

# DBIB WEEKLY BULLETIN

# WEEK 12

Date: 22.03.2024

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## INDICES & MARKET METRICS MOVEMENT

**NSE 20** and **NASI** rose by 3.0% and 5.7% w-o-w to close at 1687.17 and 107.66 respectively.

**Weekly equity turnover** advanced by 5.7% w-o-w to close at USD 19.1 MN (KES 2.54 BN).

**USD | KES:** KES strengthened by 1.65% w-o-w to close at 132.92 (15.04% year-to-date).

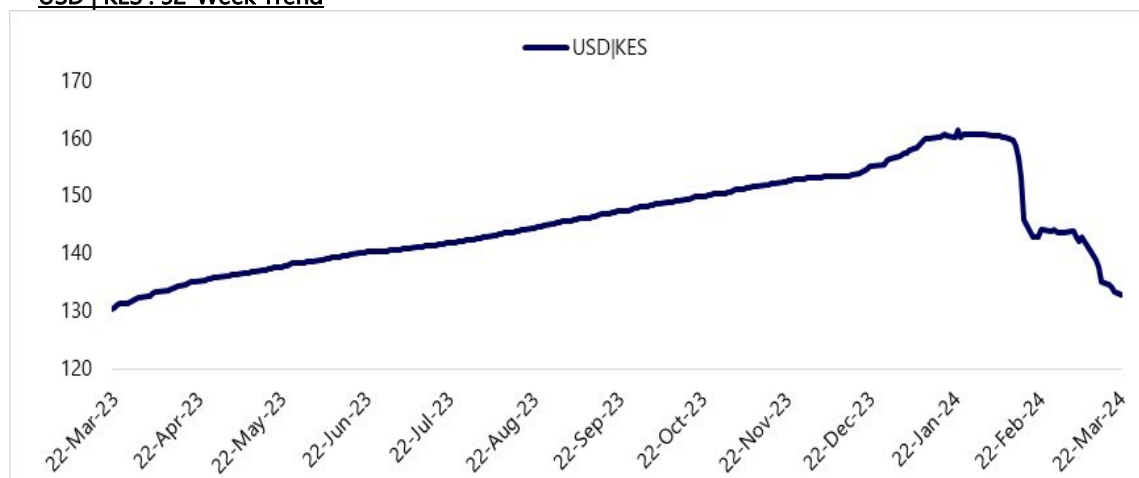
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	107.66	5.74	18.29	11.23	16.88
NSE-20	1,687.17	3.02	13.30	11.05	12.39
DBIB Select	88.37	2.14	8.27	5.10	7.75
MSCI Kenya (USD)	786.71	6.84	42.24	21.99	42.25
MSCI Frontier (USD)	528.04	1.10	4.92	6.55	4.15

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
MarkEV Cap. (USD m)	1,682.05	5.74	15.97	18.30	11.23
MarkEV Turnover (USD m)	19.14	(5.71)	121.70	286.60	115.82
MarkEV P/E (x)	9.12	7.08	18.27	20.39	0.22
MarkEV Div. yld (%) *	6.25	26.30	224.83	(224.94)	(263.14)
MarkEV ROE (%) *	23.18	(25.86)	(217.41)	(433.76)	(1,335.15)

