

DBIB WEEKLY BULLETIN

WEEK 05

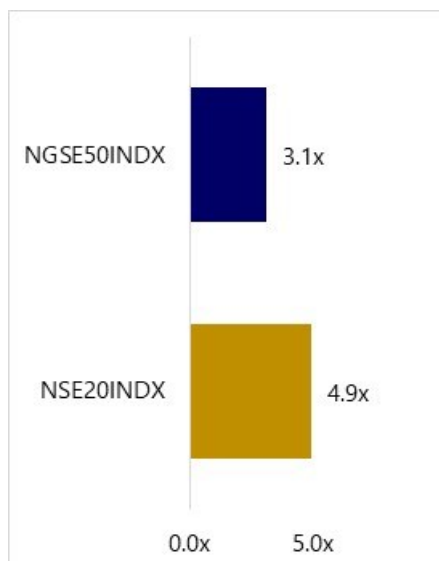
Date: 31.01.2025

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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	128.28	(3.17)	9.07	24.23	3.89
NSE-20	2,162.58	(1.07)	13.49	30.36	7.56
DBIB Select	101.99	(2.50)	5.05	15.38	0.55
MSCI Kenya (USD)	918.79	(6.09)	3.82	18.76	0.51
MSCI Frontier (USD)	548.77	(0.23)	2.04	4.49	3.03

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	1,983.70	(4.68)	(0.06)	7.75	22.96
Market Turnover (USD m)	17.35	(6.34)	308.91	97.56	84.93
Market P/E (x)	8.58	(12.26)	(14.82)	(24.56)	30.92
Market Div. yld (%) **	8.49	53.04	17.29	(21.55)	495.80
Market ROE (%) **	22.71	(11.26)	(113.52)	(77.31)	(121.55)

* 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	0.03	(0.02)	0.01	0.20
KES/GBP*	160.72	(0.95)	3.94	0.03	0.21
KES/EUR*	134.49	(0.08)	4.06	0.04	0.23
Fx Reserve (USD MN)*	8,877.00	2.60	3.39	0.22	0.24
Fx reserve: Import Cover**	4.50	10.00	0.10	0.70	0.70
Inflation**	2.99	-	27.00	(137.00)	(332.00)
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

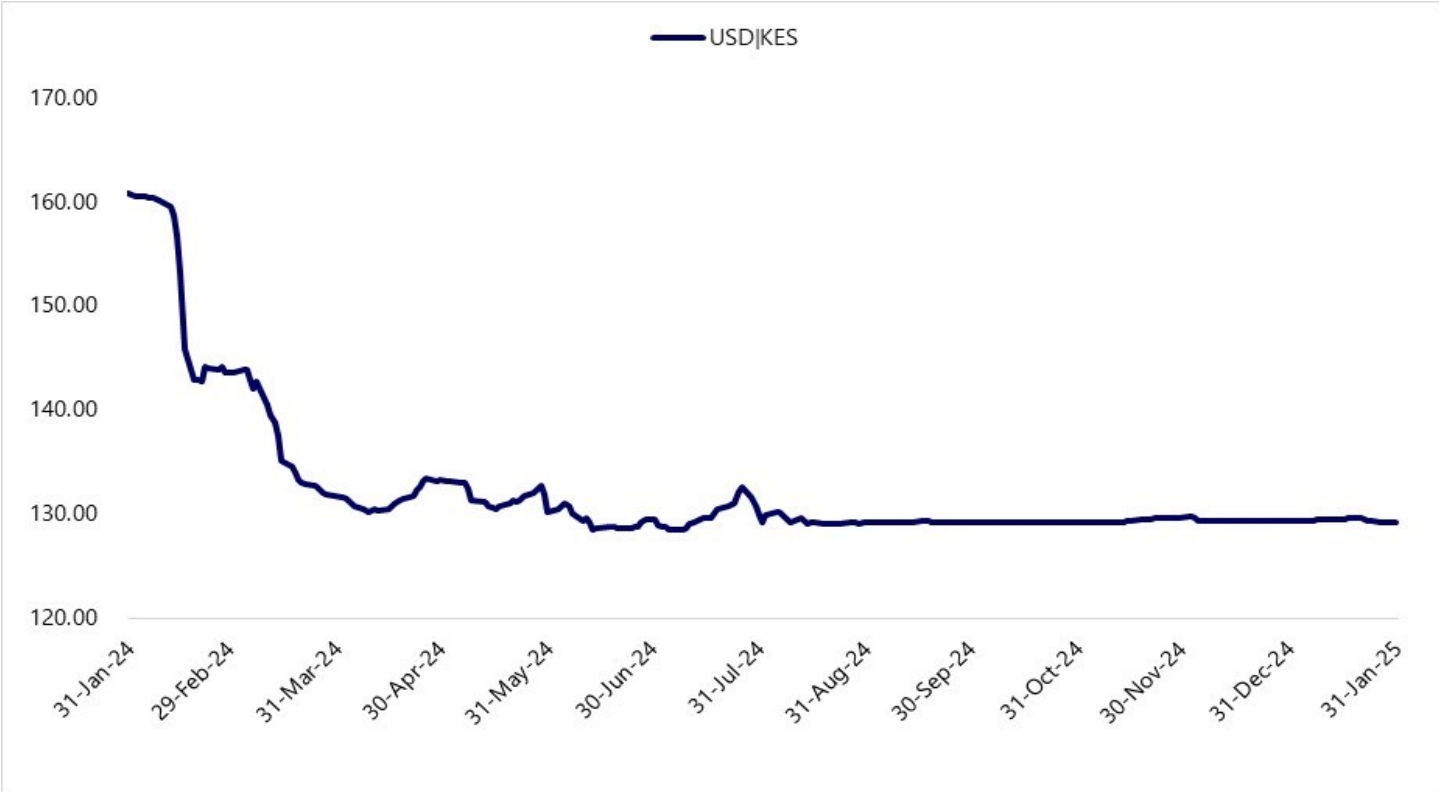
NSE 20 and **NASI** declined by 1.07% and 3.17% w-o-w to close at 2,162.58 and 128.48, respectively.

