



# Weekly Report

## Week 42

Week Ending on Thursday, October 19<sup>th</sup> 2023

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## Weekly Highlights

### Family Bank to Embark on New Rights Issue to Fund Regional Expansion

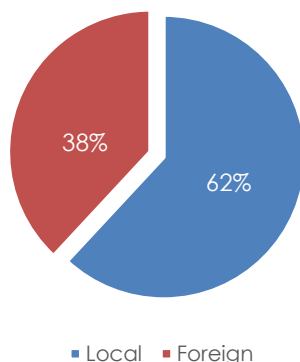
Family Bank is set to embark on a regional expansion drive, by raising KES 9.3 billion through a new rights issue, which was approved by its shareholders on Wednesday, October 18, 2023. This capital raise is geared towards fueling the institution's regional expansion.

Under this rights issue, the bank will provide existing shareholders with an additional share for every two shares they currently hold, amounting to a total issuance of 643.5 million new shares, each priced at KES 14.50.

The rights issue officially commenced on Thursday, October 19, 2023 and is set to conclude on November 30, 2023. Importantly, the offering price reflects a 10% discount on the six-month weighted average price of the bank's shares in the over-the-counter market.

### Foreign Against Local Investor Participation as of 19/10/2023

Local vs Foreign Investors



End Date	Local (Mns)	Foreign (Mns)
Thursday, October 19, 2023	377.52	232.19
Participation	62%	38%

Source: NSE

## Equities Market

### Equity Market Commentary

During the week, the NSE All Share (NASI) depreciated by 0.2% to close at 93.17 while the NSE 25 Index appreciated by 1.0% to close at 2,460.57. The equity turnover increased by 30.0% during the week to close at 609.71 million while the volume of shares traded increased by 54.7% to end the week at 37.60 million.

### Market Indices Performance

	This Week	Previous Week	Weekly Change	YTD Change
NASI	93.17	93.37	-0.2%	-26.9%
NSE 20	1,490.10	1,492.16	-0.1%	-11.0%
NSE 25	2,460.57	2,435.99	1.0%	-22.3%

Source: NSE

### Market Statistics

	This Week	Previous Week	Change
Market Capitalization (KES Bn)	1,455.72	1,458.79	(0.2%)
Volume (Mn)	37.60	24.30	54.7%
Equity Turnover (KES Mn)	609.71	469.02	30.0%

Source: NSE

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## Equities Performance

	Top Gainers	Previous Price (KES)	Current Price (KES)	Weekly Change	YTD Change
1	E.A. Portland	7.30	8.20	12.33%	20.59%
2	Absa New Gold	2,530.00	2,840.00	12.25%	31.18%
3	Olympia	2.90	3.20	10.34%	8.11%
4	NBV	2.80	3.08	10.00%	-18.30%
5	Crown Paints	34.20	37.00	8.19%	-11.59%

Source: NSE and Faida Investment Bank Analysis

	Top Losers	Previous Price (KES)	Current Price (KES)	Weekly Change	YTD Change
1	Express Kenya	4.00	3.65	-8.75%	-22.51%
2	Eveready	1.30	1.19	-8.46%	-72.46%
3	CIC Insurance	2.12	2.00	-5.66%	2.56%
4	TP Serena	12.50	11.80	-5.60%	-11.61%
5	Stanbic	115.00	109.00	-5.22%	6.86%

Source: NSE and Faida Investment Bank Analysis

	Movers	Previous Price (KES)	Current Price (KES)	Turnover (KES Mn)
1	Safaricom	13.95	13.80	270.11
2	Equity Bank	36.45	37.25	106.11
3	Co-op Bank	11.60	11.60	62.51
4	StanChart	163.50	160.00	36.62
5	Stanbic	115.00	109.00	35.23

Source: NSE and Faida Investment Bank Analysis

## Exchange Rates

During the week, the Kenya Shilling continued to depreciate against the dollar, depreciating by 0.4% from 149.13 for the week ending on October 13<sup>th</sup>, to 149.79 for this week ending on October 19<sup>th</sup>.

