



Weekly Report

Week 41

Week Ending on Friday, October 13th 2023

CONTACTS:

Email: research@fib.co.ke

Website: www.fib.co.ke

HEAD OFFICE:

Crawford Business Park,
Ground Floor,
State House Road
Tel: 0207606026-37
P.O. Box 45236-00100
Nairobi

Weekly Highlights

Centum Sells Off Part of Sidian Bank's Shareholding

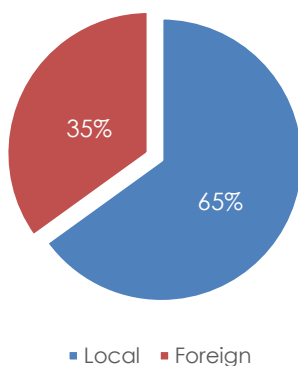
Centum, through its wholly owned subsidiary, Bakki Holdco Limited, entered into an agreement with other shareholders in Sidian Bank Limited for the sale of part of its shareholding in Sidian.

These shareholders, utilizing their pre-emptive rights, have acquired 38.91% of Sidian's issued shares. As a result, Bakki Holdco Limited, which initially held 83.43% of Sidian's shares, will now own 44.52%.

This means that Sidian will cease to be a subsidiary of Centum, in compliance with the regulations. The transaction price matches Centum's most recent recorded value and will not significantly affect Centum's net asset value. The Central Bank of Kenya approved the transaction, and it will come into effect on October 20, 2023.

Foreign Against Local Investor Participation as of 13/10/2023

Local vs Foreign Investors



End Date	Local (Mns)	Foreign (Mns)
Friday, October 13, 2023	299.87	161.15
Participation	65%	35%

Source: NSE

Equities Market

Equity Market Commentary

During the week, the NSE All Share (NASI) depreciated by 0.1% to close at 93.37 while the NSE 25 Index depreciated by 0.8% to close at 2,435.99. The equity turnover decreased by 58.1% during the week to close at 469.02 million while the volume of shares traded decreased by 71.1% to end the week at 24.30 million.

Market Indices Performance

	This Week	Previous Week	Weekly Change	YTD Change
NASI	93.37	93.49	-0.1%	-26.8%
NSE 20	1,492.16	1,490.98	0.1%	-11.0%
NSE 25	2,435.99	2,454.85	-0.8%	-22.3%

Source: NSE

Market Statistics

	This Week	Previous Week	Change
Market Capitalization (KES Bn)	1,458.79	1,460.71	(0.1%)
Volume (Mn)	24.30	84.15	(71.1%)
Equity Turnover (KES Mn)	469.02	1,119.03	(58.1%)

Source: NSE

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Equities Performance

	Top Gainers	Previous Price (KES)	Current Price (KES)	Weekly Change	YTD Change
1	Liberty Kenya	3.60	4.00	11.11%	-28.57%
2	Uchumi	0.20	0.22	10.00%	-4.35%
3	Standard Group	7.16	7.86	9.78%	-24.78%
4	Home Afrika	0.31	0.34	9.68%	6.25%
5	TP Serena	11.60	12.50	7.76%	-6.37%

Source: NSE and Faida Investment Bank Analysis

	Top Losers	Previous Price (KES)	Current Price (KES)	Weekly Change	YTD Change
1	Olympia	3.38	2.90	-14.20%	-2.03%
2	Unga Group	17.00	15.00	-11.76%	-53.13%
3	Sameer	2.60	2.38	-8.46%	13.33%
4	Crown Paints	36.50	34.20	-6.30%	-18.28%
5	BOC Kenya	85.00	80.00	-5.88%	13.07%

Source: NSE and Faida Investment Bank Analysis

	Movers	Previous Price (KES)	Current Price (KES)	Turnover (KES Mn)
1	Equity Bank	36.55	36.45	145.99
2	Safaricom	14.00	13.95	122.32
3	StanChart	160.23	163.50	41.16
4	EABL	124.00	126.00	34.88
5	Co-op Bank	11.60	11.60	27.18

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 148.69 for the week ending on October 6th, to 149.13 for this past week ending on October 13th.

