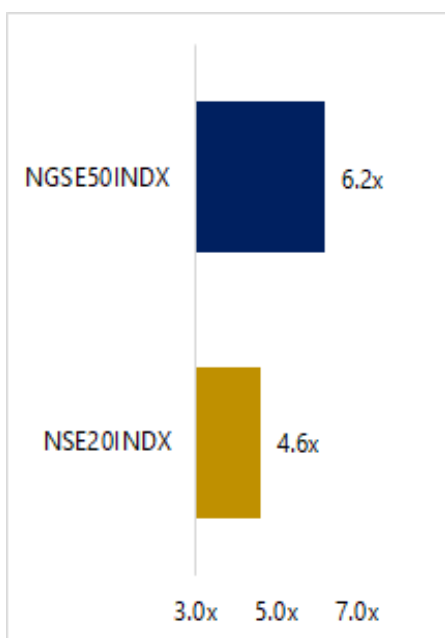
INDICES & MARKET METRICS MOVEMENT

NSE 20 shed 1.4% w-o-w to close at 1,676.59 while **NASI gained** 0.4% w-o-w to close at 129.89.

Weekly equity turnover declined by 11.2% w-o-w to USD 17.68 MN (KES 2.07 BN).

USD | KES: KES weakened 0.2% w-o-w to close at 117.05 (-3.5% 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	129.89	0.37	(18.33)	(20.20)	(21.97)
NSE-20	1,676.59	(1.37)	(10.08)	(9.69)	(11.88)
DBIB Select	89.58	(0.23)	(9.20)	(13.09)	(8.36)
FTSE 15	173.35	(0.83)	(14.93)	(12.79)	(17.26)
FTSE 25	175.71	(0.18)	(18.15)	(18.88)	(21.70)
FTSE Frontier 50	45,773.61	(0.30)	(6.07)	(9.96)	(10.99)

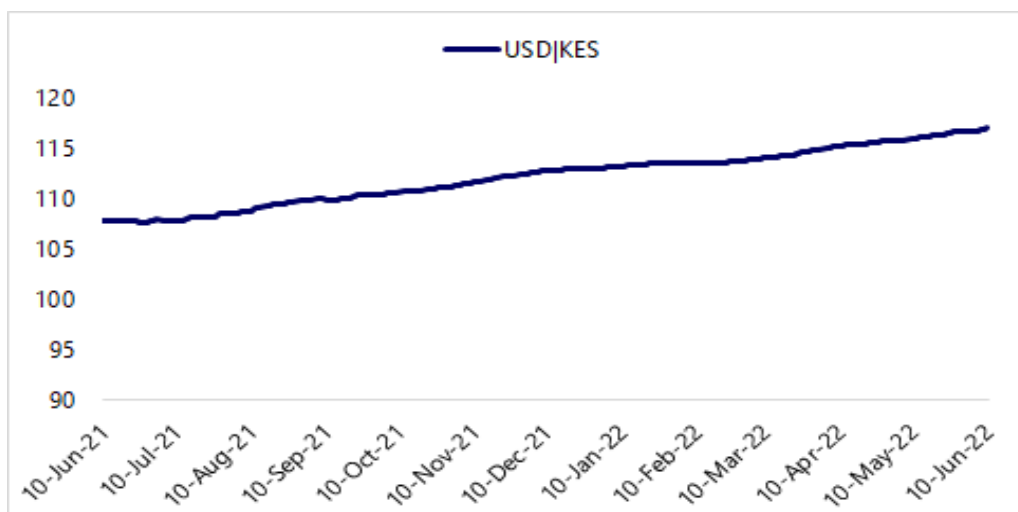
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,023.87	0.37	(7.01)	(18.30)	(20.17)
Market Turnover (USD m)	17.68	(11.24)	(17.10)	(17.34)	(49.50)
Market P/E (x)	13.15	(0.18)	(11.98)	(10.13)	(14.33)
Market Div. yld (%) *	6.81	37.33	212.50	311.14	335.99
Market ROE (%) *	35.47	26.83	(365.50)	(444.10)	211.03

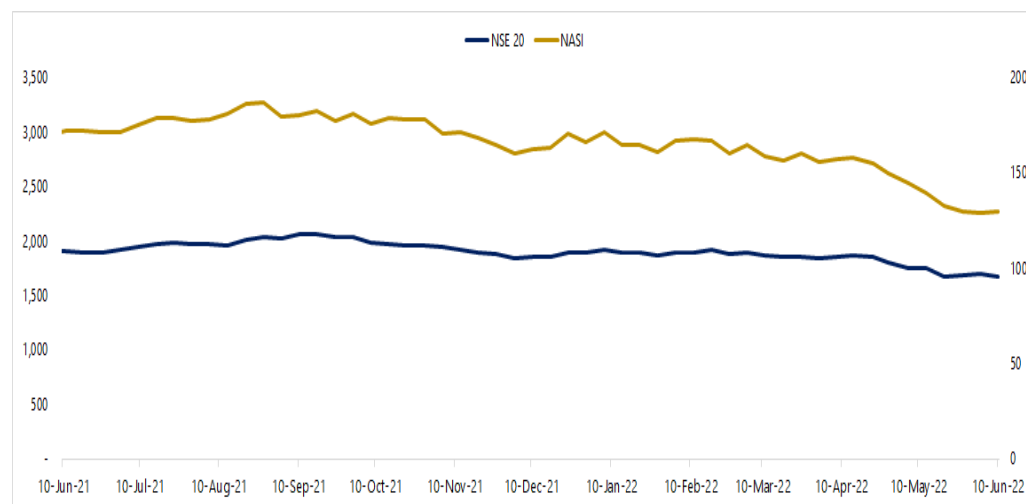
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes

