



# Weekly Report

## Week 46

Week Ending Friday, November 19, 2021

### CONTACTS:

**Email:** [research@fib.co.ke](mailto:research@fib.co.ke)

**Website:** [www.fib.co.ke](http://www.fib.co.ke)

### HEAD OFFICE:

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

## Global Markets

Index	Last Price*	Weekly Change	YTD Change
DJI	35,657.04	-1.0%	17.3%
S&P 500	4,701.87	1.1%	25.9%
NASDAQ 100	16,580.82	3.1%	29.0%
DAX	16,145.47	0.2%	17.7%
FTSE 100	7,224.14	-1.9%	11.8%
EURO STOXX 50	4,350.59	-0.4%	22.5%
Shanghai Composite	3,560.37	0.6%	2.5%
NIKKEI 225	29,745.87	0.5%	8.4%
Commodities			
Brent Oil (USD/bbl.)	79.32	-3.2%	55.2%
Gold (USD/Oz)	1,8659.79	0.2%	-2.0%

Source: Bloomberg, NSE; \*As at 6:00 PM EAT

Most of the equity indices rose during the week. The NASDAQ-100 edged up boosted by technology stocks such as NVIDIA (on release of positive 3Q2021 results). The FTSE 100 eased weighed down higher inflation (highest in a decade) in the UK which sparked concerns that the central bank would increase interest rates next month. Oil (brent crude) declined driven down by a surge in COVID-19 cases in Europe.

## Equities Market

### Equity Market Commentary

The All Share Index (NASI) and the NSE 20 fell by 1.8% and 1.4% w-o-w to close the week at 168.43 and 1,893.65 respectively. Equity turnover declined by 28.6% to KES 2.5 billion while the volume traded eased by 30.1% to 70.9 million. Safaricom's price fell by 2.4% w/w to KES 39.25. Co-op's price fell by 2.0% w/w to KES 12.30 even as the bank released positive results (After profits grew by +18.9% y/y to KES 12.0 billion). Standard Chartered's price also dropped by 1.3% w/w to KES 128.75 despite positive 3Q2021 results (After tax profits +48.8% y/y to KES 6.4 billion) and announcement of KES 5.0 interim dividend. On the other hand, KCB's price rose by 3.1% w/w to KES 45.90 following the bank's release of positive results (After profits grew by +131.2% y/y to KES 25.2 billion) for 3Q2021 and announcement of an interim dividend (KES 1.0).

In the coming week, we expect activity to remain skewed towards the banking sector as investors continue to react to the 3Q2021 results.

### Market Indices Performance

Index	This Week	Previous Week	Weekly Change %	YTD Change %
NASI	168.43	171.47	(1.8%)	10.7%
NSE 20	1,893.65	1,919.95	(1.4%)	1.4%
NSE 25	3,732.47	3,782.92	(1.3%)	9.3%

Source: NSE

### Market Statistics

	This Week	Previous Week	Change %
Market Capitalization (KES Bn)	3,496.04	2,628.14	0.3%
Volume (Mn)	101.46	70.85	60.6%
Equity Turnover (KES Mn)	2,675.62	2,497.40	89.7%

Source: NSE

**DISCLAIMER:** The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

## Equities Performance

	<b>Top Gainers</b>	<b>Price (KES)</b>	<b>Weekly Change %</b>	<b>YTD Change</b>
1.	HF	4.90	18.1%	47.6%
2.	Uchumi	3.80	14.3%	14.3%
3.	Kakuzi	415.00	8.6%	5.3%
4.	Home Afrika	0.40	8.1%	(4.8%)
5.	Car & General	35.50	7.7%	(61.4%)

	<b>Top Losers</b>	<b>Price (KES)</b>	<b>Weekly Change</b>	<b>YTD Change %</b>
1.	NBV	3.50	(28.4%)	(11.0%)
2.	EAPC	7.20	(10.0%)	(34.5%)
3.	Kakuzi	385.00	(7.2%)	(5.5%)
4.	KPLC	1.71	(7.1%)	0.0%
5.	WPP Scangroup	4.26	(6.2%)	(29.0%)

	<b>Movers</b>	<b>Price (KES)</b>	<b>Turnover (KES Mn)</b>
1.	Safaricom	39.25	33,220.50
2.	NBV	3.50	7,101.10
3.	KCB	49.50	6,886.00
4.	Equity	52.00	5,298.20
5.	KPLC	1.71	3,799.00

