

www.aib-axysafrica.com



Weekly Equities Note



research@aib-axysafrica.com

AIB:AXYS
AFRICA

Key Highlights:

Weekly Statistics	This Week	Previous Week	w/w % chg
Turnover (KES M)	1,514.60	1,003.52	50.93
Volume (M)	38.94	42.30	(7.94)
Foreign Participation (%)	30.18	30.18	-
NASI	117.89	126.17	(6.56)
NSE-20	1,608.44	1,634.09	(1.57)
NSE-25	2,997.25	3,133.32	(4.34)

Market Movers	Price	Volume (M)	Mkt share (%)
Safaricom	20.60	52.43	134.64
Co-operative Bank	12.50	7.16	18.39
KCB Group	37.45	2.33	5.98

Top Gainers	This Week	w/w % chg	Volume
Flame Tree Group	1.24	13.76	64,100.00
Sasini	25.00	13.64	13,600.00
Express Kenya	4.98	13.18	119,620.00

Top Losers	This Week	w/w % chg	Volume
Total Kenya Ltd	19.15	-13.54	44,200.00
Safaricom	20.60	-12.15	52,425,600.00
Standard Group	9.00	-10.89	3,300.00

Index	Country	YTD (%)	w/w (%)
NSEASI	Kenya	-7.52%	-6.56%
UGSINDX	Uganda	-3.47%	-2.39%
DARSDSEI	Tanzania	0.53%	-1.62%
RSEASI	Rwanda	0.21%	0.14%
BRVM	West Africa	2.28%	0.81%
NGXINDX	Nigeria	8.87%	0.48%
GGSECI	Ghana	1.44%	3.87%
ZHIALLSH	Zimbabwe	54.15%	2.92%

Week That Was

Benchmark Indices - All indices continued a downward trend similar to the previous week. NASI decreased by **6.56%** to close the week at **KES 117.89** from **KES 126.17** while the NSE-20 decreased by **1.57%** to close the week at **KES 1,608.44** from **KES 1,634.09**.

Market Performance - Equity turnover increased by **50.93%** to **KES 1.51Bn** from **KES 1.00Bn**. Flame Tree Group was the highest gainer appreciating **(+13.76%)** closing at **KES 1.24**. Other top gainers included: Sasini **(+13.64%)** at **KES 25.00** and Express Kenya **(+13.18%)** at **KES 4.98**. The top losers were Total Kenya **(-13.54%)** closing at **KES 19.15**, Safaricom **(-12.15%)** closing at **KES 20.60** and Standard Group **(-10.89%)** closing at **KES 10.00**.

Foreign Participation – During the week, we saw a change in foreign participation with foreigners recording net outflows of **KES 364.15Mn** in foreign activity from net inflows of **KES 101.03Mn** recorded last week.

Weekly Highlight

Stanbic Holdings PLC (SBIC)

Stanbic released its FY'22 results in the last week, declaring a final dividend of KES 12.60 higher than our expected KES 9.00-11.00 DPS. The dividend issued represented a 54.97% payout ratio higher than the 49.37% recorded in FY'21.

Bottom-line growth (25.69% growth in PAT to KES 9.06Bn) was driven by a faster increase in lending income (31.81% y/y) and non-interest income (23.74% y/y). Yield on assets grew 99bps y/y to 7.96% as income from government papers grew faster than interest earning assets in the year. The effects of the rising interest environment were felt in the 11bps rise in cost of funds to 2.48%.

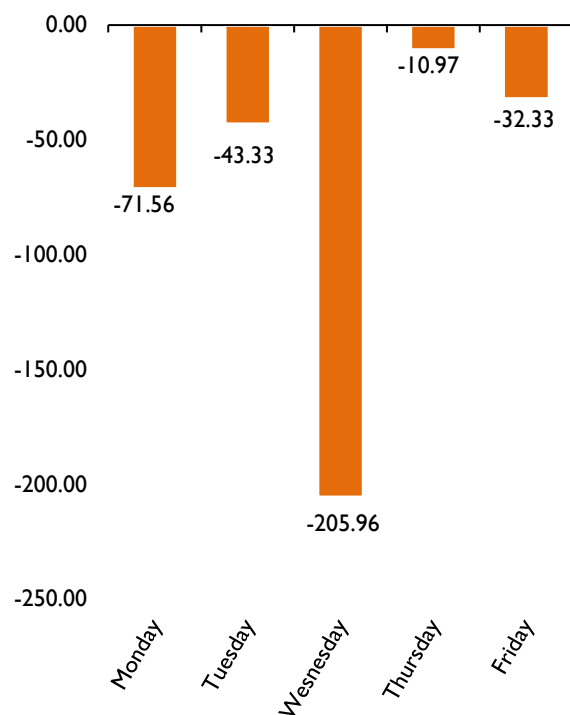
Gross NPLs increased 26.42% y/y to KES 28.45Bn, leading to the NPL ratio increasing 71bps y/y to 9.99% albeit lower than the latest industry average of 13.30%. NPL coverage further improved 495bps to 63.07% from 58.12% in FY21. Cost of risk was up 75bps driven by higher provisioning due to downgrading of a select loan accounts.

We expect long-term growth to be driven by lending following the approval of risk-based pricing and the adoption of digital transactions (93% of transactions are outside the branch). We see operating expenses moderating given the increased use of digital transaction channels. As such, we expect the CTI to remain at the mid-40 levels despite opening 3 branches in 2022 and looking to open more. We expect the bank to maintain a balanced revenue mix.

