

Weekly Statistics	This Week	Previous Week	w/w % chg
Market Activity			
Top Gainers			
Top Losers			

Weekly Equities Note

Week Ending: 12th August 2022

Key Highlights:

Weekly Statistics	This Week	Previous Week	w/w % chg
Turnover (KES M)	1,085.56	1,618.34	(32.92)
Volume (M)	45.20	63.97	(29.34)
Foreign Participation (%)	47.00	59.50	(21.01)
Foreign Buying Volume (KES M)	263.70	705.93	(62.65)
Foreign Selling Volume (KESM)	756.65	1,220.03	(37.98)
NASI	146.88	142.01	3.43
NSE-20	1,799.46	1,726.62	4.22
NSE-25	3,417.40	3,298.91	3.59

Market Movers	Price	Volume (M)	Mkt share (%)
Safaricom	31.15	18.5	40.9
CIC Insurance Group	2.00	4.60	10.18
Equity Group	51.50	3.70	8.19
KenGen	3.52	3.20	7.08

Top Gainers	This Week	w/w % chg	Volume
Eveready	0.80	9.59	102,300.00
Longhorn	3.57	9.17	15,000.00
Home Afrika	0.36	9.09	72,800.00
Transcentury	1.30	8.33	5,100.00

Top Losers	This Week	w/w % chg	Volume
Olympia	2.19	-8.37	1,600.00
NBV	3.34	-3.75	135,400.00
Equity	51.75	-2.82	3,697,900.00
Liberty	6.14	-1.29	15,600.00

Weekly Corporate Calendar:

Company	Event	Date
Banking Sector	HY'22 Earnings Release	1 st – 30 th August 2022
Insurance Sector	HY'22 Earnings Release	1 st – 30 th August 2022

Week That Was

Benchmark Indices - All indices maintained an upward trend similar to the performance recorded the previous week. NASI gained **3.43%** to close the week at **KES 146.88** from **KES 142.01**, while the NSE-20 gained **4.22%** to close the week at **KES 1,799.46** from **KES 1,726.62**.

Market Performance - Equity turnover decline further by **3.59%** to **KES 1.09Bn** from **KES 1.62Bn** owing to the uncertainty from the elections held during the week. Eveready was the highest gainer appreciating **(+9.59%)** to close at **KES 0.80** driven by local trading. Other top gainers included: Longhorn **(+9.17%)** at **KES 3.57** and Home Afrika **(+9.09%)** at **KES 0.36**. However, the volumes traded for the top performers were low and we see local trading as the key driver of the weekly gains. The top losers were Olympia Holdings **(-8.37%)** closing at **KES 2.19**, NBV **(-3.75%)** closing at **KES 3.34** and Equity Group **(-2.82%)** closing at **KES 51.75**.

Foreign Participation - Foreign trades were concentrated in blue chip counters such as; **SCOM, EQTY, KCB, IMH** and **EABL**. Foreigners remained as Net sellers with exit declining to **KES 490.31Mn** from last week's **KES 514.14Mn**.

Weekly Highlight

Banking Sector - According to the Insurance Regulatory Authority (IRA) data, the number of banks selling insurance products declined 70.00% to a total of eight lenders. The decline was driven by regulatory reforms. DTB, Faulu, KCB, Rafiki, Sidian, Stanbic, and U&I are listed as licensed as bancassurance firms.

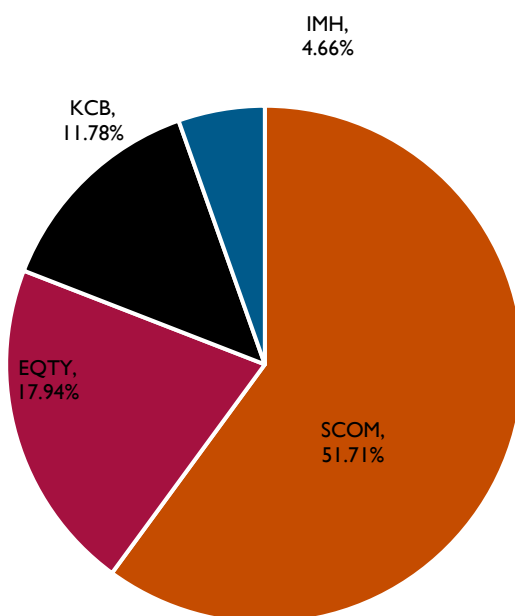
We see the reduced number of bancassurance offerings by lenders as a negative for the banking sector revenue diversification. However, given the low insurance penetration we expect the banking sector to be more aggressive in getting the bancassurance sector licenses.

Banking sector players are set to release the HY'22 results in the coming weeks, where we expect positive results largely driven by lower provisioning, higher lending and better performance in the non-funded income. NFI growth is largely expected to come from forex fees given the higher spreads in the Fx market and fees from increased use of digital channels. Banking sector counters remained as one of the most traded, during the week.

