

DBIB WEEKLY BULLETIN

WEEK 41

Date: 11.10.2024

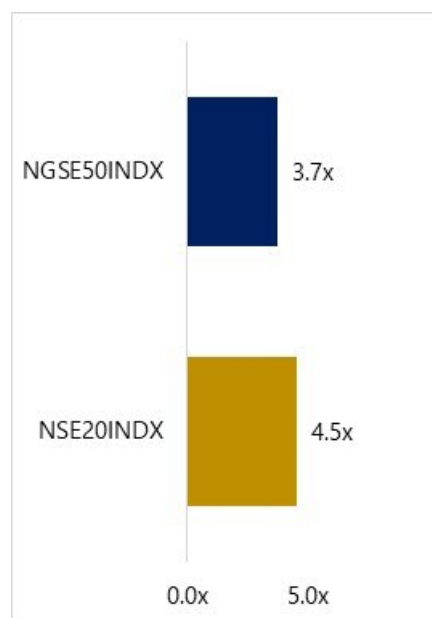
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INDICES & MARKET METRICS MOVEMENT

PEER P/E MULTIPLES



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

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	110.13	1.68	0.09	(0.45)	19.56
NSE-20	1,806.56	1.89	6.53	4.74	20.34
DBIB Select	92.56	0.64	3.03	2.35	12.85
MSCI Kenya (USD)	837.91	3.27	(1.13)	(1.29)	51.51
MSCI Frontier (USD)	540.19	1.11	0.73	3.56	6.55

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,723.97	1.68	3.59	0.28	(0.26)
Market Turnover (USD m)	6.93	(11.41)	(25.06)	(20.52)	(34.37)
Market P/E (x)	10.08	1.83	6.70	40.99	7.19
Market Div. yld (%) *	8.82	(12.90)	66.96	246.02	1.30
Market ROE (%) *	23.53	-	146.42	90.58	(388.19)

* 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*	129.20	(0.01)	0.05	0.01	0.13
KES/GBP*	168.57	0.64	(1.01)	(0.03)	0.08
KES/EUR*	141.30	0.83	(0.57)	(0.01)	0.11
Fx Reserve (USD MN)*	8,299.00	1.38	5.10	0.14	0.21
Fx reserve: Import Cover**	4.30	10.00	0.20	0.50	0.61
Inflation**	3.56	-	(75.00)	(144.00)	(336.00)
CBR**	12.00	(7,500.00)	(100.00)	(100.00)	150.00

