



**DYER & BLAIR**  
INVESTMENT BANK

# DBIB WEEKLY BULLETIN

# WEEK 15

Date: 14.04.2023

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# INDICES & MARKET METRICS MOVEMENT

**NSE 20 & NASI** dropped by 1.9% and 2.4% w-o-w to close at 1,613.85 and 111.56 respectively.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	111.56	(2.36)	(9.49)	(14.12)	(12.48)
NSE-20	1,613.85	(1.93)	(4.80)	(5.08)	(3.71)
DBIB Select	107.62	(0.07)	(1.34)	9.19	(1.54)
MSCI Kenya (USD)	856.07	(1.95)	(19.73)	(26.53)	(22.48)
MSCI Frontier (USD)	485.41	0.22	(0.68)	3.57	2.77

(Source: NSE, Bloomberg, DBIB Research)

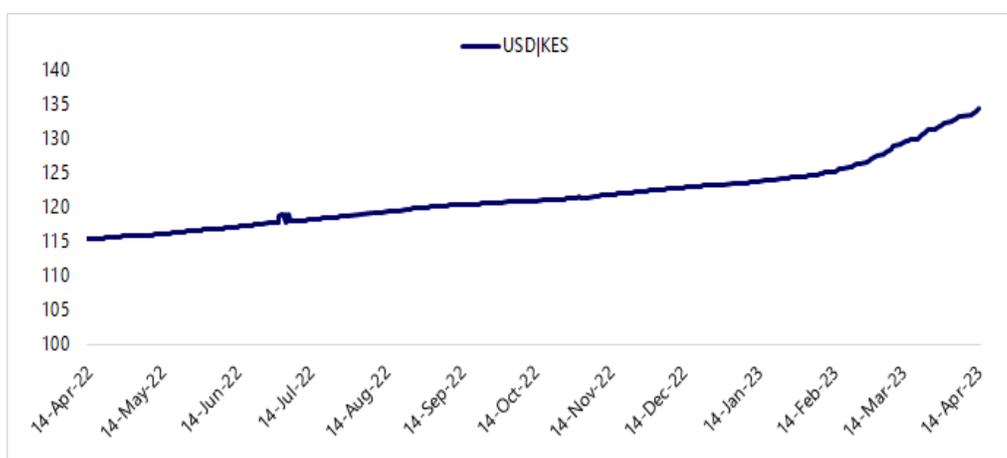
**Weekly equity turnover** dropped by 33.1% w-o-w to close at USD 7.67 MN (KES 1.03 BN).

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,737.57	(2.37)	7.91	(9.52)	(14.15)
Market Turnover (USD m)	7.67	(33.06)	(65.97)	(18.21)	(22.01)
Market P/E (x)	7.66	(10.43)	(4.58)	(24.16)	219.17
Market Div. yld (%) *	9.20	18.73	130.00	210.00	321.04
Market ROE (%) *	35.57	(5.53)	75.00	(119.00)	(402.29)

\* Changes in % \*\*Changes in bps -Market ROE is market cap weighted -ch: changes (Source: NSE, DBIB Research)

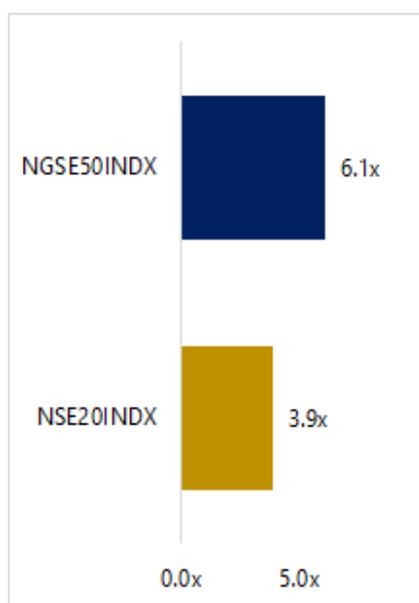
**USD | KES: KES weakened** 0.8% w-o-w to close at 134.35 (-8.9% year-to-date).

## USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

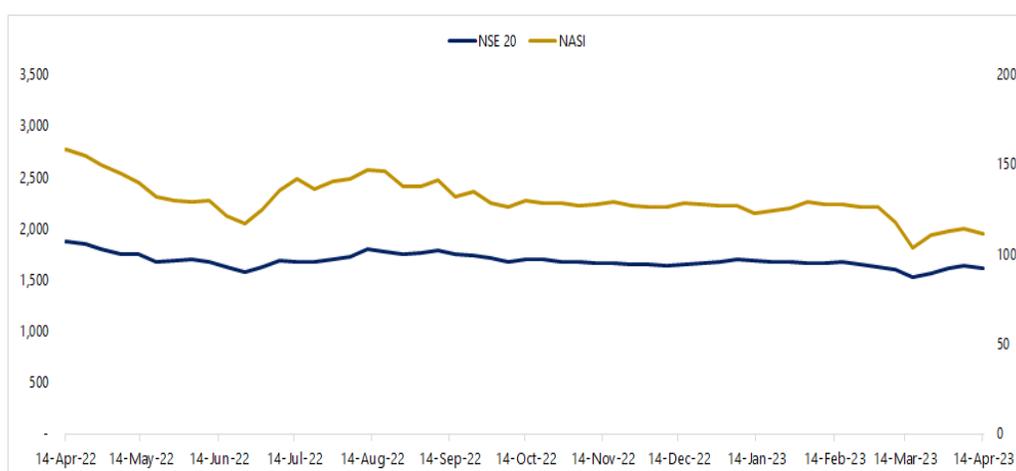
## PEER P/E MULTIPLES



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

\*LTM Price/EPS

## Indices : 52-Week Trend



(Source: NSE, DBIB Research)

# WEEKLY BOURSE WRAP UP...

.....  
**Equity Group** emerged as the top traded counter on the bourse recording a weekly turnover of USD 3.17 MN (KES 425.84 MN) representing 41.35% of this week's turnover.

The stock **fell** by 2.2% w-o-w to close at KES 44.50 on Friday.

Foreign investors assumed a **net buying** position on the counter this week by accounting for 34.66% of foreign sales and 93.51% of foreign purchases.

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## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Umeme Ltd	20.9
Unga Group	13.2
Kapchorua Tea	11.1
E.A. Cables	9.8
<u>E.A. Portland</u>	<u>9.5</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Liberty Kenya	(16.4)
Standard Group	(12.3)
FAHARI I-REIT.	(12.0)
Flame Tree	(10.1)
<u>Sameer Africa</u>	<u>(10.0)</u>

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Equity Group	3.17
Safaricom	1.73
KCB Group	1.39
Co-operative Bank	0.34
<u>E.A Breweries</u>	<u>0.27</u>

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Umeme	102.8
Kenya Orchards	44.2
Sasini	21.2
I&M Group	20.9
<u>Housing Finance</u>	<u>19.4</u>

(Source: NSE, DBIB Research)

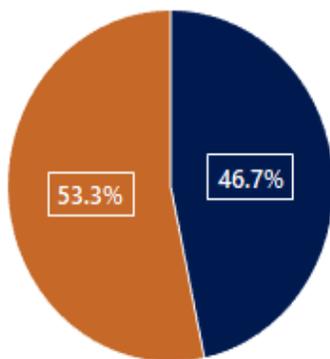


<u>Top Losers</u>	<u>%</u>
Car & General	(36.8)
Unga Group	(34.5)
Liberty Kenya	(33.8)
Kakuzi	(31.4)
<u>Safaricom</u>	<u>(26.3)</u>

(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
Equity Group	93.5
BK Group	82.0
Safaricom	68.9
<u>Crown Paints</u>	<u>19.8</u>

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BK Group	98.2
BAT Kenya	98.0
E.A Breweries	86.8
Safaricom	68.9
<u>KenGen</u>	<u>47.9</u>

## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	91.0
Flame Tree Group	64.8
Equity Group	60.1
Stanbic Holdings	53.0
<u>ABSA Bank</u>	<u>48.9</u>

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	94.9
BAT Kenya	93.0
Safaricom	82.2
TPS E.A	81.9
<u>Unga Ltd</u>	<u>81.7</u>

## FROM THE FIXED INCOME DESK

The **Bond market's** turnover for the week stood at USD 62.96 MN (KES 8.46 BN) representing a 39.1% w-o-w increase from USD 45.27 MN (KES 6.03 BN) recorded the previous week.

