

DBIB WEEKLY BULLETIN

WEEK 37

Date: 13.09.2024

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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

(Source: Bloomberg, DBIB Research)

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	106.31	0.69	(6.47)	4.41	15.42
NSE-20	1,714.31	0.41	(1.72)	4.68	14.20
DBIB Select	90.60	0.21	0.68	4.71	10.47
MSCI Kenya (USD)	793.93	0.58	(10.02)	7.82	43.56
MSCI Frontier (USD)	534.99	(0.49)	0.84	2.43	5.52

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,664.16	0.69	3.95	(6.29)	4.61
Market Turnover (USD m)	9.25	(7.50)	52.54	5.57	(54.43)
Market P/E (x)	9.45	0.40	48.13	21.22	10.98
Market Div. yld (%) *	9.12	(18.29)	124.86	313.38	81.95
Market ROE (%) *	23.54	(8.97)	105.24	9.60	(407.38)

* 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)	(0.42)	0.04	0.12
KES/GBP*	169.85	0.23	(3.50)	0.01	0.07
KES/EUR*	143.20	0.29	(3.39)	0.03	0.09
Fx Reserve (USD MN)*	7,744.00	3.21	10.44	0.11	0.10
Fx reserve: Import Cover**	4.00	10.00	0.30	0.30	0.20
Inflation**	4.40	-	(24.00)	(130.00)	(238.00)
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

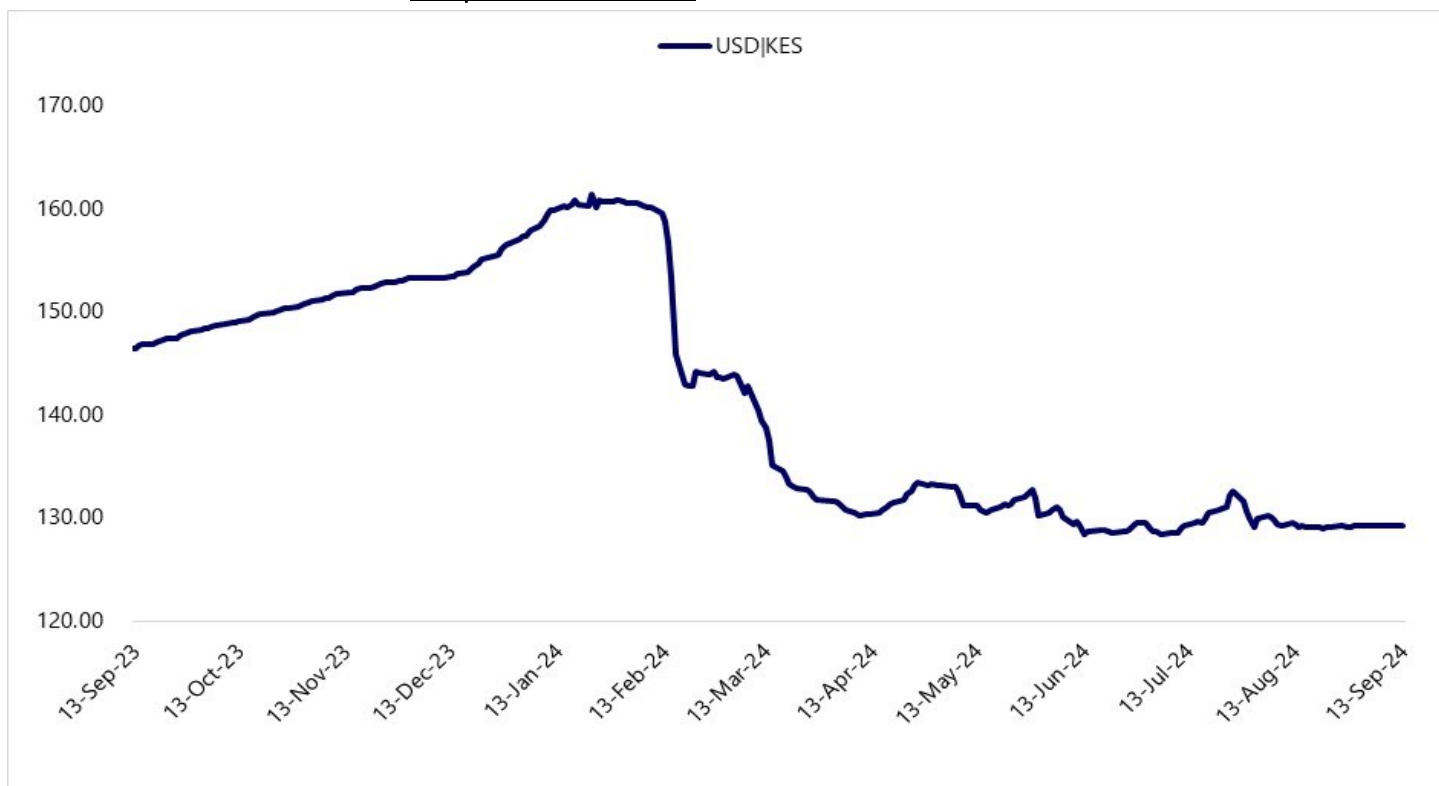
NSE 20 and **NASI** increased by 0.41% and 0.69% w-o-w to close at 1714.31 and 106.31, respectively.

