

# DBIB WEEKLY BULLETIN

# WEEK 02

Date: 13.01.2023

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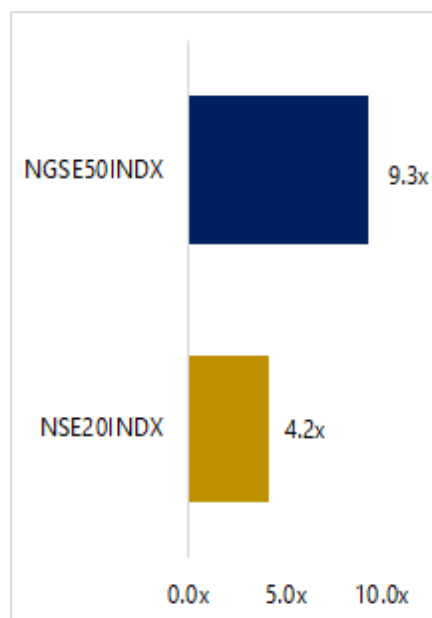
# INDICES & MARKET METRICS MOVEMENT

**NSE 20** and **NASI** dropped by 0.6% and 2.8% w-o-w to close at 1,695.23 and 123.26 respectively.

**Weekly equity turnover** rose by 50.4% w-o-w to close at USD 9.37 MN (KES 1.16 BN).

**USD | KES:** KES weakened 0.2% w-o-w to close at 123.84 (-0.4% year-to-date).

## PEER P/E MULTIPLES



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

\*LTM Price/EPS

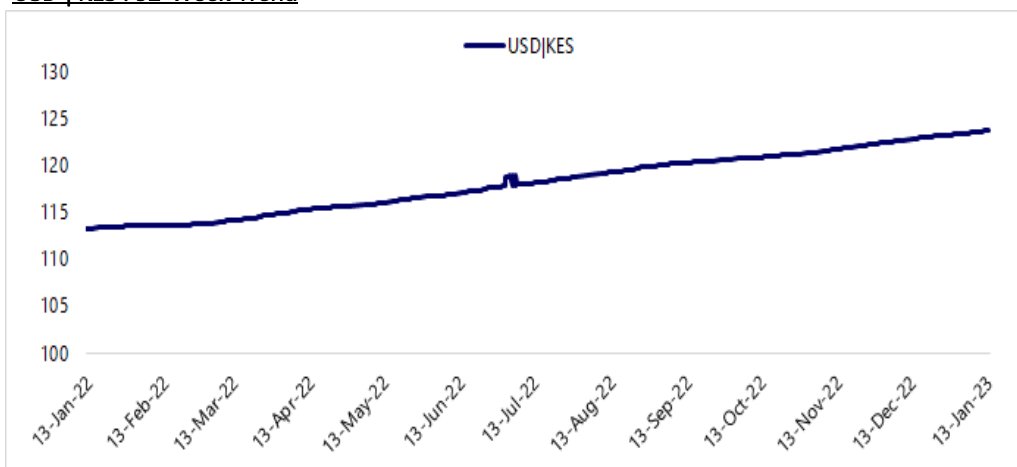
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	123.26	(2.83)	(5.11)	(13.40)	(3.30)
NSE-20	1,695.23	(0.59)	(0.29)	0.76	1.14
DBIB Select	109.45	(0.39)	11.05	17.79	0.14
MSCI Kenya (USD)	1,066.44	(2.84)	(8.48)	(20.17)	(3.43)
MSCI Frontier (USD)	488.71	2.15	4.28	(4.36)	3.47

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,920.37	(2.84)	(4.07)	(5.12)	(13.43)
Market Turnover (USD m)	9.37	50.45	33.84	(4.64)	(15.14)
Market P/E (x)	2.05	(29.10)	(39.00)	(14.49)	(86.32)
Market Div. yld (%) *	7.94	21.93	83.71	173.71	409.79
Market ROE (%) *	34.82	(35.13)	(193.73)	(185.73)	(478.37)

