

DBIB WEEKLY BULLETIN

WEEK 48

Date: 29.11.2024

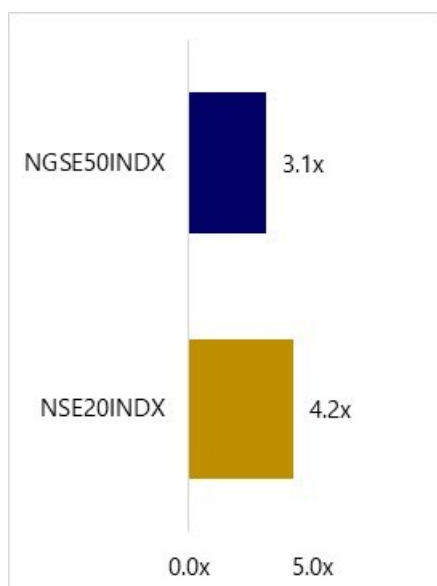
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INDICES & MARKET METRICS MOVEMENT

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	111.53	(1.07)	7.58	(1.28)	21.08
NSE-20	1,861.35	(1.58)	10.91	8.06	23.99
DBIB Select	95.30	(1.20)	6.34	5.35	16.20
MSCI Kenya (USD)	823.25	(1.42)	7.61	(5.09)	48.86
MSCI Frontier (USD)	532.46	0.69	(1.33)	1.11	5.03

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,745.88	(1.08)	(5.17)	7.78	(1.09)
Market Turnover (USD m)	20.02	101.41	128.03	12.65	(77.62)
Market P/E (x)	10.64	(2.58)	(6.40)	11.78	33.05
Market Div. yld (%) *	8.54	6.71	(94.76)	62.57	459.86
Market ROE (%) *	22.81	(2.25)	(57.82)	32.78	(271.71)

* 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*	129.68	(0.07)	(0.39)	0.00	0.15
KES/GBP*	164.82	(0.56)	3.01	0.01	0.15
KES/EUR*	137.09	(0.44)	4.16	0.03	0.18
Fx Reserve (USD MN)*	9,007.00	(1.50)	21.08	0.29	0.34
Fx reserve: Import Cover**	4.60	(10.00)	0.80	1.00	1.00
Inflation**	2.72	-	(164.00)	(238.00)	(391.00)
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

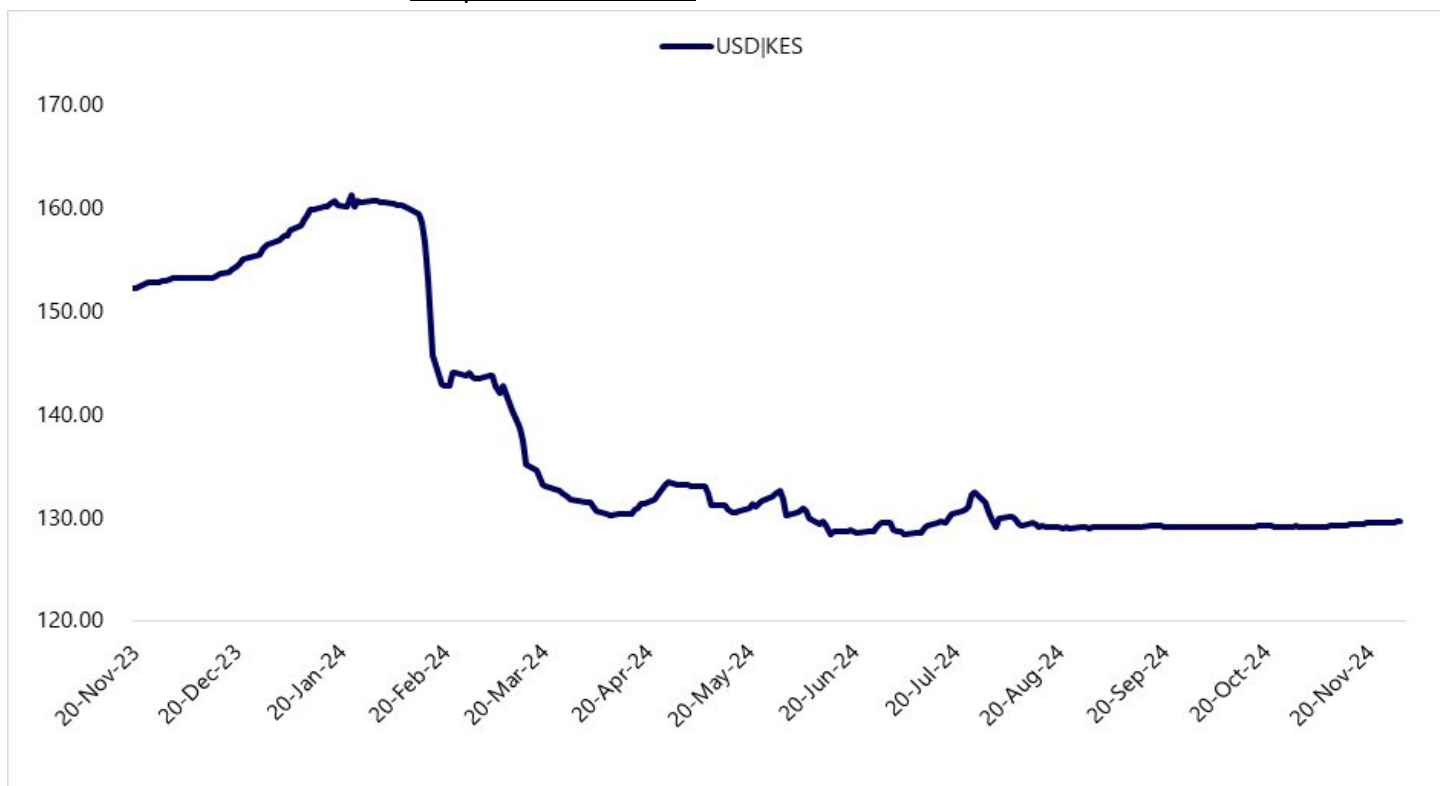
NSE SE 20 and **NASI** shed 1.58% and 1.07% w-o-w to close at 1,861.35 and 111.53, respectively.

