

# DBIB WEEKLY BULLETIN

# WEEK 13

Date: 28.03.2024

## Contents:

Equity Market Sum Up	2
Fixed Income Wrap Up	4
Salient News	5
Corporate Actions	6
Appendix	7

## INDICES & MARKET METRICS MOVEMENT

**NSE 20** and **NASI** rose by 3.9% and 5.0% w-o-w to close at 1752.43 and 113.09 respectively.

**Weekly equity turnover** advanced by 109.8% w-o-w to close at USD 40.1 MN (KES 5.29 BN).

**USD | KES:** KES strengthened by 0.84% w-o-w to close at 131.80 (15.76% year-to-date).

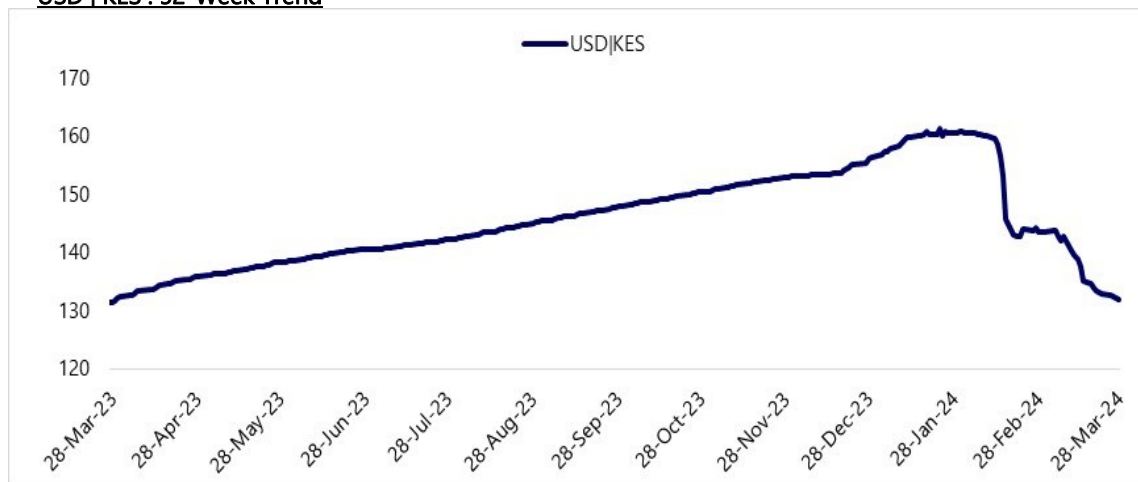
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	113.09	5.04	22.78	14.31	22.78
NSE-20	1,752.43	3.87	16.74	14.48	16.74
DBIB Select	90.55	2.46	10.40	7.23	10.40
MSCI Kenya (USD)	854.16	8.57	54.45	28.17	54.45
MSCI Frontier (USD)	530.82	0.53	4.70	5.87	4.70

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
MarkEV Cap. (USD m)	1,766.95	5.05	21.29	22.79	14.32
MarkEV Turnover (USD m)	40.14	109.75	276.71	1,458.77	430.90
MarkEV P/E (x)	9.42	3.31	21.95	22.46	3.54
MarkEV Div. yld (%) *	6.23	(1.70)	227.89	(206.83)	(327.25)
MarkEV ROE (%) *	22.91	(27.25)	(247.09)	(470.09)	(1,313.43)

