



Weekly Report

Week 25

Week Ending Friday, June 23rd 2023

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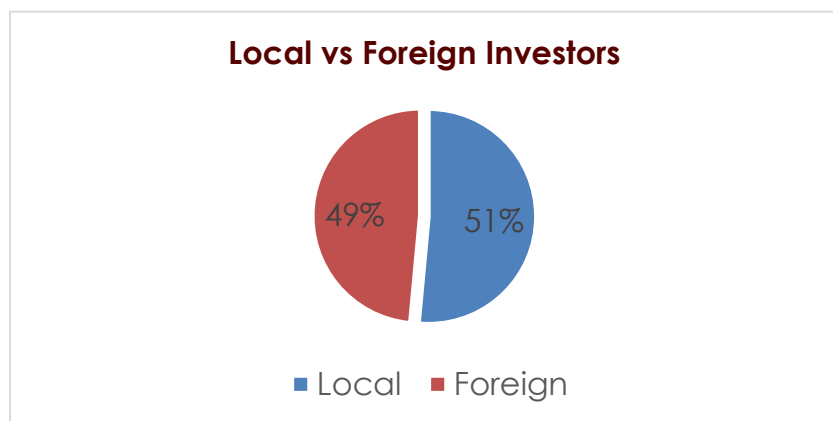
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Weekly Highlights

To help stabilize their deteriorating cash flow, oil marketers proposed to the Treasury to turn the 45 billion debt into an interest-earning financial instrument like bonds. From this we have seen the government issue a bond, which would be targeting to raise 17.5 billion to pay part of the Sh45.8 billion debts.

The government acknowledged that it was compelled to split the bond due to the Exchequer's shrinking fiscal space in the fiscal year ending this month, with the remaining Sh28 billion bond to be issued in the second week of next month. The State added that out of the Sh45.8 billion, some Sh151 million would be paid to the small oil dealers within a short time, with the remaining amount to be paid via the three-year bond, with Vivo Energy, TotalEnergies and Rubis taking up the bigger share respectively of the market.

Foreign Against Local Investor Participation as at 23/06/2023



End Date	Local	Foreign
Friday, June 23 rd , 2023	512,571,009.99	483,295,658.71
Participation	51%	49%

Source: NSE

Equities Market

Equity Market Commentary

The All Share Index (NASI) and NSE 25 both appreciated by 6.9% and 3.12% to close the week at 107.24 and 2,716.9 respectively. Equity turnover decreased by 39.8% w-o-w to KES 995.87 billion. Volume traded decreased by 23.7% to 53.92 million w-o-w.

Market Indices Performance

Index	This Week	Previous Week	Weekly Change %	YTD Change %
NASI	107.24	100.35	6.9%	-15.9%
NSE 20	1,528.47	1,564.72	-2.3%	-8.8%
NSE 25	2,716.90	2,634.70	3.12%	-13.3%

Source: NSE

Market Statistics

	This Week	Previous Week	Change %
Market Capitalization (KES Bn)	1,670.05	1,562.34	6.9%
Volume (Mn)	53.92	70.71	(23.7%)
Equity Turnover (KES Mn)	995.87	1,653.12	(39.8%)

Source: NSE

Equities Performance

	Top Gainers	Previous Price (KES)	Current Price (KES)	Weekly Change %	YTD Change
1	Trans-Century	0.89	0.72	-19.10%	-22.58%
2	E.A.Cables	0.92	0.81	-11.96%	-3.57%
3	Unga Group	19	17	-10.53%	-46.88%
4	Olympia	3.7	3.35	-9.46%	13.18%
5	Kenya Re	1.98	1.81	-8.59%	-1.09%

Source: NSE and Faida Investment Bank Analysis

	Top Losers	Previous Price (KES)	Current Price (KES)	Weekly Change	YTD Change %
1	Express Kenya	3.4	4	17.65%	-15.07%
2	Safaricom Plc	14.9	17.5	17.45%	-27.54%
3	Umeme Ltd	15.95	17.6	10.34%	137.20%
4	Kapchorua Tea	141	153	8.51%	35.10%
5	Eaagads	12	13	8.33%	23.81%

Source: NSE and Faida Investment Bank Analysis

	Movers	Previous Price (KES)	Current Price (KES)	Turnover (KES Mn)
1	Trans-Century	0.89	0.72	-19.10%
2	E.A.Cables	0.92	0.81	-11.96%
3	Unga Group	19	17	-10.53%
4	Olympia	3.7	3.35	-9.46%
5	Kenya Re	1.98	1.81	-8.59%

Source: NSE and Faida Investment Bank Analysis

Exchange Rates

During the week, the Kenya Shilling continued to depreciate against the dollar, depreciating by 0.3% from 139.8706 for the week ending June 16th, to 140.3059 for this week ending June 23rd.