	Value	Weekly Change	YTD Change
US Dollar	149.7882	(0.4%)	(21.4%)
STG Pound	182.3035	0.5%	(22.8%)
EURO	158.1126	(0.0%)	(20.5%)

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

## Global Markets

Index	Last Price as of 20/10/2023	Weekly Change
Dow Jones Index	33,127.28	-1.64%
S&P 500	4,224.16	-2.38%
NASDAQ	14,560.88	-2.90%
DAX	14,798.47	-2.56%
FTSE 100	7,402.14	-2.60%
Euro Stoxx 50	4,024.68	-2.69%
Shanghai Composite	2,983.06	-3.40%
NIKKEI 225	31,259.36	-3.27%
Commodities		
Brent Oil (USD/bbl.)	92.16	1.39%
Gold (USD/Oz)	1,981.40	3.41%

Source: Bloomberg

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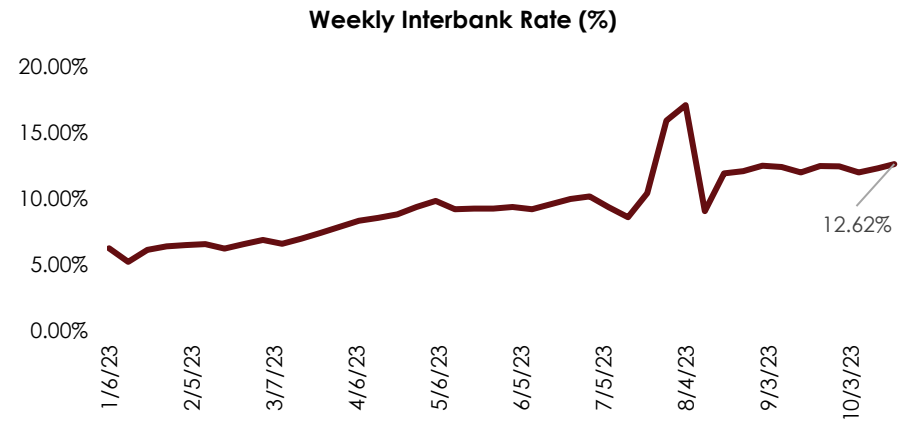
## Treasury Bill Auction Results

	Amount Offered	Bids Received	Subscription Rate	Bids Accepted	Yield	Subscription w-o-w
91-day	4.0	23.6	588.90%	21.5	15.046%	-37.18%
182-day	10.0	3.8	37.90%	3.8	15.076%	36.48%
364-day	10.0	2.3	22.67%	2.2	15.341%	-23.49%
<b>Total</b>	<b>24.0</b>	<b>29.7</b>	<b>123.39%</b>	<b>27.5</b>		<b>-31.51%</b>

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

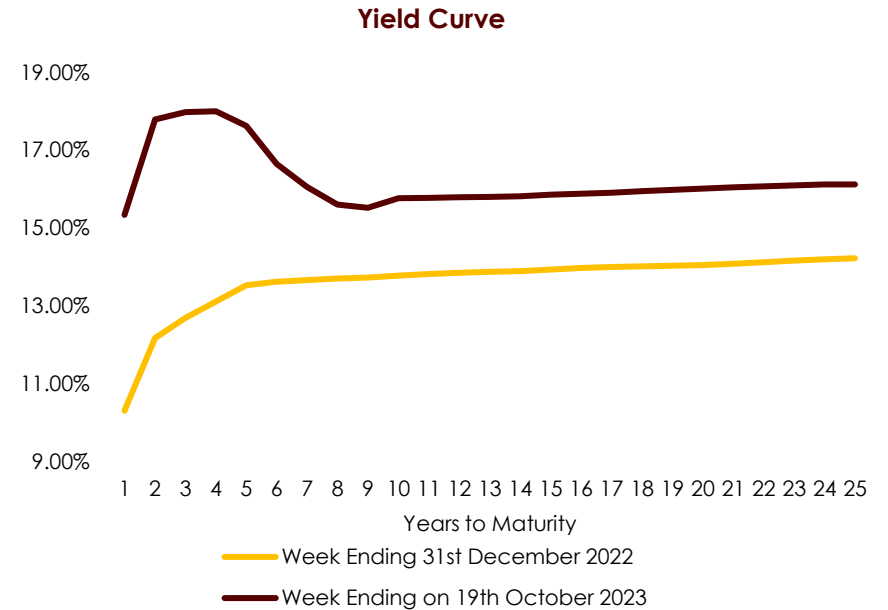
- Overall, Treasury Bills (T-Bills) were oversubscribed for another consecutive week with a subscription rate of 123.39%. The 91-day Treasury Bill had a subscription rate of 588.90% and it continues to show investors' preference towards shorter-dated papers due to duration risk.
- In last week's auction, yields on the T-Bills all crossed 15.0% this week upwards with the largest change being recorded in the 91-day paper which increased by 9 bps to 15.05%.

