

# DBIB WEEKLY BULLETIN

# WEEK 24

Date: 16.06.2023

## Contents:

Equity Market Sum Up	2
Fixed Income Wrap Up	4
Salient News	5
Corporate Actions	6
Appendix	7

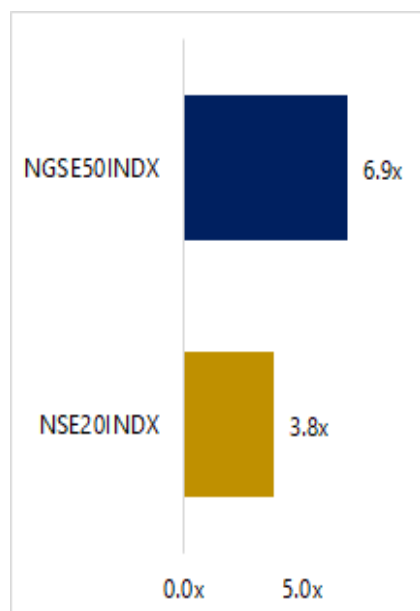
## INDICES & MARKET METRICS MOVEMENT

**NSE 20 eased** by 1.8% w-o-w to close at 1,564.72 and **NASI eased** by 5.2% w-o-w to close at 100.35.

**Weekly equity turnover rose** by 167.3% w-o-w to close at USD 11.80 MN (KES 1.65 BN).

**USD | KES:** KES weakened by 0.5% w-o-w to close at 139.87 (-13.4% 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	100.35	(5.19)	(2.96)	(21.90)	(21.28)
NSE-20	1,564.72	(1.84)	2.26	(5.33)	(6.65)
DBIB Select	103.03	(1.73)	(1.29)	(5.64)	(5.74)
MSCI Kenya (USD)	699.64	(7.22)	(16.41)	(38.34)	(36.65)
MSCI Frontier (USD)	481.61	(0.67)	1.55	(0.42)	1.97

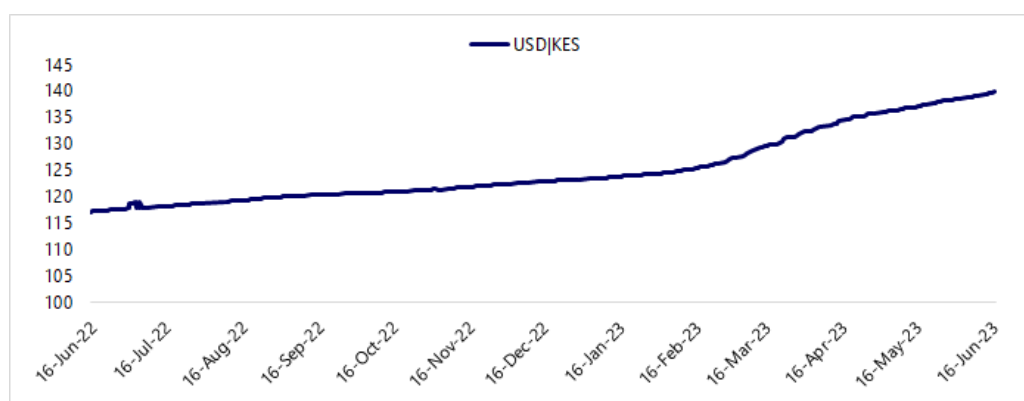
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,562.35	(5.20)	1.87	(2.97)	(21.96)
Market Turnover (USD m)	11.80	167.34	(1.25)	(47.62)	68.47
Market P/E (x)	7.85	(6.41)	2.87	(2.25)	133.23
Market Div. yld (%) *	9.90	51.52	39.83	228.32	263.36
Market ROE (%) *	29.02	(26.59)	(702.56)	(667.99)	(597.35)

