

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

30th April 2020



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	107.29	(0.02)	(5.88)
KES/GBP	133.09	0.66	(0.11)
KES/EUR	116.42	0.22	(2.69)

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	139.69	(0.37)	(16.06)
NSE-20	1,958.07	(0.46)	(26.23)
NSE-25	3,292.64	0.91	(19.70)
FTSE 15	178.00	2.81	(19.57)
FTSE 25	185.85	0.33	(19.02)

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	19.90	19.97	25.06
Market Turnover (USD MN)	3.95	3.00	554.93
Foreign Buys (%)	39.50	30.18	48.40
Foreign Sales (%)	75.57	50.70	75.50
Foreign Participation (%)	57.54	40.44	61.95

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
E.A. Breweries	172.75	7.13	91,100
E.A. Cables	1.85	6.32	5,400
Centum Investment	25.15	5.23	23,000

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
Limuru Tea	427.50	(10.00)	200
KenGen Co.	4.55	(6.38)	1,462,800
K.P.L.C.	2.01	(5.63)	1,424,500

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	2.58	1.16	2.26	28.50	(1.72)
KCB Group	0.50	0.10	0.20	37.00	1.93
Equity Group	0.38	0.25	0.30	37.65	2.31
E.A. Breweries	0.15	0.05	0.12	172.75	7.13
ABSA Bank	0.09	0.00	0.07	10.60	0.47

*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	35.46	0.02	1.94
KES/RWF	8.88	0.02	5.09
KES/TSH	21.57	0.02	4.89
USD/USH	3,805.01	0.00	(3.82)
USD/RWF	952.76	0.00	(0.49)
USD/TSH	2,314.01	(0.00)	(0.70)

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
RSE RSI	122.00	-	(1.13)
RSE RASI	150.19	-	10.78
DSE DSEI	1,766.73	(0.50)	(14.20)
DSE TSI	3,494.06	-	1.83

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	-	29.28	260.00	-
BLR	-	15.54	138.00	-
CTL	31,531.18	7.88	70.00	-
IMR	1,013.50	10.14	90.00	-

DSE **				
CRDB	1,186,159.73	6.95	150.00	-
DSE	3,094.93	41.27	890.00	-
NICO	346,818.13	7.88	170.00	-
TPCC	105,065.49	102.01	2,200.00	-

*Local Currency

**Trading data for the previous day.

Kindly note:

The NSE will be closed for business tomorrow (01-May-2020) in observance of the Labour Day holiday.

RESEARCH DEPARTMENT

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SALIENT NEWS

WPP Scangroup FY19 Earnings

WPP announced their FY19 results posting a 19.7% drop in profit after tax (PAT) to KES 491.4 MN. Profit for the year from continuing operations came in at KES 158.8 MN whilst profit from discontinued operations came in at KES 332.6 MN. Earnings per share (EPS) for the period came in at KES 1.00. Owing to the current economic situation, the Board deferred the dividend declaration for the year 2019.

Revenue declined by 36.2% y-o-y to KES 2.9 BN partly owing to a 32.8% y-o-y decline in billings to KES 9.3 BN. The Kantar TNS operations acquired in July 2018 boosted revenue. Operating and administrative expenses declined by 29.0% y-o-y to KES 2.7 BN. Profit before tax (PBT) saw a 69.7% y-o-y decline to KES 290.7 MN.

Scangroup's sale of the Kantar Africa Business (100% shareholding) and the Research and Marketing Group Investment Limited (RMGIL) (80% shareholding) that was announced on October 31, 2019 is subject to regulatory and shareholder approval and is expected to be completed by 30 June 2020.

Initially, management had alluded that at least 40.0% of the net proceeds of the sale would be returned to shareholders in the form of a special dividend. They had estimated that circa KES 5.00 BN would be realized from the sale having factored in tax and costs. Given the current tough environment and performance of the company, there is a chance that the company might re-allocate more of the estimated windfall to meet their capital needs and business expansion endeavors. *(Source: Company Filings, DBIB Research)*

Flame Tree Group FY19 Earnings

Flame tree group released their FY19 results reporting a 33.0% increase in P.A.T to KES 44.9 MN. EPS for the period stands at KES 0.26, 36.8% higher y-o-y. The board of directors did not recommend the payment of a dividend for the period.

Gross profit recorded an 8.1% y-o-y upswing to KES 822.6 MN primarily owing to a 7.3% y-o-y drop in cost of sales to KES 1.6 BN. This was despite a 2.6% y-o-y decline in revenue to KES 2.4 BN occasioned by the disruption of sales as its Ethiopian subsidiary was relocated to a new self-owned site. Consequently, gross profit margin rose by 334 bps y-o-y to 33.9%.

Overall expenses remained fairly flat (-0.8% y-o-y) at KES 665.2 MN. Finance expenses increased by 15.4% y-o-y to KES 75.2 MN on the back of increased funding taken to support the investment into the new factory in Ethiopia.

Non-current assets grew by 70.2% y-o-y to KES 1.2 BN on account of the significant investment made in industrial machinery, vehicles and the new factory in Ethiopia; as well as the upward revaluation of assets by KES 229.7 MN. Current assets on the other hand declined by 4.7% y-o-y to KES 1.1 BN. As a result, total assets increased by 24.0% y-o-y to KES 2.8 BN.

SALIENT NEWS

Flame Tree Group FY19 Earnings Cont...

Non-current liabilities rose by 844.8% y-o-y to KES 333.9 MN while current liabilities shed 9.7% y-o-y to KES 894.8 MN. Total equity edged up by 29.5% to KES 1.1 BN.

To ensure business sustainability amid the disruptions occasioned by the COVID-19 pandemic, FTG has had to take moratoriums of several months on a number of its debt obligations. Even so, the group has been fortunate to be one of the few to benefit from the pandemic through increased sales in hand-washing stations and hand sanitizers; and decreased prices of plastic raw materials in the international market following the drastic drop of fuel prices. *(Source: Company Filings, DBIB Research)*