



# Weekly Equities Note

Week Ending : 11<sup>th</sup> November 2022

## Key Highlights:

Weekly Statistics	This Week	Previous Week	w/w % chg
Turnover (KES M)	1,221.95	1,113.20	9.77
Volume (M)	39.47	46.19	(14.55)
Foreign Participation (%)	60.49	70.71	(14.45)
NASI	128.09	127.55	0.42
NSE-20	1,666.47	1,675.66	(0.55)
NSE-25	3,088.01	3,092.65	(0.15)

Market Movers	Price	Volume (M)	Mkt share (%)
Safaricom	25.25	19.28	48.85
KCB	425.00	3.55	8.99
Equity	36.75	1.79	4.54

Top Gainers	This Week	w/w % chg	Volume
Olympia Capital Holdings	2.66	8.13	5,400.00
Longhorn Publishers	3.46	7.45	21,500.00
Gold	2015.00	7.18	18,900.00

Top Losers	This Week	w/w % chg	Volume
Nairobi Business Ventures	3.44	-12.02	316,100.00
Flame Tree Group	1.07	-10.08	41,800.00
TPS East Africa	13.60	-9.33	11,000.00

## Week That Was

**Benchmark Indices** - All indices recorded mixed trends compared to a downward performance in the previous week. NASI increased by **0.42%** to close the week at **KES 128.09** from **KES 127.55** while the NSE-20 lost **0.55%** to close the week at **KES 1,666.47** from **KES 1,675.66**.

**Market Performance** - Equity turnover increased by **9.77%** to **KES 1.22Bn** from **KES 1.11Bn**. Olympia Capital Holdings was the highest gainer appreciating **(+8.13%)** closing at **KES 2.66**. Other top gainers included Longhorn Publishers **(+3.46%)** at **KES 7.45** and Gold **(+7.18%)** at **KES 2015.00**. The top losers were Nairobi Business Ventures **(-12.02%)** closing at **KES 3.44**, Flame Tree Group **(-10.08%)** closing at **KES 1.07**, TPS East Africa **(-9.33%)** closing at **KES 13.60**.

**Foreign Participation** – During the week, we saw a change in foreign participation with foreigners recording net outflows of **KES 271.04Mn** in foreign activity from net outflows of **KES 93.29Mn** recorded last week.

## Weekly Highlight

### Safaricom (SCOM)

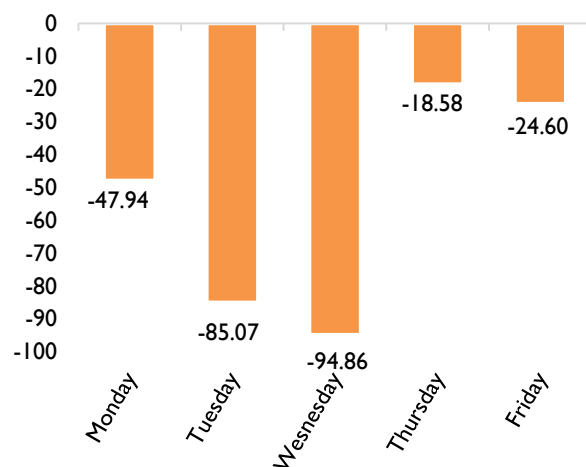
Safaricom released their HY'23 results where the net income decreased on the back of an increase in direct costs and operating expenses as well as an increase in capital expenditure following their expansion into the Ethiopian market. M-pesa and mobile data continue to be key revenue drivers as voice and SMS growth shrunk. The newly established Ethiopian market shows huge prospects with 740,00 customers by the end of October 2022. By our own estimates, this means 20,000 new customers per day and if the same growth rate is maintained STE will close the year with 2.00Mn customers.

Additionally, the current ratio worsened to 0.61:1 from 0.66:1 recorded in the previous year driven by growth in short-term borrowing. SCOM is currently trading at a P/E of 14.37x against an industry median of 14.25x and a P/B multiple of 7.10x. The ROA stands at 7.97% and the ROE stands at 16.18%.

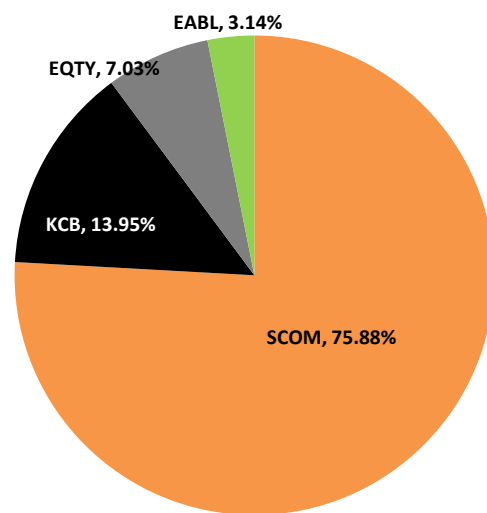
We view Safaricom's commencement of commercial operations in Ethiopia following a pilot programme as a positive growth and revenue driver in the long-term. The company's short-term growth is expected to be challenged by increased capital expenditure in Ethiopia, the prevailing high inflation rate in Kenya which results in consumers reduced disposable income and the currency depreciation driven by strengthening of the dollar against other currencies which translates into increased finance cost for the company.

