

# DBIB WEEKLY BULLETIN

# WEEK 04

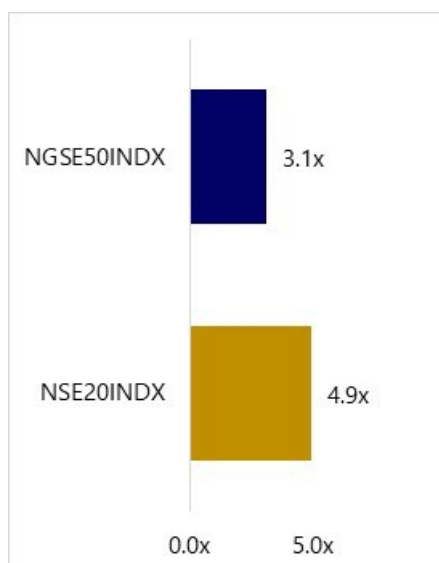
Date: 24.01.2025

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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                | 132.48   | 1.29     | 14.71   | 27.12   | 7.29    |
| NSE-20              | 2,185.88 | 1.82     | 17.92   | 30.57   | 8.72    |
| DBIB Select         | 104.61   | 1.83     | 9.06    | 17.88   | 3.13    |
| MSCI Kenya (USD)    | 978.35   | 2.57     | 12.38   | 27.65   | 7.03    |
| MSCI Frontier (USD) | 550.04   | 1.80     | 2.65    | 4.11    | 3.26    |

(Source: NSE, Bloomberg, DBIB Research)

| Market Metrics          | Current  | 1 wk (ch) | 3 m (ch) | 6 m (ch) | 12 m (ch) |
|-------------------------|----------|-----------|----------|----------|-----------|
| Market Cap. (USD m)     | 2,081.16 | 1.30      | 8.25     | 15.12    | 27.81     |
| Market Turnover (USD m) | 18.52    | 30.87     | 761.53   | 103.92   | 53.49     |
| Market P/E (x)          | 9.78     | 23.53     | (12.35)  | (11.31)  | 49.11     |
| Market Div. yld (%) **  | 7.96     | (10.33)   | (43.42)  | (64.69)  | 401.46    |
| Market ROE (%) **       | 22.82    | 25.41     | (88.89)  | 96.17    | (270.70)  |

\* 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*                   | 129.26   | 0.24      | (0.05)   | 0.02     | 0.20      |
| KES/GBP*                   | 159.21   | (0.56)    | 4.95     | 0.07     | 0.22      |
| KES/EUR*                   | 134.39   | (0.79)    | 3.88     | 0.07     | 0.23      |
| Fx Reserve (USD MN)*       | 8,652.00 | (5.37)    | 1.97     | 0.18     | 0.28      |
| Fx reserve: Import Cover** | 4.40     | (30.00)   | -        | 0.60     | 0.80      |
| Inflation**                | 2.99     | -         | 27.00    | (132.00) | (386.00)  |
| CBR**                      | 11.25    | -         | (75.00)  | (175.00) | (125.00)  |

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

(Source: NSE, DBIB Research)