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

Weekly Market Summary

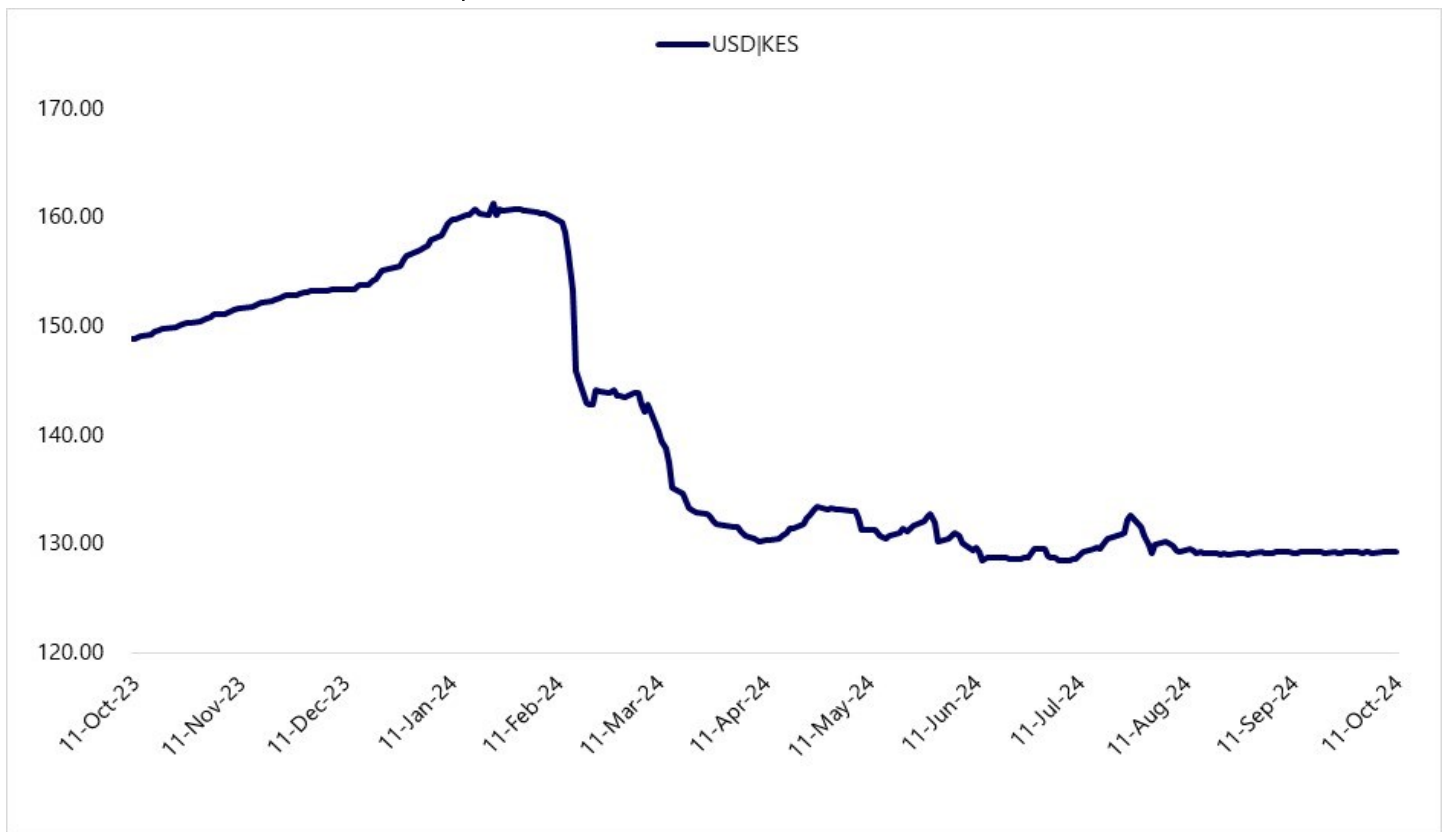
NSE 20 and **NASI** rose by 1.893% and 1.680% w-o-w to close at 1806.56 and 110.13 respectively.

Weekly equity turnover went down by 11.04% w-o-w to close at USD 6.93 MN (KES 0.9 BN).

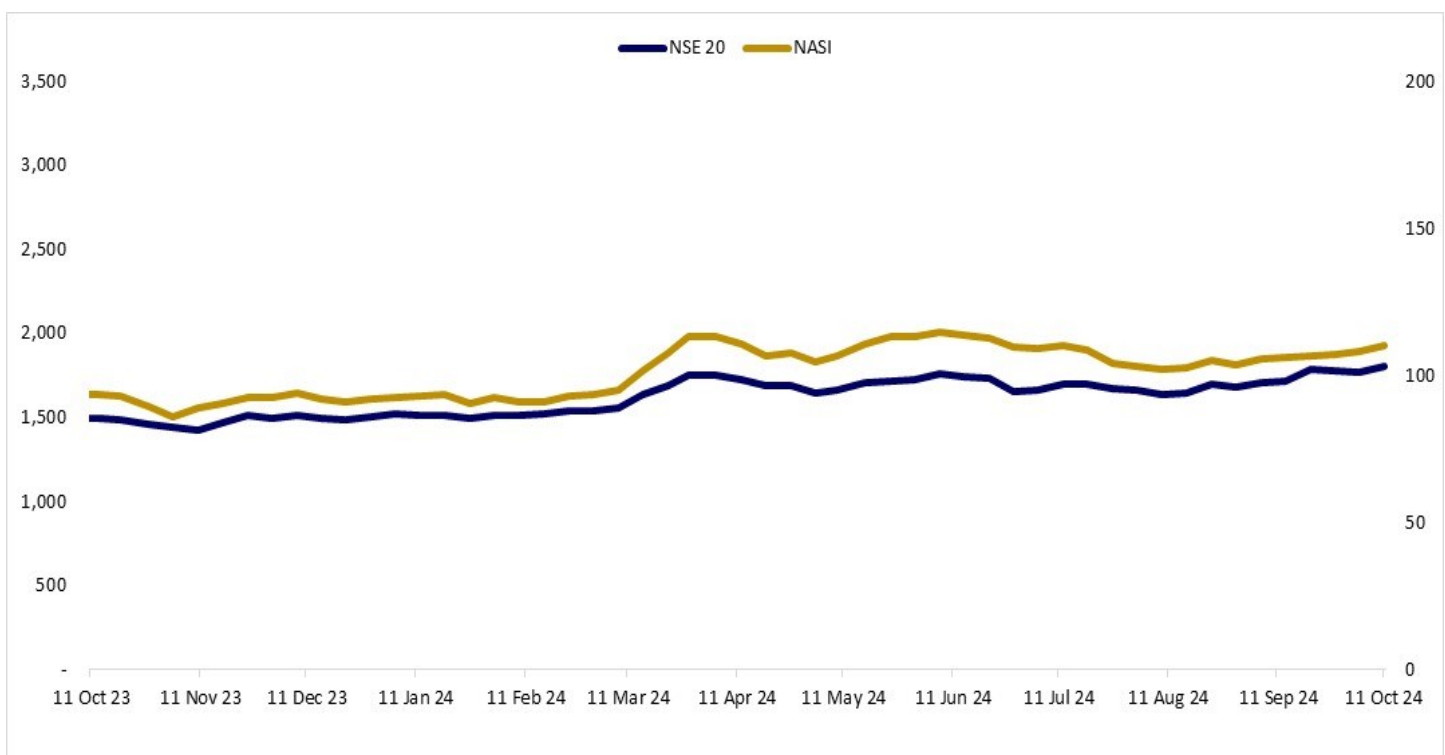
USD | KES: KES strengthened marginally by 0.01% w-o-w to close at 129.20 (17.43% year-to-date).

