

# DBIB WEEKLY BULLETIN

# WEEK 40

Date: 04.10.2024

## 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	108.31	1.07	(0.65)	(4.45)	17.59
NSE-20	1,772.99	(0.27)	6.83	1.42	18.11
DBIB Select	91.96	1.36	3.64	0.77	12.13
MSCI Kenya (USD)	811.41	1.16	(3.35)	(7.10)	46.72
MSCI Frontier (USD)	534.27	(1.44)	0.36	0.43	5.38

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,695.43	1.07	2.58	(0.46)	(4.28)
Market Turnover (USD m)	7.82	(3.33)	(21.75)	2.91	(57.17)
Market P/E (x)	9.90	2.99	5.20	32.75	5.58
Market Div. yld (%) *	8.95	(9.56)	72.29	274.29	15.35
Market ROE (%) *	23.53	9.38	132.88	85.63	(381.74)

\* 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*	129.18	0.01	(0.55)	0.01	0.13
KES/GBP*	169.66	2.21	(3.43)	(0.02)	0.06
KES/EUR*	142.47	1.39	(2.50)	(0.00)	0.09
Fx Reserve (USD MN)*	8,186.00	1.98	5.29	0.15	0.18
Fx reserve: Import Cover**	4.20	10.00	0.20	0.40	0.49
Inflation**	3.60	-	(71.00)	(140.00)	(332.00)
CBR**	12.75	-	(25.00)	(25.00)	225.00

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

(Source: NSE, DBIB Research)

### Weekly Market Summary

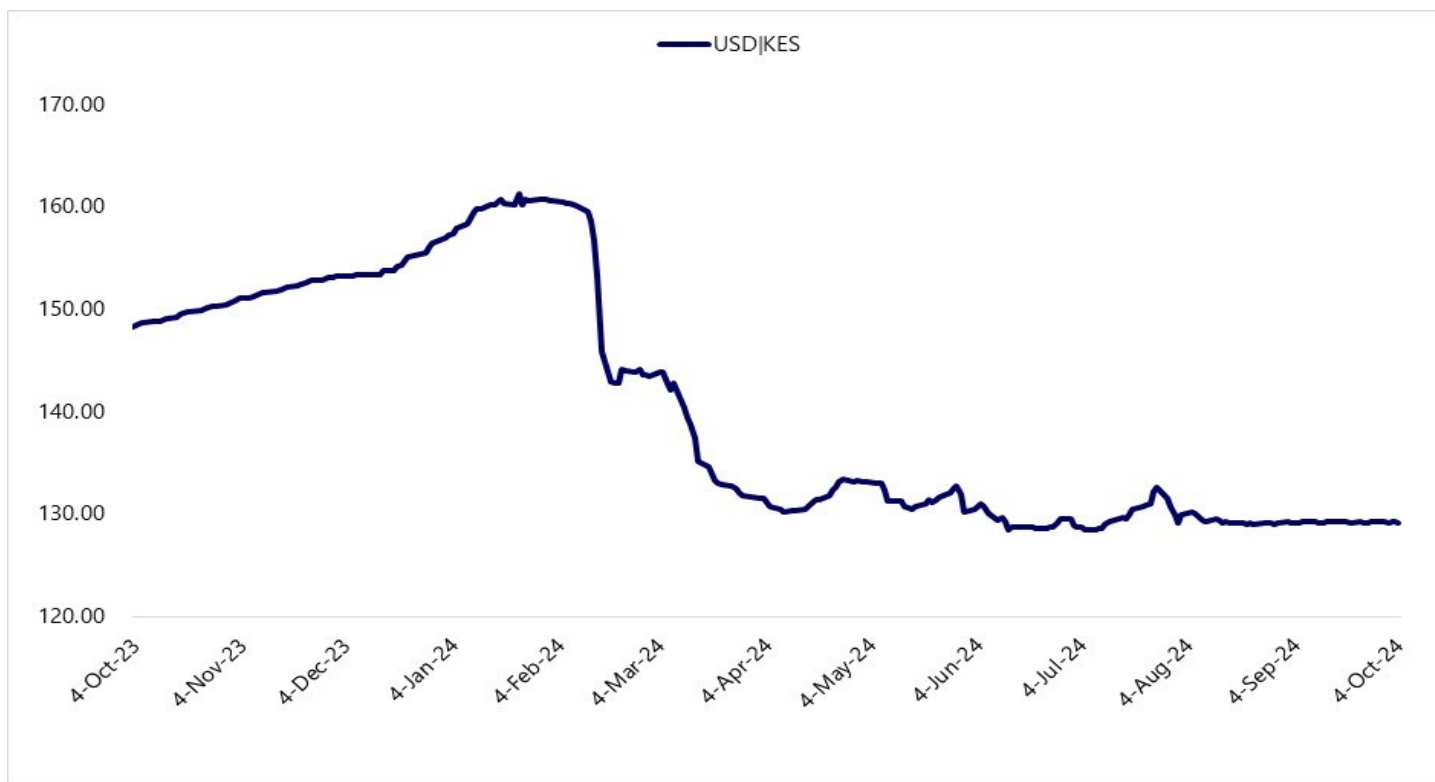
**NSE 20** eased by 0.27% w-o-w to close at 1772.99 and **NASI** rose by 1.07% w-o-w to close at 108.31.

