

DBIB WEEKLY BULLETIN

WEEK 37

Date: 16.09.2022

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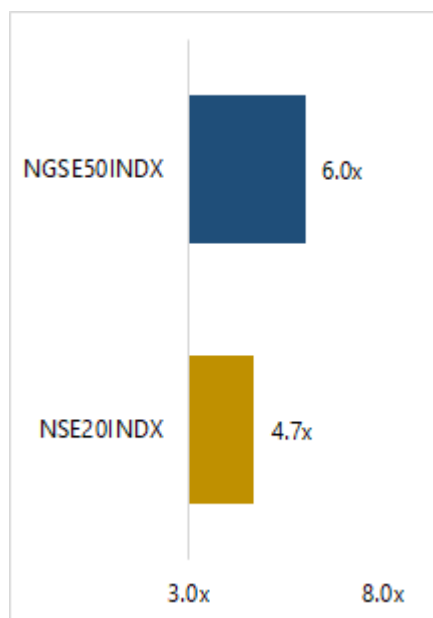
INDICES & MARKET METRICS MOVEMENT

NSE 20 and **NASI** fell by 2.2% and 6.6% w-o-w to close at 1,747.84 and 132.34 respectively.

Weekly equity turnover grew by 71.90% w-o-w to USD 23.11 MN (KES 2.78 BN).

USD | KES: KES weakened 0.1% w-o-w to close at 120.41 (-6.4% 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	132.34	(6.57)	8.64	(27.58)	(20.50)
NSE-20	1,747.84	(2.22)	7.44	(15.21)	(8.13)
DBIB Select	39.88	(0.03)	(54.37)	(63.65)	(59.20)
FTSE 15	170.14	-	2.83	(22.95)	(18.79)
FTSE 25	170.32	-	3.11	(30.17)	(24.10)
FTSE Frontier 50	43,256.30	(2.17)	(1.90)	(13.87)	(15.88)

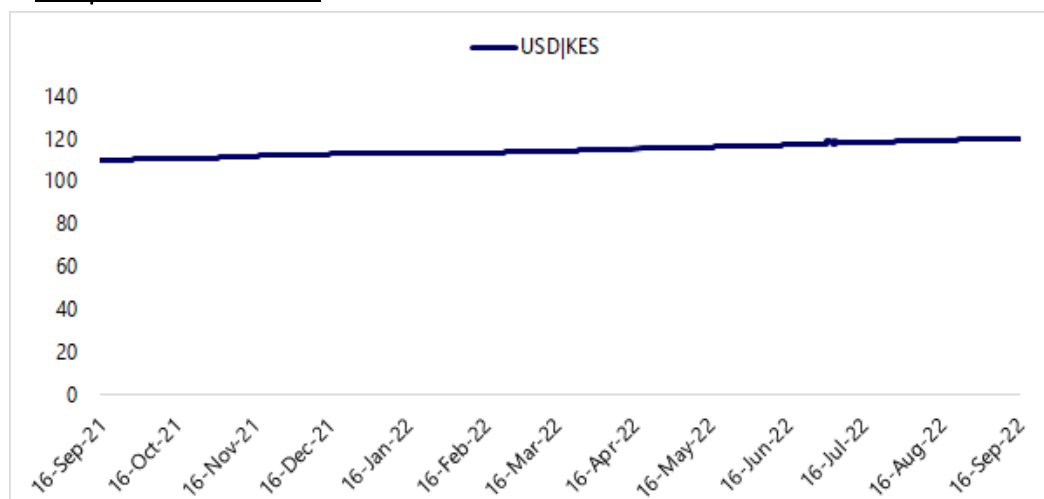
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,062.19	(6.58)	(9.58)	8.67	(27.59)
Market Turnover (USD m)	23.11	71.90	157.09	27.68	1.21
Market P/E (x)	1.80	(59.09)	(65.22)	(85.00)	(90.18)
Market Div. yld (%) *	7.00	40.00	(26.90)	367.56	160.55
Market ROE (%) *	36.67	(54.00)	167.87	(126.41)	(230.98)

