

# DYER & BLAIR INVESTMENT BANK

## DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

25<sup>TH</sup> AUGUST 2020



DYER & BLAIR  
INVESTMENT BANK

WE KNOW. YOU KNOW.

### CURRENCY PERFORMANCE-KES

|         | Close  | 1-day  | y-t-d   |
|---------|--------|--------|---------|
| KES/USD | 108.04 | (0.02) | (6.61)  |
| KES/GBP | 141.77 | (0.01) | (6.64)  |
| KES/EUR | 127.91 | (0.48) | (12.83) |

### KENYAN EQUITY MARKETS

| Equity Indices | Close    | 1-day  | y-t-d   |
|----------------|----------|--------|---------|
| NASI           | 133.89   | 1.03   | (19.54) |
| NSE-20         | 1,743.08 | (0.30) | (34.33) |
| NSE-25         | 3,071.26 | 0.89   | (25.10) |
| FTSE 15        | 164.00   | 0.82   | (25.90) |
| FTSE 25        | 176.54   | 0.68   | (23.07) |

| Market Activity           | Close | 1-day | y-t-d    |
|---------------------------|-------|-------|----------|
| Market Cap (USD BN)*      | 19.02 | 18.83 | 25.06    |
| Market Turnover (USD MN)  | 7.62  | 2.41  | 1,016.58 |
| Foreign Buys (%)          | 56.53 | 59.82 | 50.32    |
| Foreign Sales (%)         | 50.25 | 82.63 | 76.33    |
| Foreign Participation (%) | 53.39 | 71.23 | 63.33    |

| Top Gainers | VWAP  | 1-day  | Volumes  |
|-------------|-------|--------|----------|
|             | (KES) | ch (%) | (shares) |
| Longhorn    | 4.79  | 6.21   | 2,700    |
| Liberty     | 8.50  | 4.94   | 500      |
| Sasini      | 19.65 | 3.42   | 200      |

| Top Losers | VWAP  | 1-day  | Volumes   |
|------------|-------|--------|-----------|
|            | (KES) | ch (%) | (shares)  |
| Sanlam     | 12.20 | (9.96) | 1,400     |
| N.B.V.     | 0.60  | (9.09) | 6,300     |
| Kenya Re   | 2.15  | (8.12) | 6,212,400 |

| Top Traders  | Turnover | F.buys  | F.sales | VWAP  | 1-day  |
|--------------|----------|---------|---------|-------|--------|
|              | (USD mn) | (USD m) | (USD m) | (KES) | ch (%) |
| Safaricom    | 4.69     | 3.98    | 1.82    | 28.65 | 1.60   |
| Stanbic      | 0.77     | -       | 0.77    | 75.00 | 1.35   |
| Equity Group | 0.53     | -       | 0.19    | 34.05 | 1.19   |
| KCB Group    | 0.47     | 0.00    | 0.29    | 34.60 | 0.44   |
| NCBA Group   | 0.31     | 0.00    | 0.04    | 22.00 | 0.46   |

\*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    | (0.05) | (6.03) |
| KES/RWF | 8.94     | (0.01) | (4.40) |
| KES/TSH | 21.47    | (0.02) | (5.30) |
| USD/USH | 3,671.78 | 0.03   | (0.18) |
| USD/RWF | 966.31   | (0.01) | (1.92) |
| USD/TSH | 2,320.01 | (0.00) | (0.96) |

### EAC EQUITY MARKETS

| Equity Indices | Close    | 1-day  | y-t-d   |
|----------------|----------|--------|---------|
| RSE RSI        | 115.74   | -      | (6.21)  |
| RSE RASI       | 149.24   | -      | 10.08   |
| DSE DSEI       | 1,770.16 | (0.13) | (14.04) |
| DSE TSI        | 3,486.71 | (0.14) | 1.62    |

| RSE | Turnover (KES MN) | VWAP (KES) | VWAP (L.C)* | 1-day ch (%) |
|-----|-------------------|------------|-------------|--------------|
| BOK | -                 | 26.83      | 240.00      | -            |
| BLR | -                 | 15.32      | 137.00      | -            |
| CTL | 360,747.75        | 8.16       | 73.00       | -            |
| IMR | -                 | 5.25       | 47.00       | -            |
| CMR | -                 | 13.42      | 120.00      | -            |

| DSE** | Turnover (KES MN) | VWAP (KES) | VWAP (L.C)* | 1-day ch (%) |
|-------|-------------------|------------|-------------|--------------|
| CRDB  | 3,268,100.96      | 7.45       | 160.00      | (3.03)       |
| DSE   | 4,144.55          | 41.45      | 890.00      | -            |
| NICO  | 6,146.97          | 7.68       | 165.00      | -            |
| TPCC  | 6,454.32          | 92.20      | 1,980.00    | -            |
| VODA  | 7,124.90          | 39.58      | 850.00      | -            |

\*Local Currency

\*\*Trading data for the previous day.

RESEARCH DEPARTMENT

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## SALIENT NEWS

### STANDARD CHARTERED 1H20 EARNINGS

**Standard Chartered Bank released its 1H20 results recording a 31.3% y-o-y drop in profit after tax (PAT) to KES 3.2 BN.** This was largely attributable to a 328.8% y-o-y rise in the loan loss provision expense to KES 1.6 BN. EPS for the period stood at KES 9.17. The directors did not recommend a dividend for the period.

**Net interest income dropped by 4.6% y-o-y to KES 9.4 BN** owing to a 6.3% y-o-y decrease in interest income to KES 11.9 BN and a 12.1% y-o-y decline in interest expense to KES 2.5 BN.

**Non-funded income declined 6.6% y-o-y to KES 4.4 BN,** primarily attributable to a 12.3% y-o-y decline in fees and commission income to KES 2.3 BN.

**Operating expenses (less loan loss provisions) dropped by 2.7% y-o-y to KES 7.1 BN** mainly on the back of a 5.3% y-o-y decrease in staff costs to KES 3.3 BN.

**Pre-provision operating profit declined 7.8% y-o-y to KES 6.7 BN.** Loan loss provision expense rose 328.8% y-o-y to KES 1.6 BN. As a result, profit before tax fell 26.2% y-o-y decline to KES 5.1 BN.

**Customer loans and advances rose 11.9% y-o-y to KES 134.3 BN** whereas investment securities rose by 3.2% y-o-y increase to KES 101.2 BN. Customer deposits saw a 12.3% y-o-y increase to KES 256.5 BN while borrowings increased by 18.6% y-o-y increase to KES 11.1 BN.

**On a trailing basis,** Stanchart is trading at a P/E multiple of 8.4x, against an industry median of 5.0x and a P/B multiple of 1.1x against an industry median of 0.6x. Its ROE stands at 13.1% above an industry median of 14.1% whereas its ROA stands at 2.1% above an industry median of 2.0%. We maintain our **BUY** recommendation. *(Source: Company filings, DBIB Research)*

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