

DBIB WEEKLY BULLETIN

WEEK 16

Date: 20.04.2023

Contents:

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

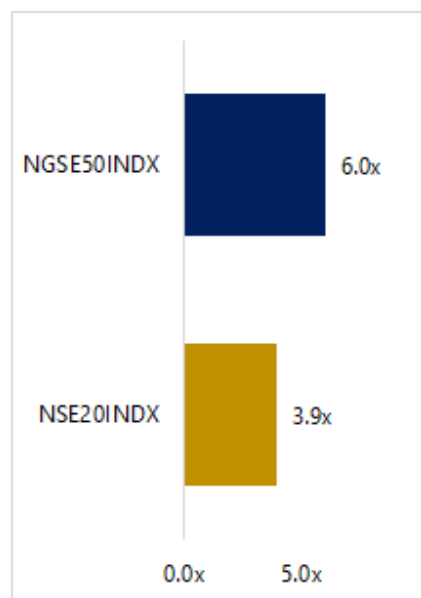
INDICES & MARKET METRICS MOVEMENT

NSE 20 & NASI dropped by 1.2% and 3.3% w-o-w to close at 1,594.06 and 107.84 respectively.

Weekly equity turnover dropped by 39.0% w-o-w to close at USD 4.67 MN (KES 632.0 MN).

USD | KES: KES weakened 0.6% w-o-w to close at 135.19 (-9.6% year-to-date).

PEER P/E MULTIPLES



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

*LTM Price/EPS

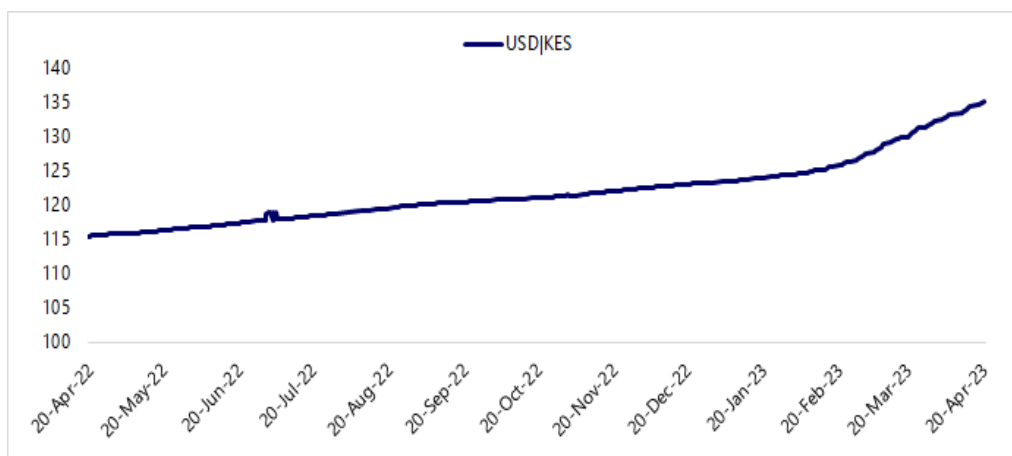
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	107.84	(3.33)	(13.22)	(15.95)	(15.40)
NSE-20	1,594.06	(1.23)	(5.32)	(6.48)	(4.89)
DBIB Select	106.58	(0.97)	(2.31)	8.73	(2.49)
MSCI Kenya (USD)	822.07	(3.97)	(22.80)	(28.74)	(25.56)
MSCI Frontier (USD)	480.97	(0.91)	(2.57)	5.50	1.83

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,679.43	(3.35)	(2.79)	(13.26)	(15.99)
Market Turnover (USD m)	4.67	(39.02)	(97.61)	(87.34)	(9.86)
Market P/E (x)	7.70	0.52	(12.66)	(24.51)	327.78
Market Div. yld (%) *	9.50	30.00	160.00	230.00	336.71
Market ROE (%) *	35.00	(57.00)	(179.00)	(169.00)	(437.30)

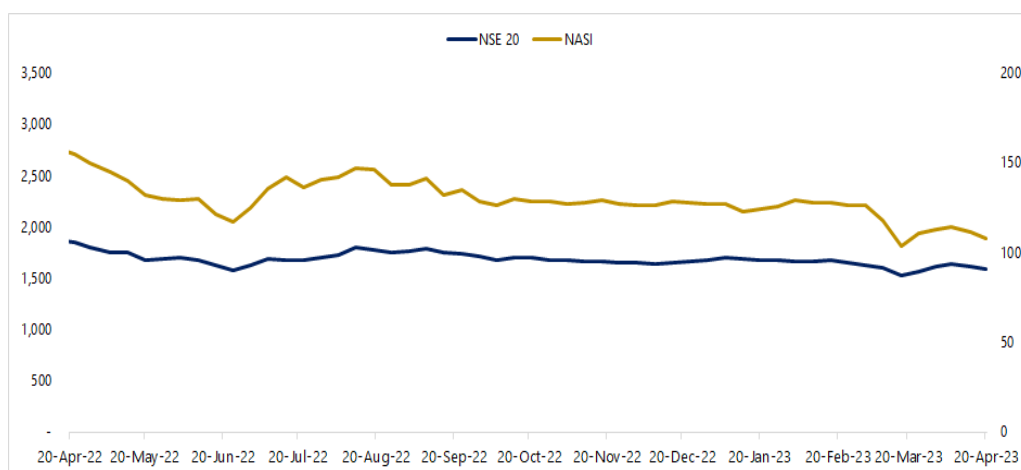
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes
(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

