

DBIB WEEKLY BULLETIN

WEEK 09

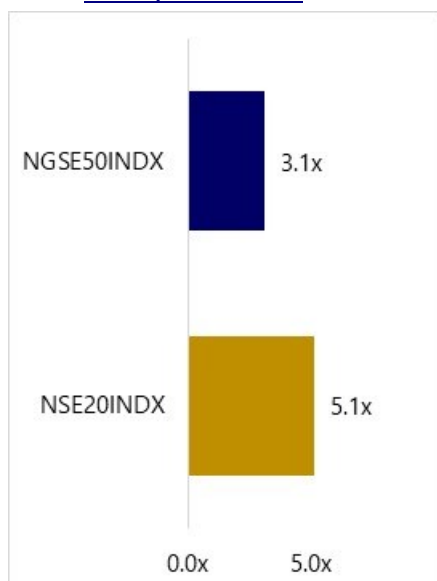
Date: 28.02.2025

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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 | 132.13 | (0.51) | 18.47 | 27.45 | 7.01 |
| NSE-20 | 2,300.17 | 2.64 | 23.58 | 37.06 | 14.40 |
| DBIB Select | 105.43 | 0.94 | 10.63 | 17.65 | 3.94 |
| MSCI Kenya (USD) | 954.73 | (0.37) | 15.97 | 24.80 | 4.44 |
| MSCI Frontier (USD) | 558.61 | (0.15) | 4.91 | 3.52 | 4.87 |

(Source: NSE, Bloomberg, DBIB Research)

| Market Metrics | Current | 1 wk (ch) | 3 m (ch) | 6 m (ch) | 12 m (ch) |
|-------------------------|-----------|-----------|----------|----------|-----------|
| Market Cap. (USD m) | 16,071.32 | (0.17) | 4.70 | 19.37 | 28.17 |
| Market Turnover (USD m) | 13.98 | (12.63) | (19.44) | (30.20) | (21.37) |
| Market P/E (x) | 8.56 | (6.66) | (0.22) | (19.58) | (10.11) |
| Market Div. yld (%) ** | 8.12 | 4.30 | (42.78) | (137.54) | 256.24 |
| Market ROE (%) ** | 22.99 | (5.76) | 18.08 | (39.74) | (21.64) |

* 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* | 129.23 | 0.28 | 0.35 | (0.00) | 0.10 |
| KES/GBP* | 162.61 | 0.88 | 1.34 | 0.04 | 0.11 |
| KES/EUR* | 134.23 | 1.31 | 2.09 | 0.06 | 0.14 |
| Fx Reserve (USD MN)* | 9,057.00 | (2.15) | 0.56 | 0.22 | 0.30 |
| Fx reserve: Import Cover** | 4.60 | (10.00) | - | 0.80 | 0.90 |
| Inflation** | 3.50 | 22.00 | 75.00 | (86.00) | (220.00) |
| CBR** | 10.75 | - | (125.00) | (200.00) | (225.00) |

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

(Source: NSE, DBIB Research)