KES	Value	Weekly Change %	YTD Change %
US Dollar	140.3059	0.3%	13.7%
STG Pound	178.4082	0.7%	20.2%
EURO	153.3421	1.0%	16.8%

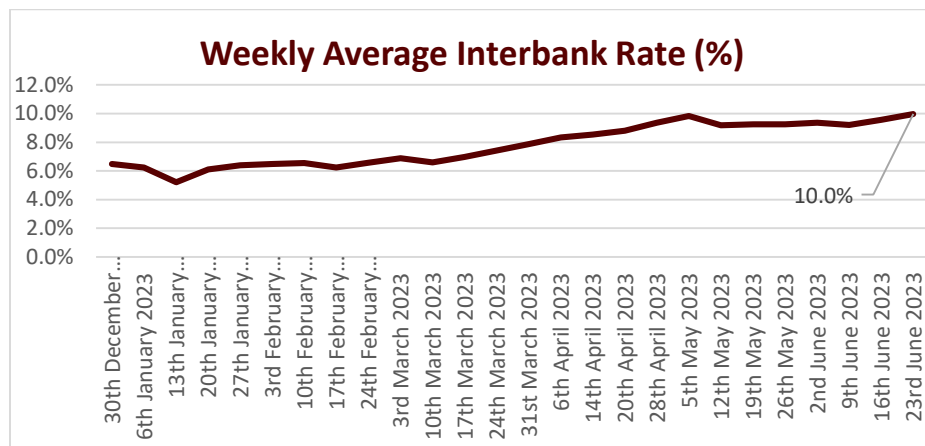
Source: CBK; Negative () = Depreciation, Positive = Appreciation

Global Markets

Index	Last Price as at 23/06/2023	Weekly Change%
DJI	33,761.05	2.9%
S&P 500	4,280.00	3.3%
NASDAQ	12,706.79	(2.6%)
DAX	12,706.79	(2.6%)
FTSE 100	7,252.06	(0.4%)
Euro Stoxx 50	3,484.80	(1.7%)
Shanghai	3,126.40	(1.9%)
NIKKEI 225	27,567.65	(0.3%)
Commodities		
Brent Oil (USD/bbl.)	90.97	(2.2%)
Gold (USD/Oz)	1,656.23	(3.3%)

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Interbank Rate



Source: CBK

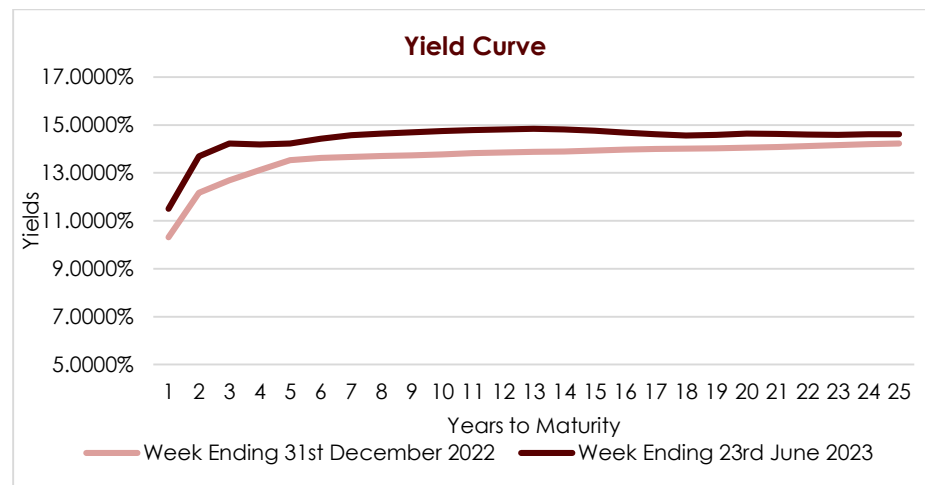
Treasury Bill Auction Results

	Amount Offered	Bids Received	Subscription Rate	Bids Accepted	Yield This Week	Change	Subscription w-o-w
91 day	4.0	11.0	275.34%	11.0	11.785%	0.14%	-39.47%
182 day	10.0	1.2	19.89%	2.0	11.863%	0.21%	-25.34%
364 day	10.0	2.3	23.35%	2.3	11.934%	0.20%	33.73%
Total	24.0	15.3	63.91%	15.3			-32.14%

