

DBIB WEEKLY BULLETIN

WEEK 43

Date: 27.10.2023

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INDICES & MARKET METRICS MOVEMENT

NSE 20 eased by 0.2% w-o-w to close at 1,461.99 while **NASI eased** by 4.0% w-o-w to close at 89.42.

Weekly equity turnover rose by 272.7% w-o-w to close at USD 15.11 MN (KES 2.27 BN).

USD | KES: KES weakened by 0.4% w-o-w to close at 150.36 (-21.88% year-to-date).

PEER P/E MULTIPLES



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

*LTM Price/EPS

(Source: Bloomberg, DBIB Research)

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	89.42	(4.02)	(15.07)	(16.92)	(29.85)
NSE-20	1,461.99	(1.89)	(7.34)	(7.40)	(12.77)
DBIB Select	82.58	(1.52)	(5.53)	(22.04)	(24.45)
MSCI Kenya (USD)	579.21	(5.17)	(22.16)	(29.25)	(47.55)
MSCI FSontiES (USD)	466.84	(2.15)	(8.94)	(3.07)	(1.16)

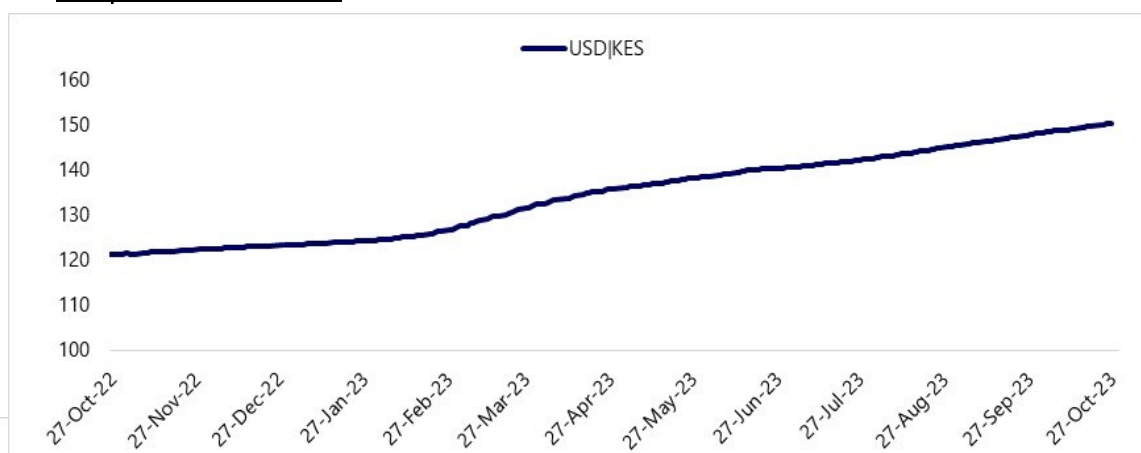
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,397.03	(4.03)	(6.09)	(14.79)	(16.65)
Market TurnovES (USD m)	15.11	271.28	335.91	(50.34)	99.28
Market P/E (x)	8.29	(6.04)	(8.04)	(16.06)	3.38
Market Div. yld (%) *	9.25	41.81	100.00	(29.18)	184.61
Market ROE (%) *	9.14	(1,834.53)	(1,733.48)	(2,486.34)	(2,747.42)

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

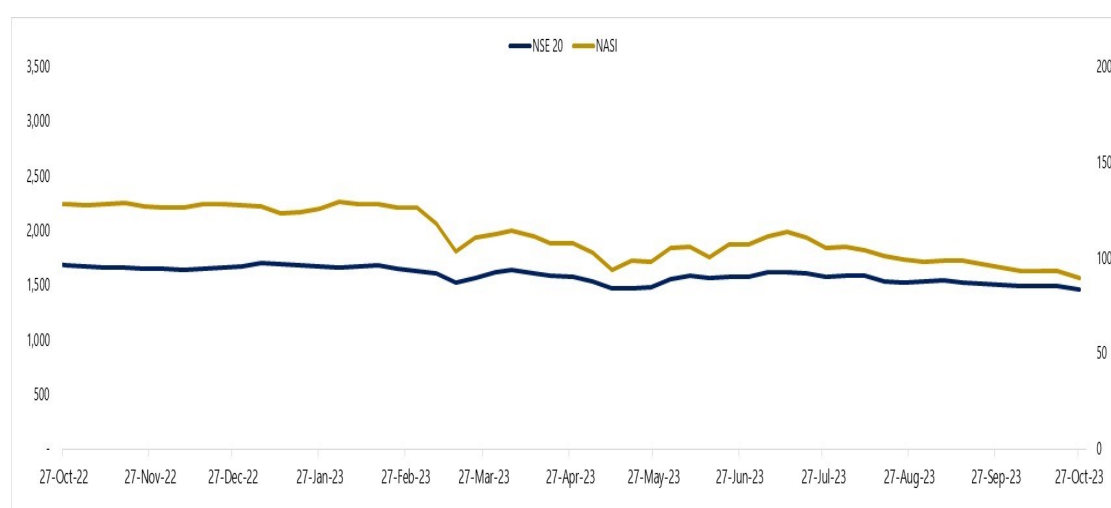
(Source: NSE, DBIB Research)

