

# DBIB WEEKLY BULLETIN

# WEEK 10

Date: 08.03.2024

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## INDICES & MARKET METRICS MOVEMENT

**NSE 20** and **NASI** rose by 1.1% and 1.8% w-o-w to close at 1556.10 and 94.90 respectively.

**Weekly equity turnover** dropped by 49.4% w-o-w to close at USD 5.4 MN (KES 0.77 BN).

**USD | KES:** KES strengthened by 0.50% w-o-w to close at 142.80 (8.73% year-to-date).

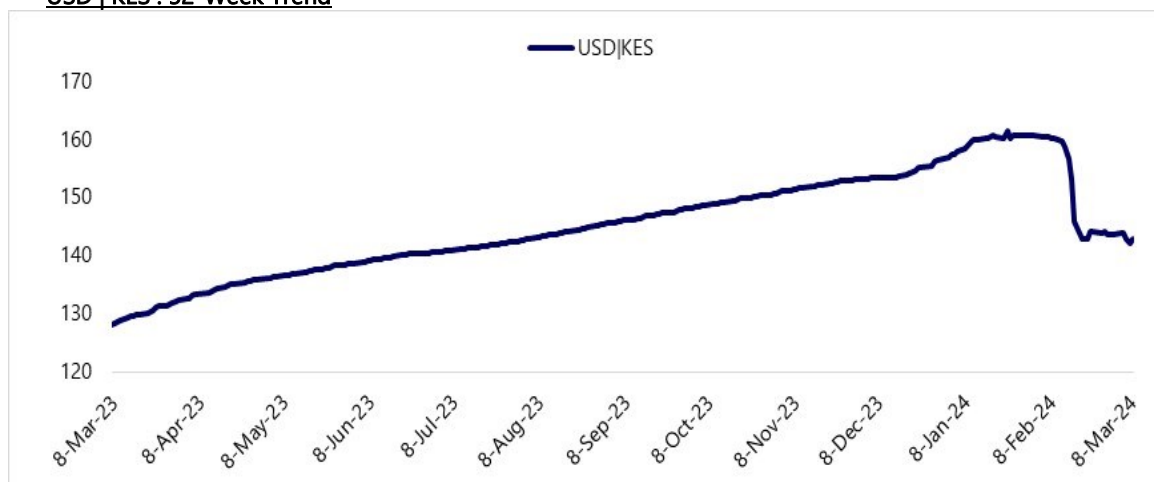
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	94.90	1.77	1.02	(3.85)	3.03
NSE-20	1,556.10	1.10	2.84	0.94	3.66
DBIB Select	83.94	1.32	2.12	(0.56)	2.35
MSCI Kenya (USD)	638.17	5.21	6.13	(3.75)	15.39
MSCI Frontier (USD)	519.87	0.23	4.67	2.59	2.54

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
MarkEV Cap. (USD m)	1,482.65	1.77	4.07	1.02	(3.85)
MarkEV Turnover (USD m)	5.39	(49.38)	(13.96)	(38.93)	(31.56)
MarkEV P/E (x)	8.04	4.09	5.20	0.31	(8.53)
MarkEV Div. yld (%) *	5.84	28.19	196.04	(223.86)	(246.40)
MarkEV ROE (%) *	23.23	1.98	(221.67)	(434.98)	(1,335.20)

