

DBIB WEEKLY BULLETIN

WEEK 17

Date: 28.04.2023

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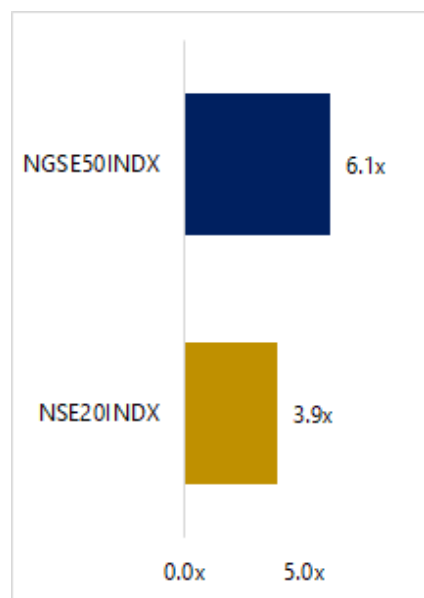
INDICES & MARKET METRICS MOVEMENT

NSE 20 & NASI dropped by 1.0% and 0.2% w-o-w to close at 1,578.88 and 107.63 respectively.

Weekly equity turnover rose by 62.2% w-o-w to close at USD 7.58 MN (KES 1.03 BN).

USD | KES: KES weakened 0.5% w-o-w to close at 135.91 (-10.2% year-to-date).

PEER P/E MULTIPLES



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

*LTM Price/EPS

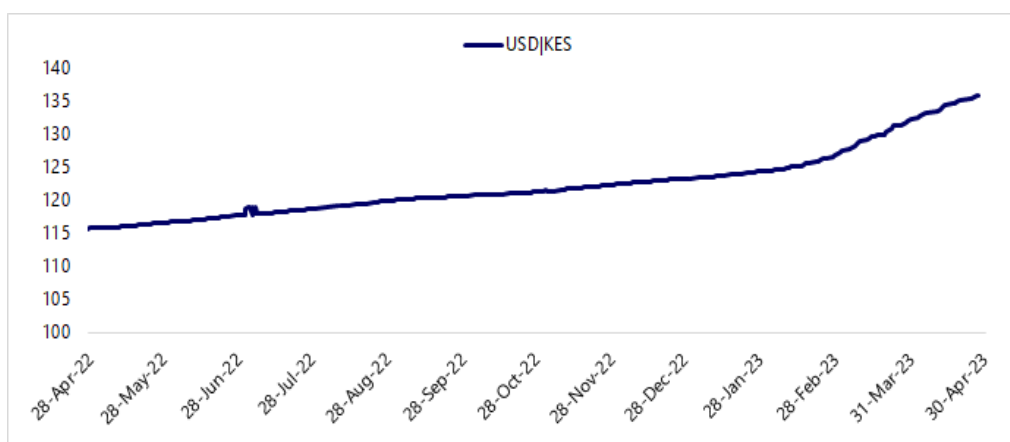
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	107.63	(0.19)	(14.63)	(16.20)	(15.56)
NSE-20	1,578.88	(0.95)	(5.70)	(6.03)	(5.80)
DBIB Select	105.93	(0.61)	(3.40)	7.99	(3.08)
MSCI Kenya (USD)	818.73	(0.41)	(24.24)	(29.24)	(25.86)
MSCI Frontier (USD)	481.64	0.14	(2.74)	4.80	1.97

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,676.09	(0.20)	(4.56)	(14.67)	(16.24)
Market Turnover (USD m)	7.58	62.22	(42.54)	(11.09)	(42.38)
Market P/E (x)	8.02	4.17	(4.99)	(22.88)	135.91
Market Div. yld (%) *	9.54	3.79	183.79	213.79	320.36
Market ROE (%) *	34.00	(100.08)	(338.08)	(261.08)	(565.32)