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 8.44 MN (KES 1.26 BN) representing 55.86% of this week's turnover.

The stock shed by 9.4% w-o-w to close at KES 12.50 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for 59.55% of foreign sales and 51.47% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Sasini Ltd	13.7
Umeme Ltd	13.3
Car & General	10.2
E.A. Portland Cement	7.6
Eveready	5.0

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
STANLIB FAHARI I-REIT	(16.2)
Longhorn	(10.0)
Safaricom	(9.4)
Uchumi	(9.1)
Express Kenya	(7.7)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	8.44
LAPTRUST IMARA I-REIT	3.99
Equity	1.05
Nation	0.55
KCB	0.15

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Umeme	95.4
Kapchorua Tea	89.8
Eveready	87.5
Kenya Orchards	81.2
Williamson Tea Kenya	42.7

(Source: NSE, DBIB Research)

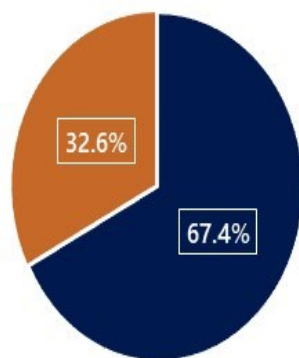


<u>Top Losers</u>	<u>%</u>
Unga Group	(51.6)
KCB	(50.5)
Car & Genera	(48.2)
Trans-Century	(46.2)
Safaricom	(39.5)

(Source: NSE, DBIB Research)



WEEKLY LOCAL VS FOREIGN PAR-



- Foreign Participation
- Local Participation

(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Umeme	98.8%
Crown	96.5%
NSE	84.2%
Jubilee	79.1%
Safaricom	65.7%

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
New Gold ETF	100.0%
Kakuzi	100.0%
STL Global	100.0%
BK Group	98.9%
Safaricom	91.9%

Y-T-D Foreign Performance

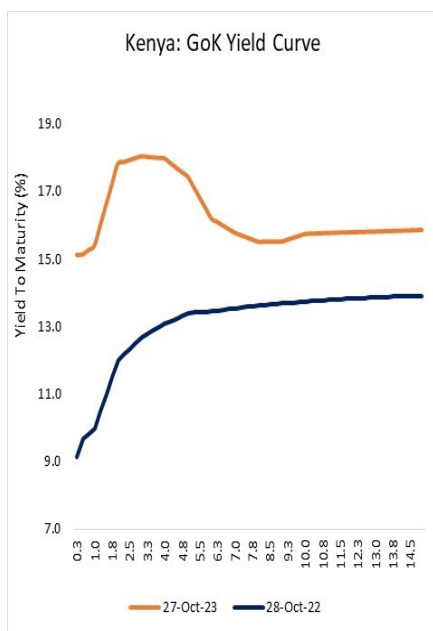
<u>Top Foreign Buys</u>	<u>% Purchase</u>
BK Group	89.6%
EABL	67.3%
New Gold ETF	61.9%
NBV	59.9%
Equity	59.5%
NSE	60.0%

(Source: NSE, DBIB Research)

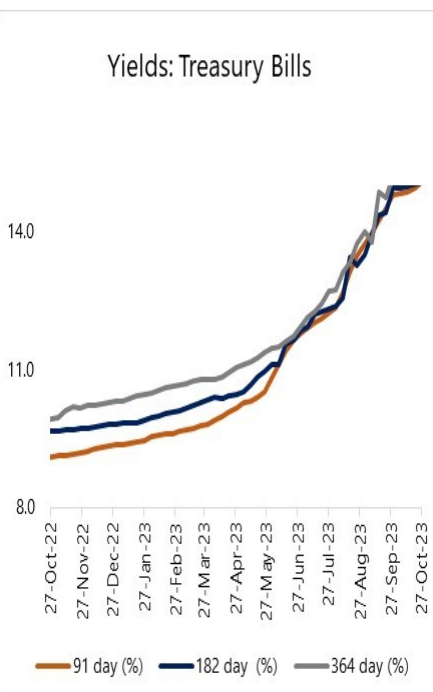
<u>Top Foreign Sales</u>	<u>% Sold</u>
BAT	86.7%
New Gold ETF	85.2%
Safaricom	80.4%
BK Group	75.8%
UNGA	65.7%
UNGA Group	65.7%

