



Weekly Equities Note

 Week Ending : 18th November 2022

Key Highlights:

Weekly Statistics	This Week	Previous Week	w/w % chg
Turnover (KES M)	1,957.18	1,221.95	60.17
Volume (M)	78.37	39.47	98.56
Foreign Participation (%)	55.50	60.49	(8.25)
NASI	129.02	128.09	0.73
NSE-20	1,664.82	1,666.47	(0.10)
NSE-25	3,129.79	3,088.01	1.35

Market Movers	Price	Volume (M)	Mkt share (%)
Safaricom	25.25	49.38	63.01
ABSA	11.70	15.32	19.55
EABL	165.25	0.82	1.05

Top Gainers	This Week	w/w % chg	Volume
Nairobi Business Ventures	3.85	11.92	170,700.00
Flame Tree Group	1.15	7.48	4,500.00
KCB Group	38.80	5.58	777,600.00

Top Losers	This Week	w/w % chg	Volume
Jubilee Holdings	187.75	-10.60	9,800.00
Sameer Africa	2.40	-10.45	109,200.00
Trans-century	1.07	-10.08	88,700.00

SSA Returns:

Index	Country	YTD (%)	w/w (%)
NSEASI	Kenya	-22.49%	0.73%
UGSINDX	Uganda	-13.40%	2.07%
DARSDSEI	Tanzania	-1.41%	1.18%
RSEASI	Rwanda	1.49%	0.01%
BRVM	West Africa	-4.31%	-0.86%
NGSE	Nigeria	4.16%	1.19%
GGSECI	Ghana	-11.82%	0.54%
ZHIALLSH	Zimbabwe	29.86%	-4.80%
SEMDEX	Mauritius	-0.92%	1.80%
MXFEM	MSCI Frontier Emerging Markets	-22.40%	1.53%

Week That Was

Benchmark Indices – Similar to last week, all indices recorded mixed trends. NASI increased by **0.73%** to close the week at **KES 129.02** from **KES 128.09** while the NSE-20 lost **0.10%** to close the week at **KES 1,664.82** from **KES 1,666.47**.

Market Performance - Equity turnover increased by **60.17%** to **KES 1.96Bn** from **KES 1.22Bn**. Nairobi Business Ventures reversed last week's losses by being the highest gainer (**+11.92%**) to close at **KES 3.85**. Other top gainers included: Flame Tree Group(**+7.48%**) at **KES 1.15** and KCB Group (**+5.58%**) at **KES 38.80**. The top losers were led by Jubilee Holdings(**-10.60%**) closing at **KES 187.75**, Sameer Africa (**-10.45%**) closing at **KES 2.40**. Trans-century continued the losing streak with another (**-10.08%**) loss in the past week to close at **KES 1.07** despite the announcement of the approval for a rights issue.

Foreign Participation – During the week, we saw the prevailing foreign exits persist with foreigners recording net outflows of **KES 220.63Mn** in foreign activity from net outflows of **KES 271.04Mn** recorded last week.

Weekly Highlight

KCB Group (KCB)

KCB Group released their Q3'22 results where the net earnings were up 21.00% y/y driven by an increase in net interest and non-funded income lines. We observed the lender's increase in revenue was driven by increased loan fees, earnings from foreign currency, and investment in government securities. Operating expenses growth was driven by expansion activities in subsidiaries' consolidation despite lower impairment provisioning. We observed a y/y increase in NPL (+52.12%) on the back of the economic difficulties and high inflation in operating markets.

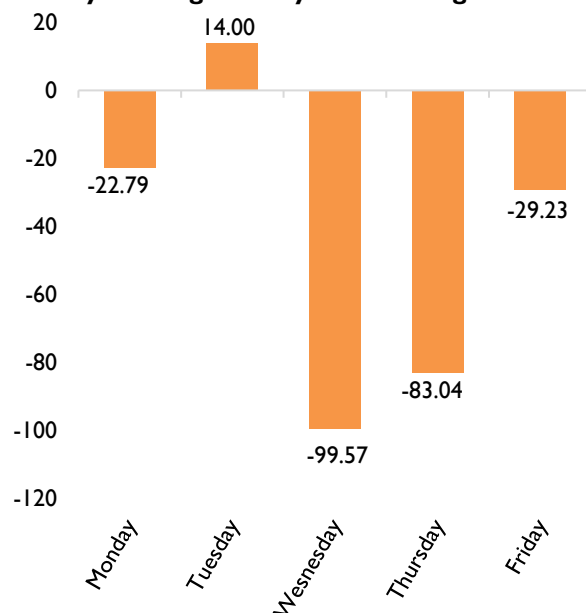
We view KCB's acquisition of TMB of DRC as a positive revenue generator for the long term in line with the company's growth vision. The counter is currently trading at a P/E multiple of 3.55x against the industry average of 3.60x and a P/B multiple of 0.64x. Last week, we saw a 4.72% gain to close at KES 38.80 largely driven by the interim KES 1.00 dividend.