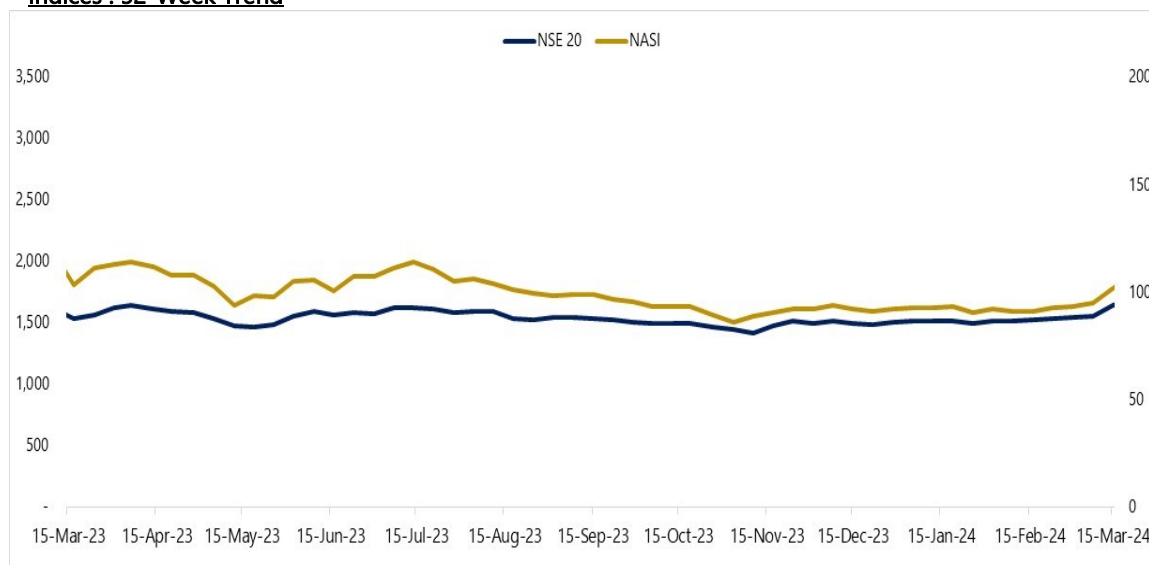
\* Changes in % \*\*Changes in bps -Market ROE is market cap weighted -ch: changes  
(Source: NSE, DBIB Research)

### USD | KES : 52-Week Trend



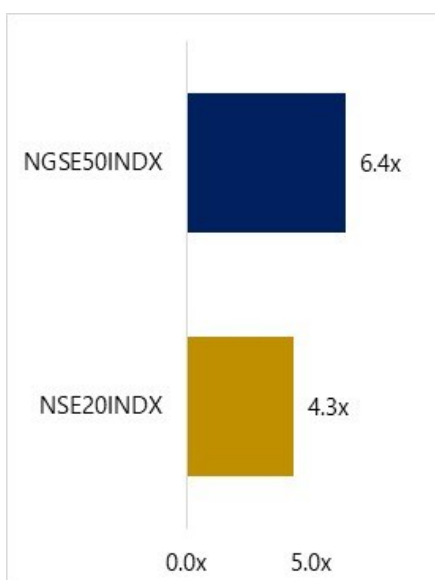
(Source: CBK, DBIB Research)

### 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 5.42 MN (KES 0.72 BN) representing 28.31% of this week's turnover.

The stock rose by 10.2% w-o-w to close at KES 16.75 on Friday.

Foreign investors assumed a **net buying position** on the counter this week by accounting for **66.56%** of foreign sales and **61.35%** of foreign purchases.

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Safaricom	10.2
Britam Holdings Plc Ord 0.10	8.1
Kenya Power	7.7
KCB Group	6.5
Equity Group	6.5

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
E.A.Cables	(13.0)
Flame Tree Group	(10.4)
Sanlam Kenya	(9.7)
Liberty Kenya	(8.7)
BK Group	(8.7)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	5.42
Equity Group	5.03
KCB Group	4.79
Co-operative Bank	1.29
ABSA Bank	1.14

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Liberty Kenya	36.0
Equity Group	34.8
Bamburi Cement	30.7
Co-operative Bank	30.7
HF Group Plc	26.4

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Standard Group	(23.5)
Home Afrika	(13.5)
Unga Group	(12.5)
Trans-Century	(11.5)
Umeme	(11.3)

(Source: NSE, DBIB Research)



## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Jubilee	97.3
Safaricom	66.6
Kenya Power	66.4
Equity Group	61.7
BAT Kenya	36.1

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BK Group	97.8
Equity Group	79.3
KenGen	78.6
Jubilee	74.4
Safaricom	61.3

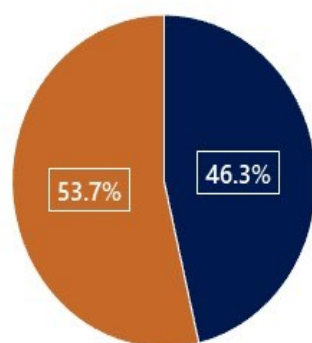
## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Crown Paints	82.7
Equity Group	72.7
Safaricom	69.2
E.A. Breweries	67.1
NSE	43.1

