

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

16TH APRIL 2021



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	107.06	(0.24)	1.93
KES/GBP	147.68	(0.39)	0.46
KES/EUR	128.15	(0.28)	4.29

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	165.08	0.46	8.53
NSE-20	1,882.96	0.51	0.78
NSE-25	3,635.74	0.43	6.46
FTSE 15	190.25	0.59	6.79
FTSE 25	215.29	0.56	8.96

Market Activity	Close	1-day	y-t-d	Cumm.
Market Cap (USD BN)*	23.69	23.58	21.39	
Market Turnover (USD MN)	2.93	3.41	319.26	
Foreign Buys (%)	62.21	67.00	59.74	
Foreign Sales (%)	69.53	80.59	64.68	
Foreign Participation (%)	65.87	73.80	62.21	

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Eaagads Ltd	15.00	8.70	200
Home Afrika	0.40	8.11	13,500
NSE	8.76	6.05	2,100

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
KPLC	4.53	(9.40)	300
Umeme Ltd	6.82	(3.94)	5,200
Longhorn Publishers	4.30	(2.27)	100

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	2.00	1.30	1.52	38.40	0.66
KCB group	0.42	0.39	0.40	42.00	0.36
E.A Breweries	0.13	0.13	0.02	170.00	-
NCBA Group	0.11	-	-	26.80	1.32
BAT Kenya	0.09	-	0.07	475.00	0.11

*Year-to-date refers to Market Capitalization as at 31st December 2020

CURRENCY PERFORMANCE-TSH, USH, RWF

	Close	1-day	y-t-d
KES/USH	33.81	(0.79)	1.29
KES/RWF	9.34	(0.22)	2.94
KES/TSH	21.66	(0.24)	1.97
USD/USH	3,620.01	0.55	0.67
USD/RWF	1,000.33	(0.01)	(0.94)
USD/TSH	2,319.01	0.00	0.00

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI**	1,419.40	0.94	8.36
USE LCI**	351.83	1.27	6.02
RSE RSI	106.55	(0.94)	(3.18)
RSE RASI	147.48	(0.13)	(0.45)
DSE DSEI**	1,899.06	0.46	4.52
DSE TSI**	3,503.08	(0.00)	0.53

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	30,181.09	25.15	235.00	(2.08)
BLR	10,702.51	10.70	100.00	-
CTL	-	9.63	90.00	-
IMR	35,157.76	4.82	45.00	-
CMR	2,568.60	12.84	120.00	-
DSE **				
CRDB	836,781.65	9.93	215.00	-
DSE	1,538,724.33	50.78	1,100.00	-
JATU	82,360.76	73.87	1,600.00	(2.44)
PAL	184.67	18.47	400.00	-
TCCL	33,239.77	18.47	400.00	-
TOL	253.91	25.39	550.00	-
TTP	720.20	5.54	120.00	-
VODA	83,783,037.10	35.55	770.00	-

*Local Currency

**Trading data for the previous day.

RESEARCH DEPARTMENT

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SALIENT NEWS

Flame Tree Group FY20 Earnings

Flame Tree Group released its FY20 earnings reporting a 67.3% y-o-y increase in Profit after Tax (PAT) to KES 75.2 MN. EPS for the period stood at KES 0.42, 68.0% higher y-o-y.

Gross margin grew by stood at 39.2%, 529 bps higher y-o-y. Revenue grew by 20.0% y-o-y to KES 2.9 BN while cost of sales rose by 10.4% y-o-y to KES 1.8 BN.

Operating income fell by 70.3% y-o-y to KES 2.5 MN while operating expenses rose by 25.8% y-o-y to KES 837.1 MN. Finance cost saw a 110.6% y-o-y upswing to KES 158.4 MN impacted by the devaluation of the Kenya Shilling in FY20.

Total assets rose by 9.1% y-o-y to KES 2.5 BN while total liabilities rose by 14.7% y-o-y to KES 1.4 BN. Total equity increased by 2.6% y-o-y to KES 1.1 BN.

Net cash from operating activities dipped by 90.7% y-o-y to KES 12.4 MN while net cash used in investing activities dropped by 54.4% y-o-y to KES 115.4 MN. Net cash used in financing activities stood at KES 161.9 MN as opposed to the KES 287.8 MN net cash from operating activities in FY19.