Weekly equity turnover went down by 6.3% w-o-w to close at USD 17.35 MN (KES 2.24 BN).

USD | KES: KES strengthened by 0.03% w-o-w to close at 129.23 (0.05% year-to-date).

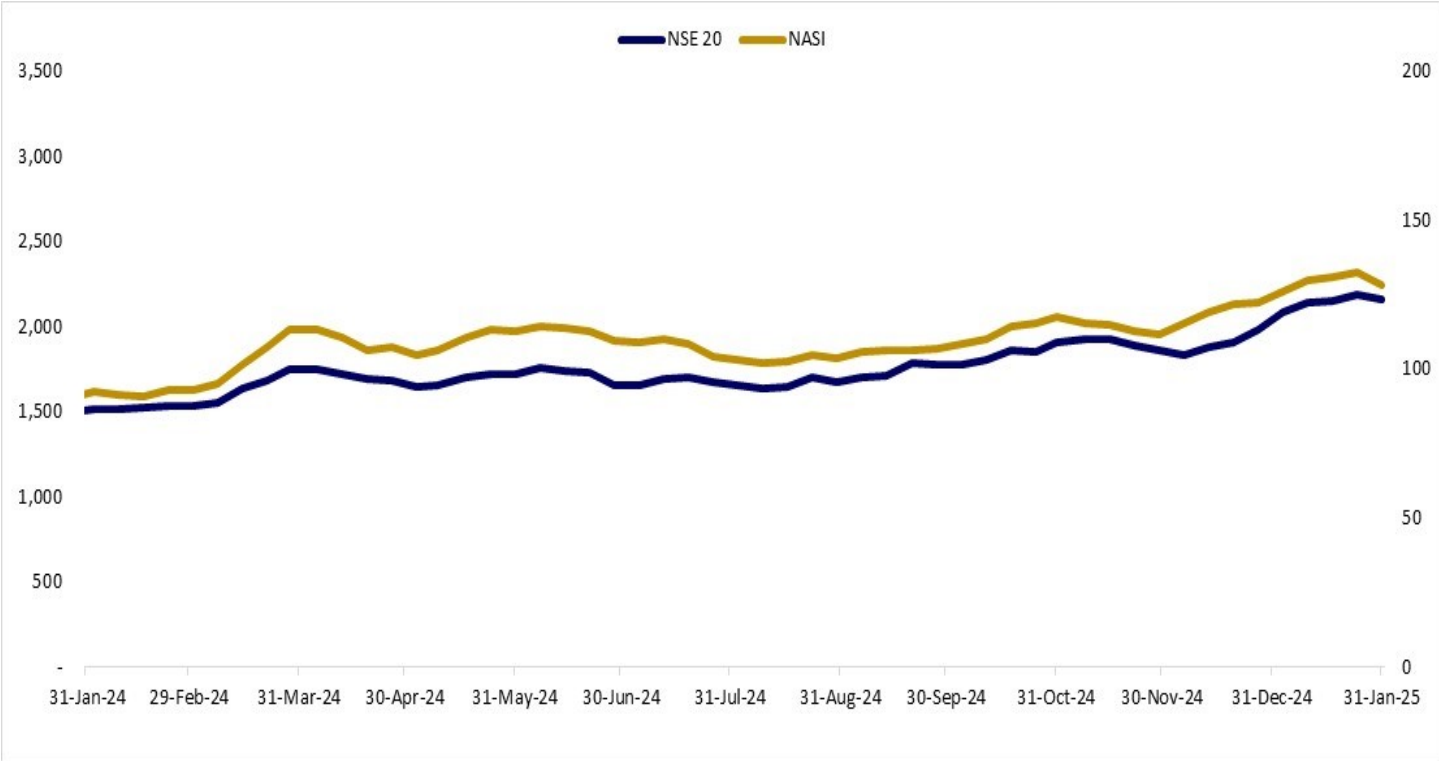
INDICES & MARKET METRICS MOVEMENT

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

Safaricom emerged as the top traded counter on the bourse recording a weekly turnover of USD 8.81MN (KES 1.14 BN) representing 50.78% of this week's turnover.

The stock shed 9.0% w-o -w to close at KES 17.20 on Friday.

Foreign investors assumed a **net selling position** on the counter this week by accounting for **96.57%** of foreign sales and **71.46%** of foreign purchases.

Week-on-Week Performance

Top Gainers	%
E.A. Cables	55.3
Home Afrika	53.3
Trans-Century	45.2
Flame Tree Group	40.5
Kenya Power	18.9

(Source: NSE, DBIB Research)



Top Losers	%
Kenya Orchards	(18.9)
HF Group	(17.5)
Britam Holdings	(14.0)
Safaricom	(9.0)
Liberty Kenya	(7.3)

Source: NSE, DBIB Research)



Top Traders (Value)	USD MN
Safaricom	8.81
Stanbic Holdings	1.41
KCB Group	1.35
E.A. Breweries	1.32
Equity Group	0.98

(Source: NSE, DBIB Research)

Y-T-D Performance

Top Gainers	%
Trans-Century	246.2
