



Weekly Report

Week 48

Week Ending on Friday, December 1st 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

Bamburi Signals Dividend from KES 12 billion Uganda deal

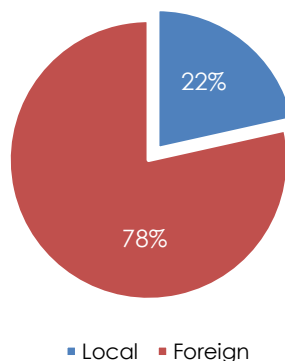
Bamburi Cement has signaled that it expects to pay its shareholders a special dividend from the sale of its 70% stake in its Uganda subsidiary Hima Cement for KES 12.86 billion, backing investor expectations of a payout that has spurred its shares to a gain of 55% in the last two weeks.

The cement maker told shareholders in a circular that the proceeds of the sale could either be reinvested in the Kenyan unit or distributed to its owners, subject to capital allocation plans by its board and management.

The deal is part of a strategy by Bamburi's parent firm Holcim to divest from fragmented markets and concentrate in countries where it is among the biggest players.

Foreign Against Local Investor Participation as of 01/12/2023

Local vs Foreign Investors



End Date	Local (Mns)	Foreign (Mns)
Friday, November 24, 2023	253.99	926.81
Participation	22%	78%

Source: NSE

Equities Market

Equity Market Commentary

During the week, the NSE All Share (NASI) appreciated slightly by 0.03% to close at 92.27 while the NSE 25 Index depreciated by 0.80% to close at 2,397.13. The equity turnover increased by 90.0% during the week to close at 987.17 million while the volume of shares traded increased by 114.9% to end the week at 74.36 million.

Market Indices Performance

	This Week	Previous Week	Weekly Change	YTD Change
NASI	92.27	92.24	0.0%	-27.6%
NSE 20	1,494.45	1,510.25	-1.0%	-10.8%
NSE 25	2,397.13	2,416.53	-0.8%	-23.5%

Source: NSE

Market Statistics

	This Week	Previous Week	Change
Market Capitalization (KES Bn)	1,441.59	1,441.06	0.0%
Volume (Mn)	74.36	34.61	114.9%
Equity Turnover (KES Mn)	987.17	519.52	90.0%

Source: NSE

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Equities Performance

	Top Gainers	Previous Price (KES)	Current Price (KES)	Weekly Change	YTD Change
1	Olympia	2.65	3.10	16.98%	4.73%
2	Standard Group	7.50	8.70	16.00%	-16.75%
3	Uchumi	0.17	0.19	11.76%	-17.39%
4	Liberty	3.50	3.91	11.71%	-30.18%
5	Sanlam	6.80	7.48	10.00%	-21.92%

Source: NSE and Faida Investment Bank Analysis

	Top Losers	Previous Price (KES)	Current Price (KES)	Weekly Change	YTD Change
1	Flame Tree	1.17	1.00	-14.53%	-7.41%
2	Carbacid	16.75	15.00	-10.45%	25.00%
3	WPP Scangroup	2.44	2.19	-10.25%	-27.24%
4	BK Group	36.50	33.00	-9.59%	4.76%
5	KenGen	2.30	2.14	-6.96%	-33.54%

Source: NSE and Faida Investment Bank Analysis

	Movers	Previous Price (KES)	Current Price (KES)	Turnover (KES Mn)
1	Safaricom	13.70	14.05	602.43
2	Equity	38.30	38.00	286.61
3	KCB	19.90	19.00	82.43
4	Stanbic	109.25	102.00	74.47
5	KenGen	2.30	2.14	25.60

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 152.81 for the week ending on November 24th, to 153.24 for this week ending on December 1st.

	Value	Weekly Change	YTD Change
US Dollar	153.2353	(0.3%)	(24.2%)
STG Pound	193.7958	(1.1%)	(30.5%)
EURO	167.4571	(0.5%)	(27.6%)

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

Global Markets

Index	Last Price as of 01/12/2023	Weekly Change
Dow Jones Index	34,283.10	0.65%
S&P 500	4,415.24	1.31%
NASDAQ	15,529.12	2.85%
DAX	15,234.39	0.30%
FTSE 100	7,360.00	-0.78%
Euro Stoxx 50	4,197.36	0.54%
Shanghai Composite	3,038.97	0.27%
NIKKEI 225	32,568.11	1.93%
Commodities		
Brent Oil (USD/bbl.)	81.43	-4.08%
Gold (USD/Oz)	1,940.20	-2.63%