Co-op Bank Group (COOP)

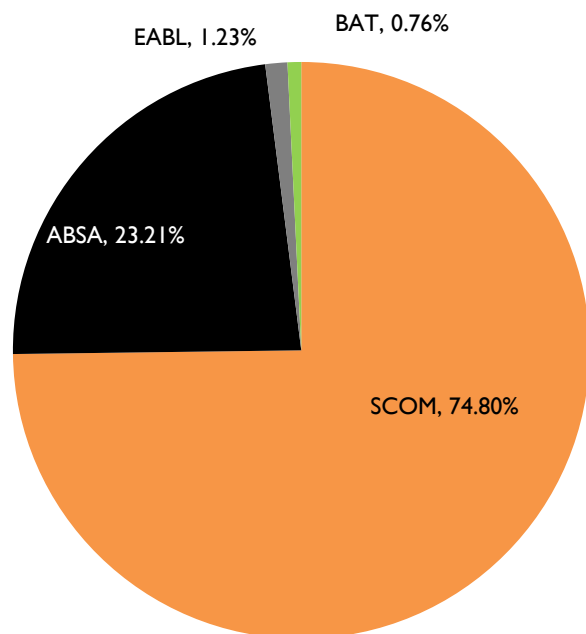
Co-op Bank released their Q3'22 results where net earnings grew 47.05% y/y driven by increase in net interest and non-interest income and reduced provisioning (-5.29% y/y). Revenue growth (+17.60% y/y) was driven by increased income from government securities (+12.51%), increased loan fees and foreign exchange earnings. There was also an increase in the NPL mainly driven by the prevailing declining macro factors and difficult operating environment.