## Weekly Interbank Rate



Source: CBK

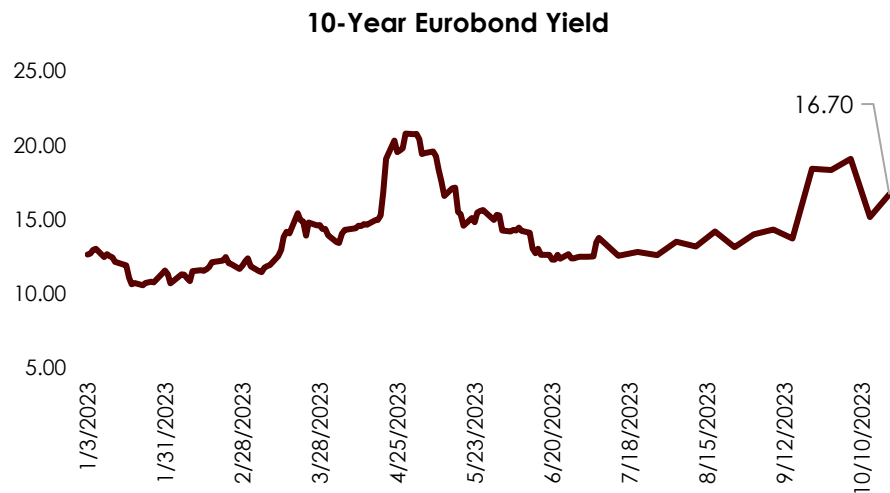
## Government Securities Yield Curve



Source: NSE

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## Kenya 10-Year Eurobond Yield Curve



Source: Bloomberg

During the week, the Eurobond yield increased by 10.09% from 15.17 for the week ending on October 19<sup>th</sup>, to 16.70 on October 20<sup>th</sup>.

## Recommendations

- **EABL** – Long-Term Buy
- **Absa Bank** - Hold
- **NCBA Bank** – Hold

## NSE Most Traded Bond & Coupon Rate as at 13/10/2023

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	19.90	-47.77%	-4.78%	363,200	1.57	10.1%	0.58	21.80%
Equity Bank	37.25	-16.29%	2.19%	70,000	3.23	10.7%	0.99	30.40%
NCBA Bank	39.80	1.14%	2.18%	28,600	4.78	10.7%	0.69	17.20%
Stanbic Bank	109.00	6.86%	-5.22%	150,100	4.76	11.6%	0.71	15.30%
Absa Bank Kenya Plc	11.95	-2.85%	0.42%	464,000	4.61	11.3%	0.88	24.30%
Housing Finance	4.27	33.86%	0.71%	1,400	4.64	0.0%	0.20	N/A
Co-operative Bank	11.60	-5.69%	0.00%	5,084,100	3.54	12.9%	0.67	21.20%
Diamond Trust Bank	46.50	-7.00%	-2.21%	10,500	2.88	10.8%	0.22	6.80%
Standard Chartered	160.00	12.08%	-2.14%	192,900	508.00	13.8%	0.86	22.10%
I&M Bank	17.70	4.12%	0.85%	2,600	2.61	12.7%	0.37	2.72%
<b>Sector Average</b>					<b>54.06</b>	<b>10.4%</b>	<b>0.62</b>	<b>16.2%</b>

Agriculture	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
Eaagads	13.50	28.57%	-	-	51.92	-	0.26	25.70%
Kakuzi Plc	406.00	5.45%	-	-	8.92	5.91%	43.15	14.70%
Kapchorua Tea Kenya Plc	214.00	88.96%	1.90%	4,000	4.91	11.68%	40.20	19.70%
Limuru Tea Co. Plc	380.00	-9.52%	0.00%	-	84.09	0.66%	4.73	6.00%
Sasini	21.10	-6.01%	-2.76%	300	9.50	4.74%	2.49	8.60%
Williamson Tea Kenya	220.00	37.50%	-	-	6.54	13.64%	29.42	13.00%
<b>Sector Average</b>					<b>27.65</b>	<b>6.10%</b>		<b>14.62%</b>