INDICES & MARKET METRICS MOVEMENT

USD | KES : 52-Week Trend



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 3.61 MN (KES 0.47 BN) representing 46.13% of this week's turnover.

The stock rose 2.00% w-o -w to close at KES 15.30 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for **83.29%** of foreign sales and **23.88%** of foreign purchases.

Week-on-Week Performance

<u>Top Gainers</u>	<u>%</u>
Kenya Orchards	32.9
Kenya Power	19.6
Eveready East Africa	14.4
Liberty Kenya	9.1
E.A.Cables	7.1

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Express Kenya	(9.7)
Car & General	(9.5)
Standard Group	(8.9)
Sanlam Kenya	(8.2)
Nairobi Securities Exchange	(7.1)

Source: NSE, DBIB Research)



<u>Top Traders (Value)</u>	<u>USD MN</u>
Safaricom	3.61
KCB Group	0.87
Equity Group	0.63
Co-operative Bank	0.36
East African Breweries	0.32

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top Gainers</u>	<u>%</u>
EE.A.Portland	468.1
Kenya Power	153.5
KCB Group	125.9
Kenya Orchards	67.4
Liberty Kenya	62.6

Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Kenya Re	(36.2)
Standard Group	(28.9)
Trans-Century	(25.7)
Car & General	(24.0)
Nation Media	(23.1)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
E.A. Breweries	93.0
Jubilee	71.0
Equity Group	63.1
Crown	29.4
KCB Group	28.1

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Express	100.0
Car & Gen	97.0
NSE	89.3
Uchumi	84.9
Safaricom	83.3

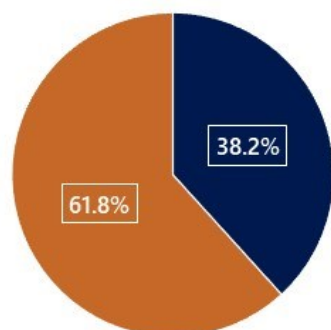
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
BK Group	98.2
I&M	96.1
E.A. Breweries	74.6
Equity Group	68.8
Crown	64.3

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
I&M Group	93.3
Safaricom	71.4
Equity Group	66.6
BAT Kenya	65.6
Centum	59.7

WEEKLY LOCAL VS FOREIGN PAR-



■ Foreign Participation
■ Local Participation

(Source: NSE, DBIB Research)

The **Bond market's turnover** for the week stood at USD 118.78 MN (KES 15.34 BN) representing a 46.9% w-o-w decrease from USD 223.59 MN (KES 28.88 BN) recorded the previous week.

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 118.78 MN (KES 15.34 BN) representing a 46.9% w-o-w decrease from USD 223.59 MN (KES 28.88 BN) recorded the previous week. The bond issue number IFB1/2023/17Yr emerged as the top traded bond with a turnover of KES 4.66 BN accounting for 30.3% of the week's turnover. The bond traded between 14.8876% and 17.0919%.