Source: Bloomberg

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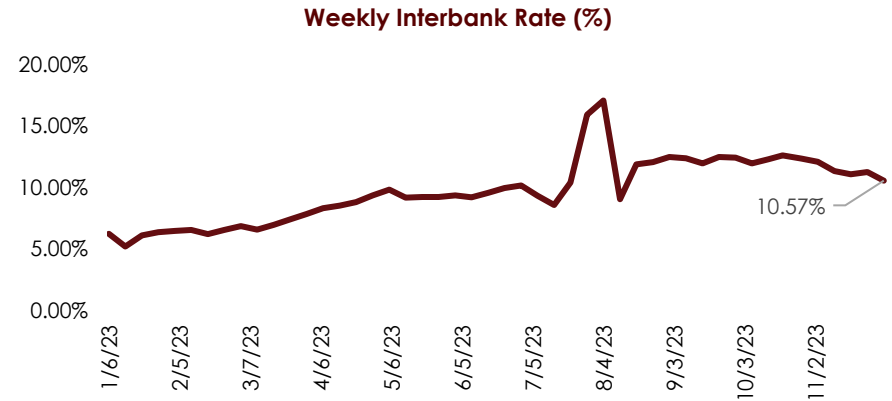
Treasury Bill Auction Results

	Amount Offered	Bids Received	Subscription Rate	Bids Accepted	Yield	Subscription w-o-w
91-day	4.0	19.4	484.97%	18.3	15.529%	-17.09%
182-day	10.0	2.7	26.98%	2.7	15.550%	13.41%
364-day	10.0	2.0	19.66%	1.8	15.727%	6.16%
Total	24.0	24.1	100.26%	22.8		-12.90%

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

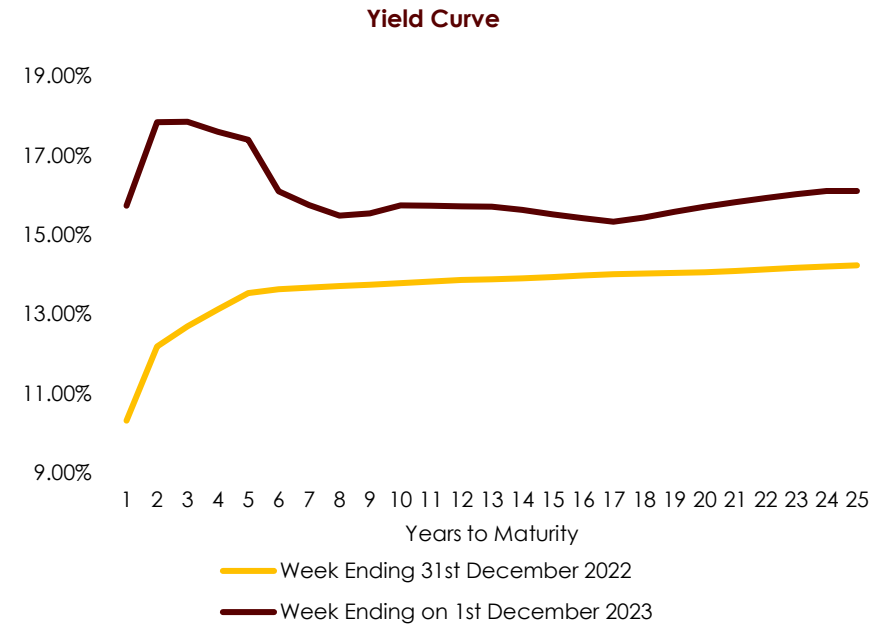
- Overall, Treasury Bills (T-Bills) continue to be oversubscribed, with an overall subscription rate of 100.26%. The 91-day Treasury Bill had a subscription rate of 484.97% and it continues to show investors' preference towards shorter-dated papers due to duration risk.
- In last week's auction, yields on the T-Bills all edged upward with the largest change being recorded in the 364-day paper that went up by 14 basis points.

