

DBIB WEEKLY BULLETIN

WEEK 05

Date: 03.02.2023

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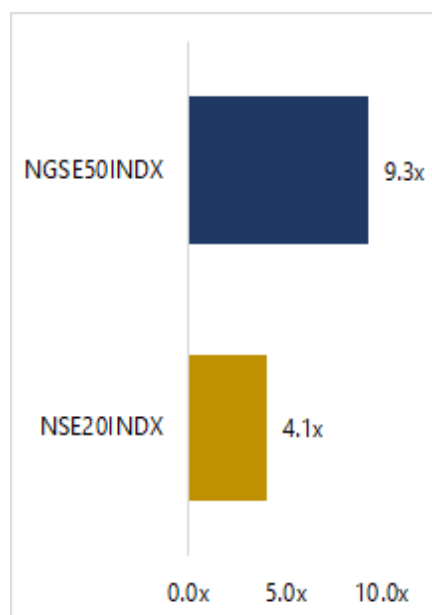
INDICES & MARKET METRICS MOVEMENT

NSE 20 dropped by 0.6% w-o-w to close at 1,664.14 while **NASI** rose by 2.5% w-o-w to close at 129.24.

Weekly equity turnover declined by 19.6% w-o-w to close at USD 6.85 MN (KES 853.86 MN).

USD | KES: KES weakened 0.2% w-o-w to close at 124.59 (-1.0% year-to-date).

PEER P/E MULTIPLES



NSE20INDX* - NSE 20 Index
 NGSE50INDX* - Nigeria Stock Exchange 50 Index
 *LTM Price/EPS

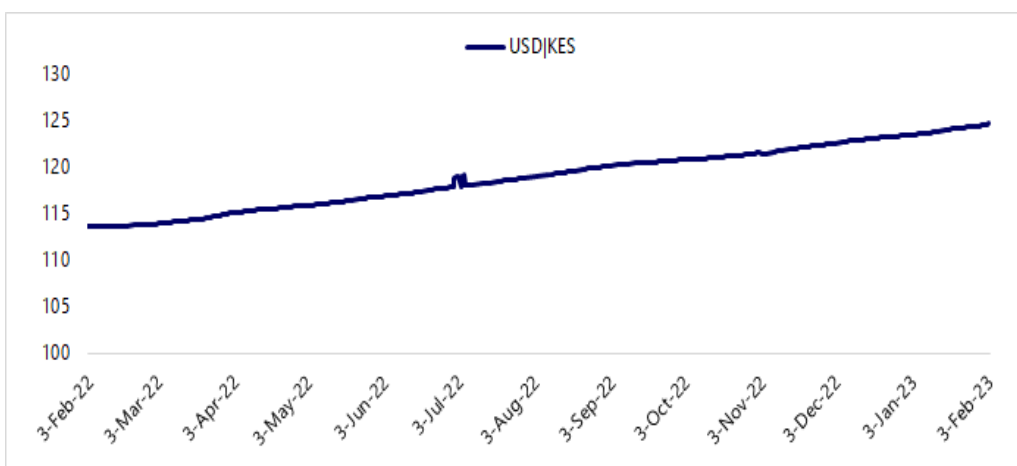
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	129.24	2.51	1.32	(8.99)	1.39
NSE-20	1,664.14	(0.60)	(0.69)	(3.62)	(0.71)
DBIB Select	110.58	0.84	13.59	177.29	1.17

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,013.72	2.52	1.89	1.33	(9.02)
Market Turnover (USD m)	6.85	(19.65)	10.01	(25.20)	(49.58)
Market P/E (x)	10.92	4.99	2.05	336.77	110.47
Market Div. yld (%) *	7.56	(14.04)	15.96	76.32	353.28
Market ROE (%) *	37.77	38.92	115.92	(3,953.96)	(185.96)

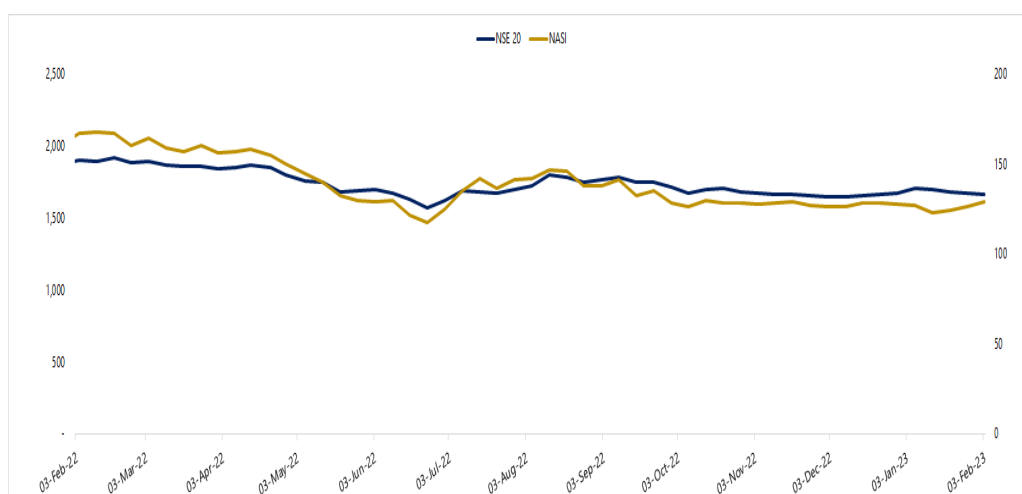
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes
 (Source: NSE, DBIB Research)

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 2.67 MN (KES 332.96 MN) representing 38.99% of this week's turnover.