(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend



Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

.....
Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 11.11 MN (KES 1.30 BN) representing 62.85% of this week's turnover.

The stock **rose** by 1.9% w-o-w to close at KES 26.70 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 94.56% of foreign sales and 36.73% of foreign purchases.

.....

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Car & General	17.9
Olympia Capital	14.4
Sameer Africa	12.7
ABSA Bank	9.5
Longhorn	8.4

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Uchumi	(15.0)
NBV Ltd	(10.8)
NSE	(10.4)
Express	(10.0)
Kapchorua Tea	(10.0)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	11.11
Equity Group	3.20
ABSA Bank	0.88
KCB Group	0.69
E.A Breweries	0.54

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Car & General	35.5
Crown Paints	32.0
Umeme	18.7
E.A. Portland	17.1
Nation Media	15.7

(Source: NSE, DBIB Research)

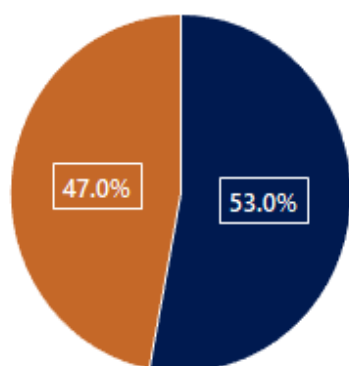


<u>Top Losers</u>	<u>%</u>
NBV Ltd	(35.6)
Centum	(32.5)
Safaricom	(29.6)
Uchumi	(29.2)
Liberty Kenya	(25.4)

(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>
BK Group	94.7
Crown Paints	92.0
E.A Breweries	71.3
Safaricom	36.7
BAT Kenya	30.5

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
E.A Breweries	96.9
BK Group	96.4
BAT Kenya	96.2
Safaricom	94.6
Kenya Re	92.2

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	99.9
Crown Paints	96.6
BK Group	95.8
Stanbic Holdings	82.5
BAT Kenya	80.7

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	97.8
Safaricom	86.6
BAT Kenya	82.1
E.A Breweries	79.8
TPS E.A	78.8

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 108.07 MN (KES 12.65 BN) representing a 18.7% w-o-w rise from USD 91.07 MN (KES 10.64 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 108.07 MN (KES 12.65 BN) representing a 18.7% w-o-w rise from USD 91.07 MN (KES 10.64 BN) recorded the previous week. The bond issue number FXD1/2021/05Yr emerged as the top traded bond with a turnover of KES 3.30 BN accounting for 26.1% of the week's turnover. The bond traded between 12.2500% and 12.5000%.

June Auction Results: IFB1/2022/18 (New)

The Central Bank of Kenya (CBK) issued an infrastructure bond IFB1/2022/18 with the aim of raising KES 75.0 BN for funding of infrastructure projects in FY21/22. The bond received bids worth KES 76.4 BN, representing a subscription rate of 101.83% of which the CBK accepted KES 73.8 BN. The weighted average rate of accepted bids came in at 13.742% which also serves as the coupon rate.

Top Trades for the week ending 10 June 2022

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
7-Jun	FXD1/2021/5Yr	4.4	11.2770	12.2500	97.41	1,275.0
8-Jun	FXD1/2021/5Yr	4.4	11.2770	12.5000	96.62	700.0
8-Jun	FXD 1/2016/10Yr	4.2	15.0390	12.5000	112.48	666.7
10-Jun	FXD 1/2016/10Yr	4.2	15.0390	12.3000	113.23	666.7
6-Jun	IFB 1/2016/9Yr	2.9	12.5000	11.0000	103.69	400.0
8-Jun	FXD1/2021/5Yr	4.4	11.2770	12.3000	97.27	400.0
8-Jun	IFB 1/2021/18Yr	16.8	12.6670	13.5000	97.25	350.0
6-Jun	FXD1/2021/5Yr	4.4	11.2770	12.4500	96.72	300.0
6-Jun	FXD1/2019/20Yr	16.8	12.8730	13.1000	100.41	300.0
7-Jun	FXD1/2019/20Yr	16.8	12.8730	13.0600	100.71	300.0
8-Jun	FXD1/2021/5Yr	4.4	11.2770	12.3250	97.19	300.0
8-Jun	IFB 1/2020/11Yr	9.2	10.9000	11.3500	101.17	300.0
10-Jun	FXD1/2021/20Yr	19.1	13.4440	13.7000	102.62	300.0
10-Jun	FXD1/2021/25Yr	23.8	13.9240	13.9054	101.32	300.0