Source: NSE and Faida Investment Bank Analysis

## In the News

### DTB Kenya Partners with Crown Motors on Vehicle Financing

- Diamond Trust Bank (DTB) has partnered with Crown Motor Group to provide vehicle financing to clients purchasing Nissan brands.
- According to DTB, the deal will see customers access up to 100% financing. The loan is to be repaid in 5 years with an interest rate of 13.0% and turnaround time expected not to exceed 48 hours.
- There however will not be a repayment holiday for clients on the credit facility that solely covers vehicles currently in store by the auto dealer.
- The bank seeks to support small and medium sized enterprises (SMEs) with the loan facility.

### Commentary

- We opine that the credit facility is timely, given that with the easing of restrictions the business environment is improving as indicated by the Stanbic Bank Purchasing Managers' Index (PMI) – which edged up to 51.4 in October from 50.4 in September.
- We opine that the increasing consumer demand will boost the SME sector – which had been hit hard by the COVID-19 pandemic and was considered a risky sector to lend to (but will also benefit the banks due to the higher yields).

### Results for New FXD1/2021/5 and Re-opened FXD1/2019/20 Treasury Bonds

- The Central Bank of Kenya (CBK) invited bids for the new FXD1/2021/5 and the re-opened FXD1/2019/20 treasury bonds with the intention of raising KES 50.0 billion for budgetary support.
- The auction results for the bonds are shown in the table below:

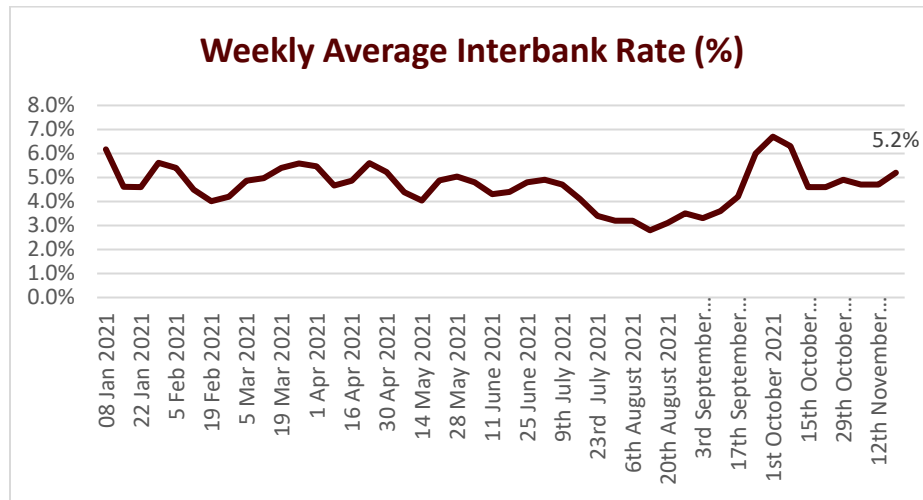
	FXD1/2021/5	FXD1/2019/20	Total
<b>Amount Offered (KES)</b>	50.0 billion		
<b>Bids Received (KES)</b>	66.6 billion	17.6 billion	84.2 billion
<b>Performance rate</b>	133.2%	35.1%	168.3%
<b>Amount Accepted (KES)</b>	53.7 billion	15.9 billion	69.5 billion
<b>Weighted Average Rate of Accepted Bids</b>	11.3%	13.4%	
<b>Coupon rate</b>	11.3%	12.9%	

Source: CBK

DISCLAIMER: The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

## Fixed Income

### Interbank Rate



Source: CBK

### Treasury Bill Auction Results

	Amount Offered	Bids Received	Subscription Rate	Bids Accepted	Yield	Change*
91 day	4.0	8.4	209.94%	8.4	7.110%	0.04%
182 day	10.0	8.5	84.76%	6.6	7.750%	0.06%
364 day	10.0	9.2	92.00%	8.3	8.840%	0.10%
Total	24.0	26.1	108.64%	23.3		

