



Weekly Equities Note

Week Ending: 5th August 2022

Key Highlights:

Weekly Statistics	This Week	Previous Week	w/w % chg
Turnover (KES M)	1,618.34	1,348.64	20.00
Volume (M)	63.97	46.13	38.67
Foreign Participation (%)	59.50	40.48	46.99
Foreign Buying Volume (KES M)	705.93	164.35	329.54
Foreign Selling Volume (KESM)	1,220.03	927.59	31.53
NASI	142.01	141.05	0.68
NSE-20	1,726.62	1,701.31	1.49
NSE-25	3,298.91	3,274.84	0.73

Market Movers	Price	Volume (M)	Mkt share (%)
Safaricom	30.10	23.9	37.4
Kenya Power	1.40	12.23	19.12
Equity Group	48.25	6.55	10.24
KenGen	3.50	5.00	7.82

Top Gainers	This Week	w/w % chg	Volume
Uchumi	0.24	14.29	199,900.00
Bamburi	37.30	12.76	50,300.00
Express Kenya	3.50	8.02	1,100.00
Crown Paints	42.75	7.39	8,700.00

Top Losers	This Week	w/w % chg	Volume
Sameer Africa	3.55	-10.58	14,800.00
TPS Serena	15.30	-10.00	7,100.00
B.O.C Kenya	73.25	-8.44	7,500.00
Kapchorua Tea	100.25	-7.27	20,500.00

Weekly Earnings Release 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 **0.68%** to close the week at **KES 142.01** from **KES 141.05**, while the NSE-20 gained **1.49%** to close the week at **KES 1,726.62** from **KES 1,701.31**.

Market Performance - Equity turnover increased **20.00%** to **KES 1.61Bn** from **KES 1.35Bn**. Uchumi was the highest gainer for the second time in a row appreciating **(+14.29%)** closing at KES 0.24. Other top gainers included: Bamburi **(+12.76%)** at KES 37.30, Express Kenya **(+8.02%)** at KES 3.50 and Crown Paints **(+7.39%)** at KES 42.75. The top losers were Sameer Africa **(-10.58%)** closing at KES 3.55, TPS Serena **(-10.00%)** closing at KES 15.30, BOC Kenya **(-8.44%)** closing at KES 73.25 and Kapchorua Tea **(-7.27%)** closing at KES 10025.

Foreign Participation – Foreign trades drove the most active counters which were **SCOM, KPLC, EQTY** and **KEGN**. We continued to see foreigners' exit with the market recording a net outflows of **KES 514.09Mn** in foreign activity.

Weekly Highlight

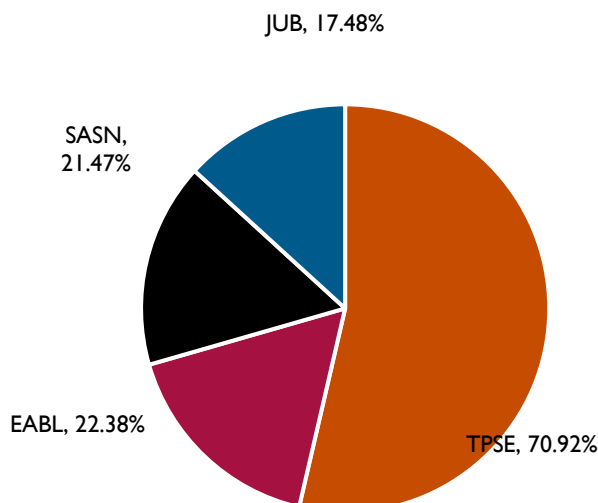
KCB Acquisition of TMB– During the week, KCB Group announced the proposed acquisition of an 85.00% shareholding in the Trust Merchant Bank SA of DR Congo, with an option for a full takeover in two years. Subject to regulatory and shareholders' approval, the completion of the transaction will see KCB acquire control of TMB and open doors for an entry into the much-coveted DRC market. Assuming a similar timeline to the Equity Group's acquisition of BCDC Bank in 2020, we expect the transaction to be completed in Q1'23.

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. We view this as a great opportunity for growth of the lender given the low bank penetration in DRC. The counter gained **+1.40%** w/w to close the week at **KES 41.75**.