	Value	Weekly Change	YTD Change
US Dollar	149.1324	(0.3%)	(20.9%)
STG Pound	183.1724	(1.5%)	(23.4%)
EURO	158.0615	(1.1%)	(20.4%)

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

Global Markets

Index	Last Price as of 13/10/2023	Weekly Change
Dow Jones Index	33,679.29	0.81%
S&P 500	4,327.18	0.43%
NASDAQ	14,995.12	0.15%
DAX	15,186.66	-0.28%
FTSE 100	7,599.60	1.40%
Euro Stoxx 50	4,136.12	-0.20%
Shanghai Composite	3,088.10	-0.72%
NIKKEI 225	32,315.99	4.26%
Commodities		
Brent Oil (USD/bbl.)	90.90	7.47%
Gold (USD/Oz)	1,916.02	4.53%

Source: Bloomberg

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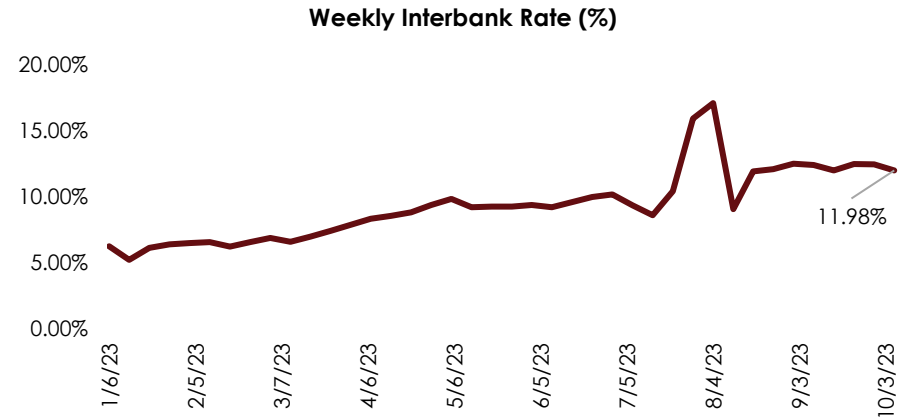
Treasury Bill Auction Results

	Amount Offered	Bids Received	Subscription Rate	Bids Accepted	Yield	Subscription w-o-w
91-day	4.0	37.5	937.42%	35.3	14.960%	31.19%
182-day	10.0	2.8	27.77%	2.7	15.023%	97.51%
364-day	10.0	3.0	29.63%	3.0	15.337%	-6.20%
Total	24.0	43.3	180.15%	41.0		30.44%

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

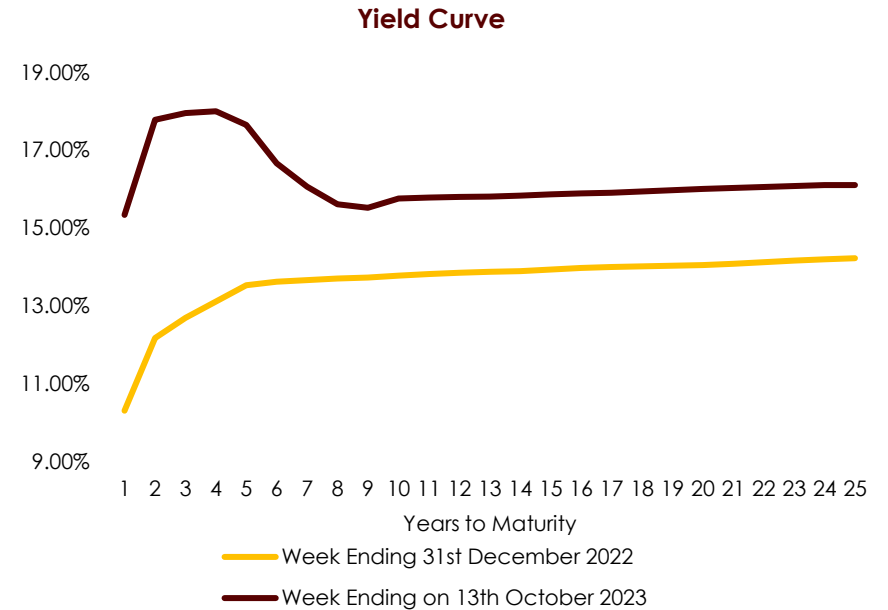
- Overall, Treasury Bills (T-Bills) were oversubscribed for the second consecutive week with a subscription rate of 180.15%. The 91-day Treasury Bill had a subscription rate of 937.42% and it continues to show investors' preference towards shorter-dated papers due to duration risk.
- In last week's auction, yields on the T-Bills all edged upwards with the largest change being recorded in the 364-day paper which increased by 15 bps to 15.34%.

