

DBIB WEEKLY BULLETIN

WEEK 47

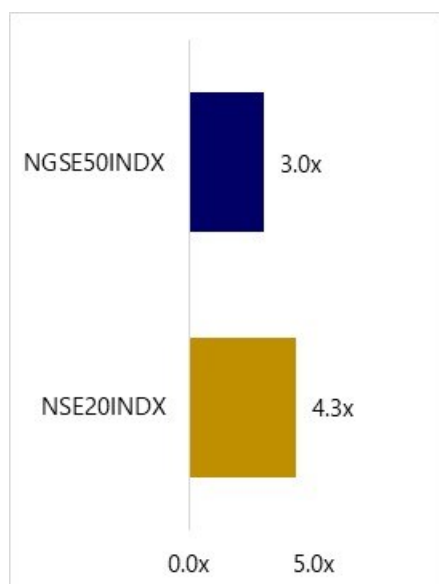
Date: 22.11.2024

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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

| Index | Current | 1 wk (%) | 3 m (%) | 6 m (%) | YTD (%) |
|---------------------|----------|----------|---------|---------|---------|
| NASI | 112.74 | (1.97) | 7.44 | (0.32) | 22.40 |
| NSE-20 | 1,891.18 | (2.02) | 11.29 | 10.12 | 25.98 |
| DBIB Select | 96.46 | (0.97) | 7.98 | 5.42 | 17.62 |
| MSCI Kenya (USD) | 835.13 | (3.50) | 8.33 | (3.46) | 51.01 |
| MSCI Frontier (USD) | 528.80 | (1.05) | (2.46) | 0.27 | 4.30 |

(Source: NSE, Bloomberg, DBIB Research)

| Market Metrics | Current | 1 wk (ch) | 3 m (ch) | 6 m (ch) | 12 m (ch) |
|-------------------------|----------|-----------|----------|----------|-----------|
| Market Cap. (USD m) | 1,764.87 | (1.97) | (2.38) | 7.81 | (0.12) |
| Market Turnover (USD m) | 9.94 | 83.14 | 9.46 | 7.36 | (41.32) |
| Market P/E (x) | 10.92 | (0.37) | (0.90) | 95.95 | 38.12 |
| Market Div. yld (%) * | 8.48 | (2.86) | (50.99) | 59.84 | 453.00 |
| Market ROE (%) * | 22.83 | 10.07 | (62.13) | 37.13 | (246.83) |

* 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* | 129.58 | (0.18) | (0.41) | 0.02 | 0.15 |
| KES/GBP* | 163.91 | 0.02 | 3.12 | 0.02 | 0.14 |
| KES/EUR* | 136.49 | (0.10) | 4.96 | 0.05 | 0.18 |
| Fx Reserve (USD MN)* | 9,144.00 | (1.42) | 23.50 | 0.31 | 0.36 |
| Fx reserve: Import Cover** | 4.70 | (10.00) | 0.90 | 1.00 | 1.10 |
| 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