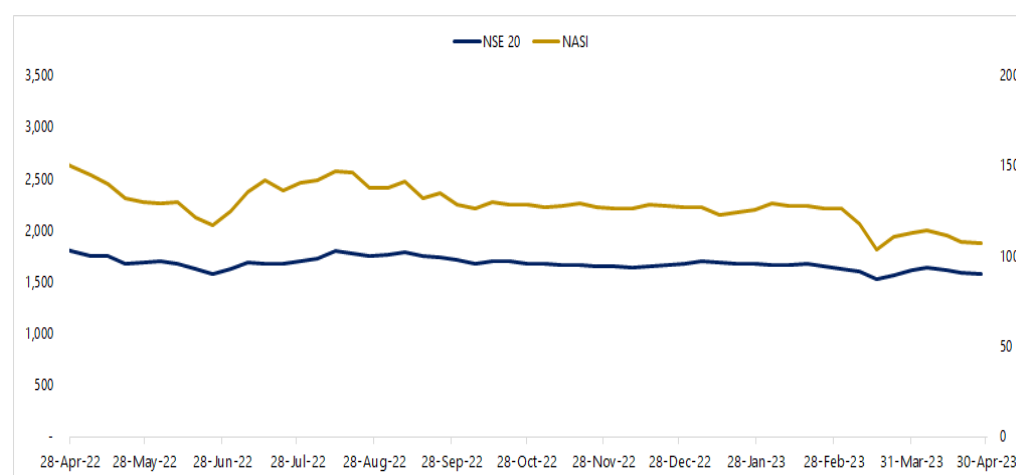
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes
(Source: NSE, DBIB Research)

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 3.21 MN (KES 436.68 MN) representing 42.37% of this week's turnover.

The stock held constant w-o-w at KES 16.50 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 80.53% of foreign sales and 19.81% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Kakuzi	46.3
Eveready E.A	21.5
Flame Tree	9.5
BK Group	9.4
Crown Paints	7.3

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
I&M Holdings	(14.6)
Bamburi Cement	(14.0)
StanChart Bank	(12.4)
Uchumi	(9.5)
Car & General	(9.2)

(Source: NSE, DBIB Research)

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	3.21
NCBA Group	1.58
Equity Group	0.82
BAT Kenya	0.57
KCB Group	0.32

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Umeme	90.7
Kenya Orchards	44.2
Sasini	22.3
Housing Finance	21.6
New Gold ETF	18.9

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
Car & General	(40.7)
Safaricom	(31.7)
Liberty Kenya	(28.9)
Unga Group	(28.1)
KenGen	(26.4)

(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
BAT Kenya	90.6
E.A Breweries	81.0
Equity Group	76.8
NBV Ltd	74.9
KCB Group	34.0

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
NBV Ltd	96.6
BAT Kenya	90.6
E.A Breweries	85.2
Safaricom	80.5
NSE	57.3

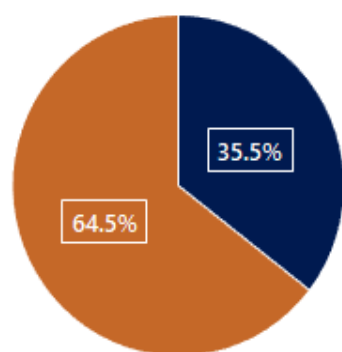
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	91.0
Flame Tree	63.3
Equity Group	61.0
NBV Ltd	54.3
Stanbic Holdings	52.3

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	94.9
BAT Kenya	92.0
Safaricom	82.1
Unga Ltd	80.8
TPS E.A	80.2

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 95.10MN (KES 12.93 BN) representing a 14.1% w-o-w increase from USD 83.35 MN (KES 11.27 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 95.10 MN (KES 12.93 BN) representing a 14.1% w-o-w increase from USD 83.35 MN (KES 11.27 BN) recorded the previous week. The bond issue number IFB1/2020/11 emerged as the top traded bond with a turnover of KES 2.31 BN accounting for 17.9% of the week's turnover. The bond traded between 12.4600% and 15.3100%.

May issue: FXD1/2023/03 (New)

The CBK issued FXD1/2023/03 with the intention of raising 20.0 BN for budgetary support. The coupon rate will be market determined and the period of sale runs from 26 April 2023 to 09 May 2023.

