DYER & BLAIR INVESTMENT BANK
DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

14th August 2020

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	108.29	0.09	(6.86)
KES/GBP	141.74	(0.35)	(6.62)
KES/EUR	128.18	(0.47)	(13.06)

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	129.46	(0.19)	(22.20)
NSE-20	1,743.58	0.29	(34.31)
NSE-25	2,939.83	0.16	(28.31)
FTSE 15	153.88	0.39	(30.47)
FTSE 25	170.23	1.21	(25.82)

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	18.35	18.38	25.06
Market Turnover (USD MN)	3.25	1.82	981.10
Foreign Buys (%)	50.72	54.31	50.67
Foreign Sales (%)	87.89	76.76	77.01
Foreign Participation (%)	69.31	65.53	63.88

Top Gainers	VWAP (KES)	1-day ch (%)	Volumes (shares)
Nation Media	11.70	6.85	107,400
Sameer Africa	3.50	6.38	700
HF Group	4.00	4.99	100

Top Losers	VWAP (KES)	1-day ch (%)	Volumes (shares)
Eveready	0.99	(7.48)	6,500
NBV	0.56	(6.67)	10,900
Uchumi	0.29	(6.45)	59,000

Top Traders	Turnover (USD mn)	F.buys (USD m)	F.sales (USD m)	VWAP (KES)	1-day ch (%)
Safaricom	1.35	1.07	1.12	27.70	(0.54)
KCB Group	0.66	0.00	0.63	30.55	-
Equity Group	0.54	0.30	0.52	28.75	2.31
E.A Breweries	0.31	0.26	0.30	154.00	-
B.A.T Kenya	0.16	0.01	0.16	328.00	0.85

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	33.94	(0.09)	6.17
KES/RWF	8.91	(0.09)	4.75
KES/TSH	21.47	(0.09)	5.32
USD/USH	3,675.01	0.00	(0.27)
USD/RWF	965.07	(0.00)	(1.79)
USD/TSH	2,325.00	0.00	(1.17)

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
RSE RSI	116.43	-	(5.65)
RSE RASI	149.37	-	10.17
DSE DSEI	1,756.16	0.42	(14.72)
DSE TSI	3,486.83	0.29	1.62

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	-	26.93	240.00	-
BLR	-	15.37	137.00	-
CTL	-	8.19	73.00	-
IMR	52,738.47	5.61	50.00	-
CMR	-	13.47	120.00	-
DSE **				
CRDB	1,179,875.36	7.45	160.00	6.67
TBL	610,695,876.14	507.68	10,900.00	-
TPCC	92,220.85	92.22	1,980.00	-
NICO	58,592.84	7.92	170.00	-
SWIS	31,485.50	60.55	1,300.00	-

Local Currency
**Trading data for the previous day.*

SALIENT NEWS

STANBIC BANK 1H20 EARNINGS

Stanbic Bank released its 1H20 results recording a 37.0% y-o-y drop in profit after tax (PAT) to KES 2.5 BN. This was attributable to a 12.0% y-o-y decline in total income to KES 10.7 BN and an 83.6% y-o-y upsurge in the loan loss provision expense to KES 1.7 BN. EPS for the period stood at KES 14.61.

Net interest income declined 5.9% y-o-y to KES 6.0 BN on the back of a 4.8% y-o-y decline in interest income to KES 9.6 BN and a 3.1% y-o-y decline in interest expense to KES 3.6 BN.

Non-funded income declined 18.8% y-o-y to KES 4.7 BN, attributable to a 33.4% y-o-y decline in fees and commission income to KES 1.8 BN and a 4.7% y-o-y decline in forex income to KES 2.6 BN.

Operating expenses (less loan loss provisions) declined 14.8% y-o-y to KES 5.0 BN mainly on the back of a 4.6% y-o-y decline in staff costs to KES 2.7 BN and a 32.6% y-o-y decline in other expenses to KES 1.6 BN.

Pre-provision operating profit declined 9.5% y-o-y to KES 5.7 BN. Loan loss provision expense saw an 83.6% y-o-y increase to KES 1.7 BN. As a result, profit before tax dropped 25.3% y-o-y to KES 4.0 BN.

Customer loans and advances declined 0.6% y-o-y to KES 161.0 BN whereas investment securities saw a 14.1% y-o-y decline to KES 40.8 BN. On the funding side, customer deposits saw a 23.0% y-o-y increase to KES 252.2 BN whilst borrowed funds saw a 3.5% y-o-y decline to KES 12.8 BN.

On a trailing basis, Stanbic Bank is trading at a P/E ratio of 6.2x, against an industry median of 4.8x, and a P/B of 0.8x against an industry median of 0.7x. ROE stands at 12.1% whereas ROA stands at 1.4%. The group's dividend yield stands at 9.4% against an industry median of 6.9%. We maintain our **BUY** recommendation. *(Source: Company filings, DBIB Research)*