Weekly Interbank Rate



Source: CBK

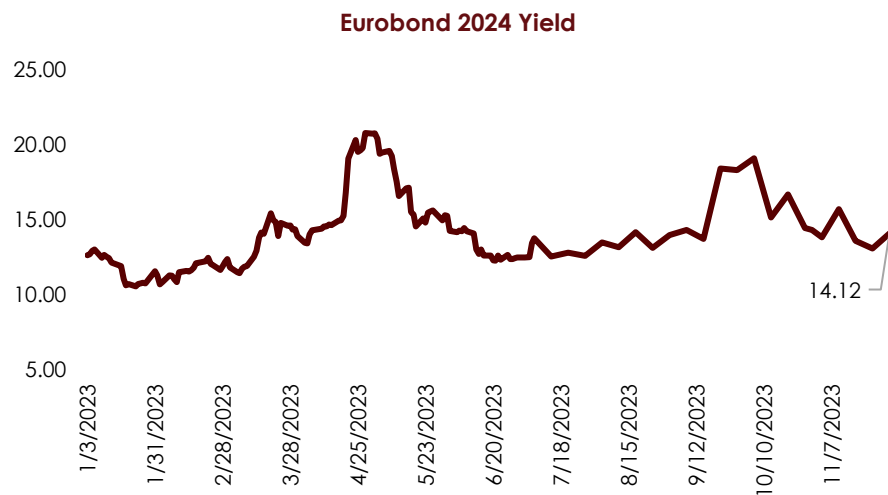
Government Securities Yield Curve



Source: NSE

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Kenya 10-Year Eurobond Yield Curve



Source: Bloomberg

During the week, the Eurobond yield increased by 7.68% from 13.11 for the week ending on November 24th, to 14.12 on December 1st.

Recommendations

- **EABL** – Long-Term Buy
- **Safaricom** – Long-Term Buy
- **Equity Bank** – Long-Term Buy

NSE Most Traded Bond & Coupon Rate as at 01/12/2023

Most Traded bond	Coupon (%)	No of Trades
IFB1/2023/6.5Yr	17.933	342

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 longer. 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 (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
Standard Chartered	Interim Dividend	6.0	22-Nov-23	14-Dec-23	28-Dec-23
Williamson Tea	Interim Dividend	10	17-Nov-23	07-Dec-23	13-Dec-23
Kapchorua Tea	Interim Dividend	10	17-Nov-23	07-Dec-23	13-Dec-23
KenGen	Final Dividend	0.30	27-Oct-23	30-Nov-23	15-Feb-24
BK Group	Interim Dividend	1.04	25-Oct-23	24-Nov-23	20-Dec-23
Carbacid	Final Dividend	1.70	25-Oct-23	24-Nov-23	15-Dec-23

Counter Statistics

Banking	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	P/B	ROE
KCB	19.00	-50.13%	-4.52%	238,100	1.49	10.5%	0.58	21.80%
Equity Bank	38.00	-14.61%	-0.78%	284,500	3.23	10.5%	0.99	30.40%
NCBA	39.00	-0.89%	2.36%	916,300	4.78	10.9%	0.69	17.20%
Stanbic	102.00	0.00%	-6.64%	1,500	4.45	12.4%	0.71	15.30%
Absa Bank Kenya Plc	10.95	-10.98%	-5.60%	16,600	4.61	12.3%	0.88	24.30%
Housing Finance	3.94	23.51%	-0.25%	2,500	4.28	0.0%	0.20	N/A
Co-operative Bank	11.40	-7.32%	-1.72%	234,900	3.54	13.2%	0.67	21.20%
Diamond Trust Bank	45.75	-8.50%	-0.44%	5,400	2.83	10.9%	0.22	6.80%
Standard Chartered	158.50	11.03%	0.00%	17,600	4.29	13.9%	0.86	22.10%
I&M	17.35	2.06%	-0.86%	24,100	2.56	13.0%	0.37	2.72%
Sector Average					3.61	10.8%	0.62	16.2%

Agriculture	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
Eaagads	12.70	20.95%	-2.31%	-	48.85	-	0.26	25.70%
Kakuzi Plc	385.00	0.00%	-	-	8.92	6.23%	43.15	14.70%
Kapchorua Tea Kenya Plc	239.25	111.26%	-0.31%	1,000	4.91	10.45%	40.20	19.70%
Limuru Tea Co. Plc	380.00	-9.52%	0.00%	-	84.09	0.66%	4.73	6.00%
Sasini	20.00	-10.91%	-	7,000	9.50	5.00%	2.49	8.60%
Williamson Tea Kenya	231.75	44.84%	3.92%	700	6.54	12.94%	29.42	13.00%
Sector Average					27.13	5.88%		14.62%