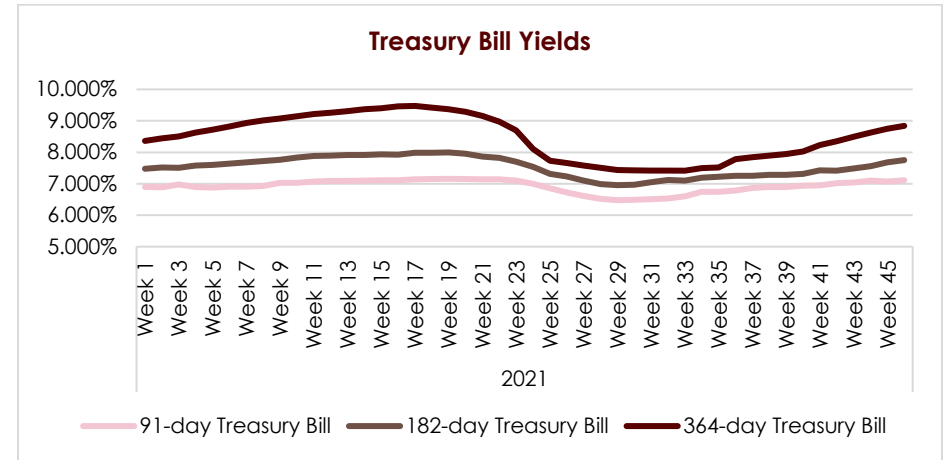
\*Change = Current Rate – Previous Rate; 1.0% = 100 bps  
Amount Offered, Bids Received and Bids Accepted are in KES Billions

Source: CBK

Treasury bills were oversubscribed in this week's auction. The total subscription rate was higher at 108.64% compared to last week's 69.27%. The 91-day bill had

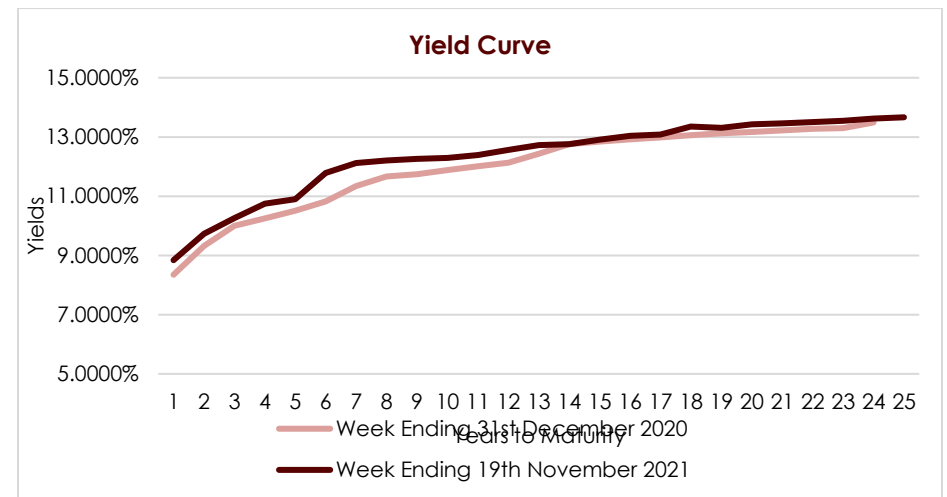
the highest subscription rate this week, at 209.94% while the 182 day bill had the lowest subscription at 84.76%.

