

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

11TH AUGUST 2020



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	108.12	(0.08)	(6.69)
KES/GBP	141.25	0.05	(6.25)
KES/EUR	127.24	0.31	(12.23)

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	129.24	(0.74)	(22.34)
NSE-20	1,733.14	(1.61)	(34.71)
NSE-25	2,946.26	(1.26)	(28.15)
FTSE 15	155.94	(1.45)	(29.54)
FTSE 25	169.31	(1.12)	(26.22)

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	18.35	18.49	25.06
Market Turnover (USD MN)	3.28	4.46	978.47
Foreign Buys (%)	49.52	93.79	50.32
Foreign Sales (%)	48.55	84.24	76.91
Foreign Participation (%)	49.03	89.01	63.62

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
ILAM I-REIT	5.98	9.93	2,300
Uchumi	0.32	6.67	64,200
Kakuzi	397.00	5.87	300

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
WPP Scangroup	8.22	(9.27)	68,700
Sameer Africa	2.95	(9.23)	4,200
TPS Eastern Africa	13.10	(9.03)	15,000

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Equity Group	1.21	0.50	0.69	29.90	(4.17)
E.A. Breweries	0.85	0.85	0.00	150.00	(1.96)
Safaricom	0.58	0.12	0.50	27.50	-
ABSA Bank	0.30	0.00	0.22	8.62	(4.22)
KCB Group	0.22	0.15	0.17	32.70	(0.76)

*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	33.99	0.27	6.01
KES/RWF	8.88	0.06	5.13
KES/TSH	21.50	0.08	5.17
USD/USH	3,675.01	0.19	(0.27)
USD/RWF	959.59	(0.02)	(1.21)
USD/TSH	2,325.01	0.00	(1.17)

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
RSE RSI	113.73	-	(7.84)
RSE RASI	148.87	-	9.80
DSE DSEI	1,768.38	-	(14.12)
DSE TSI	3,476.88	-	1.33

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	-	27.04	240.00	-
BLR	-	14.08	125.00	-
CTL	-	8.45	75.00	-
IMR	247,873.36	5.63	50.00	-
CMR	27,040.73	13.52	120.00	-
DSE **				
CRDB	147,246.88	6.98	150.00	-
DSE	118,778.69	41.39	890.00	-
TPCC	119,786.84	92.07	1,980.00	-

*Local Currency

**Trading data for the previous day.

RESEARCH DEPARTMENT

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SALIENT NEWS

CIC Insurance 1H20 Earnings

CIC Insurance Group released their 1H20 results recording a KES 335.5 MN loss after tax compared to a profit after tax of KES 20.9 MN recorded in 1H19. Loss per share for the period stood KES 0.13.

Gross written premiums decreased by 3.24% y-o-y to KES 9.3 BN. Total income declined by 4.9% y-o-y to KES 8.3 BN primarily on the back of a 26.0% y-o-y drop in investment and other income to KES 1.2 BN, while net earned premiums remained fairly constant at KES 7.1 BN (-0.1% y-o-y).

Operating and other expenses edged down 10.7% y-o-y to KES 2.9 BN. These gains were however significantly eroded by the 7.6% y-o-y increase in net claims and policy holders' benefits to KES 5.4 BN resulting in a 0.5% y-o-y rise in total expenses to KES 8.3 BN. Finance costs dropped by 10.2% y-o-y to KES 302.1 MN.

Total assets grew by 5.3% y-o-y to KES 37.2 BN largely on account of an 11.5% y-o-y increase in other investments to KES 19.3 BN. Total liabilities rose 8.1% y-o-y to KES 29.7 BN mainly owing to a 9.2% y-o-y increase in insurance liabilities to KES 23.3 BN. Total equity declined by 4.3% y-o-y to KES 7.5 BN.

Equity Group completes acquisition of Banque Commerciale Du Congo

Equity Group Holdings (EGH) fully acquired Banque Commerciale Du Congo (BCDC) on August 7, 2020 having met the necessary conditions, including the receipt of corporate and regulatory approvals. In light of the COVID-19 adversity, the two parties agreed to a 10.5% reduction in the consideration to USD 95.0 MN from USD 105.0 MN. By virtue of a successful acquisition, BCDC is now a subsidiary of EGH, as EGH holds 66.5% of its issued share capital.

EGH's objective is to amalgamate BCDC's business with that of Equity Bank Congo, EGH's existing banking subsidiary in DRC. Management estimates that the two subsidiaries will produce a combined balance sheet in excess of USD 2.0 BN, which will contribute more than 20.0% of the group's total balance sheet. As at 1Q19, the group's balance sheet stood at KES 693.2 BN. This acquisition will put EGH on the path to become a KES 1.0 TRN balance sheet business. *(Source: Company filings, DBIB Research).*

Early Redemption of NCBA's Medium Term Note (KES 7.0 BN)

NCBA announced that it opts to redeem CBA's MTN earlier than the initial maturity date, December 14, 2020. The redemption of the outstanding principal amount (KES 7.0 BN) will be effected on September 14, 2020. The amount will be disbursed to holders registered as owners of the notes in the CDSC register as at August 12, 2020. *(Source: Company filings, DBIB Research).*
