

DBIB WEEKLY BULLETIN

WEEK 39

Date: 27.09.2024

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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	107.16	0.68	(2.13)	(5.24)	16.34
NSE-20	1,777.73	(0.72)	7.32	1.44	18.42
DBIB Select	90.73	0.53	1.76	0.20	10.62
MSCI Kenya (USD)	802.08	1.82	(3.60)	(6.10)	45.03
MSCI Frontier (USD)	542.10	1.39	3.58	2.13	6.93

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,677.51	0.68	3.56	(1.94)	(5.06)
Market Turnover (USD m)	8.09	(25.84)	(54.46)	17.17	(79.84)
Market P/E (x)	9.62	2.21	1.01	26.89	2.07
Market Div. yld (%) *	9.05	(6.17)	85.37	281.52	40.86
Market ROE (%) *	23.43	10.21	92.48	52.26	(407.57)

* 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)	0.25	0.02	0.13
KES/GBP*	173.49	(1.06)	(5.85)	(0.04)	0.04
KES/EUR*	144.48	(0.20)	(4.04)	(0.01)	0.07
Fx Reserve (USD MN)*	8,027.00	2.18	2.91	0.13	0.16
Fx reserve: Import Cover**	4.10	-	-	0.30	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

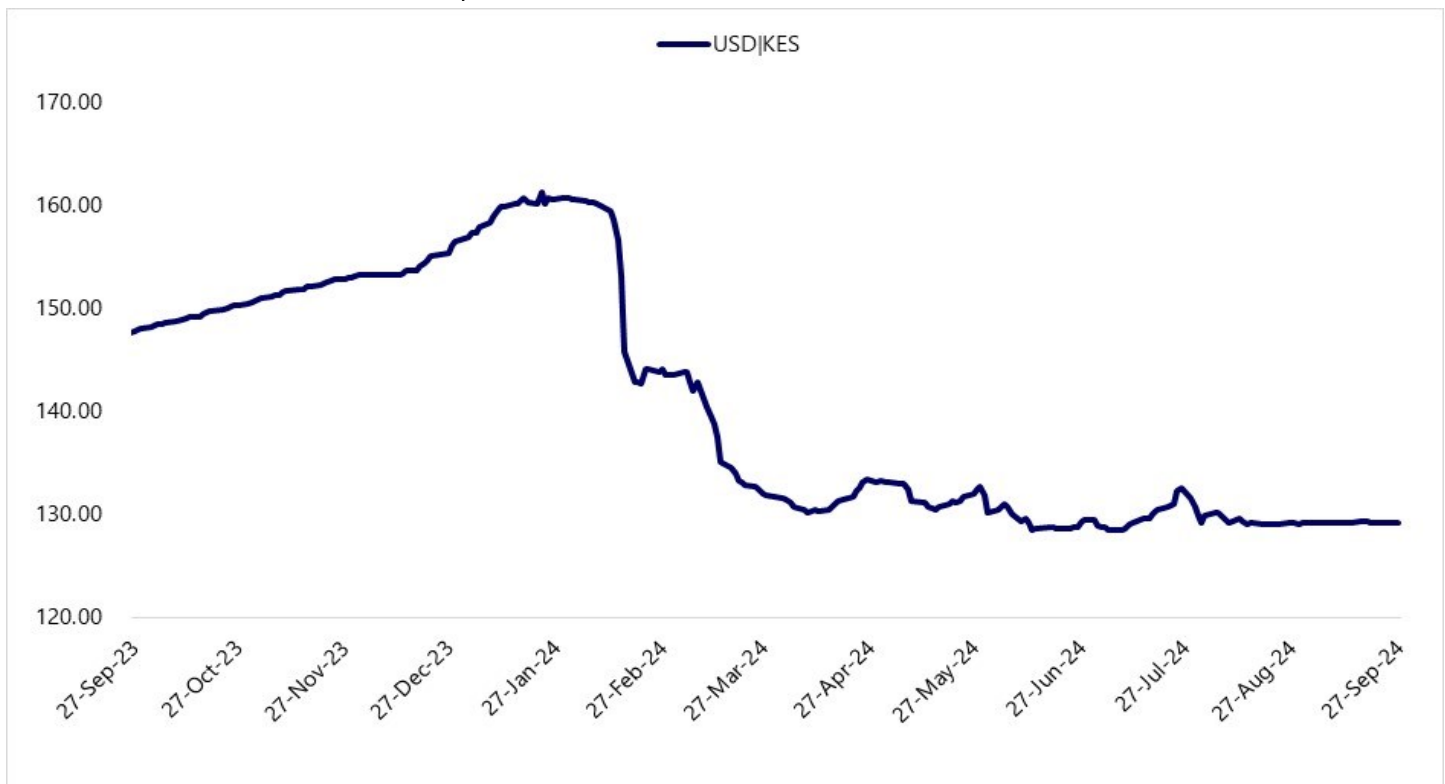
NSE 20 eased by 0.72% w-o-w to close at 1777.73 and **NASI** rose by 0.68% w-o-w to close at 107.16.