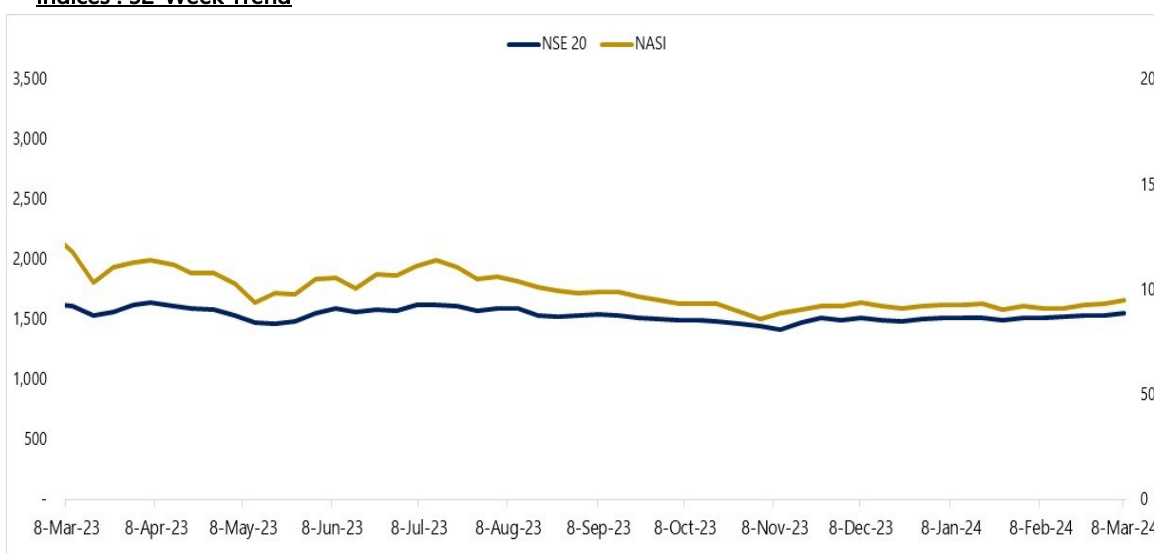
\* Changes in % \*\*Changes in bps -Market ROE is market cap weighted -ch: changes  
(Source: NSE, DBIB Research)

### 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 2.41 MN (KES 0.34 BN) representing 44.72% of this week's turnover.

The stock rose by 3.0% w-o-w to close at KES 13.90 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for 71.62% of foreign sales and 36.51% of foreign purchases.

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Trans-Century	17.5
Sanlam Kenya	14.7
Sameer Africa	14.3
Liberty Kenya Holdings	10.0
E.A. Breweries	8.7

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
WPP Scangroup	(8.5)
Kenya Power	(7.4)
Standard Group	(5.8)
B.O.C Kenya	(5.0)
E.A. Cables	(4.8)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	2.41
Equity Group	1.00
E.A. Breweries	0.98
Co-operative Bank	0.19
KCB Group	0.19

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Liberty Kenya	49.1
Eveready East Africa	21.3
Equity Group	19.7
Bamburi Cement	18.9
Housing Finance	17.5

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Standard Group	(28.9)
NBV	(18.5)
Trans-Century	(13.5)
Umeme Ltd	(13.1)
Home Afrika	(9.6)

(Source: NSE, DBIB Research)



## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
E.A. Breweries	83.0
Equity Group	68.9
NBV	62.6
Safaricom	36.5
Kenya Power	29.4

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
New Gold ETF	100.0
TP Serena	98.8
Equity Group	94.8
Jubilee	85.6
Safaricom	71.6

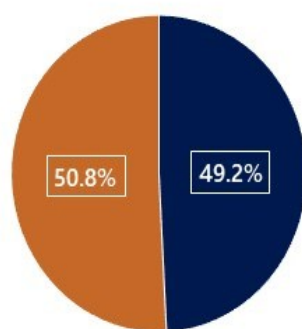
## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Crown Paints	87.4
Equity Group	72.7
E.A. Breweries	67.6
Safaricom	61.2
NSE	55.1

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Safaricom	83.5
Equity Group	83.4
BK Group	82.3
KenGen	71.5
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 253.80 MN (KES 36.24 BN) representing a 30.4% w-o-w drop from USD 364.80 MN (KES 52.46 BN) recorded the previous week.

## FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 253.80 MN (KES 36.24 BN) representing a 30.4% w-o-w drop from USD 364.80 MN (KES 52.46 BN) recorded the previous week. The bond issue number IFB1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 23.13 BN accounting for 63.8% of the week's turnover. The bond traded between 16.4000% and 19.0000%.

### March Bond Results: FXD1/2024/03 (re-opened)

The Central Bank of Kenya (CBK) reopened FXD1/2024/03 (2.9 years) with the intention of raising KES 40.0 BN. From the auction, the CBK received bids worth KES 43.1 BN translating to a subscription rate of 107.69%. In turn, it accepted bids worth KES 34.27 BN. The coupon rate stood at 18.3854%

### Top Trades for the week ending 08 March 2024

						Total
	Coupon	Yield	Price	Value		
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
5-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.7250	103.47	2,834.0
4-Mar	FXD1/2020/5Yr	1.2	11.6670	17.6000	97.71	2,000.0
6-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.6500	103.80	1,539.0
4-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.7500	103.32	1,508.0
6-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.5000	104.37	1,424.0
7-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.5000	104.42	1,266.8
4-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.8500	102.94	1,200.0
5-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.6500	103.75	1,020.0
4-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.6200	103.82	1,000.0
6-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.6000	103.99	816.8
6-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.7000	103.61	800.0
5-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.7500	103.37	710.0
5-Mar	FXD1/2012/20Yr	8.7	12.0000	17.3000	80.28	700.0
7-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.5999	104.04	669.8
7-Mar	FXD1/2010/25Yr	11.2	11.2500	16.7500	75.16	650.0
7-Mar	FXD1/2010/25Yr	11.2	11.2500	17.0260	74.09	593.4

#### Sell & buy-backs

8-Mar	FXD1/2010/15Yr	1.0	11.2500	16.0500	78.02	650.0
6-Mar	FXD1/2021/20Yr	8.7	12.0000	16.0000	85.27	618.0
4-Mar	FXD1/2017/10Yr	3.4	12.9660	18.0505	88.97	161.0

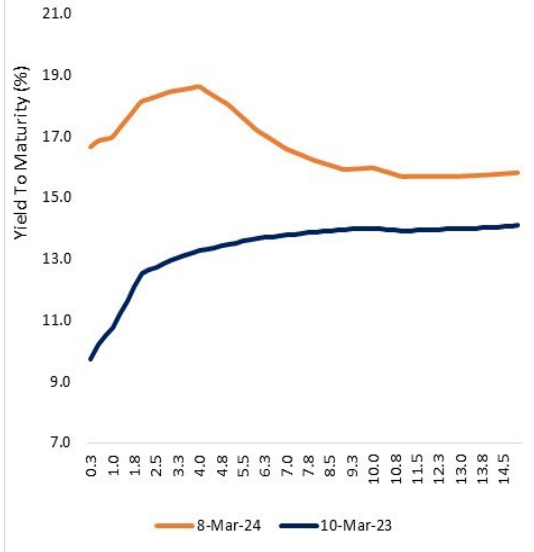
Source: NSE, DBIB Research)

### Treasury Bill auction for the week ending 08 March 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	20.62	515.47	20.50	16.62	3.8
182-day	10.00	10.06	100.63	10.06	16.78	6.3
364-day	10.00	11.13	111.35	9.71	16.97	1.2

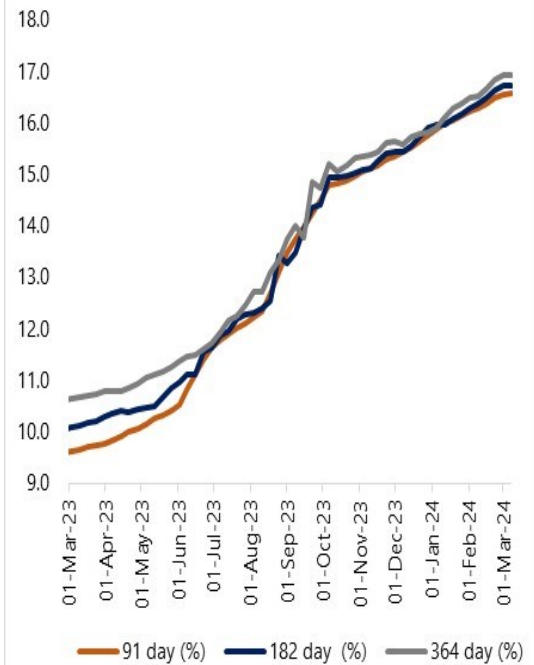
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