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

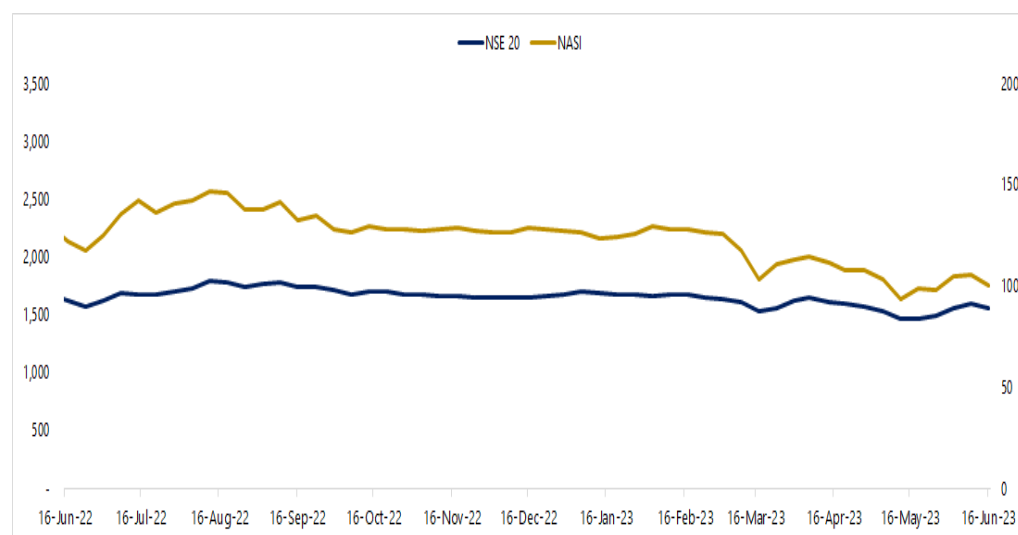
(Source: NSE, DBIB Research)

### 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 3.66 MN (KES 511.75 MN) representing 31.01% of this week's turnover.

The stock eased by 10.2% w-o-w to close at KES 14.90 on Friday.

Foreign investors assumed a **net buying** position on the counter this week by accounting for 39.93% of foreign sales and 40.47% of foreign purchases.

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Uchumi	15.0
Olympia	13.1
HF Group	9.7
Williamson Tea	7.1
<u>Britam</u>	<u>10.3</u>

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
Eveready	(17.3)
Safaricom	(10.2)
Liberty	(9.9)
Longhorn	(9.4)
<u>E.A.Portland</u>	<u>(8.1)</u>

Source: NSE, DBIB Research)

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	3.66
Equity	2.65
KCB	1.32
Stanbic	0.94
<u>E.A. Breweries</u>	<u>0.93</u>

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Umeme	115.0
Eveready	94.2
HF Group	55.5
Kenya Orchards	44.2
<u>Sasini</u>	<u>33.6</u>

Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
Car & General	(47.3)
Unga Group	(40.6)
Safaricom	(38.3)
Liberty	(30.0)
<u>KenGen</u>	<u>(28.3)</u>

(Source: NSE, DBIB Research)

## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Stanbic	97.7
NMG	93.3
E.A. Breweries	83.3
Absa	42.2
<u>Safaricom</u>	<u>40.5</u>

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BAT Kenya	92.5
Kapchorua Tea	75.3
KenGen	70.2
KCB	65.2
<u>E.A. Breweries</u>	<u>51.9</u>

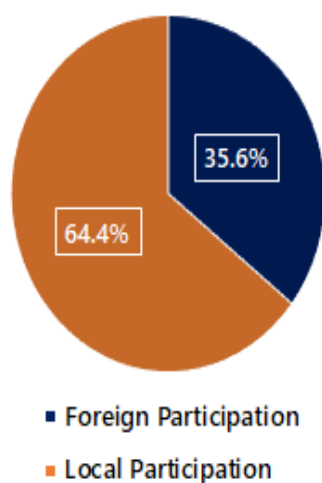
## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	91.6
BK Group	70.9
E.A. Breweries	60.3
NBV	58.8
<u>Flame Tree</u>	<u>56.2</u>

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	95.2
BAT Kenya	90.5
BK Group	81.6
Safaricom	79.1
<u>TPS E.A</u>	<u>76.3</u>

## 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 29.00 MN (KES 4.06 BN) representing a 45.3% w-o-w decrease from USD 53.26 MN (KES 7.41 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 29.00 MN (KES 4.06 BN) representing a 45.3% w-o-w decrease from USD 53.26 MN (KES 7.41 BN) recorded the previous week. The bond issue number FXD1/2019/19 emerged as the top traded bond with a turnover of KES 900.00 MN accounting for 22.2% of the week's turnover. The bond traded between 14.3000% and 15.6000%.

### June Auction Results: IFB1/2023/007

CBK issued IFB1/2023/007 (7.0 yrs.) with the intention of raising KES 60.0 BN for the funding of infrastructure projects in the fiscal year 2022/2023. From the auction, it received bids worth KES 220.5 BN translating to a subscription rate of 367.53%. In turn, it accepted bids worth KES 213.4 BN. The coupon rate settled at 15.837%.