(Source: Company Filings)

## Weekly Trading Activity - Net Foreign Position



## Weekly Trading Activity by Turnover



## Weekly Equities Summary

Stock	Price	Δ YTD	Δ WoW	M.Cap	M.Cap	P/E	P/B
	11-Nov		%	USD M	%	x	x
▲ Safaricom	25.25	-26.3	1.8	8,307.0	54.2	16.2	7.0
▲ ABSA Group	11.70	21.1	2.6	521.8	3.4	8.5	1.4
▲ Diamond Trust Bank	48.50	-35.3	0.4	106.1	0.7	2.0	0.2
▼ Equity Group	45.10	23.4	-1.3	1,397.5	9.1	7.6	1.5
▼ H. Finance Group	3.07	-7.5	-5.5	8.9	0.1	-10.6	0.1
▲ I&M Holdings	17.15	-61.9	0.9	55.3	0.4	1.4	0.2
▼ KCB Group	36.75	-3.5	-1.1	925.2	6.0	4.7	0.9
▲ NCBA Group	31.70	18.5	1.9	166.6	1.1	4.0	0.4
— Stanbic Holdings	100.00	17.6	0.0	324.6	2.1	6.2	0.8
▲ Standard Chartered	137.00	-5.0	0.2	386.4	2.5	6.3	1.1
▲ Co-operative Bank	11.85	-5.2	0.9	475.8	3.1	4.8	0.9
— Kenya Airways	3.83	0.0	0.0	47.1	0.3	-1.7	-1.2
▲ Longhorn Publishers	3.46	-29.1	7.5	10.5	0.1	-4.2	1.3
▲ Nation Media Group	16.70	8.1	2.8	25.9	0.2	4.1	0.4
▼ Standard Group	11.00	-51.1	-4.3	7.4	0.0	-2.1	0.8
▼ TPS Eastern Africa	13.60	-15.0	-9.3	20.3	0.1	16.8	0.3
▼ WPP Scangroup	3.02	-49.7	-5.3	9.4	0.1	3.0	0.2
— KenGen	3.29	-30.1	0.0	168.7	1.1	2.7	0.1
▼ Kenya Power & Light.	1.65	-3.5	-5.7	26.4	0.2	12.7	0.1
▼ Total Kenya	23.20	-3.3	-7.2	33.3	0.2	5.8	0.2
▼ Britam Holdings	5.72	-21.2	-0.7	91.0	0.6	4.1	0.5
▼ CIC Insurance Group	1.95	-8.5	-2.0	41.9	0.3	16.3	0.7
▼ Jubilee Holdings	210.00	-26.1	-2.3	113.6	0.7	4.3	0.5
▼ Kenya Re Insurance	1.87	-19.4	-0.5	10.7	0.1	0.7	0.2
▼ Liberty Kenya Hold.	4.98	-35.3	-4.2	21.9	0.1	3.8	0.3
▼ Sanlam Kenya	8.72	-32.7	-6.6	10.3	0.1	11.0	0.9
— BOC Kenya	80.00	27.0	0.0	12.8	0.1	28.0	1.1
▼ British. A. Tobacco	425.00	17.7	-0.6	349.0	2.3	10.9	4.4
▼ Carbacid Invest.	13.80	14.0	-0.7	28.9	0.2	13.3	1.1
▼ East Afr. Breweries	157.50	2.1	-4.3	1,022.7	6.7	14.0	14.4
▲ Eveready E.A	0.76	-24.0	2.7	1.3	0.0	-0.5	1.5
▼ Centum Investment	8.42	-47.5	-3.7	46.0	0.3	1.1	0.1
▲ Nairobi Sec. Exch.	7.28	-10.8	3.4	15.5	0.1	24.3	0.9
▼ Bamburi Cement	34.00	-10.2	-1.2	101.3	0.7	19.5	0.4
▼ E.A Portland Cement	7.50	-31.8	-3.8	5.5	0.0	-0.2	0.0
▲ Crown Paints Kenya	39.85	4.9	1.8	23.3	0.2	8.9	2.2
▲ Kakuzi	420.00	15.1	1.2	7.4	0.0	11.5	1.6
— Kapchorua Tea	115.00	47.4	0.0	6.2	0.0	-7.2	0.6
▼ Sasini	20.50	5.1	-2.4	21.7	0.1	-14.7	0.4
▼ Williamson Tea	151.00	15.9	-8.3	0.0	0.0	19.9	0.4
▼ Ilam Fahari I-REIT	6.60	17.0	-4.1	9.8	0.1	7.8	1.4

## Corporate Actions

Counter	Interim Dividend	Final Dividend	Book Closure	Dividend Payment
Carbacid Investments		KES 1.70	25 <sup>th</sup> November 2022	16 <sup>th</sup> December 2022

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