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
BK Group	85.7
Equity Group	84.0
Safaricom	82.7
KenGen	74.5
New ETF Gold	61.0

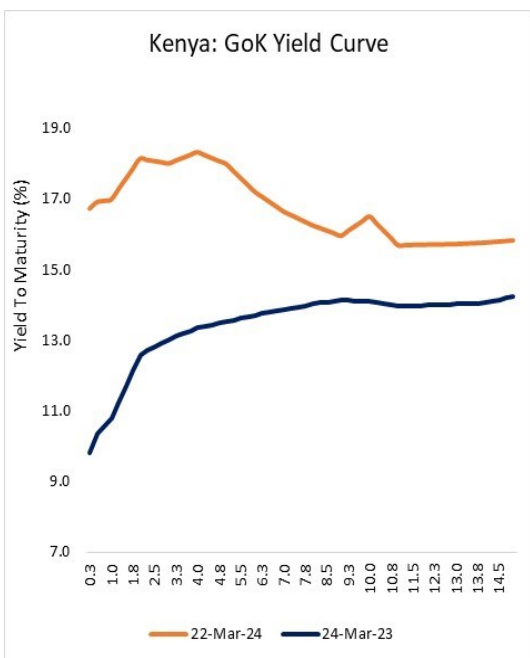
## WEEKLY LOCAL VS FOREIGN PARTICIPATION



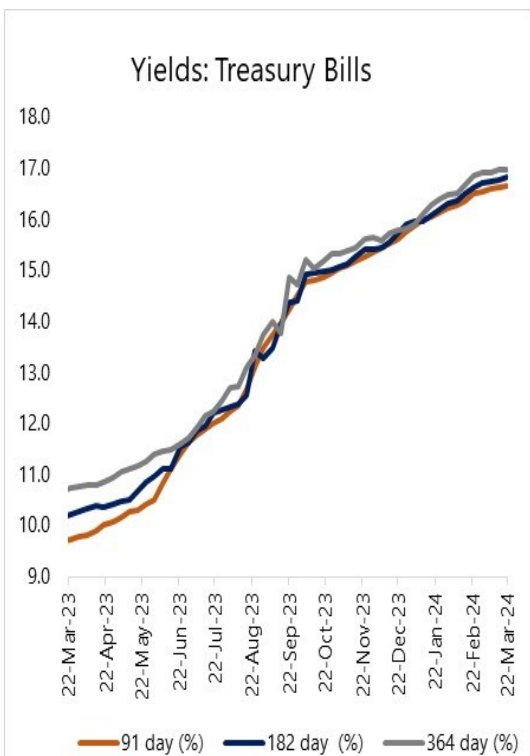
- Foreign Participation
- Local Participation

(Source: NSE, DBIB Research)

The **Bond market's** turnover for the week stood at USD 189.84 MN (KES 25.23 BN) representing a 24.6% w-o-w drop from USD 251.70 MN (KES 34.02 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 189.84 MN (KES 25.23 BN) representing a 24.6% w-o-w drop from USD 251.70 MN (KES 34.02 BN) recorded the previous week. The bond issue number IFB1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 12.41 BN accounting for 49.2% of the week's turnover. The bond traded between 15.4107% and 16.5506%.

### March Bond Results: FXD1/2023/05 (Re-opened) & FXD1/2024/10 (New)

The Central Bank of Kenya (CBK) reopened FXD1/2023/05 (4.0 years) and FXD1/2024/10 with the intention of raising KES 40.0 BN. From the auction, the CBK received total bids worth KES 59.7 BN (FXD1/2023/05 received bids worth KES 35.8 BN while FXD1/2024/10 received bids worth KES 23.9 BN) translating to a subscription rate of 1149.33%. In turn, CBK accepted bids worth KES 22.6 BN (FXD1/2023/05 had accepted bids worth KES 17.8 BN while FXD1/2024/10 had accepted bids worth KES 4.8 BN). The coupon rate for FXD1/2023/05 stood at 16.8440% while the coupon rate for FXD1/2024/10 stood at 16.0000%

