



Weekly Equities Note

Week Ending : 27th January 2023

Key Highlights:

Weekly Statistics	This Week	Previous Week	w/w % chg
Turnover (KES M)	1,060.59	4,583.94	(76.86)
Volume (M)	45.86	207.29	(77.88)
Foreign Participation (%)	22.52	57.84	(61.07)
NASI	126.07	124.27	1.45
NSE-20	1,060.59	1,683.55	(37.00)
NSE-25	3,137.07	3,115.35	0.70

Market Movers	Price	Volume (M)	Mkt share (%)
Safaricom	23.25	25.20	54.95
Equity Group	45.40	4.80	10.47
Co-operative Bank	12.60	3.03	6.61

Top Gainers	This Week	w/w % chg	Volume
Olympia Capital Holdings	2.52	13.10	5,400.00
Kenya Orchards	12.50	9.60	75,300.00
Gold	2165.00	8.55	9,200.00

Top Losers	This Week	w/w % chg	Volume
Car & General (K)	45.00	-17.78	4,600.00
Nairobi Business Ventures	4.00	-12.00	52,800.00
E.A.Portland Cement	6.94	-8.07	2,400.00

Index	Country	YTD (%)	w/w (%)
NSEASI	Kenya	-1.10%	1.45%
UGSINDEX	Uganda	0.00%	-0.18%
DARSDSEI	Tanzania	0.38%	0.64%
RSEASI	Rwanda	0.07%	0.01%
BRVM	West Africa	-2.31%	0.29%
NGXINDEX	Nigeria	2.74%	0.12%
GGSECI	Ghana	-0.60%	-0.20%
ZHIALLSH	Zimbabwe	13.59%	2.20%
SEMDEX	Mauritius	-10.17%	-0.43%

Week That Was

Benchmark Indices - All indices recorded mixed trends much like the mixed performances in the previous week. NASI increased by **1.45%** to close the week at **KES 126.07** from **KES 124.27** while the NSE-20 decreased by **0.55%** to close the week at **KES 1,674.24** from **KES 1,683.55**.

Market Performance - Equity turnover decreased by **76.86%** to **KES 1.06Bn** from **KES 4.58Bn**. Olympia Capital Holdings was the highest gainer appreciating **(+13.10%)** closing at **KES 2.85**. Other top gainers included Kenya Orchards **(+9.60%)** at **KES 13.70** and Gold **(+8.55%)** at **KES 2350.00**. The top losers were Car & General (K) **(-17.78%)** closing at **KES 37.00**, Nairobi Business Ventures **(-12.00%)** closing at **KES 3.52** and E.A. Portland Cement **(-8.07%)** closing at **KES 6.38**.

Foreign Participation – During the week, we saw a change in foreign participation with foreigners recording net inflows of **KES 49.39Mn** in foreign activity from net outflows of **KES 2.49Bn** recorded last week.

Weekly Highlight

East African Breweries (EABL)

Diageo Kenya received the requisite regulatory approval for its proposed acquisition of up to 118,394,897 ordinary shares in EABL (representing a maximum of 14.97% of the issued share capital of EABL) by means of a partial tender offer at an Offer Price of KES 192.00 per ordinary share. The regulator has also approved Diageo's exemption from the requirement to make a mandatory offer to acquire all the issued shares in EABL.

EABL announced a flat HY'23 earnings with the PAT maintaining at KES 8.70 Bn despite an 8.08% y/y increase in revenue to KES 104.66 Bn. We believe the company was aggressive in pricing as the cost of sales and indirect taxes increased 8.02% and 13.02% y/y to KES 30.70 Bn and KES 47.40 Bn, respectively. We remained concerned with the current ratio which worsened to 0.82 from 0.88. The company continues to deliver value to investors with an ROA of 6.93% and ROE of 31.01%. The counter closed the week at KES 172.00 being a 2.08% w/w upside.

