



# Weekly Equities Note

Week Ending : 23rd September 2022

## Key Highlights:

Weekly Statistics	This Week	Previous Week	w/w % chg
Turnover (KES M)	2,485.92	2,783.12	(10.68)
Volume (M)	85.87	109.23	(21.39)
Foreign Participation (%)	27.28	41.59	(34.41)
Foreign Buying Volume (KES M)	240.58	876.42	(72.55)
Foreign Selling Volume (KESM)	1,115.96	1,438.09	(22.40)
NASI	134.86	132.34	1.90
NSE-20	1,746.03	1,747.84	(0.10)
NSE-25	3,192.29	3,154.11	1.21

Market Movers	Price	Volume (M)	Mkt share (%)
Safaricom	27.40	36.0	41.9
NCBA Group	33.00	19.23	22.39
KCB Group	39.15	6.86	7.99
Kenya Power	1.88	6.51	7.58

Top Gainers	This Week	w/w % chg	Volume
Olympia Capital Holdings	3.00	16.28	4,900.00
EA Portand Cement	7.46	10.03	2,200.00
Bank of Kigali	30.65	9.86	100.00
NCBA Group	33.00	8.37	9,234,500.00

Top Losers	This Week	w/w % chg	Volume
TPS Eastern Africa	14.00	-14.63	4,300.00
Sanlam Insurance	10.00	-13.04	13,600.00
Liberty Holdings	6.30	-10.00	1,400.00
Eveready East Africa	0.73	-8.75	22,651.00

## Weekly Corporate Calendar:

Company	Event	Date***
BOC Gases	Book Closure	30 <sup>th</sup> September 2022
Centum Investments	Book Closure	30 <sup>th</sup> September 2022
NCBA Bank	Payment	30 <sup>th</sup> September 2022

## Week That Was

**Benchmark Indices** – NSE Equities indices recorded mixed fortunes following the reversal recorded the previous week. NASI gained **1.90%** to close the week at **KES 134.86** from **KES 132.34**, while the NSE-20 lost **0.10%** to close the week at **KES 1,746.03** from **KES 1,747.84**.

**Market Performance** - Equity turnover decreased by **10.67%** to **KES 2.49Bn** from **KES 2.78Bn**. Olympia Capital Holdings was the highest gainer appreciating **(+16.28%)** closing at **KES 3.00**. Other top gainers included: EA Portland Cement **(+10.03%)** at **KES 7.46** and Bank of Kigali **(+9.86%)** at **KES 30.65**. The top losers were TPS Eastern Africa **(-14.63%)** closing at **KES 14.00**, Sanlam Insurance **(-13.04%)** closing at **KES 10.00**, and, Liberty Holdings **(-8.75%)** closing at **KES 6.30**

**Foreign Participation** – During the week, we saw an increase in foreign participation with foreigners recording net outflows of **KES 822.79Mn** in foreign activity from net outflows of **KES 559.41Mn** recorded last week. The foreign outflows were driven by profit-taking after the recent rally and book closure on some counters.

## Weekly Highlight

**KCB Group( KCB)-** During the week, the shareholders of KCB Group in an extraordinary general meeting approved the acquisition of TMB Bank of DRC. KCB expects to complete the acquisition by the end of Q4 2022. KCB is expected to pay a cash consideration which we estimate will be KES 15.73Bn – KES 18.51Bn. The transaction is priced at a P/Bv of **1.49x** which is 44.66% above the average transaction multiple of 1.03x for regional takeover deals involving Kenyan banks since 2020.

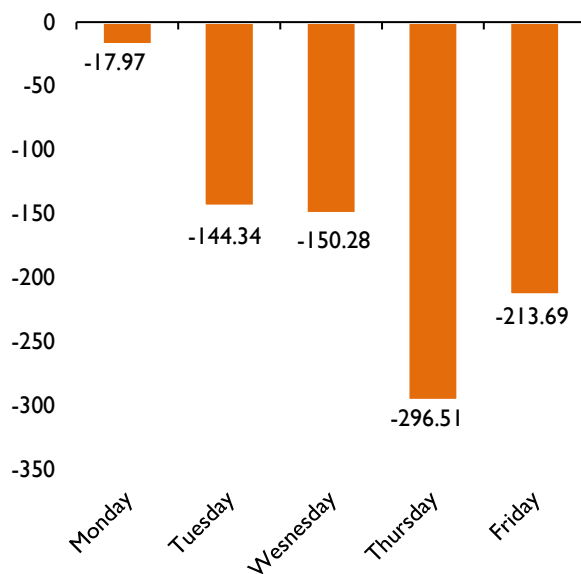
However, given the potential in the Congolese market and the growth figures we have seen within TMB, we expect the purchase to be a worthwhile venture in the future. As earlier discussed in our [Focus Note](#), the downside of the commitment to conclude the transaction by Q4'22 and the need for further capital support to TMB could affect the dividend payment ratio, which we see as likely to remain below the 30.00% level until FY'25.

