

# DBIB WEEKLY BULLETIN

# WEEK 27

Date: 07.07.2023

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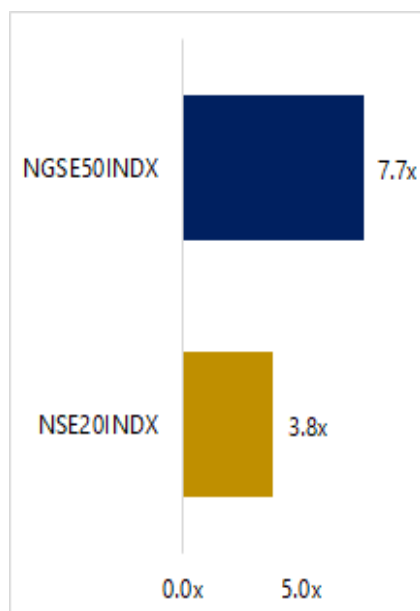
## INDICES & MARKET METRICS MOVEMENT

**NSE 20 rose** by 2.7% w-o-w to close at 1,618.11 while **NASI** rose by 4.1% w-o-w to close at 111.37.

**Weekly equity turnover rose** by 170.9% w-o-w to close at USD 11.29 MN (KES 1.59 BN).

**USD | KES:** KES weakened by 0.3% w-o-w to close at 140.92 (-14.2% year-to-date).

### PEER P/E MULTIPLES



NSE20INDEX\* - NSE 20 Index  
NGSE50INDEX\* - Nigeria Stock Exchange 50 Index

\*LTM Price/EPS

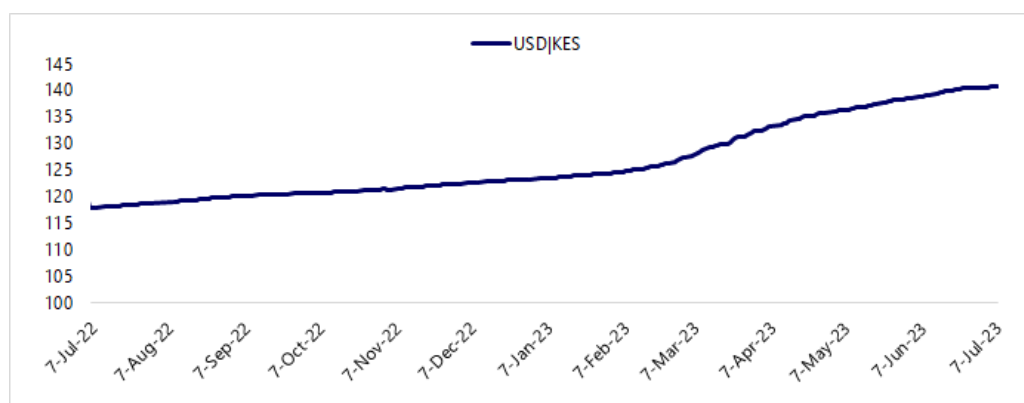
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	111.37	4.08	(2.53)	(12.20)	(12.63)
NSE-20	1,618.11	2.74	(1.67)	(5.11)	(3.46)
DBIB Select	106.29	1.89	(1.31)	(3.26)	(2.75)
MSCI Kenya (USD)	807.94	5.86	(7.47)	(26.39)	(26.84)
MSCI Frontier (USD)	490.94	1.08	1.36	2.61	3.94

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,734.57	4.10	5.25	(2.53)	(12.24)
Market Turnover (USD m)	11.29	170.92	155.79	(1.43)	81.19
Market P/E (x)	9.13	6.40	8.88	6.76	(14.67)
Market Div. yld (%) *	8.92	(36.57)	(9.48)	121.79	241.79
Market ROE (%) *	29.40	21.49	(622.93)	(577.40)	(636.40)

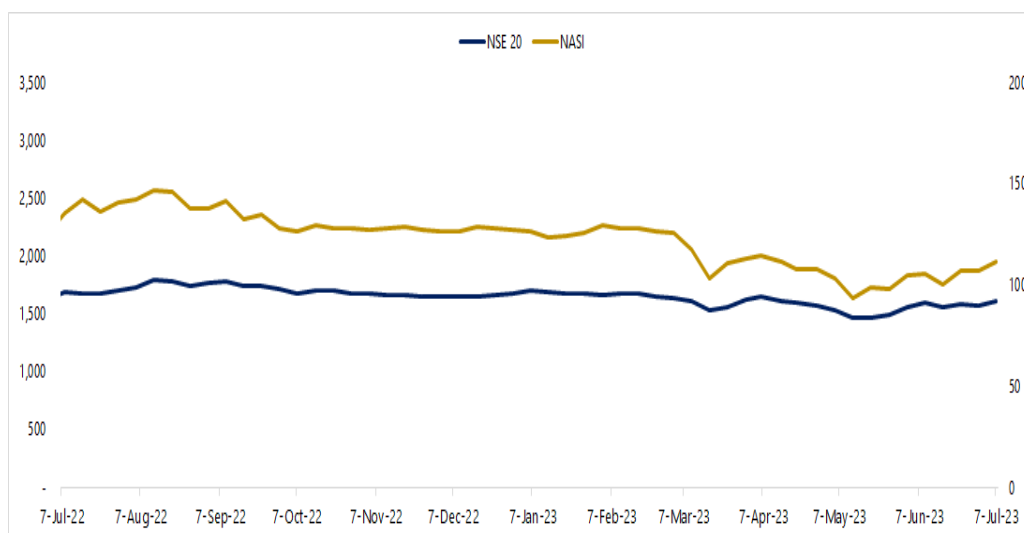
\* Changes in % \*\*Changes in bps -Market ROE is market cap weighted -ch: changes  
(Source: NSE, DBIB Research)

### 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 5.10 MN (KES 718.57 MN) representing 45.17% of this week's turnover.

