

# DBIB WEEKLY BULLETIN

## # WEEK 01

Date: 06.01.2023

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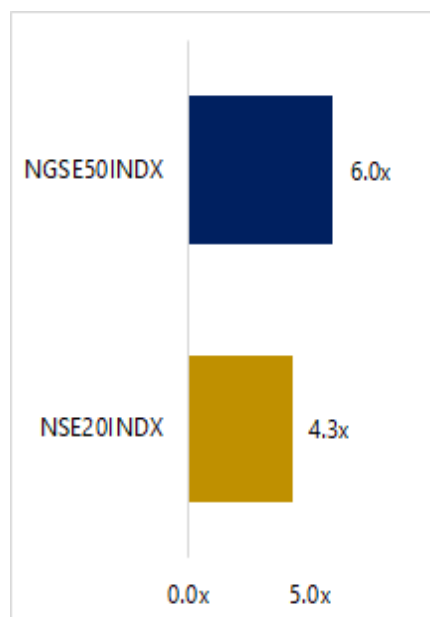
## INDICES & MARKET METRICS MOVEMENT

**NSE 20** rose by 1.7% w-o-w to close at 1,705.33 while **NASI** dropped by 0.5% w-o-w to close at 126.85.

**Weekly equity turnover** dropped by 9.1% w-o-w to close at USD 6.23 MN (KES 769.67 BN).

**USD | KES: KES weakened** 0.1% w-o-w to close at 123.55 (-9.2% year-to-date).

### PEER P/E MULTIPLES



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

\*LTM Price/EPS

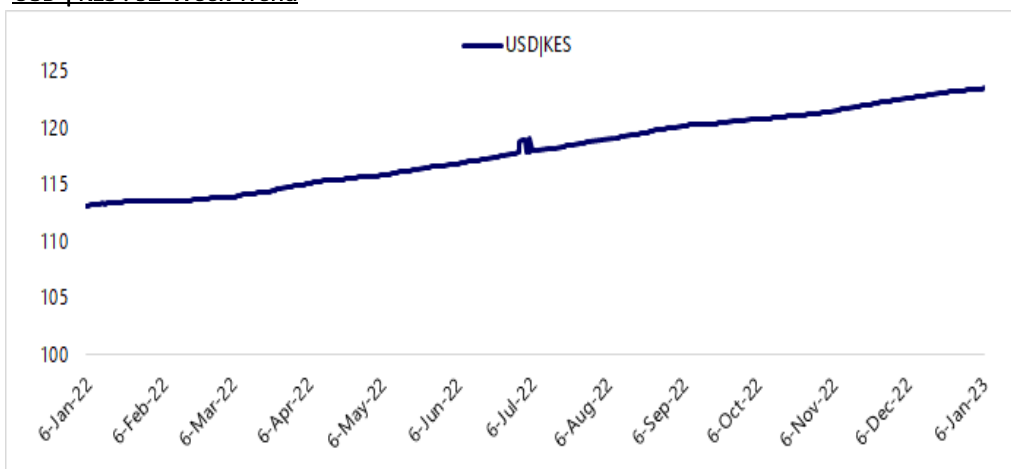
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	126.85	(0.49)	0.42	(6.31)	(0.49)
NSE-20	1,705.33	1.74	1.70	0.79	1.74
DBIB Select	109.88	0.53	15.50	20.36	0.53
MSCI Kenya (USD)	1,107.30	0.27	(0.81)	(11.73)	0.27
MSCI Frontier (USD)	480.34	1.70	1.91	(6.87)	1.70

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,976.41	(0.49)	0.31	0.43	(5.39)
Market Turnover (USD m)	6.23	(9.10)	(43.87)	(69.87)	(72.84)
Market P/E (x)	2.89	(0.28)	(12.28)	70.28	(78.87)
Market Div. yld (%) *	7.72	3.76	31.78	121.78	391.78
Market ROE (%) *	35.17	(13.09)	(119.61)	(58.61)	(473.61)

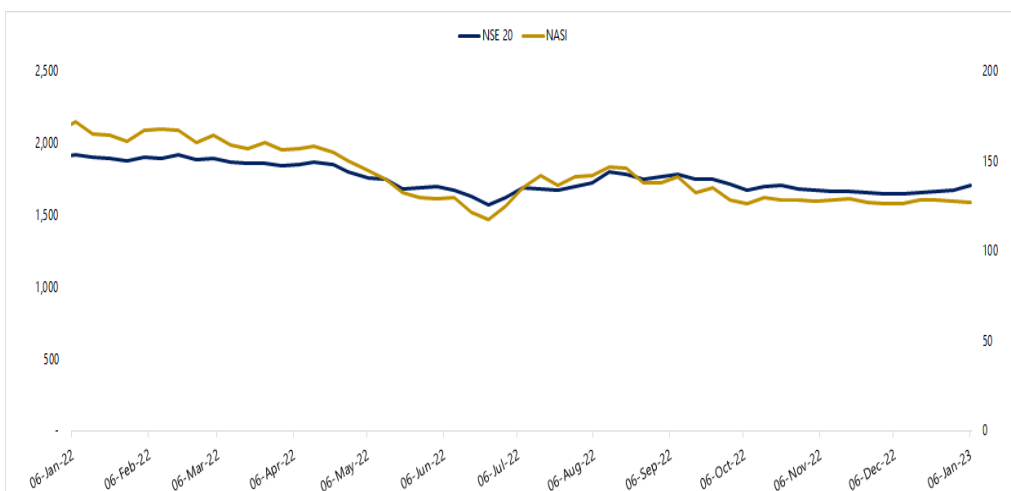
\* Changes in % \*\*Changes in bps -Market ROE is market cap weighted -ch: changes  
(Source: NSE, DBIB Research)

### USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

### Indices : 52-Week Trend



(Source: NSE, DBIB Research)

# WEEKLY BOURSE WRAP UP...

.....  
**Equity** emerged as the top traded counter on the bourse recording a weekly turnover of USD 3.39 MN (KES 418.67 MN) representing 54.40% of this week's turnover.  
 .....

The stock **rose** by 2.4% w-o-w to close at KES 45.55 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 99.22% of foreign sales and 34.82% of foreign purchases.  
 .....

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
NBV Ltd	23.6
Trans-Century	21.5
E.A. Portland	9.7
Home Afrika	9.4
Longhorn	8.3

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Sanlam Kenya	(17.1)
Liberty Kenya	(16.8)
Standard Group	(16.4)
Crown Paints	(9.2)
Olympia Capital	(8.1)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Equity Group	3.39
ABSA Bank	0.94
Safaricom	0.92
E.A. Breweries	0.31
NCBA Group	0.16

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
NBV Ltd	23.6
Trans-Century	21.5
E.A. Portland	9.7
Home Afrika	9.4
Longhorn	8.3

Source: NSE, DBIB Research)

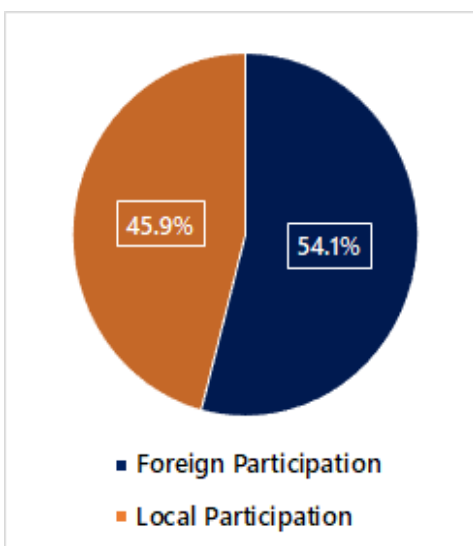


<u>Top Losers</u>	<u>%</u>
Sanlam Kenya	(17.1)
Liberty Kenya	(16.8)
Standard Group	(16.4)
Crown Paints	(9.2)
Olympia Capital	(8.1)

(Source: NSE, DBIB Research)



## WEEKLY LOCAL VS FOREIGN PARTICIPATION



## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
NBV Ltd	94.8
E.A. Breweries	75.0
Britam Holdings	74.9
Safaricom	45.3
Equity Group	34.8

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BOC Kenya	100.0
Equity Group	99.2
Safaricom	90.1
BAT Kenya	89.5
E.A. Breweries	88.9

## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
NBV Ltd	94.8
E.A. Breweries	75.0
Britam Holdings	74.9
Safaricom	45.3
Equity Group	34.8

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
BOC Kenya	100.0
Equity Group	99.2
Safaricom	90.1
BAT Kenya	89.5
E.A. Breweries	88.9



## FROM THE FIXED INCOME DESK

The **Bond market's** turnover for the week stood at USD 15.69 MN (KES 1.94 BN) representing a 18.3% w-o-w drop from USD 19.19 MN (KES 2.37 BN) recorded the previous week.

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### January Bond Issue: FXD1/2020/05 (re-opened) and FXD1/2022/15 (re-opened)

The Central Bank re-opened FXD1/2020/05 (2.4 years) and FXD1/2022/15 (14.3 years) with the intention of raising KES 50.0 BN for budgetary support. The coupon rates remain fixed at 11.667% for FXD1/2020/05 and 13.942% for FXD1/2022/15. The period of sale runs from 14 December 2022 to 10 January 2023.