Weekly equity turnover went up by 101.4% w-o-w to close at USD 20.02 MN (KES 2.60 BN).

USD | KES: KES weakened by 0.07% w-o-w to close at 129.68 (17.12% year-to-date).

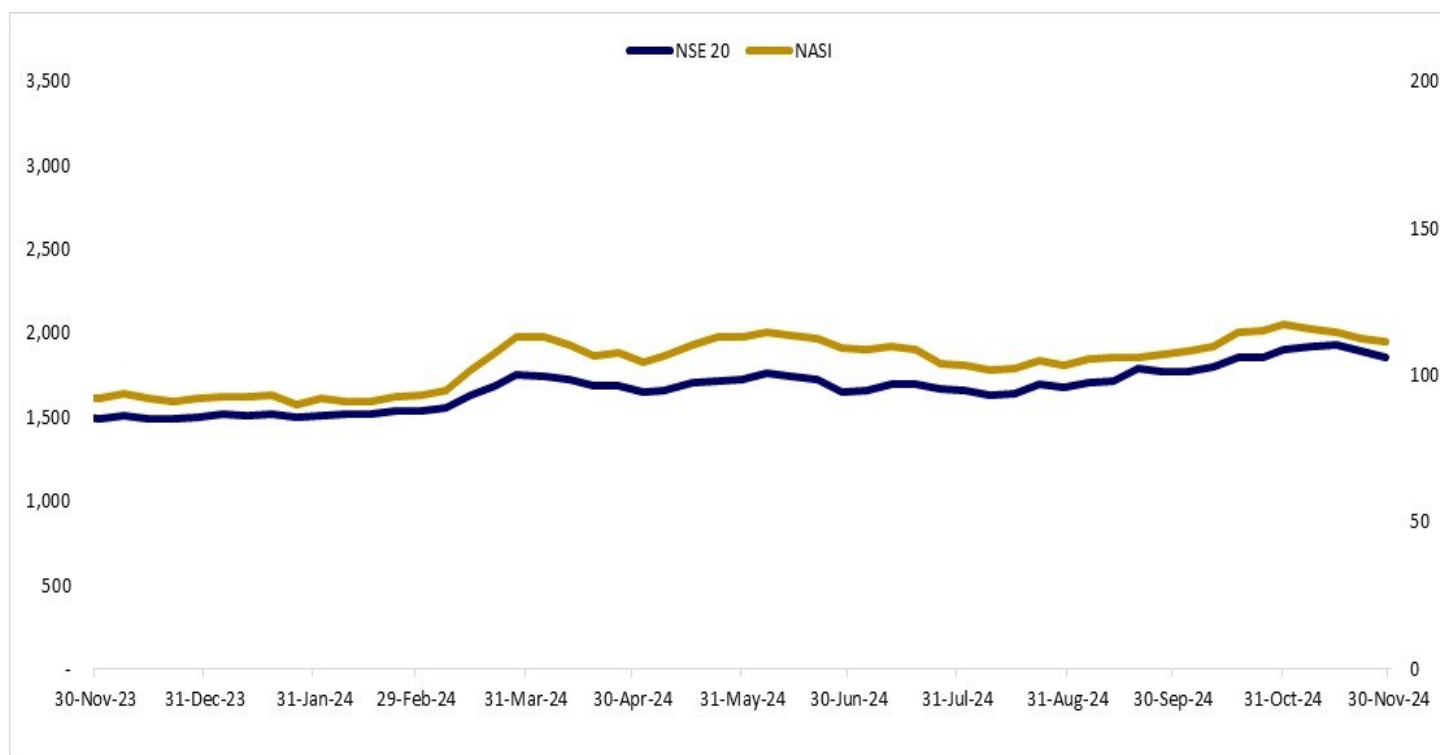
INDICES & MARKET METRICS MOVEMENT

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 10.80 MN (KES 1.40 BN) representing 53.95% of this week's turnover.

The stock rose 0.7% w-o-w to close at KES 15.00 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for **94.99%** of foreign sales and **87.06%** of foreign purchases.

Week-on-Week Performance

Top Gainers	%
Uchumi	10.5
TotalEnergies	4.0
Kenya Power	3.9
Williamson Tea Kenya	3.7
BK Group	3.5

(Source: NSE, DBIB Research)



Top Losers	%
KenGen	(13.5)
Carbacid Investments	(10.9)
WPP Scangroup	(9.8)
Sanlam Kenya	(9.6)
Eaagads	(9.4)

Source: NSE, DBIB Research)



Top Traders (Value)	USD MN
Safaricom	10.80
Equity Group	6.18
Stanbic Holdings	0.52
E.A. Breweries	0.42
KCB Group	0.36

(Source: NSE, DBIB Research)

Y-T-D Performance

Top Gainers	%
E.A. Portland Cement	317.5
Kenya Orchards	259.0
Liberty Kenya	219.0
Kenya Power	93.0
Bamburi Cement	76.4

