



Weekly Equities Note

Week Ending : 16th September 2022

Key Highlights:

| Weekly Statistics | This Week | Previous Week | w/w % chg |
|-------------------------------|-----------|---------------|-----------|
| Turnover (KES M) | 2,783.12 | 1,617.35 | 72.08 |
| Volume (M) | 109.23 | 65.42 | 66.97 |
| Foreign Participation (%) | 41.59 | 28.65 | 45.17 |
| Foreign Buying Volume (KES M) | 876.42 | 444.99 | 96.95 |
| Foreign Selling Volume (KESM) | 1,438.09 | 481.62 | 198.59 |
| NASI | 132.34 | 141.64 | (6.57) |
| NSE-20 | 1,747.84 | 1,787.48 | (2.22) |
| NSE-25 | 3,154.11 | 3,337.35 | (5.49) |

| Market Movers | Price | Volume (M) | Mkt share (%) |
|---------------|-------|------------|---------------|
| Safaricom | 26.55 | 50.8 | 46.5 |
| KCB | 39.05 | 7.48 | 6.85 |
| Equity | 47.20 | 5.76 | 5.27 |
| NCBA | 30.45 | 8.52 | 7.80 |

| Top Gainers | This Week | w/w % chg | Volume |
|---------------------------|-----------|-----------|---------------|
| Kenya power | 1.97 | 23.13 | 26,823,700.00 |
| Car & General (K) | 45.50 | 12.21 | 3,100.00 |
| Nairobi Business Ventures | 3.47 | 8.10 | 51,500.00 |
| Longhorn Publishers | 4.00 | 6.38 | 11,800.00 |

| Top Losers | This Week | w/w % chg | Volume |
|---------------------|-----------|-----------|---------------|
| Standard Group | 12.00 | -16.08 | 20,700.00 |
| Limuru Tea | 441.00 | -13.53 | 2,300.00 |
| E.A Portland Cement | 6.78 | -11.26 | 1,800.00 |
| Safaricom | 26.55 | -9.23 | 50,775,600.00 |

Weekly Corporate Calendar:

| Company | Event | Date*** |
|-----------|--------------|---------------------------------|
| ABSA Bank | Book Closure | 21 st September 2022 |

Week That Was

Benchmark Indices - All indices reversed the recent rally by recording downward trends driven by share price decline among the blue chips. NASI declined **6.57%** to close the week at **KES 132.34** from **KES 141.64**, while the NSE-20 lost **2.22%** to close the week at **KES 1,747.84** from **KES 1,787.48**.

Market Performance - Equity turnover increased **72.05%** to **KES 2.78Bn** from **KES 1.62Bn**. Kenya Power was the highest gainer appreciating **(+23.10%)** closing at **KES 1.97** driven by the recent news of the revelation of the list of top shareholders coupled with a demand-supply mismatch that pushed the counter higher. Other top gainers included: Car & General (k) **(+12.20%)** at **KES 45.50** and Nairobi Business Ventures **(+8.10%)** at **KES 3.47**. The top losers were Standard Group **(-16.10%)** closing at **KES 12.00**, Limuru Tea **(-13.50%)** closing at **KES 441.00**, E.A Portland Cement **(-11.30%)** closing at **KES 6.78**.

Foreign Participation – During the week, we saw an increase in foreign participation with foreigners recording net outflows of **KES 559.41Mn** in foreign activity from net inflows of **KES 68.81Mn** recorded last week. The foreign outflows were driven by profit-taking after the recent rally and book closure on some counters.

Weekly Highlight

Equity Group (EQTY)- During the week, Equity Group announced an agreement, to be undertaken through Equity Bank Kenya, to purchase certain assets and liabilities of Spire Bank Limited. The initial consideration is estimated at around **KES 468.00Mn** to be paid to EBKL by majority shareholder Mwalimu Sacco.

EBKL is set to acquire approximately 20,000 deposit customers with a value of **KES 1.30Bn** which is 0.25% of EBKL customer deposits of KES 525.75Bn. Additionally, EBKL is likely to acquire 3,700 loan customers with a net carrying value of **KES 945.00Mn** as at 30th June 2022. The loan book represents an estimated 0.23% of EBKL's net loan book of KES 417.48Bn.

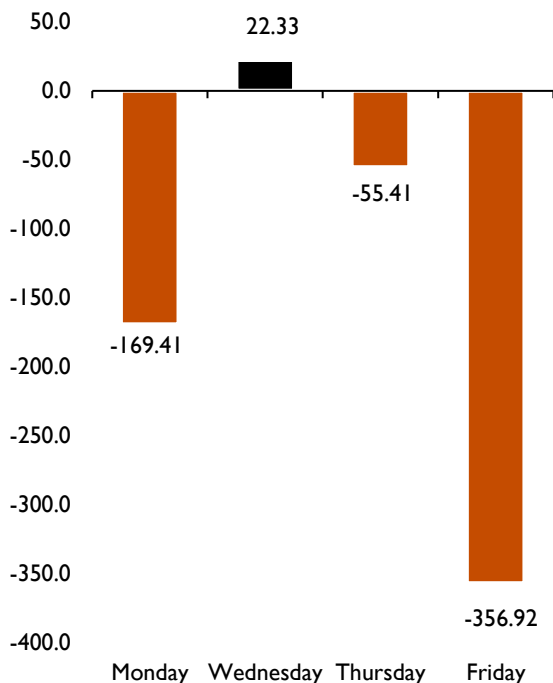
We do not expect the purchase to carry any significant impact on Equity Group's financials. Notably, EBKL already has a total monthly salary remittance of **KES 1.80Bn** from teachers. Furthermore, EBKL has lent 43,000 teachers an estimated KES 33.00 Bn.

