

# DBIB WEEKLY BULLETIN

# WEEK 27

Date: 05.07.2024

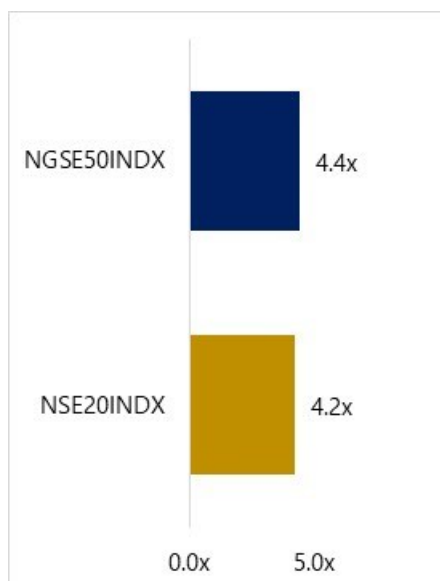
## Contents:

Equity Market Sum Up	2
Fixed Income Wrap Up	5
Salient News	6
Corporate Actions	7
Appendix	8



## INDICES & MARKET METRICS MOVEMENT

### 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	109.02	(0.43)	(3.83)	17.80	18.36
NSE-20	1,659.68	0.19	(5.06)	9.30	10.56
DBIB Select	88.73	(0.48)	(2.77)	6.25	8.19
MSCI Kenya (USD)	839.49	0.90	(3.89)	49.64	51.79
MSCI Frontier (USD)	532.35	1.71	0.07	3.82	5.00

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,703.30	(0.43)	(4.87)	(3.83)	17.79
Market Turnover (USD m)	7.60	10.07	(44.96)	(58.38)	399.69
Market P/E (x)	7.46	(1.56)	(5.65)	(20.47)	(4.16)
Market Div. yld (%) *	8.23	3.53	202.00	429.47	(68.95)
Market ROE (%) *	22.20	(31.03)	(47.26)	(327.79)	(719.92)

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

(Source: NSE, DBIB Research)

Exchange Rate Statistics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
KES/USD*	128.47	0.82	1.74	0.19	0.09
KES/GBP*	164.03	(0.08)	1.01	0.18	0.09
KES/EUR*	139.00	(0.10)	2.18	0.20	0.09
Fx Reserve (USD MN)*	7,775.00	(0.32)	8.77	0.15	0.04
Fx reserve: Import Cover**	4.00	(10.00)	0.20	0.40	(0.08)
Inflation**	4.60	-	(40.00)	(225.00)	(268.00)
CBR**	13.00	-	-	50.00	250.00

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

(Source: NSE, DBIB Research)