### Weekly Market Summary

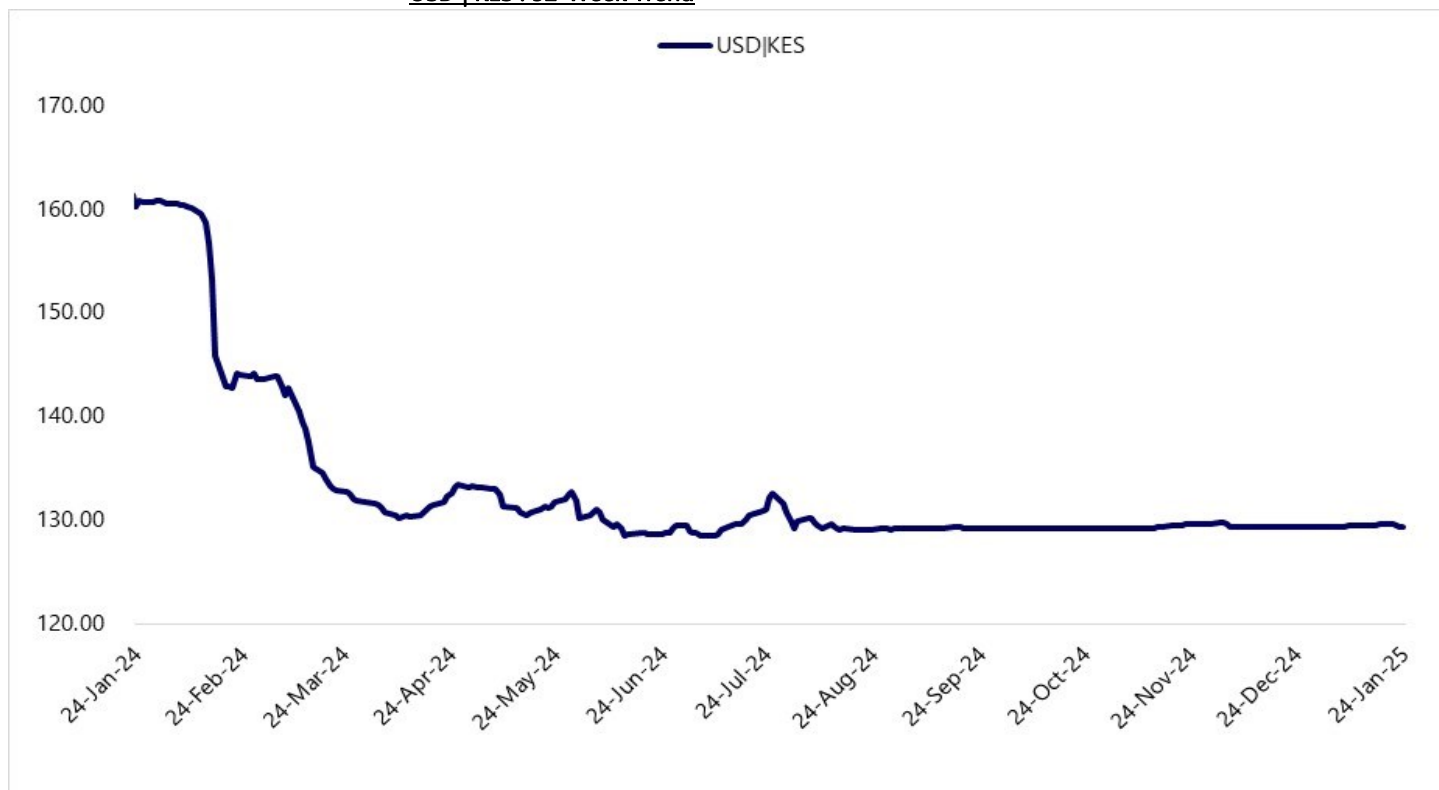
**NSE 20** and **NASI** rose by 1.18% and 1.29% w-o-w to close at 2,185.88 and 132.48, respectively.

