



Weekly Equities Note

Week Ending: 1st July 2022

Key Highlights:

Weekly Statistics	This Week	Previous Week	w/w % chg
Turnover (KES Mn)	2,288.38	2,648.17	(13.59)
Volume (M)	68.54	108.39	(36.76)
Foreign Participation (%)	67.81	57.07	18.82
Foreign Buying Volume (KES Mn)	1,165.63	714.40	63.16
Foreign Selling Volume (KES Mn)	1,937.96	2,308.41	(16.05)
NASI	124.94	117.21	6.60
NSE-20	1,622.85	1,573.32	3.15
NSE-25	2,966.81	3,043.40	(2.52)

Most Traded	Price	Volume (M)	Mkt share (%)	Foreign Acvt (%)
Safaricom	25.05	34.92	38.23	72.76
Equity Group	43.00	12.15	22.83	74.96
East African Breweries	139.00	5.00	30.37	74.19

Top Gainers	This Week	w/w % chg	Volume	Foreign Acvt (%)
Kapchorua Tea	108.25	21.63	12100.00	0.00
East Africa Breweries	139.00	20.61	2854500.00	95.78
Equity Group	43.00	10.26	1807300.00	49.78
TPS Serena	13.80	9.96	0.00	0.00

Top Losers	This Week	w/w % chg	Volume	Foreign Acvt (%)
Umeme	6.58	-17.75	54200.00	0.00
Sameer Africa	3.46	-13.28	34800.00	0.00
Eveready East Africa	0.70	-11.39	99000.00	49.78
Unga Group	29.05	-8.50	3400.00	0.00

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Week That Was

Benchmark Indices - The NSE benchmark indices recorded upward trends with the NASI gaining **6.60%** to close the week at **KES 124.94** from **KES 117.21**, while the NSE-20 gained **3.15%** to close the week at **KES 1,622.85** from **KES 1,573.32**.

Market Performance - Equity turnover decreased **24.74%** to **KES 2.29Bn** from **KES 2.65Bn**. Kapchorua Tea was the highest gainer (**+21.60%**) closing at KES 108.25, mainly driven by the better FY'22 results and a DPS of KES 10.00. Other top gainers included: East Africa Breweries(**+20.60%**) at KES 139.00, Equity Group (**+10.30%**) at KES 43.00 and TPS Serena (**+10.00%**) at KES 13.80, which were mainly driven by foreign trading. The top losers were Umeme(**-17.80%**) closing at KES 6.58, Sameer Africa(**-13.30%**) closing at KES 3.46, Eveready (**-11.40%**) closing at KES 0.70 and Unga Group (**-8.50%**) closing at KES 29.05.

Foreign Participation - Foreign trades drove the most active counters which were SCOM, EQTY and EABL. We continued to see foreigners' exit with net foreign activity increasing to outflows of KES 772.33Mn.

Weekly Highlight

Safaricom voice market share drops in Q1'22

Safaricom's market share in the voice market dropped to 67.80% in the three months ended March'22, marking the first time it has declined since September'21. We view the decline in the Safaricom's voice market share as a reflection of the prevailing downward pressure on the voice business. We expect a negative ruling in the MTR case will likely cause further downward pressure on the voice segment.

New taxes on Alcoholic drinks

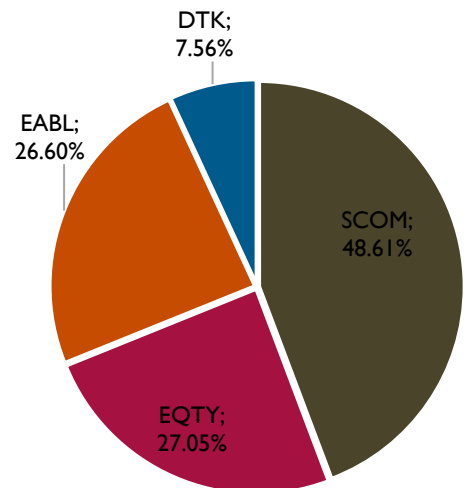
Consumers are facing higher prices of alcohol as the government enforces new taxes to fund this financial year's KES 3.3tn budget, further raising the cost of living. Duty per litre on spirits like whisky, gin and rum have significantly shot up 20.31% to KES 335.30. Duty on beer has also gone up by 9.97% to KES 134 per litre from KES 121.85, wines by 9.99% to KES 229 per litre. We expect the surging taxes on alcohol to negatively impact EABL's revenue owing to a likely reduction in consumption of mainstream alcohol products (beer and spirits) on the back of decreasing consumer disposable income.

(Source: Business Daily)

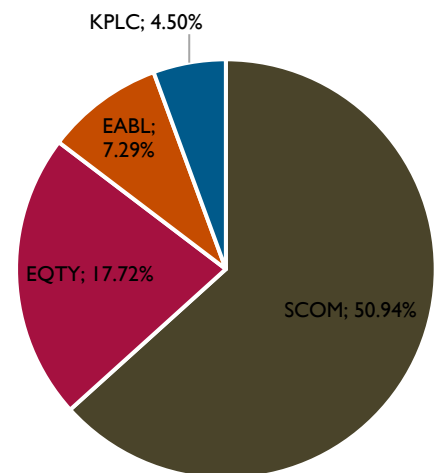
Weekly Outlook

We expect foreign trading to continue driving activity in the market for the coming week. The market is likely to continue improving as local investors, continue proving support. However, elections related concerns persist coupled with global macros and geo-political risks prevailing currently.