Weekly equity turnover went down by 25.8% w-o-w to close at USD 8.09 MN (KES 1.05 BN).

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

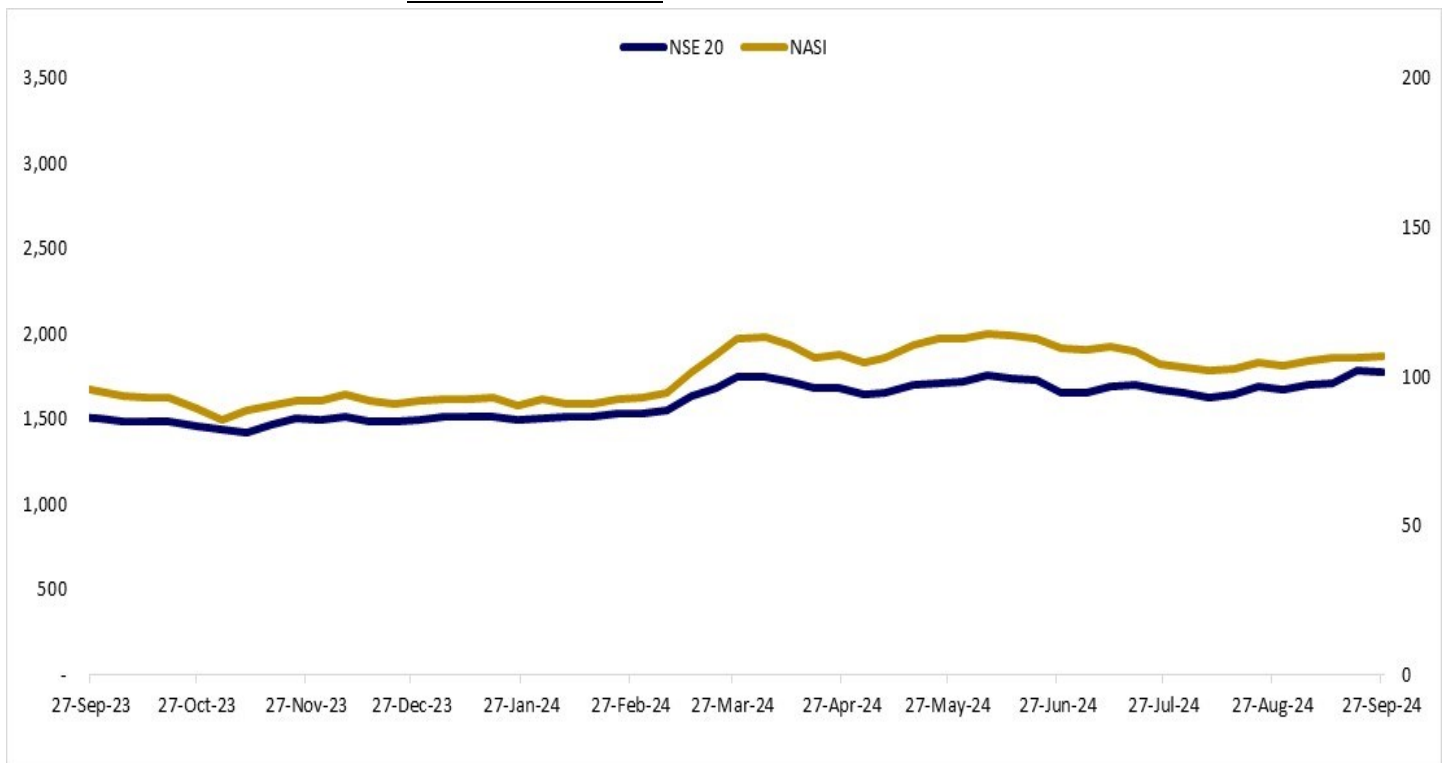
INDICES & MARKET METRICS MOVEMENT

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

.....
BK Group emerged as the top traded counter on the bourse recording a weekly turnover of USD 3.12 MN (KES 0.40 BN) representing 38.51% of this week's turnover.

