

DBIB WEEKLY BULLETIN

WEEK 03

Date: 19.01.2024

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INDICES & MARKET METRICS MOVEMENT

NSE 20 and NASI rose by 0.2% and 0.6% w-o-w to close at 1516.75 and 93.37 respectively.

Weekly equity turnover dropped by 10.1% w-o-w to close at USD 3.9 MN (KES 0.62 BN).

USD | KES: KES weakened by 0.3% w-o-w to close at 160.35 (-2.48% year-to-date).

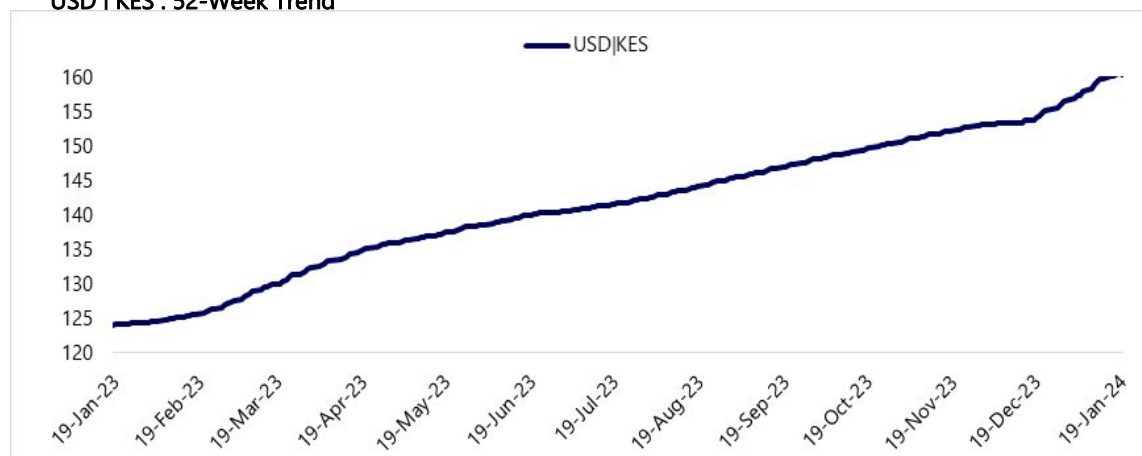
| Index | Current | 1 wk (%) | 3 m (%) | 6 m (%) | YTD (%) |
|---------------------|----------|----------|---------|---------|---------|
| NASI | 93.37 | 0.61 | 0.21 | (15.62) | 1.37 |
| NSE-20 | 1,516.75 | 0.18 | 1.79 | (5.97) | 1.04 |
| DBIB Select | 83.43 | 0.09 | (0.51) | (6.84) | 1.73 |
| MSCI Kenya (USD) | 55.84 | (90.02) | (90.86) | (93.09) | (89.90) |
| MSCI Frontier (USD) | 514.78 | 0.39 | 7.90 | 1.10 | 1.54 |

(Source: NSE, Bloomberg, DBIB Research)

| Market Metrics | Current | 1 wk (ch) | 3 m (ch) | 6 m (ch) | 12 m (ch) |
|-------------------------|----------|-----------|----------|----------|------------|
| MarkEV Cap. (USD m) | 1,458.76 | 0.62 | 2.59 | 0.21 | (15.35) |
| MarkEV Turnover (USD m) | 3.85 | (10.09) | (22.28) | (5.48) | (32.04) |
| MarkEV P/E (x) | 7.85 | 2.13 | 3.56 | (11.11) | (10.95) |
| MarkEV Div. yld (%) * | 3.91 | (1.62) | (492.09) | (446.55) | (399.29) |
| MarkEV ROE (%) * | 25.41 | (10.48) | (206.69) | (401.44) | (1,137.58) |