October Results: Re-opened FXD1/2016/010 & FXD1/2022/010

The Central Bank of Kenya (CBK) had re-opened FXD1/2016/10 and FXD1/2022/10 with the intention of raising KES 30.0 BN for budgetary support. The CBK received bids worth KES 50.96 BN for both issues translating to a subscription rate of 169.88%. In turn the CBK accepted bids worth KES 31.28 BN for both issues. The coupon rate for FXD1/2016/10 and FXD12022/10 are 15.0390 % and 13.4900%, respectively.

Top Trades for the week ending 11 October 2024

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
8-Oct	IFB1/2023/17Yr	15.4	14.3990	16.3000	91.53	1,230.0
9-Oct	FXD1/2024/10Yr	9.4	16.0000	16.5093	98.28	950.0
7-Oct	IFB1/2023/17Yr	15.4	14.3990	16.1000	92.42	600.0
11-Oct	IFB1/2023/6.5Yr	5.6	17.9327	16.6250	110.96	500.0
7-Oct	FXD1/2023/5Yr	3.8	16.8440	16.8500	103.79	400.0
8-Oct	IFB1/2023/6.5Yr	5.6	17.9327	15.8000	113.16	400.0
8-Oct	IFB1/2023/17Yr	15.4	14.3990	16.2000	91.99	376.0
7-Oct	IFB1/2024/8.5Yr	7.8	18.4607	15.9500	111.67	317.0
9-Oct	IFB1/2022/14Yr	12.1	13.9380	13.7078	106.81	300.0
9-Oct	IFB1/2023/17Yr	15.4	14.3990	16.2000	92.03	300.0
11-Oct	FXD1/2023/5Yr	3.7	16.8440	16.7000	104.38	300.0
11-Oct	IFB1/2023/17Yr	15.4	14.3990	16.1000	92.58	300.0
11-Oct	IFB1/2023/6.5Yr	5.6	17.9327	16.0000	112.73	300.0
7-Oct	IFB1/2023/17Yr	15.4	14.3990	16.3000	91.49	280.0
11-Oct	IFB1/2019/25Yr	19.4	12.2000	14.0000	90.21	251.5
7-Oct	IFB1/2024/8.5Yr	7.8	18.4607	15.6500	112.87	250.0
3-Oct	FXD2/2013/15Yr	3.5	12.0000	17.6000	91.35	400.0

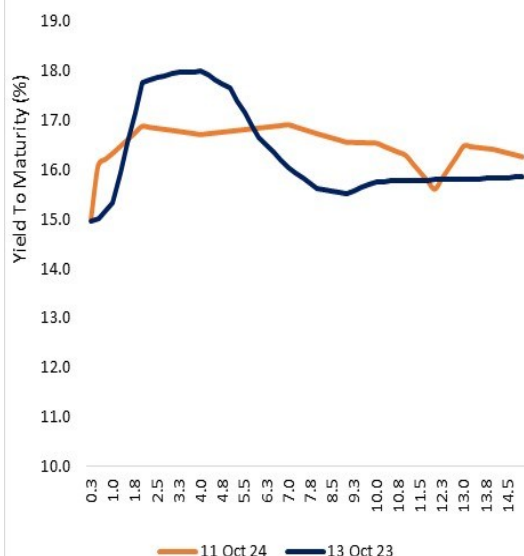
Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 11 October 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	18.51	462.70	6.09	14.990	(69.5)
182-day	10.00	28.79	287.89	10.56	16.095	(40.5)
364-day	10.00	25.74	257.40	14.51	16.338	(39.1)

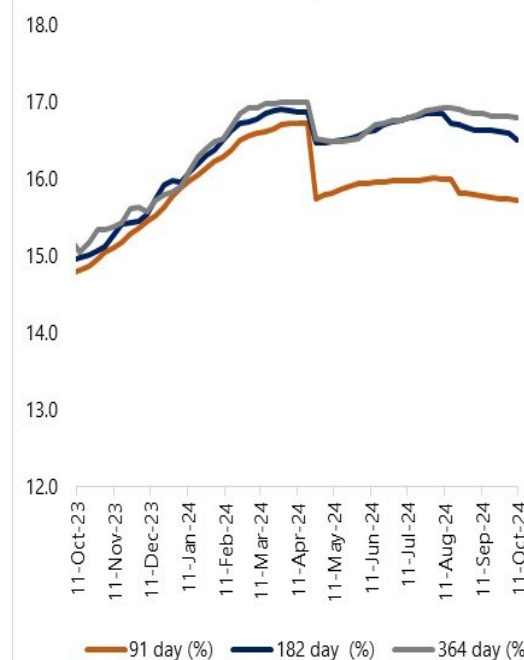
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

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
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*

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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