

# DBIB WEEKLY BULLETIN

# WEEK 30

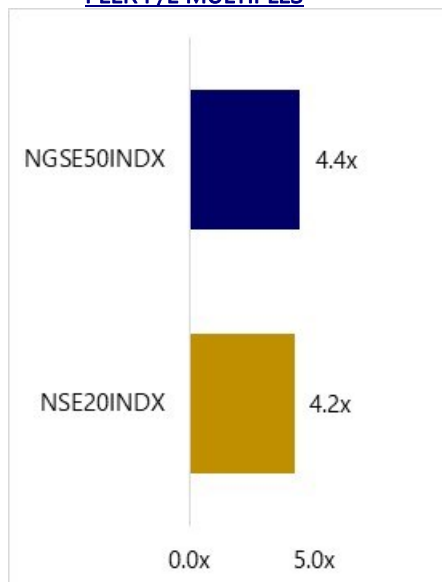
Date: 26.07.2024

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## 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	104.22	(4.04)	(3.11)	15.33	13.15
NSE-20	1,674.10	(1.62)	(0.84)	11.76	11.52
DBIB Select	88.74	(1.32)	(0.87)	8.72	8.20
MSCI Kenya (USD)	766.44	(6.08)	(3.39)	38.58	38.59
MSCI Frontier (USD)	528.31	(1.42)	3.07	4.98	4.21

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,628.33	(4.04)	(4.81)	(3.11)	15.33
Market Turnover (USD m)	12.07	25.40	74.68	10.47	253.69
Market P/E (x)	6.56	(6.47)	(13.49)	(18.44)	(14.47)
Market Div. yld (%) *	8.61	34.77	197.80	466.16	36.12
Market ROE (%) *	21.86	(18.16)	(74.31)	(366.87)	(461.13)

\* 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*	132.57	(1.61)	0.67	0.17	0.07
KES/GBP*	170.54	(1.02)	(2.50)	0.16	0.07
KES/EUR*	143.94	(1.33)	(0.92)	0.17	0.08
Fx Reserve (USD MN)*	7,311.00	(1.32)	1.09	0.08	(0.01)
Fx reserve: Import Cover**	3.80	(10.00)	-	0.20	(0.23)
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

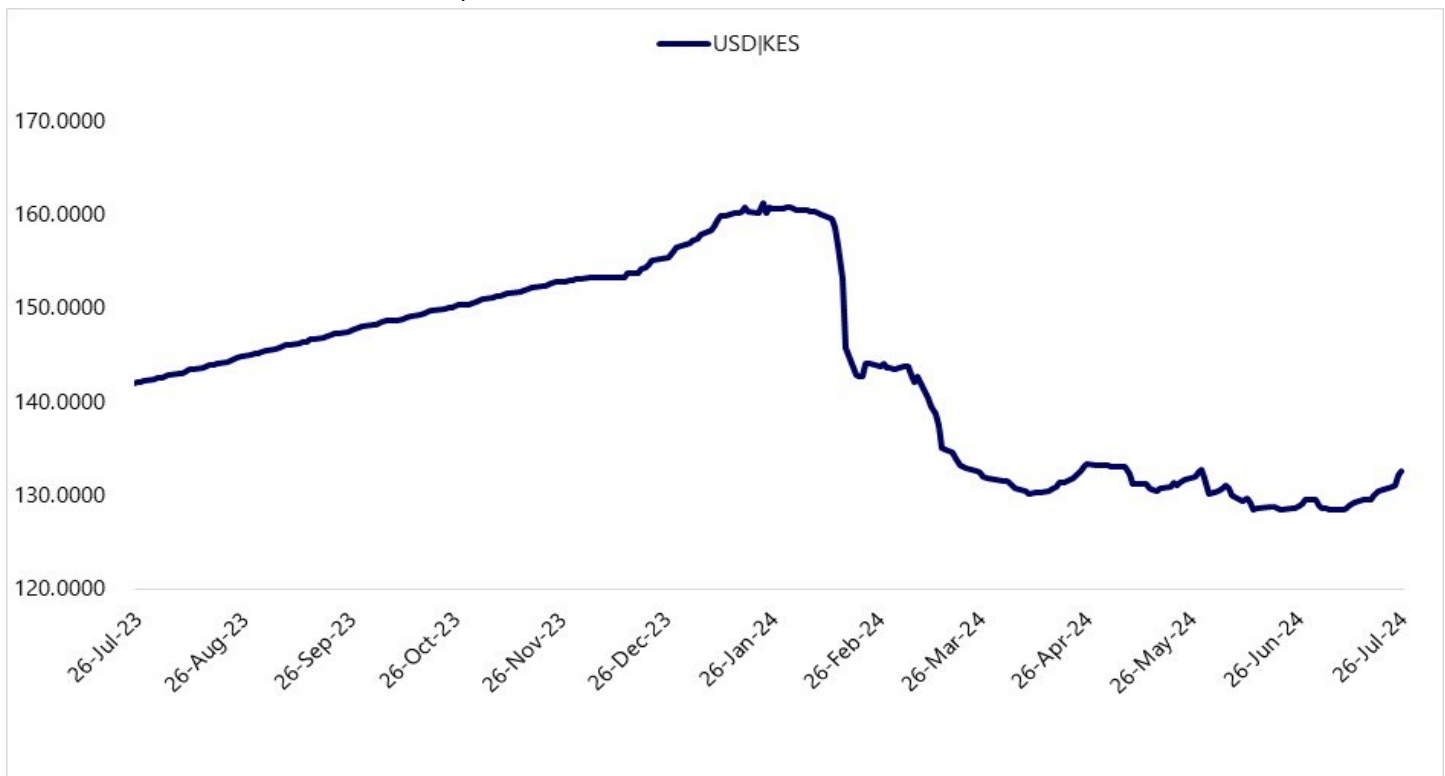
**NSE 20** and **NASI** shed 1.62% and 4.04% w-o-w to close at 1674.10 and 104.22, respectively.