**Weekly equity turnover** went down by 3.3% w-o-w to close at USD 7.82 MN (KES 1.01 BN).

**USD | KES:** KES strengthened marginally by 0.01% w-o-w to close at 129.18 (17.44% year-to-date).

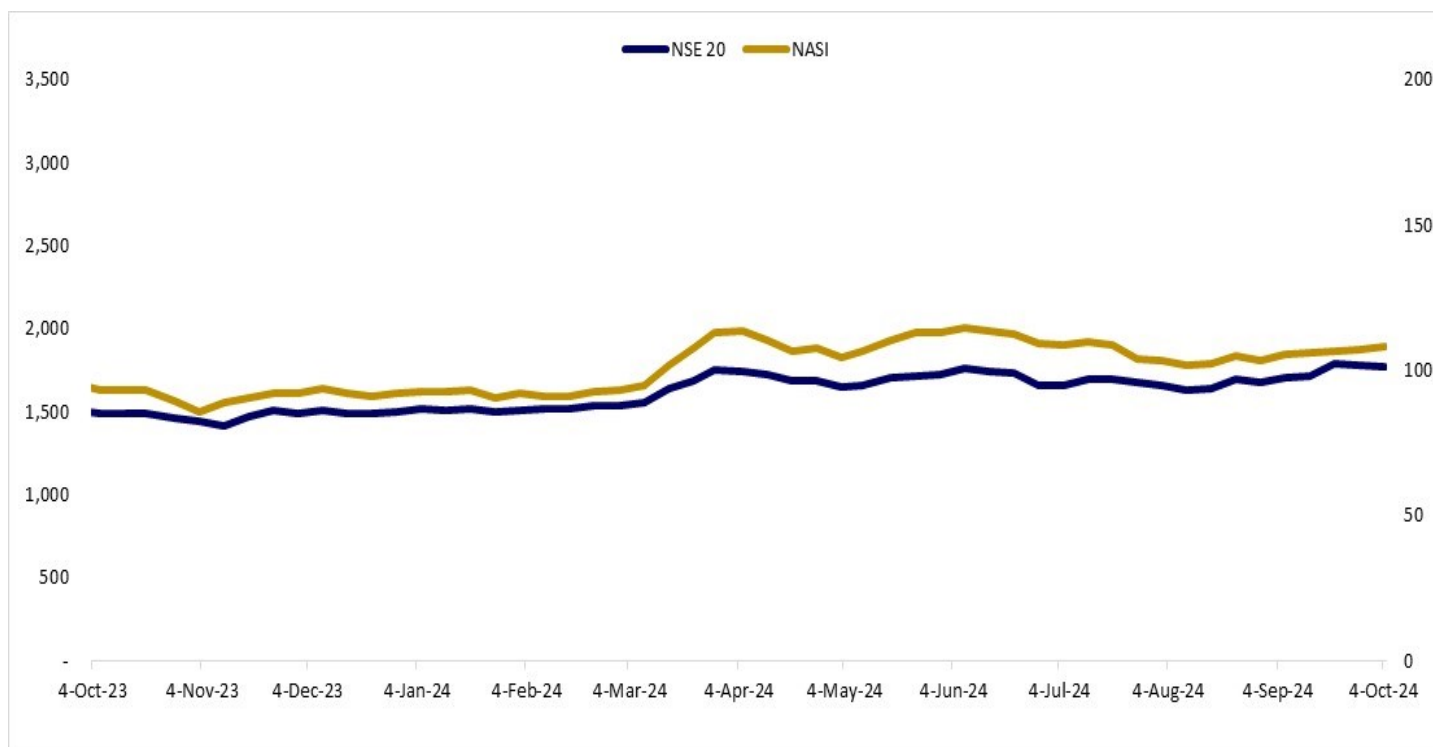
# INDICES & MARKET METRICS MOVEMENT

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 4.31 MN (KES 0.56 BN) representing 55.12% of this week's turnover.

The stock went down 0.3% w-o-w to close at KES 15.00 on Friday.

Foreign investors assumed a **net buying position** on the counter this week by accounting for **48.80%** of foreign sales and **72.17%** of foreign purchases.

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
E.A. Portland Cement	60.6
Kenya Orchards	58.6
TPS Eastern Africa	16.7
NBV	13.5
Kakuzi	9.8

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Car & General	(16.0)
Kenya Power	(14.0)
Eveready East Africa	(11.1)
Trans-Century	(10.9)
Nation Media Group	(9.0)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	4.31
Equity Group Holdings	1.20
KCB Group	1.19
East African Breweries	0.22
Jubilee Holdings	0.13

