

# DYER & BLAIR INVESTMENT BANK

## DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

24<sup>th</sup> March 2020



DYER & BLAIR  
INVESTMENT BANK

WE KNOW. YOU KNOW.

### CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	106.54	(0.50)	(5.14)
KES/GBP	123.85	0.92	6.84
KES/EUR	114.56	(1.02)	(1.05)

### KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	124.54	(2.86)	(25.16)
NSE-20	1,887.17	(3.64)	(28.90)
NSE-25	2,956.77	(4.38)	(27.89)
FTSE 15	155.59	(4.98)	(29.70)
FTSE 25	163.28	(4.38)	(28.85)

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	17.86	18.39	25.06
Market Turnover (USD MN)	9.46	4.28	395.16
Foreign Buys (%)	21.95	55.64	47.91
Foreign Sales (%)	76.58	89.34	72.05
Foreign Participation (%)	49.26	72.49	59.98

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
Centum	22.25	9.88	29,400
Bamburi	49.15	6.85	600
Standard Group	22.30	6.19	600

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	('000 shares)
KCB Group	33.90	(9.48)	5,302,000
NCBA Group	25.10	(9.22)	71,700
Jubilee Holdings	250.00	(9.09)	100

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Equity Group	4.63	0.83	4.02	32.55	(8.82)
Safaricom	1.72	1.20	1.48	24.45	(0.61)
KCB Group	1.69	0.03	1.59	33.90	(9.48)
Co-operative Bank	1.16	0.00	-	12.10	(3.97)
E.A. Breweries	0.15	0.01	0.12	147.00	(5.62)

\*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	36.56	(1.45)	(1.08)
KES/RWF	8.94	0.49	4.48
KES/TSH	21.63	0.50	4.60
USD/USH	3,895.01	(1.96)	(6.28)
USD/RWF	952.18	(0.01)	(0.43)
USD/TSH	2,305.01	(0.00)	(0.30)

### EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI	1,375.59	(4.80)	(23.61)
USE LCI	344.58	0.03	(1.62)
RSE RSI	121.87	-	(1.24)
RSE RASI	150.16	-	10.75
DSE DSEI	1,835.44	(0.72)	(10.87)
DSE TSI	3,499.03	-	1.98

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	-	29.09	260.00	-
BLR	-	15.44	138.00	-
CTL	-	7.83	70.00	-
IMR	-	9.96	89.00	-

DSE **				
CRDB	480,669.58	7.16	155.00	-
TICL	4,368.06	16.18	350.00	-
TPCC	316,257.05	101.69	2,200.00	-
VODA	2,357.37	39.29	850.00	-

\*Local Currency

\*\*Trading data for the previous day.

RESEARCH DEPARTMENT

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## SALIENT NEWS

### ABSA Bank: FY19 Earnings

Profit after tax (PAT) edged up by 0.6% y-o-y to KES 7.5 BN. This is partly on account of separation costs of KES 1.5 BN owing to the Barclays to ABSA transition expenses. On a normalized front, its PAT rose 14.8% y-o-y to KES 8.5 BN. Earnings per share (EPS) for the period remained constant y-o-y at KES 1.37 (inclusive of separation costs). Normalized EPS edged up to KES 1.56. Dividends per share (DPS) for the period remained constant at KES 1.10 respectively. The Directors recommend a final dividend of KES 0.90 (Interim dividend – KES 0.20).

Total income saw a 6.5% y-o-y increase to KES 33.8 BN courtesy of a 5.4% y-o-y increase in net interest income to KES 23.2 BN and a 9.1% y-o-y increase in non-funded income to KES 10.6 BN. Operating expenses (less loan loss provisions) remained rather flat, registering a marginal 0.6% y-o-y growth to KES 17.3 BN. Pre-provision operating profit saw a 13.5% y-o-y upswing to KES 16.5 BN. Loan loss provisions advanced by 8.5% y-o-y to KES 4.2 BN.

On the funding side, customer deposits advanced by 14.6% y-o-y to KES 237.7 BN. In line with deposit growth, the loan book advanced by 9.9% y-o-y to KES 195.0 BN. Available-for-sale securities advanced by 25.3% y-o-y to KES 79.2 BN whilst the held for dealing securities advanced by 47.3% y-o-y to KES 43.8 BN. Total NPLs saw a 5.2% y-o-y decline to KES 10.9 BN courtesy of a 7.4% y-o-y decline in gross NPLs to KES 13.5 BN. As a result, the NPL ratio edged down by 79bps y-o-y to 6.5%. NPL coverage edged up by 651 bps y-o-y to 77.0%.

On a trailing basis, the bank is trading at a P/E multiple of 7.4x above the sector median of 5.0x and a P/B multiple of 1.2x above the sector median of 0.8x. Currently, its ROE stands at 16.5%, above the sector median of 15.7% whereas ROA stands at 2.0%, below the sector median of 2.4%. Dividend yield stands at 10.8%, above the sector median of 7.1%. (*Source: Company filings, DBIB Research*).