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Commercial and Services	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
Nation Media Group	20.00	25.39%	0.00%	5,800	7.80	7.5%	2.38	5.60%
WPP Scangroup	2.19	-27.24%	-10.25%	6,000	15.64	0.0%	0.14	-2.10%
Uchumi Supermarket	0.19	-17.39%	11.76%	24,300	N/M	N/M	N/M	N/M
Longhorn Publishers	2.31	-23.00%	0.43%	36,100	2.31	0.0%	0.03	25.10%
Eveready	1.31	89.86%	4.80%	2,300	N/M	N/M	N/M	N/M
Sameer Africa Plc	2.25	7.14%	-4.26%	300	2.25	0.0%	0.36	N/A
Standard Group	8.70	-16.75%	16.00%	-	8.70	0.0%	(10.05)	-40.00%
TPS Eastern Africa Ltd	12.25	-8.24%	6.52%	800	12.25	0.0%	(3.40)	-1.70%
Sector Average					8.16	1.25%		-2.6%

Construction & Allied	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	NPM	ROE
Bamburi Cement	35.05	11.27%	0.14%	1,094,200	33.60	7.8%	3.4%	0.6%
E.A. Portland Cement	9.34	37.35%	9.88%	200	0.90	0.0%	0.0%	2.5%
Crown Paints Kenya	36.00	-13.98%	-	1,000	8.90	11.1%	6.6%	23.4%
E.A. Cables	0.90	7.14%	2.27%	1,400	-0.88	0.0%	0.0%	-34.3%
Sector Average					10.63	4.74%	2.50%	-1.95%

Energy & Petroleum Sector	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
KenGen	2.14	-33.54%	-6.96%	1,507,400	3.20	14.0%	0.72	1.2%
Kenya Power	1.39	-10.90%	-3.47%	30,900	0.77	0.0%	2	2.7%
Total Kenya	16.55	-30.61%	-2.65%	200	3.20	7.9%	3	8.3%
Sector Average					2.39	7.31%		4.1%

Insurance Sector	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/B	Dividend Yield	P/E	ROE
CIC Insurance	2.42	24.10%	10.00%	120,800	0.57	5.4%	4.60	12.80%
Britam	5.10	-1.92%	-0.78%	4,200	0.56	0.0%	6.10	8.60%
Jubilee	182.00	-8.43%	1.11%	1,400	0.33	6.59%	2.30	18.90%
Kenya Re	1.82	-0.55%	7.06%	868,100	0.15	10.99%	1.70	9.00%
Sanlam Kenya	7.48	-21.92%	10.00%	4,900	3.69	0.0%	0.20	N/A
Liberty	3.91	-30.18%	11.71%	400	0.25	0.0%	3.70	-2.00%
Sector Average					0.93	3.83%	3.10	

Investment Sector	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	P/B	ROE
Centum Investment	8.50	1.43%	-0.23%	48,900	0.00	7.06%	0.14	1.6%
Home Afrika Ltd	0.30	-6.25%	0.00%	50,200	N/M	N/M	N/M	N/A
Trans-Century	0.50	-46.24%	-1.96%	2,200	N/M	N/M	N/M	N/A
Sector Average					0.00	7.06%	0.14	0.5%

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Investment Services	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
NSE	6.06	-10.62%	2.36%	8,600	36.37	3.30%	0.51	0.7%
Sector Average					36.37	3.30%		0.70%

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	113.75	-32.09%	-0.87%	620	9.15	4.8%	15.00	73.3%
FTG Holdings	1.00	-7.41%	-14.53%	200	0.00	0.0%	-1.21	-0.7%
Carbacid	15.00	25.00%	-10.45%	15,300	4.40	11.3%	2.78	21.0%
BAT	410.00	-10.87%	0.12%	2,700	6.80	13.0%	68.92	57.3%
B.O.C Kenya	79.75	12.72%	-	-	16.10	5.6%	5.55	6.7%
Sector Average					7.29	6.96%		26.3%

Telecommunication	Price (KES)	YTD Change	Change w-o-w	Volume Traded	P/E	Dividend Yield	EPS	ROE
Safaricom	14.05	-41.82%	2.55%	219,500	8.80	4.41%	1.55	47.1%
Sector Average					8.80	4.41%		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	5.84	-10.43%	-2.34%	60,600	19.55	10.27%	0.82	N/A
Sector Average						10.27%		

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