Sell & buy-backs

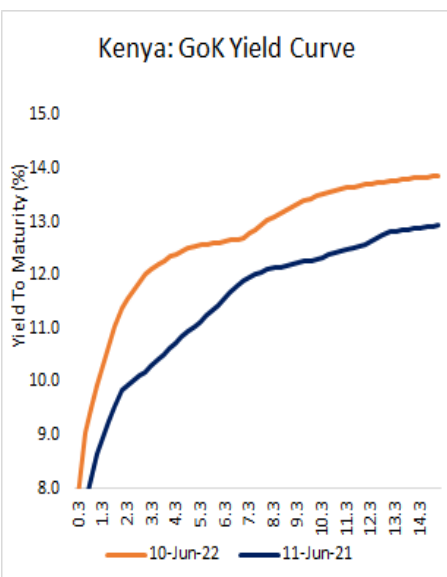
9-Jun	IFB 1/2020/11Yr	9.2	10.9000	11.3320	101.28	300.0
6-Jun	FXD1/2022/15Yr	14.8	13.9420	12.5155	111.10	270.0
10-Jun	FXD1/2018/20Yr	15.7	13.2000	12.8750	105.06	250.0
10-Jun	FXD1/2018/20Yr	15.7	13.2000	12.8500	105.23	250.0

(Source: NSE, DBIB Research)

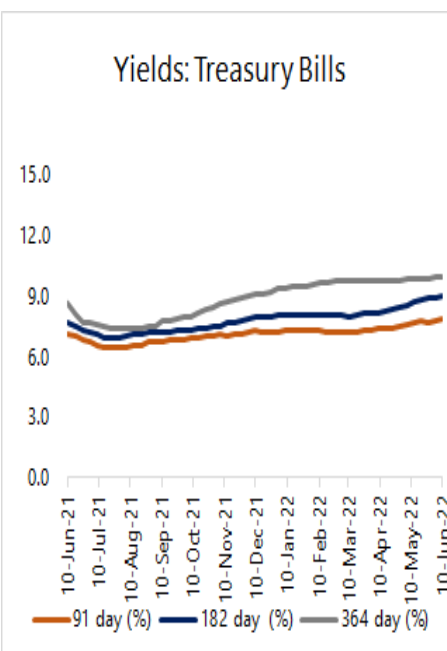
Treasury Bill auction for the week ending 10 June 2022

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	3.25	81.13	3.24	7.866	5.5
182-day	10.00	4.00	40.00	4.00	9.037	6.3
364-day	10.00	7.46	74.57	6.78	9.952	1.7

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

Centum to offload its shareholding in Sidian Bank

.....

Centum Investments has entered into an agreement to sell all its shareholding (83.4% shareholding) in Sidian Bank Ltd to Access Bank Plc.

.....

Centum Investments has entered into an agreement to sell all its shareholding (83.4% shareholding) in Sidian Bank Ltd to Access Bank Plc. The transaction involves a total sum of KES 4.3 BN which is subject to any customary adjustments at the time of the completion of the transaction.

Source: Company filings

.....

TPS E.A and AKFED have entered into a conditional debt conversion agreement which will see TPS E.A convert a debt owed to AKFED into new shares of the company.

.....

Proposed conversion of a debt owed by TPS E.A to AKFED

TPS E.A and Aga Khan Fund for Economic Development S.A (AKFED) have entered into a conditional debt conversion agreement which will see TPS E.A convert a debt owed to AKFED into new shares of the company. The conversion is subject to approval by the CMA and the company's shareholders at the AGM.

Source: Company filings

.....

The Treasury has cancelled the planned issuance of a USD 1.0 BN Eurobond owing to the increased cost of borrowing in international markets.

.....

Treasury cancels issuance of USD 2.0 BN Eurobond

The Treasury has cancelled the planned issuance of a USD 1.0 BN Eurobond owing to the increased cost of borrowing in international markets. Eurobond yields have persistently increased over the last several weeks due to tighter financial conditions globally and heightened geo-political risks. According to the Treasury Cabinet Secretary, the Treasury is now looking to borrow through more affordable syndicated commercial loans.

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
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
Crown Paints	11:00 a.m.	Virtual	28-Jun-22
Equity Group	10:00 a.m.	Virtual	29-Jun-22
Flame Tree	12:00 noon	Virtual	29-Jun-22
TPS E.A	9:30 a.m.	Virtual	30-Jun-22
Home Afrika	10:00 a.m.	Virtual	30-Jun-22
DTB Group	11:00 a.m.	Virtual	30-Jun-22
TotalEnergies	2:00 p.m.	Virtual	30-Jun-22
Nation Media	3:00 p.m.	Virtual	30-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.*

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