*Change = Current Rate – Previous Rate; 1.0% = 100 bps
Amount Offered, Bids Received and Bids Accepted are in KES Billions

- Yields on all Treasury bills sustained a stable trend during the week. Overall, treasury bills continued to be undersubscribed, with a subscription rate of 63.91%.
- In particular, the 91-day treasury bill had a subscription of 275.34%, thus continues to show investors preference towards shorter dated papers due to duration risk.

Government Securities Yield Curve



Source: NSE

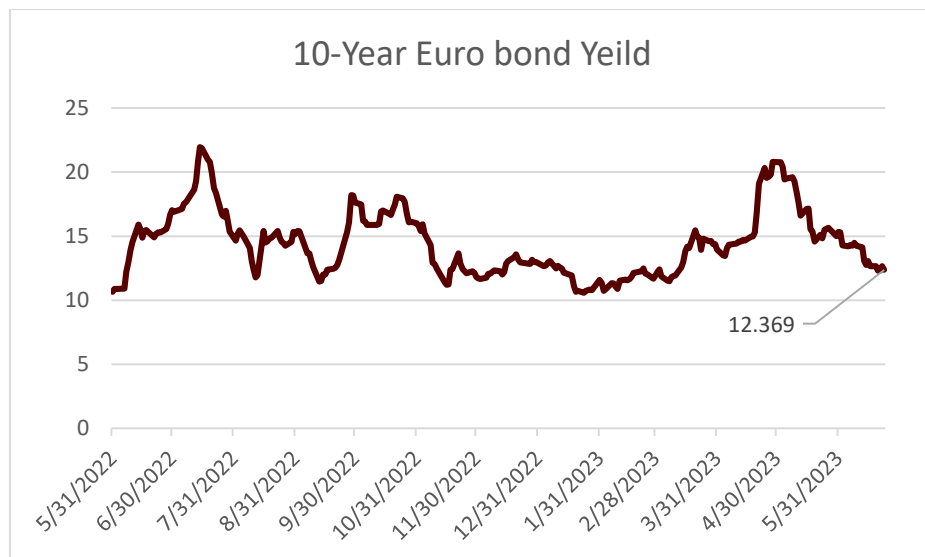
RESULTS FOR TREASURY BONDS TAP SALE ISSUE NO. FXD1/2023/03

Tenor	FXD1/2023/03
Total Advertised Amount (Kes Million)	20,000.00
Total Bids Received at Face value (Kes Million)	27,206.35
Total Bids Accepted at Cost (Kes Million)	27,201.72
Allocated average rate for accepted bids (%)	14.228
Adjusted Average Price (Per Kes 100.00)	100.53
Coupon Rate (%)	14.228

Source: CBK

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10-Year Eurobond Yield Curve



Source: Bloomberg

During the week, the Eurobond yield continued to depreciate, it depreciated by 2.20% from 12.65 for the week ending June 16th, to 12.37 for this week ending June 23rd.

Recommendations

- **Safaricom** - Long Term Buy
- **EABL** - Long Term Buy
- **KCB** - Buy
- **COOP**-Buy
- **NCBA**-Buy

NSE Most Traded Bond & Coupon rate.

Most Traded bond	Coupon (%)	No of Trades
IFB1/2023/7Yr	15.837	664

Source: NSE

Outlook

Amid a high interest rate environment, we are seeing investors shy away from longer dated papers as they anticipate higher rates driven by:

- I. Global interest rates
- II. Increased government borrowing for budgetary support.