### Top Trades for the week ending 16 June 2023

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
13-Jun	FXD1/2018/10Yr	5.2	12.6860	14.9000	96.07	470.0
15-Jun	FXD1/2019/20Yr	15.8	12.8730	15.6000	86.42	300.0
16-Jun	FXD1/2019/20Yr	15.8	12.8730	15.0067	89.54	300.0
12-Jun	FXD1/2022/25Yr	24.3	14.1880	14.1934	101.83	200.0
13-Jun	FXD1/2022/25Yr	24.3	14.1880	14.1934	101.86	150.0
15-Jun	FXD1/2014/10Yr	0.6	12.1800	11.6499	105.29	150.0
14-Jun	FXD1/2023/3Yr	2.9	14.2280	14.3000	100.97	139.0
14-Jun	FXD1/2023/3Yr	2.9	14.2280	14.2750	101.03	139.0
16-Jun	FXD1/2023/3Yr	2.9	14.2280	12.7500	104.72	139.0
12-Jun	IFB1/2023/17Yr	16.7	14.3990	14.2500	104.39	100.0
13-Jun	FXD1/2022/10Yr	8.9	13.4900	13.7290	99.84	100.0
14-Jun	FXD1/2022/10Yr	8.9	13.4900	13.7420	99.81	100.0
16-Jun	FXD1/2022/10Yr	8.9	13.4900	13.7290	99.95	100.0
14-Jun	IFB1/2020/6Yr	2.9	10.2000	11.4300	97.42	80.0
13-Jun	FXD2/2019/15Yr	10.9	12.7340	14.3000	92.70	54.0

(Source: NSE, DBIB Research)

### Sell & Buy Backs

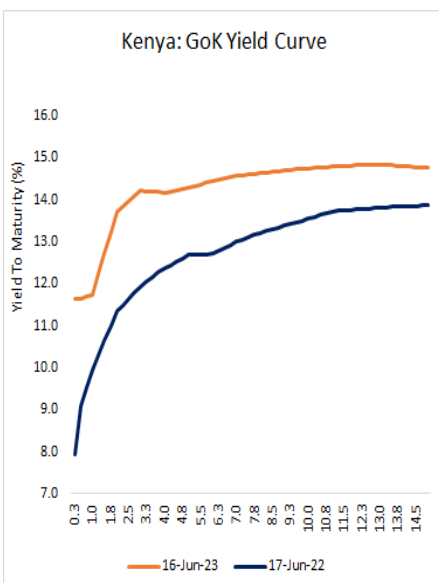
16-Jun	FXD1/2019/10Yr	15.8	12.8730	14.3000	93.46	300.0
12-Jun	FXD1/2022/10Yr	8.9	13.4900	13.7420	99.74	100.0

### Treasury Bill auction for the week ending 16 June 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	18.19	454.86	7.11	11.64	22.6
182-day	10.00	2.66	26.64	1.72	11.649	10.1
364-day	10.00	1.75	17.46	1.75	11.734	12.6

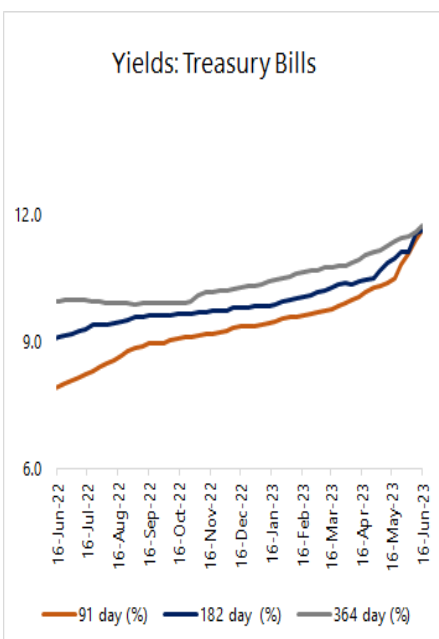
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

---

## Salient News

### Equity Group announces acquisition in Cogeбанque

.....

Equity Group announced that it had entered into a **binding term sheet** with the Government of Rwanda, Rwanda Social Security Board, Sanlam Vie Plc and Ms. Judith Mugirasoni for the **purchase of 91.93% of the issued share capital of Cogeбанque**.

