

DBIB WEEKLY BULLETIN

WEEK 28

Date: 14.07.2023

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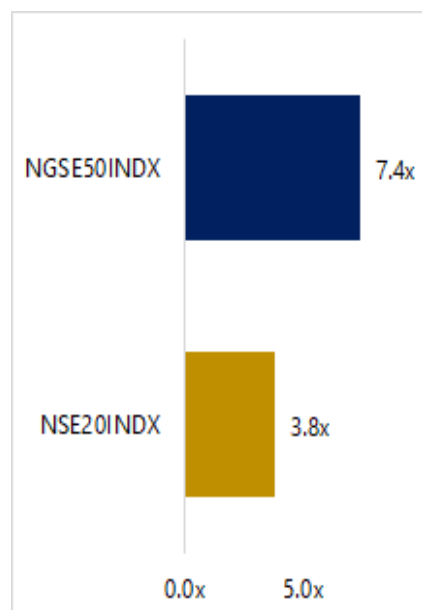
INDICES & MARKET METRICS MOVEMENT

NSE 20 rose by 0.4% w-o-w to close at 1,624.71 while **NASI** rose by 2.3% w-o-w to close at 113.93.

Weekly equity turnover eased by 47.7% w-o-w to close at USD 5.90 MN (KES 834.58 MN).

USD | KES: KES weakened by 0.3% w-o-w to close at 141.38 (-14.6% 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	113.93	2.30	2.12	(7.57)	(10.62)
NSE-20	1,624.71	0.41	0.67	(4.16)	(3.07)
DBIB Select	107.08	0.74	(0.50)	(1.83)	(2.03)
MSCI Kenya (USD)	833.66	3.18	(2.62)	(21.83)	(24.51)
MSCI Frontier (USD)	503.38	2.53	3.70	3.00	6.58

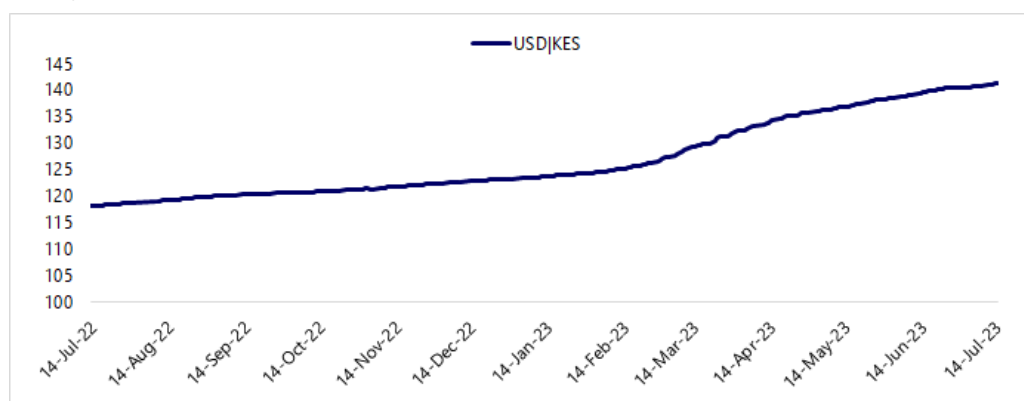
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,774.52	2.30	13.58	2.13	(7.60)
Market Turnover (USD m)	5.90	(47.70)	(49.96)	(22.99)	(37.02)
Market P/E (x)	9.25	1.27	17.82	20.70	(8.46)
Market Div. yld (%) *	8.72	(20.05)	(48.26)	81.74	251.74
Market ROE (%) *	29.41	1.50	(615.90)	(540.90)	(726.90)

* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes

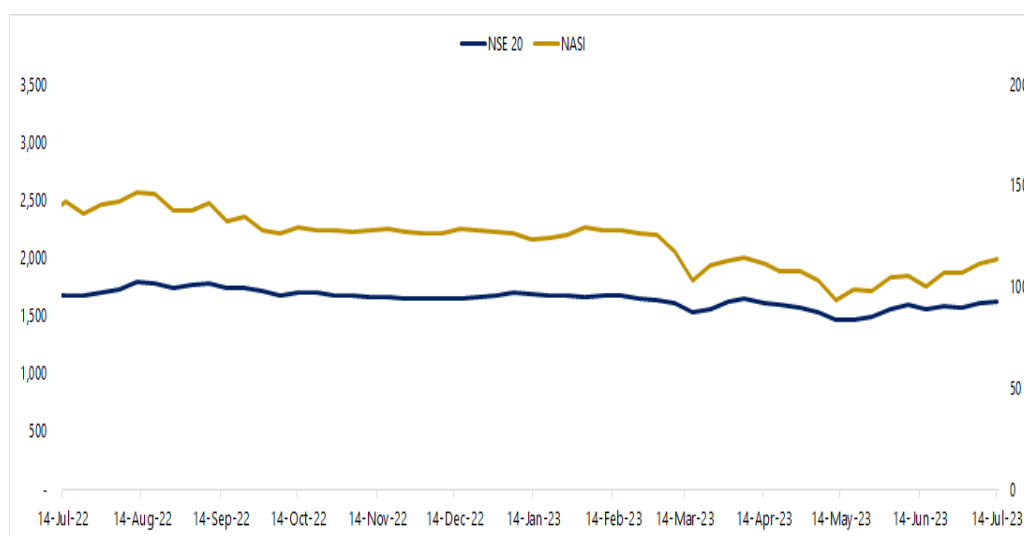
(Source: NSE, DBIB Research)

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 1.92 MN (KES 271.49 MN) representing 32.53% of this week's turnover.

The stock **gained** by 1.6% w-o-w to close at KES 19.20 on Friday.

Foreign investors assumed a **net buying** position on the counter this week by accounting for 45.09% of foreign sales and 57.00% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Umeme	40.3
E.A. Cables	18.3
TPS E.A	17.2
Sameer	16.1
Trans-Century	12.7

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
HF Group	(6.2)
DTB	(4.7)
Scangroup	(4.0)
Total Kenya	(4.0)
Home Afrika	(2.9)

Source: NSE, DBIB Research



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	1.92
Equity Group	1.58
KCB Group	1.09
Stanbic	0.44
StanChart	0.11

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Eveready	139.1
Kapchorua	94.3
Olympia	88.7
Umeme	74.3
Williamson Tea	47.5

Source: NSE, DBIB Research



<u>Top Losers</u>	<u>%</u>
Unga Ltd	(42.0)
Car & General	(36.8)
Trans-Century	(25.9)
KenGen	(25.5)
Liberty	(23.7)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Equity	73.9
BAT Kenya	60.0
Safaricom	57.0
Umeme	55.4
KCB	31.4

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
KCB	52.6
StanChart	46.2
Williamson Tea	45.5
Safaricom	45.1
Equity	44.2

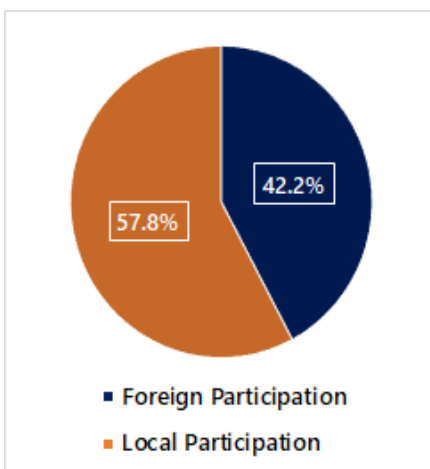
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	91.6
BK Group	89.0
E.A. Breweries	64.1
NBV	61.5
NSE	60.4

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	95.2
BAT Kenya	87.5
Safaricom	77.6
TPS E.A	76.1
Unga Ltd	73.3

WEEKLY LOCAL VS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The **Bond market's** turnover for the week stood at USD 90.76 MN (KES 12.83 BN) representing a 5.1% w-o-w increase from USD 86.36 MN (KES 12.17 BN) recorded the previous week.

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July Auction Results: FXD1/2023/5 and FXD1/2016/10

The Central Bank of Kenya (CBK) 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. From the auction, the CBK received a sum of KES 51.76 BN (FXD1/2016/10: KES 22.66 BN, FXD1/2023/5: KES 29.10 BN) translating to a subscription rate of 129.41% (FXD1/2016/10: 56.66%, FXD1/2023/5: 72.75%). In turn, it accepted KES 15.74 BN for FXD1/2016/10 and KES 22.83 BN for FXD1/2023/5. The coupon rate for FXD1/2016/10 stands at 15.039% while that of FXD1/2023/5 came in at 16.844%.

