

DBIB WEEKLY BULLETIN

WEEK 18

Date: 03.05.2024

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INDICES & MARKET METRICS MOVEMENT

NSE 20 and NASI shed

2.4% and 2.7% w-o-w to close at 1647.80 and 104.64 respectively.

Weekly equity turnover

dropped by 55.4% w-o-w to close at USD 4.9 MN (KES 0.65 BN).

USD | KES: KES strengthened

by 0.29% w-o-w to close at 133.08 (14.9% year-to-date).

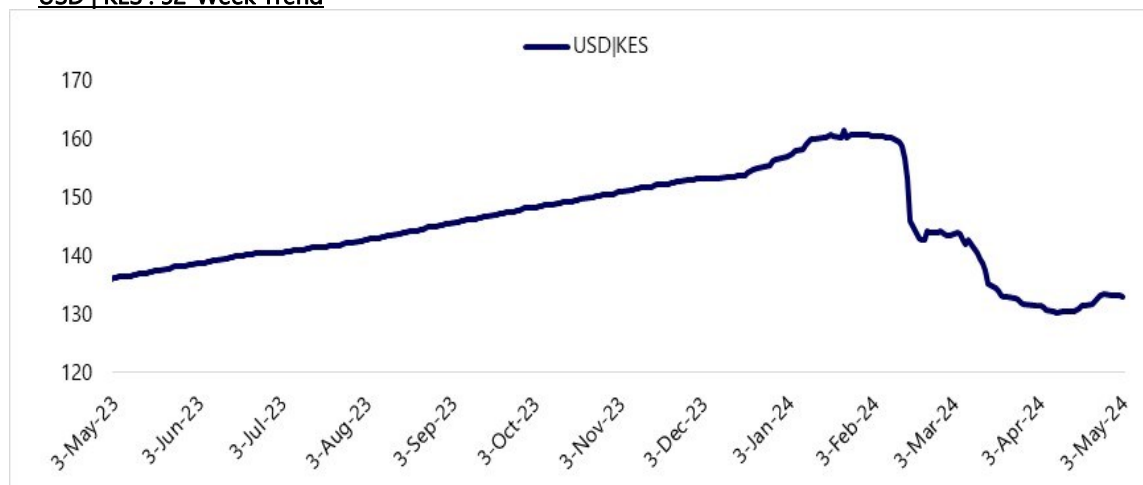
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	104.64	(1.84)	13.28	22.04	13.60
NSE-20	1,647.80	(2.46)	8.94	14.16	9.77
DBIB Select	88.74	(1.66)	7.05	8.95	8.20
MSCI Kenya (USD)	781.97	(0.96)	41.00	41.96	41.39
MSCI Frontier (USD)	515.31	2.10	0.88	8.91	1.64

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
MarkEV Cap. (USD m)	1,634.83	(1.84)	(7.70)	13.28	22.04
MarkEV Turnover (USD m)	4.87	(60.00)	(73.32)	(6.75)	18.24
MarkEV P/E (x)	7.17	(10.89)	(23.60)	(5.10)	12.30
MarkEV Div. yld (%) *	6.79	7.99	325.37	(285.35)	(321.35)
MarkEV ROE (%) *	22.25	(32.09)	(167.60)	(408.05)	(1,160.21)

