

DBIB WEEKLY BULLETIN

WEEK 19

Date: 08.05.2024

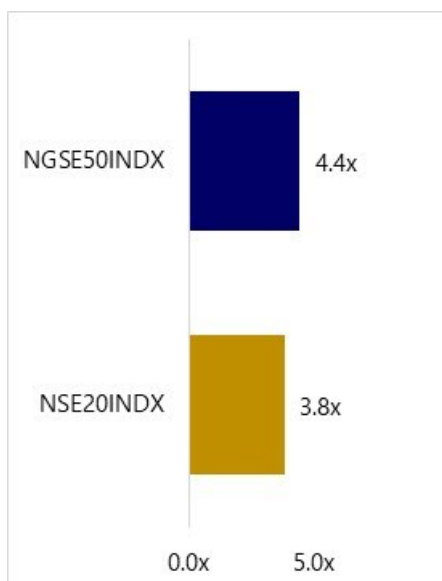
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INDICES & MARKET METRICS MOVEMENT

PEER P/E MULTIPLES



NSE20INDX* - NSE 20 Index
 NGSE50INDX* - Nigeria Stock Exchange 50 Index

*LTM Price/EPS

(Source: Bloomberg, DBIB Research)

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	106.48	1.76	16.78	19.71	15.60
NSE-20	1,660.10	0.75	9.47	16.90	10.59
DBIB Select	89.74	1.12	8.08	11.06	9.42
MSCI Kenya (USD)	817.20	4.51	49.64	39.33	47.76
MSCI Frontier (USD)	519.44	0.80	1.72	8.01	2.46

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m) *	1,663.62	1.76	(3.75)	16.78	19.71
Market Turnover (USD m) *	8.67	77.80	(17.94)	38.25	(16.69)
Market P/E (x) **	7.52	4.99	(20.02)	(1.57)	2.52
Market Div. yld (%) **	8.23	144.80	473.33	258.68	(238.69)
Market ROE (%) **	22.10	(14.51)	(180.79)	(329.58)	(646.63)

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

Exchange Rate Statistics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
KES/USD *	131.25	1.38	18.01	0.13	0.04
KES/GBP *	163.76	1.56	18.93	0.12	0.05
KES/EUR *	141.12	0.84	18.16	0.13	0.06
Fx Reserve (USD MN) *	7,180.00	0.01	0.69	0.05	0.11
Fx reserve: Import Cover **	3.80	-	-	0.10	0.20
Inflation **	5.00	-	(131.00)	(180.00)	(303.00)
CBR **	13.00	-	-	250.00	350.00

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

Weekly Market Summary

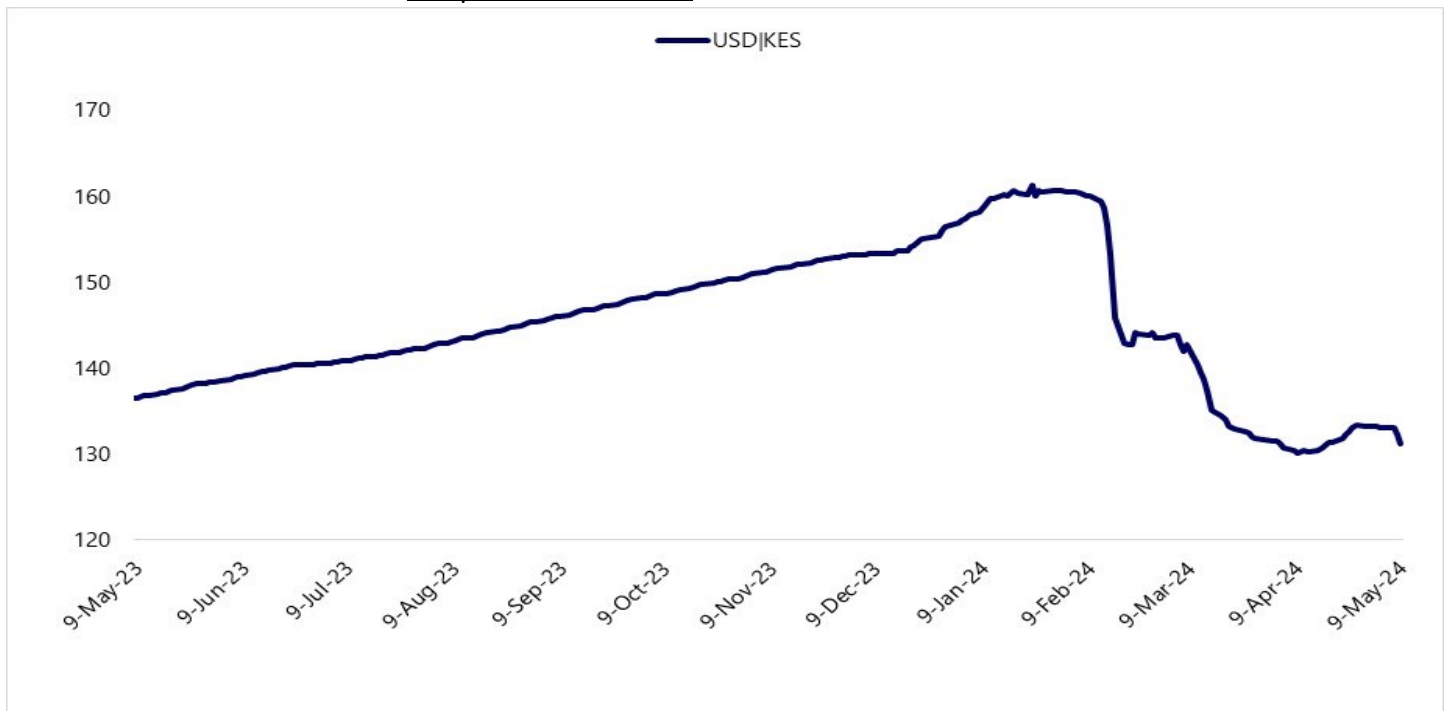
NSE 20 and **NASI** rose 0.7% and 1.8% w-o-w to close at 1660.10 and 106.48 respectively.