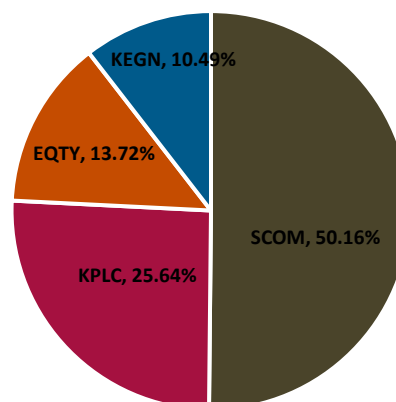
Insurance Sector Release HI Results – Listed Insurance companies such as Sanlam Kenya, CIC Insurance and Kenya Re released the results for the six months to June this week. Sanlam Insurance reported a loss of KES 287.75Mn **(-1.41% y/y)**, CIC reported a profit of KES 376.40Mn **(+45.04% y/y)** and Kenya-Re reported profits of KES 832.10Mn **(+55.91% y/y)**. Overall performance could be attributable to the growth in Net Earned premiums signifying an improved operating environment. However, we observed a decline in investment income mainly attributable to the declining returns from the stock market that was experienced in H1'22 as a result of foreign investor exits. During the week; SLAM shed **-3.30%** w/w to close at **KES 11.60**, CIC lost **-2.50%** w/w to close at **KES 1.99** whereas KENRE gained **+2.50%** closing the week at **KES 2.05**.

(Source: Company Releases)

