



Weekly Equities Note

Week Ending : 06th January 2023

Key Highlights:

Weekly Statistics	This Week	Previous Week	w/w % chg
Turnover (KES M)	769.67	845.57	(8.98)
Volume (M)	31.43	30.08	4.49
Foreign Participation (%)	53.72	69.15	(22.31)
NASI	126.85	127.47	(0.49)
NSE-20	1,705.33	1,676.10	1.74
NSE-25	3,154.48	3,133.64	0.67

Market Movers	Price	Volume (M)	Mkt share (%)
ABSA Group	12.05	9.68	30.80
Equity Group	45.55	9.27	29.49
Safaricom	23.50	4.76	15.14

Top Gainers	This Week	w/w % chg	Volume
Nairobi Business Ventures	4.66	23.61	648,200.00
Trans-Century	1.13	21.51	119,600.00
E.A Portland Cement	7.46	9.71	100.00

Top Losers	This Week	w/w % chg	Volume
Sanlam Insurance	7.94	-17.12	4,000.00
Liberty Holdings	4.66	-16.79	5,600.00
Standard Group	8.74	-16.36	1,000.00

Week That Was

Benchmark Indices - All indices recorded mixed trends like the mixed performance in the previous week. NASI decreased by **0.49%** to close the week at **KES 126.85** from **KES 127.47** while the NSE-20 gained **1.74%** to close the week at **KES 1,705.33** from **KES 1,676.10**.

Market Performance - Equity turnover decreased by **8.98%** to **KES 0.77Bn** from **KES 0.85Bn**. Nairobi Business Ventures was the highest gainer appreciating **(+23.61%)** closing at **KES 4.66**. Other top gainers included: Trans-Century **(+21.51%)** at **KES 1.13** and E.A Portland Cement **(+9.71%)** at **KES 7.46**. The top losers were Sanlam Insurance **(-17.12%)** closing at **KES 7.94**, Liberty Holdings **(-16.79%)** closing at **KES 4.66** and Standard Group **(-16.36%)** closing at **KES 8.74**.

Foreign Participation – During the week, we saw a change in foreign participation with foreigners recording net outflows of **KES 292.88Mn** in foreign activity from net outflows of **KES 359.77Mn** recorded last week.

Weekly Highlight

Trans-Century (TCL)

During the week, the firm started trading its rights issue at the NSE based on five new shares for every existing share. The company intends to raise KES 2.06Bn at an offer price of KES 1.10 at a time when its shares were trading at KES 0.99. However, during the week Kuramo capital announced plans to invest KES 1.10Bn on the ongoing rights issue a move that will raise its stake from 24.99% to 48.50%. As expected, this affected the counters price as it closed the week at KES 1.13 a 21.51% w/w change.

Our view: The rights issue is a test of investor confidence in the counter as it has a negative equity position of KES 9.08Bn. Our point of concern is that majority of the proceeds from the rights issue have been earmarked for debt repayment and working capital requirements.

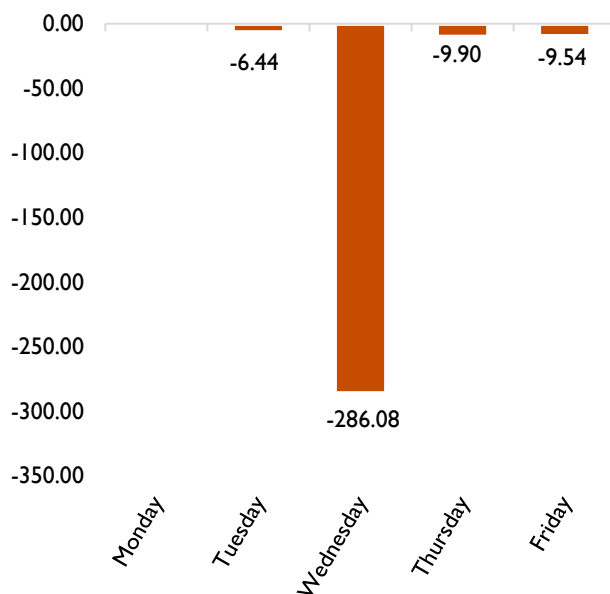
Safaricom (SCOM)

During the week, the bank to mobile money charges were re-introduced albeit lower than the pre-pandemic levels. However, we have noted that majority of the disclosures regarding these transactions fails to point out the 20% excise duty and thus removes the benefits of charges reduction. SCOM announced that STE has expanded their reach to five more cities taking the total to 25 cities. In an earlier meeting with management, they indicated unwillingness for a price competition with Ethiotelcom. STE intends match Ethiotelcom pricing or offer a slight premium. Additionally, Safaricom also announced the resignation of Mr Ngumi as the board chairman.

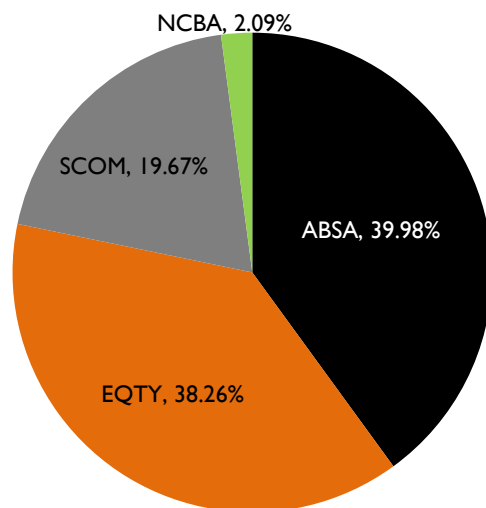
We will continue to keep an eye on these developments in the penetration of the Ethiopian market, particularly how they affect the company's bottom line. The counter closed the week at KES 23.50 a -2.69% w/w change.