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	20.00	25.39%	-0.74%	1,700	7.80	7.5%	2.38	5.60%
Uchumi Supermarket	2.56	-14.95%	-1.54%	1,900	18.29	0.0%	0.14	-2.10%
Longhorn Publishers	0.22	-4.35%	0.00%	14,200	N/M	N/M	N/M	N/M
Eveready	2.40	-20.00%	-4.38%	6,000	2.40	0.0%	0.03	25.10%
Sameer Africa Plc	1.19	72.46%	-8.46%	2,100	N/M	N/M	N/M	N/M
Standard Group	2.29	9.05%	-3.78%	-	2.29	0.0%	0.36	N/A
TPS Eastern Africa Ltd	7.70	-26.32%	-2.04%	-	7.70	0.0%	(10.05)	-40.00%
<b>Sector Average</b>	11.80	-11.61%	-5.60%	200	11.80	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	23.40	-25.71%	-2.09%	-	33.60	11.8%	3.4%	0.6%
E.A. Portland Cement	8.20	20.59%	12.33%	600	0.90	0.0%	0.0%	2.5%
Crown Paints Kenya	37.00	-11.59%	8.19%	-	8.90	10.8%	6.6%	23.4%
E.A. Cables	0.91	8.33%	1.11%	4,200	-0.89	0.0%	0.0%	-34.3%
<b>Sector Average</b>					<b>10.63</b>	<b>5.64%</b>	<b>2.50%</b>	<b>-1.95%</b>

Energy & Petroleum Sector	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
KenGen	2.20	-31.68%	-3.93%	121,800	3.20	9.1%	0.72	1.2%
Kenya Power	1.52	-2.56%	6.29%	55,900	0.84	0.0%	2	2.7%
Total Kenya	17.10	-28.30%	-1.72%	1,700	3.20	7.7%	3	8.3%
<b>Sector Average</b>					<b>2.41</b>	<b>5.58%</b>		<b>4.1%</b>

Insurance Sector	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	P/E	ROE
CIC Insurance	2.00	2.56%	-5.66%	4,600	0.57	6.5%	4.60	12.80%
Britam	4.63	-10.96%	3.58%	4,400	0.56	0.0%	6.10	8.60%
Jubilee	186.00	-6.42%	-3.88%	2,000	0.33	6.45%	2.30	18.90%
Kenya Re	1.77	-3.28%	-0.56%	6,200	0.15	11.30%	1.70	9.00%
Sanlam Kenya	7.70	-19.62%	0.00%	-	3.69	0.0%	0.20	N/A
Liberty	3.80	-32.14%	-5.00%	74,800	0.25	0.0%	3.70	-2.00%
<b>Sector Average</b>					<b>0.93</b>	<b>4.04%</b>	<b>3.10</b>	

Investment Sector	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	P/B	ROE
Centum Investment	8.98	7.16%	1.35%	33,300	0.00	6.68%	0.14	1.6%
Home Afrika Ltd	0.33	3.13%	-2.94%	8,700	N/M	N/M	N/M	N/A
Trans-Century	0.51	-45.16%	-1.92%	2,200	N/M	N/M	N/M	N/A
<b>Sector Average</b>					<b>0.00</b>	<b>6.68%</b>	<b>0.14</b>	<b>0.5%</b>

Investment Services	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
NSE	6.26	-7.67%	5.39%	600	126.20	3.19%	0.51	0.7%
<b>Sector Average</b>					<b>126.20</b>	<b>3.19%</b>		<b>0.70%</b>

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<b>Manufacturing &amp; Allied</b>	<b>Price (KES)</b>	<b>YTD Change</b>	<b>Change w-o-w</b>	<b>Volume Traded</b>	<b>P/E</b>	<b>Dividend Yield</b>	<b>EPS</b>	<b>ROE</b>
Mumias Sugar	0.27	0.00%	0.00%	-	<b>N/M</b>	<b>N/M</b>	<b>N/M</b>	<b>N/M</b>
EABL	132.25	-21.04%	4.96%	2,600	9.15	4.2%	15.00	73.3%
FTG Holdings	1.22	12.96%	1.67%	-	0.00	0.0%	-1.21	-0.7%
Carbacid	15.35	27.92%	1.32%	1,900	4.40	11.1%	2.78	21.0%
BAT	425.00	-7.61%	1.19%	100	6.80	12.6%	68.92	57.3%
B.O.C Kenya	80.00	13.07%	-	-	16.10	5.6%	5.55	6.7%
<b>Sector Average</b>					<b>7.29</b>	<b>6.68%</b>		<b>26.3%</b>

<b>Telecommunication</b>	<b>Price (KES)</b>	<b>YTD Change</b>	<b>Change w-o-w</b>	<b>Volume Traded</b>	<b>P/E</b>	<b>Dividend Yield</b>	<b>EPS</b>	<b>ROE</b>
Safaricom	13.80	-42.86%	-1.08%	6,356,700	8.80	4.49%	1.55	47.1%
<b>Sector Average</b>					<b>8.80</b>	<b>4.49%</b>		<b>47.1%</b>

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

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