Weekly Market Summary

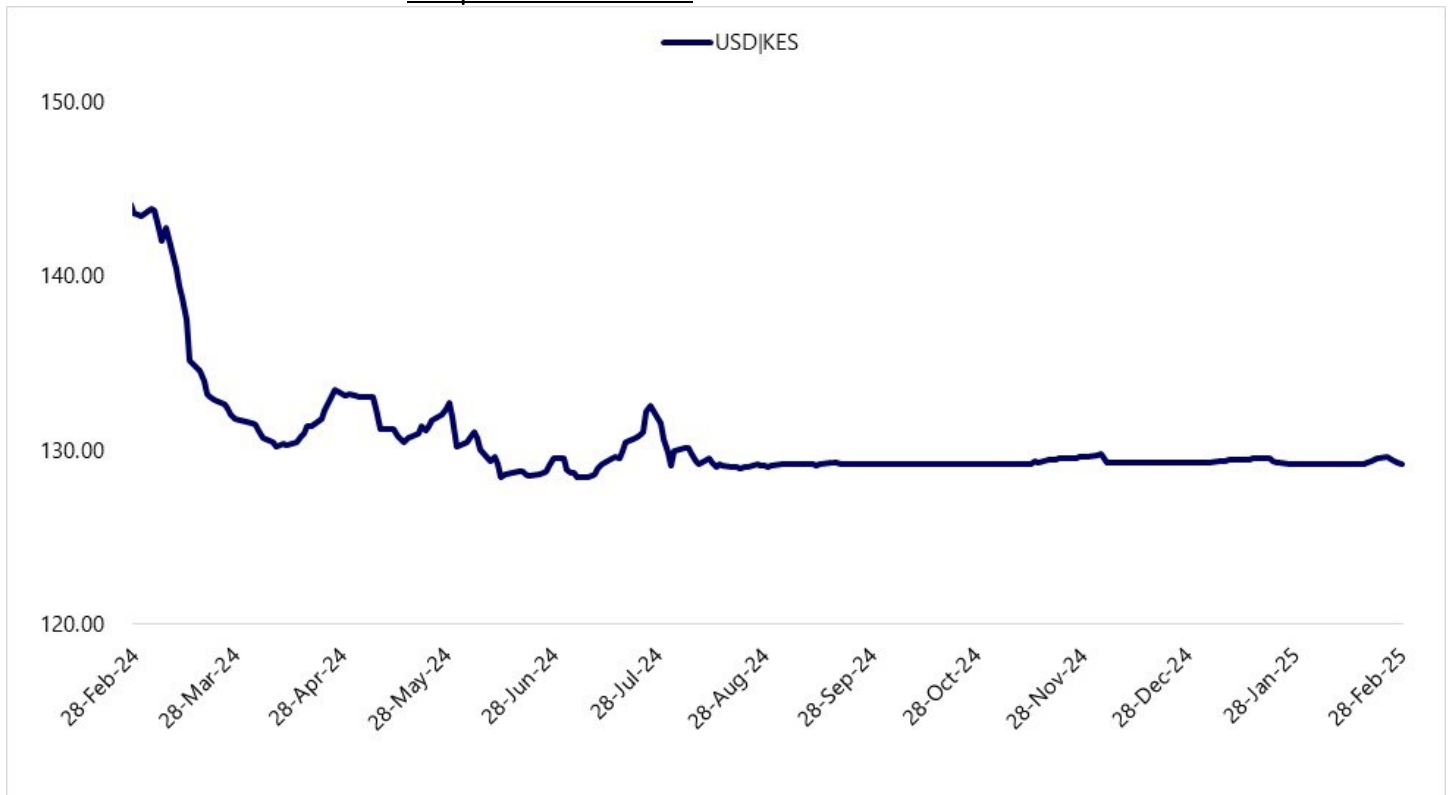
NSE 20 increased by 2.64% w-o-w to close at 2300.17 while **NASI** decreased by 0.51% w-o-w to close at 132.13.

Weekly equity turnover went up by 12.6% w-o-w to close at USD 13.98 MN (KES 1.81 BN).

USD | KES: KES strengthened by 0.28% w-o-w to close at 129.23 (0.05% year-to-date).