Weekly equity turnover dropped by 7.5% w-o-w to close at USD 9.25 MN (KES 1.20 BN).

USD | KES: KES weakened marginally by 0.01% w-o-w to close at 129.20 (17.42% year-to-date).

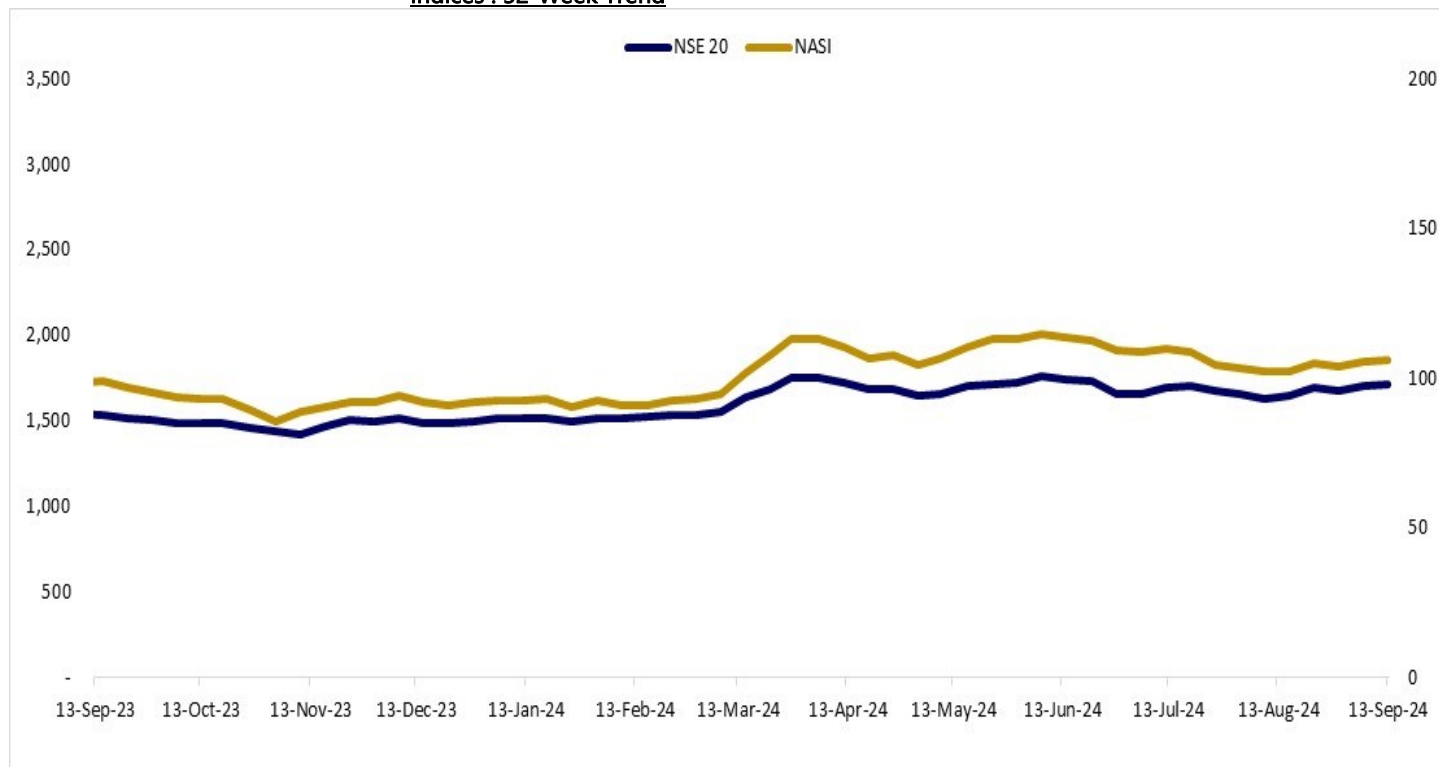
INDICES & MARKET METRICS MOVEMENT

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

KCB Group emerged as the top traded counter on the bourse recording a weekly turnover of USD 2.19 MN (KES 0.28 BN) representing 23.63% of this week's turnover.

The stock went down 3.9% w-o-w to close at KES 32.40 on Friday.

Foreign investors assumed a **net buying position** on the counter this week by accounting for **0.20%** of foreign sales and **77.38%** of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
E.A. Portland Cement	30.6
HF Group	9.6
Sanlam Kenya	8.2
Nation Media Group	8.0
Flame Tree Group	7.8

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
NBV	(18.8)
Eveready East Africa	(10.2)
Carbacid	(10.0)
Car & General	(9.5)
Standard Group	(9.1)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
KCB Group	2.19
Safaricom	1.77
Equity Group	1.75
Bamburi Cement	0.53
Centum Investment	0.38

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Bamburi Cement	122.5
Kenya Power	87.3
Liberty Kenya	52.5
E.A. Portland Cement	50.7
KCB Group	47.9

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Kenya Re	(44.1)
