

DBIB WEEKLY BULLETIN

WEEK 12

Date: 24.03.2023

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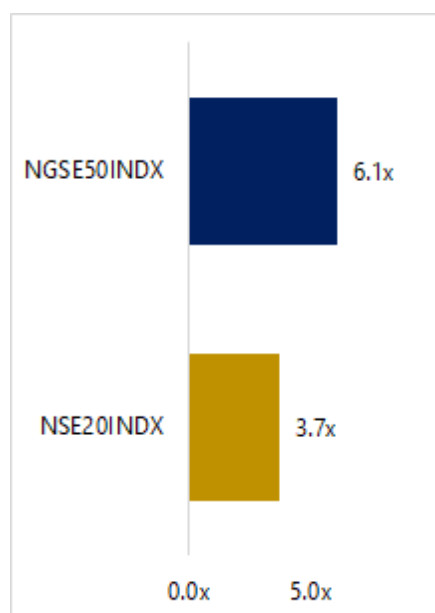
INDICES & MARKET METRICS MOVEMENT

NSE 20 & NASI rose by 2.2% and 7.3% w-o-w to close at 1,564.16 and 110.93 respectively.

Weekly equity turnover advanced by 768.4% w-o-w to close at USD 195.61 MN (KES 25.68 BN).

USD | KES: KES weakened 1.1% w-o-w to close at 131.27 (-6.4% 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	110.93	7.27	(13.40)	(17.74)	(12.98)
NSE-20	1,564.16	2.22	(5.96)	(10.42)	(6.68)
DBIB Select	105.80	1.37	(3.13)	165.30	(3.20)
MSCI Kenya (USD)	866.68	3.55	(22.73)	(28.69)	(21.52)
MSCI Frontier (USD)	479.82	1.17	1.00	(3.59)	1.59

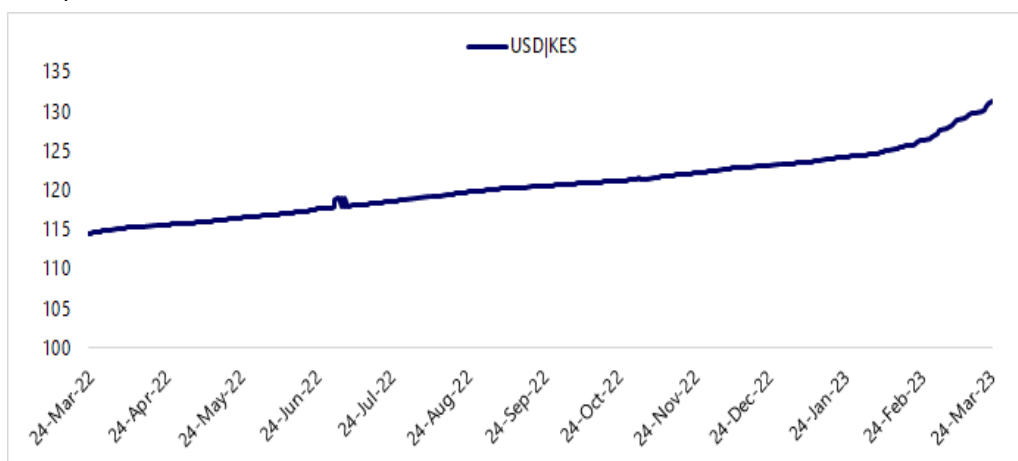
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,727.69	7.29	(12.32)	(13.43)	(17.79)
Market Turnover (USD m)	195.61	768.42	2,945.24	1,841.43	848.53
Market P/E (x)	8.82	9.82	(15.67)	179.12	418.59
Market Div. yld (%) *	8.88	(62.42)	123.71	198.01	304.88
Market ROE (%) *	36.53	48.97	102.12	(29.69)	(305.60)