Top Trades for the week ending 28 April 2023

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
26-Apr	IFB1/2021/18Yr	15.9	12.6670	14.3000	91.93	725.0
27-Apr	IFB1/2021/18Yr	15.9	12.6670	13.6500	95.25	725.0
28-Apr	IFB1/2023/17Yr	16.8	14.3990	14.4000	101.77	600.0
24-Apr	IFB1/2018/15Yr	9.7	12.5000	14.2500	95.27	500.0
25-Apr	FXD2/2018/20Yr	15.2	13.2000	14.6000	94.81	500.0
25-Apr	IFB1/2018/15Yr	9.7	12.5000	13.5000	98.54	500.0
25-Apr	IFB1/2020/11Yr	8.3	10.9000	14.5500	88.55	450.0
27-Apr	IFB1/2020/11Yr	8.3	10.9000	14.2000	89.78	450.0
25-Apr	IFB1/2020/11Yr	8.3	10.9000	15.0000	87.09	426.0
25-Apr	FXD2/2018/20Yr	15.2	13.2000	15.1000	92.06	400.0
26-Apr	FXD2/2018/20Yr	15.2	13.2000	14.6150	94.76	400.0
27-Apr	FXD2/2018/20Yr	15.2	13.2000	14.6000	94.88	400.0
24-Apr	FXD1/2013/15Yr	4.8	11.2500	14.5000	91.14	300.0
24-Apr	IFB1/2018/20Yr	15.5	11.9500	14.6500	92.58	300.0
25-Apr	FXD1/2013/15Yr	4.8	11.2500	14.2000	92.12	300.0
25-Apr	IFB1/2020/11Yr	8.3	10.9000	14.4500	88.88	300.0

Sell & buy-backs

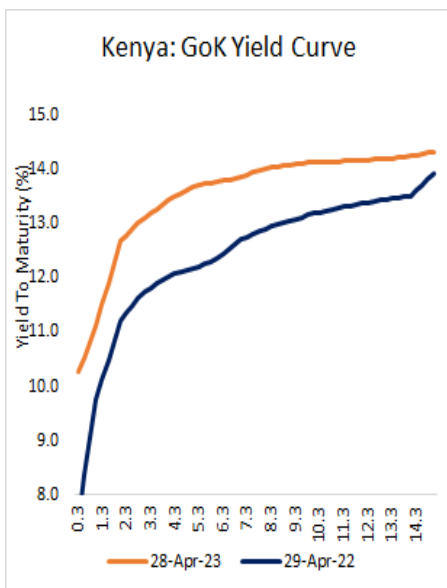
28-Apr	FXD1/2021/20Yr	18.2	13.4440	14.3000	97.17	300.0
25-Apr	IFB1/2019/16Yr	12.5	11.7500	13.0000	93.31	10.0

(Source: NSE, DBIB Research)

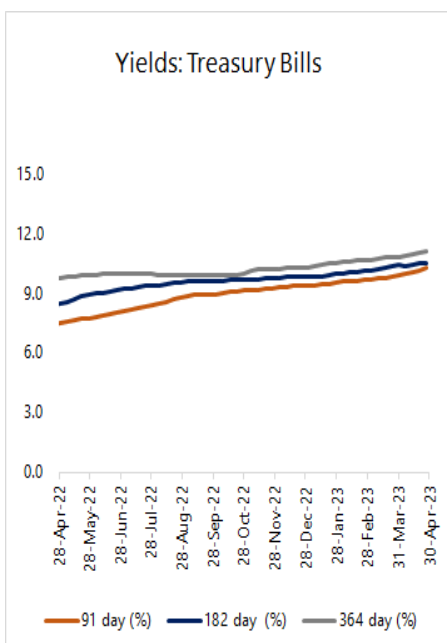
Treasury Bill auction for the week ending 28 April 2023

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	6.69	167.18	6.64	10.275	11.6
182-day	10.00	0.87	8.72	0.87	10.511	3.4
364-day	10.00	1.44	14.44	1.44	11.124	6.5

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

Crown paints FY22 Results

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Crown paints released its FY22 results reporting a 12.7% y-o-y slight incline in after-tax profits to KES 0.8 BN.

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Crown paints released its FY22 results reporting a 12.7% y-o-y incline in after-tax profits to KES 0.8 BN on the back of a 6.1% y-o-y revenue growth to KES 11.4 BN.

EPS for the period stands at KES 5.79 (-15.5% y-o-y). The board of directors has proposed a final dividend of KES 4.00 per share (2021: KES 4.00), to shareholders on the register at the close of business on 28th June 2023. At current prices, this translates to a dividend yield of 10.1%.

