

DBIB WEEKLY BULLETIN

WEEK 46

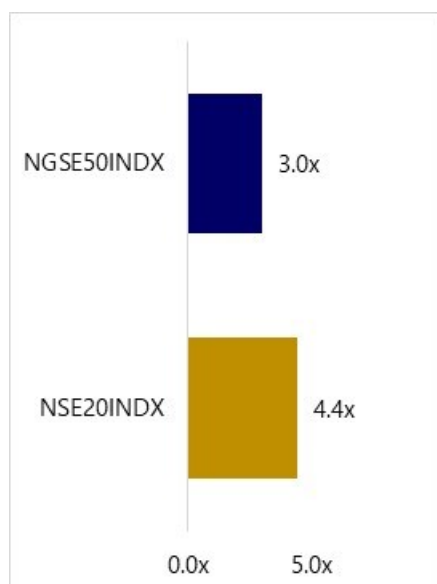
Date: 15.11.2024

Contents:

Equity Market Sum Up	2
Fixed Income Wrap Up	5
Salient News	6
Corporate Actions	7
Appendix	8

INDICES & MARKET METRICS MOVEMENT

PEER P/E MULTIPLES



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

*LTM Price/EPS

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	115.01	(0.50)	12.24	4.07	24.86
NSE-20	1,930.23	0.14	17.42	13.21	28.58
DBIB Select	97.41	(0.16)	10.68	7.32	18.77
MSCI Kenya (USD)	865.40	(0.53)	14.28	1.44	56.48
MSCI Frontier (USD)	534.41	(0.91)	0.41	1.24	5.41

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,800.30	(0.51)	0.43	12.45	4.27
Market Turnover (USD m)	5.43	(68.12)	(12.79)	(10.48)	(19.49)
Market P/E (x)	10.96	(2.04)	(0.86)	71.83	41.85
Market Div. yld (%) *	8.51	4.32	(28.48)	44.20	297.82
Market ROE (%) *	22.73	(15.19)	(80.25)	45.18	(252.91)

* 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*	129.35	(0.11)	(0.16)	0.01	0.15
KES/GBP*	163.95	2.15	1.42	0.01	0.13
KES/EUR*	136.35	2.15	3.88	0.04	0.18
Fx Reserve (USD MN)*	9,276.00	(0.50)	26.79	0.30	0.37
Fx reserve: Import Cover**	4.80	-	1.00	1.00	1.20
Inflation**	2.72	-	(164.00)	(238.00)	(408.00)
CBR**	12.00	-	(75.00)	(100.00)	150.00

* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes

(Source: NSE, DBIB Research)

