

# DYER & BLAIR INVESTMENT BANK

## DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

20<sup>th</sup> February 2020



DYER & BLAIR  
INVESTMENT BANK

WE KNOW. YOU KNOW.

### CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	101.25	(0.16)	0.09
KES/GBP	131.45	0.20	1.12
KES/EUR	109.32	(0.05)	3.57

### KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	158.87	(0.30)	(4.53)
NSE-20	2,521.84	(0.06)	(4.99)
NSE-25	3,933.37	(0.47)	(4.08)
FTSE 15	211.85	(0.38)	(4.27)
FTSE 25	219.25	(0.32)	(4.46)

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	23.95	24.02	25.06
Market Turnover (USD MN)	8.62	4.87	209.46
Foreign Buys (%)	30.37	17.23	57.84
Foreign Sales (%)	92.97	93.69	65.18
Foreign Participation (%)	61.67	55.46	61.51

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
Nation Media	33.00	8.55	8,900
Crown Paints	65.00	8.33	100
Umeme Ltd	7.96	3.65	1,000

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
Liberty Kenya	9.00	(9.82)	1,600
Longhorn Publishers	5.16	(6.52)	85,900
Sasini Plc	16.50	(4.35)	700

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	4.31	0.55	4.29	29.95	-
KCB Group	3.32	1.83	3.09	50.50	(0.49)
Equity Group	0.43	0.22	0.40	49.95	(0.60)
Co-operative Bank	0.33	-	0.16	14.85	(0.34)
Kenya Re	0.05	-	0.01	2.99	0.67

\*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	36.24	0.19	(0.20)
KES/RWF	9.39	0.15	(0.40)
KES/TSH	22.82	0.16	(0.61)
USD/USH	3,669.01	0.03	(0.11)
USD/RWF	951.01	(0.01)	(0.31)
USD/TSH	2,310.01	(0.00)	(0.52)

### EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI	1,775.36	(0.52)	(1.41)
USE LCI	341.03	-	(2.63)
RSE RSI	123.02	(0.31)	(0.31)
RSE RASI	150.35	(0.04)	10.89
DSE DSEI	2,090.74	(0.59)	1.53
DSE TSI	3,513.90	(0.14)	2.41

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	-	28.21	265.00	-
BLR	-	14.80	139.00	-
CTL	31,140.54	6.92	65.00	(7.14)
IMR	-	9.48	89.00	-

DSE **	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
CRDB	16,048,341.24	7.89	180.00	(2.70)
DSE	6,245.81	41.64	950.00	-
TBL	1,433.25	477.75	10,900.00	-
TPCC	282,266.72	87.66	2,000.00	-

\*Local Currency

\*\*Trading data for the previous day.

### UPCOMING EARNINGS

- Stanbic Holdings is scheduled to release its FY19 results on 28.02.2020

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## SALIENT NEWS

### BAT Kenya FY19 Earnings

BAT Kenya released their FY19 results reporting a 4.9% y-o-y decline in profits after tax to KES 3.89 BN. Gross revenue increased 9.1% y-o-y to KES 39.83 BN while excise and V.A.T remained fairly flat gaining a subtle 0.3% y-o-y to KES 15.79 BN. This saw net revenue edge up 15.9% y-o-y to KES 24.04 BN. Cost of operations were up 26.0% to KES 18.31 BN primarily on account of increased provisions to cater for the impact of the introduction of the solatium fund 2019.

Guidance by government authorities on the basis of computing this levy remains unclear which could see the figure range between KES 200.00 MN to KES 800.00 MN annualized, depending on whether the final verdict is to apply it to net revenue from domestic sales or the company's total gross revenue. Management has taken the prudent approach, providing for 2.0% of total gross revenue retrospectively from 2017. They, however, continue to engage government authorities to ensure that this levy does not affect their competitiveness in the export market space. This saw profit margins decline 266 bps y-o-y to 14.4%. DPS dropped 4.3% y-o-y to KES 33.5 as the company looks to reinvest some of its retained earnings into funding the set-up of a Kenyan nicotine factory in Kenya.

Total assets increased 18.9% y-o-y to KES 21.81 BN while total liabilities rose by 32.0% to KES 19.94 BN on account of a 76.5% rise in current liabilities to KES 10.22 BN. Net cash from operating activities increased by 45.0% to KES 7.68 BN while net cash used in investing activities and net cash used in financing activities rose by 82.3% and 73.0% y-o-y to KES 1.56 BN and 4.50 BN respectively. Cash and cash equivalents generated during the year declined by 12.0% to KES 1.62 BN seeing the company close the year with a balance of KES 1.81 BN compared to that of 190.00 MN reported in FY18.

*(Source: Company Filings, DBIB Research)*

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