



# Weekly Equities Note

Week Ending: 19<sup>th</sup> August 2022

## Key Highlights:

Weekly Statistics	This Week	Previous Week	w/w % chg
Turnover (KES M)	1,075.01	1,085.75	(0.99)
Volume (M)	39.50	45.20	(12.61)
Foreign Participation (%)	46.64	47.00	(0.77)
Foreign Buying Volume (KES M)	8.23	263.70	(96.88)
Foreign Selling Volume (KESM)	490.31	756.65	(35.20)
NASI	146.32	146.88	(0.38)
NSE-20	1,779.19	1,799.46	(1.13)
NSE-25	3,382.52	3,417.40	(1.02)

Market Movers	Price	Volume (M)	Mkt share (%)
Safaricom	31.25	23.2	58.8
Kenya Power	1.45	2.66	6.73
Cooperative Bank	12.60	1.75	4.43
Equity Bank	48.00	1.70	4.30

Top Gainers	This Week	w/w % chg	Volume
Liberty Holdings	7.20	20.00	22,200.00
Sameer Africa	4.04	13.80	21,300.00
Longhorn Publishers	3.98	13.39	374,000.00
Sasini	22.25	6.97	7,700.00

Top Losers	This Week	w/w % chg	Volume
Olympia Capital Holdings	2.10	-12.13	1,300.00
Trans Century	1.19	-10.53	57,400.00
WPP Scan Group	3.70	-5.37	162,000.00
Equity Group	48.00	-4.95	1,726,700.00

## Weekly Corporate Calendar:

Company	Event	Date***
ABSA Bank	HY'22 Earnings Release	24 <sup>th</sup> August 2022
Equity Group	HY'22 Earnings Release	24 <sup>th</sup> August 2022
KCB Group	HY'22 Earnings Release	24 <sup>th</sup> August 2022
COOP Bank	HY'22 Earnings Release	25 <sup>th</sup> August 2022

\*\*\* Date – These are tentative dates and could change

## Week That Was

**Benchmark Indices** - All indices recorded a downward trend as compared to the performance the previous week. NASI lost **0.38%** to close the week at **KES 146.32** from **KES 146.88**, while the NSE-20 lost **1.13%** to close the week at **KES 1,779.19** from **KES 1,799.46**.

**Market Performance** - Equity turnover decreased **0.97%** to **KES 1.08Bn** from **KES 1.09Bn**. Liberty Holdings was the highest gainer appreciating **(+20.00%)** closing at **KES 7.20**. Other top gainers included: Sameer Africa **(+13.80%)** at **KES 4.04** and Longhorn Publishers **(+13.40%)** at **KES 3.98**. The top losers were Olympia Capital Holdings **(-12.10%)** closing at **KES 2.10**, Trans Century **(-10.50%)** closing at **KES 1.19**, WPP Scan Group **(-5.40%)** closing at **KES 3.70**

**Foreign Participation** - We saw a change in foreign participation with foreigners' retaining to the market recording net inflows of **KES 8.23Mn** in foreign activity from net outflows of **KES 490.31Mn** last week.

## Weekly Highlight

### Banking Sector HY'22 Results

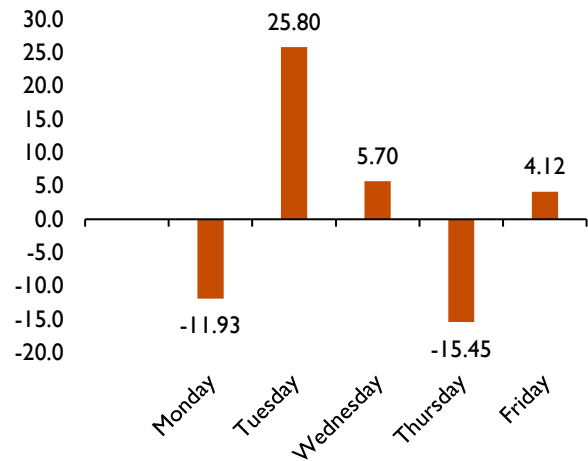
**Standard Chartered (SCBK)** - Net earnings edged up 10.89% to **KES 5.41Bn** while the EPS also grew 9.30% to **KES 13.87**. The impressive numbers were mainly powered by a 10.23% y/y growth in operating income despite a concurrent a 9.18% y/y growth in Total Operating Expenses. Balance sheet expansion remained muted with the loan book declining -1.35% y/y compared to a 3.14% y/y growth in customer deposits. Lack of an interim dividend could see a further decline in the share price. The counter's current metrics point to undervaluation with a current trailing P/E of 6.30x lower than the market's 7.80x and P/TB of 2.56x. We maintain our **HOLD** recommendation as we monitor the market for an attractive entry point.