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
E.A. Portland Cement	478.1
Kenya Power	112.0
Bamburi Cement	70.0
Kenya Orchards	62.5
KCB Group	60.7

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Kenya Re Insurance	(36.2)
Nation Media Group	(26.7)
NBV	(22.0)
Trans-Century	(21.2)
Standard Group	(18.9)

(Source: NSE, DBIB Research)



## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
East African Breweries	98.1
Safaricom	72.2
Equity Group	52.3
DTB	28.9

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Kakuzi	94.9
Jubilee	94.8
Eaagads	77.4
Express Kenya	76.4
Equity Group	54.2

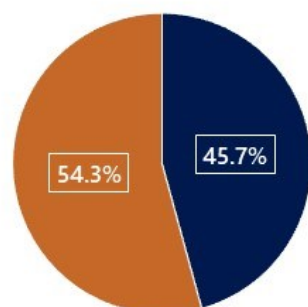
## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
BK Group	98.2
I&M Group	96.2
East African Breweries	74.3
Equity Group	68.9
Crown Paints	64.5

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
I&M Group	93.4
Safaricom	71.2
Equity Group	67.0
BAT Kenya	65.6
Centum	62.0

## WEEKLY LOCAL VS FOREIGN PARTICIPATION



■ Foreign Participation  
■ Local Participation

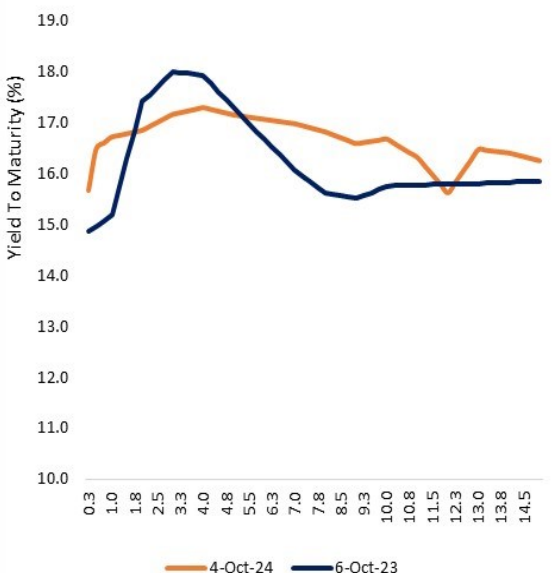
(Source: NSE, DBIB Research)

## FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 223.59 MN (KES 28.88 BN) representing a 0.1% w-o-w decrease from USD 223.89 MN (KES 28.93 BN) recorded the previous week.

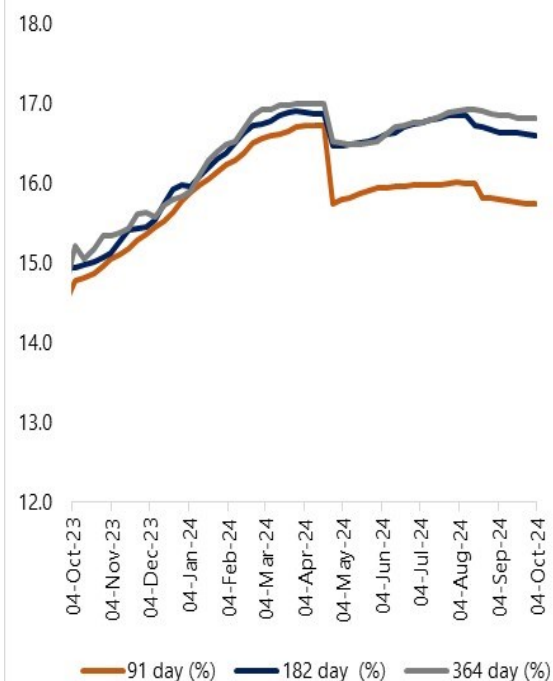
The Bond market's turnover for the week stood at USD 223.59 MN (KES 28.88 BN) representing a 0.1% w-o-w decrease from USD 223.89 MN (KES 28.93 BN) recorded the previous week. The bond issue number IFB1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 9.16 BN accounting for 31.7% of the week's turnover. The bond traded between 14.9800% and 19.0800%.

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

### October Issue: Re-opened FXD1/2016/010 & FXD1/2022/010

The Central Bank of Kenya (CBK) has issued a re-opened sale on FXD1/2016/10 (1.8 years) and FXD1/2022/20 (7.6 years) with the intention of raising KES 30.0 BN for budgetary support. The period of sale runs from 25<sup>th</sup> September 2024 to 09<sup>th</sup> October 2024. The coupon rates stand at 15.039% for FXD1/2016/10 and 13.490% for FXD1/2022/20.