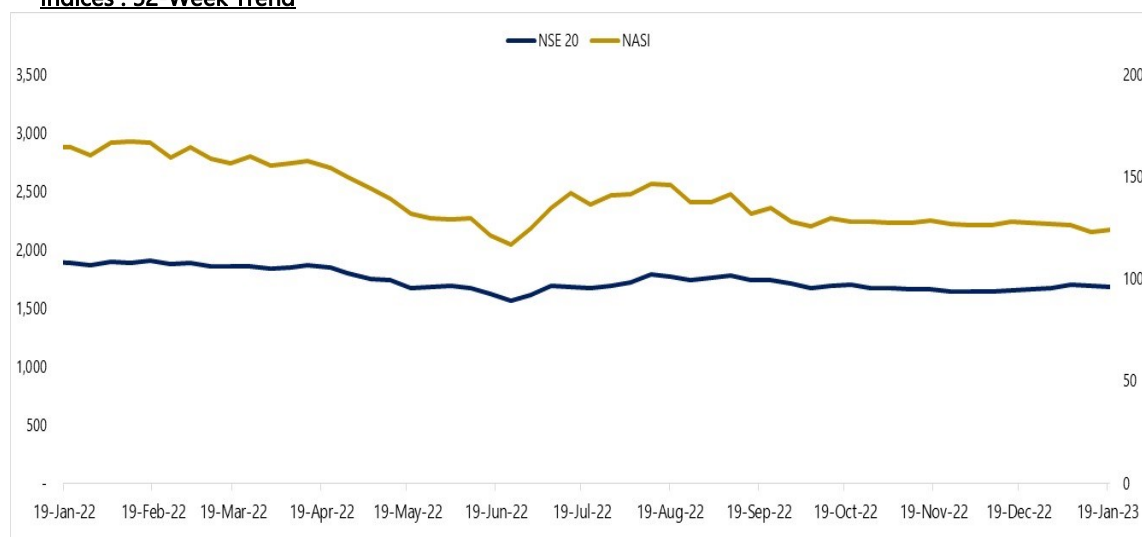
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes
(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

PEER P/E MULTIPLES



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

*LTM Price/EPS

(Source: Bloomberg, DBIB Research)

WEEKLY BOURSE WRAP UP...

Safaricom emerged as the top traded counter on the bourse recording a weekly turnover of USD 1.86 MN (KES 0.30 BN) representing 43.46% of this week's turnover.

The stock **gained** by 0.4% w-o-w to close at KES 13.95 on Friday.

Foreign investors assumed a **net buying position** on the counter this week by accounting for **71.68%** of foreign sales and **74.42%** of foreign purchases.

Week-on-Week Performance

| <u>Top gainers</u> | <u>%</u> |
|--------------------|----------|
| Sanlam | 26.7 |
| NBV | 19.4 |
| E.A. Cables | 9.1 |
| Housing Finance | 8.2 |
| Umeme | 7.8 |

(Source: NSE, DBIB Research)



| <u>Top Losers</u> | <u>%</u> |
|-------------------|----------|
| Trans-Century | (11.8) |
| CIC Insurance | (6.2) |
| Sameer | (4.7) |
| Kenya Re | (4.6) |
| Sasini | (4.5) |

(Source: NSE, DBIB Research)



| <u>Top traders (Value)</u> | <u>USD MN</u> |
|----------------------------|---------------|
| Safaricom | 1.86 |
| Equity | 0.98 |
| KCB | 0.32 |
| EABL | 0.23 |
| Cooperative | 0.08 |

(Source: NSE, DBIB Research)

Y-T-D Performance

| <u>Top gainers</u> | <u>%</u> |
|--------------------|----------|
| Liberty Kenya | 40.4 |
| Sanlam | 26.7 |
| Williamson Tea | 14.8 |
| BAT | 12.3 |
| Uchumi | 11.8 |

(Source: NSE, DBIB Research)



| <u>Top Losers</u> | <u>%</u> |
|-------------------|----------|
| Trans-Century | (13.5) |
| Sameer | (10.6) |
| CIC Insurance | (6.8) |
| Kakuzi | (6.5) |
| Eaagads | (5.4) |

(Source: NSE, DBIB Research)



Weekly Foreign Performance

| <u>Top Weekly Buys</u> | <u>% Purchase</u> |
|------------------------|-------------------|
| E.A. Breweries | 88.5% |
| Equity Group | 75.1% |
| Safaricom | 74.4% |
| NSE | 65.6% |
| Jubilee | 64.4% |
| E.A. Breweries | 21.4 |

(Source: NSE, DBIB Research)