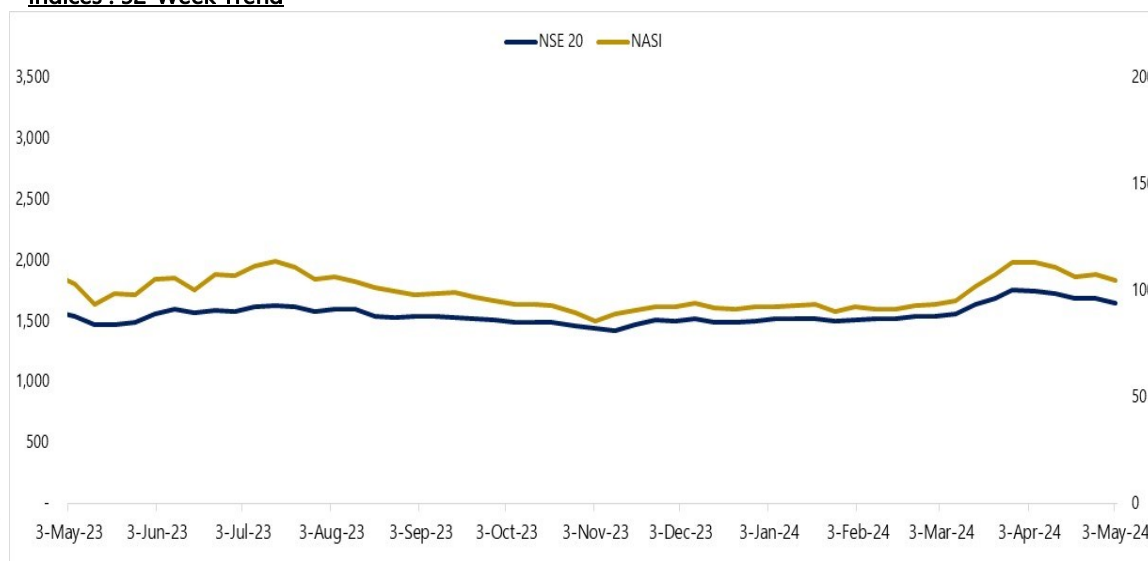
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes
(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend



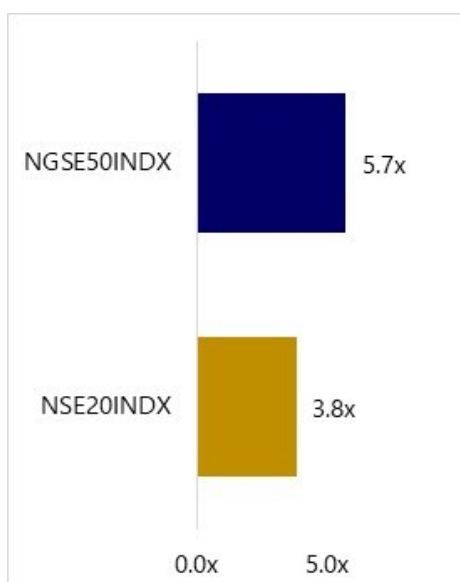
(Source: CBK, DBIB Research)

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...

KCB Group emerged as the top traded counter on the bourse recording a weekly turnover of USD 1.65 MN (KES 0.22 BN) representing 33.93% of this week's turnover.

The stock **gained** 2.2% w-o-w to close at KES 29.50 on Friday.

Foreign investors assumed a **net buying position** on the counter this week by accounting for **12.26%** of foreign sales and **76.28%** of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
B.O.C Kenya	20.5
WPP Scangroup	8.9
TotalEnergies	8.0
Sameer Africa	6.6
Williamson Tea Kenya	5.8

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Olympia Capital	(16.8)
Home Afrika	(13.9)
Co-operative Bank	(12.9)
NBV	(12.5)
TPS Eastern Africa	(10.7)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
KCB Group	1.65
Safaricom	1.05
E.A. Breweries	0.94
Equity Group	0.41
ABSA Bank	0.18

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Liberty Kenya	48.0
Bamburi Cement	36.5
E.A. Breweries	34.7
KCB Group Plc	33.6
Equity Group	26.4

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
NBV	(22.2)
Olympia Capital	(21.1)
Home Afrika	(19.9)
Standard Group	(18.6)
Unga Group	(16.2)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
E.A. Breweries	99.4
KCB Group	76.3
Jubilee	63.1
Carbacid	43.5
I&M Group	35.6

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Kapchorua Tea	68.0
BAT Kenya	64.6
Safaricom	41.8
I&M Group	35.6
Equity Group	28.3

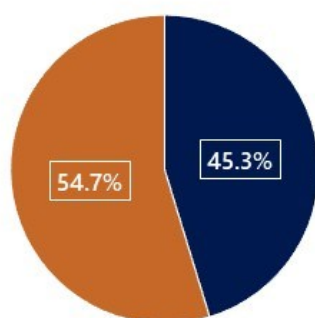
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
BK Group	96.7
E.A. Breweries	80.3
Crown Paints	76.0
Equity Group	72.7
Umeme	71.7