Weekly Interbank Rate



Source: CBK

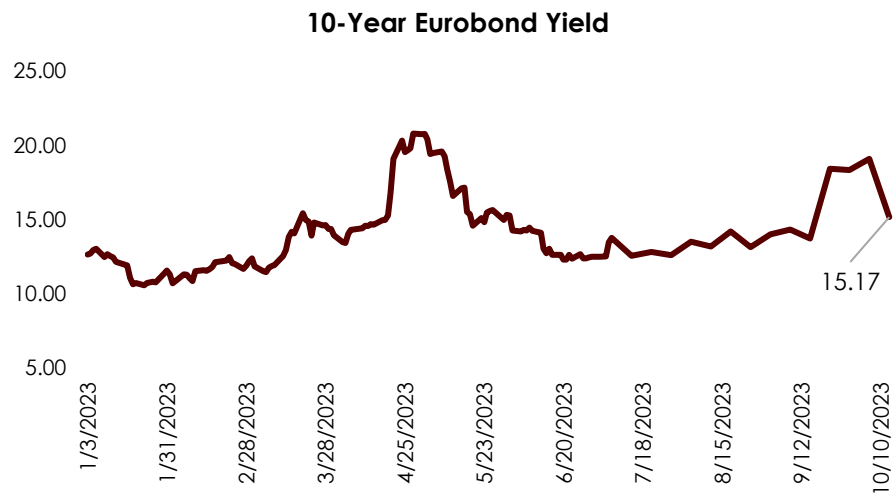
Government Securities Yield Curve



Source: NSE

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Kenya 10-Year Eurobond Yield Curve



Source: Bloomberg

During the week, the Eurobond yield decreased by 20.60% from 19.11 for the week ending on October 6th, to 15.17 on October 13th.

Recommendations

- **EABL** – Long-Term Buy
- **Standard Chartered Bank** – Hold
- **Co-op Bank** - Hold

NSE Most Traded Bond & Coupon Rate

Most Traded bond	Coupon (%)	No of Trades
IFB1/2023/7Yr	15.837	56

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 the bond investment portfolio.
- c) Increase short- and medium-term bond exposure (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 offers steady income from regularly occurring interest payments

Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Umeme Limited	Interim Dividend	0.94	21-Aug-23	09-Feb-24	29-Feb-24
EABL	Final Dividend	1.75	28-Jul-23	15-Sep-23	27-Oct-23
Centum Plc	Final Dividend	0.60	28-Jul-23	11-Oct-23	30-Nov-23

Counter Statistics

Banking	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	P/B	ROE
KCB	20.90	-45.14%	-0.24%	167,000	1.64	9.6%	0.58	21.80%
Equity Bank	36.45	-18.09%	-0.27%	54,900	3.23	11.0%	0.99	30.40%
NCBA Bank	38.95	-1.02%	-0.38%	7,800	4.78	10.9%	0.69	17.20%
Stanbic Bank	115.00	12.75%	0.00%	-	5.02	11.0%	0.71	15.30%
Absa Bank Kenya Plc	11.90	-3.25%	0.00%	124,200	4.61	11.3%	0.88	24.30%
Housing Finance	4.24	32.92%	0.47%	5,700	4.61	0.0%	0.20	N/A
Co-operative Bank	11.60	-5.69%	0.00%	151,600	3.54	12.9%	0.67	21.20%
Diamond Trust Bank	47.55	-4.90%	-2.56%	2,100	2.94	10.5%	0.22	6.80%
Standard Chartered	163.50	14.54%	2.03%	151,800	508.00	13.5%	0.86	22.10%
I&M Bank	17.55	3.24%	-2.23%	36,100	2.59	12.8%	0.37	2.72%
Sector Average					54.10	10.3%	0.62	16.2%

Agriculture	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
Eaagads	13.50	28.57%	3.85%	800	51.92	-	0.26	25.70%
Kakuzi Plc	406.00	5.45%	-	-	8.92	5.91%	43.15	14.70%
Kapchorua Tea Kenya Plc	210.00	85.43%	2.94%	100	4.91	11.90%	40.20	19.70%
Limuru Tea Co. Plc	380.00	-9.52%	0.00%	-	84.09	0.66%	4.73	6.00%
Sasini	21.70	-3.34%	-	-	9.50	4.61%	2.49	8.60%
Williamson Tea Kenya	220.00	37.50%	-0.34%	1,100	6.54	13.64%	29.42	13.00%
Sector Average					27.65	6.12%		14.62%

