

DBIB WEEKLY BULLETIN

WEEK 35

Date: 02.09.2022

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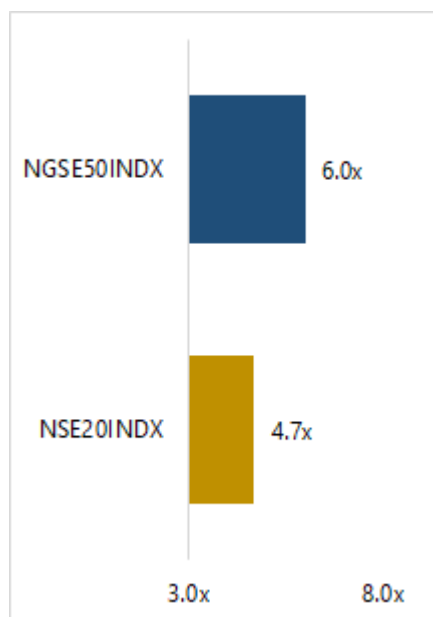
INDICES & MARKET METRICS MOVEMENT

NSE 20 and **NASI** grew by 0.8% and 0.1% w-o-w to close at 1,763.40 and 138.01 respectively.

Weekly equity turnover grew by 138.5% w-o-w to USD 15.17 MN (KES 1.82 BN).

USD | KES: KES weakened 0.5% w-o-w to close at 120.12 (-6.5% 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	138.01	0.07	6.65	(23.10)	(17.09)
NSE-20	1,763.40	0.81	3.74	(12.93)	(7.31)
DBIB Select	39.88	0.08	(55.58)	(63.33)	(59.20)
FTSE 15	170.14	-	(2.67)	(20.88)	(18.79)
FTSE 25	170.32	-	(3.24)	(28.43)	(24.10)
FTSE Frontier 50	43,846.53	(0.17)	(4.49)	(11.59)	(14.74)

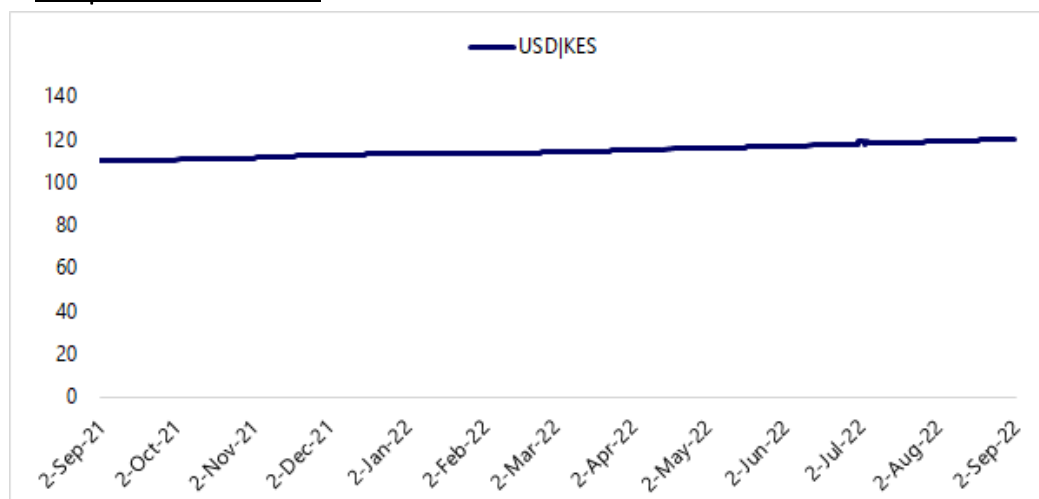
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,150.68	0.07	(2.83)	6.66	(23.10)
Market Turnover (USD m)	15.17	138.54	11.63	(23.81)	(15.95)
Market P/E (x)	2.90	(29.27)	(44.10)	(77.98)	(83.73)
Market Div. yld (%) *	6.70	-	25.88	330.94	217.06
Market ROE (%) *	37.00	(11.00)	180.08	(79.72)	(253.67)