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Umeme	81.9
Equity Group	81.2
Safaricom	80.3
KenGen	77.1
Centum	76.2

WEEKLY LOCAL VS FOREIGN PARTICIPATION



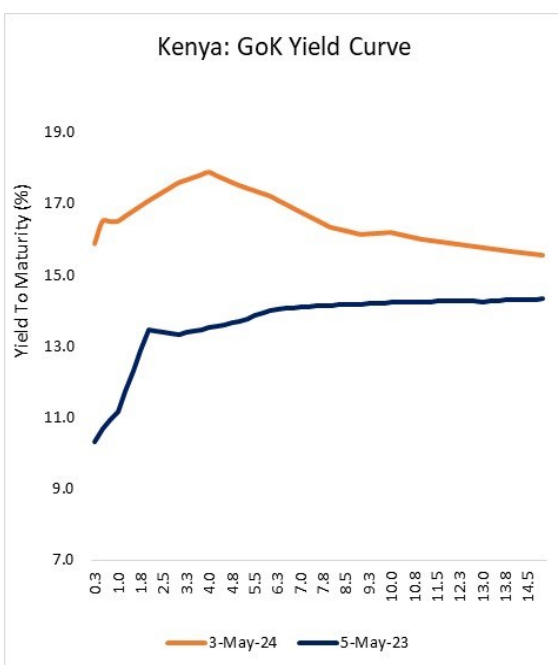
- Foreign Participation
- Local Participation

(Source: NSE, DBIB Research)

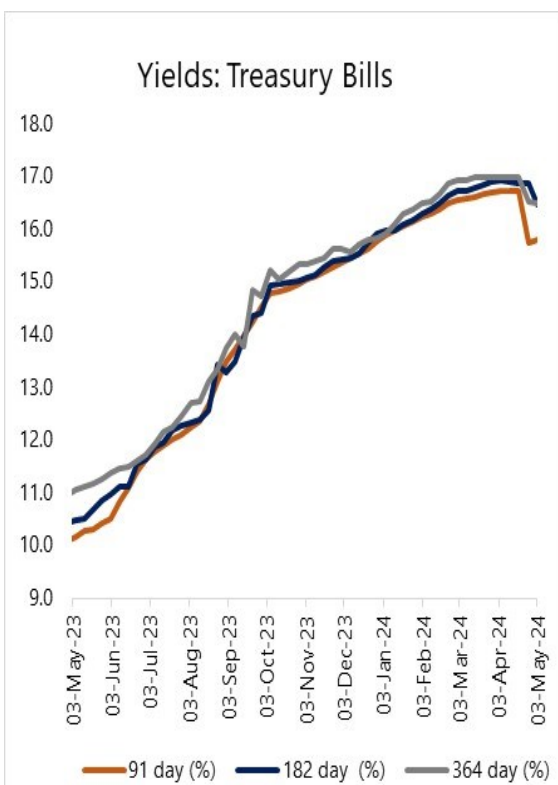
The **Bond market's turnover** for the week stood at USD 211.83 MN (KES 28.19 BN) representing a 10.8% w-o-w increase from USD 237.49 MN (KES 31.70 BN) recorded the previous week.

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 211.83 MN (KES 28.19 BN) representing a 10.8% w-o-w increase from USD 237.49 MN (KES 31.70 BN) recorded the previous week. The bond issue number IFB1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 13.21 BN accounting for 46.9% of the week's turnover. The bond traded between 15.6718% and 18.0000%.



Source: NSE, DBIB Research



Source: NSE, DBIB Research

May Issue Results: Re-opened FXD1/2024/010

The Central Bank of Kenya (CBK) issued a re-opened sale on FXD1/2024/10 (9.9 years) with the intention of raising KES 25.0 BN for budgetary support. From the auction, the CBK received bids worth KES 15.0 BN translating to a subscription rate of 59.92%. In turn, it accepted bids worth KES 11.0 BN. The coupon rate for FXD1/2024/10 was fixed at 16.0000%.