The stock **went up** 3.1% w-o-w to close at KES 33.50 on Friday.

Foreign investors assumed a **net buying position** on the counter this week by accounting for **66.68%** of foreign sales and **99.96%** of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
E.A.Portland Cement	56.9
Trans-Century	35.3
Car & General	26.6
Unga Group	14.9
<u>Eveready East Africa</u>	<u>14.7</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Bamburi Cement	(27.3)
Standard Group	(9.1)
B.O.C Kenya	(8.1)
NBV	(8.1)
<u>Kenya Power</u>	<u>(7.2)</u>

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
BK Group	3.12
KCB Group	1.24
Safaricom	0.96
East African Breweries	0.94
<u>Kenya Power</u>	<u>0.34</u>

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
E.A.Portland Cement	260.0
Kenya Power	146.5
KCB Group	63.2
Bamburi Cement	59.8
<u>KenGen</u>	<u>49.3</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Kenya Re	(31.4)
Nairobi Business Ventures	(28.5)
Nation Media Group	(27.6)
TPS Eastern Africa	(21.9)
<u>Standard Group</u>	<u>(19.5)</u>

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
BK Group	100.0
Stanbic Holdings	93.5
NBV	91.9
East African Breweries	67.3
<u>Safaricom</u>	<u>54.7</u>

(Source: NSE, DBIB Research)

Y-T-D Foreign Performance

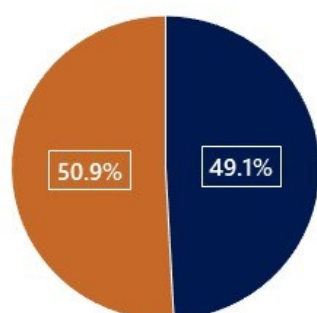
<u>Top Foreign Buys</u>	<u>% Purchase</u>
BK Group	98.2
I&M Group	96.3
East African Breweries	74.0
Equity Group	69.1
<u>Crown Paints</u>	<u>64.9</u>

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Safaricom	85.2
Sanlam	83.3
Equity Group	83.0
BOC Kenya	80.4
<u>BK Group</u>	<u>66.7</u>

<u>Top Foreign Sales</u>	<u>% Sold</u>
I&M Group	93.5
Safaricom	71.8
Equity Group	67.1
Centum	66.3
<u>BAT Kenya</u>	<u>65.7</u>

WEEKLY LOCAL VS FOREIGN PARTICIPATION



■ Foreign Participation
 ■ Local Participation

(Source: NSE, DBIB Research)

The **Bond market's turnover** for the week stood at USD 223.89 MN (KES 28.93 BN) representing a 17.9% w-o-w decrease from USD 272.58 MN (KES 35.21 BN) recorded the previous week.

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 223.89 MN (KES 28.93 BN) representing a 17.9% w-o-w decrease from USD 272.58 MN (KES 35.21 BN) recorded the previous week. The bond issue number IFB1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 12.62 BN accounting for 43.6% of the week's turnover. The bond traded between 14.7644% and 19.0068%.

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 25th September 2024 to 09th September 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 27 September 2024