We maintain our BUY recommendation as we believe the counter is still undervalued. The counter closed the week at **KES 47.20**, representing a **1.36%** w/w loss.

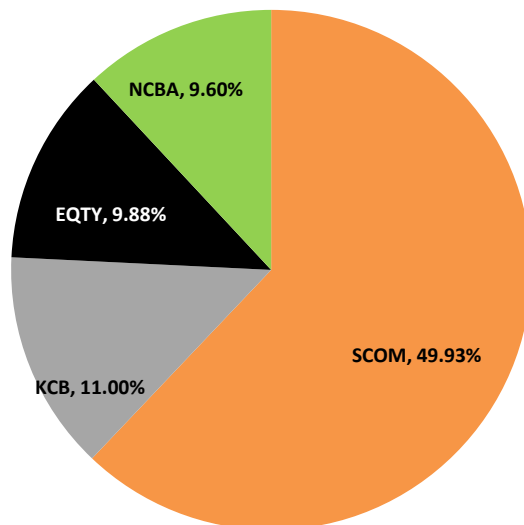
SAFARICOM (SCOM) – Safaricom Ethiopia extended its large-scale customer pilot to Bishoftu, Mojo and Debre Birhan raising the number of cities testing the network to eight following phased city-by-city customer pilots over the past three weeks. The customer pilots are part on ensuring network and services will be available in 25 cities by April 2023. We expect this continuous expansion of activities to increase the net earnings of the company. The counter closed the week at **KES 26.55**, representing a **7.33%** w/w loss.

(Source: Company Filings)