Weekly Market Summary

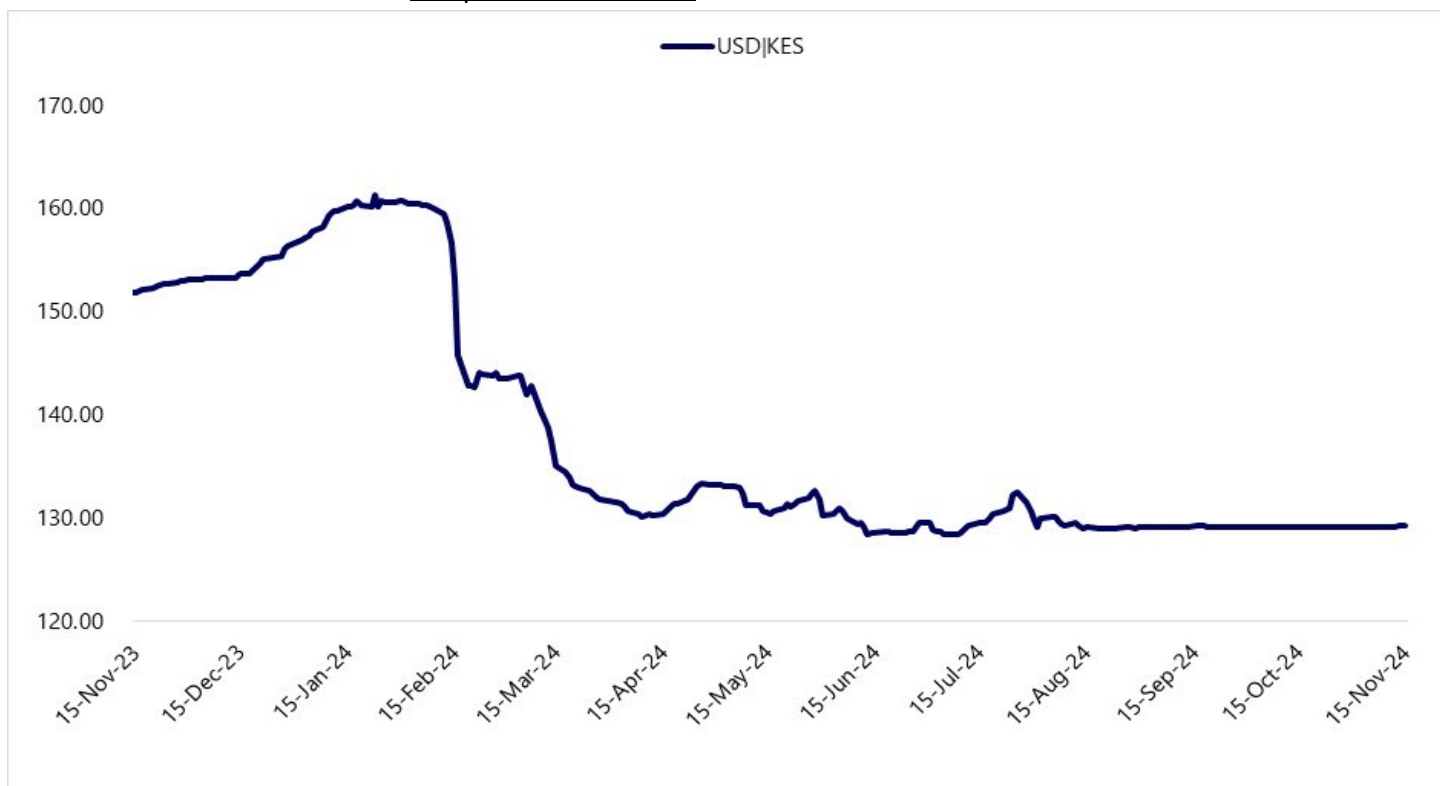
NSE 20 increased by 0.14% w-o-w to close at 1930.23 while **NASI** eased by 0.50% w-o-w to close at 115.01

Weekly equity turnover went down by 68.1% w-o-w to close at USD 5.43 MN (KES 0.70 BN).

USD | KES: KES weakened by 0.11% w-o-w to close at 129.35 (17.33% year-to-date).