### Treasury Bill Yields



Source: CBK

### Government Securities Yield Curve



Source: NSE

**DISCLAIMER:** The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

## Macroeconomic Indicators

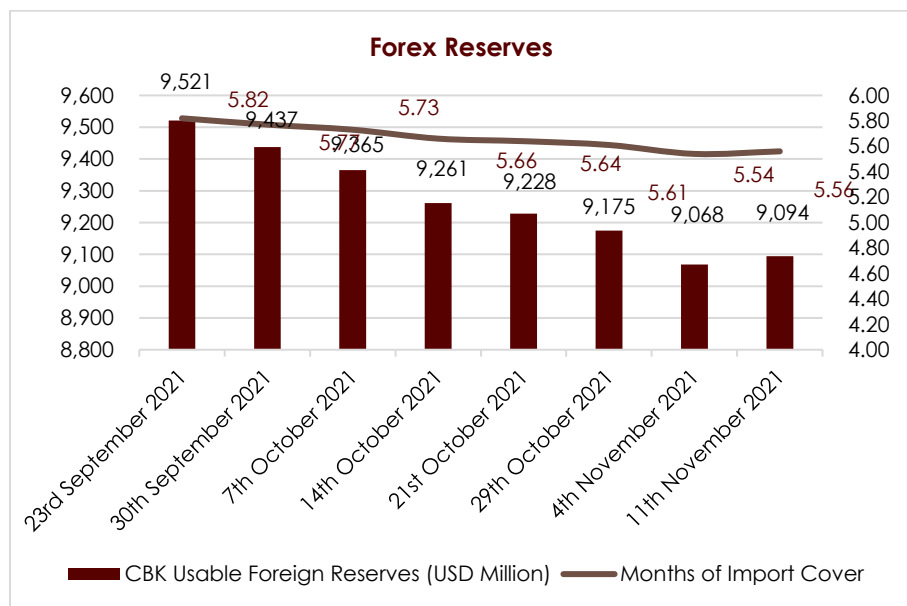
### Exchange Rates

KES	Value	Weekly Change %	YTD Change %
US Dollar	112.1824	(0.3%)	(2.8%)
STG Pound	151.2888	(0.8%)	(2.0%)
EURO	127.1462	1.0%	5.0%

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

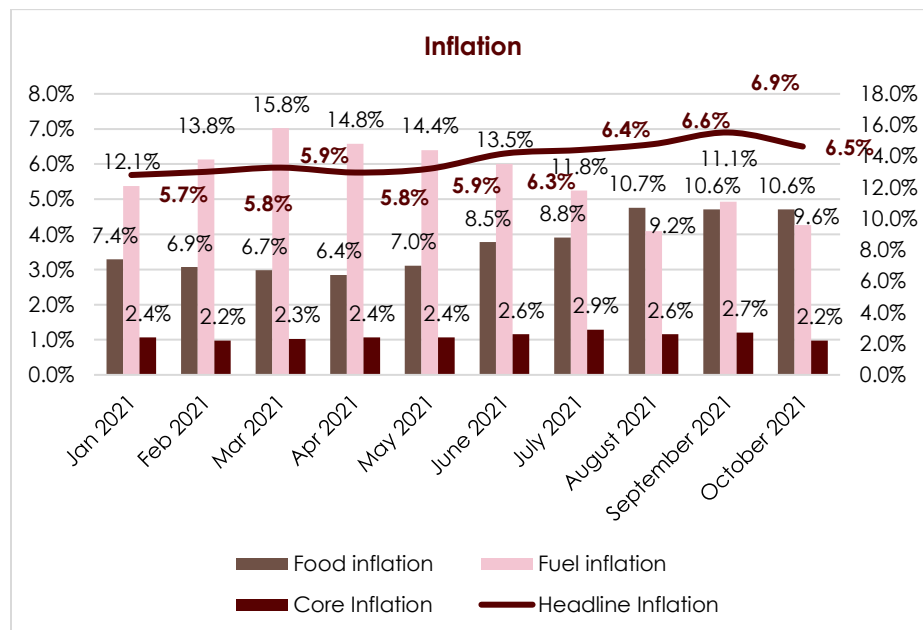
During the week, the Kenya Shilling depreciated against the US Dollar and the STG Pound and appreciated against the Euro.