The company's cost of production was impacted by high cost of raw materials - which was in turn affected by the depreciation of the Kenyan shilling against the US Dollar and higher commodity prices (oil). Income tax paid edged up by 24.4% y-o-y to KES 347.0 MN.

Total assets inclined by 17.9% y-o-y to KES 9.2 BN on the back of a 7.6% y-o-y increase in non-current assets to KES 2.3 BN and a 21.8% y-o-y increase in current assets to KES 6.9 BN. Total liabilities inclined by 26.0% y-o-y to KES 5.5 BN as a result of a 26.6% y-o-y incline in current liabilities to KES 5.1 BN and a 18.3% y-o-y increase in non-current liabilities to KES 401.0 MN. Total shareholders' funds grew by 17.9% y-o-y to KES 9.2 BN.

On a trailing basis, Crown paints is trading at a P/E multiple of 6.9x against a sector median of 1.0x and a P/B multiple of 1.5x against a sector median of 0.3x. Its ROE stands at 22.3%, against a sector median of 1.9% whereas ROA stands at 9.0%, against a sector median of 0.3%.

Source: Company filings, DBIB Research

Salient News

Total Energies FY22 Results

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Total Energies released its FY22 results reporting a 10.8% y-o-y decline in after-tax profits to KES 2.4 BN.
.....

Total Energies released its FY22 results reporting a 10.8% y-o-y decrease in PAT to KES 2.4 BN on the back of a 224.8% y-o-y finance costs growth to KES 919.9 MN and a 9.2% y-o-y increase in the operating costs to 7.1 BN. In the adverse climate of rapid increases in fuel prices, the company remained resilient, with positive profit after tax.

EPS for the period stands at KES 3.88 (-10.8% y-o-y). The board of directors has proposed a first and final dividend of KES 1.31 per share (2021: KES 1.31), to be paid on or about 31st July 2023 to shareholders on the register at the close of business on 15th June 2023. At current prices, this translates to a dividend yield of 6.6%.

Net revenue grew by 37.6% y-o-y to KES 102.8 BN. This was on account of a 28.3% y-o-y increase in gross revenue to KES 141.3 BN. The company attributed the increase in gross profit to KES 9.5 BN to lower lag in fuel prices' adjustments compared to previous year. Excise duty and VAT edged up by 12.8% y-o-y to KES 1.3 BN.

Cost of operations increased by 9.2% y-o-y to KES 7.1 BN driven by increase in business activities post COVID-19 coupled with inflation and foreign exchange on the cost of goods and services.

Total assets inclined by 55.3% y-o-y to KES 73.0 BN on the back of a 79.7% y-o-y increase in non-current assets to KES 58.7 BN and a 0.01% y-o-y increase in current assets to KES 14.4 BN. Total liabilities inclined by 132.4% y-o-y to KES 42.8 BN as a result of a 153.2% y-o-y incline in current liabilities to KES 41.0 BN and a 17.6% y-o-y decrease in non-current liabilities to KES 1.8 BN. Total shareholders' funds grew by 5.7% y-o-y to KES 30.2 BN.

On a trailing basis, Total energies is trading at a P/E multiple of 1.4x against a sector median of 2.4x and a P/B multiple of 0.1x against a sector median of 0.1x. Its ROE stands at 8.1%, against a sector median of 5.4% whereas ROA stands at 3.3%, against a sector median of 2.1%.

Source: Company filings, DBIB Research

UPCOMING EVENTS

Profit Warnings

1. Bamburi
2. Flame Tree
3. Eveready

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
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
Jubilee Holdings	Special & Final: KES 11.00	14-Jun-23	26-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
Crown paints	Final: KES 4.00	28-Jun-23	STA*

(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
Umeme	10:00 a.m.	Sheraton Hotel	18-May-23
Liberty Kenya	11:00 a.m.	Virtual	19-May-23
BK Group	12:00 p.m.	Marriott Hotel	19-May-23
Co-operative Bank	11:00 a.m.	Virtual	19-May-23
StanChart	11:00 a.m.	Virtual	25-May-23
I&M Group	10:00 a.m.	Virtual	25-May-23
Limuru Tea	11:00 a.m.	Sarova Panafric	26-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.*

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