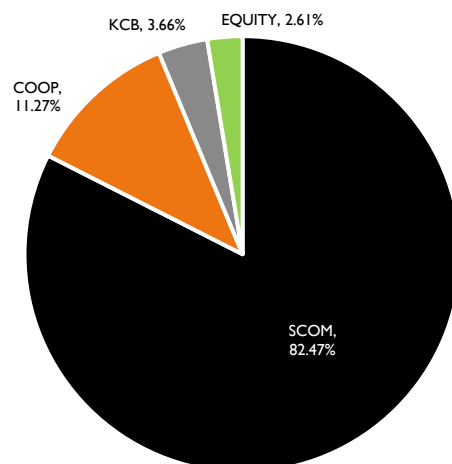
The counter closed at KES 108.75 an 8.75% w/w gain taking the YTD gain to 6.62%.

(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 USD M	M.Cap %
▲ Safaricom	23.45	-2.90%	0.43%	7,381.1	47.79%
▼ ABSA Group	12.40	0.81%	-1.20%	529.1	3.43%
▲ Diamond Trust Bank	49.95	-0.10%	3.85%	109.7	0.71%
▼ Equity Group	45.15	1.46%	-1.74%	1,338.5	8.67%
▼ H. Finance Group	3.29	3.13%	-7.58%	9.9	0.06%
— I&M Holdings	18.00	5.88%	0.00%	233.8	1.51%
▲ KCB Group	38.35	0.66%	0.13%	968.2	6.27%
▲ NCBA Group	37.05	-5.84%	2.35%	479.5	3.11%
▼ Stanbic Holdings	100.00	-1.96%	-8.26%	310.6	2.01%
▼ Standard Chartered	162.75	14.01%	-0.15%	483.1	3.13%
▲ Co-operative Bank	12.75	3.66%	1.59%	587.7	3.81%
— Kenya Airways	3.83	0.00%	0.00%	171.0	1.11%
▲ Longhorn Publishers	2.84	-5.33%	2.16%	6.1	0.04%
▲ Nation Media Group	14.95	-6.27%	2.40%	22.3	0.14%
▼ Standard Group	10.10	-3.35%	-1.46%	6.5	0.04%
▲ TPS Eastern Africa	13.75	3.00%	10.00%	19.7	0.13%
▼ WPP Scangroup	3.02	0.33%	-0.98%	10.3	0.07%
▼ KenGen	2.38	-26.09%	-5.18%	123.3	0.80%
▼ Kenya Power & Light.	1.49	-4.49%	-5.70%	22.8	0.15%
▲ Total Kenya	22.15	-7.13%	0.68%	30.5	0.20%
▼ Britam Holdings	5.00	-3.85%	-2.72%	99.1	0.64%
▼ CIC Insurance Group	1.98	1.54%	-1.49%	40.7	0.26%
▲ Jubilee Holdings	184.00	-7.42%	0.96%	104.8	0.68%
▼ Kenya Re Insurance	1.70	-7.10%	-3.95%	37.4	0.24%
▲ Liberty Kenya Hold.	5.00	-10.71%	0.20%	21.0	0.14%
▼ Sanlam Kenya	8.66	-9.60%	-0.69%	9.8	0.06%
— BOC Kenya	77.00	8.83%	0.00%	11.8	0.08%
▼ British. A. Tobacco	453.75	-1.36%	-5.42%	356.5	2.31%
— Carbacid Invest.	12.20	1.67%	0.00%	24.4	0.16%
▼ East Afr. Breweries	175.25	4.63%	-0.28%	1,088.7	7.05%
▲ Eveready E.A	0.66	-4.35%	6.45%	1.1	0.01%
— Mumias Sugar	0.28	0.00%	0.00%	3.4	0.02%
▼ Centum Investment	9.00	7.66%	-0.44%	47.0	0.30%
▼ Home Afrika	0.31	-3.13%	-3.13%	1.0	0.01%
▲ Trans-Century	1.10	18.28%	0.92%	3.2	0.02%
▼ Nairobi Sec. Exch.	6.50	-4.13%	-1.22%	13.3	0.09%
— ARM Cement	5.55	0.00%	0.00%	41.9	0.27%
▲ Bamburi Cement	27.55	-12.54%	2.04%	78.6	0.51%
▲ E.A Portland Cement	7.00	2.94%	6.71%	4.9	0.03%
▼ Crown Paints Kenya	35.00	-16.37%	-0.14%	39.1	0.25%
▲ Kakuzi	400.25	3.96%	4.64%	61.6	0.40%
▼ Kapchorua Tea	130.00	14.79%	-5.11%	8.0	0.05%
— Sasini	22.00	-2.00%	0.00%	39.4	0.26%
▼ Williamson Tea	175.00	9.38%	-2.23%	24.1	0.16%
▲ Ilam Fahari I-REIT	6.62	1.53%	2.48%	9.4	0.00%

Corporate Actions

Counter	Interim Dividend	Final Dividend	Book Closure	Dividend Payment
Kengen Plc		KES 0.20	26 th January 2023	30 th March 2023
Car & General Plc		KES 0.80	24 th February 2023	23 rd March 2023
EABL	KES 3.75		16 th February 2023	28 th April 2023
B.A.T Kenya Plc		KES 52.00	26 th May 2023	15 th June 2023
Safaricom	KES 0.58		15 th March 2023	31 st March 2023
Stanbic Holdings Plc		KES 12.60	19 th May 2023	

CONTACTS:

Research Desk

Solomon Kariuki
Research Analyst

Faith Sang
Research Analyst

Lisa Koome

Email: research@aib-axysafrica.com

Equities Dealing

Nina Goswami

Bernard Kung'u

Benard Gichuru

Brian Tanui

Samuel Githinji

Sheema Shah

Samuel Wachira

Benson Ngugi

Bond Dealing

Crispus Otieno

Titus Marenye

Aundrina Musyoka

Kenneth Minjire

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.