### Weekly Market Summary

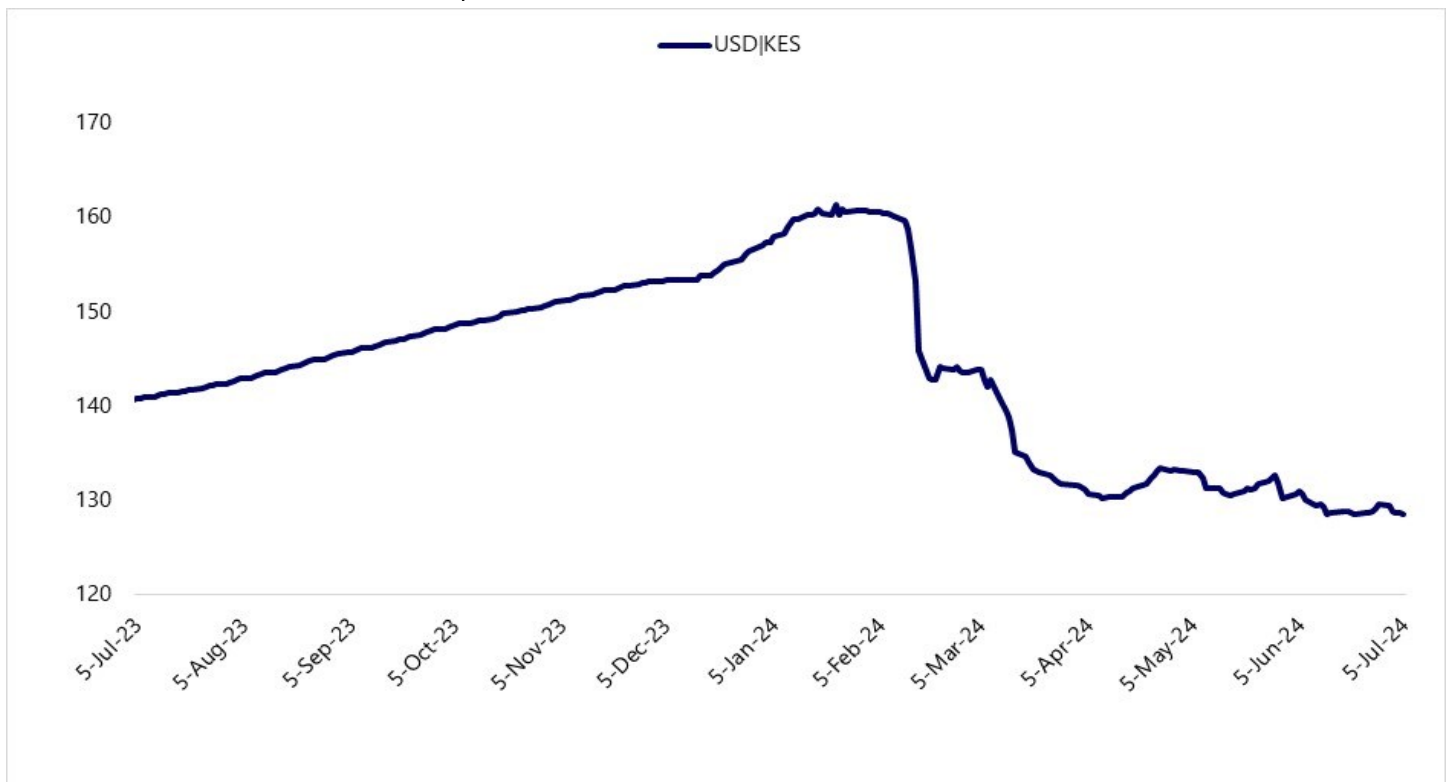
**NSE 20** gained by 0.19% to close at 1,659.68 while **NASI** shed by 0.43% to close at 109.02.

