

DBIB WEEKLY BULLETIN

WEEK 38

Date: 20.09.2024

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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	106.44	0.12	(5.60)	(1.13)	15.56
NSE-20	1,790.64	4.45	3.49	6.13	19.28
DBIB Select	90.25	(0.38)	0.85	2.12	10.04
MSCI Kenya (USD)	787.72	(0.78)	(11.73)	0.13	42.43
MSCI Frontier (USD)	534.68	(0.06)	1.33	1.26	5.46

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,666.15	0.12	1.78	(5.42)	(0.95)
Market Turnover (USD m)	10.91	18.00	17.87	17.13	(42.97)
Market P/E (x)	9.41	(0.45)	68.78	21.48	3.17
Market Div. yld (%) *	9.11	(1.09)	117.38	285.99	61.05
Market ROE (%) *	23.33	(20.66)	80.18	14.80	(418.96)

* 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	(0.49)	0.03	0.12
KES/GBP*	171.68	(1.07)	(5.26)	(0.02)	0.05
KES/EUR*	144.20	(0.70)	(4.53)	(0.00)	0.08
Fx Reserve (USD MN)*	7,856.00	1.45	(5.59)	0.12	0.13
Fx reserve: Import Cover**	4.10	10.00	(0.20)	0.40	0.30
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

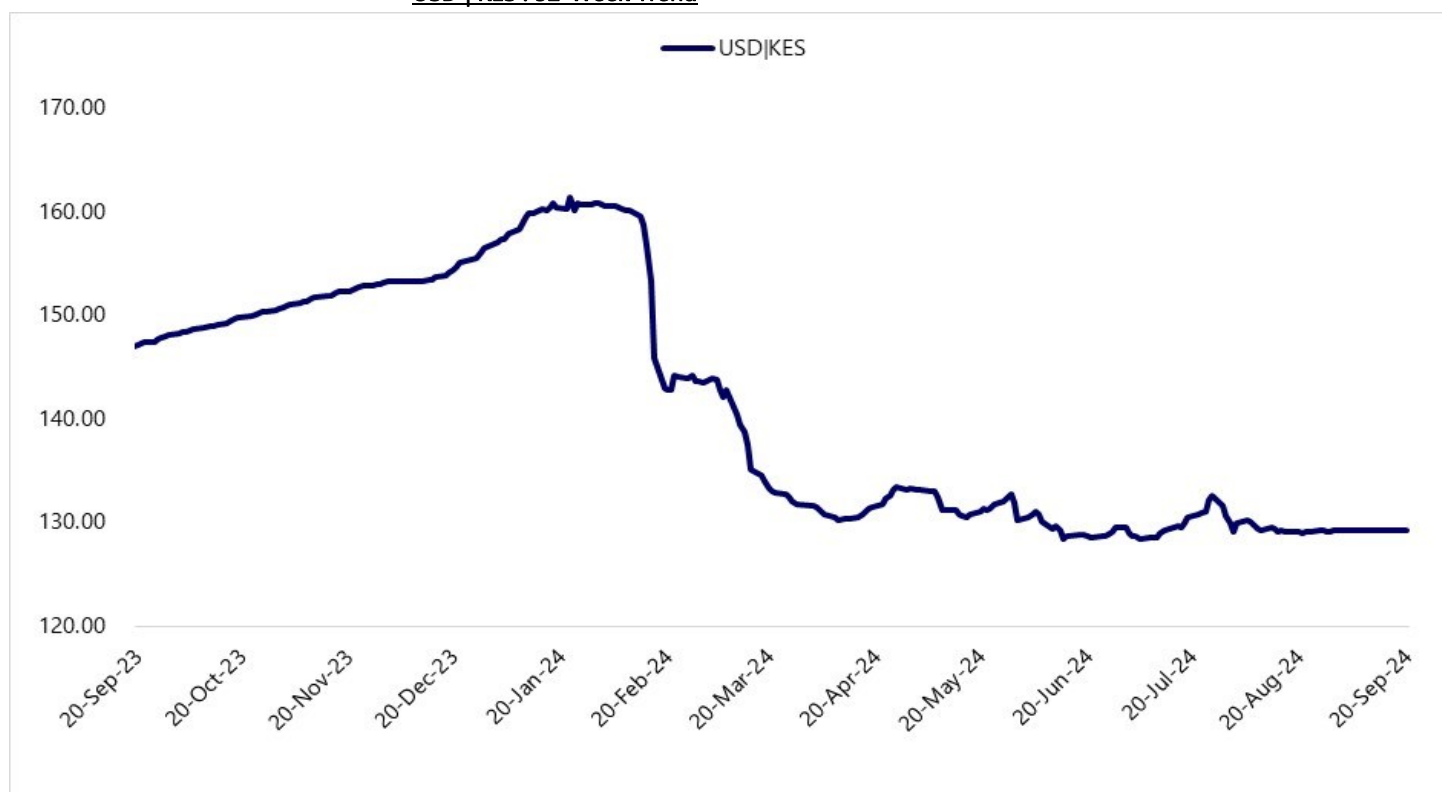
NSE 20 and **NASI** increased by 4.45% and 0.12% w-o-w to close at 1790.64 and 106.44, respectively.