E.A. Cables	128.7
Flame Tree Group	86.5
Home Afrika	77.0
Uchumi Supermarket	64.7

Source: NSE, DBIB Research)



Top Losers	%
Kenya Orchards	(18.9)
E.A. Portland Cement	(11.8)
The Limuru Tea	(7.0)
Carbacid Investments	(5.7)
I&M Group	(5.7)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

Top Weekly Buys	% Purchase
E.A. Breweries	94.6
Stanbic Holdings	94.2
Eaagads	84.7
Kapchorua Tea	84.2
Safaricom	71.5

(Source: NSE, DBIB Research)

Top Weekly Sales	% Sold
Safaricom	96.6
E.A. Breweries	93.2
NBV	89.5
DTB Kenya	85.5
Stanbic Holdings	83.9

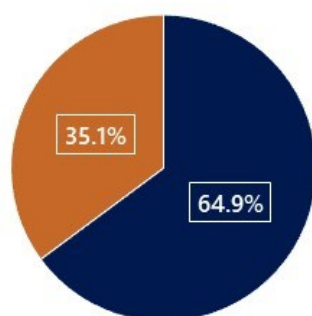
Y-T-D Foreign Performance

Top Foreign Buys	% Purchase
E.A. Breweries	82.3
NSE	81.0
Kapchorua Tea	80.2
BK Group	75.4
Stanbic Holdings	67.6

(Source: NSE, DBIB Research)

Top Foreign Sales	% Sold
BK Group	86.9
NSE	85.1
Safaricom	78.5
E.A. Breweries	73.3
Equity Group	71.1

WEEKLY LOCAL VS FOREIGN PARTICIPATION



- Foreign Participation
- Local Participation

(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The **bond market's turnover** for the week stood at USD 217.01 MN (KES 28.04 BN) representing a 43.2% w-o-w decrease from USD 381.73 MN (KES 49.34 BN) recorded the previous week.