**Weekly equity turnover** increased by 10.07% w-o-w to close at USD 7.60 MN (KES 0.98 BN).

**USD | KES:** KES strengthened by 0.82% w-o-w to close at 128.47 (17.89% year-to-date).

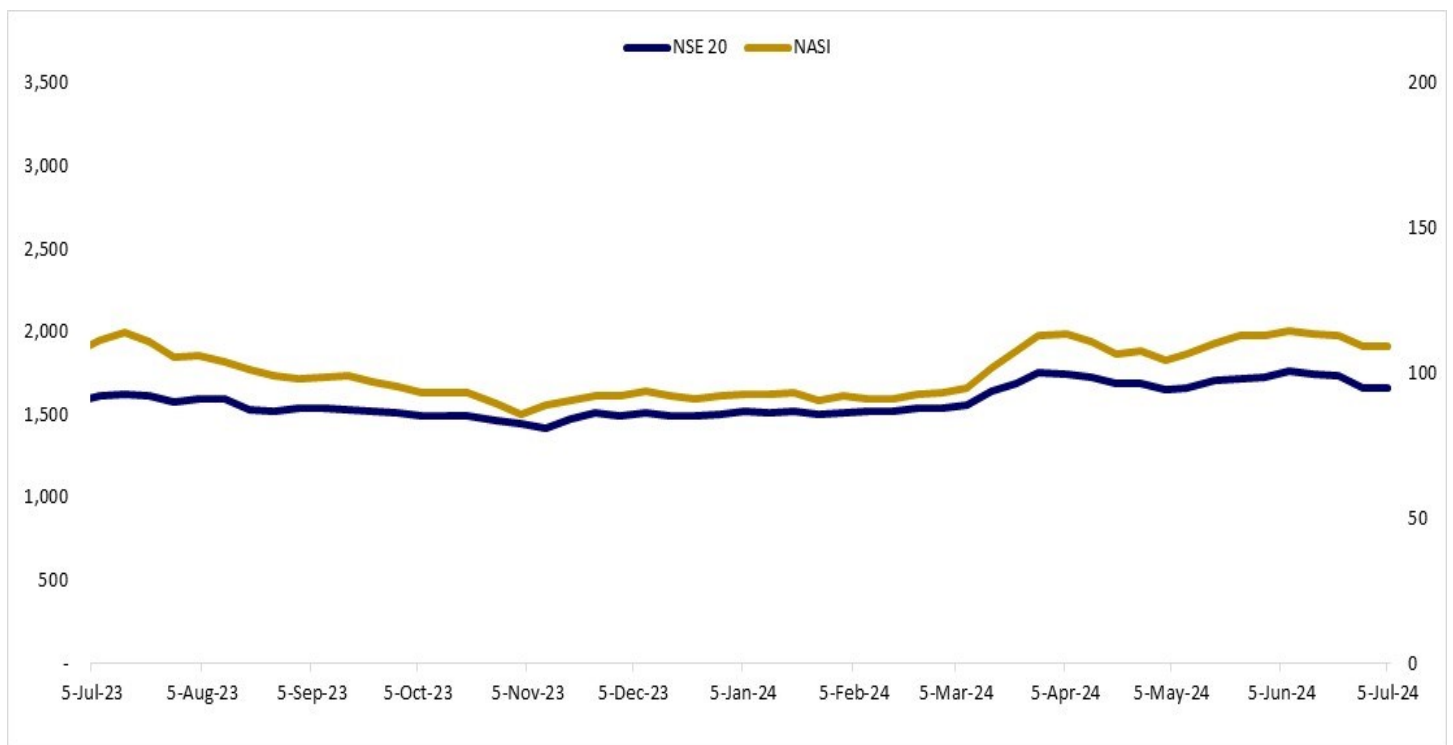
## INDICES & MARKET METRICS MOVEMENT

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 2.77 MN (KES 0.36 BN) representing 36.46% of this week's turnover.

The stock remained constant w-o-w to close at KES 17.30 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for **76.42%** of foreign sales and **24.28%** of foreign purchases.

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Longhorn Publishers	12.0
Nation Media Group	7.4
Bamburi Cement	6.7
Kenya Power	6.0
Nairobi Business Ventures	4.1

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
BK Group	(13.9)
Olympia Capital 1	(9.7)
Flame Tree Group	(7.0)
Umeme	(6.1)
Jubilee Holdings	(6.1)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	2.77
Equity Group	1.44
ABSA Bank	0.84
Co-operative Bank	0.65
KCB Group	0.56

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
KCB Group	46.1
Liberty Kenya	44.2
East African Breweries	29.7
Williamson Tea	25.7
Britam HoldingS	24.8

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
E.A.Portland Cement	(39.3)
Kenya Re	(25.5)
Olympia Capital	(25.0)
Unga Group	(22.6)
Trans-Century	(17.7)

(Source: NSE, DBIB Research)



## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Equity Group	93.8
Total Energies	93.2
Stanbic	87.6
StanChart	53.3
Absa	49.7

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Total Energies	93.3
Car & General	87.5
Safaricom	76.4
Express Kenya	75.1
Carbacid	68.6

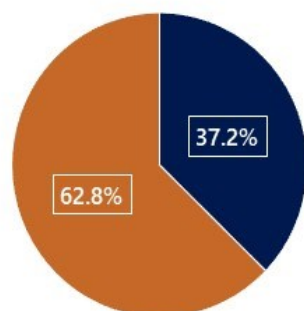
## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
I&M Group	97.2
BK Group	95.7
Equity Group	75.1
Crown Paints	71.8
E.A. Breweries	70.0

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
I&M Group	96.1
Equity Group	71.4
Centum	70.3
Safaricom	69.5
KenGen	68.1

## 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 267.96 MN (KES 34.42 BN) representing a 4.46% w-o-w increase from USD 256.53 MN (KES 33.23 BN) recorded the previous week.