Safaricom emerged as the top traded counter on the bourse recording a weekly turnover of USD 2.33 MN (KES 314.83 MN) representing 49.82% of this week's turnover.

The stock fell by 7.3% w-o-w to close at KES 16.50 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 84.14% of foreign sales and 30.38% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Jubilee Holdings	19.2
Standard Group	10.8
Kakuzi	9.9
Unga Group	9.3
Trans-Century	8.7

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
B.O.C Kenya	(8.8)
Longhorn	(8.7)
NBV	(8.1)
Umeme	(7.3)
Safaricom	(7.3)

(Source: NSE, DBIB Research)

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	2.33
Equity Group	0.43
KCB	0.42
NCBA Group	0.30
ABSA Bank	0.28

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Umeme	88.0
Kenya Orchards	44.2
Sasini	23.8
Housing Finance	19.7
New Gold ETF	19.3

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
Car & General	(34.7)
Safaricom	(31.7)
Longhorn Publishers	(30.0)
Liberty Kenya	(29.3)
Unga Group	(28.4)

(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Equity Group	88.8
Total	77.3
NBV	73.7
EABL	40.2
Safaricom	30.4

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Safaricom	84.1
NBV	81.6
Centum	71.9
Standard Group	62.2
NSE	56.7

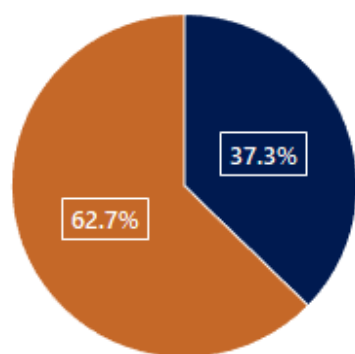
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	91.0
Flame Tree Group	63.5
Equity Group	60.6
Stanbic Holdings	52.9
NBV	50.8

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	94.9
BAT Kenya	92.2
Safaricom	82.2
TPS E.A	81.8
Unga Ltd	81.7

WEEKLY LOCAL VS FOREIGN PARTICIPATION



■ Foreign Participation
■ Local Participation

(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The **Bond market's** turnover for the week stood at USD 83.35 MN (KES 11.27 BN) representing a 32.4% w-o-w increase from USD 62.96 MN (KES 8.46 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 83.35 MN (KES 11.27 BN) representing a 32.4% w-o-w increase from USD 62.96 MN (KES 8.46 BN) recorded the previous week. The bond issue number IFB1/2020/11 emerged as the top traded bond with a turnover of KES 1.62 BN accounting for 14.3% of the week's turnover. The bond traded between 12.4800% and 15.1600%.

April Auction Results: 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 auction for FXD1/2019/15 was cancelled. The bids received for FXD1/2022/03 amounted to KES 7.33 BN translating to a subscription rate of 24.4%. In turn, the CBK received KES 1.76 BN placing the weighted rate of accepted bids at 13.471%. The coupon rate remained fixed at 11.766%.

Top Trades for the week ending 20 April 2023

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
19-Apr	FXD1/2013/10Yr	0.2	12.3710	10.5000	104.38	1,391.0
20-Apr	IFB1/2021/18Yr	15.9	12.6670	14.4000	91.24	725.0
18-Apr	IFB1/2022/19Yr	17.8	12.9650	14.7000	92.37	500.0
19-Apr	FXD1/2018/10Yr	5.3	12.6860	14.1000	96.79	500.0
20-Apr	FXD2/2018/20Yr	15.2	13.2000	15.0000	92.42	500.0
20-Apr	IFB1/2018/15Yr	9.7	12.5000	14.3500	94.71	500.0
20-Apr	IFB1/2022/19Yr	17.8	12.9650	14.3500	94.23	500.0
17-Apr	IFB1/2019/16Yr	12.5	11.7500	14.2000	93.01	425.5
19-Apr	IFB1/2018/15Yr	9.7	12.5000	14.5500	93.84	300.0
20-Apr	FXD1/2013/15Yr	4.8	11.2500	14.5250	90.92	300.0
19-Apr	FXD1/2018/25Yr	20.1	13.4000	14.4500	97.61	275.0
19-Apr	IFB1/2020/11Yr	8.3	10.9000	14.8500	87.36	261.8
18-Apr	IFB1/2020/11Yr	8.3	10.9000	14.5500	88.31	250.0
19-Apr	IFB1/2020/11Yr	8.3	10.9000	14.7000	87.85	250.0
19-Apr	IFB1/2020/11Yr	8.3	10.9000	14.3000	89.17	250.0
19-Apr	IFB1/2020/11Yr	8.3	10.9000	14.0000	90.18	250.0