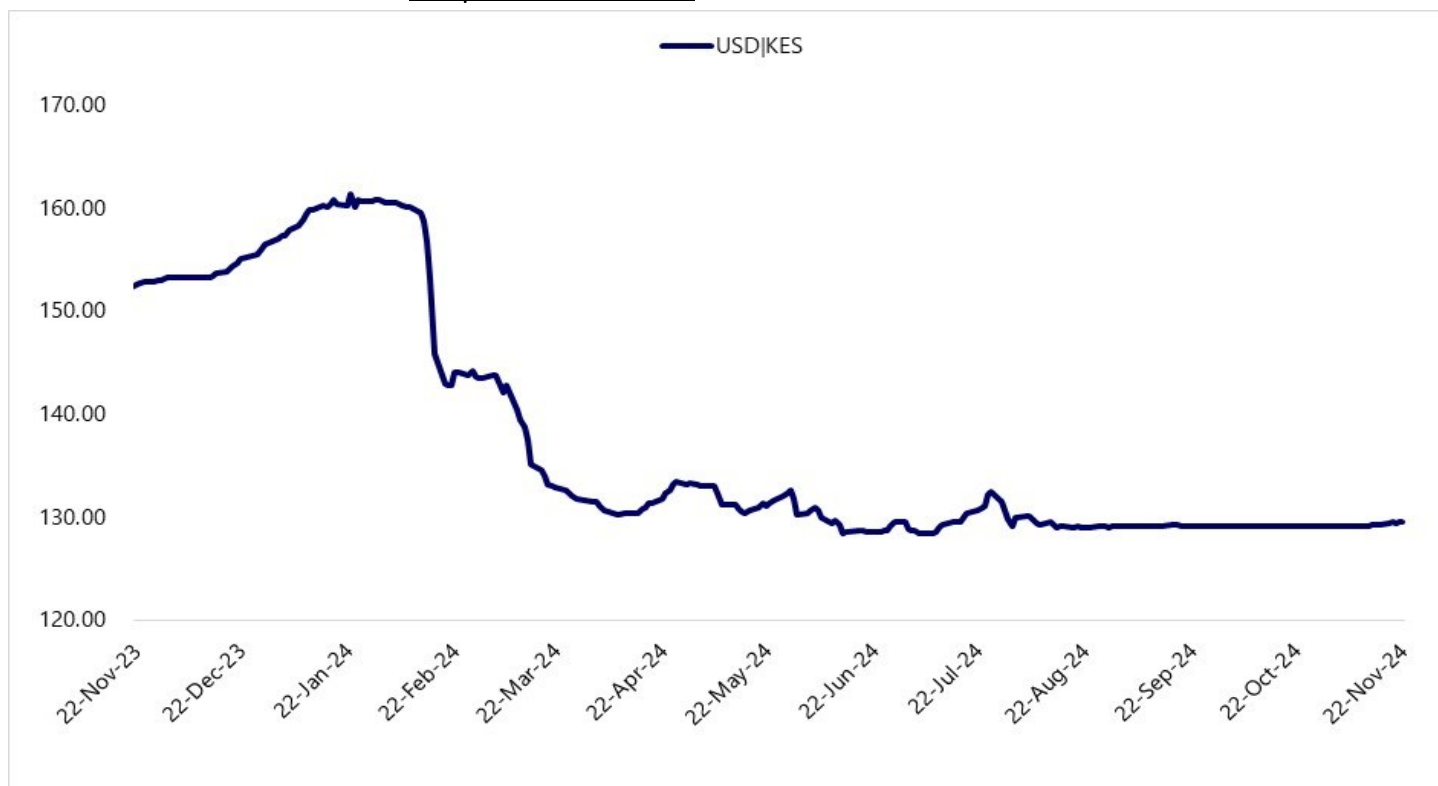
NSE SE 20 and NASI shed 2.02% and 1.97% w-o-w to close at 1,891.18 and 112.74, respectively.

Weekly equity turnover went up by 83.1% w-o-w to close at USD 9.94 MN (KES 1.29 BN).

USD | KES: KES weakened by 0.18% w-o-w to close at 129.58 (17.18% year-to-date).