Long-term bonds may be viewed as more volatile due to the higher risk of holding for a longer period. We therefore recommend:

- a) Hold current bonds to avoid paper losses from rising yields.
- b) Reinvest income from bond investment portfolio.
- c) Increase exposure to short and medium term bonds (between 90 days to 2 years).
- d) Use bond ladders i.e. a series of bonds that mature at regular intervals such that as rates rise, each of these bonds is reinvested at a higher rate. This counters interest rate and liquidity risk as well as offer steady income from regular occurring interest payments.

Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Crown Paints	Final dividend	4.00	27-Apr-23	28-Jun-23	14-Aug-23
NSE	First & Final dividend	0.20	31-Mar-23	30-May-23	31-Jul-23
NMG	Final dividend	1.50	6-Apr-23	16-Jun-23	31-Jul-23
Total Energies Kenya	First & Final dividend	1.31	24-Apr-23	15-Jun-23	31-Jul-23
Kenya Re Insurance	Final dividend	0.20	28-Mar-23	16-Jun-23	28-Jul-23
Bamburi Cement	First & Final dividend	0.75	28-Apr-23	27-May-23	27-Jul-23
JUBILEE	Final dividend	8.00	20-Apr-23	14-Jun-23	26-Jul-23
JUBILEE	Special dividend	3.00	20-Apr-23	14-Jun-23	26-Jul-23
BOC Kenya	Final dividend	4.45	2-May-23	31-May-23	21-Jul-23
Umeme	Final dividend	2.24	27-May-23	27-Jun-23	20-Jul-23
Sasini	Interim dividend	1.00	11-May-23	2-Jun-23	3-Jul-23
BK Group	First & Final dividend	3.94	31-Mar-23	13-Jun-23	1-Jul-23
Limuru Tea	Final dividend	2.50	27-Mar-23	14-Apr-23	30-Jun-23
Equity Group	First & Final dividend	4.00	28-Mar-23	19-May-23	30-Jun-23
Safaricom	Final dividend	0.62	11-May-23	(Subject to Approval)	(Subject to Approval)

Counter Statistics

Banking Sector	Price (KES)	YTD change	% w-o-w Change	Volume Traded	P/E (X)	Dividend Yield	P/B (X)	ROE
KCB	29.50	-22.57%	0.17%	376,200	2.32	6.8%	0.58	21.80%
Equity Bank	37.50	-15.73%	0.94%	1,154,800	3.20	10.7%	0.99	30.40%
NCBA	38.95	-1.02%	-0.89%	8,600	4.10	10.9%	0.69	17.20%
Stanbic	112.00	9.80%	0.67%	38,200	4.89	11.3%	0.71	15.30%
Absa Bank	11.75	-4.47%	1.73%	52,400	3.90	11.5%	0.88	24.30%
HF Bank	5.00	56.74%	0.81%	106,500	-1.13	0.0%	0.20	N/A
Coop Bank	12.30	0.00%	0.82%	647,900	3.30	12.2%	0.67	21.20%
DTB	49.55	-0.90%	8.19%	66,400	2.29	10.1%	0.22	6.80%
Stan Chart	161.75	13.31%	0.62%	6,800	4.40	13.6%	0.86	22.10%
I&M Bank	16.95	-0.29%	0.00%	14,900	2.50	13.3%	0.37	2.72%
Sector Average					2.98	10.0%	0.62	16.2%

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Commercial and Services	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E (X)	Dividend Yield	EPS(KES)	ROE
Kenya Airways	3.83	N/M	N/M	N/M	N/M	N/M	N/M	N/M
N.MG	19.30	21.00%	-5.85%	700	7.80	7.8%	2.38	5.60%
Scan group	2.90	-3.65%	1.75%	9,600	20.71	0.0%	0.14	-2.10%
Uchumi	0.23	0.00%	0.00%	86,900	N/M	N/M	N/M	N/M
Longhorn	2.20	-26.67%	-4.35%	0.00	2.20	0.0%	0.03	25.10%
Eveready	1.23	78.26%	-8.21%	137,300	N/M	N/M	N/M	N/M
Sameer Africa	2.53	20.48%	0.40%	300	2.53	0.0%	0.36	N/A
Standard	9.04	-13.49%	2.49%	100	9.04	0.0%	(10.05)	-40.00%
TPS E.A	11.80	-11.61%	0.00%	0.00	11.80	0.0%	(3.40)	-1.70%
Sector Average					9.01	1.30%		-2.6%