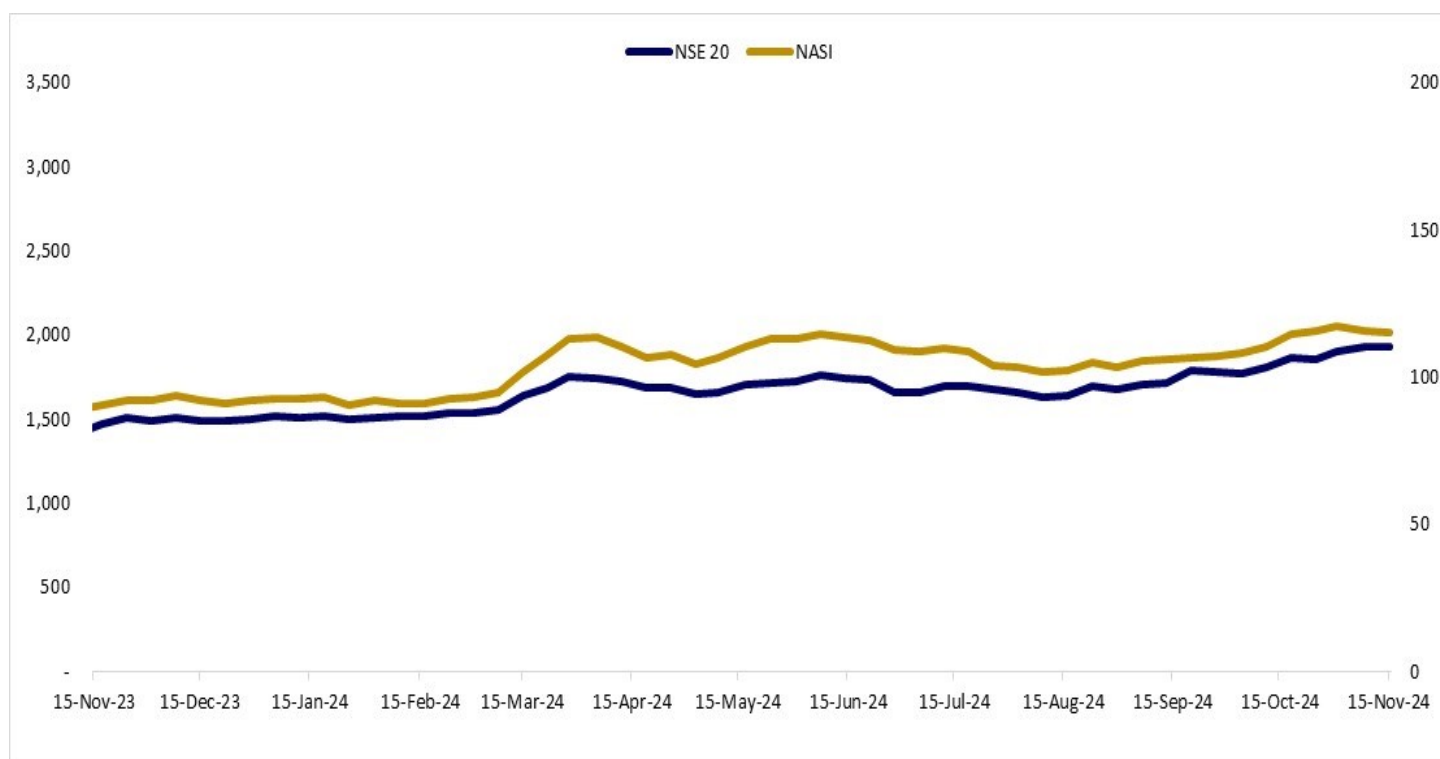
INDICES & MARKET METRICS MOVEMENT

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

Safaricom emerged as the top traded counter on the bourse recording a weekly turnover of USD 1.72 MN (KES 0.22 BN) representing 31.69% of this week's turnover.

The stock shed 3.2% w-o -w to close at KES 15.15 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for **75.02%** of foreign sales and **15.87%** of foreign purchases.

Week-on-Week Performance

Top Gainers	%
E.A. Portland Cement	21.4
B.O.C Kenya	9.9
Express Kenya	9.5
NBV	7.0
BK Group	6.8

(Source: NSE, DBIB Research)



Top Losers	%
WPP Scangroup	(15.6)
Kapchorua Tea Kenya	(9.9)
Standard Group	(9.4)
Kakuzi	(8.5)
Williamson Tea Kenya	(7.8)

Source: NSE, DBIB Research)



Top Traders (Value)	USD MN
Safaricom	1.72
KCB Group	0.79
East African Breweries	0.75
Equity Group	0.40
Kenya Re Insurance	0.34

(Source: NSE, DBIB Research)

Y-T-D Performance

Top Gainers	%
E.A. Portland Cement	434.4
Kenya Orchards	259.0
Liberty Kenya	230.3
Kenya Power	114.1
KenGen	97.5

Source: NSE, DBIB Research)



Top Losers	%
Kenya Re Insurance	(41.5)
Standard Group	(30.2)
Sasini Plc	(28.9)
Trans-Century	(23.1)
Nation Media Group	(20.3)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

Top Weekly Buys	% Purchase
E.A. Breweries	98.0
Equity Group	89.5
Jubilee Holdings	53.5
KCB Group	31.5
Kenya Re	22.3

(Source: NSE, DBIB Research)

Top Weekly Sales	% Sold
Kenya Re	85.4
Unga Group	78.9
Safaricom	75.0
HF Group	73.3
E.A. Breweries	67.0

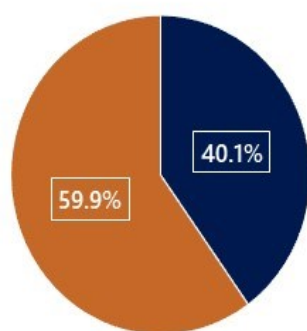
Y-T-D Foreign Performance

Top Foreign Buys	% Purchase
BK Group	98.2
I&M Group	95.0
E.A. Breweries	78.7
Equity Group	68.3
Crown Paints	61.7

(Source: NSE, DBIB Research)

Top Foreign Sales	% Sold
I&M Group	92.3
Safaricom	71.6
BAT Kenya	69.3
Equity Group	65.3
New Gold ETF	62.9

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 181.08 MN (KES 23.42 BN) representing a 10.6% w-o-w decrease from USD 202.57 MN (KES 26.17 BN) recorded the previous week.