Weekly equity turnover went up by 18.0% w-o-w to close at USD 10.91 MN (KES 1.41 BN).

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

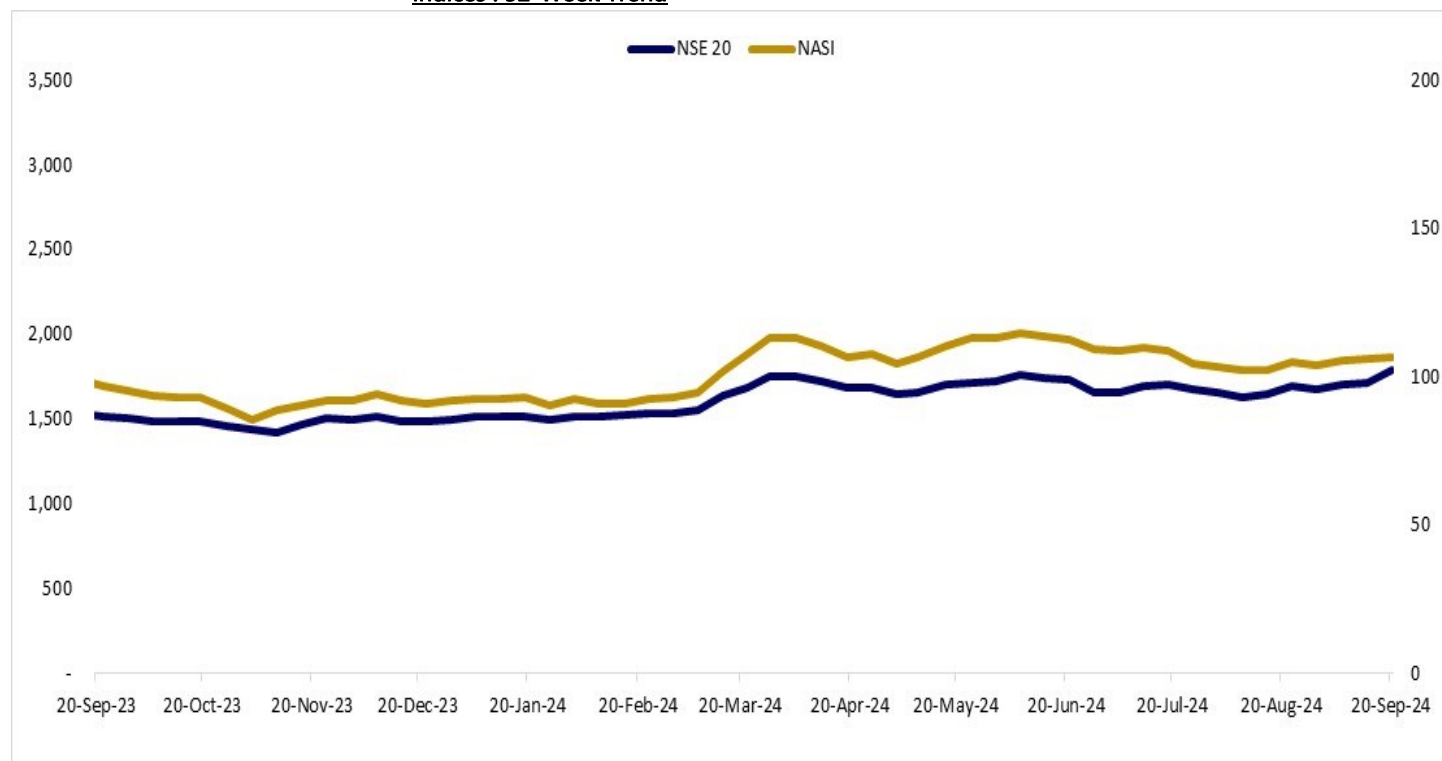
INDICES & MARKET METRICS MOVEMENT

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

.....
Equity Group emerged as the top traded counter on the bourse recording a weekly turnover of USD 3.24 MN (KES 0.42 BN) representing 29.68% of this week's turnover.

The stock **went down** 3.9% w-o-w to close at KES 42.00 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for **51.99%** of foreign sales and **39.94%** of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
E.A.Portland Cement	50.4
Kenya Power	41.7
KenGen	24.9
Kenya Re	22.9
WPP Scangroup	19.6

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Sanlam Kenya	(7.6)
TPS Eastern Africa	(5.6)
Trans-Century	(5.6)
Flame Tree Group	(5.5)
Olympia Capital	(4.2)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Equity Group	3.24
Safaricom	2.73
KCB Group	1.24
Bamburi Cement	0.68
StanChart	0.48

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Power	165.5
E.A.Portland Cement	129.4
KenGen	124.5
Bamburi Cement	54.7
KCB Group	54.6

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Trans-Century	(34.6)
Kenya Re	(31.4)
NBV	(25.2)
TPS Eastern Africa	(23.1)
Nation Media Group	(22.2)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
TotalEnergies	97.4
East African Breweries	97.2
NBV	92.8
StanChart	80.7
Equity Group	39.9

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Carbacid	71.5
