

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

23rd March 2020



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	106.01	(0.87)	(4.61)
KES/GBP	125.00	(2.42)	5.97
KES/EUR	113.41	0.03	(0.03)

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	128.21	(3.55)	(22.96)
NSE-20	1,958.55	(3.30)	(26.21)
NSE-25	3,092.10	(4.10)	(24.59)
FTSE 15	163.74	(5.53)	(26.01)
FTSE 25	170.76	(5.38)	(25.59)

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	18.48	19.16	25.06
Market Turnover (USD MN)	4.30	7.35	385.21
Foreign Buys (%)	55.64	49.42	48.58
Foreign Sales (%)	89.34	89.90	71.93
Foreign Participation (%)	72.49	69.66	60.25

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
B.O.C Kenya	63.00	9.57	100
Eveready E.A.	0.90	7.14	3,500
Uchumi	0.27	3.85	3,300

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
TPS E.A.	12.85	(8.87)	36,700
E.A.Cables	1.71	(8.56)	3,500
Equity Group	35.70	(8.34)	1,388,000

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	3.41	2.03	3.19	24.60	(3.15)
Equity Group	0.47	0.35	0.46	35.70	(8.34)
KCB Group	0.18	0.01	0.14	37.45	(7.64)
NCBA Group	0.08	0.00	0.00	27.65	(2.12)
ABSA Bank	0.03	0.00	0.01	10.20	(7.27)

*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	36.03	0.99	0.37
KES/RWF	8.98	0.86	4.01
KES/TSH	21.74	0.86	4.12
USD/USH	3,820.01	0.13	(4.23)
USD/RWF	952.10	(0.01)	(0.42)
USD/TSH	2,305.00	0.00	(0.30)

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI	1,444.90	(0.81)	(19.76)
USE LCI	344.47	0.64	(1.65)
RSE RSI	121.87	-	(1.24)
RSE RASI	150.16	-	10.75
DSE DSEI	1,848.82	(2.38)	(10.22)
DSE TSI	3,499.03	(0.00)	1.98

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	-	28.95	260.00	-
BLR	-	15.37	138.00	-
CTL	-	7.79	70.00	-
IMR	-	9.91	89.00	-

DSE **				
CRDB	93,101.66	7.13	155.00	-
DSE	226,768.28	40.93	890.00	(1.11)
TBL	250,656.54	501.31	10,900.00	-
TPCC	280,275.40	101.18	2,200.00	-

*Local Currency

**Trading data for the previous day.

RESEARCH DEPARTMENT

research@dyerandblair.com

SALIENT NEWS

Umeme: FY19 Earnings Update

Umeme limited released their FY19 financial results reporting a 4.8% y-o-y increase in PAT to USH 139.2 BN (KES 3.8 BN). EPS rose by 4.9% y-o-y to USH 86.00 (KES 2.40) while DPS rose by 1.0% y-o-y to USH 41.30 (KES 1.13).

Revenue grew by 19.0% y-o-y to USH 1.8 TN (KES 48.8 BN) on the back of a 6.0% increase in electricity sales to 3,183 GWH. Cost of sales rose by 29.7% y-o-y to USH 1.2 TN (KES 32.5 BN) resulting in a 548 bps y-o-y drop in gross profit margin to 33.4%.

Total expenses shed 3.4% y-o-y to USH 225.5 BN (KES 6.2 BN). Reported energy losses declined marginally (20 bps y-o-y) to 16.4%.

Total assets decreased by 1.3% y-o-y to USH 2.0 TN (KES 54.7 BN).

Total equity grew by 7.7% y-o-y to USH 833.5 BN (KES 22.9 BN) while total liabilities edged down 3.8% y-o-y to USH 1.5 TN (KES 41.5 BN).

The company recorded a USH 69.0 BN (KES 1.90 BN) increase in cash and cash equivalents during the year compared to that of USH 1.7 BN (KES 47.1 MN) reported in FY18, primarily owing to the USH 186.6 BN (KES 5.1 BN) it received from term borrowing facilities. Late last year the Umeme had secured a USD 70.0 MN loan from a lender group comprising International Finance Corporation (IFC), Dutch Development Bank (FMO), Standard Chartered Bank and Stanbic Bank Uganda Limited to finance part of its capital expenditure program.

On a trailing basis, the company is trading at a P/E multiple of 2.9x against a sector median of 2.7x and a P/B multiple of 0.5x against a sector median of 0.2x. It's ROA and ROE ratios stand at 16.7% and 7.0%, both above the respective sector medians of 8.1% and 5.0%. At current prices, the Umeme's dividend yield stands at 16.7%. *(Source: Company filings, DBIB Research).*