The stock **gained** by 8.0% w-o-w to close at KES 18.90 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 70.11% of foreign sales and 61.87% of foreign purchases.

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Olympia	30.4
Unga Ltd	21.6
Kapchorua	15.4
Car & General	13.5
Liberty	12.5

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Umeme	(24.4)
BK Group	(17.6)
Sameer	(15.5)
B.O.C	(5.2)
Limuru Tea	(4.7)

Source: NSE, DBIB Research



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	5.10
Equity Group	2.13
KCB Group	1.69
NMG	0.64
Absa Bank	0.60

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Eveready	123.2
Kapchorua	91.8
Olympia	72.3
HF Group	51.1
Williamson Tea	50.0

Source: NSE, DBIB Research



<u>Top Losers</u>	<u>%</u>
Unga Ltd	(41.9)
Car & General	(37.8)
Trans-Century	(32.3)
KenGen	(28.0)
Liberty	(24.3)

(Source: NSE, DBIB Research)



## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
NBV	97.5
Absa	88.8
Equity Group	70.0
Safaricom	61.9
StanChart	58.7

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Equity Group	75.4
Safaricom	70.1
Williamson Tea	45.1
Trans-Century	42.9
NBV	35.9

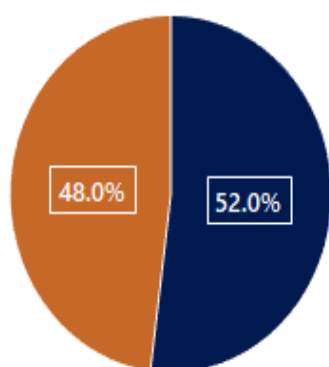
## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	91.6
BK Group	89.1
E.A. Breweries	64.3
NBV	62.1
NSE	60.7

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	95.2
BAT Kenya	87.9
Safaricom	78.0
TPS E.A	76.2
Unga Ltd	73.4

## 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 86.36 MN (KES 12.17 BN) representing a 26.3% w-o-w decrease from USD 117.16 MN (KES 16.46 BN) recorded the previous week.

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### July Issue: FXD1/2023/5 (new) and FXD1/2016/10 (re-opened)

The Central Bank of Kenya (CBK) has issued FXD1/2023/5 (5.0 years) and re-opened FXD1/2016/10 (3.2 years) with the intention of raising KES 40.0 BN for budgetary support. The coupon rate for FXD1/2016/10 stands at 15.039% while that of FXD1/2023/5 will be market determined. The period of sale runs from 28 June 2023 to 11 July 2023.

### Top Trades for the week ending 7 July 2023

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
3-Jul	IFB1/2022/14Yr	13.3	13.9380	15.6000	93.65	750.0
4-Jul	IFB1/2023/7Yr	6.9	15.8370	15.5000	101.83	700.0
7-Jul	IFB1/2023/7Yr	6.9	15.8370	15.4050	102.29	500.0
5-Jul	IFB1/2021/21Yr	19.1	12.7370	15.8000	87.86	470.0
6-Jul	IFB1/2021/21Yr	19.1	12.7370	15.7500	88.13	460.0
3-Jul	IFB1/2022/18Yr	16.9	13.7420	15.6000	91.13	400.0
4-Jul	IFB1/2023/7Yr	6.9	15.8370	15.6000	101.47	400.0
4-Jul	IFB1/2022/14Yr	13.3	13.9380	15.3000	95.09	375.0
4-Jul	IFB1/2023/7Yr	6.9	15.8370	15.4000	102.19	325.4
4-Jul	FXD1/2023/3Yr	2.9	14.2280	15.6000	98.83	320.9

(Source: NSE, DBIB Research)