						Total
	Coupon	Yield	Price	Value		
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
25-Sep	IFB1/2024/8.5Yr	7.9	18.4607	16.7000	108.20	1,103.5
23-Sep	FXD3/2019/5Yr	0.2	11.4920	16.7000	102.22	1,000.0
25-Sep	FXD3/2019/5Yr	0.2	11.4920	16.0000	102.44	1,000.0
27-Sep	FXD1/2016/10Yr	1.9	15.0390	17.1000	98.34	1,000.0
24-Sep	IFB1/2024/8.5Yr	7.9	18.4607	17.0000	107.02	800.0
27-Sep	IFB1/2024/8.5Yr	7.9	18.4607	16.5500	108.86	800.0
26-Sep	IFB1/2024/8.5Yr	7.9	18.4607	16.8500	107.68	750.0
25-Sep	IFB1/2024/8.5Yr	7.9	18.4607	17.0000	107.07	700.0
24-Sep	IFB1/2023/6.5Yr	5.6	17.9327	16.5000	110.49	650.0
27-Sep	IFB1/2024/8.5Yr	7.9	18.4607	16.8500	107.72	587.3
26-Sep	IFB1/2024/8.5Yr	7.9	18.4607	16.9500	107.30	500.0
27-Sep	IFB1/2023/6.5Yr	5.6	17.9327	16.6500	110.21	500.0
27-Sep	IFB1/2023/6.5Yr	5.6	17.9327	16.6000	110.35	500.0
27-Sep	IFB1/2024/8.5Yr	7.9	18.4607	16.7500	108.10	500.0
25-Sep	IFB1/2023/17Yr	15.4	14.3990	16.8000	88.74	450.0

Sell & buy-backs

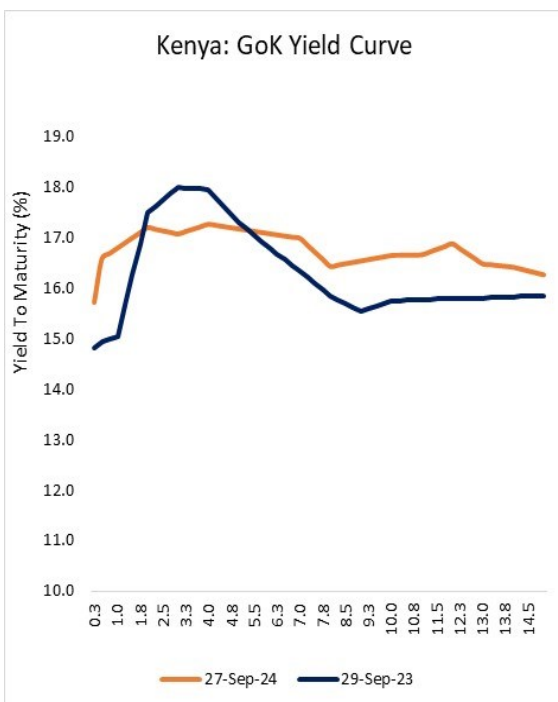
23-Sep	IFB1/2014/12Yr	2.1	11.0000	12.3000	102.55	1,000.0
23-Sep	IFB1/2014/12Yr	2.1	11.0000	12.5588	102.10	190.0

Source: NSE, DBIB Research

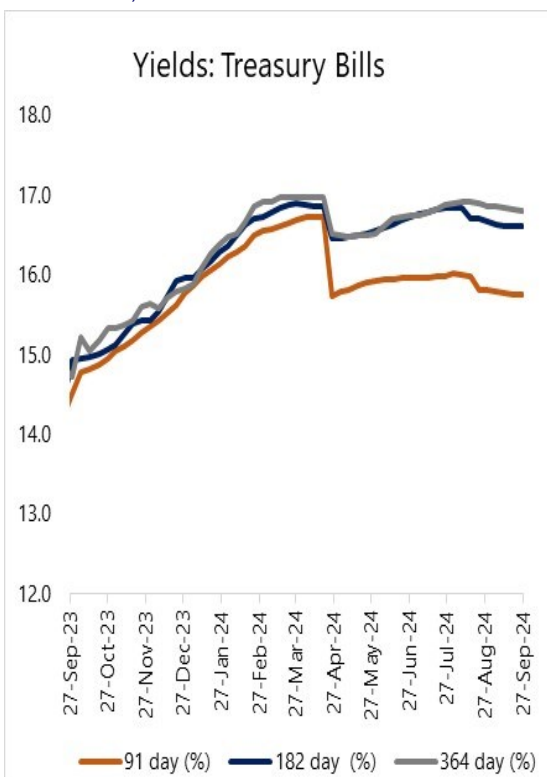
Treasury Bill auction for the week ending 27 September 2024

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	6.92	172.98	3.37	15.718	(2.8)
182-day	10.00	5.44	54.38	3.33	16.589	(2.7)
364-day	10.00	8.57	85.67	5.76	16.800	(1.3)

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



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
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*

AGM SCHEDULE

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