### Forex Reserves



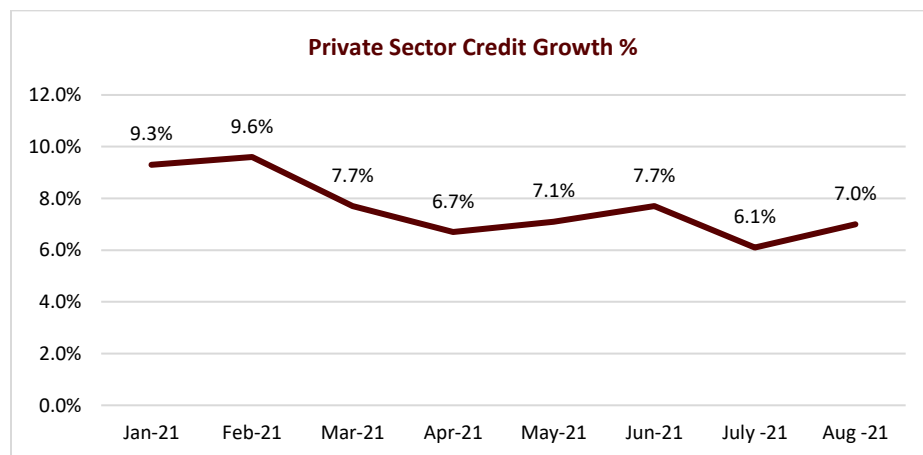
Source: CBK

## Inflation



Source: KNBS

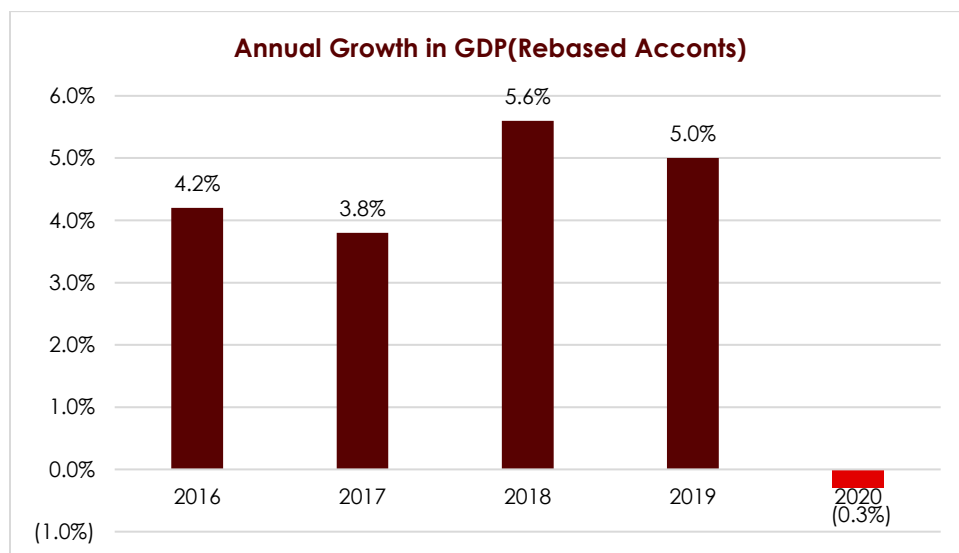
## Credit Growth



Source: CBK

**DISCLAIMER:** The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

## Gross Domestic Product (GDP)



Source: KNBS

Kenya's Real GDP is estimated to have contracted by 0.3% in 2020, a decline from a growth of 5.0% in 2019. The contraction was due to disruptions caused by measures implemented to curb the spread of COVID-19. The Accommodation and food services (-47.7%) sector recorded the highest contraction due to COVID-19 movement restrictions (both international and domestic) and social distancing restrictions as the sector's operations depend on close contact between persons. The transportation and storage sector contracted by 7.8% due to restrictions in movement aimed at curbing the spread of the COVID-19 pandemic. The manufacturing sector contracted by 0.1% mitigated by sugar and cement production. Growth in agricultural production, construction activities, financial and insurance activities and health services activities buoyed the economy, having grown by 4.8%, 11.8%, 5.6% and 6.7% respectively. The agricultural sector accounted for 23.0% of nominal GDP. Growth in the agricultural sector was supported by increases in tea production (+24.1% y/y to 569.5 thousand tonnes) and sugarcane production (+36.4% y/y to 6.0 million tonnes). In the construction sector, cement consumption rose by 21.3% y/y to 7.4 million tonnes reflecting increased construction activity.

Real GDP Growth by Sector	2019	2020
Agriculture	2.6%	4.8%
Mining & Quarrying	4.3%	6.7%
Manufacturing	2.5%	(0.1%)
Electricity and Water Supply	1.7%	(0.5%)
Construction	5.6%	11.8%
Wholesale & Retail Trade	5.3%	(0.4%)
Accommodation & Food Services	14.3%	(47.7%)
Transport & Storage	6.3%	(7.8%)
Information & Communication	7.5%	4.8%
Financial & Insurance	6.9%	5.6%
Public Administration	9.9%	5.3%
Professional, Admin & Support Services	7.0%	(13.5%)
Real Estate	6.7%	4.1%
Education	4.7%	(10.8%)
Health	6.2%	6.7%
Other Services	4.9%	(19.5%)

Source: KNBS

## Labour Statistics

Indicator	1Q2020	2Q2020	3Q2020	4Q2020
Unemployment Rate	5.2%	10.4%	7.2%	6.5%
Labour Force Participation Rate	69.7%	64.4%	68.8%	58.7%

Source: KNBS

## Derivatives Market

### Weekly Statistics

	This Week	Previous Week
Total Volumes	89	142
Total Value	3,923,390	5,769,115
Total Open Interest	867	905

Source: NSE

**DISCLAIMER:** The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.



## **Corporate Finance**

### **Ozow raises \$48.0 Million in Funding**

Ozow, a South African fintech startup, has raised \$48.0 million in Series B funding. The firm assists SMEs with payment solutions including QR codes, e-commerce, e-billing and peer-to-peer payments. The funding round was led by Tencent with participation from Endeavor Catalyst and Endeavor Harvest Fund. The funding will be used to develop its product offering and expand into new markets.