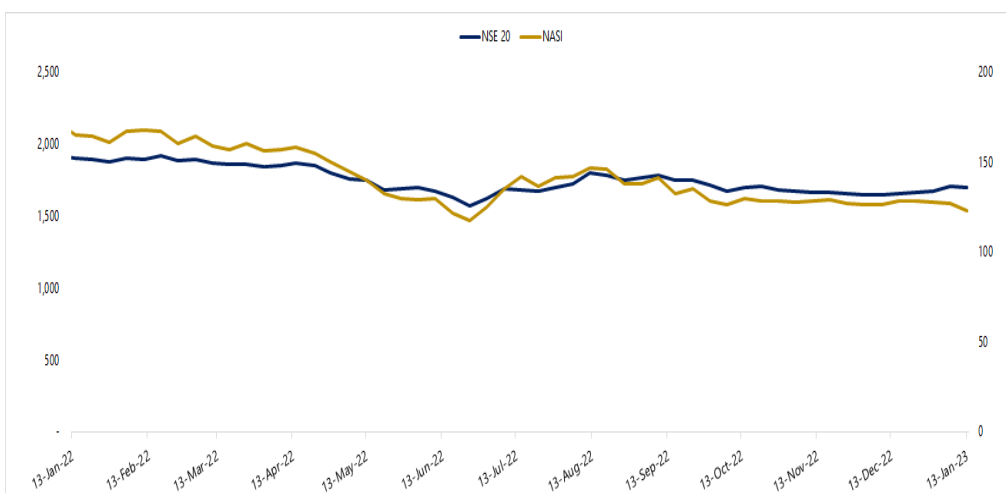
\* Changes in % \*\*Changes in bps -Market ROE is market cap weighted -ch: changes  
(Source: NSE, DBIB Research)

## 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 2.29 MN (KES 283.28 MN) representing 24.41% of this week's turnover.

The stock shed 6.4% w-o-w to close at KES 22.00 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 78.47% of foreign sales and 23.09% of foreign purchases.

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Standard Group	20.1
Liberty Kenya	18.5
Sanlam Kenya	13.9
Express Kenya	13.3
E.A. Cables Ltd	12.2

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
TPS E.A	(13.7)
Bamburi Cement	(7.6)
E.A. Portland	(7.0)
Total Kenya	(6.7)
Safaricom	(6.4)

(Source: NSE, DBIB Research)

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	2.29
Equity Group	2.15
E.A Breweries	0.90
NCBA Group	0.85
Stanbic Holdings	0.68

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Trans-Century Ltd	20.4
E.A. Cables	20.2
NBV Ltd	20.2
Kenya Orchards	9.6
Home Afrika	9.4

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
TPS E.A	(10.1)
Safaricom	(8.9)
Crown Paints	(8.4)
Bamburi Cement	(7.8)
Total Kenya	(6.1)

(Source: NSE, DBIB Research)

## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Equity Group	90.4
NBV Ltd	86.2
E.A Breweries	84.6
Stanbic Holdings	76.3
Britam Holdings	50.2

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BK Group	100.0
BOC Kenya	100.0
Kakuzi	100.0
BAT Kenya	98.5
Equity Group	81.3

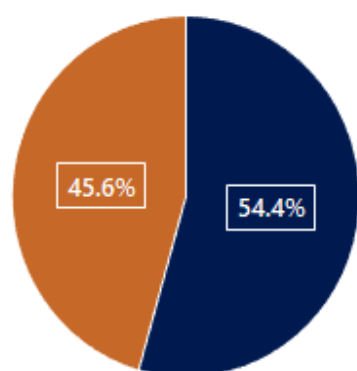
## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
NBV Ltd	91.5
E.A Breweries	83.0
Stanbic Holdings	76.2
Britam	68.7
Equity Group	56.4

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
BOC Kenya	100.0
Kakuzi	100.0
BAT Kenya	97.6
Equity Group	92.3
Safaricom	81.3

## 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 95.38 MN (KES 11.81 BN) representing a 6-fold w-o-w upturn from USD 15.73 MN (KES 1.94 BN) recorded the previous week.

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

The Central Bank of Kenya (CBK) 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. From the auction, the FXD1/2020/05 bond received bids worth KES 27.6 BN (translating to a subscription rate of 55.24%) while FXD1/2022/15 received bids worth KES 14.0 BN (translating to a subscription rate of 28.02%). The CBK accepted KES 24.4 BN for the FXD1/2020/05 and KES 7.2 BN for the FXD1/2022/15. The coupon rates remained fixed at 11.667% and 13.942% for FXD1/2020/05 and FXD1/2022/15, respectively.