**Suspended *N/M - Not Meaningful

Agriculture	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E (X)	Dividend Yield	EPS(KES)	ROE
Eaagads	13.00	23.81%	8.33%	1,500	50.00	N/A	0.26	25.70%
Kakuzi Plc	418.00	8.57%	0.00%	0.00	10.00	5.74%	43.15	14.70%
Kapchorua Tea	153.00	35.10%	8.51%	1,000	3.30	6.54%	27.35	19.70%
Limuru Tea	430.00	2.38%	0.00%	0.00	193.20	N/A	(3.98)	2.70%
Sasini	29.75	32.52%	-0.83%	1,900	8.20	3.36%	5.12	8.60%
Williamson Tea	208.00	30.00%	4.39%	0.00	3.70	9.62%	29.14	13.00%
Sector Average					44.73	4.21%		14.07%

Energy & Petroleum	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
KenGen	2.39	-25.78%	3.46%	88,800	0.00	0.0%	0.72	1.2%
Kenya Power	1.57	0.64%	0.64%	2,076,200	0.87	0.0%	2	2.7%
Total Kenya	20.20	-15.30%	-2.18%	100	3.20	6.5%	3	8.3%
Sector Average					1.36	2.16%		4.1%

Insurance Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
CIC Insurance	1.90	-2.56%	2.15%	8,500	0.57	6.8%	4.60	12.80%
Britam	5.20	0.00%	5.05%	3,000	0.56	0.0%	6.10	8.60%
Jubilee	180.00	-9.43%	-2.31%	37,600	0.33	5.00%	2.30	18.90%
Kenya Re	1.81	-1.09%	-8.59%	92,200	0.15	11.05%	1.70	9.00%
Sanlam Kenya	7.98	-16.70%	2.57%	4,000	3.69	0.0%	0.20	N/A
Liberty	3.60	-35.71%	-8.16%	0.00	0.25	0.0%	3.70	-2.00%
Sector Average					0.93	3.82%	3.10	9.46%

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Investment Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	P/B (X)	ROE
Centum Investment	9.02	7.64%	3.20%	24,100	0.00	14.41%	0.14	1.6%
Home Afrika Ltd	0.36	12.50%	5.88%	54,500	N/M	N/M	N/M	N/A
Trans-Century	0.72	-22.58%	-19.10%	70,000	N/M	N/M	N/M	N/A
Sector Average					0.00	14.41%	0.14	0.5%

Investment Services	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
NSE	6.30	-7.08%	6.06%	3,700	126.20	3.17%	0.51	0.7%
Sector Average					126.20	3.17%		0.70%

Construction & Allied	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	NPM*	ROE
Bamburi Cement	25.00	-20.63%	-6.72%	23,000	33.60	11.0%	3.4%	0.6%
E.A. Portland Cement	6.04	-11.18%	6.34%	1,200	0.90	0.0%	0.0%	2.5%
Crown Paints Kenya	43.60	4.18%	1.40%	4,100	8.90	9.2%	6.6%	23.4%
E.A.Cables	0.81	-3.57%	-11.96%	153,300	-0.79	0.0%	0.0%	-34.3%
Sector Average					10.65	5.04%	2.50%	-1.95%

Real Estate Investment Trust	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
STANLIB FAHARI I-REIT	6.24	-0.04	0.01	3,700	19.55	9.62%	0.82	N/A
Sector Average						9.62%		

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	17.50	-27.54%	17.45%	9,481,100	8.80	6.97%	1.55	47.1%
Sector Average					8.80	6.97%		47.1%

Manufacturing & Allied Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Mumias Sugar	0.27	0.00%	0.00%	0.00	N/M	N/M	N/M	N/M
EABL	152.00	-9.25%	-4.25%	131,400	9.15	7.2%	15.00	73.3%
FTG Holdings	1.30	20.37%	-5.80%	500	0.00	0.0%	-1.21	-0.7%
Carbacid	13.60	13.33%	0.74%	6,300	4.40	12.5%	2.78	21.0%
BAT	425.00	-7.61%	1.13%	3,200	6.80	12.6%	68.92	57.3%
B.O.C Kenya	89.00	25.80%	-1.11%	100	16.10	4.9%	5.55	6.7%
Sector Average					7.29	7.45%		26.3%

**Suspended

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