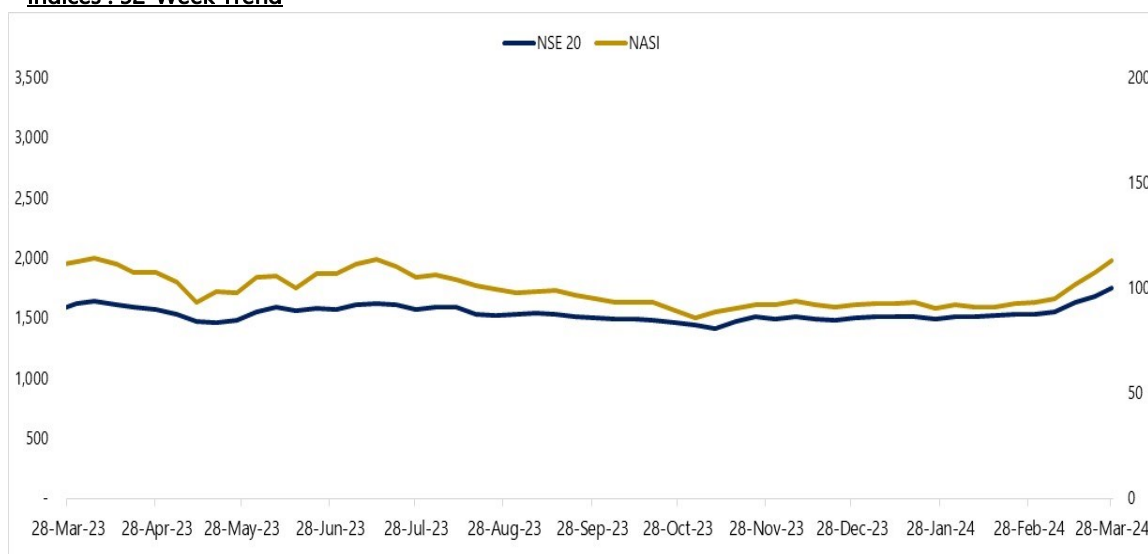
\* Changes in % \*\*Changes in bps -Market ROE is market cap weighted -ch: changes  
(Source: NSE, DBIB Research)

### USD | KES : 52-Week Trend



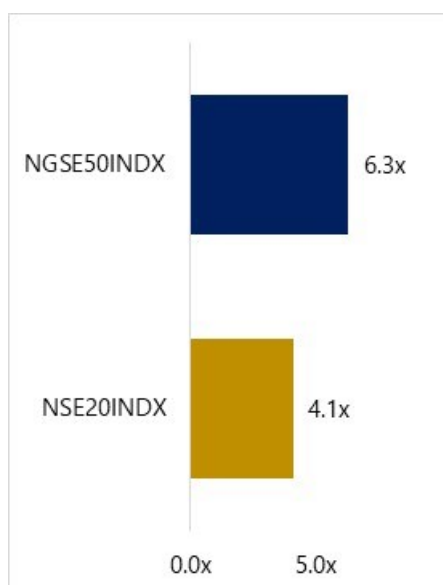
(Source: CBK, DBIB Research)

### 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 17.59 MN (KES 2.32 BN) representing 70.63% of this week's turnover.

The stock rose by 6.0% w-o-w to close at KES 17.75 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for **86.17%** of foreign sales and **47.17%** of foreign purchases.

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
KenGen	21.0
Eveready East Africa	18.4
KCB Group	17.6
Flame Tree Group	11.7
Kenya Power	11.4

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Britam Holdings	(11.0)
Nairobi Business Ventures	(9.8)
Home Afrika	(6.3)
Longhorn Publishers	(4.6)
HF Group	(4.3)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	17.59
Equity Group	8.23
KCB Group	6.25
IMARA I-REIT	4.17
KenGen Co	1.32

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Liberty Kenya	48.5
Equity Group	40.1
Co-operative Bank	37.2
KCB Group	31.6
Kenya Power	31.0

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Home Afrika	(18.9)
Standard Group	(16.0)
Trans-Century	(14.8)
Unga Group	(12.5)
NBV	(5.8)

(Source: NSE, DBIB Research)



## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
Equity Group	86.3
Jubilee	77.6
NBV	49.1
Safaricom	47.2

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
KenGen	95.5
Centum	95.1
Equity Group	88.3
Safaricom	86.2
BAT Kenya	77.1

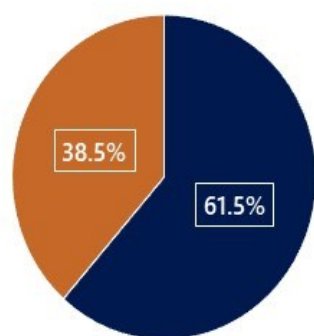
## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Crown Paints	82.6
Equity Group	75.7
E.A. Breweries	65.9
Safaricom	62.8
KCB Group	37.5

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
KenGen	87.1
Equity Group	85.0
BK Group	84.7
Safaricom	83.7
Centum	74.8

## WEEKLY LOCAL VS FOREIGN PARTICIPATION



- Foreign Participation
- Local Participation

(Source: NSE, DBIB Research)

The **Bond market's** turnover for the week stood at USD 173.93 MN (KES 22.92 BN) representing a 8.4% w-o-w drop from USD 189.84 MN (KES 25.23 BN) recorded the previous week.

## FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 173.93 MN (KES 22.92 BN) representing a 8.4% w-o-w drop from USD 189.84 MN (KES 25.23 BN) recorded the previous week. The bond issue number IFB1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 12.51 BN accounting for 54.6% of the week's turnover. The bond traded between 15.1105% and 19.1105%.

### Top Trades for the week ending 28 March 2024

						Total
	Coupon	Yield	Price	Value		
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
28-Mar	IFB1/2023/6.5Yr	6.1	17.9327	16.7000	110.32	1,900.0
25-Mar	IFB1/2024/8.5Yr	8.4	18.4607	18.5910	101.24	1,000.0
25-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.0000	107.23	1,000.0
28-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.8500	107.97	1,000.0
26-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.8000	108.07	905.9
25-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.9000	107.63	700.0
26-Mar	IFB1/2024/8.5Yr	8.4	18.4607	19.0002	99.84	600.0
27-Mar	IFB1/2021/16Yr	12.8	12.2570	16.2000	84.36	600.0
26-Mar	FXD1/2023/5Yr	4.3	16.8440	18.0000	99.84	500.0
27-Mar	IFB1/2023/6.5Yr	6.1	17.9327	16.8500	109.82	500.0
27-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.7000	108.52	500.0
27-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.9000	107.72	493.0
27-Mar	FXD1/2024/3Yr	2.8	18.3854	17.8000	104.79	438.0
26-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.8500	107.87	420.0
26-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.7500	108.27	403.7
28-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.7000	108.57	335.0
27-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.8000	108.12	319.0
25-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.9084	107.59	300.0
25-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.8650	107.76	300.0
25-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.8000	108.02	300.0
27-Mar	FXD1/2023/5Yr	4.3	16.8440	17.8500	100.31	300.0
27-Mar	FXD1/2023/5Yr	4.3	16.8440	17.8000	100.45	300.0
27-Mar	IFB1/2024/8.5Yr	8.4	18.4607	16.8500	107.92	300.0

#### Sell & buy-backs

26-Mar	FXD1/2023/5Yr	4.3	16.8440	17.0000	102.74	200.0
28-Mar	FXD1/2021/20Yr	17.3	13.4440	17.4500	79.91	200.0
27-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.7749	104.34	117.0
27-Mar	IFB1/2024/8.5Yr	8.4	18.4607	17.7936	104.27	8.0

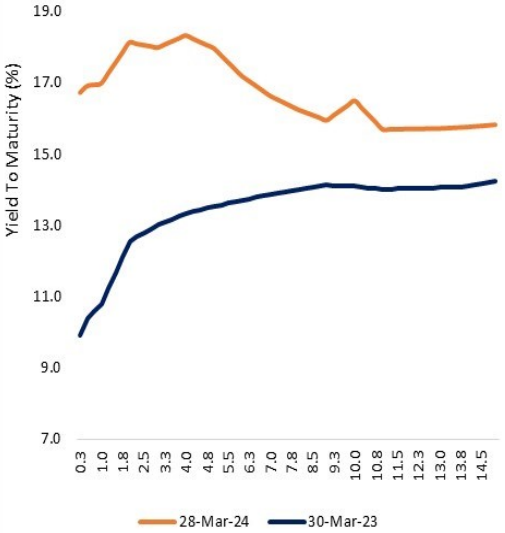
(Source: NSE, DBIB Research)

### Treasury Bill auction for the week ending 28 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

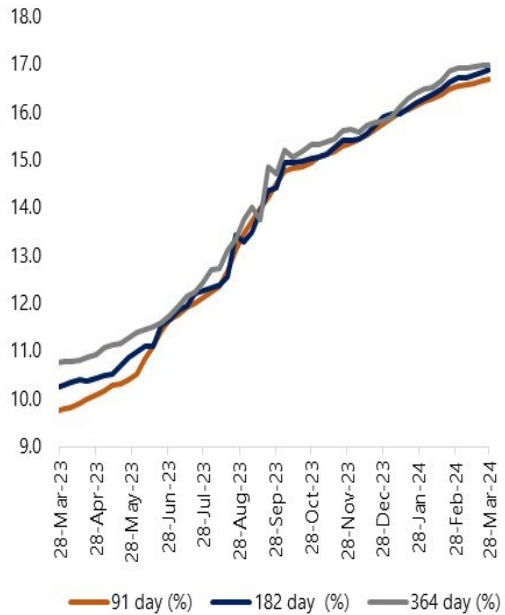
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

---

# Salient News

## EQUITY GROUP FY23 RESULTS

.....  
**Equity Group** released its FY23 results reporting a 5.1% y-o-y decline in after tax profits to KES 43.7 BN.  
.....