NBV	(31.1)
Car & General	(30.8)
Standard Group	(27.6)
Trans-Century	(24.0)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
NBV	95.3
Stanbic Holdings	94.8
Equity Group	87.3
KCB Group	77.4
Jubilee Holdings	73.3

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
New Gold ETF	100.0
Kakuzi	90.0
Centum	87.7
Safaricom	82.4
Equity Group	71.4

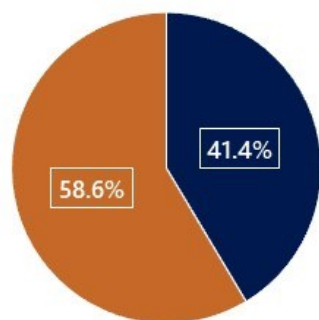
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
I&M Group	96.5
BK Group	95.0
East African Breweries	73.8
Equity Group	70.3
Crown Paints	65.7

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
I&M Group	93.6
Safaricom	72.2
Centum	67.7
Equity Group	67.6
BAT Kenya	66.3

WEEKLY LOCAL VS FOREIGN PARTICIPATION



- Foreign Participation
- Local Participation

(Source: NSE, DBIB Research)

The **Bond market's** turnover for the week stood at USD 252.66 MN (KES 32.64 BN) representing a 4.0% w-o-w increase from USD 242.85 MN (KES 31.37 BN) recorded the previous week.

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 252.66 MN (KES 32.64 BN) representing a 4.0% w-o-w increase from USD 242.85 MN (KES 31.37 BN) recorded the previous week. The bond issue number FXD1/2023/5Yr emerged as the top traded bond with a turnover of KES 8.45 BN accounting for 25.9% of the week's turnover. The bond traded between 17.2900% and 17.8130%.