**Weekly equity turnover** increased by 25.4% w-o-w to close at USD 12.07 MN (KES 1.60 BN).

**USD | KES:** KES weakened by 1.61% w-o-w to close at 132.57 (15.27% year-to-date).

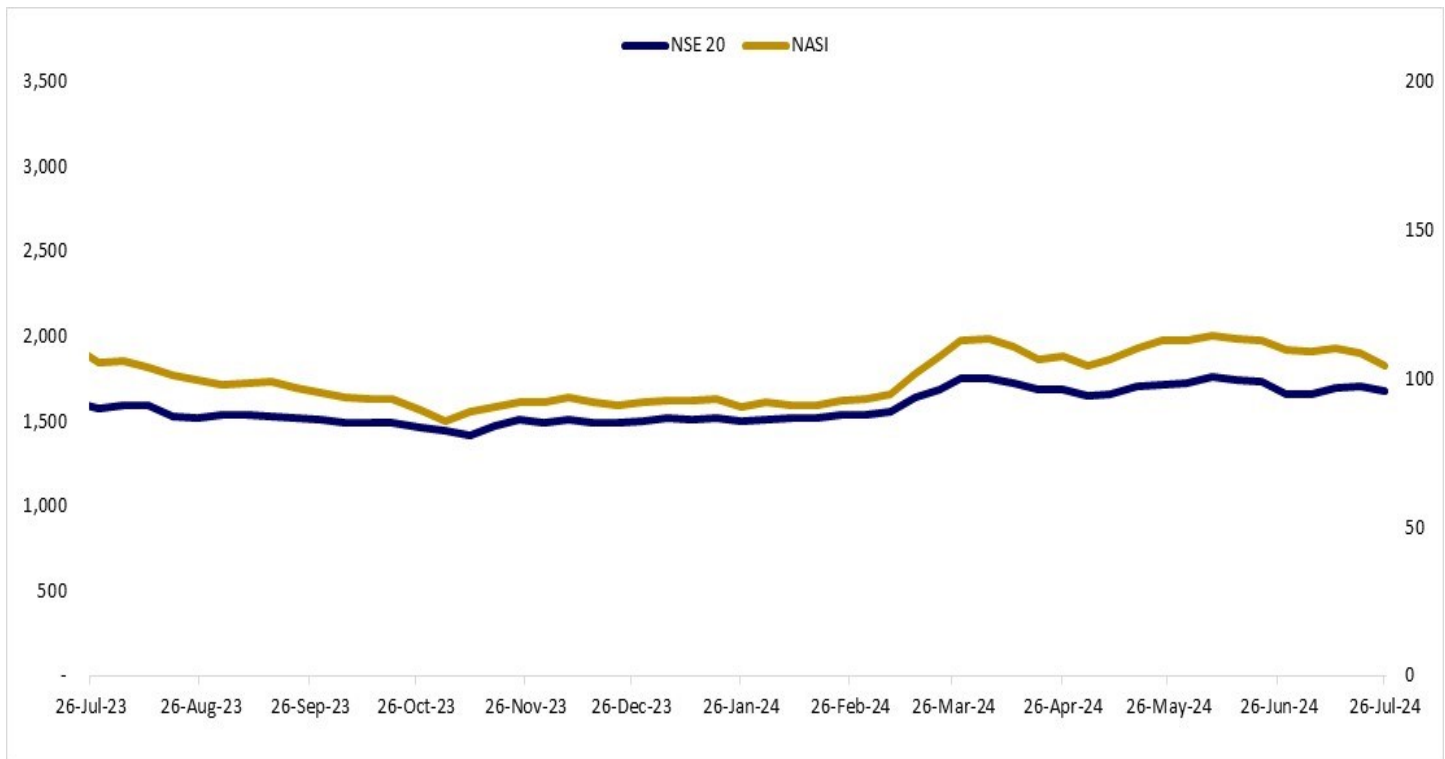
# INDICES & MARKET METRICS MOVEMENT

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 7.55 MN (KES 1.00 BN) representing 62.59% of this week's turnover.

The stock shed 7.9% w-o -w to close at KES 15.10 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for **69.75%** of foreign sales and **31.35%** of foreign purchases.

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
E.A.Portland Cement	36.2
Express Kenya	20.0
Eaagads	9.6
Longhorn Publishers	5.5
Williamson Tea	5.2

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Home Afrika	(8.6)
Safaricom	(7.9)
E.A.Cables	(7.2)
KCB Group	(6.5)
TotalEnergies	(6.0)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	7.55
Equity Group	1.50
E.A. Breweries	1.07
Co-operative Bank	0.47
KCB Group	0.32