## Counter Statistics

Banking Sector	Price (KES)	YTD change	% w-o-w Change	Volume Traded	C/I Ratio	P/E (X)	Dividend Yield	P/B (X)	ROE
KCB	45.90	20.5%	3.1%	6,886,000	44.3%	6.73	2.2%	1.12	15.4%
Equity Bank	52.00	42.3%	-1.0%	5,298,200	48.5%	11.18	0.0%	1.32	13.0%
NCBA	23.75	-11.2%	-0.8%	477,400	43.1%	2.73	7.4%	0.51	6.5%
Stanbic	91.75	7.9%	-2.4%	2,617,500	48.9%	10.36	4.1%	0.74	6.8%
Absa Bank Kenya Plc	10.50	8.7%	2.9%	3,214,600	44.6%	10.24	0.0%	1.10	11.7%
Housing Finance	4.90	47.6%	18.1%	415,500	120.9%	<b>N/M</b>	0.0%	0.21	-3.8%
Co-operative Bank	12.30	-1.6%	-2.0%	1,888,600	49.9%	9.80	8.1%	0.90	8.5%
Diamond Trust Bank	57.00	-24.0%	-1.7%	122,700	38.2%	5.50	4.7%	0.24	4.6%
Standard Chartered	128.75	-10.7%	-1.3%	357,500	47.3%	12.26	8.2%	0.86	9.4%
I&M	21.45	-52.3%	-2.3%	135,500	48.1%	4.40	11.9%	0.30	6.5%
<b>Sector Average</b>					<b>53.4%</b>	<b>8.13</b>	<b>4.7%</b>	<b>0.73</b>	<b>7.9%</b>

### P/B (X) – 1H2021

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	0.0%	0.0%	-	<b>N/M</b>	0.0%	-6.22	<b>N/M</b>
Nation Media Group	20.00	29.4%	0.0%	248,300	100.00	0.0%	0.2	1.7%
WPP Scangroup	4.26	-29.0%	-6.2%	215,300	3.80	11.7%	1.12	6.0%
Uchumi Supermarket	0.24	-14.3%	14.3%	296,100	<b>N/M</b>	0.0%	-4.6	<b>N/M</b>
Longhorn Publishers	3.98	-18.4%	1.3%	92,100	5.85	13.1%	0.68	17.3%
Eveready	0.89	-25.8%	4.7%	87,900	<b>N/M</b>	0.0%	-1.45	-10.8%
<b>Sector Average</b>					<b>36.55</b>	<b>5.0%</b>		<b>3.6%</b>

\*\*Suspended \*N/M - Not Meaningful

Construction & Allied	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	NPM*	ROE
Bamburi Cement	36.00	-4.9%	1.7%	22,500	14.69	8.3%	3.2%	3.8%
E.A. Portland Cement	7.20	-34.5%	-10.0%	1,000	N/M	0.0%	0.0%	0.0%
<b>Sector Average</b>					<b>14.69</b>	<b>4.2%</b>	<b>1.6%</b>	<b>1.9%</b>

\*NPM - Net Profit Margin

Energy & Petroleum Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
KenGen	4.60	-2.3%	1.5%	806,500	1.65	6.5%	2.79	9.0%
Kenya Power	1.71	0.0%	-7.1%	3,799,000	N/M	0.0%	N/M	N/M
Total Kenya	24.40	1.7%	-1.0%	47,200	6.05	5.3%	4.03	10.8%
<b>Sector Average</b>					<b>3.85</b>	<b>3.3%</b>		<b>9.0%</b>