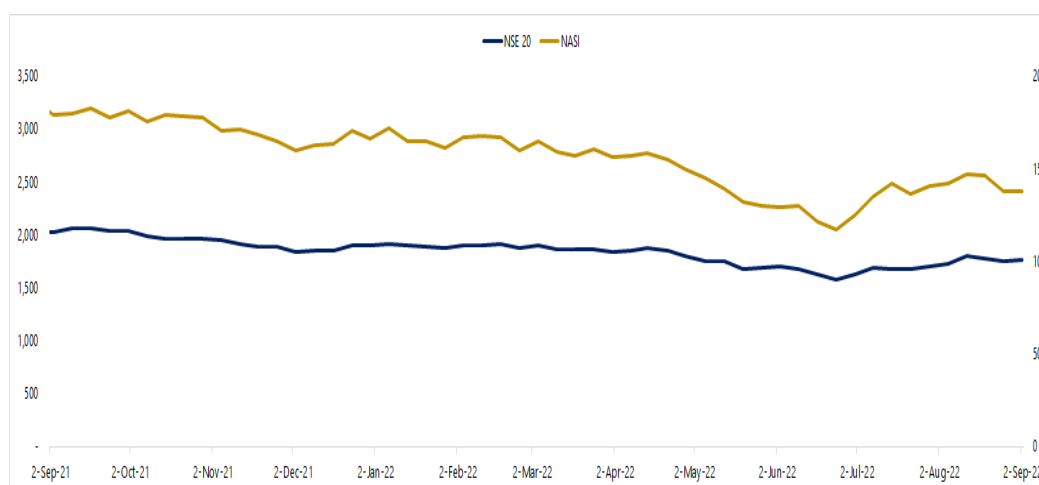
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes

(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 9.60 MN (KES 1.15 BN) representing 62.34% of this week's turnover.

The stock **remained constant** w-o-w at KES 28.05 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 87.15% of foreign sales and 21.34% of foreign purchases.

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<u>Top gainers</u>	<u>%</u>
Kapchorua Tea	14.4
Car & General	13.9
Portland Cement	12.0
Unga Group	9.3
Eaagads	8.0

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Sameer Afrika	(17.4)
NBV Ltd	(10.4)
Standard Group	(9.5)
E.A Cables	(8.8)
Sanlam	(8.3)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	9.60
Equity Group	2.70
E.A Breweries	0.94
KCB Group	0.91
NCBA Group	0.15

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Limuru Tea	59.4
Crown Paints	43.0
Car & General	32.5
Olympia Capital	30.0
Portland Cement	26.1

(Source: NSE, DBIB Research)

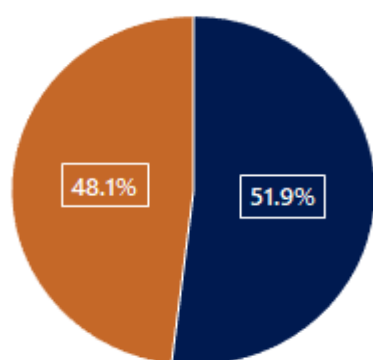


<u>Top Losers</u>	<u>%</u>
NBV Ltd	(47.5)
Centum	(32.6)
Safaricom	(26.1)
Jubilee Holdings	(24.2)
Eveready E.A	(21.4)

(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>
Equity Group	81.1
Jubilee Holdings	73.4
E.A Breweries	57.6
Flame Tree Group	47.5
Safaricom	21.3

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
E.A Breweries	88.1
Safaricom	87.1
Nation Media Group	78.1
KenGen	77.3
Jubilee Holdings	74.7

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	99.9
Crown Paints	89.5
BK Group	86.4
Stanbic	79.4
BAT Kenya	71.8

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
KPLC	98.5
New Gold ETF	97.7
Safaricom	86.8
BAT Kenya	84.3
E.A Breweries	80.0

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 137.78 MN (KES 16.55 BN) representing a 16.30% w-o-w fall from USD 164.57 MN (KES 19.67 BN) recorded the previous week.