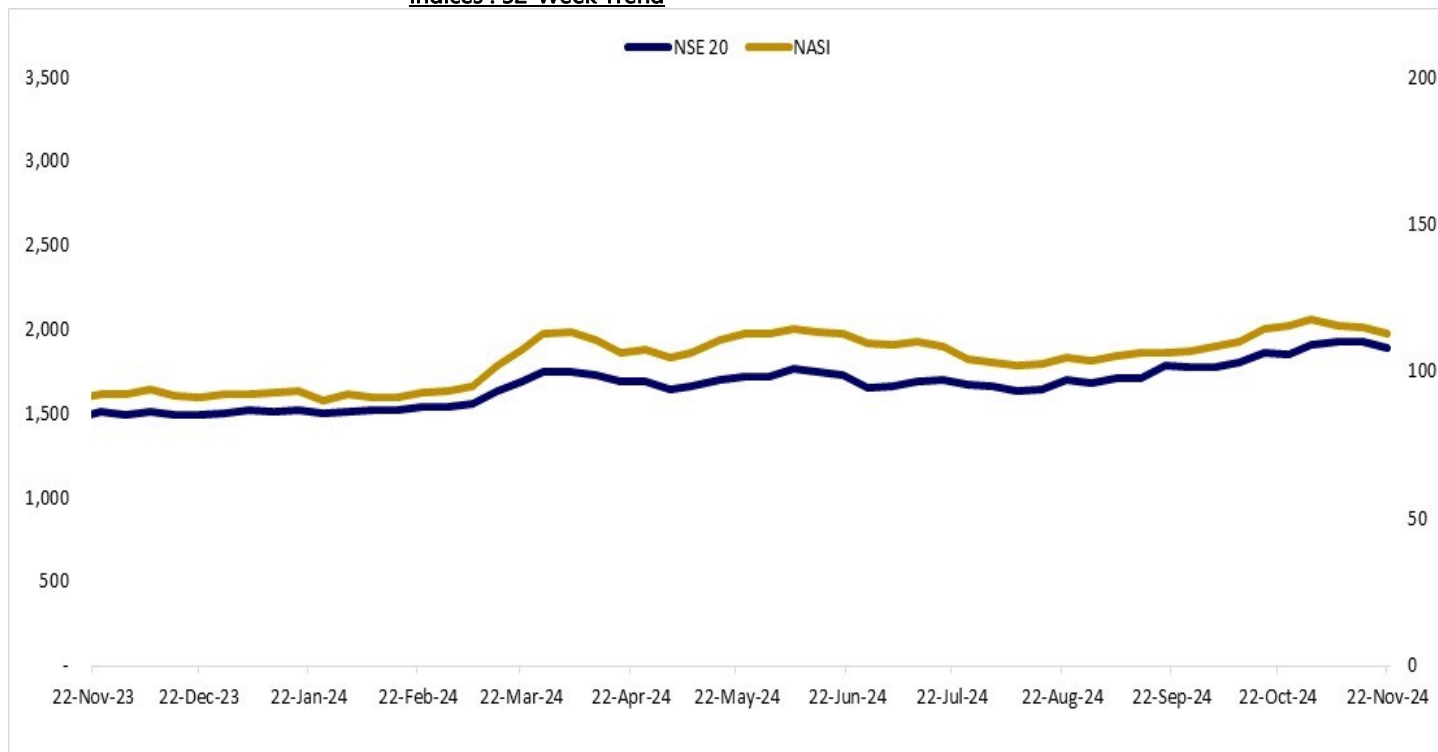
INDICES & MARKET METRICS MOVEMENT

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 4.24 MN (KES 0.55 BN) representing 42.67% of this week's turnover.

The stock shed 1.7% w-o -w to close at KES 14.90 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for **81.00%** of foreign sales and **73.38%** of foreign purchases.

Week-on-Week Performance

| Top Gainers | % |
|----------------------|------|
| Eaagads | 10.0 |
| Eveready East Africa | 8.4 |
| Olympia Capital | 6.4 |
| I&M Group | 6.0 |
| Crown Paints | 4.7 |

(Source: NSE, DBIB Research)



| Top Losers | % |
|----------------------|--------|
| Sanlam Kenya | (16.7) |
| E.A. Portland Cement | (14.4) |
| Liberty Kenya | (10.4) |
| Nation Media Group | (9.5) |
| E.A. Cables | (9.1) |

Source: NSE, DBIB Research)



| Top Traders (Value) | USD MN |
|---------------------|--------|
| Safaricom | 4.24 |
| KCB Group | 1.60 |
| Equity Group | 1.47 |
| Co-operative Bank | 0.40 |
| I&M Group | 0.34 |