Top Trades for the week ending 13 September 2024

						Total
	Coupon	Yield	Price	Value		
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
10-Sep	IFB1/2023/17Yr	15.5	14.3990	17.7000	84.27	2,000.0
10-Sep	IFB1/2023/17Yr	15.5	14.3990	17.6000	84.69	1,780.0
9-Sep	FXD1/2023/2Yr	0.9	16.9723	17.4000	100.59	1,500.0
9-Sep	FXD1/2023/2Yr	0.9	16.9723	17.3600	100.62	1,500.0
12-Sep	IFB1/2023/6.5Yr	5.6	17.9327	17.6000	106.83	1,300.0
12-Sep	IFB1/2023/6.5Yr	5.6	17.9327	17.5000	107.10	1,200.0
10-Sep	IFB1/2023/17Yr	15.5	14.3990	17.6250	84.58	1,130.0
10-Sep	FXD1/2023/5Yr	3.8	16.8440	18.2000	98.92	900.0
13-Sep	FXD1/2016/10Yr	1.9	15.0390	17.7000	96.80	750.0
9-Sep	FXD1/2024/3Yr	2.3	18.3854	17.7700	103.89	500.0
10-Sep	FXD1/2023/5Yr	3.8	16.8440	17.6000	100.51	500.0
11-Sep	FXD1/2016/10Yr	1.9	15.0390	17.7500	96.63	500.0
12-Sep	FXD1/2016/10Yr	1.9	15.0390	17.7500	96.67	500.0
9-Sep	FXD2/2013/15Yr	3.6	12.0000	18.2000	88.95	465.5
12-Sep	IFB1/2023/17Yr	15.4	14.3990	17.5500	84.97	450.0
13-Sep	IFB1/2023/6.5Yr	5.6	17.9327	17.5000	107.15	450.0
11-Sep	IFB1/2023/17Yr	15.5	14.3990	17.6000	84.72	421.1
10-Sep	FXD1/2023/5Yr	3.8	16.8440	18.1000	99.19	420.0
10-Sep	FXD1/2023/5Yr	3.8	16.8440	18.0000	99.45	400.0
13-Sep	IFB1/2023/6.5Yr	5.6	17.9327	17.4000	107.43	400.0

Sell & buy-backs

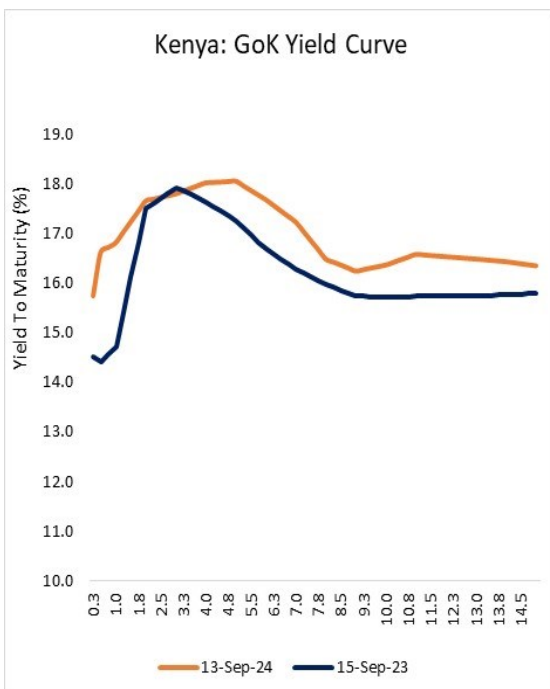
12-Sep	FXD1/2023/5Yr	3.8	16.8440	17.6025	100.60	1,550.0
11-Sep	FXD1/2023/5Yr	3.8	16.8440	17.6200	100.51	1,420.0
11-Sep	FXD1/2023/5Yr	3.8	16.8440	17.6000	100.56	1,100.0
12-Sep	FXD1/2023/5Yr	3.8	16.8440	17.6174	100.56	400.0
11-Sep	FXD1/2023/5Yr	3.8	16.8440	17.5851	100.60	300.0
13-Sep	IFB1/2021/21Yr	17.9	12.7370	16.4786	81.84	81.5

