

# DBIB WEEKLY BULLETIN

# WEEK 09

Date: 01.03.2024

## Contents:

Equity Market Sum Up	2
Fixed Income Wrap Up	4
Salient News	5
Corporate Actions	7
Appendix	8

## INDICES & MARKET METRICS MOVEMENT

**NSE 20** and **NASI** rose by 0.2% and 0.5% w-o-w to close at 1539.22 and 93.25 respectively.

**Weekly equity turnover** increased by 23.4% w-o-w to close at USD 10.7 MN (KES 1.53 BN).

**USD | KES:** KES strengthened by 0.38% w-o-w to close at 143.52 (8.27% year-to-date).

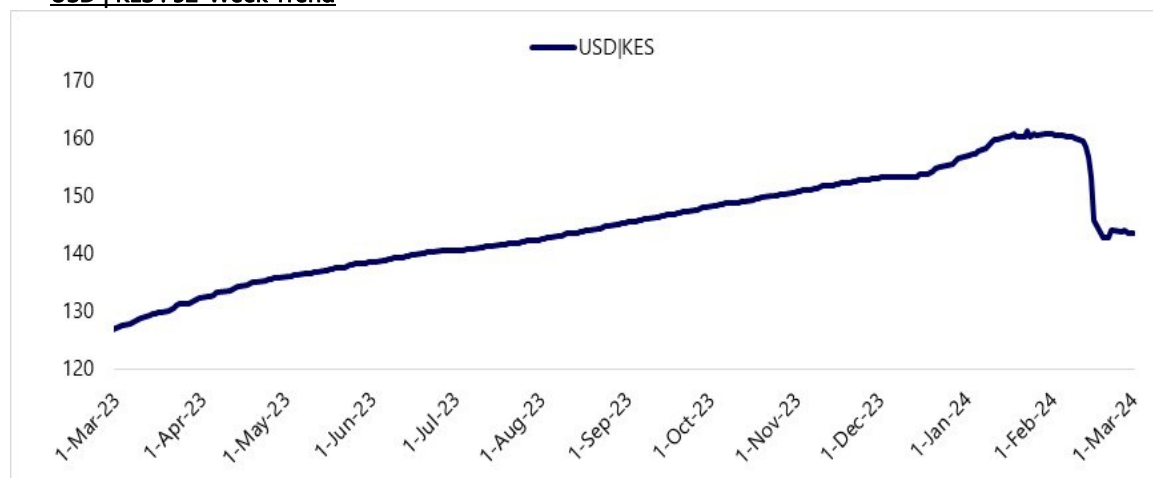
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	93.25	0.45	1.06	(7.99)	1.24
NSE-20	1,539.22	0.16	3.00	0.44	2.54
DBIB Select	82.84	0.03	1.24	(1.70)	1.01
MSCI Kenya (USD)	606.56	(2.21)	2.39	(13.14)	9.68
MSCI Frontier (USD)	518.67	1.36	5.18	2.89	2.31

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
MarkEV Cap. (USD m)	1,456.85	0.44	2.38	1.06	(7.67)
MarkEV Turnover (USD m)	10.66	23.44	53.53	40.43	(8.96)
MarkEV P/E (x)	7.73	0.19	(0.14)	0.80	(13.52)
MarkEV Div. yld (%) *	5.55	(2.47)	160.83	(272.69)	(209.65)
MarkEV ROE (%) *	23.21	(2.13)	(231.99)	(288.10)	(1,405.84)