Top Trades for the week ending 03 May 2024

						Total
	Coupon	Yield	Price	Value		
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
3-May	IFB1/2024/8.5Yr	8.3	18.4607	17.2800	108.04	1,396.0
3-May	IFB1/2024/8.5Yr	8.3	18.4607	17.2000	108.35	1,286.9
2-May	IFB1/2024/8.5Yr	8.3	18.4607	17.3000	107.91	1,197.6
30-Apr	IFB1/2024/8.5Yr	8.3	18.4607	17.0000	108.98	1,129.4
30-Apr	FXD1/2023/5Yr	4.2	16.8440	17.2000	103.78	1,010.0
30-Apr	FXD1/2023/5Yr	4.2	16.8440	17.5500	102.78	1,000.0
30-Apr	FXD1/2023/5Yr	4.2	16.8440	17.5250	102.85	1,000.0
3-May	IFB1/2024/8.5Yr	8.3	18.4607	17.3500	107.77	989.9
2-May	FXD1/2023/5Yr	4.2	16.8440	17.3000	103.59	850.0
30-Apr	IFB1/2024/8.5Yr	8.3	18.4607	17.3000	107.82	800.0
29-Apr	FXD1/2023/5Yr	4.2	16.8440	17.5250	102.80	770.0
30-Apr	FXD1/2023/5Yr	4.2	16.8440	17.3000	103.50	700.0
2-May	IFB1/2024/8.5Yr	8.3	18.4607	17.0000	109.07	630.0
29-Apr	IFB1/2024/8.5Yr	8.3	18.4607	17.3000	107.77	600.0
30-Apr	IFB1/2023/6.5Yr	6.0	17.9327	17.0500	110.89	500.0
2-May	FXD1/2023/5Yr	4.2	16.8440	17.5000	103.02	500.0

Sell & buy-backs

3-May	IFB1/2023/6.5Yr	6.0	17.9327	16.5000	112.70	300.0
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Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 03 May 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	10.10	252.58	9.98	15.865	4.2
182-day	10.00	5.20	52.04	5.20	16.488	2.7
364-day	10.00	10.66	106.61	10.66	16.495	0.3

(Source: NSE, DBIB Research)

Salient News

BOC Kenya FY23 Earnings

.....
BOC Kenya released its audited FY23 earnings reporting a 33.8% y-o-y increase in PAT to KES 198.1 MN.
.....

BOC Kenya released its audited FY23 earnings reporting a 33.8% y-o-y increase in PAT to KES 198.1 MN. This was largely attributed to an increase in revenue due to the implementation of various medical gases infrastructure tenders as well as growth in sales of medical oxygen to healthcare facilities. The infrastructure projects comprised installation of medical oxygen tanks and medical gas pipelines in various hospitals. Revenue from industrial gases decreased marginally due to depressed demand in a high-cost environment. The board recommended a First and Final dividend of KES 6.05 which is payable on or around 21st July 2024 to shareholders on the register at the close of business on 31st May 2024.

Revenue increased 19.6% y-o-y to KES 1.5 BN.

Other income increased 6.6% y-o-y to KES 39.4 MN with operating profit surging 52.8% to KES 269.7 MN in tandem with the sales growth. In FY23, price increases were also implemented in the year to recover significant costs increases especially on electricity and distribution costs. The base electricity tariff increased by 60% in April 2023, pushing up production costs.

Total assets went up by 10.6% y-o-y to KES 2.2 BN after a 21.5% y-o-y increase in current assets to KES 1.4 BN and a 4.8% y-o-y decrease in non-current assets to KES 766.5 MN.

Total liabilities increased by 21.1% y-o-y to KES 350.3 MN following a 0.7% y-o-y decrease in non-current liabilities to KES 7.6 MN and 21.7% y-o-y increase in current liabilities to KES 342.7 MN. Total equity for the period increased 8.8% y-o-y to KES 1.8 BN.