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### July Tap Sale Results: FXD1/2023/02

The Central Bank of Kenya (CBK) had opened a tap sale for FXD1/2023/02 (1.2 years) with the intention of raising KES 20.0 BN for budgetary support. From the auction, the CBK received bids worth KES 487.50 MN translating to a total subscription rate of 2.45%. In turn, it accepted bids worth KES 486.48 BN. The coupon rate stand at 16.9723%.

### Top Trades for the week ending 05 July 2024

						Total
	Coupon	Yield	Price	Value		
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
3-Jul	FXD3/2019/5Yr	0.4	11.4920	17.1500	98.41	2,000.0
3-Jul	FXD1/2023/5Yr	4.0	16.8440	18.1700	104.17	1,500.0
3-Jul	FXD1/2023/5Yr	4.0	16.8440	18.2000	104.08	1,250.0
4-Jul	FXD1/2023/5Yr	4.0	16.8440	17.8000	105.22	1,250.0
2-Jul	IFB1/2024/8.5Yr	8.1	18.4607	17.6000	109.83	1,200.0
2-Jul	IFB1/2024/8.5Yr	8.1	18.4607	17.5000	110.21	1,000.0
2-Jul	IFB1/2024/8.5Yr	8.1	18.4607	17.1000	111.71	1,000.0
3-Jul	IFB1/2024/8.5Yr	8.1	18.4607	17.7000	109.52	1,000.0
4-Jul	FXD3/2019/5Yr	0.4	11.4920	17.0000	98.52	1,000.0
4-Jul	FXD2/2010/15Yr	1.4	9.0000	17.5000	90.19	1,000.0
4-Jul	FXD2/2010/15Yr	1.4	9.0000	17.4000	90.30	1,000.0
5-Jul	IFB1/2024/8.5Yr	8.1	18.4607	18.1000	108.16	1,000.0
1-Jul	IFB1/2024/8.5Yr	8.1	18.4607	17.5000	110.16	960.0
4-Jul	FXD1/2023/5Yr	4.0	16.8440	18.2000	104.13	600.0

### Sell & buy-backs

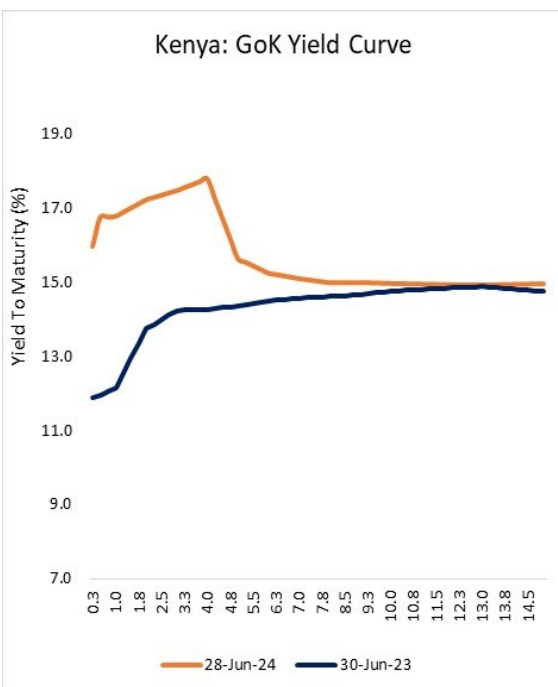
3-Jul	IFB1/2024/8.5Yr	8.1	18.4607	16.6000	113.60	532.0
1-Jul	IFB1/2022/19Yr	16.6	12.9650	16.5000	87.22	211.7
2-Jul	IFB1/2021/16Yr	12.5	12.2570	16.5000	86.76	100.0
4-Jul	IFB1/2024/8.5Yr	8.1	18.4607	16.6900	113.25	10.0

(Source: NSE, DBIB Research)