Notably, the ROA stands at 2.75% and the ROE at 16.89%. Co-op is currently trading at a P/E multiple of 4.12x against an industry median of 3.6x and a P/B multiple of 0.70x. The counter closed the week at KES 12.00 being a 1.72% w/w gain. (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
	18-Nov	%		USD M	%	x	x
Safaricom	25.25	-26.3	0.0	8,290.2	53.8	16.2	7.0
ABSA Group	11.70	21.1	0.0	520.8	3.4	8.5	1.4
▼ Diamond Trust Bank	47.40	-36.8	-2.3	103.4	0.7	2.0	0.2
▲ Equity Group	46.80	28.0	3.8	1,447.3	9.4	7.9	1.6
▼ H. Finance Group	3.00	-9.6	-2.3	8.7	0.1	-10.3	0.1
▼ I&M Holdings	17.00	-62.2	-0.9	54.7	0.4	1.4	0.2
▲ KCB Group	38.80	1.8	5.6	974.9	6.3	5.0	1.0
▼ NCBA Group	30.60	14.4	-3.5	160.5	1.0	3.9	0.4
▼ Stanbic Holdings	97.50	14.7	-2.5	315.9	2.0	6.0	0.8
▲ Standard Chartered	138.75	-3.8	1.3	390.6	2.5	6.4	1.1
▲ Co-operative Bank	12.00	-4.0	1.3	480.8	3.1	4.8	0.9
Kenya Airways	3.83	0.0	0.0	47.0	0.3	-1.7	-1.2
▲ Longhorn Publishers	3.55	-27.3	2.6	10.8	0.1	-4.3	1.3
▼ Nation Media Group	16.00	3.6	-4.2	24.7	0.2	3.9	0.4
▼ Standard Group	10.95	-51.3	-0.5	7.3	0.0	-2.1	0.8
▲ TPS Eastern Africa	13.85	-13.4	1.8	20.7	0.1	17.1	0.3
▼ WPP Scangroup	3.01	-49.8	-0.3	9.3	0.1	3.0	0.2
▼ KenGen	3.27	-30.6	-0.6	167.3	1.1	2.7	0.1
▼ Kenya Power & Light.	1.62	-5.3	-1.8	25.9	0.2	12.5	0.1
▲ Total Kenya	23.60	-1.7	1.7	33.8	0.2	5.9	0.2
▲ Britam Holdings	5.80	-20.1	1.4	92.1	0.6	4.1	0.5
▼ CIC Insurance Group	1.89	-11.3	-3.1	40.5	0.3	15.8	0.6
▼ Jubilee Holdings	187.75	-33.9	-10.6	101.4	0.7	3.8	0.5
▼ Kenya Re Insurance	1.83	-21.1	-2.1	10.5	0.1	0.7	0.2
▼ Liberty Kenya Hold.	4.82	-37.4	-3.2	21.2	0.1	3.7	0.3
▲ Sanlam Kenya	9.00	-30.5	3.2	10.6	0.1	11.4	0.9
▼ BOC Kenya	72.00	14.3	-10.0	11.5	0.1	25.2	1.0
▲ British. A. Tobacco	428.00	18.6	0.7	350.7	2.3	11.0	4.4
▲ Carbacid Invest.	13.95	15.3	1.1	29.1	0.2	13.4	1.1
▲ East Afr. Breweries	165.25	7.1	4.9	1,070.9	6.9	14.7	15.1
▼ Eveready E.A	0.70	-30.0	-7.9	1.2	0.0	-0.5	1.3
▲ Centum Investment	8.50	-47.0	1.0	46.4	0.3	1.1	0.1
▼ Nairobi Sec. Exch.	6.94	-15.0	-4.7	14.8	0.1	23.1	0.9
▲ Bamburi Cement	34.30	-9.4	0.9	102.0	0.7	19.7	0.4
▲ E.A Portland Cement	7.80	-29.1	4.0	5.8	0.0	-0.2	0.0
▼ Crown Paints Kenya	39.15	3.0	-1.8	22.8	0.1	8.8	2.1
▼ Kakuzi	390.00	6.8	-7.1	6.7	0.0	10.7	1.5
▼ Kapchorua Tea	105.00	34.6	-8.7	6.2	0.0	-6.5	0.6
▲ Sasini	20.70	6.2	1.0	21.5	0.1	-14.9	0.4
▼ Williamson Tea	150.00	15.2	-0.7	0.0	0.0	19.8	0.4
▼ Ilam Fahari I-REIT	6.56	16.3	-0.6	9.7	0.1	7.7	1.4

Corporate Actions

Counter	Interim Dividend	Final Dividend	Book Closure	Dividend Payment
Carbacid Investments		KES 1.70	25 th November 2022	16 th December 2022
KCB Group	KES 1.00		08 th December 2022	13 th January 2023

CONTACTS:

Research Desk

Solomon Kariuki
Research Analyst

Faith Sang
Research Analyst

Bryan Mukiri

Email: research@aib-axysafrica.com

Equities Dealing

Nina Goswami

Bernard Kung'u

Benard Gichuru

Brian Tanui

Samuel Githinji

Sheema Shah

Samuel Wachira

Email: trading@aib-axysafrica.com

Bond Dealing

Crispus Otieno

Titus Marenye

Email:

trading@aib-axysafrica.com

Disclaimer

AIB-AXYS Africa and its parent company AXYS Group seek to do business with companies covered in their research reports. Consequently, a conflict of interest may arise that could affect the objectivity of this report. This document should only be considered a single factor used by investors in making their investment decisions. The reader should independently evaluate the investment risks and is solely responsible for their investment decisions. The opinions and information portrayed in this report may change without prior notice to investors.

This publication may not be distributed to the public media or quoted or used by the public media without prior and express written consent of AIB-AXYS Africa or AXYS Group. This document does not constitute an offer, or the solicitation of an offer, for the sale or purchase of any security. Whilst every care has been taken in preparing this document, no representation, warranty or undertaking (express or implied) is given and no responsibility or liability is accepted by AIB-AXYS Africa or any of its employees as to the accuracy of the information contained and opinions expressed in this report.