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

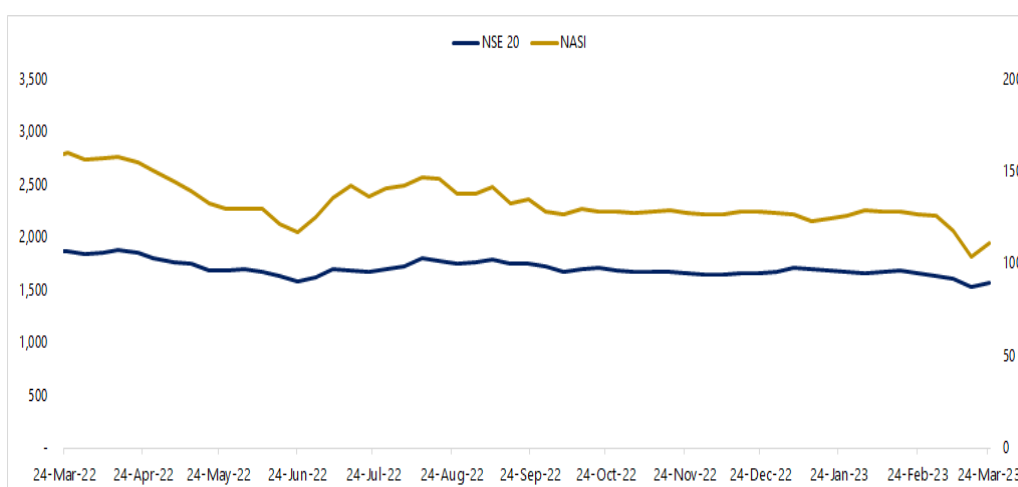
(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

.....
E.A Breweries emerged as the top traded counter on the bourse recording a weekly turnover of USD 154.00 MN (KES 20.22 BN) representing 78.73% of this week's turnover.

The stock **edged up** by 0.1% w-o-w to close at KES 170.75 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 61.52% of foreign sales and 0.94% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Safaricom	15.6
Express Kenya	15.6
KCB Group	14.5
Kenya Re	14.5
<u>Total Kenya</u>	<u>11.7</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Kakuzi	(37.5)
B.O.C Kenya	(9.1)
TPS E.A	(4.8)
Unga Group	(3.9)
<u>Car & General</u>	<u>(3.9)</u>

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
E.A Breweries	154.00
Safaricom	13.77
Equity Group	4.46
BAT Kenya	1.19
<u>KCB Group</u>	<u>0.77</u>

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Orchards	44.2
Umeme Ltd	34.2
New Gold ETF	21.7
StanChart Bank	17.5
<u>Flame Tree</u>	<u>15.7</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Unga Group	(50.2)
Kakuzi	(37.7)
Car & General	(34.8)
KenGen	(31.4)
<u>Jubilee Holdings</u>	<u>(24.5)</u>

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Flame Tree	98.7
Crown Paints	77.9
Safaricom	73.3
Equity Group	66.4
<u>KCB Group</u>	<u>54.3</u>

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BAT Kenya	98.0
Unga Ltd	87.7
Safaricom	86.7
E.A Breweries	61.5
<u>ABSA Bank</u>	<u>47.2</u>

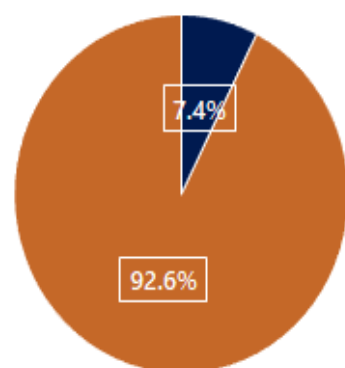
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	98.1
Stanbic Holdings	73.1
Flame Tree	65.6
E.A Breweries	60.8
<u>Equity Group</u>	<u>51.6</u>

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	98.3
BAT Kenya	92.6
Unga Ltd	85.2
TPS E.A	83.3
<u>Safaricom</u>	<u>80.7</u>

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 147.90 MN (KES 19.42 BN) representing a 4.1% w-o-w increase from USD 142.08 MN (KES 18.45 BN) recorded the previous week.