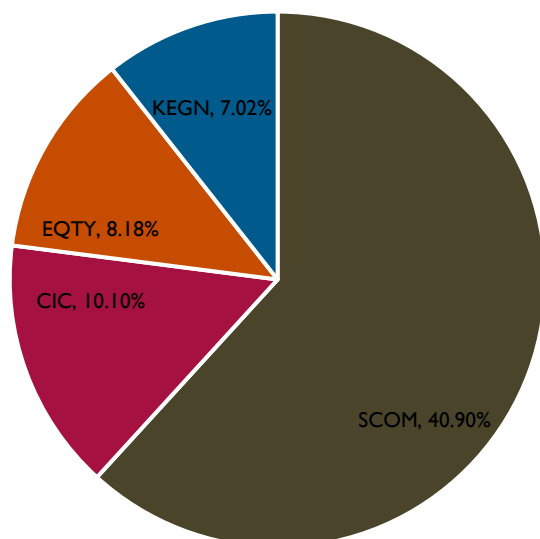
Safaricom Plc (SCOM) - Safaricom stands to lose an estimated **KES 1.50Bn** annually after the Communications Authority of Kenya reached an agreement with the Telcos to the cut mobile termination rates (MTR) from the current **KES 0.99** per minute to **KES 0.58** per minute. The agreed cut is lower than the earlier proposed cut to **KES 0.12** per minute, which could have seen SCOM lose an estimated **KES 6.00Bn**.

We do not foresee any negative impact on Safaricom's top line revenue. Lower MTR charges are likely to increase call volumes and hence the loss in MTR revenue is likely to be offset by growth in other revenue lines within SCOM. The counter closed the week at **KES 31.15**, representing a **+3.83%** w/w change.

Weekly Trading Activity by Foreign Participation



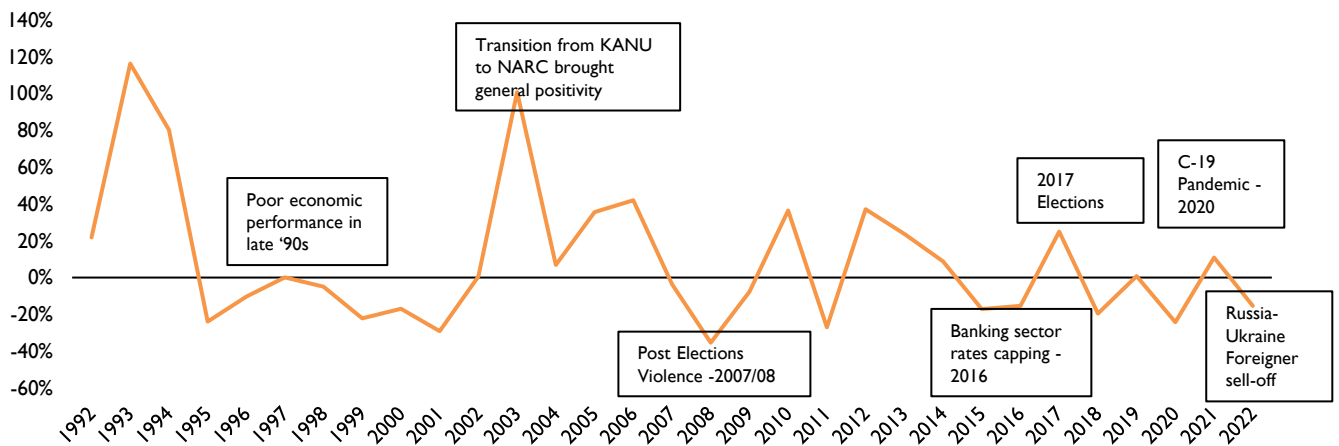
Weekly Trading Activity by Trading Volume



(Source: Company Filings, IRA, Business Daily)

NSE has always performed well during election years with an exemption of 2007. Key Market events help shape the performance cycle – Elections, Rates capping, Government transitions, Political events.

30 Year Performance - NSE-20



Weekly Equities Performance Summary;