**I & M Holdings (IMH)** - HY'22 EPS increased 15.98% y/y, on an adjusted basis following the bonus issue in 2021, to **KES 2.83** higher than our expectations. PAT increased 15.91% y/y to **KES 4.93Bn** driven by a 21.62% y/y increase in Total operating income to **KES 15.58Bn** supported by income from government papers. With no interim dividend, we do not see a near term share price rally. However, the counter remains a long-term value play. As such, we maintain our **BUY** recommendation with a conviction that the counter is currently undervalued with a Trailing PE of 3.44x below the market PE of 7.80x and P/TB of 0.48x lower than peer average P/TB of 0.77x.

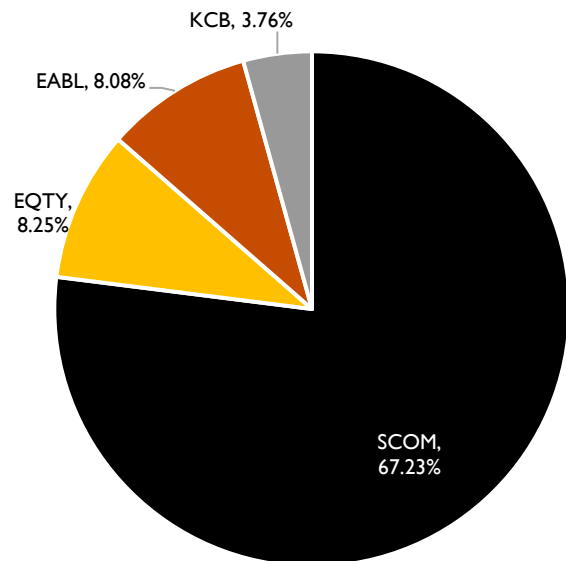
**Stanbic Holdings (SBIC)** - HY'22 EPS edged up 36.91% while PAT edged up 36.95% y/y to **KES 4.80Bn** driven by a 16.07% y/y decrease in Loan impairment provisioning and a 22.77% increase in Total Operating Income. The counter's current valuation metrics point to an undervaluation with a current trailing P/E of 5.54x lower than the market's 7.80x and P/TB of 0.82x. With no interim dividend, we foresee a share price retreat in the near term. However, the counter remains a long-term value play. As such, we maintain our **HOLD** recommendation as we monitor market movements.

(Source: Company Filings)