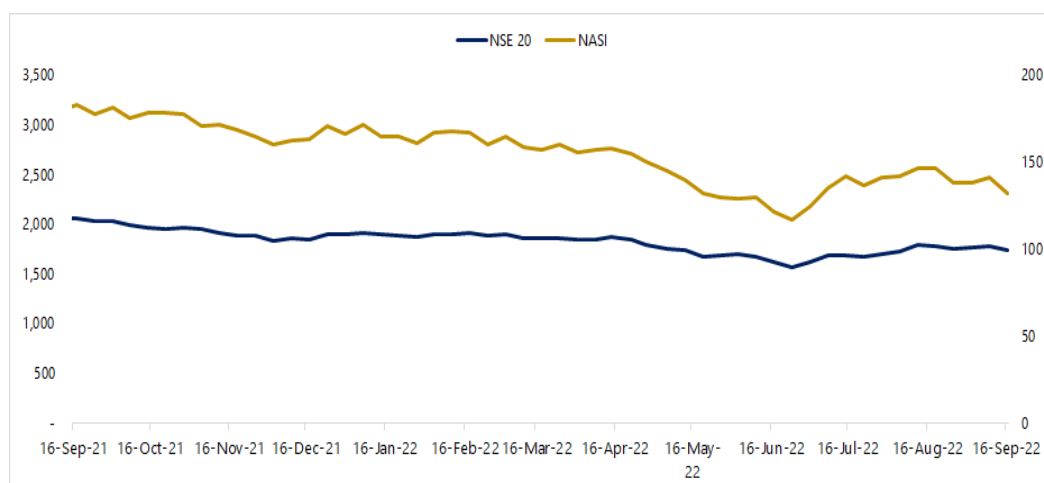
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes

(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 8.56 MN (KES 1.03 BN) representing 37.05% of this week's turnover.

The stock fell by 9.2% w-o-w at KES 26.55 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 61.66% of foreign sales and 21.29% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
KPLC	23.1
Car & General	12.2
NBV Ltd	8.1
Longhorn Publishers	6.4
Kakuzi Ltd	6.0

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Standard Group	(16.1)
Limuru Tea	(13.5)
Portland Cement	(11.3)
Safaricom	(9.2)
BOC Kenya	(8.2)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	8.56
KCB Group	2.17
Equity Group	2.06
E.A Breweries	1.06
NCBA Group	0.86

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Limuru Tea	37.8
Crown Paints	35.6
Car & General	34.0
Olympia Capital	29.0
Williamson Tea	22.3

(Source: NSE, DBIB Research)

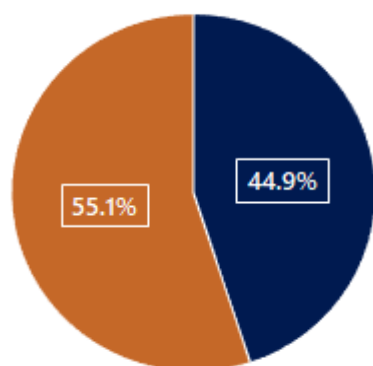


<u>Top Losers</u>	<u>%</u>
NBV Ltd	(42.7)
Centum	(32.3)
Safaricom	(30.0)
Jubilee Holdings	(22.6)
I&M Group	(19.7)

(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
Stanbic	98.5
Williamson Tea	91.6
Nation Media	67.0
E.A Breweries	59.1

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
New Gold ETF	100.0
Williamson Tea	97.8
Nation Media	92.6
Jubilee Holdings	79.3
E.A Breweries	66.0

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
BK Group	86.5
Stanbic	79.7
Crown Paints	79.2
BAT Kenya	71.3

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	98.5
KPLC	98.5
Safaricom	85.4
BAT Kenya	83.9
E.A Breweries	79.0

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 62.52 MN (KES 7.53 BN) representing a 66.50% w-o-w fall from USD 186.89 MN (KES 22.48 BN) recorded the previous week.

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September Issue Results: FXD1/2022/10 & FXD1/2022/15 (Re-opens)

The Central Bank of Kenya (CBK) reopened FXD1/2022/10 and FXD1/2022/15 treasury bonds with an aim of raising KES 50.0 BN. From the auction, the CBK received bids worth KES 28.52 BN for FXD1/2022/10 and KES 17.62 BN for FXD1/2022/15 (a total of KES 46.13 BN); and accepted KES 25.62 BN for FXD1/2022/10 and KES 13.41 BN for FXD1/2022/15 (a total of KES 39.03 BN). The coupon rates stand at 13.490% for FXD1/2022/10 and 13.942% for FXD1/2022/15.