Source: NSE, DBIB Research)

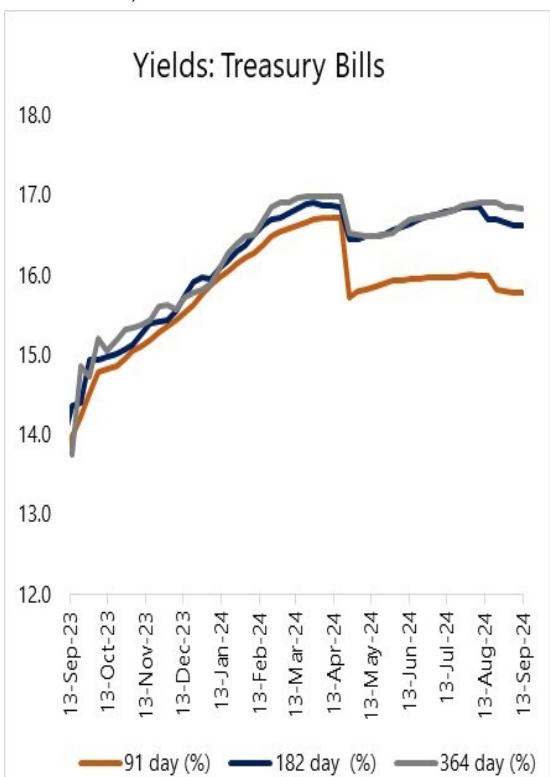
Treasury Bill auction for the week ending 13 September 2024

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	14.19	354.72	13.05	15.750	(1.8)
182-day	10.00	3.27	32.74	3.26	16.625	(0.1)
364-day	10.00	3.92	39.21	3.64	16.817	(0.6)

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

Longhorn Publishers FY24 Results.

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Longhorn Publishers released its audited FY24 earnings reporting a loss of KES 237.9 MN.
.....

Longhorn Publishers released its audited FY24 earnings reporting a loss of KES 237.9 MN. The loss was mainly attributed to provisions and higher finance costs due to higher interest rates. The curriculum revisions proposed by the Presidential Working Party on Education Reforms in Kenya has resulted in a drop in spending on books due to the anticipated changes in textbooks that would overhaul textbooks already developed from Pre-Primary 1 (PP1) to Grade 6 (G6). This has necessitated the company to make further provisions on inventory held and development cost.

Turnover increased 43.1% y-o-y to KES 1.2 BN against a 37.1% y-o-y growth in costs of sales to KES 1.2 BN. This resulted in a 70.4% y-o-y growth in gross profit to KES 330.5 MN.

Finance costs grew by 12.3% y-o-y to KES 204.6 MN.

Total assets went down by 25.7% y-o-y to KES 2.1 BN after a 39.0% y-o-y drop in current assets to KES 916.0 MN and a 10.3% y-o-y decrease in non-current assets to KES 1.2 BN.

Current liabilities declined by 18.1% y-o-y to KES 2.1 BN while total equity edged down by 91.9% y-o-y to KES 23.4MN

Net cash generated from operating activities stood at KES 372.4 BN while net cash used in investing activities was stated as KES 27.9 BN. Net cash used in financing activities stood at KES 405.1 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
BAT Kenya	Interim: KES 5.00	30-Aug-24	27-Sep-24
Stanbic Kenya	Interim: KES 1.84	02-Sep-24	27-Sep-24
NCBA Group	Interim: KES 2.25	11-Sep-24	25-Sep-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
Bamburi Cement	Special: KES 18.25	20-Sep-24	27-Sep-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*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Eaagads	11:00 a.m.	Virtual	20-Sep-24
Nairobi Business Ventures	10:00 a.m.	Virtual	26-Sep-24
Centum Plc	10:00 a.m.	Virtual	30-Sep-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>
Bamburi Cement	11:00 a.m.	Virtual	17-Sep-24

(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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