Weekly Trading Activity - Net Foreign Position



Weekly Trading Activity by Turnover



Weekly Equities Summary

| Stock | Price 16-Sep | Δ YTD % | Δ WoW % | M.Cap USD M | M.Cap % | P/E x | P/B x | Div Y % | ROE % | ROA % |
|------------------------|-----------------|------------|------------|----------------|------------|----------|----------|------------|----------|----------|
| ▼ Safaricom | 26.55 | -22.5 | -9.2 | 8,834.3 | 55.0 | 17.0 | 7.4 | 4.7 | 46.6 | 34.7 |
| ▼ ABSA Group | 11.60 | 20.1 | -2.9 | 523.3 | 3.3 | 8.5 | 1.4 | 9.5 | 16.7 | 2.1 |
| ▼ Diamond Trust Bank | 50.00 | -33.3 | -1.0 | 110.6 | 0.7 | 2.1 | 0.2 | 5.4 | 12.1 | 1.8 |
| ▼ Equity Group | 47.20 | 29.1 | -2.9 | 1,479.3 | 9.2 | 8.0 | 1.6 | 4.2 | 21.9 | 3.6 |
| ▼ H. Finance Group | 3.49 | 5.1 | -2.0 | 10.2 | 0.1 | -12.0 | 0.1 | 0.0 | -1.1 | -0.2 |
| ▼ I&M Holdings | 16.95 | -62.3 | -0.3 | 55.2 | 0.3 | 1.4 | 0.2 | 15.0 | 19.5 | 3.4 |
| ▼ KCB Group | 39.05 | 2.5 | -8.0 | 994.3 | 6.2 | 5.0 | 1.0 | 9.0 | 20.7 | 3.1 |
| ▼ NCBA Group | 30.45 | 13.8 | -7.7 | 161.8 | 1.0 | 3.9 | 0.4 | 0.7 | 15.3 | 2.2 |
| ▲ Stanbic Holdings | 94.25 | 10.9 | 0.8 | 309.4 | 1.9 | 5.8 | 0.8 | 7.5 | 13.6 | 2.1 |
| ▼ Standard Chartered | 136.25 | -5.5 | -2.0 | 388.7 | 2.4 | 6.3 | 1.1 | 13.3 | 17.5 | 0.0 |
| ▼ Co-operative Bank | 12.35 | -1.2 | -1.6 | 501.5 | 3.1 | 5.0 | 0.9 | 8.1 | 19.6 | 3.3 |
| — Kenya Airways | 3.83 | 0.0 | 0.0 | 47.6 | 0.3 | -1.7 | -1.2 | 0.0 | 0.0 | -7.8 |
| ▲ Longhorn Publishers | 4.00 | -18.0 | 6.4 | 12.3 | 0.1 | -4.8 | 1.5 | 13.0 | -24.6 | -9.4 |
| ▼ Nation Media Group | 18.00 | 16.5 | -4.5 | 28.2 | 0.2 | 4.4 | 0.5 | 7.6 | 10.9 | 7.3 |
| ▼ Standard Group | 12.00 | -46.7 | -16.1 | 8.1 | 0.1 | -2.3 | 0.8 | 0.0 | -30.2 | -9.7 |
| ▼ TPS Eastern Africa | 16.40 | 2.5 | -0.3 | 24.8 | 0.2 | 20.2 | 0.4 | 0.0 | 1.8 | 0.8 |
| ▼ WPP Scangroup | 3.50 | -41.7 | -5.4 | 11.0 | 0.1 | 3.5 | 0.2 | 0.0 | -5.2 | -3.0 |
| ▼ KenGen | 3.68 | -21.9 | -0.5 | 190.8 | 1.2 | 3.1 | 0.1 | 6.8 | 4.1 | 2.0 |
| ▲ Kenya Power & Light. | 1.97 | 15.2 | 23.1 | 31.9 | 0.2 | 15.2 | 0.1 | 0.0 | 0.4 | 0.1 |
| ▼ Total Kenya | 24.50 | 2.1 | -2.0 | 35.6 | 0.2 | 6.1 | 0.2 | 5.3 | 10.8 | 6.6 |
| ▼ Britam Holdings | 6.48 | -10.7 | -3.9 | 104.3 | 0.6 | 4.6 | 0.6 | 3.9 | 13.3 | 3.1 |
| ▼ CIC Insurance Group | 2.10 | -1.4 | -0.9 | 45.6 | 0.3 | 17.5 | 0.7 | 0.0 | 4.1 | 0.9 |
| ▲ Jubilee Holdings | 245.25 | -13.6 | 0.1 | 134.2 | 0.8 | 5.0 | 0.6 | 3.7 | 13.2 | 2.9 |
| ▼ Kenya Re Insurance | 2.09 | -9.9 | -2.8 | 12.1 | 0.1 | 0.8 | 0.2 | 21.5 | 13.2 | 8.4 |
| ▼ Liberty Kenya Hold. | 7.00 | -9.1 | -6.2 | 31.1 | 0.2 | 5.3 | 0.5 | 7.1 | 9.3 | 1.9 |
| ▲ Sanlam Kenya | 11.50 | -11.2 | 5.5 | 13.8 | 0.1 | 14.6 | 1.1 | 0.0 | 8.2 | 0.4 |
| ▼ BOC Kenya | 78.00 | 23.8 | -8.2 | 12.6 | 0.1 | 27.3 | 1.1 | 6.7 | 3.8 | 2.7 |
| ▼ British. A. Tobacco | 440.00 | 21.9 | -2.2 | 365.4 | 2.3 | 11.3 | 4.5 | 7.6 | 40.8 | 19.4 |
| ▼ Carbacid Invest. | 11.80 | -2.5 | -2.5 | 25.0 | 0.2 | 11.3 | 1.0 | 5.9 | 8.6 | 7.7 |
| ▼ East Afr. Breweries | 142.00 | -7.9 | -7.2 | 932.6 | 5.8 | 12.6 | 13.0 | 6.0 | 123.9 | 11.2 |
| ▼ Eveaready E.A | 0.80 | -20.0 | -1.2 | 1.4 | 0.0 | -0.6 | 1.5 | 0.0 | -110.8 | -73.8 |
| ▲ Centum Investment | 9.54 | -40.6 | 4.8 | 52.7 | 0.3 | 1.2 | 0.2 | 12.6 | 13.1 | 5.2 |
| ▼ Nairobi Sec. Exch. | 7.54 | -7.6 | -5.5 | 16.2 | 0.1 | 25.1 | 1.0 | 1.1 | 3.9 | 3.6 |
| ▼ Bamburi Cement | 34.00 | -10.2 | -1.7 | 102.5 | 0.6 | 19.5 | 0.4 | 0.0 | 2.2 | 1.3 |
| ▼ E.A Portland Cement | 6.78 | -38.4 | -11.3 | 5.1 | 0.0 | -0.2 | 0.0 | 0.0 | -14.5 | -9.0 |
| ▼ Crown Paints Kenya | 41.35 | 8.8 | -5.2 | 24.4 | 0.2 | 9.3 | 2.3 | 0.0 | 27.2 | 5.8 |
| ▲ Kakuzi | 390.00 | 6.8 | 6.0 | 6.9 | 0.0 | 10.7 | 1.5 | 3.6 | 14.4 | 11.5 |
| ▲ Kapchorua Tea | 105.50 | 35.3 | 3.2 | 6.6 | 0.0 | -6.6 | 0.6 | 9.5 | 1.2 | 1.0 |
| ▼ Sasini | 22.10 | 13.3 | -4.7 | 23.1 | 0.1 | -15.9 | 0.4 | 4.5 | -2.7 | -2.3 |
| ▲ Williamson Tea | 159.00 | 22.1 | 1.6 | 0.0 | 0.0 | 20.9 | 0.5 | 12.6 | 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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