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Bamburi Cement	70.9
Liberty Kenya	57.2
Kenya Power	45.2
KCB Group	37.3
E.A. Breweries	34.0

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Trans-Century	(32.7)
Kenya Re Insurance	(29.8)
Car & General	(19.9)
NBV	(18.5)
Unga Group	(16.0)

(Source: NSE, DBIB Research)



## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
E.A. Breweries	96.3
Jubilee Holdings	76.1
Equity Group	60.3
I&M Group	35.3
Safaricom	31.4

(Source: NSE, DBIB Research)

## Y-T-D Foreign Performance

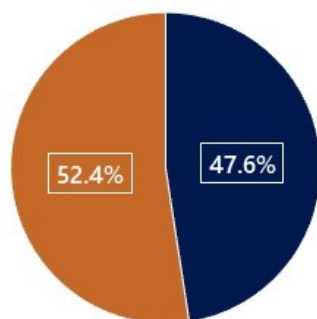
<u>Top Foreign Buys</u>	<u>% Purchase</u>
I&M Group	97.1
BK Group	95.3
E.A. Breweries	75.7
Equity Group	74.9
Crown Paints	69.0

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
E.A. Breweries	80.2
Safaricom	69.7
Nation Media Group	68.3
Equity Group	59.8
Car & General	48.8

<u>Top Foreign Sales</u>	<u>% Sold</u>
I&M Group	96.0
Equity Group	70.7
Centum	70.2
Safaricom	70.0
KenGen	64.6