Insurance Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/B(X)	P/E(X)	Loss Ratio	Expense Ratio
CIC Insurance	2.30	8.0%	-3.8%	290,300	0.79	N/M	71.4%	34.6%
Britam	7.24	-0.3%	-3.5%	223,700	0.92	N/M	80.6%	58.1%
Jubilee	328.00	15.5%	-3.5%	200	*0.73	6.25	101.3%	44.2%
Kenya Re	2.27	-2.2%	-2.6%	665,100	0.05	2.16	67.7%	8.9%
Sanlam Kenya	11.50	-11.2%	0.0%	8,000.00	1.25	14.56	85.8%	35.5%
Liberty	7.46	-3.1%	6.3%	5,700.00	0.48	5.69	119.6%	48.7%
<b>Sector Average</b>					<b>0.70</b>	<b>7.17</b>	<b>87.7%</b>	<b>38.3%</b>

\*Unadjusted for the sale to Allianz

DISCLAIMER: The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

Investment Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	P/B(X)	EPS (KES)	ROE
Centum Investment	15.05	-0.7%	-0.7%	232,900	2.17	0.32	6.95	9.3%
Home Afrika Ltd	1.18	-4.8%	8.1%	332,700	N/M	N/M	N/M	2.6%
Trans-Century	1.18	-18.6%	0.9%	9,900.00	N/M	N/M	N/M	4.7%
<b>Sector Average</b>					<b>N/M</b>	<b>0.32</b>		<b>5.5%</b>

\*P/B based on company Net Asset Value

Investment Services	Price (KES)	YTD Change	%w-o-w change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
NSE	8.32	2.0%	-0.7%	145,400	27.73	3.4%	0.3	3.9%
<b>Sector Average</b>					<b>27.73</b>	<b>3.4%</b>		

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	0.0%	0.0%	0	N/M	0.0%	-4.43	-69.4%
EABL	157.00	1.8%	-3.2%	1,043,900	30.37	1.9%	5.17	46.6%
FTG Holdings	1.31	6.5%	-1.5%	23,000	5.04	0.0%	0.26	4.8%
Carbacid	13.00	7.4%	0.0%	232,000	10.24	5.4%	1.27	10.0%
BAT	426.50	18.1%	-0.6%	14,300	7.73	10.6%	55.18	51.2%
<b>Sector Average</b>					<b>13.34</b>	<b>3.6%</b>		

\*Suspended

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	39.25	14.6%	-2.4%	33,220,500	22.95	3.5%	1.71	49.9%
<b>Sector Average</b>					<b>22.95</b>	<b>3.5%</b>		

DISCLAIMER: The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

Real Estate Investment Trust	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	NAVPS*	Dividend Yield	EPS (KES)
ILAM FAHARI I-REIT	6.84	23.0%	-2.0%	32,700	20.86	10.82%	0.82
<b>Sector Average</b>						<b>NA</b>	

\*NAVPS - Net Asset Value Per Share

Source: NSE and Faida Investment Bank Analysis

### Recommendations

For more detailed information on the recommendations, please click [here](#):

## Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Carbacid	Special dividend	Kes. 0.90	2-Nov-21	<b>26-Nov-21</b>	17-Dec-21
Carbacid	Final dividend	Kes. 0.70	2-Nov-21	<b>26-Nov-21</b>	17-Dec-21
Standard Chartered	Interim dividend	Kes.5.00	16-Nov-21	<b>7-Dec-21</b>	29-Dec-21
KenGen	First & Final dividend	Kes. 0.30	1-Nov-21	<b>16-Dec-21</b>	10-Feb-22

Source: NSE

# There's a new way to get the latest research and analysis from Faida Investment Bank

To receive Investment Opportunities and the Latest Market Recommendations on WhatsApp save

**+254743552341** in your contacts list.

For more detailed information on the recommendations, please click **here**:

To invest in Money Market Funds, please email: **info@fib.co.ke**

For Online Share Trading (OST) via browser, please click **here**:

For the Faida M-Trader Application, please click **here**:



### Recommendations Guide

**LONG-TERM BUY:** The Company has strong fundamentals. However, there are certain investments or strategies that would require an investor to have a long-term view of the company to allow for capital appreciation. Also, the company may be facing headwinds which we view as short term

**BUY:** Strong fundamentals. Minimal risks to the catalysts/growth drivers

**NEUTRAL:** This is where the positives and negatives in a company almost balance out. You can accumulate for the long term

**SELL:** Deteriorating fundamentals. Risks outweigh the catalyst/growth drivers