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

The Central Bank of Kenya (CBK) had re-opened IFB1/2012/14 (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 31st January 2025

						Total
	Coupon	Yield	Price	Value		
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
27-Jan	FXD1/2022/25Yr	22.7	14.1880	15.8910	93.37	1,000.0
28-Jan	FXD1/2016/10Yr	1.6	15.0390	11.9250	110.98	1,000.0
29-Jan	FXD1/2021/5Yr	1.8	11.2770	12.3000	100.81	1,000.0
30-Jan	FXD1/2021/5Yr	1.8	11.2770	12.2700	100.89	1,000.0
30-Jan	FXD1/2021/5Yr	1.8	11.2770	12.0000	101.31	1,000.0
28-Jan	FXD1/2022/25Yr	22.7	14.1880	15.3500	96.49	800.0
29-Jan	FXD1/2023/5Yr	3.4	16.8440	14.1500	107.89	747.6
27-Jan	FXD1/2023/10Yr	8.0	14.1510	14.1500	106.52	700.0
30-Jan	FXD1/2023/3Yr	1.3	14.2280	11.8000	105.89	695.4
27-Jan	FXD1/2018/15Yr	8.3	12.6500	13.3750	98.81	650.0
28-Jan	FXD1/2022/25Yr	22.7	14.1880	15.3000	96.78	635.0
29-Jan	FXD1/2022/25Yr	22.7	14.1880	15.3500	96.53	545.0
28-Jan	FXD1/2024/10Yr	9.1	16.0000	14.1200	115.02	500.0
31-Jan	FXD1/2023/10Yr	8.0	14.1510	14.1500	106.68	500.0
27-Jan	FXD1/2022/25Yr	22.7	14.1880	15.4000	96.15	450.0

Sell & buy-backs

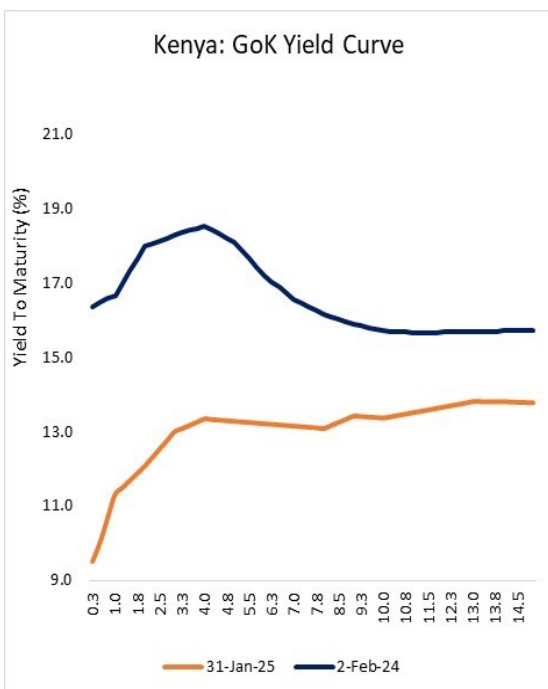
27-Jan	FXD1/2020/5Yr	0.3	11.6670	10.3300	103.00	700.0
28-Jan	FXD1/2018/15Yr	8.3	12.6500	13.3500	98.97	650.0

Source: NSE, DBIB Research)