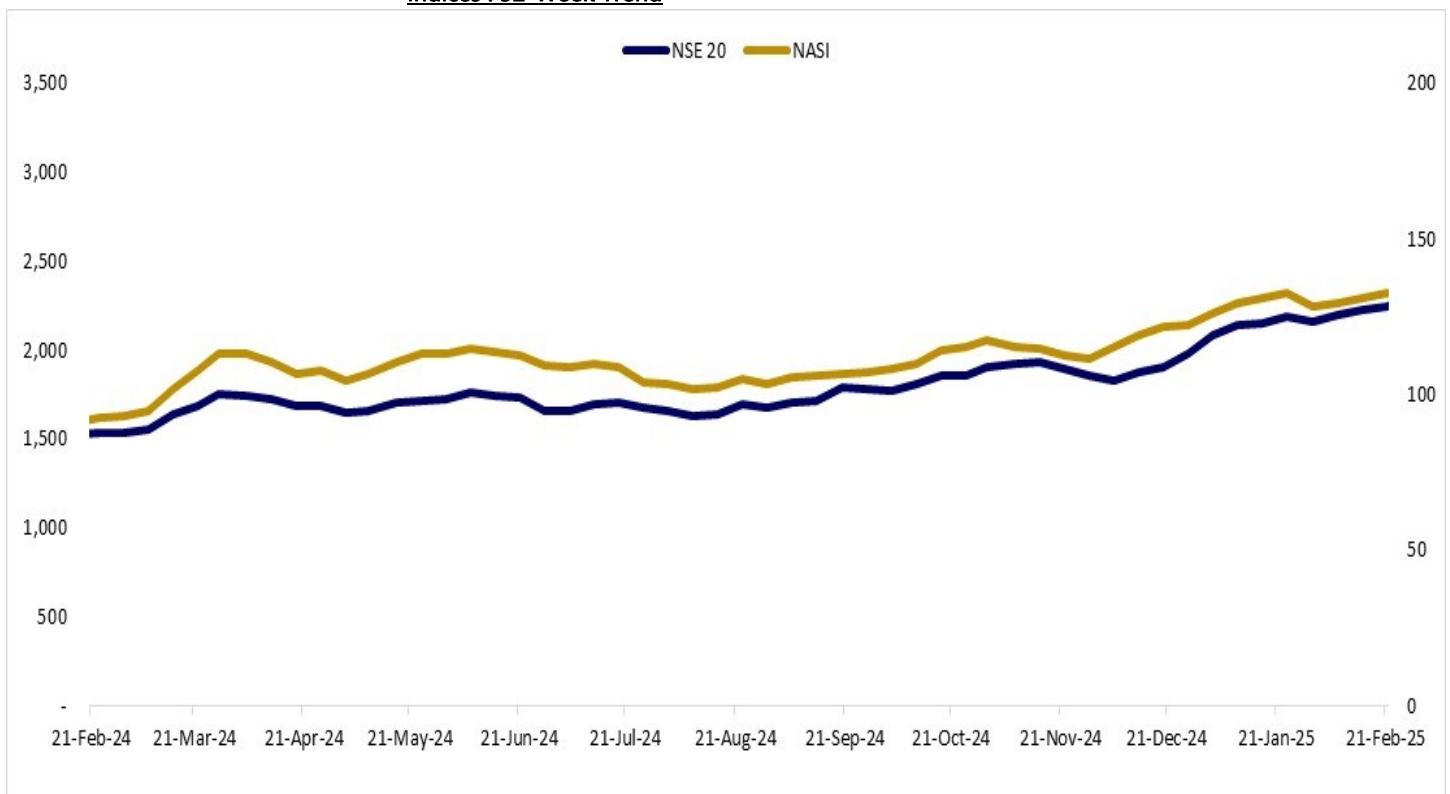
INDICES & MARKET METRICS MOVEMENT

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 4.88 MN (KES 0.63 BN) representing 34.95% of this week's turnover.

The stock increased by 2.3% w-o-w to close at KES 44.95 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for **6.45%** of foreign sales and **4.57%** of foreign purchases.

Week-on-Week Performance

| Top Gainers | % |
|--------------------|------|
| Centum | 22.5 |
| Uchumi | 12.1 |
| Unga Group | 10.5 |
| Car & General | 8.3 |
| TPS Eastern Africa | 8.3 |

(Source: NSE, DBIB Research)



| Top Losers | % |
|------------------|--------|
| Flame Tree Group | (17.8) |
| Carbacid | (6.7) |
| E.A.Cables | (6.4) |
| Crown Paints | (6.1) |
| Trans-Century | (5.7) |

(Source: NSE, DBIB Research)



| Top Traders (Value) | USD MN |
|---------------------|--------|
| KCB Group | 4.88 |
| Safaricom | 2.06 |
| BAT Kenya | 1.17 |
| E.A. Breweries | 0.96 |
| Standard Chartered | 0.69 |

(Source: NSE, DBIB Research)

Y-T-D Performance

| Top Gainers | % |
|--------------------|-------|
| Trans-Century | 241.0 |
| Home Afrika | 129.7 |
| E.A. Cables | 117.6 |
| Uchumi Supermarket | 104.6 |
| HF Group | 78.3 |