**Weekly equity turnover** went up by 30.9% w-o-w to close at USD 18.52 MN (KES 2.39 BN).

**USD | KES:** KES strengthened by 0.24% w-o-w to close at 129.26 (-0.02% year-to-date).

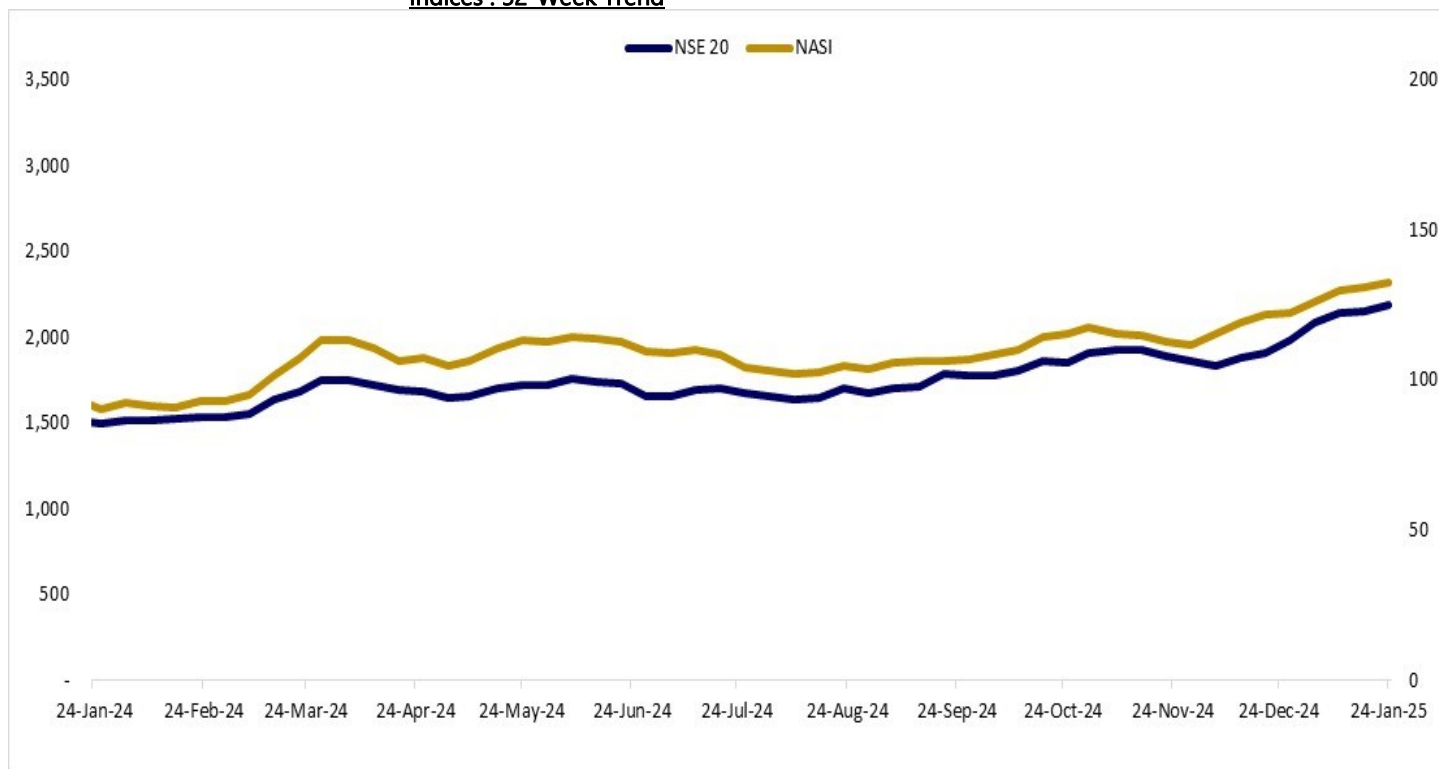
# INDICES & MARKET METRICS MOVEMENT

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)



# WEEKLY BOURSE WRAP UP...

Safaricom emerged as the top traded counter on the bourse recording a weekly turnover of USD 6.80 MN (KES 0.88 BN) representing 36.69% of this week's turnover.

The stock rose 1.6% w-o-w to close at KES 18.90 on Friday.

Foreign investors assumed a **net buying position** on the counter this week by accounting for 73.25% of foreign sales and 64.35% of foreign purchases.

## Week-on-Week Performance

| <u>Top Gainers</u> | <u>%</u> |
|--------------------|----------|
| Trans-Century      | 93.8     |
| E.A. Cables        | 39.5     |
| Uchumi Supermarket | 33.3     |
| Flame Tree Group   | 27.3     |
| Sanlam Kenya       | 25.7     |

(Source: NSE, DBIB Research)



| <u>Top Losers</u>    | <u>%</u> |
|----------------------|----------|
| Kenya Airways        | (35.9)   |
| Kenya Power          | (9.1)    |
| Car & General        | (8.7)    |
| E.A. Portland Cement | (8.5)    |
| B.O.C Kenya          | (6.7)    |

Source: NSE, DBIB Research)



| <u>Top Traders (Value)</u> | <u>USD MN</u> |
|----------------------------|---------------|
| Safaricom                  | 6.80          |
| KCB Group                  | 3.80          |
| HF Group                   | 2.07          |
| East African Breweries     | 1.18          |
| Stanbic Holdings           | 1.10          |