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 79.90 MN (KES 12.01 BN) representing a 21.57% w-o-w increase from USD 65.73 MN (KES 9.85 BN) recorded the previous week.



Source: NSE, DBIB Research



The Bond market's turnover for the week stood at USD 79.90 MN (KES 12.01 BN) representing a 21.57% w-o-w increase from USD 65.73 MN (KES 9.85 BN) recorded the previous week. The bond issue number FXD1/2023/5 emerged as the top traded bond with a turnover of KES 2.09.BN accounting for 17.41% of the week's turnover. The bond traded between 17.8500% and 16.5500%.

October Issue: IFB1/2023/6.5

The Central Bank of Kenya (CBK) has newly issued the infrastructure bond IFB1/2023/6.5 (6.5 yrs.) with the intention of raising KES 50.0 BN for the funding of infrastructure projects in the fiscal year 2023/2024. The coupon rate will be market determined. The period of sale runs from 20th October 2023 to 08th November 2023.

Top Trades for the week ending 27 October 2023

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
27-Oct	FXD1/2019/5Yr	0.3	11.3040	16.2500	100.56	700.0
25-Oct	FXD1/2023/5Yr	4.7	16.8440	17.5000	102.49	500.0
24-Oct	FXD1/2023/5Yr	4.7	16.8440	17.8500	101.37	400.0
26-Oct	FXD1/2022/3Yr	1.4	11.7660	16.7500	94.33	400.0
23-Oct	IFB1/2022/18Yr	16.6	13.7420	16.0000	93.58	332.5
23-Oct	IFB1/2022/18Yr	16.6	13.7420	15.3500	96.64	332.5
27-Oct	IFB1/2022/18Yr	16.6	13.7420	14.4000	101.58	332.5
24-Oct	IFB1/2021/16Yr	13.2	12.2570	13.1850	98.24	300.0
25-Oct	FXD1/2023/5Yr	4.7	16.8440	17.6500	102.03	300.0
25-Oct	IFB1/2021/16Yr	13.2	12.2570	13.1850	98.28	300.0
25-Oct	IFB1/2021/16Yr	13.2	12.2570	13.1700	98.35	300.0
26-Oct	FXD1/2023/5Yr	4.7	16.8440	17.6000	102.23	300.0
26-Oct	IFB1/2021/16Yr	13.2	12.2570	13.1700	98.39	300.0
23-Oct	FXD1/2016/10Yr	2.8	15.0390	18.0886	96.00	250.0
24-Oct	FXD1/2016/10Yr	2.8	15.0390	18.1500	95.92	250.0

Sell & buy-backs

23-Oct	FXD1/2017/10Yr	3.7	12.9660	13.4190	101.89	100.0
25-Oct	FXD1/2017/10Yr	3.7	12.9660	13.4190	101.96	100.0
25-Oct	FXD1/2017/10Yr	3.7	12.9660	13.4190	101.96	100.0
27-Oct	FXD1/2017/10Yr	3.7	12.9660	13.4190	102.03	100.0

(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 27 October 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	10.63	265.97	8.14	15.111	6.5
182-day	10.00	5.66	56.68	5.66	15.128	5.2
364-day	10.00	1.84	18.43	1.84	15.387	4.6

(Source: NSE, DBIB Research)

Salient News

Carbacid Investments FY23 Earnings.

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Carbacid Investments released its audited FY23 earnings reporting a 14.0% y-o-y increase in Profit After Tax to KES 816.0 MN.
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Carbacid Investment PLC released its audited FY23 earnings reporting a **14.0% y-o-y increase in PAT (Profit After Tax) to KES 816.0 MN.** This increase was primarily driven by a 21.7% y-o-y increase in revenue to KES 1.72 BN caused by growth in regional demand, new products and continued search for new markets.

Operating profit stood at KES 1.01 BN while other income increased 22.8% y-o-y to KES 394.30 MN. Finance costs for the period stood at 16.44 MN.