### Top Trades for the week ending 13 January 2023

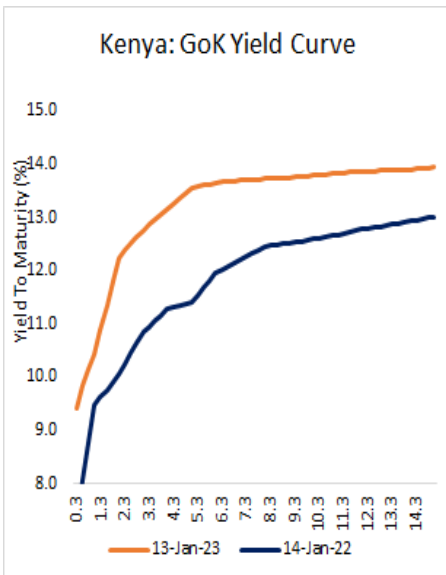
						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
13-Jan	IFB1/2020/11Yr	8.6	10.9000	13.6000	93.81	800.0
12-Jan	IFB1/2022/14Yr	13.8	13.9380	13.8000	102.95	576.0
9-Jan	IFB1/2022/6Yr	5.9	13.2150	13.2250	101.21	500.0
10-Jan	IFB1/2013/12Yr	2.7	11.0000	13.0000	98.95	500.0
11-Jan	IFB1/2013/12Yr	2.7	11.0000	12.9000	99.20	500.0
12-Jan	IFB1/2022/6Yr	5.9	13.2150	13.2500	101.23	500.0
13-Jan	IFB1/2022/6Yr	5.9	13.2150	13.2500	101.27	500.0
9-Jan	IFB1/2013/12Yr	2.7	11.0000	13.0000	98.92	451.0
10-Jan	IFB1/2013/12Yr	2.7	11.0000	12.9000	99.17	451.0
11-Jan	IFB1/2013/12Yr	2.7	11.0000	12.2650	100.58	451.0
12-Jan	IFB1/2013/12Yr	2.7	11.0000	12.3000	100.54	400.0
11-Jan	FXD3/2019/10Yr	6.6	11.5170	13.6600	95.56	381.2
13-Jan	IFB1/2022/6Yr	5.9	13.2150	13.2000	101.43	370.0
9-Jan	IFB1/2022/14Yr	13.8	13.9380	13.9000	102.30	320.0

(Source: NSE, DBIB Research)

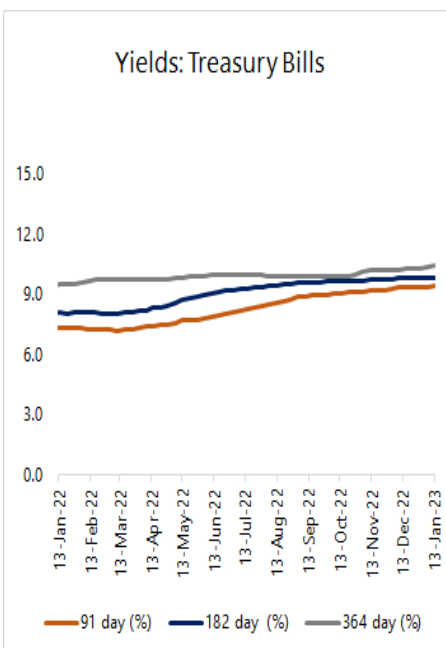
### Treasury Bill auction for the week ending 13 January 2023

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	15.69	392.34	15.69	9.425	3.3
182-day	10.00	5.77	57.70	5.77	9.859	1.2
364-day	10.00	4.67	46.68	4.66	10.432	6.3

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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## Salient News

### Sasini Plc FY22 Earnings

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**Sasini** released its FY22 results reporting a 103.8% y-o-y advancement in after-tax profits to KES 1.2 BN  
.....

**Sasini released its FY22 results reporting a 103.8% y-o-y advancement in after-tax profits to KES 1.2 BN** following a 36.3% y-o-y growth in revenue to KES 7.3 BN, a 5.7% y-o-y increase in the group's gains from changes in fair value of biological assets (less cost to sell) to KES 543.4 MN and a 111.8% y-o-y improvement in finance income to KES 134.6 MN. The board did not recommend the payment of a final dividend (FY21: KES 0.50), having already recommended an interim dividend of KES 1.00. **Revenue rose by 36.3% y-o-y to KES 7.3 BN** while cost of sales went up by 23.3% y-o-y to KES 5.5 BN. Gains from changes in fair value of biological assets (less cost to sell) grew by 5.7% y-o-y to KES 543.4 MN.

**Finance income shot up by 111.8% y-o-y to KES 134.6 MN** while finance cost increased by 71.3% y-o-y to KES 28.3 MN.

**Total assets increased by 8.0% y-o-y to KES 16.4 BN** backed by a 3.5% y-o-y rise in non-current assets to KES 13.0 BN and a 30.5% y-o-y growth in current assets to KES 3.3 BN. Total liabilities rose by 24.5% y-o-y to KES 2.1 BN while total equity edged up by 5.9% y-o-y to KES 14.2 BN.

**Net cash flow generated from operating activities rose 3-fold y-o-y to KES 1.5 BN.**

Net cash flow used in investing activities rose by almost 8 times y-o-y to KES 880.0 MN while net cash flow used in financing activities increased by 165.2% y-o-y to KES 382.2 MN.

**The counter is currently trading at a P/E multiple of 4.3x and a P/B multiple of 0.4x** against industry median multiples of 6.5x and 0.5x respectively. Its ROE stands at 8.2% while its ROA stands at 7.1%.

*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>
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
Centum	9:00 a.m.	Virtual	03-Feb-23
Sasini	11:00 a.m.	Virtual	03-Mar-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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