(Source: NSE, DBIB Research)

Y-T-D Performance

| Top Gainers | % |
|----------------------|-------|
| E.A. Portland Cement | 357.5 |
| Kenya Orchards | 259.0 |
| KenGen | 207.0 |
| Kenya Power | 99.0 |
| Liberty Kenya | 91.9 |

Source: NSE, DBIB Research)



| Top Losers | % |
|--------------------|--------|
| Kenya Re Insurance | (41.0) |
| Nation Media Group | (35.7) |
| Trans-Century | (33.9) |
| Sasini Plc | (24.8) |
| Standard Group | (23.1) |

(Source: NSE, DBIB Research)



Weekly Foreign Performance

| Top Weekly Buys | % Purchase |
|------------------|------------|
| Equity Group | 78.8 |
| Safaricom | 73.4 |
| Stanbic Holdings | 72.4 |
| BK Group | 39.0 |
| KCB Group | 29.8 |

(Source: NSE, DBIB Research)

| Top Weekly Sales | % Sold |
|------------------|--------|
| Jubilee Holdings | 88.7 |
| Williamson Tea | 88.3 |
| Safaricom | 81.0 |
| Standard Group | 75.1 |
| Eveready | 73.8 |

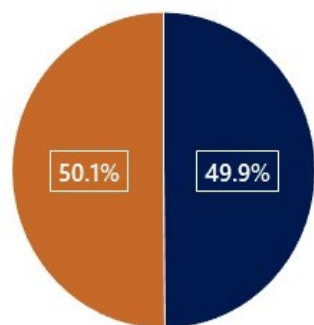
Y-T-D Foreign Performance

| Top Foreign Buys | % Purchase |
|------------------|------------|
| BK Group | 98.2 |
| I&M Group | 94.5 |
| E.A. Breweries | 78.0 |
| Equity Group | 68.4 |
| Crown Paints | 61.4 |

(Source: NSE, DBIB Research)

| Top Foreign Sales | % Sold |
|-------------------|--------|
| I&M Group | 91.8 |
| Safaricom | 71.8 |
| BAT Kenya | 69.1 |
| Equity Group | 65.0 |
| New Gold ETF | 62.9 |

WEEKLY LOCAL VS FOREIGN PARTICIPATION



- Foreign Participation
- Local Participation

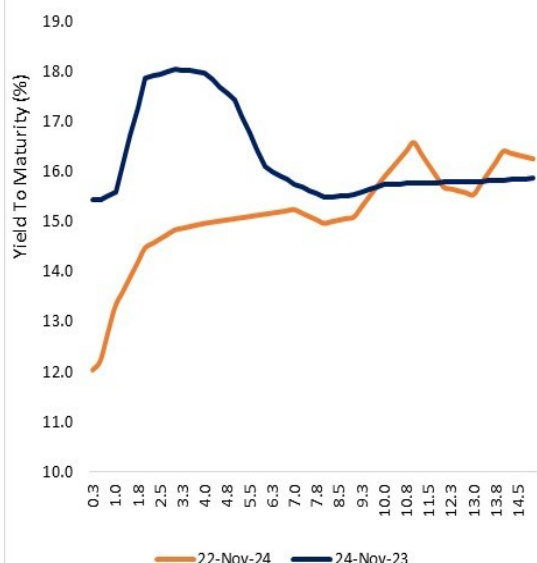
(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The **bond market's turnover** for the week stood at USD 245.78 MN (KES 31.85 BN) representing a 35.7% w-o-w decrease from USD 181.08 MN (KES 23.42 BN) recorded the previous week.