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Top Trades for the week ending 15 November 2024

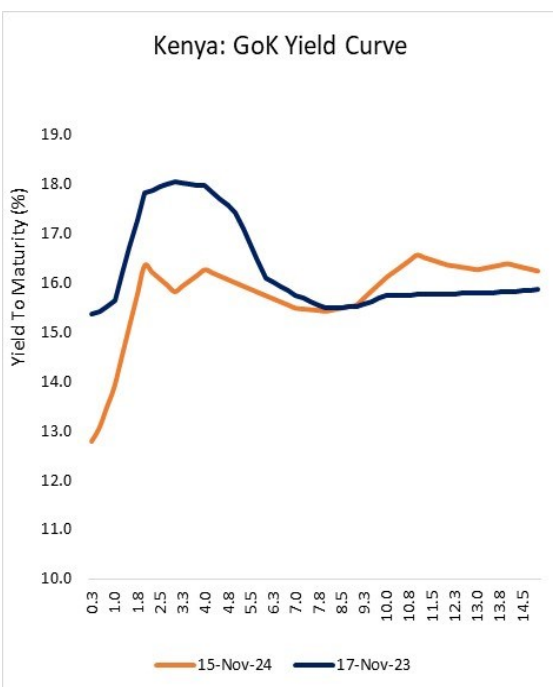
						Total
						Value
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
15-Nov	FXD1/2022/15Yr	12.4	13.9420	15.9750	90.08	1,200.0
12-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.6000	118.85	800.0
12-Nov	FXD1/2023/10Yr	8.2	14.1510	15.8700	95.75	550.0
13-Nov	FXD1/2023/10Yr	8.2	14.1510	15.7200	96.43	550.0
11-Nov	FXD1/2016/10Yr	1.8	15.0390	14.7500	103.84	501.6
12-Nov	FXD1/2022/10Yr	7.5	13.4900	15.9000	89.69	500.0
12-Nov	IFB1/2023/17Yr	15.3	14.3990	14.6000	101.39	500.0
14-Nov	IFB1/2023/17Yr	15.3	14.3990	14.7500	100.67	500.0
14-Nov	IFB1/2023/17Yr	15.3	14.3990	14.5500	101.74	500.0
12-Nov	FXD1/2022/15Yr	12.4	13.9420	16.0000	89.85	450.0
14-Nov	IFB1/2023/17Yr	15.3	14.3990	14.6000	101.47	450.0
14-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.5000	119.37	450.0
11-Nov	IFB1/2023/17Yr	15.3	14.3990	14.7500	100.55	400.0
11-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.7100	118.34	400.0
14-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.5750	119.05	400.0
14-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.5500	119.15	400.0
15-Nov	IFB1/2023/17Yr	15.3	14.3990	14.6000	101.51	400.0
15-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.4600	119.58	400.0
15-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.4500	119.62	400.0
12-Nov	FXD1/2022/10Yr	7.5	13.4900	15.0000	93.37	300.0
12-Nov	IFB1/2023/6.5Yr	5.5	17.9327	14.5000	109.65	300.0
12-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.6200	118.77	300.0
14-Nov	FXD1/2010/15Yr	0.3	10.2500	13.4500	100.85	300.0
12-Nov	IFB1/2023/17Yr	15.3	14.3990	14.0000	104.69	264.0
13-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.5000	119.32	251.3
13-Nov	FXD1/2023/10Yr	8.2	14.1510	15.6500	96.74	250.0
13-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.4800	119.40	250.0

Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 15 November 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	30.39	759.70	4.10	12.791	(65.9)
182-day	10.00	32.33	323.33	14.09	13.059	(78.1)
364-day	10.00	32.82	328.18	24.81	13.899	(54.8)

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

Co-operative Group 3Q24 Results

.....
CO-OP Group released its 3Q24 results reporting a 4.4% y-o-y increase in after tax profits to KES 19.2 BN.
.....