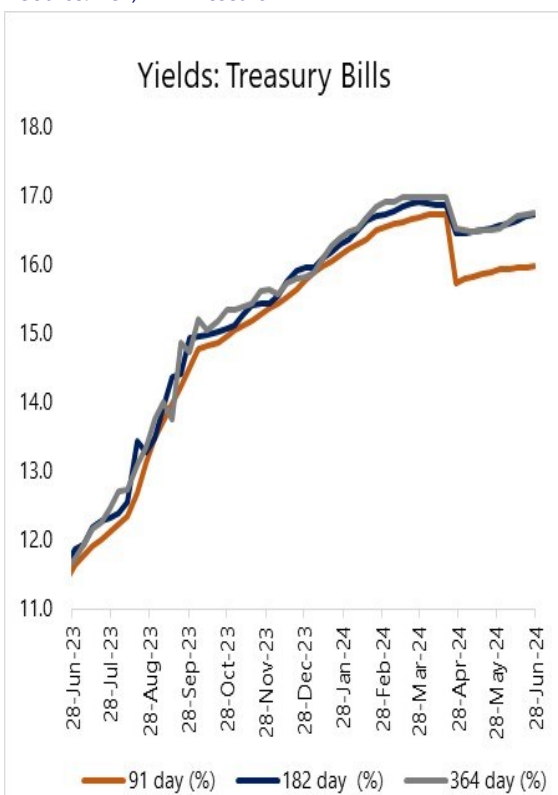
### Treasury Bill auction for the week ending 05 July 2024

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	14.80	370.10	12.84	15.987	1.0
182-day	10.00	9.42	94.20	9.42	16.795	3.2
364-day	10.00	5.63	56.32	5.63	16.830	3.9

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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## Salient News

### Kapchorua Tea FY24 Earnings

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**Kapchorua Tea** released its FY24 earnings reporting a 27.0% y-o-y growth in PAT to KES 399.4 MN.

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**Kapchorua Tea released its FY24 earnings reporting a 27.0% y-o-y growth in PAT to KES 399.4 MN.** Earnings per share for the period stood at KES 51.04 (FY23 : 40.20). The board recommended a final dividend of KES 15.00 payables to shareholders who appear on the books at the close of business on 31<sup>st</sup> July 2024 and will be paid out on or about 02<sup>nd</sup> September 2024.

**Revenue increased 23.7% y-o-y to KES 2.2 BN** while gains from operations before tax increased by 48.7% y-o-y to KES 459.6 MN.

**Net Finance income went down by 68.4% y-o-y to KES 26.8 MN.**

**Total assets went up by 17.5% y-o-y to KES 2.9 BN** after a 29.1% y-o-y increase in current assets to KES 1.3 BN and a 9.4% y-o-y rise in non-current assets to KES 1.6 BN.

**Total liabilities surged up by 40.3% y-o-y to KES 855.5 MN** following a 1.4% y-o-y increase in non-current liabilities to KES 457.2 MN and 150.4% y-o-y advancement in current liabilities to KES 398.4 MN. Total equity for the period increased by 10.0% y-o-y to KES 2.1 BN.

*(Source: Company filings, DBIB Research).*

## UPCOMING EVENTS

### Profit Warnings

1. Car & General
2. Eaagads

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Umeme	Final: UGX 54.20	28-Jun-24	19-Jul-24
BOC Kenya	First & Final: KES 6.05	31-May-24	21-Jul-24
Jubilee Holdings	Final & Special: KES 12.30	25-Jun-24	25-Jul-24
Bamburi Cement	Final: KES 5.47	24-May-24	25-Jul-24
NSE	Final: KES 0.16	30-May-24	31-Jul-24
TotalEnergies	First & Final: KES 1.92	27-Jun-24	31-Jul-24
Kenya Re	First & Final: KES 0.30	25-Jun-24	09-Aug-24
Kenya Re	Bonus Issue 1:1	25-Jun-24	09-Aug-24
Liberty Kenya	Final: KES 0.373	14-Jun-24	24-Aug-24
Safaricom	Final: KES 0.65	31-Jul-24	31-Aug-24
Kapchorua Tea Kenya	Final: KES 15.00	31-Jul-24	02-Sep-24
Williamson Tea Kenya	Final: KES 15.00	31-Jul-24	02-Sep-24

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

## AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Safaricom	11:00 a.m.	Virtual	25-July-24
Express Kenya	11:00 a.m.	Virtual	26-July-24
Kapchorua Tea Kenya	10:15 a.m.	Virtual	22-Aug-24
Williamson Tea Kenya	11:30 a.m.	Virtual	22-Aug-24

*(Source: Company filings , DBIB Research)*

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## 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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