Commercial and Services	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
Nation Media Group	3.83	N/M	N/M	N/M	N/M	N/M	N/M	N/M
WPP Scangroup	20.15	26.33%	0.75%	500	7.80	7.4%	2.38	5.60%
Uchumi Supermarket	2.60	-13.62%	0.78%	7,300	18.57	0.0%	0.14	-2.10%
Longhorn Publishers	0.22	-4.35%	10.00%	3,500	N/M	N/M	N/M	N/M
Eveready	2.51	-16.33%	4.58%	2,600	2.51	0.0%	0.03	25.10%
Sameer Africa Plc	1.30	88.41%	1.56%	1,300	N/M	N/M	N/M	N/M
Standard Group	2.38	13.33%	-8.46%	2,500	2.38	0.0%	0.36	N/A
TPS Eastern Africa Ltd	7.86	-24.78%	9.78%	-	7.86	0.0%	(10.05)	-40.00%
Sector Average	12.50	-6.37%	7.76%	1,600	12.50	0.0%	(3.40)	-1.70%

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Construction & Allied	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	NPM	ROE
Bamburi Cement	23.90	-24.13%	4.82%	5,200	33.60	11.5%	3.4%	0.6%
E.A. Portland Cement	7.30	7.35%	-	-	0.90	0.0%	0.0%	2.5%
Crown Paints Kenya	34.20	-18.28%	-6.30%	-	8.90	11.7%	6.6%	23.4%
E.A. Cables	0.90	7.14%	-1.10%	15,900	-0.88	0.0%	0.0%	-34.3%
Sector Average					10.63	5.80%	2.50%	-1.95%

Energy & Petroleum Sector	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
KenGen	2.29	-28.88%	-0.43%	50,700	3.20	8.7%	0.72	1.2%
Kenya Power	1.43	-8.33%	0.00%	193,200	0.79	0.0%	2	2.7%
Total Kenya	17.40	-27.04%	-1.14%	200	3.20	7.5%	3	8.3%
Sector Average					2.40	5.42%		4.1%

Insurance Sector	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	P/E	ROE
CIC Insurance	2.12	8.72%	2.42%	3,900	0.57	6.1%	4.60	12.80%
Britam	4.47	-14.04%	-4.69%	3,800	0.56	0.0%	6.10	8.60%
Jubilee	193.50	-2.64%	2.93%	2,000	0.33	6.20%	2.30	18.90%
Kenya Re	1.78	-2.73%	1.14%	83,700	0.15	11.24%	1.70	9.00%
Sanlam Kenya	7.70	-19.62%	0.00%	300	3.69	0.0%	0.20	N/A
Liberty	4.00	-28.57%	11.11%	43,000	0.25	0.0%	3.70	-2.00%
Sector Average					0.93	3.93%	3.10	

Investment Sector	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	P/B	ROE
Centum Investment	8.86	5.73%	-1.99%	35,300	0.00	6.77%	0.14	1.6%
Home Afrika Ltd	0.34	6.25%	9.68%	20,600	N/M	N/M	N/M	N/A
Trans-Century	0.52	-44.09%	1.96%	3,500	N/M	N/M	N/M	N/A
Sector Average					0.00	6.77%	0.14	0.5%

Investment Services	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
NSE	5.94	-12.39%	0.00%	14,700	126.20	3.37%	0.51	0.7%
Sector Average					126.20	3.37%		0.70%

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Manufacturing & Allied	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
Mumias Sugar	0.27	0.00%	0.00%	-	N/M	N/M	N/M	N/M
EABL	126.00	-24.78%	1.61%	4,400	9.15	4.4%	15.00	73.3%
FTG Holdings	1.20	11.11%	-4.76%	-	0.00	0.0%	-1.21	-0.7%
Carbacid	15.15	26.25%	-5.31%	21,600	4.40	11.2%	2.78	21.0%
BAT	420.00	-8.70%	-0.24%	16,100	6.80	12.7%	68.92	57.3%
B.O.C Kenya	80.00	13.07%	-5.88%	-	16.10	5.6%	5.55	6.7%
Sector Average					7.29	6.78%		26.3%

Telecommunication	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
Safaricom	13.95	-42.24%	-0.36%	900,800	8.80	4.44%	1.55	47.1%
Sector Average					8.80	4.44%		47.1%

Real Estate Investment Trust	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
Stanlib Fahari I-REIT	7.52	15.34%	-	-	19.55	7.98%	0.82	N/A
Sector Average						7.98%		

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