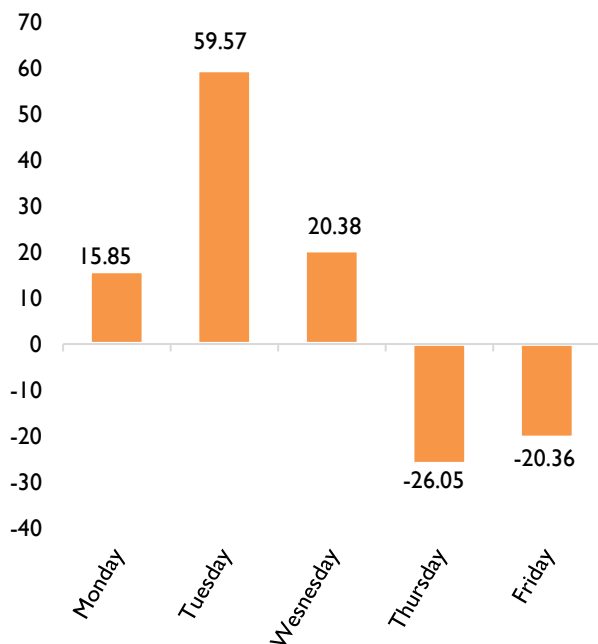
Eveready PLC

Eveready Plc has announced a profit warning for the financial year ended 30th September 2022. A profit warning is when a company expects the net earnings of the current year to decline by more than 25% compared to the previous year.

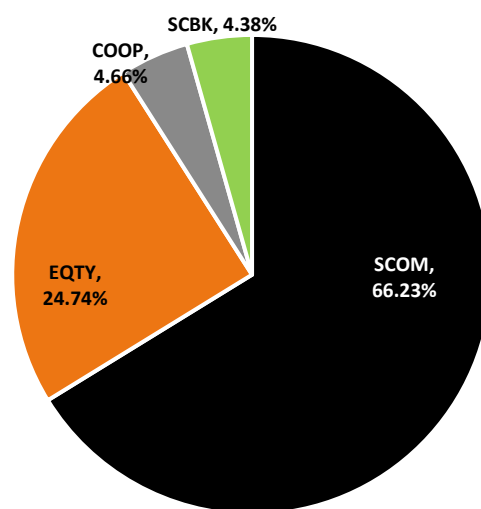
The board attributes the decline to the impact of the de-recognition of the deferred tax asset in the amount of KES. 38.00Mn. Eveready joins other companies that have issued profit warnings in the near past including; Bamburi Cement, NSE Plc, Crown Paints Plc and Flame Tree Group.

The counter closed the week at KES 0.70 remaining unchanged on a w/w basis. We expect the profit warning to negatively affect investor sentiment and is likely to lead to a share price decline in the coming trading sessions. (Source: Company Filings)