.....

Equity Group announced that it had entered into a binding term sheet with the Government of Rwanda, Rwanda Social Security Board, Sanlam Vie Plc and Ms. Judith Mugirasoni for the purchase of 91.93% of the issued share capital of Compagnie Générale De Banque (Cogebanque).

The binding term sheet specifies that Equity Group will pay a cash consideration of RWF 297,406 per ordinary share for the 183,854 ordinary shares to be purchased and that Equity Group will be entitled to all dividends declared after 1 January 2023 other than the final dividend for the year ended 31 December 2022 of RWF 15,000 per ordinary share that Cogebanque declared in May 2023 that will be paid to the current shareholders of Cogebanque before completion of the Cogebanque Acquisition.

The binding term sheet further provides that the Government of Rwanda, or its nominee, will purchase Cogebanque's head office building from Cogebanque or its successor entity within twelve months of completion of the Cogebanque Acquisition for consideration that results in net after-tax proceeds of RWF 11,488,000,000.

Equity Group intends to make an offer to the remaining shareholders to acquire all their shares in Cogebanque at the same price per share referred to above with the intent of eventually acquiring 100.00% of the issued share capital of Cogebanque.

If approved, Equity Group, plans to eventually amalgamate the business of Cogebanque with that of its existing subsidiary -- Equity Bank Rwanda.

Cogebanque is a public limited company licensed by the BNR to provide banking services in Rwanda. At the end of 2022, Cogebanque was the fifth largest bank in Rwanda as measured by reported book value of total assets and shareholders' equity and served customers in the corporate, small- and medium-sized enterprise and retail customer segments.

Cogebanque has twenty-eight branches, approximately six hundred active bank agents and thirty-six automated teller machines.

In its audited financial statements for the year ended 31 December 2022, Cogebanque reported net assets worth RWF 47,351,179,000 (equivalent to RWF 236,756 per issued ordinary shares) and after tax profits of RWF 9,056,876,000 (equivalent to earnings per issued share of RWF 45,284 per share).

*Source: Company filings, DBIB Research*

## UPCOMING EVENTS

### Profit Warnings

1. KPLC
2. Longhorn

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Limuru Tea	Final: KES 2.50	14-Apr-23	30-Jun-23
Equity Group	First & Final: KES 4.00	19-May-23	30-Jun-23
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
Sasini	Interim: KES 1.00	02-Jun-23	03-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
BK Group	First & Final: RWF 32.5	13-Jun-23	01-Jul-23
Umeme Ltd	Final: USH 63.90	30-Jun-23	20-Jul-23
Crown paints	Final: KES 4.00	28-Jun-23	14-Aug-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>
BOC Kenya	11:00 a.m.	Virtual	22-Jun-23
Standard Group	11:00 a.m.	Virtual	23-Jun-23
Crown Paints	11:00 a.m.	Virtual	27-Jun-23
Sameer	10:00 a.m.	Virtual	27-Jun-23
TPS Eastern Africa	11:00 a.m.	Virtual	27-Jun-23
Britam	10:00 a.m.	Virtual	28-Jun-23
Equity Group	10:00 a.m.	Virtual	28-Jun-23
Express Kenya	11:00 a.m.	Virtual	29-Jun-23
Home Afrika	10:00 a.m.	Virtual	29-Jun-23
Flame Tree	11:00 a.m.	Virtual	30-Jun-23
Jubilee	10:00 a.m.	Virtual	30-Jun-23
Kenya Airways	9:00 a.m.	Virtual	30-Jun-23
NMG	3:00 p.m.	Virtual	30-Jun-23
Trans-Century	11:00 a.m.	Virtual	30-Jun-23
Scangroup	11:00 a.m.	Virtual	30-Jun-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.*

### DISCLAIMER

*While every care has been taken in preparing this report and it has been prepared from sources believed to be reliable, no representation, warranty, or undertaking (express or implied) is given and no responsibility is accepted by Dyer and Blair Investment Bank Limited, its related companies, subsidiaries, affiliates, its employees and agents, as to the accuracy and completeness of the information contained herein or in respect of any reliance on or use thereof. This report is solely intended for distribution to clients of Dyer and Blair Investment Bank Limited. Any information may be changed after distribution at any time without any notice.*

### RESEARCH TEAM

Email: [research@dyerandblair.com](mailto:research@dyerandblair.com) | Contact: +254 709 930 128