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September re-openings: FXD1/2022/010 and FXD1/2022/015:

The Central Bank of Kenya has re-opened the bonds FXD1/2022/010 (9.6 years) and FXD1/2022/015 (14.5 years) with the aim of raising KES 50.0 BN for budgetary support. The coupon rate for FXD1/2022/010 stands at 13.490% while that of FXD1/2022/015 stands at 13.492%. The period of sale runs from 25th August 2022 to 13th September 2022.

Top Trades for the week ending 02 September 2022

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
30-Aug	FXD1/2020/15Yr	12.4	12.7560	13.9500	93.30	800.0
31-Aug	FXD1/2020/15Yr	12.4	12.7560	13.9500	93.30	800.0
29-Aug	FXD1/2021/20Yr	18.9	13.4440	13.9500	97.16	500.0
30-Aug	FXD1/2019/20Yr	16.6	12.8730	13.9500	98.05	500.0
31-Aug	FXD1/2019/20Yr	16.6	12.8730	13.9500	98.05	500.0
1-Sep	FXD1/2019/20Yr	16.6	12.8730	13.9500	98.12	500.0
29-Aug	FXD2/2019/15Yr	11.7	12.7340	13.6193	98.76	400.0
29-Aug	FXD1/2021/20Yr	18.9	13.4440	13.8750	97.64	324.0
1-Sep	FXD1/2021/5Yr	4.2	11.2770	12.7000	98.78	300.0
1-Sep	FXD1/2020/15Yr	12.4	12.7560	13.8000	94.21	300.0
1-Sep	IFB 1/2022/19Yr	18.4	12.9650	13.3000	98.32	257.0
1-Sep	IFB 1/2022/19Yr	18.4	12.9650	13.3183	98.21	250.0
29-Aug	FXD2/2013/15Yr	5.6	12.0000	13.5000	98.56	200.0

Sell & Buy-back

29-Aug	IFB 1/2022/18Yr	17.7	13.7420	13.4000	97.62	435.0
1-Sep	FXD1/2018/20Yr	15.5	13.2000	13.1780	106.07	125.0
30-Aug	FXD1/2021/25Yr	23.6	13.9240	11.2500	126.27	100.0
30-Aug	FXD1/2021/25Yr	23.6	13.9240	11.2250	126.51	100.0
31-Aug	FXD1/2021/25Yr	0.0	13.9240	11.2500	126.27	-
31-Aug	FXD1/2021/25Yr	23.6	13.9240	11.2250	126.51	100.0

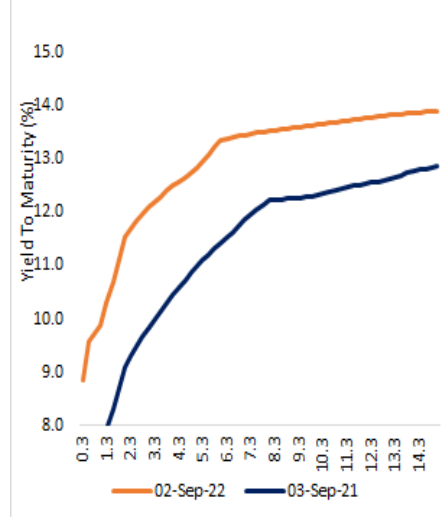
(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 02 September 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	16.26	406.56	8.44	8.860	9.3
182-day	10.00	11.23	112.27	9.29	9.576	4.4
364-day	10.00	3.41	34.12	3.41	9.876	(3.4)