CO-OP Group released its 3Q24 results reporting a 4.4% y-o-y increase in after tax profits to KES 19.2 BN. The performance was mainly underpinned by a 12.3% y-o-y rise in net interest income to KES 36.9 BN and an 8.2% y-o-y growth in non-funded income to KES 22.3 BN, but impacted by a 32.5% y-o-y increase in loan loss provisions to KES 5.6 BN. EPS for the period went up by 4.4% y-o-y to KES 3.29 (3Q23: KES 3.15).

Net interest income rose by 12.3% y-o-y to KES 36.9 BN, lifted by a 25.2% y-o-y growth in total interest income to KES 61.8 BN against a 50.6% y-o-y rise in total interest expenses to KES 24.9 BN. The annualized yield on interest earning assets rose by 151 bps y-o-y to 13.4% while the annualized cost of funds advanced by 164 bps y-o-y to 6.0% and this led to a 13 bps y-o-y decline in the NIM to 7.3%.

Non-funded income improved by 8.2% y-o-y to KES 22.3 BN on the back of a 3.5% y-o-y rise in other fees and commissions to KES 8.8 BN while fees and commissions on loans and advances declined marginally by 0.1% y-o-y to KES 9.1 BN. Forex trading income advanced by 51.3% y-o-y to KES 3.7 BN while other income increased by 27.0% y-o-y to KES 639.7 MN. Total operating income in turn rose by 10.8% y-o-y to KES 59.1 BN. The contribution of non-funded income to total operating income inched lower by 88 bps y-o-y to 37.7% (3Q23: 38.5%).

The group's operating expenses (minus provisions) climbed by 9.3% y-o-y to KES 27.1 BN mainly on the back of a 10.8% y-o-y rise in staff costs to KES 13.5 BN. Other expenses edged up by 9.7% y-o-y to KES 9.7 BN. The group's cost-to-income ratio improved by 61 bps y-o-y to 45.8% (3Q23: 46.4%).

The group's gross non-performing loans increased by 13.1% y-o-y to KES 70.0 BN (+0.7% q-o-q) while interest in suspense declined by 8.6% y-o-y to KES 5.1 BN (+0.4% q-o-q). Consequently, total NPLs (gross NPLs less interest in suspense) advanced by 15.3% y-o-y to KES 64.9 BN (+0.7% q-o-q). Owing to the rise in gross non-performing loans, the NPL ratio rose by 144 bps y-o-y to 15.5%. NPL coverage edged down from 58.4% in 3Q23 to 57.4% in 3Q24. Loan loss provisions increased by 32.5% y-o-y to KES 5.6 BN.

Net loans and advances to customers increased marginally by 0.9% y-o-y to KES 381.3 BN (+1.5% q-o-q). Government and investment securities rose by 14.2% y-o-y to KES 213.4 BN (+4.6% q-o-q). On the funding side, customer deposits increased by 18.7% y-o-y to KES 514.0 BN (+1.3% q-o-q) while borrowed funds decreased by 11.6% y-o-y to KES 58.0 BN (+15.5% q-o-q). The group's loan-to-deposit ratio went down by 1,315 bps y-o-y to 74.2% while the ratio of loans to customer deposits & borrowed funds eased by 779 bps y-o-y to 65.5%.

On a trailing basis, Co-op Group is currently trading at a P/E multiple of 3.9x against an industry median of 3.4x and a P/B multiple of 0.8x against an industry median of 0.6x. Its ROE stands at 21.5% while its ROA stands at 2.7%.

(Source: Company filings, DBIB Research).

UPCOMING EVENTS

Profit Warnings

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Laptrust Imara	Interim: KES 0.38	21-Aug-24	30-Nov-24
Centum	Final: KES 0.32	11-Oct-24	13-Dec-24
Carbacid	Final KES 1.70	26-Nov-24	18-Dec-24
KenGen	Final KES 0.65	29-Nov-24	13-Feb-25
Kenya Power	Final KES 0.70	02-Dec-24	31-Jan-25

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Longhorn Publishers	11:00 a.m.	Virtual	21-Nov-24
BOC Kenya	11:00 a.m.	Virtual	29-Nov-24
Unga Group	10:00 a.m.	Virtual	5-Dec-24
Carbacid	10:00 a.m.	Virtual	18-Dec-24

**AGM will also be held virtually.*

(Source: Company filings , DBIB Research)

EGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Sanlam Kenya	11:00 a.m.	Virtual	11-Dec-24

**EGM will also be held virtually.*

(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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