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Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

Top Trades for the week ending 22nd November 2024

| | | | | | | Total |
|--------------|-----------------|-------|---------|---------|---------|---------|
| | | | | | | |
| | Coupon | Yield | Price | Value | | |
| Trading Date | Issue No. | Years | (%) | (%) | (KES m) | (KES m) |
| 21-Nov | IFB1/2023/17Yr | 15.3 | 14.3990 | 14.1000 | 104.48 | 1,105.0 |
| 20-Nov | IFB1/2024/8.5Yr | 7.7 | 18.4607 | 14.2000 | 120.92 | 1,026.0 |
| 19-Nov | IFB1/2023/6.5Yr | 5.5 | 17.9327 | 14.2500 | 110.69 | 1,000.0 |
| 21-Nov | IFB1/2023/7Yr | 5.6 | 15.8370 | 14.1000 | 111.95 | 1,000.0 |
| 20-Nov | IFB1/2024/8.5Yr | 7.7 | 18.4607 | 14.0000 | 121.78 | 876.0 |
| 20-Nov | FXD1/2022/15Yr | 12.4 | 13.9420 | 15.4000 | 93.15 | 800.0 |
| 20-Nov | FXD1/2022/15Yr | 12.4 | 13.9420 | 15.2000 | 94.18 | 800.0 |
| 20-Nov | FXD1/2022/15Yr | 12.4 | 13.9420 | 15.9400 | 90.44 | 700.0 |
| 19-Nov | IFB1/2023/17Yr | 15.3 | 14.3990 | 14.4000 | 102.74 | 600.0 |
| 20-Nov | IFB1/2023/17Yr | 15.3 | 14.3990 | 14.4000 | 102.78 | 550.0 |
| 22-Nov | IFB1/2023/7Yr | 5.6 | 15.8370 | 14.4000 | 111.08 | 535.0 |
| 20-Nov | IFB1/2023/6.5Yr | 5.5 | 17.9327 | 14.0000 | 111.49 | 518.0 |
| 20-Nov | IFB1/2023/6.5Yr | 5.5 | 17.9327 | 14.0000 | 111.49 | 500.0 |
| 21-Nov | FXD1/2022/15Yr | 12.4 | 13.9420 | 14.9000 | 95.80 | 500.0 |
| 21-Nov | IFB1/2023/17Yr | 15.3 | 14.3990 | 14.3000 | 103.37 | 500.0 |
| 21-Nov | IFB1/2023/17Yr | 15.3 | 14.3990 | 14.1250 | 104.34 | 500.0 |
| 21-Nov | IFB1/2023/7Yr | 5.6 | 15.8370 | 14.2500 | 111.49 | 500.0 |
| 22-Nov | IFB1/2023/17Yr | 15.3 | 14.3990 | 14.2500 | 103.68 | 500.0 |
| 22-Nov | IFB1/2024/8.5Yr | 7.7 | 18.4607 | 14.3900 | 120.20 | 500.0 |
| 19-Nov | IFB1/2023/17Yr | 15.3 | 14.3990 | 14.4250 | 102.61 | 450.0 |
| 20-Nov | FXD1/2022/15Yr | 12.4 | 13.9420 | 15.7000 | 91.63 | 400.0 |
| 21-Nov | FXD1/2020/5Yr | 0.5 | 11.6670 | 14.1595 | 99.47 | 400.0 |
| 21-Nov | FXD1/2022/15Yr | 12.4 | 13.9420 | 15.0200 | 95.16 | 400.0 |
| 20-Nov | IFB1/2024/8.5Yr | 7.7 | 18.4607 | 14.2100 | 120.87 | 376.0 |
| 19-Nov | FXD1/2023/10Yr | 8.2 | 14.1510 | 15.2000 | 98.95 | 350.0 |

Sell & buy-backs

| | | | | | | |
|--------|---------------|-----|---------|---------|--------|---------|
| 21-Nov | IFB1/2023/7Yr | 5.6 | 15.8370 | 14.2000 | 114.78 | 1,000.0 |
|--------|---------------|-----|---------|---------|--------|---------|

Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 22nd 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 | 24.93 | 623.35 | 13.07 | 12.034 | (75.6) |
| 182-day | 10.00 | 17.14 | 171.41 | 12.49 | 12.210 | (84.9) |
| 364-day | 10.00 | 35.16 | 351.62 | 20.82 | 13.295 | (60.4) |

(Source: NSE, DBIB Research)

Salient News

I&M Group 3Q24 Results

.....
I&M Group released its 3Q24 results reporting a 21.3% y-o-y growth in after-tax profits to KES 9.9 BN.
.....