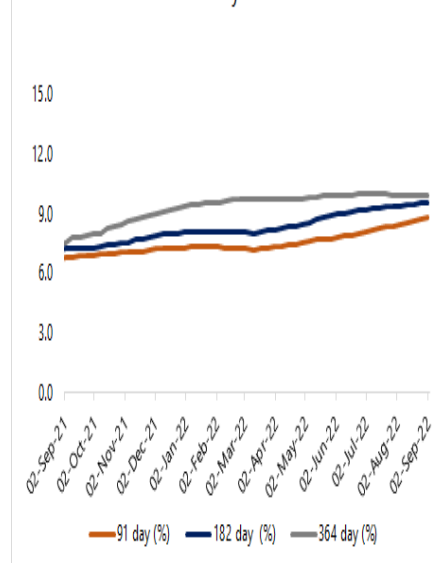
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

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Britam has released its 1H22 results reporting a 77.4% y-o-y growth in after-tax profits to KES 667.5 MN.

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Britam Group: 1H22 Earnings Snapshot

Britam has released its 1H22 results reporting a **77.4% y-o-y growth in after-tax profits to KES 667.5 MN**. The improved profitability was primarily steered by a 5.1% y-o-y advancement in net earned premiums to KES 12.6 BN, a 25.9% y-o-y growth in investment income to KES 6.2 BN and an 18.7% y-o-y decline in total expenses to KES 15.4 BN. EPS for the period closed off at KES 0.23 vis-à-vis KES 0.14 in 1H21.

Net earned premiums rose by 5.1% y-o-y to KES 12.6 BN characterized by a 6.2% y-o-y increase in gross earned premiums to KES 15.8 BN and an 11.1% y-o-y rise in premiums ceded to KES 3.2 BN. International general insurance business contributed 23.0% of the group's total gross earned premiums.

Investment income went up by 25.9% y-o-y to KES 6.2 BN mainly driven by income from dividends and interest. Net unrealized losses on assets held at FVPL stood at KES 3.5 BN compared to a gain of KES 1.4 BN recorded in 1H21 mainly due to the upward shift in the yield curve.

Net claims and benefits dropped by 1.5% y-o-y to KES 9.2 BN placing the claims ratio at 73.5%, 491 bps lower y-o-y. Operating and other expenses dwindled by 22.2% y-o-y to KES 3.8 BN placing the expense ratio at 30.3% compared to 41.0% in 1H21. Commission payable decreased by 13.9% y-o-y to KES 1.8 BN while commission earned shed 13.1% y-o-y to KES 674.1 MN. As a result, the acquisition ratio fell by 196 bps y-o-y to 8.6%. Altogether, the combined ratio eased from 130.0% in 1H21 to 112.5%.

The group's total assets dropped by 1.4% y-o-y to KES 151.3 BN predominantly driven by a 1.7% y-o-y decrease in investment assets to KES 128.4 BN. Total liabilities declined by 2.2% y-o-y to KES 131.4 BN while total equity increased by 4.1% y-o-y to KES 19.9 BN.

On a trailing basis, Britam is trading at a P/E multiple of 44.0x and a P/B of 0.8x against sector median price multiples of 2.5x and 0.6x respectively. Its ROE stands at 1.8% while its ROA stands at 0.2%.

Source: Company filings, DBIB Research

UPCOMING EVENTS

Profit Warnings

1. Sameer

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Jubilee Holdings	Interim: KES 1.00	09-Sep-22	11-Oct-22
BAT Kenya	Interim: KES 5.00	12-Aug-22	16-Sep-22
NCBA Group	Interim: KES 2.00	15-Sep-2022	30-Sep-22
E.A Breweries	Final: KES 7.25	15-Sep-22	30-Oct-22
ABSA Kenya	Interim: KES 0.20	21-Sep-22	12-Oct-22
BOC Kenya	Interim: KES 1.60	30-Sep-22	22-Oct-22
Centum	Final: KES 0.587	26-Jul-22	STA*

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
E.A Breweries	11:00 am	Safari Park Hotel	15-Sep-2022
Centum	8:00 am	Virtual	16-Sep-2022
Eagaads	11:00 am	Virtual	30-Sep-2022

(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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