Source: NSE, DBIB Research)



Top Losers	%
Nation Media Group	(40.4)
Kenya Re Insurance	(39.4)
Sanlam Kenya	(39.3)
Sasini Plc	(28.0)
Standard Group	(24.7)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

Top Weekly Buys	% Purchase
Stanbic	99.5
E.A. Breweries	95.7
NSE	95.0
Safaricom	87.1
Equity Group	65.6

(Source: NSE, DBIB Research)

Top Weekly Sales	% Sold
Kakuzi	88.7
Equity Group	88.3
E.A. Breweries	81.0
Unga Group	75.1
Safaricom	73.8

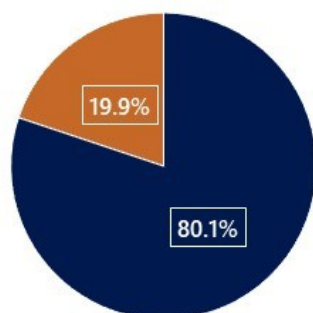
Y-T-D Foreign Performance

Top Foreign Buys	% Purchase
BK Group	98.1
I&M Group	94.4
E.A. Breweries	78.2
Equity Group	68.2
Crown Paints	61.0

(Source: NSE, DBIB Research)

Top Foreign Sales	% Sold
I&M Group	91.7
Safaricom	73.1
BAT Kenya	68.9
Equity Group	66.9
New Gold ETF	62.9

WEEKLY LOCAL VS FOREIGN PARTICIPATION



- Foreign Participation
- Local Participation

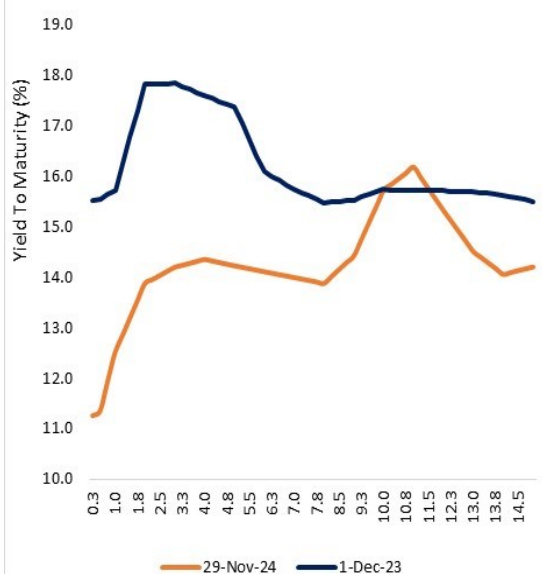
(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The **bond market's turnover** for the week stood at USD 215.32 MN (KES 27.92 BN) representing a 12.4% w-o-w decrease from USD 245.78 MN (KES 31.85 BN) recorded the previous week.