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April Issue: FXD2/2018/10 , FXD1/2022/03 & FXD1/2019/15 (re-opens)

The Central Bank of Kenya re-opened FXD2/2018/10 (5.8 yrs.) with the intention of raising KES 20.0 BN and FXD1/2022/03 (2.1 yrs.) & FXD1/2019/15 (10.9 yrs.) with the intention of raising 30.0 BN; all for budgetary support. The coupon rates for FXD2/2018/10 , FXD1/2022/03 & FXD1/2019/15 stand at 12.502%, 11.766% and 12.857% respectively. The period of sale of FXD2/2018/10 runs from 16th March 2023 to 4th April 2023 while that of FXD1/2022/03 & FXD1/2019/15 runs from 16th March 2023 to 18th April 2023.

Top Trades for the week ending 24 March 2023

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
22-Mar	IFB1/2023/17Yr	16.9	14.3990	14.3566	100.59	760.0
24-Mar	IFB1/2015/12Yr	4.5	11.0000	13.0000	96.76	637.2
24-Mar	IFB1/2015/12Yr	4.5	11.0000	12.6000	97.41	637.2
21-Mar	IFB1/2023/17Yr	16.9	14.3990	14.4000	100.30	534.0
22-Mar	FXD1/2022/3Yr	2.0	11.7660	12.9000	103.26	500.0
23-Mar	IFB1/2021/18Yr	16.0	12.6670	13.5000	101.13	500.0
21-Mar	IFB1/2013/12Yr	2.5	11.0000	13.9000	94.08	348.6
22-Mar	IFB1/2013/12Yr	2.5	11.0000	12.7500	96.42	348.6

Sell & Buy Backs

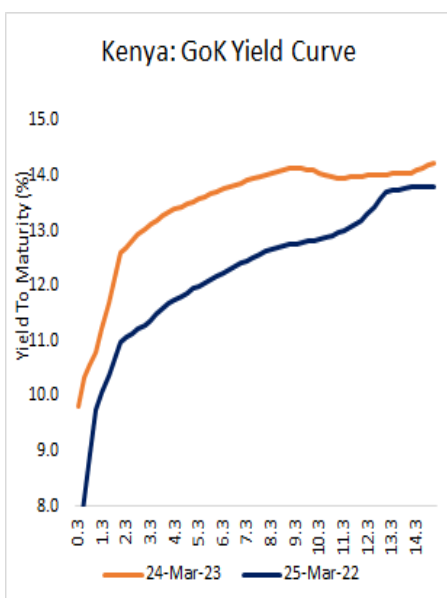
20-Mar	FXD3/2019/10Yr	6.4	11.5170	11.5100	101.11	520.0
23-Mar	FXD3/2019/10Yr	6.4	11.5170	11.4800	101.34	520.0
20-Mar	FXD2/2019/10Yr	6.0	12.3000	11.6100	108.37	500.0
20-Mar	FXD2/2019/10Yr	6.0	12.3000	11.5100	108.80	500.0
20-Mar	FXD3/2019/10Yr	6.4	11.5170	11.5600	100.89	500.0
23-Mar	FXD2/2019/10Yr	6.0	12.3000	11.4800	109.03	500.0
23-Mar	FXD3/2019/10Yr	6.4	11.5170	11.5300	101.12	500.0
23-Mar	IFB1/2021/21Yr	19.4	12.7370	13.4500	96.13	500.0

(Source: NSE, DBIB Research)

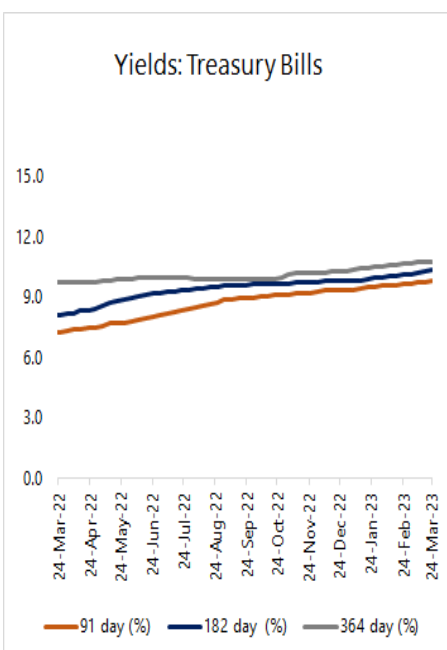
Treasury Bill auction for the week ending 24 March 2023