(Source: NSE, DBIB Research)



| Top Losers | % |
|----------------------|--------|
| Africa Mega Agricorn | (19.3) |
| The Limuru Tea | (14.3) |
| Umeme | (5.8) |
| B.O.C Kenya | (5.4) |
| Crown Paints Kenya | (4.5) |

(Source: NSE, DBIB Research)



Weekly Foreign Performance

| Top Weekly Buys | % Purchase |
|-----------------|------------|
| Equity Group | 62.9 |
| E.A. Breweries | 38.7 |
| Safaricom | 25.4 |
| Kenya Power | 21.4 |
| KenGen | 16.0 |

(Source: NSE, DBIB Research)

| Top Weekly Sales | % Sold |
|------------------|--------|
| BOC Gases | 96.3 |
| Flame Tree Group | 86.1 |
| Stanbic Holdings | 84.1 |
| BAT Kenya | 81.8 |
| NBV | 80.6 |

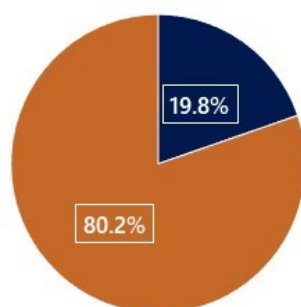
Y-T-D Foreign Performance

| Top Foreign Buys | % Purchase |
|------------------|------------|
| New Gold ETF | 100.0 |
| E.A. Breweries | 76.7 |
| Jubilee Holdings | 74.5 |
| NSE | 71.3 |
| BK Group | 69.5 |

(Source: NSE, DBIB Research)

| Top Foreign Sales | % Sold |
|-------------------|--------|
| BK Group | 91.5 |
| Safaricom | 78.8 |
| NSE | 74.7 |
| BAT Kenya | 71.6 |
| Stanbic Holdings | 64.9 |

WEEKLY LOCAL VS FOREIGN PARTICIPATION



- Foreign Participation
- Local Participation

(Source: NSE, DBIB Research)

The **bond market's turnover** for the week stood at USD 406.57 MN (KES 52.54 BN) representing a 58.7% w-o-w decrease from USD 983.45 MN (KES 127.44 BN) recorded the previous week.

FROM THE FIXED INCOME DESK

The bond market's turnover for the week stood at USD 406.57 MN (KES 52.54 BN) representing a 58.7% w-o-w decrease from USD 983.45 MN (KES 127.44 BN) recorded the previous week. The bond issue number IFB1/2024/8.5Yr emerged as the top traded bond with a turnover of KES 8.23 BN accounting for 15.7% of the week's turnover. The bond traded between 12.1800% and 18.6234%.

March Issue: Re-opened FXD1/2018/25.

The Central Bank of Kenya (CBK) had re-opened FXD1/2018/25 (18.3 years) with the intention of raising KES 25.0 BN for budgetary support. The period of sale runs from 21/02/2025 to 05/03/2025. The coupon rate for FXD1/2018/25 stands at 13.4000%.