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### April Issue: FXD1/2022/03 & FXD1/2019/15 (re-opens)

The CBK issued FXD1/2022/03 (2.1 yrs.) and FXD1/2019/15 (10.9 yrs.) with the intention of raising 30.0 BN for budgetary support. The coupon rates for FXD1/2022/03 and FXD1/2019/15 stand at 11.766% and 12.857% respectively. The period of sale for both bonds runs from 16th March 2023 to 18th April 2023.

### Top Trades for the week ending 14 April 2023

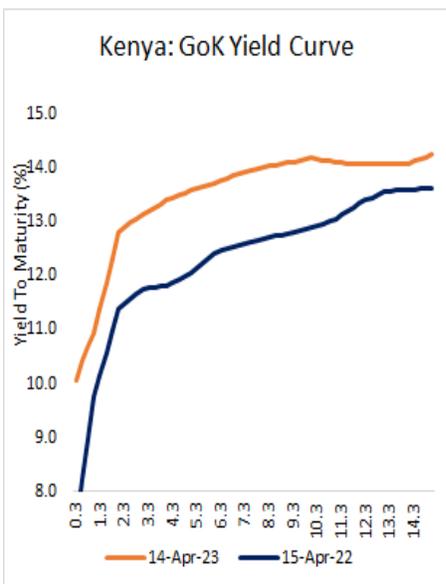
						Total
						Value
						Price
						Yield
						Coupon
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
13-Apr	FXD1/2020/5Yr	2.1	11.6670	13.1750	102.35	1,000.0
14-Apr	FXD1/2020/5Yr	2.1	11.6670	12.8000	103.04	1,000.0
11-Apr	IFB1/2020/11Yr	8.3	10.9000	14.3000	88.90	700.0
14-Apr	IFB1/2019/16Yr	12.5	11.7500	14.5000	91.52	425.5
11-Apr	IFB1/2019/16Yr	12.5	11.7500	13.6600	95.41	400.0
14-Apr	FXD1/2018/25Yr	20.1	13.4000	14.0674	99.78	380.0
12-Apr	IFB1/2018/15Yr	9.8	12.5000	14.5000	93.79	300.0
13-Apr	IFB1/2019/16Yr	12.5	11.7500	13.6500	95.49	300.0
11-Apr	IFB1/2019/16Yr	12.5	11.7500	13.7000	95.18	200.0
13-Apr	FXD1/2021/20Yr	18.3	13.4440	14.8000	93.63	200.0
13-Apr	IFB1/2019/25Yr	20.9	12.2000	14.4000	87.62	200.0
14-Apr	FXD1/2021/20Yr	18.3	13.4440	14.4000	96.04	200.0
13-Apr	IFB1/2020/11Yr	8.3	10.9000	14.5000	88.30	150.0

(Source: NSE, DBIB Research)

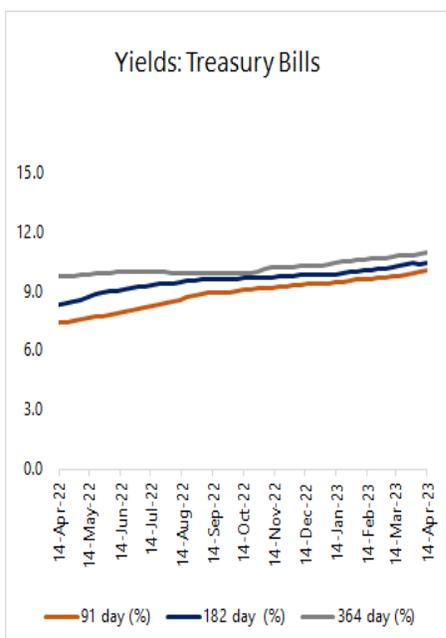
### Treasury Bill auction for the week ending 14 April 2023

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	24.88	621.94	22.83	10.072	6.8
182-day	10.00	2.47	24.72	2.47	10.428	6.0
364-day	10.00	2.07	20.73	2.07	10.932	7.5

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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# Salient News

## Sanlam FY22 Results

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**Sanlam** released its FY22 results reporting after-tax losses of KES 54.1 MN, an improvement from a loss of KES 542.4 MN realized in FY21.