Weekly equity turnover advanced by 77.8% w-o-w to close at USD 8.67 MN (KES 1.14 BN).

USD | KES: KES strengthened by 1.38% w-o-w to close at 131.25 (16.1% year-to-date).

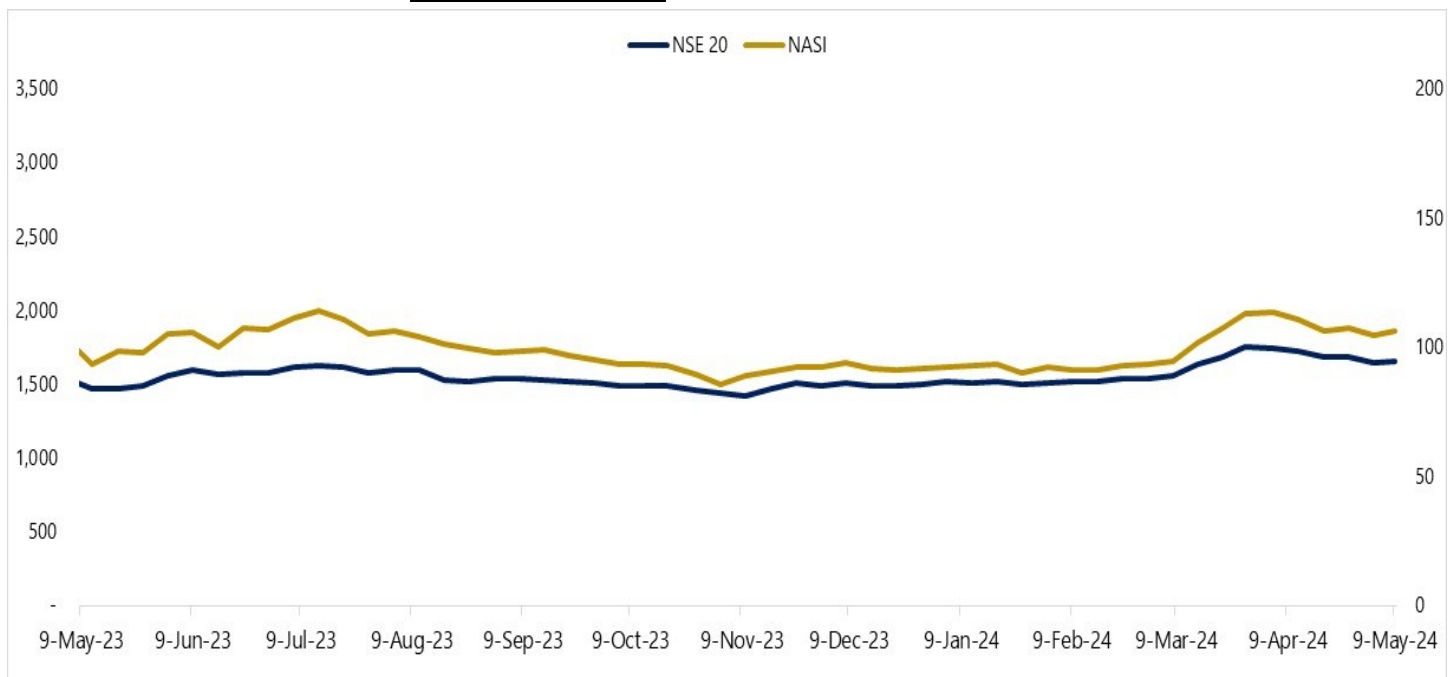
INDICES & MARKET METRICS MOVEMENT

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

.....
Equity Group emerged as the top traded counter on the bourse recording a weekly turnover of USD 2.18 MN (KES 0.29 BN) representing 25.16% of this week's turnover.

The stock **eased** 1.5% w-o-w to close at KES 41.90 on Friday.

Foreign investors assumed a **net buying position** on the counter this week by accounting for **29.28%** of foreign sales and **43.33%** of foreign purchases.

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Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
HF Group	17.1
NBV	13.3
Uchumi	11.8
B.O.C Kenya	9.9
Home Afrika	9.7

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Standard Group	(9.5)
Britam Holdings	(8.6)
TPS Eastern Africa	(7.4)
Trans-Century	(6.7)
Car & General	(6.2)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Equity Group	2.18