### Top Trades for the week ending 22 March 2024

						Total
		Coupon	Yield	Price	Value	
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
18-Mar	IFB1/2023/6.5Yr	6.1	17.9327	16.8140	109.49	2,720.0
20-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.7491	104.10	1,405.5
20-Mar	IFB1/2023/6.5Yr	6.1	17.9327	16.9000	109.32	1,250.0
21-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.9500	107.24	1,170.0
18-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.0000	106.90	1,013.6
18-Mar	FXD1/2024/3Yr	2.8	18.3854	18.0000	103.92	1,000.0
20-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.9000	107.39	975.1
19-Mar	IFB1/2024/8.5Yr	8.4	18.4607	18.9000	99.84	700.0
18-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.0500	106.70	602.0
19-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.9750	107.04	500.0
20-Mar	FXD1/2010/15Yr	1.0	10.2500	19.0646	92.72	440.0
21-Mar	FXD1/2010/15Yr	1.0	10.2500	18.1090	93.54	440.0

#### Sell & buy-backs

21-Mar	FXD1/2017/10Yr	3.3	12.9660	17.7187	90.44	78.0
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Source: NSE, DBIB Research)

### Treasury Bill auction for the week ending 22 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	11.65	291.20	9.13	16.73	3.3
182-day	10.00	4.09	40.87	3.19	16.91	2.4
364-day	10.00	894	89.44	8.34	16.99	0.0

(Source: NSE, DBIB Research)

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## Salient News

### KAKUZI FY23 RESULTS

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**Kakuzi** has released its FY23 results reporting a 46.4% y-o-y increase in PAT to KES 453.5 MN.  
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**Kakuzi has released its FY23 results reporting a 46.4% y-o-y decline in PAT to KES 453.5 MN.** This was mainly led by a 51.5% y-o-y decrease in profit before tax to KES 537.2 MN. The pre-tax profit drop is mainly attributed to a KES 354.0 MN pre-tax loss from the macadamia operations (2022: KES 635.0 MN Profit). The board has recommended a dividend of KES 24.00 per share shall be paid on or about 15 June 2024 to the shareholders on the members' register at the close of business on Friday, 31 May 2024.

**Sales improved by 21.8% y-o-y to KES 5.4 BN.** This was mainly supported by the avocado operations which performed well, recording a pre-tax profit of KES1.4 BN (2022: KES 0.8 BN)

**Fair value gain in non-current biological assets surged up by 11.7% to KES 126.8 MN.**

**Earnings per share** for the period declined by 46.4% y-o-y to KES 23.14.

**Total assets grew by 1.8% y-o-y to KES 7.6 BN** on the back of a 5.0% y-o-y increase in current assets to KES 3.6 BN and a 0.8% y-o-y decrease in non-current assets to KES 4.1 BN. Total liabilities increased by 9.8% y-o-y to KES 1.7 BN as a result of a 9.4% y-o-y increase in non-current liabilities to KES 1.3 BN and a 10.9% y-o-y growth in current liabilities to KES 382.8 MN.

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

### KAKUZI FY23 RESULTS

.....  
**KCB Group** has entered into a share purchase agreement with Access bank plc on the 100% sale of National Bank of Kenya.  
.....

On 20th March, **KCB Group entered into a share purchase agreement with Access bank plc on the 100% sale of National Bank of Kenya** which is currently a subsidiary of KCB group. The management placed the transaction value at about 1.25X the net book value during the close of the transaction.

*(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. Express Kenya
7. Limuru Tea
8. Umeme
10. NIC Holdings.

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
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*
Standard Chartered	Final: KES 23.00	19-Apr-24	30-May-24
ABSA Bank	Final: KES 14.20	30-Apr-24	23-May-24
Kakuzi	First & Final: KES 24.00	31-May-24	15-Jun-24
Co-operative Bank	First & Final: KES 1.50	28-Apr-24	10-Jun-24

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

## AGM SCHEDULE

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