Net cash generated operating activities stood at KES 423.7 MN. Net cash generated from investing activities was stated as KES 20.6 MN while net cash used in financing activities stood at KES 87.9 MN.

(Source: Company filings, DBIB Research).

Salient News

TotalEnergies Marketing Kenya FY23 Earnings

.....
Total Kenya released its audited FY23 earnings reporting a 23.7% y-o-y increase in PAT to KES 3.0 BN.
.....

Total Kenya released its audited FY23 earnings reporting a 23.7% y-o-y increase in PAT to KES 3.0 BN. This was largely attributed to an increase in gross profit by 34.0% y-o-y to KES 12.8 BN which was as a result of lower lag in price adjustment compared to the previous year. The board recommended a First and Final dividend of KES 1.92 which is payable on or around 31st July 2024 to shareholders on the register at the close of business on 27th June 2024.

Net revenue increased 17.4% y-o-y to KES 120.7 BN while cost of sales increased 15.7% to KES 107.9 BN.

Gross profit rose 34.0% to KES 12.8 BN.

Other income increased 31.0% y-o-y to KES 2.1 BN majorly due to investing activities, increased revenues from diversified investments in Shops, Food and Services (SFS) and income from partnerships with third parties increased in the year

Operating expenses edged up 12.9% y-o-y to KES 8.0 BN majorly attributable to inflation impact on local costs coupled with forex impact on imported goods and services due to depreciation of local currency.

Total assets edged up by 3.1% y-o-y to KES 75.3 BN after a 10.1% y-o-y decrease in current assets to KES 52.7 BN and a 57.2% y-o-y increase in non-current assets to KES 22.6 BN.

Total liabilities edged up by 0.6% y-o-y to KES 43.1 BN following a 0.8% y-o-y increase in non-current liabilities to KES 41.3 BN and 2.3% y-o-y decrease in current liabilities to KES 1.8 BN. Total equity for the period increased 6.6% y-o-y to KES 32.2 BN.

Net cash generated operating activities stood at KES 1.4 BN. Net cash used investing activities was stated as KES 843.9 MN while net cash used in financing activities stood at KES 3.4 BN.

(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>
BAT Kenya	Final: KES 45.00	24-May-24	26-Jun-24
Stanbic	Final: KES 14.20	17-May-24	06-Jun-24
Standard Chartered	Final: KES 23.00	19-Apr-24	30-May-24
Absa Bank	Final: KES 1.350	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	29-Apr-24	10-Jun-24
I&M Group	First & Final: KES 2.55	18-Apr-24	24-May-24
Limuru Tea	Final: KES 1.00	15-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
Bamburi	Final: KES 5.47	24-May-24	25-Jul-24
Liberty Kenya	Final: KES 0.373	STA*	STA*
TotalEnergies	First & Final: KES 1.92	27-Jun-24	31-Jul-24
BOC Kenya	First & Final: KES 6.05	31-May-24	21-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 Nairobi	14-May-24
Stanbic	11:00 a.m.	Virtual	16-May-24
Absa Bank	10:00 a.m.	Virtual	16-May-24
Umeme	10:00 a.m.	Serena Kampala	16-May-24
Co-operative Bank Kenya	10:00 a.m.	Virtual	17-May-24
Limuru Tea	11:00 a.m.	Sarova Panafric	17-May-24
KCB Group	10:00 a.m.	Virtual	23-May-24
Liberty Kenya	10:00 a.m.	Virtual	24-May-24
I&M Group	10:30 a.m.	Virtual	24-May-24
NSE	10:00 a.m.	Virtual	29-May-24
NCBA	10:00 a.m.	Virtual	29-May-24
BOC Kenya	11:00 a.m.	Virtual	21-Jun-24
DTB Kenya	10:00 a.m.	Virtual	21-Jun-24
Car & General Kenya	10:00 a.m.	Hybrid	25-Jun-24
BAT Kenya	10:00 a.m.	Virtual	26-Jun-24
Equity Group	10:00 a.m.	Virtual	26-Jun-24
Sanlam	10:00 a.m.	Virtual	26-Jun-24
TotalEnergies	10:00 a.m.	Virtual	27-Jun-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.*

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