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	7.18	179.44	7.18	9.829	4.9
182-day	10.00	3.69	36.92	3.41	10.344	5.9
364-day	10.00	0.93	9.30	0.92	10.787	1.0

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

CIC Insurance Group FY22 results

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CIC Insurance released its FY22 results reporting a 63.6% y-o-y upswing in after-tax profits to KES 1.1 BN.

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CIC Insurance released its FY22 results reporting a 63.6% y-o-y upswing in after-tax profits to KES 1.1 BN. This was supported by an 18.8% y-o-y rise in net earned premiums to KES 17.5 BN and a 12.9% y-o-y growth in other income to KES 5.0 BN. EPS for the period stood at KES 0.40 as compared to KES 0.23 in FY21. **The board recommended the payment of a first and final dividend of KES 0.13 per share (FY21: nil).** If approved, the dividend will be paid on or about 26th May 2023 to shareholders on the register at the close of business on 8th May 2023.

Gross written premiums rose by 20.3% y-o-y to KES 23.7 BN while re-insurance premiums ceded grew by 7.9% y-o-y to KES 5.2 BN. This placed the net earned premiums at KES 17.5 BN, 18.8% higher y-o-y.

Net claims and policyholder went up by 10.8% y-o-y to KES 11.7 BN placing the claims ratio at 66.8%, 652 bps higher y-o-y. Operating expenses increased by 16.7% y-o-y to KES 5.5 BN placing the expense ratio at 31.7%, 452 bps higher y-o-y. Commission expenses rose by 15.5% y-o-y to KES 2.9 BN placing the acquisitions ratio at 16.4%, 221 bps higher y-o-y. As a result, the combined ratio inched higher to 114.9% as compared to 101.6% in FY21.

Total assets advanced by 12.4% y-o-y to KES 46.7 BN while total liabilities increased by 13.7% y-o-y to KES 38.1 BN. Total equity edged up by 7.3% y-o-y to KES 8.6 BN.

Net cash flows generated from operating activities declined by 73.7% y-o-y to KES 500.8 MN. Net cash flows used in investing activities fell by 45.6% y-o-y to KES 72.7 MN while net cash flows used in financing activities decreased by 31.9% y-o-y to KES 53.4 MN.

CIC is currently trading at a P/E multiple of 4.8x against an industry median of 3.3x and a P/B multiple of 0.6x against an industry median of 0.4x. Its ROE stands at 12.8% while its ROA stands at 2.3%.

Source: Company Filings, DBIB Research

UPCOMING EVENTS

Profit Warnings

1. NSE
2. Bamburi
3. Crown Paints
4. Flame Tree
5. Eveready
6. Kenya Airways

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
KenGen	Final: KES 0.20	26-Jan-23	30-Mar-23
E.A Breweries	Interim: KES 3.75	16-Feb-23	28-Apr-23
Safaricom	Interim: KES 0.58	15-Mar-23	31-Mar-23
TransCentury	Rights Issue: 5:1	17-Mar-23	20-Apr-23
KCB Group	Final: KES 1.00	06-Apr-23	26-May-23
StanChart Bank	Final: KES 16.00	21-Apr-23	25-May-23
ABSA Bank	Final: KES 1.15	28-Apr-23	25-May-23
CIC Insurance	Final: KES 0.13	08-May-23	26-May-23
Stanbic Holdings	First & Final: KES 12.60	19-May-23	STA*
Co-op Bank	First & Final: KES 1.50	24-May-23	09-Jun-23
BAT Kenya	Final: KES 52.00	26-May-23	15-Jun-23
Kakuzi	First & Final: KES 24.00	31-May-23	15-Jun-23

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
-	-	-	-

(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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