(Source: NSE, DBIB Research)

## Y-T-D Performance

| <u>Top Gainers</u> | <u>%</u> |
|--------------------|----------|
| Trans-Century      | 138.5    |
| HF Group           | 80.0     |
| Britam Holdings    | 47.2     |
| E.A. Cables        | 45.5     |
| Sanlam Kenya       | 42.2     |

Source: NSE, DBIB Research)



| <u>Top Losers</u>    | <u>%</u> |
|----------------------|----------|
| E.A. Portland Cement | (18.6)   |
| Express Kenya        | (16.9)   |
| Nation Media Group   | (10.3)   |
| B.O.C Kenya          | (9.3)    |
| The Limuru Tea       | (7.6)    |

(Source: NSE, DBIB Research)



## Weekly Foreign Performance

| <u>Top Weekly Buys</u> | <u>% Purchase</u> |
|------------------------|-------------------|
| New Gold ETF           | 100.0             |
| E.A. Breweries         | 86.9              |
| Equity Group           | 79.5              |
| Safaricom              | 73.3              |
| Stanbic Holdings       | 55.7              |

(Source: NSE, DBIB Research)

| <u>Top Weekly Sales</u> | <u>% Sold</u> |
|-------------------------|---------------|
| BK Group                | 97.9          |
| Car & General           | 70.9          |
| Stanbic Holdings        | 64.7          |
| Safaricom               | 64.3          |
| E.A. Breweries          | 58.5          |

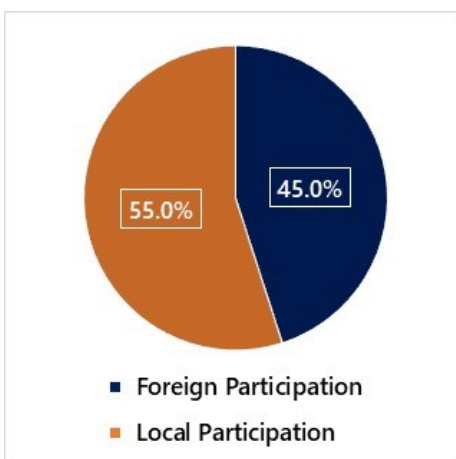
## Y-T-D Foreign Performance

| <u>Top Foreign Buys</u> | <u>% Purchase</u> |
|-------------------------|-------------------|
| New Gold ETF            | 100.0             |
| NSE                     | 83.5              |
| E.A. Breweries          | 79.3              |
| BK Group                | 74.3              |
| Equity Group            | 63.0              |

(Source: NSE, DBIB Research)

| <u>Top Foreign Sales</u> | <u>% Sold</u> |
|--------------------------|---------------|
| BK Group                 | 94.9          |
| NSE                      | 87.7          |
| Kakuzi                   | 83.3          |
| Standard Group           | 81.6          |
| Equity Group             | 71.2          |

## WEEKLY LOCAL VS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

## FROM THE FIXED INCOME DESK

The **bond market's turnover** for the week stood at USD 381.73 MN (KES 49.34 BN) representing a 5.2% w-o-w increase from USD 362.79 MN (KES 47.01 BN) recorded the previous week.

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### February Issue Results: Re-opened IFB1/2022/14 and IFB1/2023/17.

The Central Bank of Kenya (CBK) had re-opened IFB1/2022/14 (11.8 years) and IFB1/2023/17 (15.1 years) with the intention of raising KES 70.0 BN for funding of infrastructure projects in the FY 2024/2025. The period of sale runs from 23/01/2025 to 12/02/2025. The coupon rate for IFB1/2022/14 stands at 13.9380% while IFB1/2023/17 stands at 14.3990%.