Safaricom	1.98
KCB Group	1.75
Stanbic Holdings	0.81
E.A. Breweries	0.69

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Liberty Kenya	45.3
E.A. Breweries	37.7
Bamburi Cement	37.2
KCB Group	33.9
HF Group	25.9

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Standard Group	(26.4)
E.A. Portland Cement	(19.0)
Olympia Capital	(17.3)
Unga Group	(17.2)
Express Kenya	(17.1)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
KCB Group	73.7
Absa Bank	69.9
E.A. Breweries	67.6
Safaricom	60.6
BK Group	52.8

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BAT Kenya	91.4
Kapchorua Tea	84.8
Safaricom	66.4
Stanbic	52.7
Carbacid	40.5

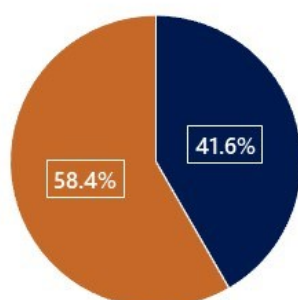
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
BK Group	96.7
E.A. Breweries	79.4
Crown Paints	75.0
Umeme	71.5
Equity Group	71.5

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Umeme	81.6
Safaricom	79.9
Equity Group	79.1
KenGen	76.4
Centum	75.0

WEEKLY LOCAL VS FOREIGN PARTICIPATION



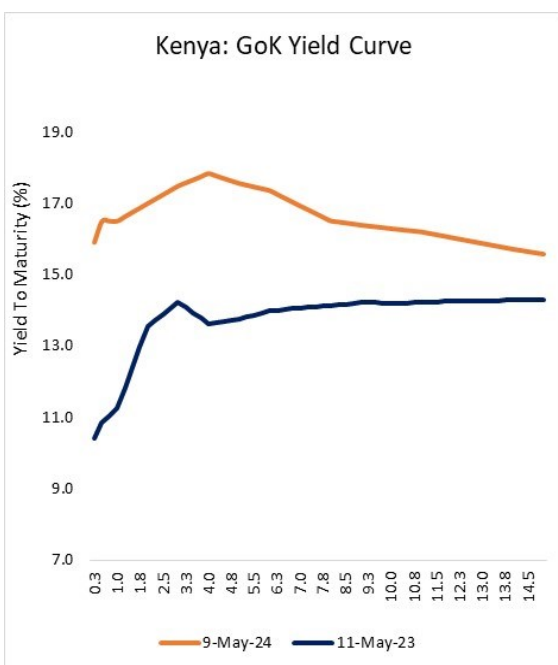
- Foreign Participation
- Local Participation

(Source: NSE, DBIB Research)