East African Breweries	54.5
Equity Group	52.0
Safaricom	45.2
BAT Kenya	28.6

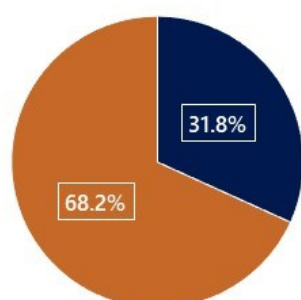
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
I&M Group	96.3
BK Group	94.9
East African Breweries	74.3
Equity Group	69.3
Crown Paints	64.9

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
I&M Group	93.5
Safaricom	71.7
Equity Group	67.1
Centum	66.6
BAT Kenya	65.9

WEEKLY LOCAL VS FOREIGN PARTICIPATION



■ Foreign Participation
 ■ Local Participation

(Source: NSE, DBIB Research)

The **Bond market's turnover** for the week stood at USD 272.58 MN (KES 35.21 BN) representing a 7.9% w-o-w increase from USD 252.66 MN (KES 32.64 BN) recorded the previous week.

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 272.58 MN (KES 35.21 BN) representing a 7.9% w-o-w increase from USD 252.66 MN (KES 32.64 BN) recorded the previous week. The bond issue number FXD1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 8.67 BN accounting for 24.6% of the week's turnover. The bond traded between 15.8000% and 18.8740%.

September Issue Results: Re-opened FXD1/2024/010 & FXD1/2016/020

The Central Bank of Kenya (CBK) issued a re-opened sale on FXD1/2024/10 (9.5 years) and FXD1/2016/20 (12 years) with the intention of raising KES 30.0 BN for budgetary support. From the auction, the CBK received bids worth KES 13.4 BN for FXD1/2024/10 and KES 9.2 BN for FXD1/2016/20, translating to a total subscription rate of 75.47%. In turn, it accepted bids worth KES 11.6 BN for FXD1/2024/10 and KES 7.7 BN for FXD1/2016/20.