Sell & buy-backs

20-Apr	IFB1/2023/17Yr	16.8	14.3990	13.0150	109.94	69.0
19-Apr	IFB1/2023/17Yr	16.8	14.3990	13.0150	109.94	59.0

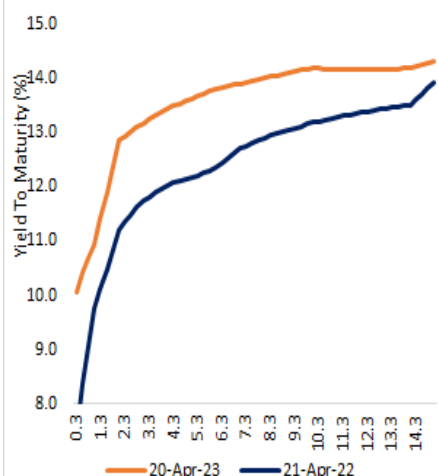
(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 20 April 2023

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	31.98	799.62	30.53	10.159	8.7
182-day	10.00	2.15	21.49	1.82	10.477	4.9
364-day	10.00	1.02	10.18	0.93	11.059	12.7

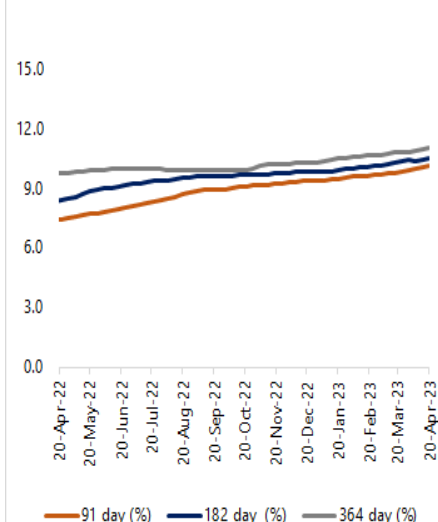
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

Salient News

Jubilee Holdings FY22 Results

.....

Jubilee Holdings released its FY22 results reporting a 3.8% y-o-y slight decline in after-tax profits to KES 6.6 BN.

.....

Jubilee Holdings released its FY22 results reporting a 3.8% y-o-y slight decline in after-tax profits to KES 6.6 BN. EPS for the period stood at KES 88.13 compared to KES 89.88 in FY21. **The board has recommended the payment of a final dividend of KES 8.00** having already paid an interim dividend of KES 1.00 per share. **It has further recommended a special dividend of KES 3.00 per share** to reflect the completion of the Jubilee Allianz transaction. If approved, both dividends will be paid on or about 26th July 2023 to shareholders on the company register at the close of business on 14th June 2023.

Net insurance premium revenue recorded a 5.9% y-o-y drop to KES 20.6 BN. Gross earned premiums fell by 14.0% y-o-y KES 25.4 BN while insurance premiums ceded eased by 37.3% y-o-y to KES 4.8 BN.

Investment income rose by 6.0% y-o-y to KES 13.1 BN while other income fell by 41.8% y-o-y to KES 3.0 BN.

Net insurance benefits and returns on investment contracts remained fairly flat at KES 23.7 BN (-0.7% y-o-y) placing claims ratio at 114.5%, 611 bps higher y-o-y. Total expenses and commissions dropped by 12.4% y-o-y to KES 7.9 BN placing expense ratio at 38.5%, 281 bps lower y-o-y.

Total assets went up by 9.8% y-o-y to KES 170.5 BN largely attributable to a 14.9% y-o-y increase in investment assets to KES 150.2 BN. Total liabilities rose by 8.4% y-o-y to KES 122.5 BN while total equity grew by 13.6% y-o-y to KES 48.0 BN.

Jubilee Holdings is currently trading at a P/E multiple of 1.9x against a sector median of 3.2x and a P/B multiple of 0.3x against a sector median of 0.4x. Its ROE stands at 14.4% while its ROA stands at 3.9%. Dividend yield stands at 6.9% (inclusive of the special dividend).

Source: Company filings, DBIB Research

UPCOMING EVENTS

Profit Warnings

1. Bamburi
2. Crown Paints
3. Flame Tree
4. Eveready

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
E.A Breweries	Interim: KES 3.75	16-Feb-23	28-Apr-23
Fahari I-REIT	First & Final: KES 0.65	06-Apr-23	30-Apr-23
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
Stanbic Holdings	11:00 a.m.	Virtual	18-May-23

(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