We maintain our dividend estimate of KES 3.00 at the close of FY'22. Additionally, we also maintain our BUY recommendation as the counter is still trading below our target price of KES 52.45. The counter closed the week at **KES 39.15** representing a **-0.76%** w/w change.

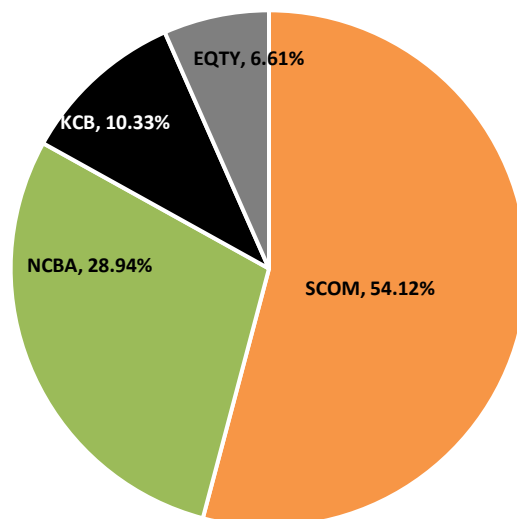
**East African Portland Cement (EAPC)-** EAPC this week announced the resumption of full clinker production after upgrading its Athi River factory. We view this as positive as it will likely reflect in higher revenues. However, it will take a while for the company to return back to profitability due to other historical underlying issues. Additionally, with cement consumption growing 18% in the half year ended June that was driven by increased construction in the private sector we expect an additional increase in revenue for the cement company. However, higher operation costs are likely to increase operation costs weighing down profits. The counter closed the week at **KES 7.46** representing a **10.03%** w/w change.