Weekly Trading Activity - Net Foreign Position



Weekly Trading Activity by Turnover



Weekly Equities Summary

Stock	Price	Δ WoW	M.Cap	M.Cap	P/E	P/B	Div Y
	28-Jan		USD M	%	x	x	
▲ Safaricom	23.25	0.03	7,491.1	47.42%	13.36	6.48	0.00%
▲ ABSA Group	12.45	0.01	543.8	3.44%	10.74	1.20	6.67%
— Diamond Trust Bank	51.25	0.00	115.2	0.73%	4.00	0.19	5.85%
▼ Equity Group	45.40	-0.01	1,377.8	8.72%	7.22	1.14	0.00%
▲ H. Finance Group	3.28	0.05	10.1	0.06%	25.29	0.16	0.00%
▼ I&M Holdings	17.00	-0.01	226.1	1.43%	6.01	0.39	0.00%
▲ KCB Group	38.50	0.00	994.9	6.30%	4.06	0.65	0.00%
▼ NCBA Group	37.00	-0.03	490.2	3.10%	489.45	96.99	0.00%
▲ Stanbic Holdings	112.00	0.00	356.1	2.25%	9.23	0.76	6.52%
▲ Standard Chartered	157.00	0.01	477.1	3.02%	10.97	1.05	2.29%
▲ Co-operative Bank	12.60	0.02	594.5	3.76%	4.32	0.73	0.00%
— Kenya Airways	3.83	0.00	175.0	1.11%	-1.37	-0.26	0.00%
▲ Longhorn Publishers	3.25	0.05	7.1	0.05%	22.18	1.13	0.00%
▼ Nation Media Group	15.10	-0.07	23.1	0.15%	5.83	0.36	0.00%
▲ Standard Group	10.15	0.02	6.7	0.04%	-2.76	1.11	0.00%
— TPS Eastern Africa	12.00	0.00	17.6	0.11%	-1.81	0.41	0.00%
▼ WPP Scangroup	2.99	0.00	10.4	0.07%	-30.48	0.25	3.56%
▼ KenGen	3.07	-0.03	162.8	1.03%	3.95	0.09	9.77%
▲ Kenya Power & Light.	1.55	0.02	24.3	0.15%	0.86	0.05	0.00%
▼ Total Kenya	23.30	-0.01	32.8	0.21%	5.13	0.14	20.14%
▼ Britam Holdings	5.24	-0.02	106.3	0.67%	183.34	0.69	0.00%
▼ CIC Insurance Group	1.89	-0.01	39.8	0.25%	10.66	1.34	19.16%
▼ Jubilee Holdings	194.25	-0.01	113.2	0.72%	2.16	0.33	4.35%
— Kenya Re Insurance	1.80	0.00	40.5	0.26%	1.70	0.14	11.11%
▼ Liberty Kenya Hold.	4.80	-0.01	20.7	0.13%	31.42	0.29	0.00%
— Sanlam Kenya	8.34	0.00	9.7	0.06%	-2.21	2.02	0.00%
▲ BOC Kenya	70.00	0.07	11.0	0.07%	12.61	0.86	0.00%
▼ British. A. Tobacco	449.25	-0.01	361.3	2.29%	6.93	3.00	0.00%
▲ Carbacid Invest.	12.35	0.00	25.3	0.16%	4.45	0.83	0.00%
▲ East Afr. Breweries	172.00	0.02	1,093.8	6.92%	23.14	5.15	0.00%
— Eveready E.A	0.70	0.00	1.2	0.01%	-17.42	68.72	0.00%
— Mumias Sugar	0.28	0.00	3.4	0.02%	-0.06	0.57	0.00%
▲ Centum Investment	8.72	0.04	46.7	0.30%	-4.33	0.12	3.78%
▲ Home Afrika	0.32	0.07	1.0	0.01%	-0.46	0.05	0.00%
▲ Trans-Century	1.25	0.02	3.8	0.02%	-0.29	0.05	0.00%
▼ Nairobi Sec. Exch.	6.40	-0.05	13.4	0.08%	12.53	0.80	0.00%
— ARM Cement	5.55	0.00	42.8	0.27%	-5.92	0.19	0.00%
▼ Bamburi Cement	29.50	-0.03	86.1	0.55%	7.76	0.30	10.17%
▼ E.A Portland Cement	6.38	-0.08	4.6	0.03%	0.30	0.03	0.00%
▲ Crown Paints Kenya	39.00	0.03	44.6	0.28%	7.59	1.62	0.00%
▲ Kakuzi	420.00	0.00	66.2	0.42%	25.75	1.49	4.29%
▲ Kapchorua Tea	110.00	0.01	6.9	0.04%	7.41	0.52	8.83%
▼ Sasini	21.00	-0.02	38.5	0.24%	11.41	0.35	2.38%
▲ Williamson Tea	160.75	0.04	22.6	0.14%	12.35	0.45	10.04%
▼ Ilam Fahari I-REIT	6.30	-0.01	9.2	0.00%	-9.20	0.32	0.00%

Corporate Actions

Counter	Interim Dividend	Final Dividend	Book Closure	Dividend Payment
Kengen Plc		KES 0.20	26 th January 2023	30 th March 2023
Car & General		KES 0.80	24 th February 2023	23 rd March 2023
EABL	KES 3.75		16 th February 2023	28 th April 2023

CONTACTS:

Research Desk

Solomon Kariuki
Research Analyst

Faith Sang
Research Analyst

Lisa Koome

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 Marenje

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.