The stock **gained** 5.4% w-o-w to close at KES 24.50 on Friday.

Foreign investors assumed a **net buying** position on the counter this week by accounting for 53.88% of foreign sales and 90.62% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
TPS E.A	18.3
Kapchorua Tea	10.9
Sasini Ltd	9.5
Kenya Orchards	9.5
Umeme Ltd	7.9

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Crown Paints	(9.7)
Unga Group	(9.7)
Uchumi	(8.7)
Olympia Capital	(8.4)
KenGen Co.	(7.5)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	2.67
BAT Kenya	1.09
Equity Group	0.73
KCB Group	0.70
StanChart Bank	0.65

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Orchards	44.2
Trans-Century Ltd	36.6
Umeme Ltd	29.1
E.A. Cables Ltd	13.1
StanChart Bank	10.7

(Source: NSE, DBIB Research)

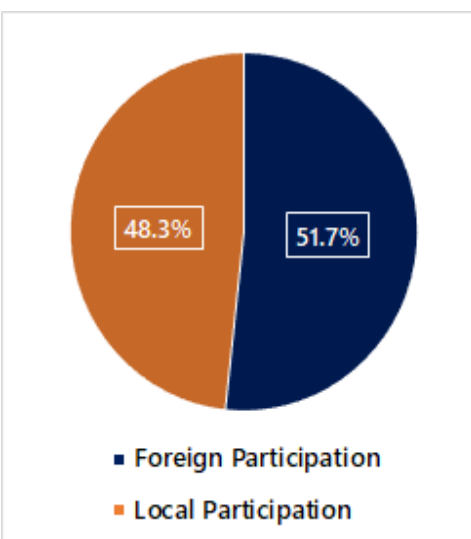


<u>Top Losers</u>	<u>%</u>
Car & General	(27.5)
Liberty Kenya	(17.9)
Crown Paints	(15.9)
Sanlam Kenya	(12.9)
Unga Group	(12.5)

(Source: NSE, DBIB Research)



WEEKLY LOCAL VS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Safaricom	90.6
E.A Portland	70.2
Equity Group	44.5
KenGen	31.0
I&M Group	22.3

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BAT Kenya	98.8
E.A Breweries	66.9
Safaricom	53.9
Unga Ltd	46.2
Jubilee Holdings	45.4

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
E.A Breweries	78.4
Stanbic Holdings	64.8
NBV Ltd	51.0
Equity Group	48.8

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	98.2
Bat Kenya	97.3
Safaricom	83.7
BK Group	75.5
NSE	69.7

FROM THE FIXED INCOME DESK

The **Bond market's** turnover for the week stood at USD 91.76 MN (KES 11.43 BN) representing a 19.1% w-o-w decrease from USD 113.42 MN (KES 14.10 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 91.76 MN (KES 11.43 BN) representing a 19.1% w-o-w decrease from USD 113.42 MN (KES 14.10 BN) recorded the previous week. The bond issue number IFB1/2022/14 emerged as the top traded bond with a turnover of KES 2.10 BN accounting for 18.4% of the week's turnover. The bond traded between 12.850% and 14.080%.

February Issue: FXD1/2017/10 (re-opened) and FXD1/2023/10 (new)

The Central Bank of Kenya (CBK) has re-opened FXD1/2017/10 (4.5 years) and FXD1/2023/10 (10.0 years) with the intention of raising KES 50.0 BN for budgetary support. The coupon rate for FXD1/2017/10 stands at 12.966% while that of FXD1/2023/10 will be market determined. The period of sale runs from 17 January 2023 to 07 February 2023.

