

# DYER & BLAIR INVESTMENT BANK

## DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

26<sup>th</sup> August 2020



DYER & BLAIR  
INVESTMENT BANK

WE KNOW. YOU KNOW.

### CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	108.12	(0.08)	(6.69)
KES/GBP	142.02	(0.17)	(6.83)
KES/EUR	127.82	0.07	(12.75)

### KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	135.24	1.01	(18.73)
NSE-20	1,760.64	1.01	(33.67)
NSE-25	3,106.01	1.13	(24.25)
FTSE 15	166.88	1.76	(24.59)
FTSE 25	178.73	1.24	(22.12)

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	19.20	19.01	25.06
Market Turnover (USD MN)	4.39	7.61	1,021.26
Foreign Buys (%)	41.34	56.53	50.28
Foreign Sales (%)	38.37	50.25	76.16
Foreign Participation (%)	39.85	53.39	63.22

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
NBV	0.66	10.00	200
Flame Tree	1.37	5.38	1,200
Nation Media	12.55	4.58	129,600

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
BK Group	15.00	(9.09)	37,800
I&M Holdings	43.00	(4.34)	53,400
Olympia Capital	2.45	(3.16)	500

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	2.02	1.60	0.73	29.00	1.22
Stanbic Holdings	1.09	-	0.16	75.00	-
E.A Breweries	0.30	-	0.22	152.00	0.50
Equity Group	0.25	0.16	0.13	34.80	2.20
KCB Group	0.23	-	0.16	35.05	1.30

\*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	0.01	(6.02)
KES/RWF	8.94	(0.07)	(4.46)
KES/TSH	21.46	(0.08)	(5.38)
USD/USH	3,675.01	(0.09)	(0.27)
USD/RWF	966.41	(0.01)	(1.93)
USD/TSH	2,320.00	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	1,768.47	-	(14.12)
DSE TSI	3,486.71	-	1.62

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	-	26.85	240.00	-
BLR	-	15.33	137.00	-
CTL	-	8.17	73.00	-
IMR	-	5.26	47.00	-
CMR	-	13.43	120.00	-

#### DSE \*\*

CRDB	468,600.40	7.46	160.00	(3.03)
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\*Local Currency

\*\*Trading data for the previous day.

RESEARCH DEPARTMENT

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## SALIENT NEWS

### DTB GROUP: 1H20 EARNINGS

**Profit after tax (PAT) saw a 36.5% y-o-y decline to KES 2.6 BN.** This was primarily on account of a 249.2% y-o-y increase in the bad debt charge to KES 1.9 BN. The EPS for the period closed at KES 8.59, 38.2% lower y-o-y.

**Net interest income rose 1.2% y-o-y to KES 9.3 BN** on the back of a 3.3% y-o-y decline in interest income to KES 15.8 BN and a 9.0% y-o-y decline in interest expense to KES 6.5 BN.

**Non-funded income rose 5.9% y-o-y to KES 3.2 BN,** attributable to a 28.7% y-o-y increase in net income from forex dealings to KES 1.3 BN. Fees and commission income saw a 3.4% y-o-y decline to KES 1.6 BN.

**Operating expenses (less loan loss provisions) rose 7.3% y-o-y to KES 6.1 BN** mainly on the back of a 6.8% y-o-y increase in staff costs to KES 2.4 BN.

**Pre-provision operating profit declined 2.1% y-o-y to KES 6.3 BN.** Loan loss provision expense saw a 249.2% y-o-y upsurge to KES 1.9 BN. As a result, profit before tax dropped 24.7% y-o-y to KES 4.5 BN.

**Customer loans and advances rose 5.6% y-o-y to KES 201.5 BN** whereas investment securities saw a 9.8% y-o-y increase to KES 132.5 BN. On the funding side, customer deposits saw a 1.0% y-o-y decline to KES 280.37 BN whilst borrowed funds saw a 29.2% y-o-y increase to KES 17.1 BN.

**On a trailing basis,** DTB is trading at a P/E ratio of 3.3x, against an industry median of 5.3x, and a P/B of 0.3x against an industry median of 0.6x. ROE stands at 9.4% whereas ROA stands at 1.5%. The group's dividend yield stands at 4.0% against an industry median of 5.3%. We maintain our **BUY** recommendation. *(Source: Company filings, DBIB Research)*

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