

# DYER & BLAIR INVESTMENT BANK

## DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

2<sup>nd</sup> March 2020



DYER & BLAIR  
INVESTMENT BANK

WE KNOW. YOU KNOW.

### CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	101.16	(0.18)	0.17
KES/GBP	130.16	(0.03)	2.10
KES/EUR	111.08	(0.27)	2.01

### KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	150.19	1.07	(9.75)
NSE-20	2,368.13	1.33	(10.78)
NSE-25	3,707.32	1.22	(9.59)
FTSE 15	198.73	1.04	(10.20)
FTSE 25	205.33	1.44	(10.53)

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	22.66	22.42	25.06
Market Turnover (USD MN)	8.62	9.64	248.73
Foreign Buys (%)	47.97	79.67	57.15
Foreign Sales (%)	89.39	62.63	67.14
Foreign Participation (%)	68.68	71.15	62.14

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
E.A.Cables	1.95	8.33	3,200
Flame Tree Group	1.73	7.45	3,400
Nation Media Group	29.50	7.27	500

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
Standard Group	19.50	(9.30)	300
Eveready	0.95	(7.77)	200
CIC Insurance	2.46	(6.46)	65,000

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	3.70	3.32	3.63	28.10	0.72
Equity Group	1.57	0.30	1.49	47.05	3.98
Stanbic Holdings	1.48	0.37	1.44	112.00	-
KCB Group	1.04	-	0.87	46.65	3.78
ABSA Bank	0.25	-	0.20	12.95	-

\*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	36.67	0.18	(1.40)
KES/RWF	9.27	1.65	0.95
KES/TSH	22.77	0.18	(0.43)
USD/USH	3,710.01	(0.00)	(1.23)
USD/RWF	937.50	1.47	1.12
USD/TSH	2,304.01	(0.00)	(0.26)

### EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI	1,655.28	(4.02)	(8.08)
USE LCI	341.93	(0.02)	(2.38)
RSE RSI	123.40	-	-
RSE RASI	150.41	-	10.94
DSE DSEI	2,012.41	(2.31)	(2.27)
DSE TSI	3,519.01	(0.14)	2.56

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	-	28.60	265.00	-
BLR	7,499.65	15.00	139.00	-
CTL	-	7.55	70.00	-
IMR	-	9.60	89.00	-

DSE **				
CRDB	154,754.38	7.68	175.00	(2.78)
DSE	1,185.52	39.52	900.00	0.00
Vodacom	52,623.95	37.32	850.00	0.00

\*Local Currency

\*\*Trading data for the previous day.

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## SALIENT NEWS

### STANBIC HOLDINGS PLC FY19 RESULTS

**Stanbic Holdings PLC announced its FY19 results reporting a 1.6% y-o-y increase in profits after tax (PAT) to KES 6.4 BN.** Total Income edged up 12.2% y-o-y to KES 24.8 BN courtesy of a 10.0% y-o-y increase in net interest income to KES 13.3 BN and a 14.7% y-o-y increase in non-interest income to KES 11.4 BN. Operating expenses increased by 25.6% y-o-y to KES 13.9 BN whilst credit impairment charges went up 52.6% to KES 3.2 BN.

**Funding side:** Total liabilities increased by 3.5% y-o-y to KES 254.6 BN primarily on account of a 2.4% y-o-y growth in deposits from banks and customers to KES 224.7 BN. Financial liabilities decreased 85.2% to KES 1.5 BN whilst borrowings went up 29.2% to KES 9.1 BN.

**Assets:** Total assets rose 4.5% y-o-y to KES 303.6 BN. The loan book expanded by 9.3% to KES 191.2 BN whereas the financial investments contracted by 3.0% y-o-y to KES 70.1 BN.

**Earnings per share** grew 1.6% y-o-y to KES 16.14 whereas Dividends per share (DPS) grew 21.6% y-o-y to KES 7.05.

**Stanbic Bank reported a 0.7% y-o-y increase in PAT to KES 6.2 BN.** Total income saw an 11.3% y-o-y increase to KES 23.5 BN courtesy of a 8.7% y-o-y increase in net interest income to KES 12.7 BN and a 14.7% y-o-y increase in non-interest income to KES 10.8 BN. Operating expenses edged up 19.6% y-o-y to KES 12.7 BN. Bad debt charge rose 50.8% y-o-y to KES 2.6 BN. Earnings per share edged up 0.7% to KES 36.48 whilst dividends per share grew 18.1% to KES 15.24. Net NPLs increased by 7.1% y-o-y to KES 8.3 BN owing to a 16.2% increase in gross NPLs.

**Assets:** Total assets edged up 4.2% y-o-y to KES 292.7 BN. The loan book grew 4.2% y-o-y to KES 152.8 BN. Balances due from CBK edged up 19.9% y-o-y to KES 24.0 BN. Held for dealing government securities declined 21.0% y-o-y to KES 24.7 BN. Held to maturity securities declined 35.5% y-o-y to KES 14.8 BN whilst available for sale securities edged up 14.3% y-o-y to KES 20.4 BN. Net NPLs increased by 7.1% y-o-y to KES 8.3 BN owing to a 16.2% increase in gross NPLs.

**Funding side:** Total liabilities increased by 3.0% y-o-y to KES 253.8 BN despite a 2.2% y-o-y drop in customer deposits to KES 193.5 BN. This was on account of a 142.6% y-o-y rise in other liabilities to KES 15.4 BN.

Core capital/Deposits ratio rose 190 bps y-o-y to 18.4% against a statutory minimum of 8.0%, core capital/ TRWA ratio rose 60 bps y-o-y to 15.2% against a statutory minimum of 10.5% and total capital/ TRWA ratio edged up 90 bps y-o-y to 18.3% against statutory minimum of 14.5%. The bank's liquidity ratio increased by 50 bps y-o-y to 58.4% against a statutory minimum of 20.0%.

**ROE** currently stands at 13.0% against an industry average of 15.8% while **ROA** stands at 2.1% against an industry average of 2.4%. On a trailing basis, the bank is trading at a P/E ratio 6.9x against an industry median of 5.7x and a P/B ratio of 0.9x against an industry median of 0.9x. We maintain our **BUY** recommendation. *(Source: Company filings, DBIB Research)*

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