**Equity Group released its FY23 results reporting a 5.1% y-o-y decline in after tax profits to KES 43.7 BN.** The group's decline in financial performance was attributed to a 128.7% y-o-y advancement in loan loss provision to KES 35.3 BN. EPS for the period stood at KES 11.12 (FY22: KES 11.90). The board announced a first and final dividend of KES 4.00 per share (FY22: KES 4.00). If approved, the dividend will be paid on or before 28th June 2024 to shareholders registered on the group's register at the close of business on 24th May 2024

**Net interest income increased by 21.2% y-o-y to KES 104.2 BN** driven by a 30.1% y-o-y growth in total interest income to KES 155.6 BN against a 52.9% y-o-y climb in total interest expenses to KES 51.4 BN.

**Non-funded income improved by 30.7% y-o-y to KES 78.3 BN** mainly bolstered by a 45.6% y-o-y growth in other fees and commissions to KES 40.9 BN and a 34.1% y-o-y jump in foreign exchange trading income to KES 17.4 BN. Other income edged up by 5.4% y-o-y to KES 10.5 BN while fees and commissions on loans and advances rose by 6.7% y-o-y to KES 9.5 BN. The contribution of non-funded income to total income increased by 184 bps y-o-y to 42.9% (FY22: 41.1%).

**Operating expenses (excluding provisions) registered a 34.9% y-o-y climb to KES 95.4 BN** mainly on the back of a 46.5% y-o-y growth in other expenses to KES 55.5 BN and a 28.3% y-o-y increase in staff costs to KES 31.8 BN. The group's cost-to-income ratio (excluding provisions) increased by 383 bps y-o-y to 52.3% (FY22: 48.4%).

**Loan loss provisions surged by 128.7% y-o-y to KES 35.3 BN** as gross non-performing loans for the group advanced by 81.5% y-o-y to KES 114.6 BN leading to the NPL ratio to rise by 323 bps y-o-y to 11.4%.

**Net loans and advances rose by 25.6% y-o-y to KES 887.4 BN (+4.9% q-o-q)** while government and investment securities increased by 27.0% y-o-y to KES 500.5 BN (+12.4% q-o-q). On the funding side, customer deposits improved by 29.1% y-o-y to KES 1.4 TN (+12.5% q-o-q) while borrowed funds rose by 11.6% y-o-y to KES 126.9 BN (+4.2% q-o-q).

**Equity Group** is currently trading at a P/E multiple of 4.4x commensurate with the industry median of 3.8x and a P/B multiple of 0.9x against an industry median of 0.7x. Its ROE stands at 20.2% while its ROA stands at 2.3%. As per current prices, its dividend yield stands at 8.1%.

*(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. Eaagads

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
East African Breweries	Interim: KES 1.00	16-Feb-24	26-Apr-24
BAT Kenya	Final: KES 45.00	24-May-24	26-Jun-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
I&M Group	First & Final: KES 2.55	18-Apr-24	25-May-24
Limuru Tea	Final: KES 1.00	13-Apr-24	30-Jun-24
Umeme	Final: UGX 54.20	28-Jun-24	19-Jul-24
DTB Kenya	First & Final: KES 6.00	24-May-24	28-Jun-24
Equity Group	First & Final: KES 4.00	24-May-24	28-Jun-24
NCBA Group	Final: KES 3.00	30-Apr-24	29-May-24
NSE	Final: KES 0.16	30-May-24	31-Jul-24

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

## AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Kakuzi	12:00 p.m.	Serena Hotel	14-May-24
BAT Kenya	10:00 a.m.	Virtual	26-Jun-24
Co-operative Bank Kenya	10:00 a.m.	Virtual	17-May-24

*(Source: Company filings, DBIB Research)*

---

## 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.*

### DISCLAIMER

*While every care has been taken in preparing this report and it has been prepared from sources believed to be reliable, no representation, warranty, or undertaking (express or implied) is given and no responsibility is accepted by Dyer and Blair Investment Bank Limited, its related companies, subsidiaries, affiliates, its employees and agents, as to the accuracy and completeness of the information contained herein or in respect of any reliance on or use thereof. This report is solely intended for distribution to clients of Dyer and Blair Investment Bank Limited. Any information may be changed after distribution at any time without any notice.*

### RESEARCH TEAM

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