Top Trades for the week ending 28th February 2025

| | | | | | | Total |
|--------------|----------------|-------|---------|---------|---------|---------|
| | Coupon | Yield | Price | Value | | |
| Trading Date | Issue No. | Years | (%) | (%) | (KES m) | (KES m) |
| 20-Feb | IFB1/2023/17Yr | 15.0 | 14.3990 | 13.5500 | 111.21 | 3,000.0 |
| 20-Feb | IFB1/2023/17Yr | 15.0 | 14.3990 | 13.8000 | 109.77 | 2,450.0 |
| 18-Feb | IFB1/2023/17Yr | 15.0 | 14.3990 | 14.3900 | 106.43 | 2,300.0 |
| 18-Feb | IFB1/2023/17Yr | 15.0 | 14.3990 | 14.1900 | 107.52 | 1,810.0 |
| 18-Feb | IFB1/2023/17Yr | 15.0 | 14.3990 | 14.0900 | 108.07 | 1,796.0 |
| 20-Feb | IFB1/2023/17Yr | 15.0 | 14.3990 | 13.9000 | 109.21 | 1,600.0 |
| 20-Feb | IFB1/2023/17Yr | 15.0 | 14.3990 | 13.7000 | 110.34 | 1,541.0 |
| 20-Feb | FXD2/2010/15Yr | 0.8 | 9.0000 | 10.2500 | 100.84 | 1,500.0 |
| 19-Feb | IFB1/2023/17Yr | 15.0 | 14.3990 | 13.7500 | 110.02 | 1,468.4 |
| 17-Feb | FXD1/2024/3Yr | 1.9 | 18.3854 | 10.7500 | 114.57 | 1,300.0 |
| 20-Feb | IFB1/2022/14Yr | 11.7 | 13.9380 | 13.6000 | 105.45 | 1,250.0 |
| 21-Feb | IFB1/2023/17Yr | 15.0 | 14.3990 | 13.6100 | 110.90 | 1,230.0 |
| 18-Feb | IFB1/2022/14Yr | 11.7 | 13.9380 | 13.9500 | 103.68 | 1,200.0 |

Sell & buy-backs

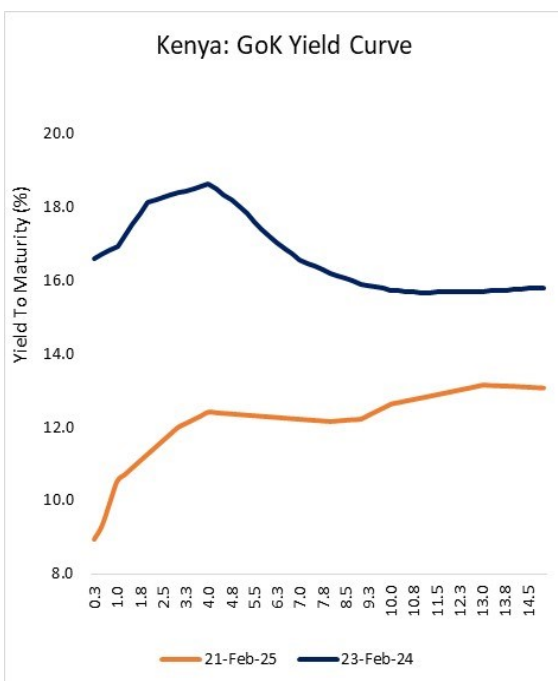
| | | | | | | |
|--------|----------------|-----|---------|---------|--------|---------|
| 17-Feb | FXD2/2010/15Yr | 0.8 | 9.0000 | 10.2500 | 100.76 | 1,500.0 |
| 18-Feb | FXD2/2010/15Yr | 0.8 | 9.0000 | 10.3000 | 100.75 | 1,500.0 |
| 19-Feb | FXD1/2024/3Yr | 1.9 | 18.3854 | 10.7380 | 114.66 | 1,300.0 |
| 19-Feb | FXD1/2021/5Yr | 1.7 | 11.2770 | 10.4860 | 104.28 | 1,098.7 |
| 23-Feb | FXD1/2023/10Yr | 7.9 | 14.1510 | 12.5000 | 108.60 | 1,000.0 |
| 19-Feb | FXD1/2024/10Yr | 9.1 | 16.0000 | 13.0000 | 122.24 | 860.0 |
| 20-Feb | FXD1/2023/2Yr | 0.5 | 16.9723 | 9.6180 | 103.59 | 700.0 |

Source: NSE, DBIB Research)