Top Trades for the week ending 16 September 2022

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
16-Sep	FXD4/2019/10Yr	7.2	12.2800	13.3000	99.24	750.0
16-Sep	FXD1/2012/15Yr	5.0	11.0000	12.8500	93.45	605.0
15-Sep	FXD1/2012/15Yr	5.0	11.0000	13.0500	92.74	600.0
15-Sep	FXD1/2019/5Yr	1.4	11.3040	10.9000	101.25	500.0
15-Sep	FXD4/2019/10Yr	7.2	12.2800	13.5900	97.94	500.0
12-Sep	IFB 1/2017/7Yr	2.2	12.5000	11.4909	104.85	387.0
15-Sep	FXD2/2010/15Yr	3.2	9.0000	12.3000	93.68	300.0
15-Sep	IFB 1/2022/18Yr	17.7	13.7420	13.4000	105.51	300.0
15-Sep	FXD 4/2019/10Yr	7.2	12.2800	13.5900	97.98	250.0
15-Sep	FXD2/2018/20Yr	15.8	13.2000	13.9900	96.86	250.0
12-Sep	IFB 1/2022/18Yr	17.7	13.7420	13.2747	106.15	200.0
14-Sep	FXD1/2019/20Yr	16.5	12.8730	13.9900	98.36	190.0
16-Sep	FXD2/2018/20Yr	15.8	13.2000	13.8700	97.62	179.0
12-Sep	FXD 1/2021/2Yr	0.3	9.4860	9.3000	101.68	150.0

Sell & Buy-back

16-Sep	FXD2/2019/15Yr	11.6	12.7340	12.2700	107.35	200.0
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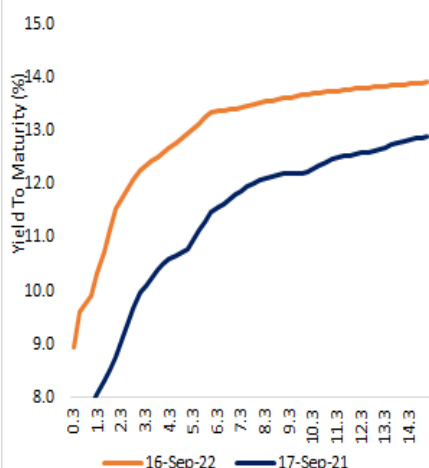
(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 16 September 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	9.94	248.40	4.07	8.950	4.0
182-day	10.00	11.39	113.92	11.36	9.615	1.6
364-day	10.00	1.96	19.57	1.94	9.913	(0.2)

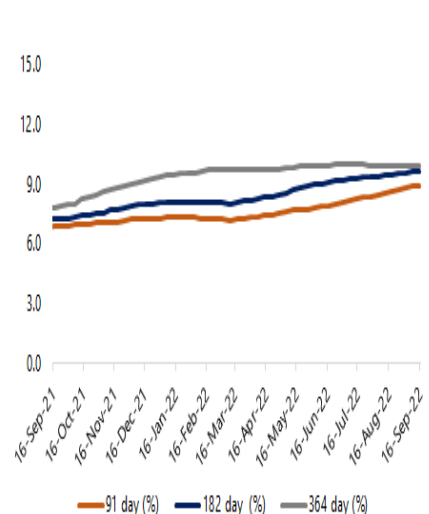
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

Salient News

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Equity Bank Kenya has entered into an Assets and Liabilities Purchase Agreement with Spire Bank for the purchase of certain assets and liabilities of Spire Bank.

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Equity Bank Kenya enters into agreement with Spire Bank

Equity Bank Kenya has entered into an Assets and Liabilities Purchase Agreement with Spire Bank for the purchase of certain assets and liabilities of Spire Bank.

Once the transaction is complete, all existing depositors in Spire Bank (c. 20,000) will become customers of Equity Bank Kenya which will take on the obligation of meeting these liabilities.

The proposed transaction is immaterial to Equity Bank Kenya and the Equity Group consolidated financial statements. This is because Spire Bank's current customer deposits represent c. 0.25% and 0.14% of Equity Bank Kenya and Equity Group's customer deposits respectively as at 30 June 2022. Furthermore, Spire Bank's current net loans represent c. 0.23% and 0.15% of Equity Bank Kenya and Equity Group's net loans respectively as at 30 June 2022.

The agreement stipulates that Spire Bank will pay a cash amount to Equity Bank Kenya such that the value of loan assets plus the cash amount paid to Equity Bank Kenya exactly equals the value of deposit liabilities Equity Bank Kenya will assume on completion of the proposed transaction.

The estimated cash consideration is KES 468.0 MN although the final amount paid will vary to take into account changes in Spire Bank's customer deposits and loan book up to the completion date.

The completion of the transaction is subject to regulatory approvals as well as board and shareholder approvals of Equity Bank Kenya and Spire Bank.

Source: Company Filings

UPCOMING EVENTS

Profit Warnings

1. Sameer

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
NCBA Group	Interim: KES 2.00	15-Sep-2022	30-Sep-22
Jubilee Holdings	Interim: KES 1.00	09-Sep-22	11-Oct-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>
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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