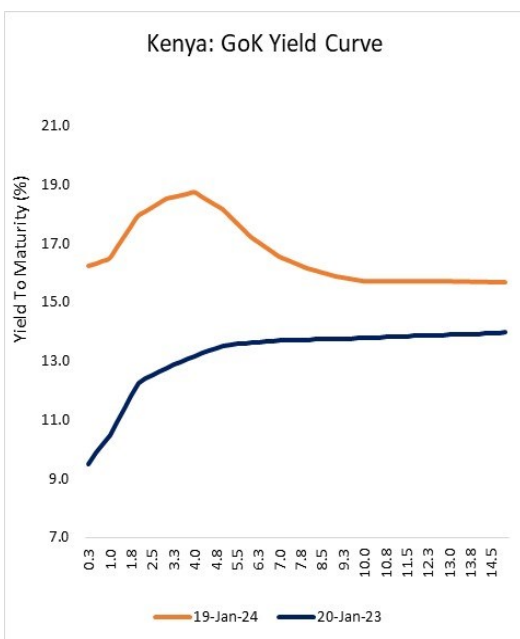
| <u>Top Weekly Sales</u> | <u>% Sold</u> |
|-------------------------|---------------|
| E.A. Breweries | 90.7% |
| Equity Group | 84.4% |
| Safaricom | 71.7% |
| Jubilee | 69.9% |
| Centum | 68.0% |
| Equity Group | 50.7 |

Y-T-D Foreign Performance

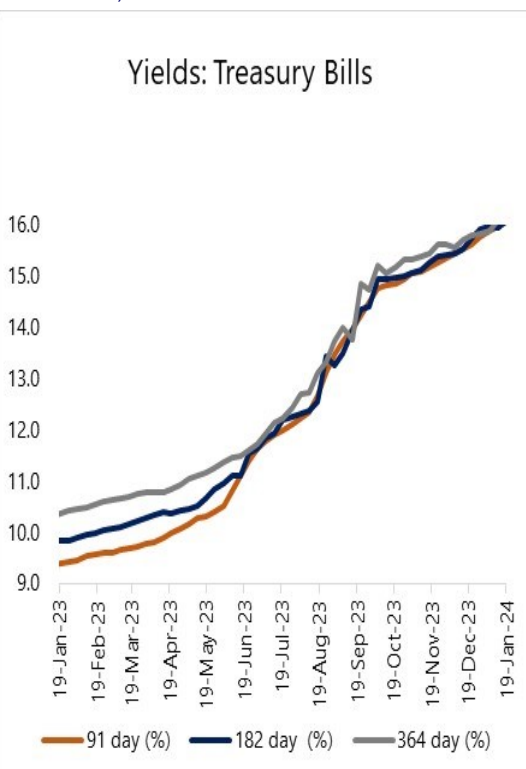
| <u>Top Foreign Buys</u> | <u>% Purchase</u> |
|-------------------------|-------------------|
| E.A. Breweries | 83.1% |
| Safaricom | 81.8% |
| New Gold ETF | 79.8% |
| Equity Group | 78.6% |
| KCB Group | 57.7% |
| E.A. Breweries | 21.4 |

| <u>Top Foreign Sales</u> | <u>% Sold</u> |
|--------------------------|---------------|
| Jubilee | 92.1% |
| Safaricom | 78.3% |
| Bamburi | 75.6% |
| Equity Group | 68.6% |
| E.A. Breweries | 68.6% |
| Equity Group | 50.7 |

The Bond market's turnover for the week stood at USD 108.24 MN (KES 17.36 BN) representing a 71.9% w-o-w rise from USD 63.13 MN (KES 10.09 BN) recorded the previous week.



Source: NSE, DBIB Research



Source: NSE, DBIB Research

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 108.24 MN (KES 17.36 BN) representing a 71.9% w-o-w rise from USD 63.13 MN (KES 10.09 BN) recorded the previous week. The bond issue number IFB1/2023/6.5Yr emerged as the top traded bond with a turnover of KES 7.1 BN accounting for 41.1% of the week's turnover. The bond traded between 16.3400% and 18.3058%.

January Tap Sale Results: FXD1/2024/03 and FXD1/2023/05

The Central Bank of Kenya (CBK) issued a tap sale on FXD1/2024/03 (3.2 years) and FXD1/2023/05 (5.0 years) with the intention of raising KES 15.0 BN. From the auction, the CBK received bids worth KES 9.3BN for FXD1/2024/03 and KES 2.5 BN for FXD1/2023/05, translating to a subscription rate of 18.3854% and 18.7697% respectively. In turn, it accepted bids worth KES 9.34 BN for FXD1/2024/03 and KES 2.41 BN for FXD1/2023/05. The coupon rate for FXD1/2024/03 stands at 18.3854% while that of FXD1/2023/05 stands at 16.844%.