Top Trades for the week ending 20 September 2024

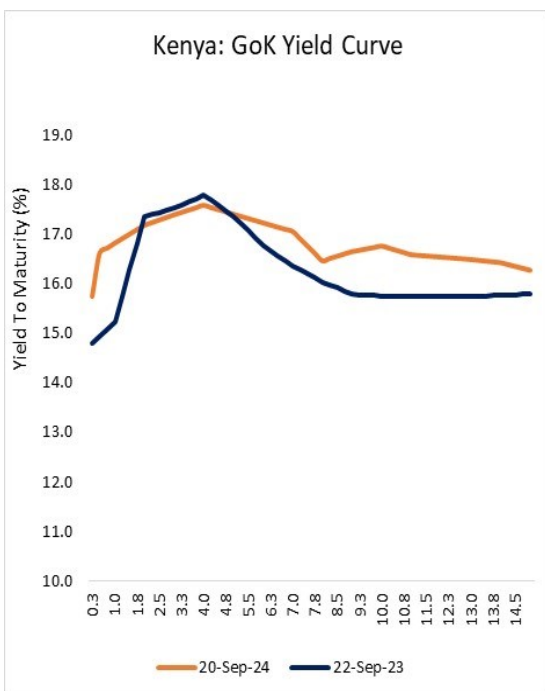
						Total
						Value
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
18-Sep	FXD1/2020/5Yr	0.6	11.6670	17.0000	101.22	2,000.0
20-Sep	FXD1/2020/5Yr	0.6	11.6670	16.9947	101.31	2,000.0
17-Sep	IFB1/2023/17Yr	15.4	14.3990	17.7000	84.54	1,000.0
17-Sep	FXD1/2021/5Yr	2.1	11.2770	17.5000	93.11	950.0
18-Sep	FXD1/2021/5Yr	2.1	11.2770	17.2500	93.56	950.0
20-Sep	FXD1/2022/3Yr	0.5	11.7660	16.8750	102.75	950.0
20-Sep	IFB1/2023/6.5Yr	5.6	17.9327	17.4180	107.73	900.0
20-Sep	IFB1/2014/12Yr	2.1	11.0000	12.5000	102.10	810.0
17-Sep	IFB1/2024/8.5Yr	7.9	18.4607	17.6500	104.29	800.0
16-Sep	FXD1/2016/10Yr	1.9	15.0390	17.6500	97.01	750.0
19-Sep	IFB1/2023/6.5Yr	5.6	17.9327	16.1500	111.25	750.0
19-Sep	FXD1/2023/5Yr	3.8	16.8440	17.7750	100.47	700.0
20-Sep	FXD1/2023/5Yr	3.8	16.8440	17.6150	100.94	700.0
Sell & buy-backs						
17-Sep	IFB1/2015/12Yr	4.5	11.0000	12.6500	96.59	557.4
18-Sep	IFB1/2015/12Yr	4.5	11.0000	12.5000	96.93	557.4
17-Sep	FXD1/2016/20Yr	12.0	14.0000	16.5950	86.71	210.0

(Source: NSE, DBIB Research)

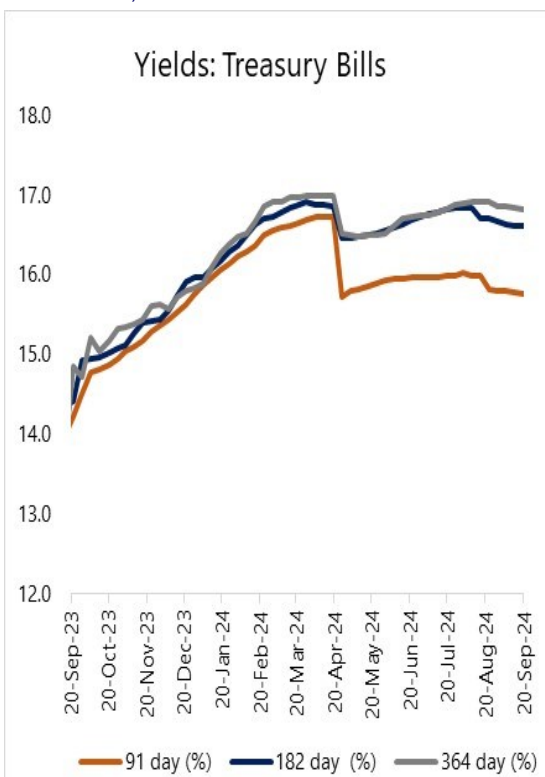
Treasury Bill auction for the week ending 20 September 2024

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	11.35	283.87	9.41	15.746	(0.4)
182-day	10.00	8.41	84.05	7.10	16.616	(0.9)
364-day	10.00	10.58	105.84	9.07	16.813	(0.4)

(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.
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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>
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)

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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