## Weekly Trading Activity - Net Foreign Position



## Weekly Trading Activity by Trading Volume



## Weekly Equities Summary

Stock	Price 19-Aug	Δ YTD %	Δ WoW	M.Cap USD M	M.Cap %	P/E x	Div Y %	ROE %	ROA %
▲ Safaricom	31.25	-8.8	0.3	10,513.4	58.1	20.0	4.0	46.6	34.7
▲ ABSA Group	12.35	27.8	2.9	563.3	3.1	9.0	8.9	16.7	2.1
▼ Diamond Trust Bank	50.25	-33.0	-1.0	112.4	0.6	2.1	5.4	12.1	1.8
▼ Equity Group	48.00	31.3	-5.0	1,521.0	8.4	8.1	4.2	21.9	3.6
▲ H. Finance Group	3.60	8.4	2.9	10.7	0.1	-12.4	0.0	-1.1	-0.2
▼ I&M Holdings	16.95	-62.3	-0.3	55.8	0.3	3.4	15.0	19.5	3.4
▲ KCB Group	43.25	13.5	0.5	1,113.5	6.2	5.5	8.1	20.7	3.1
▼ NCBA Group	25.80	-3.6	-1.5	138.6	0.8	3.3	0.9	15.3	2.2
▲ Stanbic Holdings	99.00	16.5	0.3	328.6	1.8	5.5	7.1	13.6	2.1
▼ Standard Chartered	138.25	-4.2	-0.7	398.8	2.2	6.3	13.2	17.5	0.0
▼ Co-operative Bank	12.60	0.8	-1.6	517.3	2.9	5.1	7.9	19.6	3.3
— Kenya Airways	3.83	0.0	0.0	48.1	0.3	-1.7	0.0	0.0	-7.8
▲ Longhorn Publishers	3.98	-18.4	13.4	12.4	0.1	-4.8	13.1	-24.6	-9.4
▼ Nation Media Group	19.05	23.3	-4.8	30.2	0.2	4.7	7.2	10.9	7.3
▲ Standard Group	13.50	-40.0	1.9	9.3	0.1	-2.6	0.0	-30.2	-9.7
▼ TPS Eastern Africa	16.70	4.4	-1.5	25.5	0.1	20.6	0.0	1.8	0.8
▼ WPP Scangroup	3.70	-38.3	-5.4	11.8	0.1	3.7	0.0	-5.2	-3.0
▼ KenGen	3.76	-20.2	-0.8	197.1	1.1	3.1	6.6	4.1	2.0
▼ Kenya Power & Light.	1.45	-15.2	-3.3	23.8	0.1	11.2	0.0	0.4	0.1
— Total Kenya	24.00	0.0	0.0	35.3	0.2	6.0	5.4	10.8	6.6
▼ Britam Holdings	6.12	-15.7	-2.5	99.6	0.6	4.3	4.1	13.3	3.1
▲ CIC Insurance Group	2.05	-3.8	2.5	45.0	0.2	17.1	0.0	4.1	0.9
▼ Jubilee Holdings	252.25	-11.2	-0.1	139.6	0.8	5.1	3.6	13.2	2.9
▲ Kenya Re Insurance	2.16	-6.9	3.3	12.7	0.1	0.8	20.8	13.2	8.4
▲ Liberty Kenya Hold.	7.20	-6.5	20.0	32.4	0.2	5.5	6.9	9.3	1.9
— Sanlam Kenya	11.65	-10.0	0.0	14.1	0.1	14.7	0.0	8.2	0.4
— BOC Kenya	71.25	13.1	0.0	11.7	0.1	24.9	7.3	3.8	2.7
▼ British. A. Tobacco	440.50	22.0	-1.0	369.9	2.0	11.3	7.6	40.8	19.4
▲ Carbacid Invest.	12.05	-0.4	0.4	25.8	0.1	11.6	5.8	8.6	7.7
▼ East Afr. Breweries	153.75	-0.3	-2.2	1,020.9	5.6	13.7	5.5	123.9	11.2
▼ Eveaready E.A	0.78	-22.0	-2.5	1.4	0.0	-0.5	0.0	-110.8	-73.8
▼ Centum Investment	9.84	-38.7	-1.4	55.0	0.3	1.3	12.2	13.1	5.2
▼ Nairobi Sec. Exch.	7.98	-2.2	-0.2	17.4	0.1	26.6	1.0	3.9	3.6
▲ Bamburi Cement	38.20	0.9	2.1	116.4	0.6	22.0	0.0	2.2	1.3
▼ E.A Portland Cement	7.60	-30.9	-0.5	5.7	0.0	-0.2	0.0	-14.5	-9.0
▼ Crown Paints Kenya	42.90	12.9	-1.7	25.6	0.1	9.6	0.0	27.2	5.8
— Kakuzi	368.25	0.9	0.0	6.6	0.0	10.1	3.8	14.4	11.5
▼ Kapchorua Tea	100.00	28.2	-0.7	7.6	0.0	-6.2	10.0	1.2	1.0
▲ Sasini	22.25	14.1	7.0	22.1	0.1	-16.0	4.5	-2.7	-2.3
▼ Williamson Tea	150.00	15.2	-2.1	0.0	0.0	19.8	13.3	2.2	1.6
▲ Ilam Fahari I-REIT	7.16	27.0	0.8	10.9	0.1	8.4	10.5	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
Safaricom		KES 0.75	29-Jul-22	31-Aug-22
East African Breweries Plc		KES 7.25	15-Sep-22	30-Oct-22
Centum Investments Plc		KES 0.59	TBC	TBC

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