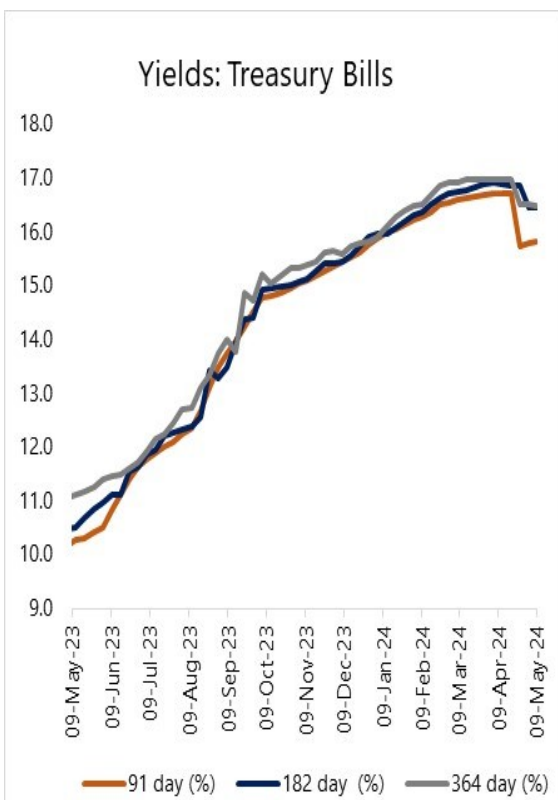
FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 186.80 MN (KES 24.52 BN) representing a 11.8% w-o-w decrease from USD 211.83 MN (KES 28.19 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 186.80 MN (KES 24.52 BN) representing a 11.8% w-o-w decrease from USD 211.83 MN (KES 28.19 BN) recorded the previous week. The bond issue number IFB1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 8.26 BN accounting for 33.7 of the week's turnover. The bond traded between 15.7296% and 17.4147%.



Source: NSE, DBIB Research



Source: NSE, DBIB Research

May Tap Sale: FXD1/2024/010

The Central Bank of Kenya (CBK) opened a tap sale on FXD1/2024/10 (9.9 years) with the intention of raising KES 15.0 BN for budgetary support. The bids will be allocated on a first-come-first-served basis. The period of sale runs from 7th May 2024 to 09th May 2024 or upon attainment of quantum, whichever comes first. The coupon rate of the bond stands at 16.0000 while its average yield was stated as 16.2273%.

Top Trades for the week ending 09 May 2024

						Total
	Coupon	Yield	Price	Value		
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
6-May	FXD1/2023/2Yr	1.3	16.9723	16.8000	103.70	1,200.0
6-May	FXD1/2021/5Yr	2.5	11.2770	17.4500	93.25	1,200.0
6-May	FXD1/2023/2Yr	1.3	16.9723	16.9000	103.59	1,146.0
6-May	IFB1/2024/8.5Yr	8.3	18.4607	17.1000	108.88	700.0
8-May	FXD1/2023/2Yr	1.3	16.9723	16.9000	103.68	700.0
8-May	FXD1/2023/2Yr	1.3	16.9723	16.7000	103.90	700.0
8-May	IFB1/2024/8.5Yr	8.3	18.4607	17.0500	109.17	700.0
7-May	IFB1/2024/8.5Yr	8.3	18.4607	17.0000	109.32	690.0
8-May	FXD1/2020/5Yr	1.0	11.6670	16.7000	95.62	684.6
9-May	IFB1/2024/8.5Yr	8.3	18.4607	17.0753	109.12	625.0
9-May	IFB1/2024/8.5Yr	8.3	18.4607	17.0252	109.32	625.0
8-May	FXD1/2023/2Yr	1.3	16.9723	16.8500	103.74	624.0
9-May	IFB1/2024/8.5Yr	8.3	18.4607	16.9851	109.47	612.0
7-May	IFB1/2023/6.5Yr	6.0	17.9327	16.9500	111.54	602.0
6-May	IFB1/2024/8.5Yr	8.3	18.4607	17.1350	108.75	500.0

Sell & buy-backs

6-May	IFB1/2024/8.5Yr	8.3	18.4607	16.9855	109.33	300.0
7-May	FXD1/2021/25Yr	21.9	13.9240	13.9620	99.78	250.0

Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 09 May 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	17.25	431.34	17.04	15.904	3.8
182-day	10.00	22.96	229.64	19.41	16.501	1.4
364-day	10.00	13.44	134.39	13.09	16.507	1.1

(Source: NSE, DBIB Research)

Salient News

Sasini HY24 Earnings

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Sasini plc released its unaudited HY24 earnings reporting a loss of KES 37.7 MN.
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Sasini plc released its unaudited HY24 earnings reporting a loss of KES 37.7 MN. This was largely attributed to high cost of production, depressed commodity prices, lower-than-expected production volumes, and less market demand for some of the company's products. The recent strengthening of the Kenyan Shilling against major currencies also impacted the results. No dividends were declared for the period.