Top Trades for the week ending 19 January 2024

| | | | | | | Total |
|--------------|-----------------|-------|---------|---------|---------|---------|
| | Coupon | Yield | Price | Value | | |
| Trading Date | Issue No. | Years | (%) | (%) | (KES m) | (KES m) |
| 18-Jan | FXD2/2019/5Yr | 0.3 | 10.8720 | 17.7500 | 100.20 | 500.0 |
| 18-Jan | IFB1/2023/6.5Yr | 6.3 | 17.9327 | 17.4500 | 104.63 | 500.0 |
| 15-Jan | IFB1/2023/6.5Yr | 6.3 | 17.9327 | 17.5000 | 104.33 | 430.5 |
| 18-Jan | IFB1/2023/6.5Yr | 6.3 | 17.9327 | 17.3500 | 104.94 | 426.0 |
| 15-Jan | FXD1/2018/20Yr | 14.1 | 13.2000 | 15.7000 | 90.20 | 400.0 |
| 18-Jan | FXD1/2024/3Yr | 3.0 | 18.3854 | 18.4500 | 100.00 | 350.0 |
| 18-Jan | FXD1/2024/3Yr | 3.0 | 18.3854 | 18.4000 | 100.11 | 300.0 |
| 18-Jan | FXD1/2019/20Yr | 15.2 | 12.8730 | 15.5500 | 88.06 | 300.0 |
| 18-Jan | IFB1/2020/11Yr | 7.6 | 10.9000 | 17.7500 | 83.60 | 300.0 |
| 15-Jan | FXD1/2019/20Yr | 15.2 | 12.8730 | 15.8000 | 86.71 | 295.0 |
| 16-Jan | IFB1/2023/7Yr | 6.4 | 15.8370 | 17.5000 | 96.02 | 265.0 |
| 17-Jan | IFB1/2023/7Yr | 6.4 | 15.8370 | 17.5000 | 96.02 | 265.0 |
| 16-Jan | FXD1/2024/3Yr | 3.0 | 18.3854 | 18.5500 | 99.73 | 200.0 |
| 16-Jan | FXD1/2024/3Yr | 3.0 | 18.3854 | 18.4600 | 99.93 | 200.0 |

(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 19 January 2024

| Instrument | Amount | Bids Received | Subscription | Bids Accepted | Yield | w-o-w |
|------------|----------|---------------|--------------|---------------|---------|--------|
| | (KES Bn) | (KES Bn) | Rate (%) | (KES Bn) | (%) | bps ch |
| 91-day | 4.00 | 25.56 | 638.95 | 24.75 | 16.2347 | 9.0 |
| 182-day | 10.00 | 6.19 | 61.93 | 5.86 | 16.3007 | 11.3 |
| 364-day | 10.00 | 3.52 | 35.26 | 3.52 | 16.4917 | 10.0 |

(Source: NSE, DBIB Research)

Salient News

UMEME LIMITED ISSUES PROFIT WARNING.

.....
Umeme Limited wishes to inform its shareholders that the Company's net profit for the year is projected to decline by more than 25% compared to the year ended 31st December 2022.
.....

Umeme limited issued a profit warning based on the assessment of the Company's financial performance for the year ended 31st December 2023, the Company's net profit for the year is projected to decline by more than 25% compared to the year ended 31st December 2022. This is majorly due to an increase in amortization charge for the year.

(Source: Company filings , DBIB Research)

UPCOMING EVENTS

Profit Warnings

1. Nation Media
2. Car & General
3. Crown Paints
4. WPP Scangroup
5. Sameer Africa
6. Kakuzi
7. Express Kenya
8. Limuru Tea
9. Umeme

| <u>Company</u> | <u>Announcement</u> | <u>Book Closure</u> | <u>Payment</u> |
|----------------|-------------------------|---------------------|----------------|
| KenGen | First & Final: KES 0.30 | 30-Nov-23 | 15-Feb-24 |
| Umeme | Interim: UGX 24.00 | 09-Feb-24 | 29-Feb-24 |
| Sasini | Final: KES 0.50 | 22-Feb-24 | 22-Mar-24 |

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

| <u>Company</u> | <u>Time</u> | <u>Venue</u> | <u>Date</u> |
|----------------|-------------|--------------|-------------|
| Sasini | 11:00 a.m. | Virtual | 07-Mar-24 |

(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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