### Top Trades for the week ending 24<sup>th</sup> January 2025

|              |                |       |         |         |         | Total   |
|--------------|----------------|-------|---------|---------|---------|---------|
|              |                |       |         |         |         |         |
|              | Coupon         | Yield | Price   | Value   |         |         |
| Trading Date | Issue No.      | Years | (%)     | (%)     | (KES m) | (KES m) |
| 20-Jan       | FXD1/2022/3Yr  | 0.2   | 11.7660 | 10.8000 | 103.55  | 2,000.0 |
| 22-Jan       | FXD1/2010/15Yr | 0.1   | 10.2500 | 10.8000 | 103.71  | 1,564.4 |
| 20-Jan       | FXD1/2023/5Yr  | 3.5   | 16.8440 | 13.8700 | 108.31  | 1,150.0 |
| 22-Jan       | FXD1/2022/25Yr | 22.7  | 14.1880 | 15.3000 | 96.55   | 1,150.0 |
| 23-Jan       | FXD1/2023/5Yr  | 3.5   | 16.8440 | 13.5000 | 109.48  | 1,060.0 |
| 21-Jan       | FXD1/2022/25Yr | 22.7  | 14.1880 | 15.3000 | 96.51   | 1,000.0 |
| 23-Jan       | FXD1/2023/2Yr  | 0.6   | 16.9723 | 10.8000 | 110.61  | 1,000.0 |
| 23-Jan       | FXD1/2023/2Yr  | 0.6   | 16.9723 | 10.7800 | 110.62  | 1,000.0 |
| 23-Jan       | FXD1/2024/3Yr  | 2.0   | 18.3854 | 12.4000 | 110.69  | 1,000.0 |
| 23-Jan       | FXD1/2024/3Yr  | 2.0   | 18.3854 | 12.3800 | 110.72  | 1,000.0 |
| 23-Jan       | FXD1/2024/3Yr  | 2.0   | 18.3854 | 12.1000 | 111.24  | 1,000.0 |
| 20-Jan       | FXD1/2024/10Yr | 9.1   | 16.0000 | 14.1500 | 114.51  | 950.0   |
| 21-Jan       | FXD1/2024/10Yr | 9.1   | 16.0000 | 14.1300 | 114.66  | 950.0   |
| 24-Jan       | FXD1/2024/3Yr  | 2.0   | 18.3854 | 12.4000 | 110.72  | 895.0   |
| 24-Jan       | FXD1/2024/3Yr  | 2.0   | 18.3854 | 12.3800 | 110.76  | 895.0   |

### Sell & buy-backs

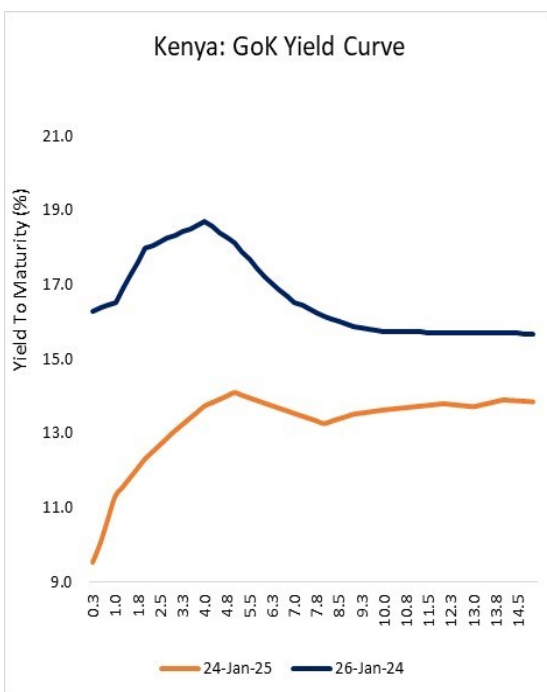
|        |                |      |         |         |        |       |
|--------|----------------|------|---------|---------|--------|-------|
| 21-Jan | FXD1/2020/5Yr  | 0.3  | 11.6670 | 10.4970 | 102.78 | 700.0 |
| 22-Jan | IFB1/2023/17Yr | 15.1 | 14.3990 | 12.8000 | 114.56 | 200.0 |

(Source: NSE, DBIB Research)