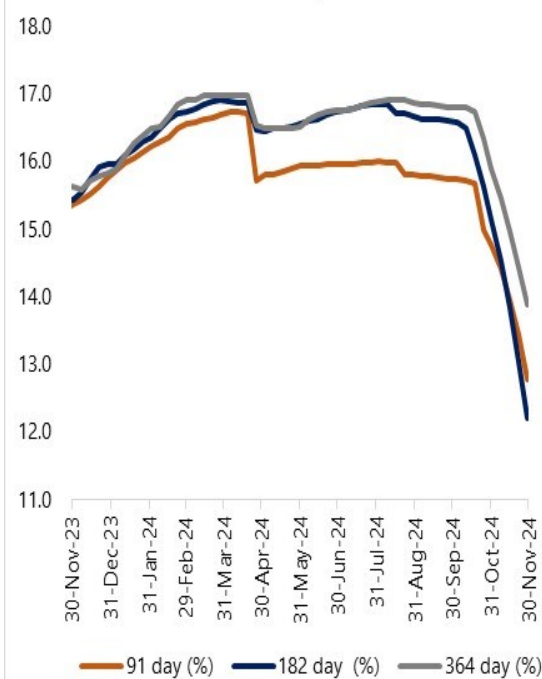
The bond market's turnover for the week stood at USD 215.32 MN (KES 27.92 BN) representing a 12.4% w-o-w decrease from USD 245.78 MN (KES 31.85 BN) recorded the previous week. The bond issue number IFB1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 7.38 BN accounting for 26.4% of the week's turnover. The bond traded between 13.3800% and 14.0799%.

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

Top Trades for the week ending 29th November 2024

						Total
	Coupon	Yield	Price	Value		
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
25-Nov	FXD1/2023/2Yr	0.7	16.9723	13.5000	106.84	3,388.4
26-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.2500	120.98	1,085.0
26-Nov	FXD1/2023/2Yr	0.7	16.9723	12.9000	107.30	1,000.0
28-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.2500	121.07	1,000.0
25-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.2500	120.93	885.0
26-Nov	FXD1/2023/2Yr	0.7	16.9723	13.5557	106.84	611.6
27-Nov	FXD1/2023/10Yr	8.2	14.1510	15.7000	97.08	550.0
25-Nov	FXD1/2022/15Yr	12.4	13.9420	14.8000	96.49	500.0
25-Nov	IFB1/2023/6.5Yr	5.4	17.9327	14.0500	111.54	500.0
26-Nov	FXD1/2022/15Yr	12.4	13.9420	14.0000	101.00	500.0
27-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.2720	120.93	500.0
28-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.2750	120.96	500.0
29-Nov	FXD1/2023/10Yr	8.2	14.1510	14.0000	104.90	500.0
27-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.3000	120.81	415.5
25-Nov	FXD1/2020/5Yr	0.4	11.6670	14.1500	99.62	400.0
26-Nov	FXD1/2022/15Yr	12.4	13.9420	15.1700	94.56	400.0
28-Nov	FXD1/2023/10Yr	8.2	14.1510	14.5000	102.50	370.0
26-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.4435	120.16	300.0
27-Nov	FXD1/2022/15Yr	12.4	13.9420	15.2200	94.34	300.0
27-Nov	IFB1/2023/6.5Yr	5.4	17.9327	14.0275	111.69	300.0
27-Nov	IFB1/2024/8.5Yr	7.7	18.4607	14.7200	119.04	300.0
28-Nov	IFB1/2023/6.5Yr	5.4	17.9327	14.0250	111.74	300.0

Sell & buy-backs

28-Nov	FXD1/2023/10Yr	8.2	14.1510	15.1000	99.72	860.0
25-Nov	FXD1/2023/10Yr	8.2	14.1510	15.7250	96.89	700.0
29-Nov	FXD1/2022/15Yr	12.4	13.9420	14.0000	101.04	600.0
27-Nov	FXD1/2024/10Yr	9.3	16.0000	14.5000	110.33	250.0

Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 29th 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

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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

1. WPP Scangroup
2. Kakuzi

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
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

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
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>
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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