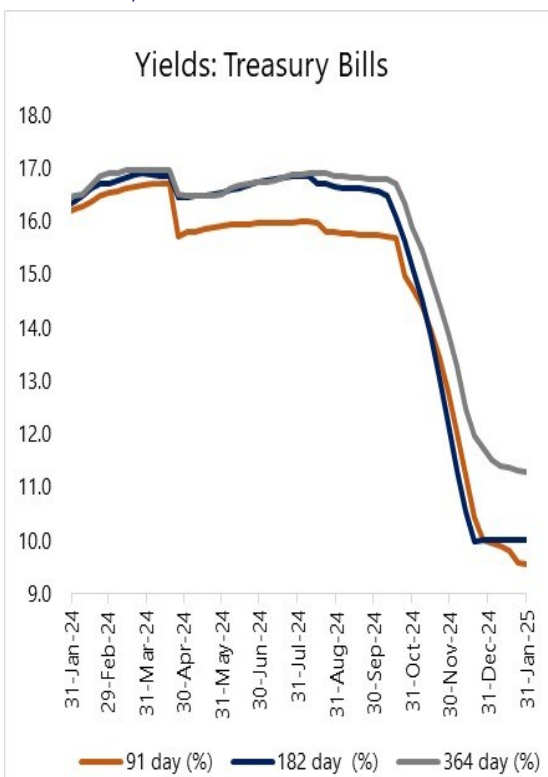
Treasury Bill auction for the week ending 31st January 2025

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	2.47	61.63	2.45	9.522	(0.3)
182-day	10.00	2.86	28.63	2.52	10.028	(0.0)
364-day	10.00	8.13	81.34	8.12	11.313	1.9

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

EABL 1H25 Results.

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East African Breweries (EABL) released its 1H25 results, reporting a 19.6% y-o-y growth in after-tax profits to KES 8.1 BN.
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East African Breweries (EABL) released its 1H25 results, reporting a 19.6% y-o-y growth in after-tax profits to KES 8.1 BN. Net revenue grew by 2.1% y-o-y to KES 67.9 BN paired with a 7.4% y-o-y increase in cost of sales to KES 39.8 BN. Basic EPS increased by 10.9% y-o-y to KES 7.65 (annualized KES 15.30). An interim dividend of KES 2.50 per share was recommended, to be paid on or about 30th April 2025 to shareholders on the register as at 21st February 2025.

Net revenue grew by 2.1% y-o-y to KES 67.9 BN on the back of a 1.0% y-o-y increase in volumes -- marking slowed volume growth compared to 1H24's 2.0%. The company noted an improved macroeconomic environment across its markets on the back of easing inflation, falling interest rates and appreciation of the KES and UGX against major global currencies.

Gross profit on the other hand declined by 4.6% y-o-y to KES 28.1 BN, impacted by a 7.4% y-o-y increase in cost of sales to KES 39.8 BN. The gross profit margin in turn deteriorated by 292 bps y-o-y to stand at 41.4% (1H24: 44.3%), marking a further decline from 1H23's 46.4%.

The cost of operations increased by 4.9% y-o-y to KES 13.7 BN while net finance costs declined by 14.4% y-o-y to KES 3.4 BN. Finance cost decline was on the back of currency appreciation and falling interest rates. Foreign exchange gains stood at KES 1.2 BN compared to forex losses of KES 2.3 BN in 1H24, supported by currency strengthening. Operating profit margin in turn improved by 271 bps y-o-y to stand at 17.9% (1H24: 15.2%).

The group's working capital position deteriorated in 1H25 compared to FY24, declining from KES 5.4 BN in FY24 to KES 3.5 BN in 1H25, as current liabilities (+37.8% y-o-y to KES 49.8 BN) increased at a faster pace compared to current assets (+28.3% y-o-y to KES 53.3 BN). The current ratio stood at 1.1x.

Net cash from operating activities increased by 20.0% y-o-y to KES 16.2 BN, net cash used in investing activities decreased by 18.8% y-o-y to KES 3.5 BN while net cash used in financing activities increased by 22.0% y-o-y to KES 9.7 BN. Consequently, the company's cash position at the end of the period improved by 31.9% y-o-y to KES 14.1 BN.

(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>
KenGen	Final: KES 0.65	29-Nov-24	13-Feb-25
E.A. Portland Cement	First & Final: KES 1.00	31-Dec-24	28-Feb-25
E.A. Breweries	Interim: KES 2.50	21-Feb-25	30-Apr-25
<u>Kenya Power</u>	<u>Interim: KES 0.20</u>	<u>28-Feb-25</u>	<u>11-Apr-25</u>

(Source: NSE, DBIB Research)

STA—Subject to approval*

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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