Weekly Trading Activity by Foreign Participation

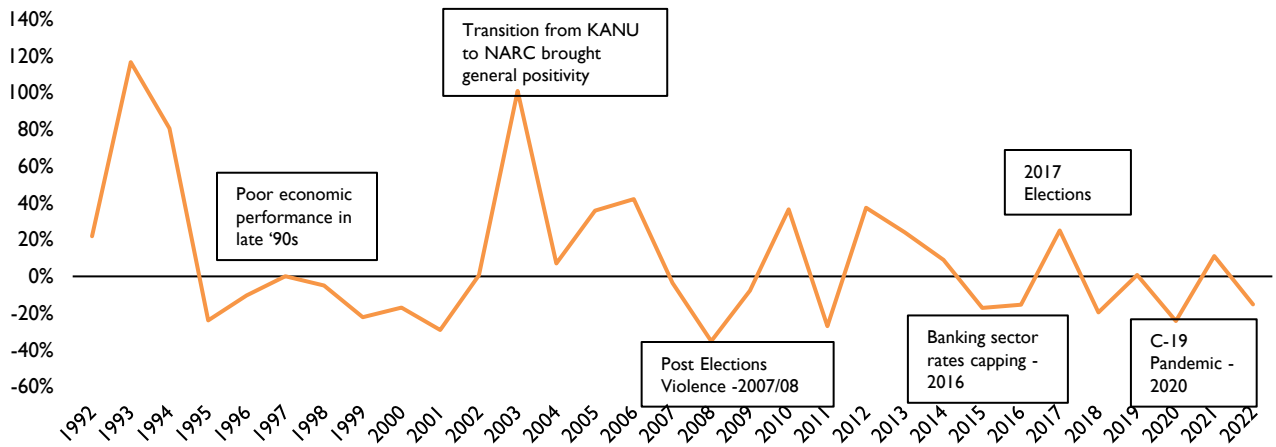


Weekly Trading Activity by Trading Volume



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 7-Aug	Δ YTD %	Δ WoW %	M.Cap USD M	M.Cap %	P/E x	P/B x	Div Y %	ROE %	ROA %
▲ Safaricom	30.10	-12.1	0.5	10,151.3	57.8	19.3	8.4	4.2	46.6	34.7
▲ ABSA Group	11.40	18.0	3.3	521.2	3.0	8.3	1.4	9.6	16.7	2.1
— Diamond Trust Bank	49.00	-34.7	0.0	109.8	0.6	2.0	0.2	5.5	12.1	1.8
▲ Equity Group	48.25	32.0	0.5	1,532.7	8.7	8.1	1.6	4.1	21.9	3.6
▲ H. Finance Group	3.50	5.4	5.1	10.4	0.1	-12.1	0.1	0.0	-1.1	-0.2
▲ I&M Holdings	17.00	-62.2	0.1	56.1	0.3	1.4	0.2	15.0	19.5	3.4
▲ KCB Group	41.75	9.6	1.4	1,077.5	6.1	5.3	1.0	8.4	20.7	3.1
▲ NCBA Group	25.55	-4.5	2.4	137.6	0.8	3.2	0.3	0.9	15.3	2.2
▲ Stanbic Holdings	96.00	12.9	0.5	319.5	1.8	5.9	0.8	7.3	13.6	2.1
▲ Standard Chartered	135.25	-6.2	1.7	391.1	2.2	6.2	1.1	13.4	17.5	0.0
▲ Co-operative Bank	11.90	-4.8	0.2	489.8	2.8	4.8	0.9	8.4	19.6	3.3
— Kenya Airways	3.83	0.0	0.0	48.2	0.3	-1.7	-1.2	0.0	0.0	-7.8
▲ Longhorn Publishers	3.25	-33.4	0.3	10.1	0.1	-3.9	1.2	16.0	-24.6	-9.4
▲ Nation Media Group	19.70	27.5	3.1	31.3	0.2	4.8	0.5	6.9	10.9	7.3
▲ Standard Group	13.15	-41.6	5.2	9.0	0.1	-2.5	0.9	0.0	-30.2	-9.7
▼ TPS Eastern Africa	15.30	-4.4	-10.0	23.5	0.1	18.9	0.3	0.0	1.8	0.8
▲ WPP Scangroup	3.56	-40.7	3.5	11.4	0.1	3.6	0.2	0.0	-5.2	-3.0
▲ KenGen	3.50	-25.7	0.3	184.0	1.0	2.9	0.1	7.1	4.1	2.0
— Kenya Power & Light.	1.40	-18.1	0.0	23.0	0.1	10.8	0.0	0.0	0.4	0.1
▲ Total Kenya	23.50	-2.1	5.0	34.6	0.2	5.8	0.2	5.5	10.8	6.6
▼ Britam Holdings	6.00	-17.4	-1.2	97.9	0.6	4.3	0.5	4.2	13.3	3.1
▼ CIC Insurance Group	1.99	-6.6	-2.5	43.8	0.2	16.6	0.7	0.0	4.1	0.9
▼ Jubilee Holdings	245.50	-13.6	-1.3	136.2	0.8	5.0	0.6	3.7	13.2	2.9
▲ Kenya Re Insurance	2.05	-11.6	2.5	12.1	0.1	0.8	0.2	22.0	13.2	8.4
▲ Liberty Kenya Hold.	5.90	-23.4	5.4	26.6	0.2	4.5	0.4	8.5	9.3	1.9
▼ Sanlam Kenya	11.60	-10.4	-3.3	14.1	0.1	14.7	1.2	0.0	8.2	0.4
▼ BOC Kenya	73.25	16.3	-8.4	12.0	0.1	25.6	1.0	7.1	3.8	2.7
▼ British. A. Tobacco	434.00	20.2	-1.4	365.3	2.1	11.2	4.5	7.7	40.8	19.4
▲ Carbacid Invest.	11.85	-2.1	2.8	25.4	0.1	11.4	1.0	5.9	8.6	7.7
▼ East Afr. Breweries	155.00	0.5	-0.2	1,031.7	5.9	13.8	14.2	5.5	123.9	11.2
▲ Eveaready E.A	0.80	-20.0	6.7	1.4	0.0	-0.6	1.5	0.0	-110.8	-73.8
▲ Centum Investment	9.44	-41.2	1.4	52.9	0.3	1.2	0.2	12.7	13.1	5.2
▼ Nairobi Sec. Exch.	7.58	-7.1	-0.1	16.6	0.1	25.3	1.0	1.1	3.9	3.6
▲ Bamburi Cement	37.30	-1.5	12.8	114.0	0.6	21.4	0.5	0.0	2.2	1.3
▼ E.A Portland Cement	7.64	-30.5	-0.8	5.8	0.0	-0.2	0.0	0.0	-14.5	-9.0
▲ Crown Paints Kenya	42.75	12.5	7.4	25.6	0.1	9.6	2.3	0.0	27.2	5.8
▲ Kakuzi	368.25	0.9	0.8	6.6	0.0	10.1	1.4	3.8	14.4	11.5
▼ Kapchorua Tea	100.25	28.5	-7.3	7.0	0.0	-6.2	0.5	10.0	1.2	1.0
▲ Sasini	21.00	7.7	2.9	22.3	0.1	-15.1	0.4	4.8	-2.7	-2.3
▼ Williamson Tea	151.00	15.9	-0.7	0.0	0.0	19.9	0.4	13.2	2.2	1.6
▲ Ilam Fahari I-REIT	7.00	24.1	6.9	10.7	0.1	8.2	1.5	10.7	0.0	0.0

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