Stock	Price 12-Aug	Δ YTD %	Δ WoW %	M.Cap USD M	M.Cap %	P/E x	P/B x	Div Y %	ROE %	ROA %
▲ Safaricom	31.15	-9.1	3.8	10,460.5	57.7	20.0	8.6	4.0	46.6	34.7
▲ ABSA Group	12.00	24.2	3.4	546.3	3.0	8.8	1.4	9.2	16.7	2.1
▲ Diamond Trust Bank	50.75	-32.3	3.6	113.3	0.6	2.1	0.2	5.3	12.1	1.8
▼ Equity Group	50.50	38.2	-1.9	1,597.3	8.8	8.5	1.7	4.0	21.9	3.6
▼ H. Finance Group	3.50	5.4	-1.1	10.3	0.1	-12.1	0.1	0.0	-1.1	-0.2
— I&M Holdings	17.00	-62.2	0.0	55.9	0.3	1.4	0.2	15.0	19.5	3.4
▲ KCB Group	43.05	13.0	2.0	1,106.3	6.1	5.5	1.1	8.1	20.7	3.1
▲ NCBA Group	26.20	-2.1	1.9	140.5	0.8	3.3	0.3	0.9	15.3	2.2
▲ Stanbic Holdings	98.75	16.2	2.9	327.2	1.8	6.1	0.8	7.1	13.6	2.1
▲ Standard Chartered	139.25	-3.5	0.7	400.9	2.2	6.4	1.1	13.1	17.5	0.0
— Co-operative Bank	12.80	2.4	3.6	524.5	2.9	5.2	1.0	7.8	19.6	3.3
— Kenya Airways	3.83	0.0	0.0	48.0	0.3	-1.7	-1.2	0.0	0.0	-7.8
▲ Longhorn Publishers	3.51	-28.1	7.3	10.9	0.1	-4.2	1.3	14.8	-24.6	-9.4
▲ Nation Media Group	20.00	29.4	5.0	31.6	0.2	4.9	0.5	6.8	10.9	7.3
▲ Standard Group	13.25	-41.1	0.4	9.1	0.1	-2.5	0.9	0.0	-30.2	-9.7
▲ TPS Eastern Africa	16.95	5.9	10.1	25.9	0.1	20.9	0.4	0.0	1.8	0.8
▲ WPP Scangroup	3.91	-34.8	9.2	12.4	0.1	3.9	0.2	0.0	-5.2	-3.0
▲ KenGen	3.79	-19.5	7.7	198.3	1.1	3.2	0.1	6.6	4.1	2.0
▲ Kenya Power & Light.	1.50	-12.3	7.1	24.5	0.1	11.5	0.1	0.0	0.4	0.1
▲ Total Kenya	24.00	0.0	6.2	35.2	0.2	6.0	0.2	5.4	10.8	6.6
▲ Britam Holdings	6.28	-13.5	5.7	102.0	0.6	4.5	0.5	4.0	13.3	3.1
— CIC Insurance Group	2.00	-6.1	0.0	43.8	0.2	16.7	0.7	0.0	4.1	0.9
▲ Jubilee Holdings	252.50	-11.1	2.9	139.4	0.8	5.1	0.6	3.6	13.2	2.9
▲ Kenya Re Insurance	2.09	-9.9	2.0	12.3	0.1	0.8	0.2	21.5	13.2	8.4
▼ Liberty Kenya Hold.	6.00	-22.1	-3.5	26.9	0.1	4.6	0.4	8.3	9.3	1.9
▲ Sanlam Kenya	11.65	-10.0	0.4	14.1	0.1	14.7	1.2	0.0	8.2	0.4
▲ BOC Kenya	71.25	13.1	1.8	11.7	0.1	24.9	1.0	7.3	3.8	2.7
— British. A. Tobacco	445.00	23.3	0.0	373.0	2.1	11.5	4.6	7.5	40.8	19.4
▲ Carbacid Invest.	12.00	-0.8	1.7	25.6	0.1	11.5	1.0	5.8	8.6	7.7
▲ East Afr. Breweries	157.25	1.9	1.3	1,042.2	5.8	14.0	14.4	5.4	123.9	11.2
▲ Eveaready E.A	0.80	-20.0	9.6	1.4	0.0	-0.6	1.5	0.0	-110.8	-73.8
▲ Centum Investment	9.98	-37.8	4.8	55.7	0.3	1.3	0.2	12.0	13.1	5.2
▲ Nairobi Sec. Exch.	8.00	-2.0	1.0	17.4	0.1	26.7	1.0	1.0	3.9	3.6
▼ Bamburi Cement	37.40	-1.2	-0.3	113.8	0.6	21.5	0.5	0.0	2.2	1.3
— E.A Portland Cement	7.64	-30.5	0.0	5.8	0.0	-0.2	0.0	0.0	-14.5	-9.0
▲ Crown Paints Kenya	43.65	14.9	3.9	26.0	0.1	9.8	2.4	0.0	27.2	5.8
— Kakuzi	368.25	0.9	0.0	6.6	0.0	10.1	1.4	3.8	14.4	11.5
▲ Kapchorua Tea	100.75	29.2	0.5	7.6	0.0	-6.3	0.5	9.9	1.2	1.0
▲ Sasini	20.80	6.7	1.2	22.5	0.1	-15.0	0.4	4.8	-2.7	-2.3
▲ Williamson Tea	153.25	17.7	1.3	0.0	0.0	20.2	0.5	13.1	2.2	1.6
▼ Ilam Fahari I-REIT	7.10	25.9	-1.1	10.8	0.1	8.4	1.5	10.6	0.0	0.0

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