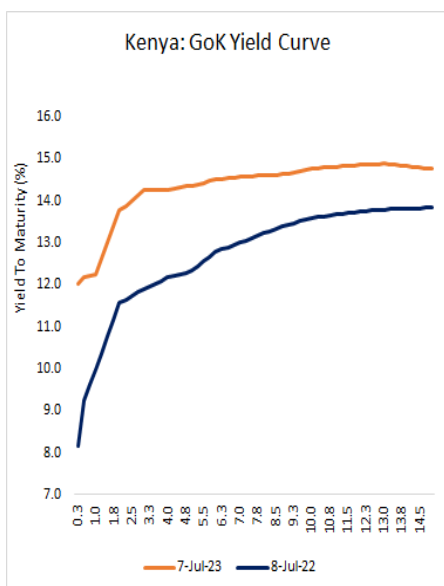
### Sell & Buy Backs

7-Jul	IFB1/2022/19Yr	17.6	12.9650	13.0000	104.63	300.0
7-Jul	IFB1/2022/14Yr	13.3	13.9380	14.0000	101.66	250.0
7-Jul	IFB1/2021/21Yr	19.1	12.7370	13.0000	102.44	250.0
7-Jul	IFB1/2021/16Yr	13.5	12.2570	12.7000	103.16	230.0
7-Jul	FXD1/2019/20Yr	15.7	12.8730	13.2600	100.53	200.0
7-Jul	IFB1/2021/18Yr	15.7	12.6670	12.7000	102.83	150.0
6-Jul	IFB1/2023/7Yr	6.9	15.8370	14.5216	105.50	100.0

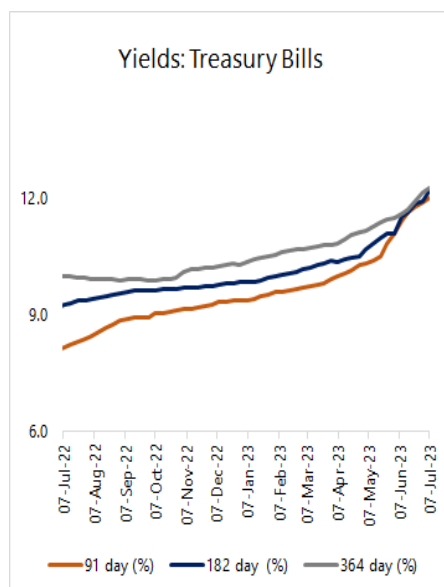
### Treasury Bill auction for the week ending 7 July 2023

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	26.71	667.69	26.68	12.014	11.0
182-day	10.00	1.14	11.43	1.14	12.199	25.2
364-day	10.00	2.27	22.66	2.27	12.250	9.3

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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## Salient News

### Kenya's real GDP grows by 5.3% in 1Q23

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Kenya's real **Gross Domestic Product (GDP)** rose by 5.3% in 1Q23, reversing a series of six consecutive quarterly growth decelerations.

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Kenya's real Gross Domestic Product (GDP) rose by 5.3% in 1Q23, reversing a series of six consecutive quarterly growth decelerations. Growth in 1Q23 was mainly supported by a rebound in the agricultural sector as most of the other sectors recorded decelerated growths.

The agricultural sector grew by 5.8%, a significant improvement from a contraction of 1.7% registered in 1Q22. The improved performance of the agricultural sector was driven by sufficient rainfall in 1Q23 which resulted in enhanced production of food crops (particularly witnessed in the export of fruits and vegetables). The sector's performance was however curtailed by a decline in milk deliveries to processors, production of tea, coffee and sugarcane.

The transport and storage sector expanded by 6.2% in 1Q23 (1Q22: 7.7%) owing to improved performance in most of the subsectors, especially transportation of passenger and freight through rail.

The financial services sector advanced by 5.8% in 1Q23 —a significant slowdown compared to a growth of 17.0% realized in 1Q22. The quarter was marked by a high interest rate environment reflected in the Central Bank Rate (CBR) which was increased to 9.50% in March 2023 compared to being held constant at 7.00% in March 2022.

The construction sector recorded a decelerated growth of 3.1% in 1Q23 in comparison to 6.0% realized in 1Q22. The decelerated growth was reflected in the volume of cement consumption which declined by 7.7%.

The manufacturing sector grew by 2.0% (1Q22: 3.8%) supported by the manufacture of food products (buoyed by the manufacture of bakery products and processing & preservation of fish) and the non-food sub-sector (enhanced by substantial growth in the manufacture of basic metals and fabricated metal products).

The accommodation and food services sector recorded robust growth of 21.5% in 1Q23, which was a significant deceleration from the 40.1% growth witnessed in 1Q22. The subdued growth was the result of high base effects as the impact of the global measures brought on by the pandemic continued to dissipate.

*Source: KNBS*

## UPCOMING EVENTS

### Profit Warnings

1. Kenya Power
2. Longhorn
3. Unga Group

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Bamburi	First & Final: KES 0.75	27-May-23	27-Jul-23
NSE	First & Final: KES 0.20	31-May-23	31-Jul-23
BOC Kenya	Final: KES 4.45	31-May-23	21-Jul-23
Jubilee Holdings	Special & Final: KES 11.00	14-Jun-23	26-Jul-23
TotalEnergies	First & Final: KES 1.31	15-Jun-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
Crown paints	Final: KES 4.00	28-Jun-23	14-Aug-23
Umeme Ltd	Final: USH 63.90	30-Jun-23	20-Jul-23
Williamson Tea	Final: KES 30.00	23-Aug-23	4-Sep-23
Kapchorua Tea	First & Final: KES 25.00	23-Aug-23	4-Sep-23
Safaricom	Final: KES 0.62	STA*	STA*

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

## AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Eveready	11:00 am	Virtual	28-Jul-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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