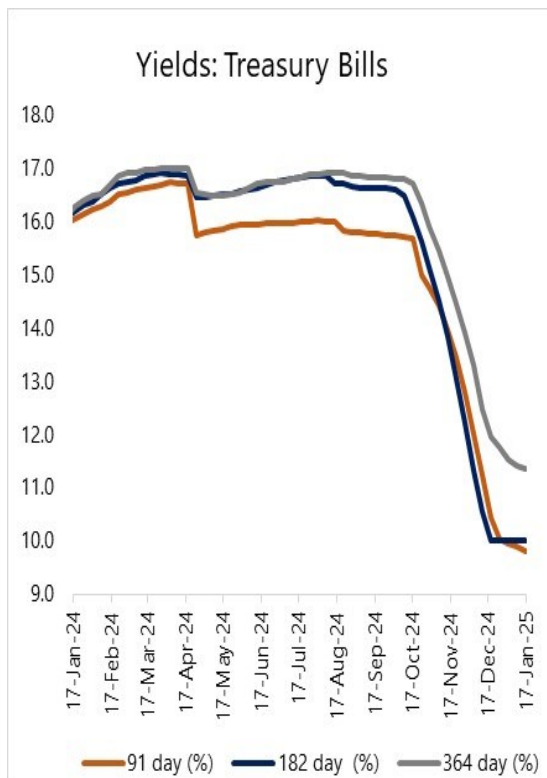
### Treasury Bill auction for the week ending 24<sup>th</sup> January 2025

| Instrument | Amount   | Bids Received | Subscription | Bids Accepted | Yield  | w-o-w  |
|------------|----------|---------------|--------------|---------------|--------|--------|
|            | (KES Bn) | (KES Bn)      | Rate (%)     | (KES Bn)      | (%)    | bps ch |
| 91-day     | 4.00     | 16.79         | 419.77       | 16.79         | 9.525  | (4.0)  |
| 182-day    | 10.00    | 3.82          | 38.22        | 3.82          | 10.028 | (0.2)  |
| 364-day    | 10.00    | 12.20         | 122.03       | 12.20         | 11.295 | (1.0)  |

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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## Salient News

### TransCentury HY24 Results.

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**Trans-Century** released its audited HY24 earnings reporting a profit of KES 375.10 MN which was an improvement from a loss of KES 1.67 BN reported in HY23.

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**Trans-Century** released its audited HY24 earnings reporting a profit of KES 375.10 MN which was an improvement from a loss of KES 1.67 BN reported in HY23. The increase in operational profit was mainly attributed by robust performance across key business segments, and execution of strategic initiatives including healthy pipeline generation, innovative products and services, improved efficiencies and market development. The exemplary performance, sustaining its growth momentum by recording a 12% increase in revenue and returning to profitability by posting KES. 375m net profit. Additionally, the appreciation of the Kenya Shilling against the US Dollar supported the Group's efforts in reversing foreign exchange losses incurred in prior years. The company reported forex gains of KES 881.75 MN.

**Revenue increased 12.0% y-o-y to KES 3.09 BN** while cost of sales increased by 16.2% y-o-y to KES 2.22 BN resulting to a 2.7% y-o-y increase in the gross profit to KES 871.27 MN.

**Finance costs went up by 12.4% y-o-y to KES 768.34 MN** and the operating expenses increased by 7.5% y-o-y to KES 823.76 MN.

**Total assets went down by 21.6% y-o-y to KES 10.79 BN** after a 18.1% y-o-y drop in current assets to KES 6.55 BN and a 26.5% y-o-y decrease in non-current assets to KES 4.24 BN.

**Total liabilities decreased by 4.7% y-o-y to KES 25.35 BN** after a 3.7% y-o-y increase in current liabilities to KES 22.06 BN and a 38.2% y-o-y declines in non-current liabilities to KES 3.29 BN. Total equity remained negative and was stated as KES -14.56 BN.

**Net cash used in operating activities stood at KES 40.55 MN** while net cash used in investing activities was stated as KES 231.64 MN. Net cash generated from financing activities stood at KES 408.72 MN. 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).*

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## 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> |
|----------------------|-------------------------|---------------------|----------------|
| KenGen               | Final: KES 0.65         | 29-Nov-24           | 13-Feb-25      |
| Kenya Power          | Final: KES 0.70         | 02-Dec-24           | 31-Jan-25      |
| E.A. Portland Cement | First & Final: KES 1.00 | 31-Dec-24           | 28-Feb-25      |

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

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## 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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