Revenue increased 32.1% y-o-y to KES 3.0 BN while cost of sales grew by 54.1% y-o-y to KES 2.4 BN. This led to a 14.3% y-o-y drop in gross profit to KES 626.8 MN.

Other income decreased by 38.1% y-o-y to KES 30.7 MN with total operating income declining 7.7% to KES 668.6 MN.

Finance income surged up by 46.2% y-o-y to KES 203.6 MN while finance costs advanced 181.6% y-o-y to KES 97.3 MN.

Total assets went up by 7.3% y-o-y to KES 17.5 BN after a 35.7% y-o-y increase in current assets to KES 4.6 BN and a 0.2% y-o-y decrease in non-current assets to KES 12.9 BN.

Total liabilities surged up by 75.5% y-o-y to KES 3.1 BN following a 1.1% y-o-y increase in non-current liabilities to KES 1.36 BN and 313.3% y-o-y advancement in current liabilities to KES 1.73 BN. Total equity for the period decreased 0.9% y-o-y to KES 14.4 BN.

(Source: Company filings, DBIB Research).

Salient News

Safaricom FY24 Earnings

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Safaricom PLC announced its FY24 results recording 18.7% y-o-y decline in the group's profit after tax to KES 42.7 BN .
.....

Safaricom PLC announced its FY24 results recording 18.7% y-o-y decline in the group's profit after tax to KES 42.7 BN largely impacted by a 12.4% y-o-y increase in operating expenses to KES 83.3 BN and a 51.2% y-o-y rise in depreciation & amortization costs to KES 82.9 BN as a result of the Ethiopia subsidiary consolidation. Service revenue, however, grew by 13.4% y-o-y to KES 335.3 BN. The board has recommended a final dividend per share of KES 0.65, placing the total dividend per share for the period at KES 1.20 (FY22: KES 1.20), having already paid an interim dividend per share of KES 0.55.

Service revenue improved by 13.4% y-o-y to KES 335.3 BN (Ethiopia: KES 5.7 BN) mainly supported by a 19.5% y-o-y growth in M-Pesa revenue to KES 140.0 BN. M-Pesa performance was principally supported by personal payments (+15.4% y-o-y to KES 90.3 BN) and business payments (+39.8% y-o-y to KES 38.2 BN). The contribution of business payments to M-Pesa revenue stood at 27.3%, while that of personal payments stood at 64.6%. Voice revenue eased marginally by 0.1% y-o-y to KES 89.1 BN while SMS revenue encountered a growth of 8.3% y-o-y to KES 12.3 BN. **Mobile data revenue increased by 24.9% y-o-y to stand at KES 67.4 BN, supporting total revenue performance.** Voice and SMS revenue joint contribution to service revenue declined to 30.2% compared to 34.0% registered in FY23. On the other hand, M-Pesa and mobile data contribution to service revenue rose to 41.7% (FY23: 39.6%) and 20.1% (FY23: 18.2%) respectively.

Kenyan Business: One month active customer ARPU went up by 8.6% y-o-y to KES 814.79 mainly supported by a 16.1% y-o-y rise in M-Pesa ARPU to KES 361.32, with one month active M-Pesa customers increasing marginally by 0.9% y-o-y to 32.41 MN. The number of chargeable transactions per one month active customers jumped by 33.9% y-o-y to stand at 31.51 compared to 23.54 transactions in FY23, in turn driving M-Pesa ARPU growth.

CAPEX: Capital expenditure in FY24 stood at KES 93.5 BN: KES 47.3 BN for Kenya and KES 46.2 BN for Ethiopia. The CAPEX intensity stood at 26.8% compared to FY23's 30.9%.

Management's FY25 EBIT guidance (including Safaricom Ethiopia) stands at KES 87.0 BN - KES 93.0 BN, while CAPEX guidance (including Safaricom Ethiopia) stands at KES 85.0 BN – KES 93.0 BN.

Safaricom is currently trading at a P/E multiple of 10.1x and a P/B multiple of 2.8x. Its ROE stands at 27.8% and ROA stands at 9.8%

(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
HF Group	11:00 a.m.	Virtual	28-May-24
NSE	11:00 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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