(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	Div Y	ROE	ROA
	23-Sep	%	%	USD M	%	x	x	%	%	%
▲ Safaricom	27.40	-20.0	3.2	9,105.8	55.8	17.6	7.6	4.6	46.6	34.7
▼ ABSA Group	11.45	18.5	-1.3	515.9	3.2	8.4	1.4	9.6	16.7	2.1
▼ Diamond Trust Bank	49.80	-33.6	-0.4	110.0	0.7	2.1	0.2	5.4	12.1	1.8
▼ Equity Group	47.10	28.9	-0.2	1,474.3	9.0	7.9	1.6	4.2	21.9	3.6
▼ H. Finance Group	3.28	-1.2	-6.0	9.6	0.1	-11.3	0.1	0.0	-1.1	-0.2
▼ I&M Holdings	16.90	-62.4	-0.3	55.0	0.3	1.4	0.2	15.1	19.5	3.4
▲ KCB Group	39.15	2.8	0.3	995.7	6.1	5.0	1.0	8.9	20.7	3.1
▲ NCBA Group	33.00	23.4	8.4	175.2	1.1	4.2	0.4	0.7	15.3	2.2
▲ Stanbic Holdings	100.00	17.6	6.1	327.9	2.0	6.2	0.8	7.1	13.6	2.1
▲ Standard Chartered	137.75	-4.5	1.1	392.5	2.4	6.3	1.1	13.2	17.5	0.0
▼ Co-operative Bank	12.05	-3.6	-2.4	488.7	3.0	4.9	0.9	8.3	19.6	3.3
— Kenya Airways	3.83	0.0	0.0	47.5	0.3	-1.7	-1.2	0.0	0.0	-7.8
— Longhorn Publishers	4.00	-18.0	0.0	12.3	0.1	-4.8	1.5	13.0	-24.6	-9.4
▼ Nation Media Group	17.75	14.9	-1.4	27.8	0.2	4.3	0.5	7.7	10.9	7.3
▲ Standard Group	12.80	-43.1	6.7	8.7	0.1	-2.4	0.9	0.0	-30.2	-9.7
▼ TPS Eastern Africa	14.00	-12.5	-14.6	21.2	0.1	17.3	0.3	0.0	1.8	0.8
▼ WPP Scangroup	3.40	-43.3	-2.9	10.7	0.1	3.4	0.2	0.0	-5.2	-3.0
▼ KenGen	3.67	-22.1	-0.3	190.1	1.2	3.1	0.1	6.8	4.1	2.0
▼ Kenya Power & Light.	1.88	9.9	-4.6	30.4	0.2	14.5	0.1	0.0	0.4	0.1
▼ Total Kenya	24.00	0.0	-2.0	34.8	0.2	6.0	0.2	5.4	10.8	6.6
▼ Britam Holdings	6.26	-13.8	-3.4	100.7	0.6	4.4	0.5	4.0	13.3	3.1
▼ CIC Insurance Group	2.07	-2.8	-1.4	44.9	0.3	17.3	0.7	0.0	4.1	0.9
— Jubilee Holdings	245.25	-13.6	0.0	134.0	0.8	5.0	0.6	3.7	13.2	2.9
▼ Kenya Re Insurance	2.07	-10.8	-1.0	12.0	0.1	0.8	0.2	21.7	13.2	8.4
▼ Liberty Kenya Hold.	6.30	-18.2	-10.0	28.0	0.2	4.8	0.4	7.9	9.3	1.9
▼ Sanlam Kenya	10.00	-22.8	-13.0	11.9	0.1	12.7	1.0	0.0	8.2	0.4
▼ BOC Kenya	76.75	21.8	-1.6	12.4	0.1	26.8	1.0	6.8	3.8	2.7
▲ British. A. Tobacco	449.50	24.5	2.2	372.8	2.3	11.6	4.6	7.5	40.8	19.4
▲ Carbacid Invest.	11.95	-1.2	1.3	25.3	0.2	11.5	1.0	5.9	8.6	7.7
▼ East Afr. Breweries	141.25	-8.4	-0.5	926.5	5.7	12.6	12.9	6.0	123.9	11.2
▼ Eveaready E.A	0.73	-27.0	-8.8	1.3	0.0	-0.5	1.4	0.0	-110.8	-73.8
▲ Centum Investment	9.82	-38.8	2.9	54.2	0.3	1.3	0.2	12.2	13.1	5.2
▼ Nairobi Sec. Exch.	7.02	-14.0	-6.9	15.1	0.1	23.4	0.9	1.1	3.9	3.6
▲ Bamburi Cement	34.05	-10.0	0.1	102.5	0.6	19.6	0.4	0.0	2.2	1.3
▲ E.A Portland Cement	7.46	-32.2	10.0	5.6	0.0	-0.2	0.0	0.0	-14.5	-9.0
▲ Crown Paints Kenya	42.50	11.8	2.8	25.1	0.2	9.5	2.3	0.0	27.2	5.8
— Kakuzi	390.00	6.8	0.0	7.3	0.0	10.7	1.5	3.6	14.4	11.5
▲ Kapchorua Tea	113.00	44.9	7.1	6.6	0.0	-7.0	0.6	8.8	1.2	1.0
▲ Sasini	23.90	22.6	8.1	23.5	0.1	-17.2	0.4	4.2	-2.7	-2.3
▲ Williamson Tea	161.50	24.0	1.6	0.0	0.0	21.3	0.5	12.4	2.2	1.6
— Ilam Fahari I-REIT	7.00	24.1	0.0	10.5	0.1	8.2	1.5	10.7	0.0	0.0

## Corporate Actions

Counter	Interim Dividend	Final Dividend	Book Closure	Dividend Payment
BAT Kenya Plc	KES 5.00		12-Aug-22	16-Sep-22
Jubilee Holdings	KES 1.00		9-Sep-22	11-Oct-22
East African Breweries Plc		KES 7.25	15-Sep-22	30-Oct-22
NCBA Group	KES 1.00		15-Sep-22	30-Oct-22
ABSA Bank	KES 0.20		21-Sep-22	12-Oct-22
BOC Gases			30-Sep-22	22-Oct-22
Centum Investments Plc		KES 0.59	TBC	TBC

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