

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

21st April 2020



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	106.88	(0.08)	(5.47)
KES/GBP	133.01	(0.04)	(0.05)
KES/EUR	116.09	(0.34)	(2.40)

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	138.25	0.30	(16.92)
NSE-20	1,994.86	0.47	(24.85)
NSE-25	3,208.59	0.91	(21.75)
FTSE 15	169.34	1.24	(23.48)
FTSE 25	181.08	0.90	(21.09)

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	19.77	19.71	25.06
Market Turnover (USD MN)	10.45	4.84	513.13
Foreign Buys (%)	51.40	47.26	50.17
Foreign Sales (%)	83.79	89.45	76.28
Foreign Participation (%)	67.60	68.36	63.23

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
Sameer Africa	2.20	10.00	100
Car & General	23.50	6.82	100
Kenya Re	2.70	5.06	76,700

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
Eveready	0.80	(6.98)	1,900
Trans-Century	1.61	(5.29)	4,800
Britam	6.64	(3.77)	48,000

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	5.16	4.63	4.68	28.40	(0.35)
ABSA Bank	1.67	0.00	1.59	10.25	1.99
KCB Group	0.98	0.13	0.68	37.00	2.92
Standard Chartered	0.91	-	0.41	195.00	0.26
Equity Group	0.86	0.47	0.82	34.85	4.03

*Year-to-date refers to Market Capitalization as at 31st December 2019

CURRENCY PERFORMANCE-TSH, USH, RWF

	Close	1-day	y-t-d
KES/USH	35.27	0.22	2.47
KES/RWF	8.91	0.07	4.75
KES/TSH	21.65	0.08	4.53
USD/USH	3,770.01	0.13	(2.87)
USD/RWF	952.46	(0.01)	(0.46)
USD/TSH	2,314.00	(0.00)	(0.70)

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
RSE RSI	122.29	-	(0.90)
RSE RASI	150.23	-	10.81
DSE DSEI	1,749.21	(0.51)	(15.05)
DSE TSI	3,487.21	0.29	1.64

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	-	29.18	260.00	-
BLR	-	15.60	139.00	-
CTL	-	7.86	70.00	-
IMR	-	10.10	90.00	-

DSE **				
CRDB	1,463,279.45	6.93	150.00	7.14
SWIS	37,114.09	66.51	1,440.00	-
TPCC	316,212.47	97.00	2,100.00	-

*Local Currency

**Trading data for the previous day.

RESEARCH DEPARTMENT

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SALIENT NEWS

BOC Gases KE: FY19 Earnings

BOC Kenya released its FY19 results posting a 14.8% y-o-y decline in profit after tax to KES 55.9 MN. Earnings per share (EPS) for the period came in at KES 2.86, 19.7% lower than the previous period

Dividends per share (DPS) for the period closed at KES 2.35, 54.8% lower than the previous period (KES 5.20). The BOD was not in favor of a final dividend payment for FY19.

Turnover rose slightly by 1.0% y-o-y to KES 975.9 MN. Profit before tax declined by 25.1% y-o-y to KES 89.5 MN owing to a decline in finance income by 38.0% y-o-y to KES 43.6 MN.

Total assets declined by 7.0% y-o-y to KES 2.0 BN whereas total liabilities declined by 11.1% y-o-y to KES 553.2 MN. Total equity declined by 5.3% y-o-y to KES 1.4 BN courtesy of a 5.4% y-o-y decline in retained earnings to KES 1.3 BN.

Cash and cash equivalents at the end of the period saw a 91.1% y-o-y increase to KES 38.9 MN. This was supported by a 133.5% y-o-y rise in net cash from investing activities to KES 117.4 MN.

Total assets declined by 7.0% y-o-y to KES 2.0 BN whereas total liabilities declined by 11.1% y-o-y to KES 553.2 MN. Total equity declined by 5.3% y-o-y to KES 1.4 BN courtesy of a 5.4% y-o-y decline in retained earnings to KES 1.3 BN.

The company scored a large account in the Public Health Sector in FY19 thus boosting its revenue. The overall growth in medical gas volumes has also been a key driver of growth. The group continued to face debt management and supply chain constraints in the public sector around key industrial raw materials and the availability of special gases and cylinders. The sale of industrial cylinder gases to mostly SME's remained depressed in FY19. Also, the illegal filling of the company's cylinders continues to hinder growth in the segment.

Going forward, management sees potential in the healthcare portfolio i.e. liquid medical oxygen and packaged medical gases. In this COVID-19 stricken environment, BOC stands to significantly contribute to the healthcare sector owing to their enhanced capabilities to meet the increased necessity of medical gases, medical gas infrastructure and accessories.

On a trailing basis, the company is trading at a P/E multiple of 23.1x above the sector median of 8.1x and a P/B multiple of 0.9x above the sector median of 0.8x. Currently, its ROE stands at 3.9% whereas ROA stands at 2.8%. Dividend yield now stands at 3.6%. *(Source: Company filings, DBIB Research).*