Top Trades for the week ending 03 February 2023

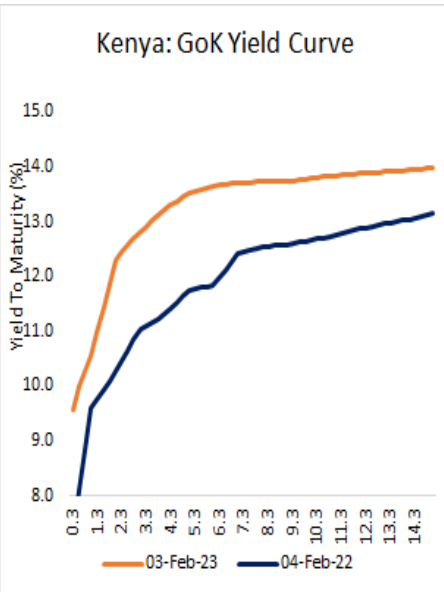
						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
31-Jan	FXD1/2021/5Yr	3.8	11.2770	13.3500	96.36	650.0
1-Feb	FXD1/2021/5Yr	3.8	11.2770	13.0500	97.27	510.0
1-Feb	IFB1/2022/18Yr	17.3	13.7420	13.7000	102.12	500.0
1-Feb	IFB1/2022/6Yr	5.8	13.2150	13.1500	102.26	500.0
2-Feb	FXD1/2013/10Yr	0.4	12.3710	9.9000	102.39	500.0
3-Feb	FXD1/2018/25Yr	20.3	13.4000	14.3500	95.42	450.0
3-Feb	FXD1/2018/25Yr	20.3	13.4000	14.0500	97.32	450.0
30-Jan	IFB1/2016/9Yr	2.3	12.5000	12.3000	102.89	446.0
30-Jan	IFB1/2020/6Yr	3.3	10.2000	9.4600	102.89	300.0
31-Jan	IFB1/2016/9Yr	2.3	12.5000	12.0000	103.36	300.0
2-Feb	FXD1/2021/5Yr	3.8	11.2770	13.0500	97.27	290.0
1-Feb	IFB1/2022/14Yr	13.7	13.9380	13.7000	104.26	251.5
2-Feb	IFB1/2022/6Yr	5.8	13.2150	13.1500	102.30	245.0
30-Jan	IFB1/2016/15Yr	8.7	12.0000	12.3100	102.03	200.0
31-Jan	IFB1/2022/14Yr	13.7	13.9380	13.8000	103.67	200.0
31-Jan	IFB1/2022/14Yr	13.7	13.9380	13.7125	104.15	200.0
31-Jan	IFB1/2022/6Yr	5.8	13.2150	13.1750	102.15	200.0
2-Feb	FXD2/2018/10Yr	5.8	12.5020	13.6157	97.35	200.0
3-Feb	IFB1/2022/14Yr	13.7	13.9380	13.8600	103.46	200.0

(Source: NSE, DBIB Research)

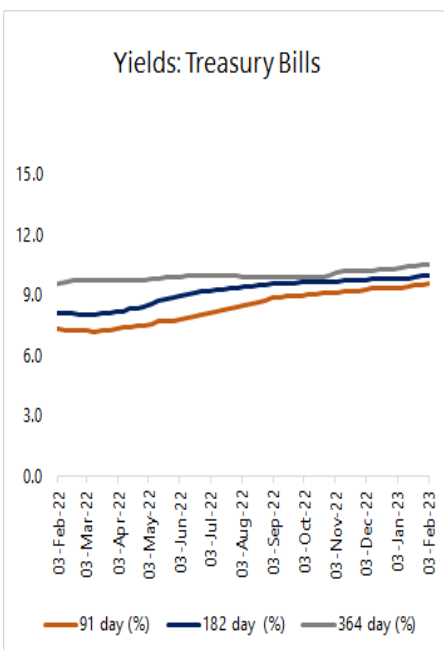
Treasury Bill auction for the week ending 03 February 2023

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	28.74	718.57	15.33	9.581	4.3
182-day	10.00	10.85	108.49	6.56	9.997	4.3
364-day	10.00	10.53	105.33	10.53	10.550	4.6

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

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Equity Group announced that Equity Bank Kenya completed the acquisition of certain assets and liabilities of Spire Bank Ltd on 31 January 2023 owing to the receipt of the necessary regulatory approvals.

.....

Equity completes the acquisition of certain assets and liabilities of Spire Bank Ltd

Equity Group announced that Equity Bank Kenya completed the acquisition of certain assets and liabilities of Spire Bank Ltd on 31 January 2023 owing to the receipt of the necessary regulatory approvals. Thus, Equity Bank Kenya has taken on the obligation of meeting liabilities linked to all the existing depositors in Spire Bank (excluding remaining deposits from Spire Bank's controlling shareholder) as well as Spire Bank's loan customers specified in the agreement.

(Source: Company Filings)

January inflation rate stands at 9.0%

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The annual headline inflation rate slowed down to 9.0% in January 2023 from 9.1% in December 2022.

.....

The annual headline inflation rate eased marginally to 9.0% in January 2023 from 9.1% in December 2022. The monthly inflation rate for January 2023 came in at 0.2%, compared to the monthly inflation rate of 0.5% in December 2022. The increase in annual inflation was primarily driven by increased prices of commodities under transport (index inched higher by 13.1% y-o-y); food and non-alcoholic beverages (index went up by 12.8% y-o-y); housing, water, electricity, gas and other fuels (index rose by 7.3% y-o-y); and furnishings, household equipment and routine household maintenance (index increased by 9.3% y-o-y).

(Source: KNBS)

UPCOMING EVENTS

Profit Warnings

1. NSE
2. Bamburi
3. Crown Paints
4. Flame Tree
5. Eveready
6. Kenya Airways

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
TransCentury	Rights issue: 5:1	13-Dec-22	28-Feb-23
KenGen	Final: KES 0.20	26-Jan-23	30-Mar-23
E.A Breweries	Interim: KES 3.75	16-Feb-23	28-Apr-23
Car & General	First & Final: KES 0.80	24-Feb-23	23-Mar-23

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Sasini	11:00 a.m.	Virtual	03-Mar-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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