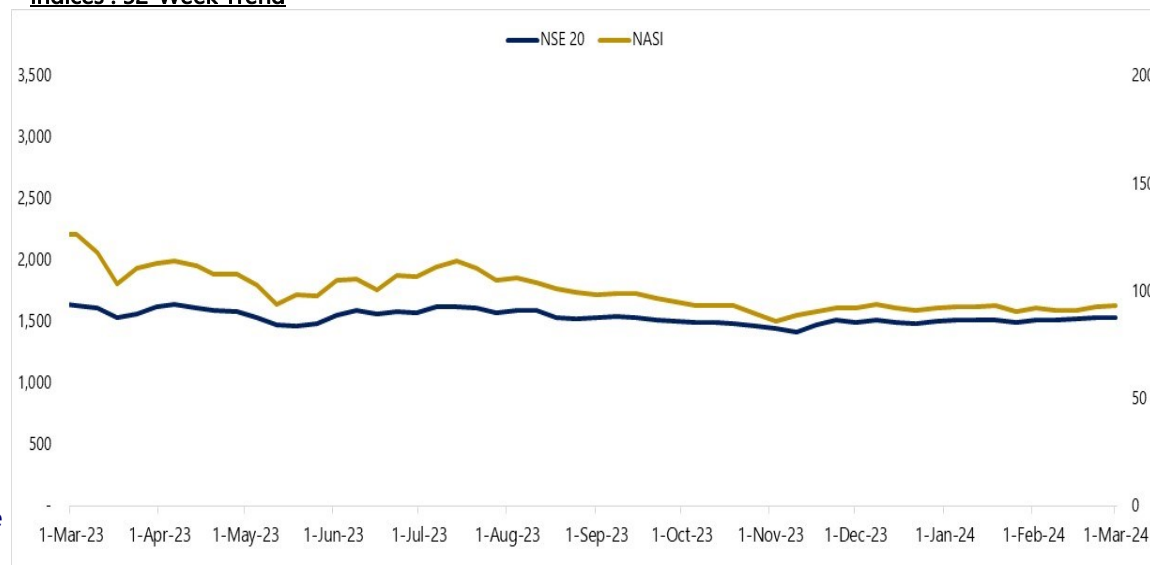
\* Changes in % \*\*Changes in bps -Market ROE is market cap weighted -ch: changes  
(Source: NSE, DBIB Research)

### USD | KES : 52-Week Trend



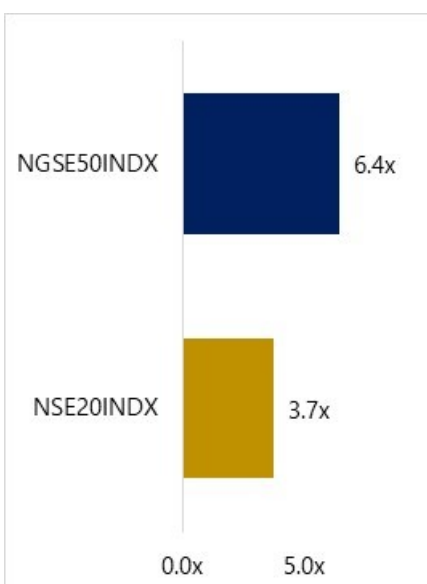
(Source: CBK, DBIB Research)

### 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 3.53 MN (KES 0.51 BN) representing 33.09% of this week's turnover.

The stock rose by 0.7% w-o-w to close at KES 13.50 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for 93.52% of foreign sales and 47.72% of foreign purchases.

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Express Kenya	9.4
E.A. Cables	9.4
DTB Kenya	7.6
WPP Scangroup	6.8
B.O.C Kenya	6.7

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Trans-Century	(20.0)
Standard Group	(14.6)
Sanlam Kenya	(12.1)
Liberty Kenya	(9.1)
Umeme	(7.6)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	3.53
Equity Group	3.34
KCB Group	1.58
Bamburi Cement	0.91
Co-operative Bank	0.44

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Liberty Kenya	35.5
Eveready East Africa	26.9
HF Group	18.9
Equity Group	14.9
Co-operative Bank	14.5

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Standard Group	(24.5)
Trans-Century	(23.1)
Home Afrika	(16.7)
Umeme	(16.3)
NBV	(13.5)

(Source: NSE, DBIB Research)



## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Kenya Power	51.0
BK Group	50.4
Safaricom	47.7
Equity Group	43.9
NSE	20.2

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Safaricom	93.5
BK Group	93.3
KenGen	78.9
Equity Group	72.9
Centum	68.9

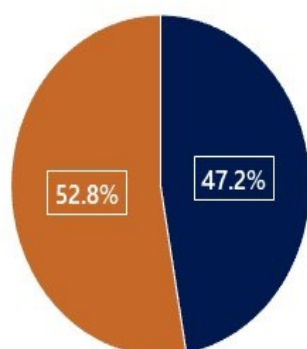
## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Crown Paints	89.9
Equity Group	72.9
Safaricom	64.1
NSE	60.5
E.A. Breweries	60.5

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Safaricom	84.9
Equity Group	82.7
BK Group	82.7
KenGen	72.8
Kapchorua	61.9

## WEEKLY LOCAL VS FOREIGN PARTICIPATION



- Foreign Participation
- Local Participation

(Source: NSE, DBIB Research)

The **Bond market's turnover** for the week stood at USD 364.80 MN (KES 52.36 BN) representing a 69.2% w-o-w drop from USD 1.18 BN (KES 170.50 BN) recorded the previous week.

## FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 364.80 MN (KES 52.36 BN) representing a 69.2% w-o-w drop from USD 1.18 BN (KES 170.50 BN) recorded the previous week. The bond issue number IFB1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 39.63 BN accounting for 75.7% of the week's turnover. The bond traded between 16.8400% and 19.1089%.

### March Bond Issue: FXD1/2024/03 (re-opened), FXD1/2023/05 (re-opened) and FXD1/2024/10

The Central Bank re-opened FXD1/2024/03 (2.9 years), FXD1/2023/05 (4.4 years) and issued the new FXD1/2024/10 (10 years) with the intention of raising KES 40.0 BN for budgetary support. The coupon rates remain fixed at 18.3854% for FXD1/2024/03, 16.8440% for FXD1/2023/05 and 16.000% for FXD1/2024/10. The period of sale runs from 27 February 2024 to 06 March 2024 for FXD1/2024/03 and from 27 February 2024 to 20 March 2024 for FXD1/2023/05 and FXD1/2024/10.

### Top Trades for the week ending 01 March 2024

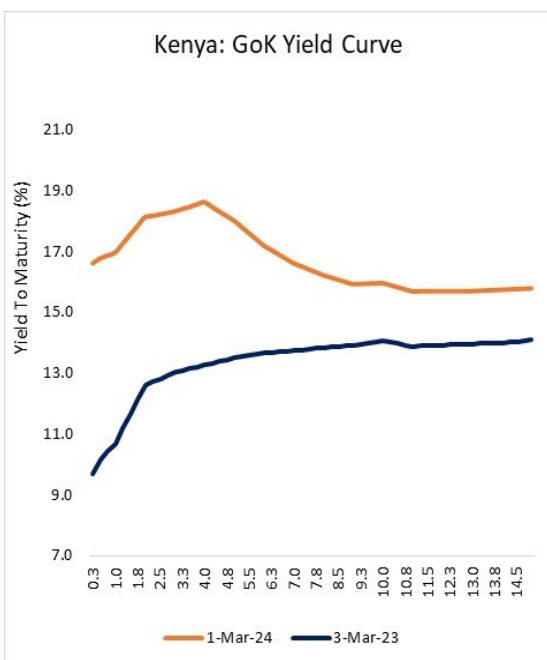
						Total
	Coupon	Yield	Price	Value		
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
29-Feb	FXD1/2020/5Yr	1.2	11.6670	17.7000	97.43	5,200.0
28-Feb	IFB1/2024/8.5Yr	8.5	18.4607	17.3378	104.66	2,726.5
26-Feb	IFB1/2024/8.5Yr	8.5	18.4607	18.0000	102.04	2,189.0
28-Feb	IFB1/2024/8.5Yr	8.5	18.4607	18.0934	101.79	2,164.1
26-Feb	IFB1/2024/8.5Yr	8.5	18.4607	18.0087	102.01	2,100.0
26-Feb	IFB1/2024/8.5Yr	8.5	18.4607	17.5373	103.80	2,100.0
28-Feb	IFB1/2024/8.5Yr	8.5	18.4607	17.5897	103.69	1,822.5
27-Feb	IFB1/2024/8.5Yr	8.5	18.4607	17.9000	102.47	1,545.0
26-Feb	FXD1/2022/3Yr	1.1	11.7660	17.6000	98.80	1,430.0
27-Feb	IFB1/2024/8.5Yr	8.5	18.4607	17.9500	102.28	1,326.0
26-Feb	IFB1/2024/8.5Yr	8.5	18.4607	18.0674	101.79	1,061.9
28-Feb	IFB1/2024/8.5Yr	8.5	18.4607	17.9500	102.33	940.0
27-Feb	IFB1/2024/8.5Yr	8.5	18.4607	17.5771	103.69	904.0
26-Feb	IFB1/2024/8.5Yr	8.5	18.4607	17.9000	102.42	870.0
26-Feb	IFB1/2024/8.5Yr	8.5	18.4607	18.0775	101.75	862.0
26-Feb	IFB1/2024/8.5Yr	8.5	18.4607	18.0388	101.90	800.0

Source: NSE, DBIB Research)