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# Salient News

## STANBIC FY23 RESULTS

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**Stanbic Bank released its FY23 results reporting a 31.2% y-o-y advancement in after-tax profits to KES 11.9 BN.**  
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**Stanbic Bank released its FY23 results reporting a 31.2% y-o-y advancement in after-tax profits to KES 11.9 BN.** This increase was attributable to a 38.8% y-o-y growth in net interest income to KES 25.6 BN and a 26.2% y-o-y rise in non-funded income to KES 16.1 BN. EPS for the period stood at KES 30.75 (FY22: KES 22.92). The directors have recommended a final dividend of KES 14.20 per share (FY22: KES 12.60). The firm had already paid out an interim of KES 1.15 per share therefore bringing the total payout for FY23 to KES 15.35 per shares. If approved, the dividend will be payable to shareholders on the company's register at the close of business on 17th May 2023

**Net interest income grew by 38.8% y-o-y to KES 25.6 BN** backed by a 48.0% y-o-y rise in interest income to KES 37.9 BN against a 71.7% y-o-y increase in interest expense to KES 12.4 BN. The annualized yield on interest-earning assets rose by 466 bps y-o-y to 12.3% while the annualized cost of funds inched higher by 114 bps y-o-y to 3.5%. Net interest margin in turn rose by 351 bps y-o-y to 8.8%

**Non-funded income increased by 26.2% y-o-y to KES 16.1 BN** occasioned by a 5.0% y-o-y growth in net income from forex dealings to KES 9.0 BN and a 31.9% y-o-y increase in fees and commissions on loans to KES 4.8 BN. Other operating income advanced by 347.3% y-o-y to KES 2.2 BN. Non-funded income contribution declined by 228 bps y-o-y to 38.6%.

**Operating expenses (less loan loss provisions) increased by 21.6% y-o-y to KES 17.6 BN** mainly due to a 28.9% y-o-y rise in other expenses to KES 8.3 BN and a 21.0% y-o-y increase in staff costs to KES 8.3 BN. The cost-to-income ratio fell by 421 bps y-o-y to 42.4% (FY22: 46.6%).

**Loan loss provision expense advanced by 61.8% y-o-y to KES 7.3 BN** placing the annualized cost of risk at 2.8%, 89 bps higher y-o-y. Gross non-performing loans reduced by 7.0% y-o-y to KES 26.5 BN, pivoting the NPL ratio to 9.2%, 153 bps lower y-o-y. Cumulative loan loss provisions increased by 3.9% y-o-y to KES 12.7 BN, placing the NPL coverage ratio at 48.1%, 501 bps higher y-o-y.

**Customer loans and advances grew by 10.4% y-o-y to KES 260.5 BN** Investment securities dropped by 27.3% y-o-y to KES 42.4 BN.

**On the funding side, customer and bank deposits went up by 17.3% y-o-y to KES 330.9 BN** while borrowed funds decreased by 13.2% y-o-y to KES 13.7 BN.

On a trailing basis, Stanbic Holdings is trading at a P/E multiple of 4.7x against an industry median of 3.3x and a P/B multiple of 1.0x against an industry median of 0.7x. Its ROE stands at 21.9% while its ROA stands at 3.5%.

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

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## 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
Stanbic	Final: KES 14.20	17-May-24	STA*

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

## AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
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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