## WEEKLY LOCAL VS FOREIGN PARTICIPATION



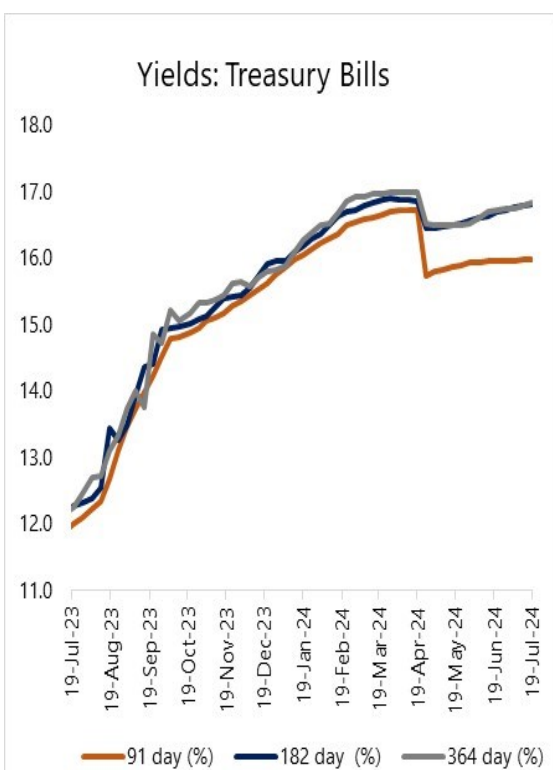
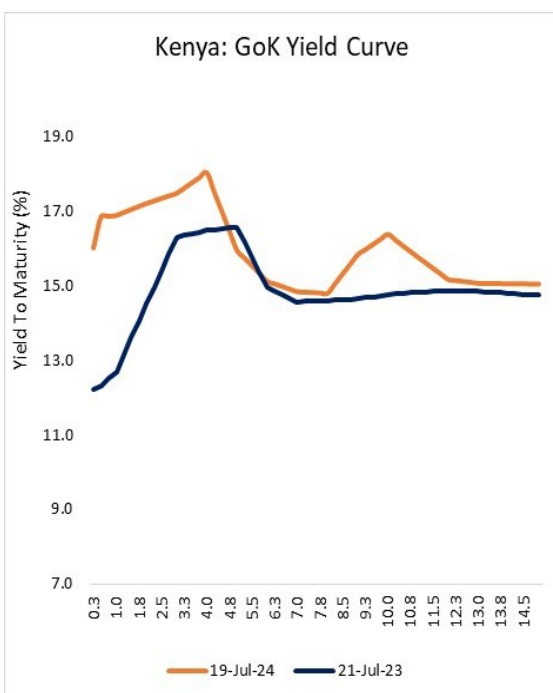
- Foreign Participation
- Local Participation

(Source: NSE, DBIB Research)

The **Bond market's turnover** for the week stood at USD 202.11 MN (KES 26.79 BN) representing a 41.24% w-o-w decrease from USD 343.98 MN (KES 44.88 BN) recorded the previous week.

## FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 202.11 MN (KES 26.79 BN) representing a 41.24% w-o-w decrease from USD 343.98 MN (KES 44.88 BN) recorded the previous week. The bond issue number IFB1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 17.68 BN accounting for 66.0% of the week's turnover. The bond traded between 15.9367% and 18.7250%.