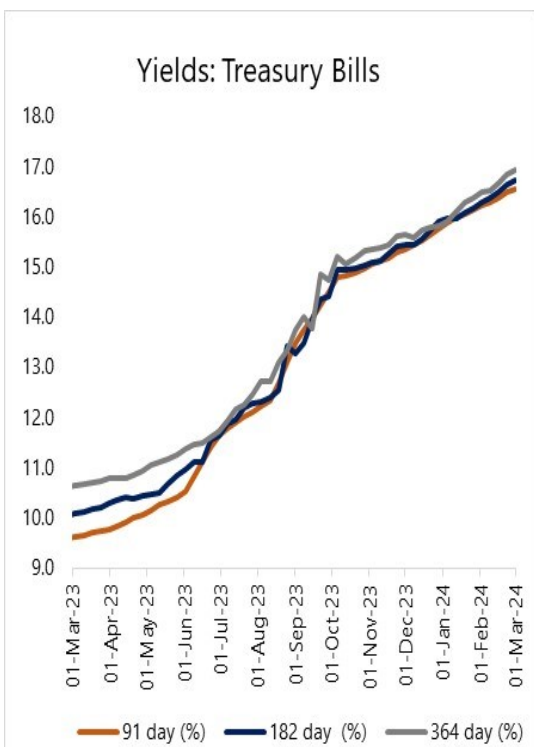
### Treasury Bill auction for the week ending 01 March 2024

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	12.26	306.50	12.22	16.62	3.2
182-day	10.00	2.04	20.36	1.95	16.78	5.0
364-day	10.00	9.58	95.76	8.72	16.97	5.3

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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## Salient News

.....  
**Safaricom** announced an interim dividend of **KES 0.55 per share** for the year ending 31st March 2024.  
.....

### EA PORTLAND CEMENT PLC 1H24 Earnings

EA Portland cement released its 1H24 earnings reporting a loss of KES 720.8 MN which was a slight reduction from a loss of KES 802.0 MN reported in 1H23. This slight cut in losses was due to increase in revenue attributed to enhanced cement production following the completion of the initial phase of plant refurbishment.

**Revenue increased by 22.8% y-o-y to 1.8 BN.**

**Operating loss stood at KES 732.2 MN** arising from an increase in the prices of input factors driven by high energy costs and depreciation of the Kenya Shilling against the US Dollar.

**Finance costs for the period stood at 2.2 MN.**

**Total assets had a negligible decrease to KES 32.76 BN** after a 2.2% y-o-y decrease in non-current assets to KES 30.4 BN and a 38.7% y-o-y increase in current assets to KES 2.4 BN

**Total liabilities increased 5.6% y-o-y to KES 14.3 BN** following a 18868.8% y-o-y increase in non-current liabilities to KES 2 BN and a 8.7% y-o-y decrease in current liabilities to KES 12.4 BN. Total equity for the period decreased by 4.1% y-o-y to KES 18.4 BN.

**Net cash used in operating activities stood at 378.0 MN.** Net cash generated from investing activities was stated as KES 389.2 MN while net cash used in financing activities stood at KES 5.6 MN.

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

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## Salient News

.....  
**Safaricom** announced an **interim dividend of KES 0.55 per share** for the year ending 31st March 2024.  
.....

### UNGA GROUP 1H24 Earnings

Unga Group released its unaudited 1H24 earnings reporting a loss of KES 341.6 MN. This was largely attributed the depreciation of the Kenya Shilling, high costs of inputs and local supply deficit resulting in increased importation at increased raw material and shipping expenses.

**Revenue for the period increased 3.45% y-o-y** to KES 12.4 BN driven by coupled with adjustments in prices aimed at partially offsetting the rise in raw material costs.

**Operating loss stood at KES 32.2 MN.**

**Finance income** increased 4.8% y-o-y to KES 43.5 MN. Finance costs surged up by 338.9% y-o-y to 481.8 MN.

**Total assets decreased by 15.1% y-o-y to KES 10.9 BN** after a 15.7% y-o-y increase in non-current assets to KES 5.0 BN and a 30.9% y-o-y decrease in current assets to KES 5.9 BN.

**Total liabilities eased by 13.8% y-o-y to KES 5.4 BN** following a 45.9% y-o-y increase in non-current liabilities to KES 0.5 BN and 17.4% y-o-y decrease in current liabilities to KES 4.9 BN. Total equity for the period decreased 16.4% y-o-y to KES 5.5 BN.

**Net cash used in operating activities stood at 1.6 BN.** Net cash used in investing activities was stated as KES 132.3 MN while net cash generated from financing activities stood at KES 1.1 BN. *(Source: Company filings, DBIB Research).*

**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).*

## 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
10. NIC Holdings.

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Sasini	Final: KES 0.50	22-Feb-24	22-Mar-24
BAT Kenya	Final: KES 45.00	24-May-24	26-Jun-24
Safaricom	Interim: KES 0.55	15-Mar-24	31-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
Longhorn	11:00 a.m.	Virtual	15-Mar-24
BAT Kenya	10:00 a.m.	Virtual	26-Jun-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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