### Top Trades for the week ending 06 January 2023

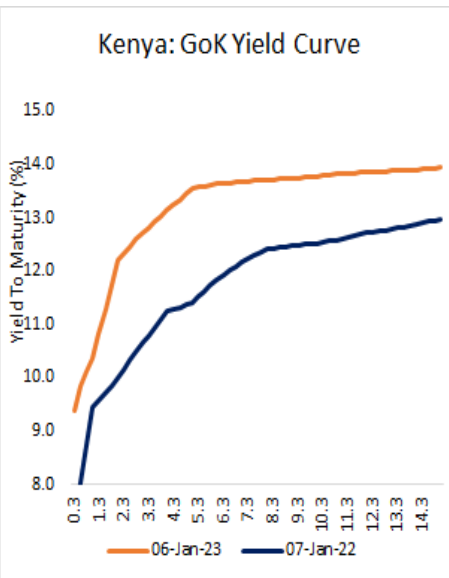
						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
6-Jan	IFB1/2022/14Yr	13.8	13.9380	13.7500	103.00	409.9
5-Jan	FXD1/2008/20Yr	5.4	13.7500	13.7000	101.07	200.0
6-Jan	IFB1/2022/14Yr	13.8	13.9380	13.9500	101.92	200.0
3-Jan	IFB1/2022/14Yr	13.8	13.9380	13.7000	103.16	100.0
5-Jan	IFB1/2022/14Yr	13.8	13.9380	13.9000	102.15	100.0
6-Jan	FXD1/2008/20Yr	5.4	13.7500	13.7000	101.10	100.0
6-Jan	IFB1/2022/14Yr	13.8	13.9380	13.7250	103.14	100.0
6-Jan	IFB1/2022/14Yr	13.8	13.9380	13.7000	103.27	100.0
5-Jan	IFB1/2022/18Yr	17.4	13.7420	13.6000	101.70	50.0
6-Jan	IFB1/2022/6Yr	5.9	13.2150	13.0500	101.66	45.4
6-Jan	IFB1/2015/9Yr	1.9	11.0000	12.7205	98.10	40.0
5-Jan	IFB1/2022/6Yr	5.9	13.2150	13.0500	101.66	38.9
3-Jan	FXD1/2010/15Yr	2.2	10.2500	13.4000	97.33	32.5
4-Jan	IFB1/2022/14Yr	13.8	13.9380	13.8000	102.65	29.5
4-Jan	IFB1/2022/6Yr	5.9	13.2150	12.5000	103.38	24.0
6-Jan	IFB1/2022/6Yr	5.9	13.2150	12.5000	103.45	24.0
3-Jan	IFB1/2022/14Yr	13.8	13.9380	13.8500	102.34	21.0
5-Jan	IFB1/2022/14Yr	13.8	13.9380	13.9300	101.99	20.0
5-Jan	IFB1/2022/14Yr	13.8	13.9380	13.8000	102.69	18.9

(Source: NSE, DBIB Research)

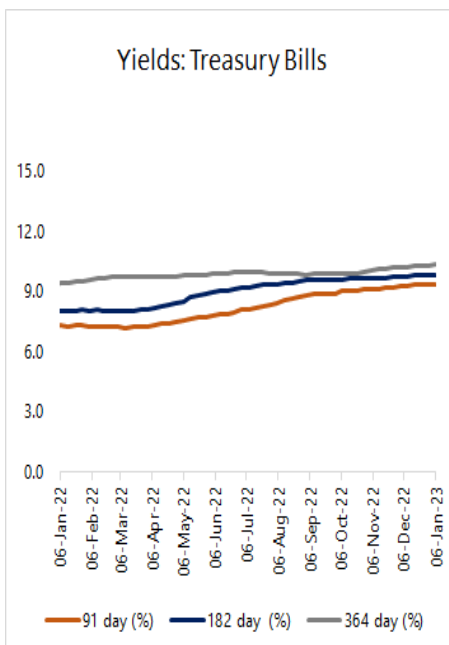
### Treasury Bill auction for the week ending 06 January 2023

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	19.32	482.94	19.26	9.392	2.3
182-day	10.00	7.80	77.97	7.70	9.847	1.3
364-day	10.00	4.48	44.83	4.44	10.369	6.1

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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## Salient News

### Flame Tree issues a profit warning

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**Flame Tree** announced that they expect their FY22 earnings to dwindle by more than 25.0% as compared to FY21.

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**Flame Tree announced that they expect their FY22 earnings to dwindle by more than 25.0% as compared to FY21.** The decline in earnings was fuelled by increased cost of raw materials especially plastics which are the main cost drivers whose average price shot up by 70.0% y-o-y and a 3-fold y-o-y rise in shipping costs. The increased cost of raw materials was impacted by the increased inflation and interest rates as well as the depreciation of the KES against the USD during the period. The aforementioned adverse conditions significantly impacted the margins and cash flows of the group, leading to increased short-term debt to finance the purchase of raw materials, resulting into higher finance costs.

*Source: Company Filings*

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## UPCOMING EVENTS

### Profit Warnings

1. Sameer
2. NSE
3. Bamburi
4. Crown Paints
5. Flame Tree

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
KCB Group	Interim: KES 1.00	08-Dec-22	13-Jan-23
TransCentury	Rights issue: 5:1	13-Dec-22	28-Feb-23
KenGen	Final: KES 0.20	26-Jan-23	30-Mar-23

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

## AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
KenGen	11:00 a.m	Virtual	26-Jan-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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