Top Trades for the week ending 14 July 2023

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
11-Jul	IFB1/2023/7Yr	6.9	15.8370	15.4000	102.48	800.0
11-Jul	IFB1/2023/7Yr	6.9	15.8370	15.4500	102.30	751.6
14-Jul	IFB1/2021/21Yr	19.1	12.7370	15.1000	91.47	525.0
10-Jul	IFB1/2018/20Yr	15.3	11.9500	15.0000	87.84	500.0
11-Jul	IFB1/2018/20Yr	15.3	11.9500	15.4000	86.27	500.0
14-Jul	FXD2/2018/20Yr	15.0	13.2000	15.6274	92.31	500.0
14-Jul	IFB1/2018/20Yr	15.3	11.9500	15.1000	87.58	500.0
10-Jul	IFB1/2022/14Yr	13.3	13.9380	15.0000	96.75	375.0
10-Jul	IFB1/2023/7Yr	6.9	15.8370	15.4050	102.42	350.0
12-Jul	IFB1/2023/7Yr	6.9	15.8370	15.4000	102.52	350.0
11-Jul	FXD1/2023/3Yr	2.8	14.2280	15.1000	100.22	300.0
11-Jul	IFB1/2022/19Yr	17.6	12.9650	15.5000	91.48	300.0
12-Jul	IFB1/2022/19Yr	17.6	12.9650	15.0000	93.93	300.0

(Source: NSE, DBIB Research)

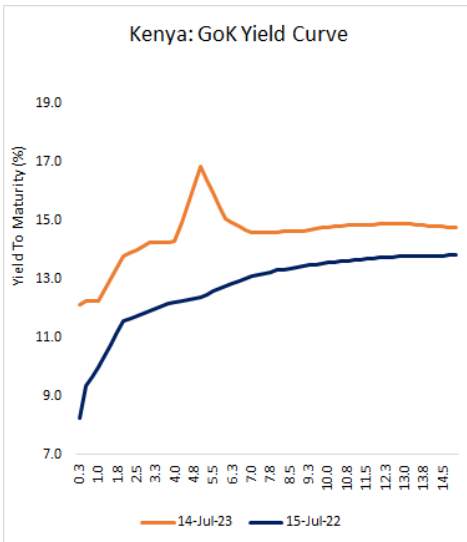
Sell & Buy Backs

11-Jul	FXD1/2019/15Yr	10.5	12.8570	13.8220	100.68	100.0
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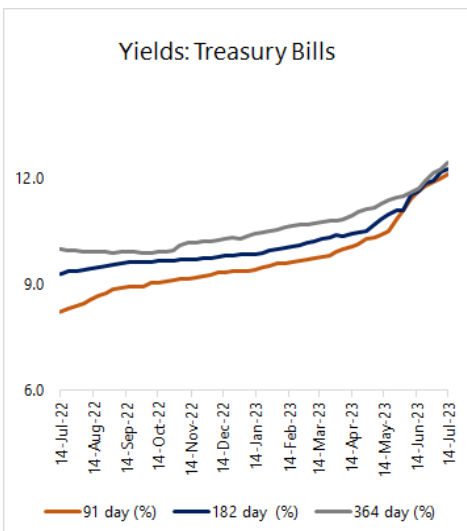
Treasury Bill auction for the week ending 14 July 2023

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	33.32	833.06	33.27	12.109	9.5
182-day	10.00	1.35	13.47	1.34	12.271	7.2
364-day	10.00	1.77	17.74	1.77	12.452	20.2

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

NCBA Announces Upward Adjustment of Interest Rates

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NCBA Bank has announced that it will adjust its Kenya shilling base lending rate **from 12.0% to 13.0% p.a.** from 7th August 2023.

.....

NCBA Bank has announced that it will adjust its Kenya shilling base lending rate from 12.0% to 13.0% p.a. from 7th August 2023. The increase comes after the Central Bank of Kenya adjusted the Central Bank Rate (CBR) by 100 bps to 10.5% on 26th June 2023 (the highest rate in nearly seven years). The adjustment marks the second time NCBA adjusted interest rates in the last three months. The bank increased both the base lending rates for the dollar and shilling-denominated loans to 12.0% on 29th May 2023. NCBA follows Equity Bank – which was the first bank to review its lending rates upwards following the change in the CBR. The adjustment saw Equity's base lending rate rise from 12.5% in January 2023 to 14.69% in July 2023. While we expect the upward adjustment by banks to enhance asset yields, we remain wary of the asset quality deterioration within the banking sector; the sector's NPL ratio rose from 13.3% in December 2022 to 14.9% in May 2023.

Source: Business Daily

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	28-July-23	31-Aug-23

(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 a.m.	Virtual	28-Jul-23
Safaricom	11:00 a.m.	Virtual	28-Jul-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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RESEARCH TEAM

Email: research@dyerandblair.com | Contact: +254 709 930 128