

# DYER & BLAIR INVESTMENT BANK

## DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

19<sup>th</sup> December 2019



**DYER & BLAIR**  
INVESTMENT BANK

WE KNOW. YOU KNOW.

### CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	101.08	(0.20)	0.25
KES/GBP	131.72	(0.41)	0.92
KES/EUR	109.26	0.07	3.62

### KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	159.35	(0.94)	(4.24)
NSE-20	2,523.35	(0.66)	(4.94)
NSE-25	3,952.14	(0.67)	(3.62)
FTSE 15	212.65	(0.54)	(3.91)
FTSE 25	219.96	(0.61)	(4.15)

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	24.06	24.29	25.06
Market Turnover (USD MN)	4.87	3.54	200.85
Foreign Buys (%)	17.23	51.19	59.02
Foreign Sales (%)	93.69	85.75	63.99
Foreign Participation (%)	55.46	68.47	61.50

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
Unga Group	33.90	9.35	4,300
Liberty Holdings	9.98	8.48	1,000
Diamond Trust Bank	113.00	4.63	1,400

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
Flame Tree Group	1.58	(9.71)	152,700
Nation Media	30.40	(8.57)	223,700
Kenya Airways	2.31	(5.71)	70,700

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	4.13	0.80	4.10	29.95	(1.80)
KCB Group	0.31	0.00	0.26	50.75	0.50
Co-op Bank	0.13	-	0.10	14.90	-
Nation Media	0.07	0.00	0.00	30.40	(8.57)
E.A.B.L.	0.06	0.01	0.04	210.00	(0.94)

\*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	36.31	0.06	(0.39)
KES/RWF	9.41	0.19	(0.55)
KES/TSH	22.85	0.20	(0.77)
USD/USH	3,670.01	(0.14)	(0.14)
USD/RWF	950.90	(0.01)	(0.30)
USD/TSH	2,310.01	0.00	(0.52)

### EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI	1,790.91	(0.01)	(0.54)
USE LCI	341.03	(0.06)	(2.63)
RSE RSI	123.40	0.12	-
RSE RASI	150.41	0.02	10.94
DSE DSEI	2,103.16	(0.70)	2.13
DSE TSI	3,518.87	(0.56)	2.56

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BoK	-	28.17	265.00	-
BLW	-	14.78	139.00	-
CTL	744.11	7.44	70.00	2.94
IMR	-	9.46	89.00	-

DSE **				
CRDB	1,471,066.00	8.10	185.00	(9.76)
DSE	40,032.47	41.57	950.00	(3.06)
NICO	2,889,212.22	7.44	170.00	-
TBL	16,064,272.49	476.97	10,900.00	-
TPCC	151,579.46	87.52	2,000.00	-
TOL	3,938.27	26.26	600.00	-
VODA	11,530.37	37.19	850.00	-

\*Local Currency

\*\*Trading data for the previous day.

### UPCOMING EARNINGS

- BAT is scheduled to release its FY19 results on 20.02.2020
- Stanbic Holdings is scheduled to release its FY19 results on 28.02.2020

RESEARCH ANALYST

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## SALIENT NEWS.

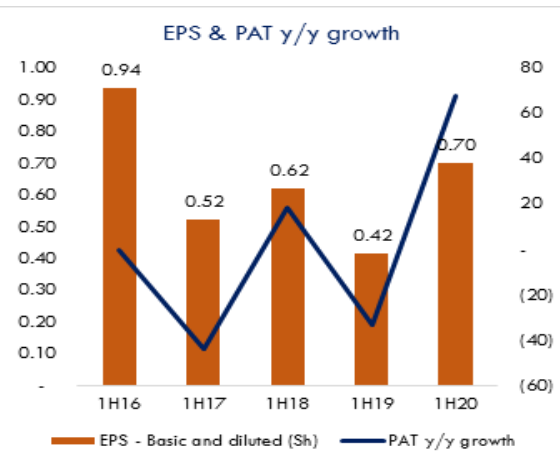
### Carbacid Investments 1H20 Earnings

Carbacid Investments released its 1H20 earnings results reporting a 67.9% y-o-y growth in profits after tax to KES 178.70 MN driven by a 15.8% y-o-y growth in revenue to KES 352.91 MN. Cost of sales went up 22.1% y-o-y to KES 173.08 MN. Operating profit saw a 12.8% y-o-y upswing to KES 138.72 MN courtesy of a 10.0% y-o-y growth to KES 20.63 MN and a 3.0% y-o-y increase in administrative expenses to KES 61.75 MN. Finance income rose 16.3% y-o-y to KES 92.75 MN owing to an increase in interest receivable from held to maturity securities. The company reported a gain on revaluation of equity investments of KES 3.11 MN compared to the loss of KES 48.00 MN reported in 1H19. We find that Carbacid's performance is highly dependent on the performance of the general equity markets performance given that its revaluation of equity investments and profit after tax have a correlation of 0.9 (between 1H17 and 1H20). Current assets saw a 4.2% y-o-y increase to KES 2.74 BN owing to a 27.6% y-o-y expansion in the treasury bonds book. Retained earnings rose by 11.0% y-o-y to KES 2.73 BN. Cash from operations saw a 4.7% y-o-y decline to KES 190.17 MN. Earnings per share (EPS) for the period closed at KES 0.70 per share compared to KES 0.42 per share recorded in the previous period. *(Source: Company Filings, DBIB Research)*

### Longhorn Publishers 1H20 results

Longhorn publishers released their 1H20 results reporting a 0.2% y-o-y increase in profits after tax to KES 68.97 MN. The company recorded 4.0% y-o-y upswing in revenue to KES 725.41 MN on the back of significant rise in sales of reference products such as Kamusi ya Karne and the Comprehensive Atlas. Growth in sales in the Kenyan market has been largely attributed to the sales volumes for the Competency Based Curriculum (CBC) products and the new Secondary School Revision Encyclopedias. The Tanzanian and Ugandan markets recorded a revenue growth of 21.0% and 15.0% respectively. Cost of sales rose by 28.9% y-o-y to KES 349.24 MN due to development costs for new products seeing gross profit margin drop 929bps y-o-y to 51.9%. Total expenses shed 18.0% y-o-y to KES 241.44 MN. Net income margin remained fairly flat shedding a mere 36 bps to 9.5%.

Total assets edged up by 11.2% h-o-h to KES 2.61 BN while total liabilities rose 16.24% h-o-h to KES 1.17 BN. The company reported a KES 95.30 MN decrease in cash and cash equivalents compared to a KES 108.29 MN increase recorded in 1H19 mainly due to the change in the sales cycle, which resulted in a rise in the sales in the months of November and December, hence increasing the amount of payments owed by customers at half-year. Longhorn closed the year with at a negative cash position of KES 3,000 in contrast to a positive balance of KES 92.63 MN reported in 1H19. *(Source: Company Filings, DBIB Research)*



*(Source: Company Filings, DBIB Research)*