Flame Tree is currently trading at a P/E multiple of 3.1x below a sector median of 5.6x and a P/B multiple of 0.2x below a sector median of 0.9x. Its ROE stands at 6.9% at par with the sector median while its ROA stands at 3.0% above the sector median of 1.8%. *(Source: Company Filings, DBIB Research)*

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SALIENT NEWS

Jubilee Holdings FY20 Earnings

Jubilee Holdings released its FY20 results reporting a 1.7% y-o-y growth in PAT to KES 4.1 BN. EPS for the period stands at KES 50.06, 2.0% higher y-o-y. The board has recommended the payment of a final dividend of KES 8.00 to be paid on or about 26th July 2021 to shareholders on register at the close of 26th May 2021.

Net insurance premium revenue recorded a 3.3% y-o-y rise to KES 20.1 BN owing to a 2.4% y-o-y increase in gross earned premiums to KES 29.8 BN and a 0.5% y-o-y increase in insurance premium ceded to KES 9.7 BN. Other revenues fell by 2.7% y-o-y to KES 13.0 BN.

Operating profits dropped by 4.1% y-o-y to KES 3.9 BN largely driven by a 3.4% y-o-y increase in net insurance benefits and claims to KES 20.4 BN placing claims ratio at 101.3%, 8 bps higher y-o-y. Total expenses and commissions fell by 2.5% y-o-y to KES 8.9 BN placing expense ratio at 44.0%, 264 bps lower.

Profits before tax rose 1.4% y-o-y to KES 5.1 BN on account of 34.5% y-o-y increase in profits share of associate to KES 1.3 BN that significantly restored the gains.

Total assets advanced by 12.1% y-o-y to KES 145.9 BN largely attributable to a 14.9% y-o-y increase in investment properties to KES 109.8 BN. Total liabilities rose by 10.8% y-o-y to KES 110.3 BN while total equity grew by 16.4% y-o-y to KES 35.5 BN.

Jubilee holdings is currently trading at a P/E multiple of 5.1x above a sector median of 3.3x and a P/B multiple of 0.6x at par with the sector median. Its ROE stands at 11.5% against a sector median of 8.2% while its ROA stands at 2.8% against a sector median of 1.7%. Dividend yield stands at 3.2% as per current prices. *(Source: Company Filings, DBIB Research)*

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SALIENT NEWS

Liberty Holdings FY20 Earnings

Liberty Holdings released its FY20 results reporting a 2.0% y-o-y decline in Profit after Tax (PAT) to KES 675.9 MN. EPS for the period stood at KES 1.23. The board does not recommend a dividend payment for the period.

Net insurance premiums dropped 3.2% y-o-y to KES 6.7 BN following a 10.9% y-o-y rise in insurance premiums ceded to KES 4.5 BN but cushioned by a 2.0% y-o-y increase in insurance premiums to KES 11.2 BN.

Total income for the period shed 14.5% y-o-y to KES 9.9 BN largely attributable to a 53.7% y-o-y decrease in fair value adjustments to assets held at fair value through P/L to KES 1.4 BN.

PBT dropped by 7.4% y-o-y to KES 1.0 BN. Claims and policy holder benefits under insurance contracts saw a 3.7% y-o-y decrease to KES 5.0 BN placing claims ratio at 74.1%, 39 bps lower y-o-y. Other operating expenses dropped by 4.1% y-o-y to KES 2.9 BN placing expense ratio at 43.7%, 40 bps lower y-o-y while acquisition costs rose by 3.5% y-o-y to KES 1.7 BN placing net acquisitions cost ratio at 25.0%, 162 bps higher y-o-y.

Income tax charge dropped 15.8% y-o-y to KES 368.0 MN placing effective tax rate at 35.2%, 355 bps lower y-o-y.

Long term policyholder liability edged down 0.7% y-o-y to KES 19.6 BN while short term insurance liabilities rose by 7.9% y-o-y to KES 7.1 BN. Total assets increased by 2.8% y-o-y to KES 39.3 BN. Total liabilities rose by 1.2% y-o-y to KES 30.6 BN while total equity increased by 9.1% y-o-y to KES 8.7 BN.

Liberty Holdings is currently trading at P/E and P/B multiples of 6.5x and 0.5x against respective sector medians of 3.3x and 0.6x. Its ROA stands at 1.7% at par with the sector median while its ROE stands at 8.0% below a sector median of 8.2%. *(Source: Company Filings, DBIB Research)*

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