(Source: Company Filings)

Weekly Trading Activity - Net Foreign Position



Weekly Trading Activity by Turnover



Weekly Equities Summary

Stock	Price 6-Jan	Δ YTD %	Δ WoW %	M.Cap USD M	M.Cap %	P/E x	P/B x
▼ Safaricom	23.50	-0.38	-0.03	7,620.9	47.64%	13.51	6.55
▼ ABSA Group	12.05	0.02	-0.02	529.8	3.31%	10.40	1.16
▲ Diamond Trust Bank	52.00	-0.13	0.04	117.7	0.74%	4.06	0.19
▲ Equity Group	45.55	-0.14	0.02	1,391.3	8.70%	7.24	1.14
▼ H. Finance Group	3.10	-0.21	-0.03	9.7	0.06%	23.90	0.15
▲ I&M Holdings	17.40	-0.18	0.02	232.9	1.46%	6.15	0.40
▲ KCB Group	39.20	-0.14	0.03	1,019.6	6.37%	4.14	0.66
▲ NCBA Group	39.65	0.57	0.01	528.7	3.31%	524.51	103.93
▲ Stanbic Holdings	102.25	0.17	0.00	327.2	2.05%	8.43	0.69
▲ Standard Chartered	150.50	0.17	0.05	460.3	2.88%	10.51	1.01
▲ Co-operative Bank	12.40	-0.04	0.01	588.9	3.68%	4.26	0.72
— Kenya Airways	3.83	0.00	0.00	176.1	1.10%	-1.37	-0.26
▲ Longhorn Publishers	3.25	-0.19	0.08	7.2	0.04%	22.18	1.13
▲ Nation Media Group	16.25	-0.12	0.02	25.0	0.16%	6.27	0.38
▼ Standard Group	8.74	-0.35	-0.16	5.8	0.04%	-2.38	0.96
▲ TPS Eastern Africa	13.90	-0.09	0.04	20.5	0.13%	-2.09	0.47
▲ WPP Scangroup	3.02	-0.27	0.00	10.6	0.07%	-30.78	0.25
▲ KenGen	3.24	-0.23	0.01	172.9	1.08%	4.17	0.10
▲ Kenya Power & Light.	1.68	-0.04	0.08	26.5	0.17%	0.94	0.05
▲ Total Kenya	24.00	-0.04	0.01	34.0	0.21%	5.28	0.15
▲ Britam Holdings	5.40	-0.28	0.04	110.3	0.69%	188.94	0.71
— CIC Insurance Group	1.95	-0.12	0.00	41.3	0.26%	11.00	1.39
▲ Jubilee Holdings	200.00	-0.37	0.01	117.3	0.73%	2.23	0.34
▲ Kenya Re Insurance	1.89	-0.18	0.03	42.8	0.27%	1.78	0.14
▼ Liberty Kenya Hold.	4.66	-0.33	-0.17	20.2	0.13%	30.51	0.28
▼ Sanlam Kenya	7.94	-0.31	-0.17	9.3	0.06%	-2.11	1.92
▲ BOC Kenya	71.00	0.01	0.00	11.2	0.07%	12.79	0.87
— British. A. Tobacco	460.00	0.04	0.00	372.3	2.33%	7.10	3.07
▲ Carbacid Invest.	12.40	0.13	0.03	25.6	0.16%	4.47	0.83
▲ East Afr. Breweries	173.75	0.05	0.04	1,112.1	6.95%	23.37	5.20
▲ Eveready E.A	0.70	-0.29	0.01	1.2	0.01%	-17.42	68.72
— Mumias Sugar	0.28	0.04	0.00	3.5	0.02%	-0.06	0.57
▼ Centum Investment	8.32	-0.41	0.00	44.8	0.28%	-4.13	0.12
▲ Home Afrika	0.35	-0.13	0.09	1.1	0.01%	-0.50	0.06
▲ Trans-Century	1.13	-0.03	0.22	3.4	0.02%	-0.26	0.05
▲ Nairobi Sec. Exch.	6.98	-0.13	0.03	14.7	0.09%	13.67	0.87
— ARM Cement	5.55	0.00	0.00	43.1	0.27%	-5.92	0.19
▼ Bamburi Cement	31.45	-0.17	0.00	92.4	0.58%	8.27	0.32
▲ E.A Portland Cement	7.46	0.12	0.10	5.4	0.03%	0.36	0.03
▼ Crown Paints Kenya	38.00	0.25	-0.09	43.8	0.27%	7.40	1.58
— Kakuzi	385.00	0.00	0.00	61.1	0.38%	23.60	1.36
▼ Kapchorua Tea	104.25	0.09	-0.08	6.6	0.04%	7.02	0.49
▼ Sasini	21.95	0.17	-0.02	40.5	0.25%	11.92	0.36
— Williamson Tea	160.00	0.23	0.00	22.7	0.14%	12.29	0.45
▲ Ilam Fahari I-REIT	6.72	0.07	0.03	9.8	0.00%	-9.81	0.34

Corporate Actions

Counter	Interim Dividend	Final Dividend	Book Closure	Dividend Payment
KCB Group	KES 1.00		8 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

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.