I&M Group released its 3Q24 results reporting a 21.3% y-o-y growth in after-tax profits to KES 9.9 BN. This improvement was mainly underpinned by a 37.4% y-o-y increase in net interest income to KES 26.3 BN and toned down slightly by a 11.5% y-o-y decrease in the total non-funded income to KES 9.5 BN. The EPS for the period went up by 18.0% y-o-y to KES 5.54 (3Q23: KES 4.70). The board recommend an interim dividend of KES 1.30 per share which will be paid on or about 14th January 2024 to shareholders on the company register at the close of business on 16th December 2024.

Net interest income rose by 37.4% y-o-y to KES 26.3 BN supported by a 43.5% y-o-y growth in interest income to KES 49.0 BN against a 51.2% y-o-y increase in interest expense to KES 22.7 BN..

Non-funded income declined by 11.5% y-o-y to KES 9.5 BN on account of a 34.5% y-o-y decline in net income from forex dealings to KES 2.8 BN, a 37.6% y-o-y drop in other operating income to KES 0.9 BN and a 6.2% y-o-y drop in fees and commissions on loans to KES 1.9 BN. Despite this, other fees and commissions registered a 29.4% y-o-y increase to KES 3.9 BN. The contribution of non-funded income to total operating income decreased by 939 bps y-o-y to 26.5% (3Q23: 35.9%).

Operating expenses (less loan loss provisions) went up by 15.7% y-o-y to KES 16.9 BN owing to an 22.4% y-o-y rise in other operating expenses to KES 7.6 BN and a 14.9% y-o-y increase in staff costs to KES 6.4 BN. The cost-to-income ratio edged down by 165bps y-o-y to 47.1%.

Loan loss provisions increased by 18.9% y-o-y to KES 5.5 BN, placing the cost of risk at 2.6%, 46 bps up y-o-y. Gross non-performing loans edge down by 1.3% y-o-y to KES 35.7 BN, pivoting the NPL ratio to 11.2% (8 bps higher y-o-y).

Customer loans and advances decreased by 2.1% y-o-y to KES 281.3 BN (-1.0% q-o-q). Investment securities rose by 28.5% y-o-y to KES 157.2 BN (+8.0% q-o-q). On the funding side, customer deposits increased by 2.8% y-o-y to KES 413.8 BN (-1.3% q-o-q) while borrowed funds declined by 25.9% y-o-y to KES 13.9 BN (-4.5% q-o-q).

On a trailing basis, I&M Group is trading at a P/E ratio of 3.3x, against a sector median of 3.3x, and a P/B ratio of 0.5x against a sector median of 0.6x. ROE stands at 16.0% while ROA stands at 2.5%.

(Source: Company filings, DBIB Research).

UPCOMING EVENTS

Profit Warnings

| Company | Announcement | Book Closure | Payment |
|--------------------------|-------------------|--------------|-----------|
| 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 |
| BK Group | Final: FRw 10.32 | 02-Dec-24 | 20-Dec-24 |
| Kenya Power | Final: KES 0.70 | 02-Dec-24 | 31-Jan-25 |
| I&M Group | Final: KES 1.30 | 16-Dec-24 | 14-Jan-25 |
| Standard Chartered Kenya | Final: KES 8.00 | STA* | STA* |

(Source: NSE, DBIB Research)

STA*—Subject to approval

AGM SCHEDULE

| Company | Time | Venue | Date |
|---------------------|------------|---------|-----------|
| 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

| Company | Time | Venue | Date |
|--------------|------------|---------|-----------|
| I&M Group | 10:00 a.m. | Virtual | 10-Dec-24 |
| 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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