### Top Trades for the week ending 04 October 2024

						Total
	Coupon	Yield	Price	Value		
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
2-Oct	FXD1/2023/5Yr	3.8	16.8440	17.7000	101.28	1,500.0
4-Oct	IFB1/2024/8.5Yr	7.9	18.4607	16.0000	111.33	1,200.0
4-Oct	IFB1/2023/17Yr	15.4	14.3990	16.3000	91.37	1,010.0
3-Oct	FXD1/2023/5Yr	3.8	16.8440	17.3000	102.39	1,000.0
3-Oct	FXD1/2023/5Yr	3.8	16.8440	17.2000	102.66	1,000.0
30-Sep	IFB1/2024/8.5Yr	7.9	18.4607	16.4500	109.39	970.0
30-Sep	IFB1/2023/6.5Yr	5.6	17.9327	16.3000	111.34	608.0
3-Oct	IFB1/2023/17Yr	15.4	14.3990	16.1000	92.27	600.0
30-Sep	IFB1/2024/8.5Yr	7.9	18.4607	16.8000	108.06	597.7
3-Oct	IFB1/2023/17Yr	15.4	14.3990	17.0000	88.32	526.0
2-Oct	FXD1/2023/5Yr	3.8	16.8440	17.5000	101.81	502.5
1-Oct	IFB1/2023/6.5Yr	5.6	17.9327	16.6000	110.54	500.5
30-Sep	IFB1/2024/8.5Yr	7.9	18.4607	16.7881	108.10	500.0
1-Oct	IFB1/2023/6.5Yr	5.6	17.9327	16.5800	110.60	500.0
2-Oct	IFB1/2023/6.5Yr	5.6	17.9327	16.6500	110.45	500.0
3-Oct	FXD1/2023/5Yr	3.8	16.8440	17.3500	102.25	500.0
4-Oct	IFB1/2023/17Yr	15.4	14.3990	16.2000	91.84	500.0
30-Sep	IFB1/2023/6.5Yr	5.6	17.9327	16.6000	110.49	400.0
30-Sep	IFB1/2023/6.5Yr	5.6	17.9327	16.5750	110.56	400.0
3-Oct	FXD2/2013/15Yr	3.5	12.0000	17.6000	91.35	400.0

Source: NSE, DBIB Research)

### Treasury Bill auction for the week ending 04 October 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	17.35	433.83	12.49	15.686	(3.3)
182-day	10.00	20.21	202.11	7.21	16.500	(8.9)
364-day	10.00	16.40	163.95	9.53	16.729	(7.1)

(Source: NSE, DBIB Research)

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## Salient News

### Unga Group FY24 Results.

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**Unga Group** released its audited FY24 earnings reporting a loss of KES 669.6 MN which was an improvement from a loss of KES 969.4 MN reported in FY23.

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**Unga Group** released its audited FY24 earnings reporting a loss of KES 669.6 MN which was an improvement from a loss of KES 969.4 MN reported in FY23. The decrease in operational loss was mainly attributed to increased commercial activities, operational efficiencies, and a stronger Kenyan Shilling in the latter half of the financial year. provisions and higher finance costs due to higher interest rates. Volumes increased by 5%, driven by product quality consistency and enhanced customer experience. The group also lowered selling prices due to reduced raw material costs.

**Revenue decreased 1.4% y-o-y to KES 23.7 BN.** Operating loss decreased by 37.4% y-o-y to KES 275.6 MN.

**Finance costs went down by 28.7% y-o-y to KES 559.4 MN** while finance income declined by 13.3 MN.

**Total assets went down by 1.9% y-o-y to KES 11.3 BN** after a 6.5% y-o-y drop in current assets to KES 6.2 BN and a 4.4% y-o-y increase in non-current assets to KES 5.1 BN.

**Total liabilities increased by 8.0% y-o-y to KES 6.2 BN** after a 2.5% y-o-y increase in current liabilities to KES 5.8 BN and an 577.9% y-o-y advancement to KES 371.7 MN. Total equity edged down by 11.3% y-o-y to KES 5.1 BN

**Net cash used in operating activities stood at KES 1.2 BN** while net cash used in investing activities was stated as KES 244.9 MN. Net cash generated from financing activities stood at KES 1.2 BN. At the end of the period, cash balances decreased by 49.2% y-o-y to KES 251.0 MN.

*(Source: Company filings, DBIB Research).*

## UPCOMING EVENTS

### Profit Warnings

1. Eaagads
2. Sasini

<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
KCB Group	Interim: KES 1.50	12-Sep-24	30-Oct-24
East African Breweries	Final: KES 6.00	16-Sep-24	28-Oct-24
StanChart Kenya	Interim: KES 8.00	18-Sep-24	8-Oct-24
BOC Kenya	Interim: KES 2.50	20-Sep-24	14-Oct-24
Absa Bank	Interim: KES 0.20	20-Sep-24	15-Oct-24
Umeme	Interim: UGX 26.00	10-Oct-24	31-Oct-24
Centum	Final KES 0.32	11-Oct-24	13-Dec-24

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

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## 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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