Weekly Trading Activity by Foreign Participation



Weekly Trading Activity by Trading Volume



Stock	Price	Δ YTD	Δ WoW	M.Cap	M.Cap	P/E	P/B	Div Y	ROE	ROA
	4-Jul	%		USD M	%	x	x	%	%	%
▲ Safaricom	25.05	-26.9	8.4	8,514.5	55.0	16.1	7.0	5.0	46.6	34.7
▲ ABSA Group	10.60	9.7	3.9	488.4	3.2	7.7	1.3	10.4	16.7	2.1
▼ Diamond Trust Bank	49.70	-33.7	-1.1	112.3	0.7	2.0	0.2	5.4	12.1	1.8
▲ Equity Group	43.00	17.6	10.3	1,376.6	8.9	7.3	1.5	4.7	21.9	3.6
▲ H. Finance Group	3.31	-0.3	10.0	9.9	0.1	-11.4	0.1	0.0	-1.1	-0.2
— I&M Holdings	17.00	-62.2	0.0	56.6	0.4	1.4	0.2	15.0	19.5	3.4
▲ KCB Group	39.00	2.4	6.3	1,014.4	6.6	5.0	1.0	9.0	20.7	3.1
▼ NCBA Group	23.70	-11.4	-0.6	128.7	0.8	3.0	0.3	1.0	15.3	2.2
▲ Stanbic Holdings	99.00	16.5	8.2	332.0	2.1	6.1	0.8	7.1	13.6	2.1
▼ Standard Chartered	124.00	-14.0	-0.8	361.4	2.3	5.7	1.0	14.7	17.5	0.0
▲ Co-operative Bank	11.00	-12.0	1.4	456.3	2.9	4.4	0.8	9.1	19.6	3.3
— Kenya Airways	3.83	0.0	0.0	48.6	0.3	-1.7	-1.2	0.0	0.0	-7.8
▲ Longhorn Publishers	3.08	-36.9	2.3	9.7	0.1	-3.7	1.2	16.9	-24.6	-9.4
▲ Nation Media Group	17.05	10.4	1.8	27.3	0.2	4.2	0.5	8.0	10.9	7.3
▲ Standard Group	12.95	-42.4	4.9	9.0	0.1	-2.5	0.9	0.0	-30.2	-9.7
▲ TPS Eastern Africa	13.80	-13.8	10.0	21.3	0.1	17.0	0.3	0.0	1.8	0.8
▲ WPP Scangroup	3.23	-46.2	7.0	10.4	0.1	3.2	0.2	0.0	-5.2	-3.0
— KenGen	3.40	-27.8	0.0	180.1	1.2	2.8	0.1	7.4	4.1	2.0
▲ Kenya Power & Light.	1.47	-14.0	3.5	24.3	0.2	11.3	0.1	0.0	0.4	0.1
▼ Total Kenya	22.50	-6.3	-3.4	33.4	0.2	5.6	0.2	5.8	10.8	6.6
▼ Britam Holdings	5.70	-21.5	-6.9	93.7	0.6	4.0	0.5	4.4	13.3	3.1
▲ CIC Insurance Group	2.00	-6.1	2.0	44.4	0.3	16.7	0.7	0.0	4.1	0.9
▼ Jubilee Holdings	255.00	-10.2	-1.9	142.5	0.9	5.2	0.7	3.5	13.2	2.9
▲ Kenya Re Insurance	2.04	-12.1	2.0	12.1	0.1	0.8	0.2	22.1	13.2	8.4
▼ Liberty Kenya Hold.	5.40	-29.9	-1.8	24.5	0.2	4.1	0.4	9.3	9.3	1.9
▼ Sanlam Kenya	12.00	-7.3	-7.7	14.7	0.1	15.2	1.2	0.0	8.2	0.4
▲ BOC Kenya	75.00	19.0	1.4	12.4	0.1	26.2	1.0	6.9	3.8	2.7
▼ British. A. Tobacco	415.00	15.0	-1.4	352.1	2.3	10.7	4.3	8.1	40.8	19.4
▲ Carbacid Invest.	11.50	-5.0	4.5	24.9	0.2	11.1	0.9	6.1	8.6	7.7
▲ East Afr. Breweries	139.00	-9.9	20.6	932.5	6.0	12.4	12.7	6.1	123.9	11.2
▼ Eveaready E.A	0.70	-30.0	-11.4	1.2	0.0	-0.5	1.3	0.0	-110.8	-73.8
▼ Centum Investment	9.02	-43.8	-4.7	50.9	0.3	1.2	0.1	13.3	13.1	5.2
▲ Nairobi Sec. Exch.	7.24	-11.3	3.7	15.9	0.1	24.1	0.9	1.1	3.9	3.6
▲ Bamburi Cement	34.40	-9.1	4.6	105.9	0.7	19.8	0.4	0.0	2.2	1.3
▼ E.A Portland Cement	8.40	-23.6	-3.7	6.4	0.0	-0.2	0.0	0.0	-14.5	-9.0
▼ Crown Paints Kenya	41.50	9.2	-5.7	25.1	0.2	9.3	2.3	0.0	27.2	5.8
▲ Kakuzi	441.25	20.9	4.1	7.2	0.0	12.1	1.7	3.2	14.4	11.5
▲ Kapchorua Tea	108.25	38.8	21.6	4.9	0.0	-6.7	0.6	9.2	1.2	1.0
▼ Sasini	19.00	-2.6	-2.1	19.4	0.1	-13.7	0.3	5.3	-2.7	-2.3
▲ Williamson Tea	130.75	0.4	1.0	0.0	0.0	17.2	0.4	15.3	2.2	1.6
▼ Ilam Fahari I-REIT	6.00	6.4	-0.7	9.2	0.1	7.1	1.3	12.5	0.0	0.0

Top Picks

Stock	Price KES	Target Val. KES	Upside	
SCOM	23.10	37.53	62.47%	Report
COOP	10.85	13.99	28.94%	Report
SBIC	91.50	105.00	14.75%	Report

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