**Sanlam released its FY22 results reporting after-tax losses of KES 54.1 MN, an improvement from a loss of KES 542.4 MN realized in FY21.** The loss was mainly supported by an 11.1% y-o-y drop in net earned premiums to KES 8.2 BN and a 184.3% y-o-y increase in fair value losses on financial assets held at fair value through profit or loss to KES 1.0 BN. Loss per share for the period closed off at KES 0.16 vis-à-vis a loss per share of KES 5.58 in FY21. The board did not recommend the payment of a dividend for the period.

.....  
**Gross earned premiums went down by 15.4% y-o-y to KES 10.2 BN** while outward reinsurance premium dropped by 29.4% y-o-y to a loss of KES 2.0 BN, placing the net earned premiums at KES 8.2 BN, 11.1% lower y-o-y.

**Investment income rose by 15.8% y-o-y to KES 3.4 BN.** Fair value losses on financial assets held at FVPL stood at KES 1.0 BN compared to a loss of KES 357.1 MN recorded in FY21.

**Net claims and benefits were at KES 7.3 BN (-15.0% y-o-y) placing the claims ratio at 89.2%, 409 bps lower y-o-y.** Operating expenses dwindled by 21.2% y-o-y to KES 1.8 BN placing the expense ratio at 22.5% compared to 25.4% in FY21. Commission payable decreased by 22.1% y-o-y to KES 1.0 BN while commission earned edged down by 26.2% y-o-y to KES 424.6 MN. As a result, the acquisition ratio fell by 285 bps y-o-y to 17.9%. Altogether, the combined ratio eased from 139.4% in FY21 to 129.6%.

**The group's total assets rose by 7.1% y-o-y to KES 37.1 BN** predominantly driven by an 11.4% y-o-y increase in government securities to KES 28.1 BN. Total liabilities increased by 7.4% y-o-y to KES 36.6 BN while total equity dropped by 9.1% y-o-y to KES 541.7 MN.

*Source: Company filings, DBIB Research*

## UPCOMING EVENTS

### Profit Warnings

	<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
1.	Bamburi	E.A Breweries Interim: KES 3.75	16-Feb-23	28-Apr-23
2.	Crown Paints	TransCentury Rights Issue: 5:1	17-Mar-23	20-Apr-23
3.	Flame Tree	Fahari I-REIT First & Final: KES 0.65	06-Apr-23	30-Apr-23
4.	Eveready	KCB Group Final: KES 1.00	06-Apr-23	26-May-23
	Limuru Tea	Final: KES 2.50	14-Apr-23	30-Jun-23
	I&M Group	First & Final: KES 2.25	20-Apr-23	25-May-23
	StanChart Bank	Final: KES 16.00	21-Apr-23	25-May-23
	ABSA Bank	Final: KES 1.15	28-Apr-23	25-May-23
	NCBA Group	Final: KES 2.25	28-Apr-23	31-May-23
	CIC Insurance	Final: KES 0.13	08-May-23	26-May-23
	DTB Kenya	First & Final: KES 5.00	12-May-23	15-Jun-23
	Stanbic Holdings	First & Final: KES 12.60	19-May-23	STA*
	Equity Group	First & Final: KES 4.00	19-May-23	30-Jun-23
	Co-op Bank	First & Final: KES 1.50	24-May-23	09-Jun-23
	BAT Kenya	Final: KES 52.00	26-May-23	15-Jun-23
	Kakuzi	First & Final: KES 24.00	31-May-23	15-Jun-23
	NSE	First & Final: KES 0.20	31-May-23	31-Jul-23
	Kenya Re	Final: KES 0.20	16-Jun-23	28-Jul-23
	Nation Media	Final: KES 1.50	16-Jun-23	31-Jul-23
	BK Group	First & Final: RWF 32.5	22-Jun-23	01-Jul-23
	Umeme Ltd	Final: USH 63.90	27-Jun-23	20-Jul-23

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

## AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
CIC Insurance	10:00 a.m.	Virtual	05-May-23

*(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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