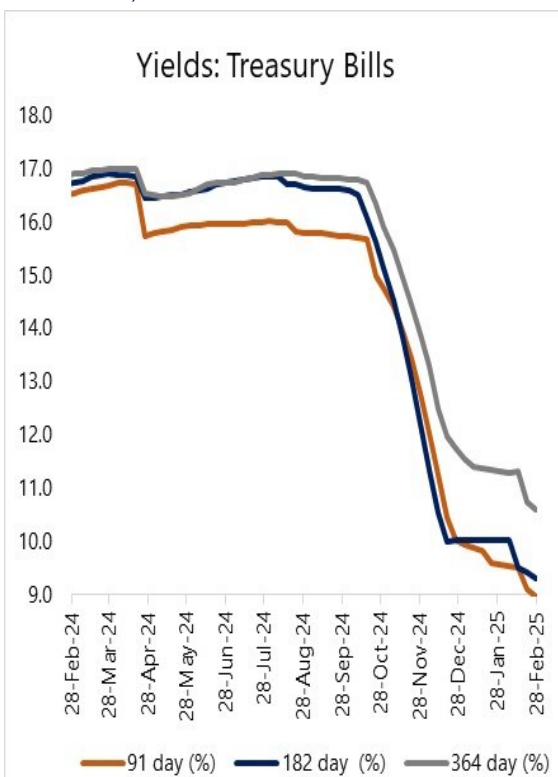
Treasury Bill auction for the week ending 28th February 2025

| Instrument | Amount (KES Bn) | Bids Received (KES Bn) | Subscription Rate (%) | Bids Accepted (KES Bn) | Yield (%) | w-o-w bps ch |
|------------|--------------------|---------------------------|--------------------------|---------------------------|--------------|-----------------|
| 91-day | 4.00 | 17.96 | 448.91 | 17.93 | 8.937 | (1.1) |
| 182-day | 10.00 | 6.90 | 68.96 | 6.90 | 9.240 | (7.2) |
| 364-day | 10.00 | 11.70 | 116.96 | 11.68 | 10.500 | (2.6) |

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

Longhorn Publishers HY25 Results

.....
Longhorn Publishers released its unaudited HY25 earnings reporting a loss of KES 148.6 MN.
.....

Longhorn Publishers released its unaudited HY25 earnings reporting a loss of KES 148.6 MN. The loss was mainly due to the delay in purchasing by the market owing to curriculum changes and delays in distributing the government orders. Various challenges to the company's business prevailed including delayed approval for revised titles by Kenya Institute of Curriculum Development, which covered the entire Pre-Primary 1 to Grade 9 books resulting in the reduced spending on books in the first half of the year as parents awaited the release of new textbooks.

Revenue decreased by 47.0% y-o-y to KES 278.8 MN and a 63.9% y-o-y drop in costs of sales to KES 165.8 MN. This resulted in a 68.4% y-o-y growth in gross profit to KES 113.0 MN.

Finance costs grew by 7.4% y-o-y to KES 105.7 MN.

Total assets went down by 12.3% y-o-y to KES 1.8 BN after a 26.7% y-o-y drop in current assets to KES 671.4 MN and a 0.9% y-o-y decrease in non-current assets to KES 1.1 BN.

Current liabilities declined by 2.3% y-o-y to KES 1.7 BN while Non-current liabilities decreased by 18.2% to 225.0 MN. Total equity turned negative and stood at KES 141.0 MN.

Net cash generated from operating activities stood at KES 126.3 MN while net cash used in investing activities was stated as KES 14.3 MN. Net cash used in financing activities stood at KES 107.1 MN

(Source: Company filings, DBIB Research).

UPCOMING EVENTS

Profit Warnings

1. WPP Scangroup
2. Kakuzi
3. Total Energies.
4. Express Kenya
5. Limuru Tea

| <u>Company</u> | <u>Announcement</u> | <u>Book Closure</u> | <u>Payment</u> |
|------------------|---------------------|---------------------|----------------|
| E.A. Breweries | Interim: KES 2.50 | 21-Feb-24 | 30-Apr-25 |
| Kenya Power | Interim: KES 0.20 | 28-Feb-25 | 11-Apr-25 |
| Safaricom | Interim: KES 0.55 | 03-Mar-25 | 31-Mar-25 |
| <u>BAT Kenya</u> | Final: KES 45.00 | 23-May-25 | 25-Jun-25 |

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

| <u>Company</u> | <u>Time</u> | <u>Venue</u> | <u>Date</u> |
|----------------------|-------------|--------------|-------------|
| E.A. Portland Cement | 12:00 p.m. | Virtual | 28-Feb-25 |
| <u>Sasini</u> | 11:00 a.m. | Virtual | 06-Mar-25 |

**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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