### Top Trades for the week ending 26 July 2024

						Total
		Coupon	Yield	Price	Value	
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
25-Jul	IFB1/2024/8.5Yr	8.0	18.4607	18.5000	107.83	2,153.7
24-Jul	IFB1/2024/8.5Yr	8.0	18.4607	18.0500	109.32	1,500.0
22-Jul	IFB1/2024/8.5Yr	8.1	18.4607	18.1500	108.86	1,000.0
25-Jul	IFB1/2024/8.5Yr	8.0	18.4607	18.7250	107.04	1,000.0
23-Jul	IFB1/2024/8.5Yr	8.1	18.4607	18.1000	109.09	900.0
23-Jul	IFB1/2024/8.5Yr	8.1	18.4607	18.0000	109.45	830.0
25-Jul	IFB1/2024/8.5Yr	8.0	18.4607	18.1500	109.07	626.7
25-Jul	IFB1/2024/8.5Yr	8.0	18.4607	18.5070	107.80	600.0
24-Jul	IFB1/2024/8.5Yr	8.0	18.4607	18.1500	108.96	500.7
25-Jul	FXD1/2023/5Yr	4.0	16.8440	18.5750	95.77	500.0
25-Jul	IFB1/2024/8.5Yr	8.0	18.4607	18.3000	108.53	500.0
24-Jul	IFB1/2024/8.5Yr	8.0	18.4607	18.2500	108.61	499.4
23-Jul	IFB1/2024/8.5Yr	8.1	18.4607	18.1145	109.04	494.9
24-Jul	IFB1/2021/21Yr	18.1	12.7370	11.0000	115.67	490.0
25-Jul	IFB1/2024/8.5Yr	8.0	18.4607	18.2000	108.89	485.0
24-Jul	IFB1/2024/8.5Yr	8.0	18.4607	18.0144	109.45	415.0
23-Jul	FXD1/2020/5Yr	0.8	11.6670	16.9870	98.68	350.0
25-Jul	IFB1/2024/8.5Yr	8.0	18.4607	18.4000	108.18	350.0
24-Jul	FXD1/2012/20Yr	8.7	12.0000	14.1200	92.15	319.8
24-Jul	FXD1/2012/20Yr	8.7	12.0000	16.3700	82.85	307.1
22-Jul	IFB1/2024/8.5Yr	8.1	18.4607	18.1000	109.04	305.1
23-Jul	IFB1/2023/6.5Yr	5.8	17.9327	17.8000	103.78	300.0
24-Jul	FXD1/2023/10Yr	8.5	14.1510	17.0000	93.70	300.0
25-Jul	FXD1/2023/10Yr	8.5	14.1510	14.1082	106.60	300.0
25-Jul	FXD1/2021/25Yr	21.7	13.9240	15.6068	92.66	284.5
25-Jul	FXD1/2023/10Yr	8.5	14.1510	17.0000	93.79	250.0
25-Jul	FXD1/2023/10Yr	8.5	14.1510	16.8000	94.59	250.0

Source: NSE, DBIB Research)

### Treasury Bill auction for the week ending 26 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	25.81	645.26	19.64	16.000	(2.1)
182-day	10.00	4.15	41.47	1.62	16.851	(0.2)
364-day	10.00	1.69	16.88	1.68	16.921	2.4

(Source: NSE, DBIB Research)

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## Salient News

### BAT Kenya 1H24 Results.

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**BAT Kenya** released its 1H24 results reporting a 24.3% y-o-y decline in after-tax profits to KES 2.1 BN.

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**BAT Kenya** released its 1H24 results reporting a **24.3% y-o-y decline in after-tax profits to KES 2.1 BN** on the back of a 10.7% y-o-y decline in net revenue to KES 11.7 BN paired with a 596.6% y-o-y jump in finance costs to KES 720.0 MN compared to a finance income of KES 145 MN recorded in 1H23.

**EPS for the period stands at KES 21.36 (-24.3% y-o-y).** The Board of Directors has proposed an **interim dividend of KES 5.00 per share** (maintained) to be paid on or about 27th September 2024 to shareholders on the register at the close of business on 30th August 2024.

**Net revenue shrank by 10.7% y-o-y to KES 11.7 BN.** This was on account of a 6.5% y-o-y decline in gross revenue to KES 19.6 BN and a 0.6% y-o-y increase in Excise Duty and VAT to KES 7.9 BN. Gross revenue decline was attributed to lower export sales volumes, consumer downtrading in the domestic market and suspension of oral nicotine pouch sales on account of regulatory uncertainty. The company stated that it accepted offers for sale of the oral nicotine pouch factory machinery. Notably, management indicated that the KES appreciation against the USD in the period resulted in substantial forex losses on exports

**Cost of operations reduced by 14.0% y-o-y to KES 7.9 BN** in line with lower production volumes. As a result, **operating profit margin improved by 257 bps y-o-y to 32.2%.** Finance costs stood at KES 720.0 MN compared to finance income of KES 145.0 MN recorded in 1H23 largely on account of the aforementioned strengthening of the KES against the USD.

*(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>
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
BAT Kenya	Interim: KES 5.00	30-Aug-24	27-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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### RESEARCH TEAM

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