Total assets increased 14.6% y-o-y to KES 5.11 BN after a 10.4% y-o-y increase in non-current assets to KES 4.10 BN and a 35.1% y-o-y increase in current assets to KES 1.02 BN.

Total liabilities decreased 55.9% y-o-y to KES 107.1 MN following a 95.8% y-o-y increase in non-current liabilities to KES 422.1 MN and a 15.7% y-o-y increase in current liabilities to KES 529.15 MN. Total equity for the period increased 9.9% y-o-y to KES 4.16 BN.

Net cash from operating activities stood at 739.2 MN. Net cash used in investing activities was stated as KES 403.0.6 MN while net cash generated from financing activities stood at KES 186.3 MN.

(Source: Company filings, DBIB Research).

EA PORTLAND CEMENT PLC FY23 Earnings

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EA Portland cement released its FY23 earnings reporting a loss of KES 2.37 BN which was a significant drop from a profit of KES 529.20 reported in FY22.
.....

EA Portland cement released its FY23 earnings reporting a **loss of KES 2.37 BN which was a significant drop from a profit of KES 529.20 reported in FY22.** This decrease was primarily driven by tight working capital position as well as depreciation of the Kenya Shilling, which had a direct impact on energy and other operational costs

Revenue increased 37.8% y-o-y to 2.95 BN. This increase was attributed to the successful completion of the first phase of plant refurbishment in September 2022

Operating loss stood at KES 1.92 BN while finance income increased 6.4% y-o-y to KES 78.94 MN. Finance costs for the period stood at 70.59 MN.

Total assets decreased 8.6% y-o-y to KES 32.78 BN after a 8.2% y-o-y decrease in non-current assets to KES 31.04 BN and a 14.8% y-o-y decrease in current assets to KES 1.73 BN

Total liabilities decreased 4.9% y-o-y to KES 13.57 BN following a 47.6% y-o-y decrease in non-current liabilities to KES 10.2 MN and a 4.9% y-o-y decrease in current liabilities to KES 13.56 BN. Total equity for the period decreased 11.0% y-o-y to KES 19.21 BN.

Net cash from operating activities stood at 16.04 MN. Net cash generated in investing activities was stated as KES 2.00 BN while net cash used from financing activities stood at KES 1.87 BN.

(Source: Company filings, DBIB Research).

Salient News

KENGEN PLC FY23 Earnings

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KenGen released its FY23 earnings reporting a 48.3% y-o-y increase in PAT (profit after tax) to KES 5.01 BN.

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KenGen released its FY23 earnings reporting a 48.3% y-o-y increase in PAT (profit after tax) to KES 5.02 BN. This increase was primarily driven by 13.7% y-o-y increase in revenue to KES 53.96 BN.

Operating profit stood at KES 9.57 BN while finance income decreased 18.5% y-o-y to KES 1.68 BN. Finance costs for the period stood at 2.73 BN.

Total assets increased 3.3% y-o-y to KES 516.58 BN after a 1.8% y-o-y increase in non-current assets to KES 470.70 BN and a 21.4% y-o-y increase in current assets to KES 45.87 BN.

Total liabilities increased 7.4% y-o-y to KES 242.38 BN following a 8.2% y-o-y increase in non-current liabilities to KES 220.20 BN and a 0.3% y-o-y increase in current liabilities to KES 22.19 BN. Total equity for the period decreased 0.1% y-o-y to KES 274.20 BN.

Net cash from operating activities stood at 23.23 BN. Net cash used in investing activities was stated as KES 13.86 BN while net cash used from financing activities stood at KES 7.13 BN.

(Source: Company filings, DBIB Research).

UPCOMING EVENTS

Profit Warnings

1. Kenya Power
2. Longhorn
3. Nation Media

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Centum	Final: KES 0.60	11-Oct-23	30-Nov-23
Carbacid	First & Final: KES 1.70	24-Nov-23	15-Dec-23
KenGen	First & Final: KES 0.30	30-Nov-23	15-Feb-24
Umeme	Interim: UGX: 24.00	09-Feb-24	29-Feb-24

(Source: NSE, DBIB Research)

STA—Subject to approval*

(Source: Company filings , DBIB Research)

EGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Kenya Power	11:00 a.m.	Virtual	10-Nov-23
ILAM Fahari I-REIT	10:00 a.m.	Virtual	24-Nov-23

(Source: Company filings , DBIB Research)

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
KenGen	11:00 a.m.	Virtual	30-Nov-23
Carbacid	11:00 a.m.	Virtual	15-Dec-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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