

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

21ST APRIL 2021



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	108.11	(0.15)	0.97
KES/GBP	150.90	(0.56)	(1.72)
KES/EUR	130.29	(0.31)	2.70

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	166.18	0.83	9.25
NSE-20	1,878.02	0.22	0.52
NSE-25	3,643.64	0.28	6.69
FTSE 15	189.80	(0.37)	6.54
FTSE 25	216.14	0.55	9.39

Market Activity	Close	1-day	y-t-d	Cumm.
Market Cap (USD BN)*	23.62	23.42	21.39	
Market Turnover (USD MN)	9.81	4.47	334.56	
Foreign Buys (%)	44.91	64.72	59.40	
Foreign Sales (%)	70.03	59.24	64.78	
Foreign Participation (%)	57.47	61.98	62.09	

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Bamburi Cement	43.15	13.40	742,100
Carbacid	11.80	8.26	2,300
Longhorn Publishers	4.70	8.05	500

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Umeme Ltd	6.32	(7.33)	200
NCBA Group	24.95	(6.55)	1,462,000
Sasini	17.20	(5.75)	1,400

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	3.40	3.07	2.32	39.00	1.56
Equity Group	2.28	0.67	1.92	39.25	-
KCB Group	1.75	0.13	1.31	42.30	0.59
Stanchart Bank	0.52	-	0.49	141.00	(0.88)
I&M Holdings	0.43	-	-	45.00	(2.17)

*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	33.48	(0.23)	0.31
KES/RWF	9.25	(0.15)	1.94
KES/TSH	21.45	(0.15)	0.98
USD/USH	3,620.00	0.08	0.67
USD/RWF	1,000.42	(0.00)	(0.95)
USD/TSH	2,319.01	0.00	(0.00)

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI**	1,407.33	(0.65)	7.44
USE LCI**	339.66	(0.97)	2.35
RSE RSI	106.85	-	(2.91)
RSE RASI	147.54	-	(0.41)
DSE DSEI**	1,891.69	(0.34)	4.12
DSE TSI**	3,503.13	0.00	0.53

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	1,523,731.30	25.40	235.00	-
BLR	-	10.81	100.00	-
CTL	-	10.27	95.00	-
IMR	9,725.94	4.86	45.00	-
CMR	-	12.97	120.00	-

DSE **	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
CRDB	20,413,578.49	10.02	215.00	-
DCB	123.54	12.35	265.00	-
DSE	135,896.80	51.28	1,100.00	-
JATU	72,377.28	69.93	1,500.00	(2.60)
MUCOBA	186.48	18.65	400.00	-
NICO	93,239.66	9.32	200.00	2.56
NMB	73,637,002.16	109.09	2,340.00	-
TCCL	37.30	18.65	400.00	-
VODA	6,461.51	35.90	770.00	-

*Local Currency

**Trading data for the previous day.

RESEARCH DEPARTMENT

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SALIENT NEWS

Bamburi Cement FY20 Earnings

Bamburi Cement Limited released its FY20 results reporting a 214.5% y-o-y growth in PAT to KES 1.1 BN owing to the flawless execution of the HCC (Health, Cost & Cash) action plan that led to significant cost savings in both variable and fixed costs, as well as Hima Cement's good performance. This was in spite of the decline in revenue and the devaluation of the Kenya Shilling that resulted into imported cost inflation. EPS for the period stands at KES 2.89, 66.1% higher y-o-y. The board recommends the payment of a first and final dividend of KES 3.00 per share on or about 15th July 2021 to shareholders on register at the close of business on 16th May 2021.

Turnover dropped by 5.2% y-o-y to KES 34.9 BN attributable to the impact of the relatively stringent COVID-19 containment measures. However, the group registered a recovery in the second half of the year and posted a 3.0% topline growth following the easing off of the containment measures. The group also realised lower average selling prices driven in equal measure by both change in product mix and pure price decline due to competitive pressure fuelled by over-capacity in the cement market. Furthermore, the introduction of more affordable 'fundi' into the group's range of products, a 22.5 masonry cement that targets masonry, contributed to lowering the average selling price across its portfolio.

Operating expenses dropped by 7.0% y-o-y to KES 33.1 BN partially offsetting the drop in turnover. As a result, operating profits grew by 77.5% y-o-y to 2.0 BN. Operating profit margin stood at 5.7%, 265 bps higher y-o-y.

The company recorded KES 344.0 MN in other gains, a 130.9% y-o-y advancement. This was on the back of the strengthening of the USH against other major currencies particularly the KES, the reporting currency.

Finance costs decreased by 46.8% y-o-y to KES 207.0 MN attributable to a significant reduction in the local third party overdraft in Hima through substitution with intra-group loans from Kenya; as well as improved cash generation from operations.

Total assets decreased by 6.4% y-o-y to KES 43.1 BN following a 29.6% y-o-y decline in current assets to KES 6.3 BN and a 0.6% y-o-y drop in non-current assets to KES 36.7 BN.

Total liabilities remained fairly flat at KES 15.3 BN (+0.5% y-o-y) owing to a 1.2% y-o-y rise in non-current liabilities to KES 6.2 BN and a 1.8% y-o-y drop in current liabilities to KES 6.9 BN

The company recorded a more than 10-fold surge in net increase in cash and cash equivalents to KES 4.9 BN. This is primarily attributable to a 96.4% y-o-y rise in net cash generated from operations to KES 6.1 BN and a 90.6% y-o-y decrease in net cash used in financing activities to KES 164.0 MN due to the deliberate actions taken by the group as part of the 'Cash' pillar of the HCC agenda.

The counter is currently trading at a P/E multiple of 12.2x against a sector median of (0.2)x and a P/B ratio of 0.5x against a sector median of 0.3x. Its ROE stands at 3.7% against a sector median of (12.6)% while ROA stands at 2.6% against a sector median of (6.4)%. Dividend yield stands at 7.9% as per current prices. *(Source: Company Filings, DBIB Research)*

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SALIENT NEWS cont'd...

BOC Kenya FY20 Earnings

BOC Kenya released its FY20 earnings recording an 81.9% y-o-y growth in PAT to KES 101.7 MN. EPS for the period stands at KES 5.21, 82.2% higher y-o-y. The board recommended the payment of **a final dividend of 4.15 per share** to be paid on or about 19th July 2021 to shareholders on register at close of business on 25 May 2021.

Revenue rose by 12.5% y-o-y to KES 1.1 BN on account consistent growth from medical gases due to increased investments in both public and private sector healthcare facilities over many years. On the contrary, the demand for industrial gases was depressed given the general difficult macro-economic environment occasioned by the COVID-19 pandemic. Furthermore, increased demand of medical gases resulted into higher incurred costs of importation as the company had to supplement local production of medical oxygen.

Net finance income dropped by 30.7% y-o-y to KES 35.9 MN.

Total assets increased by 4.8% y-o-y to KES 2.1 BN following a 10.2% y-o-y rise in current assets to KES 1.2 BN. Total non-current assets decreased by 1.5% y-o-y to KES 898.0 MN.

Total liabilities shrank by 12.9% y-o-y to KES 481.7 MN owing to a 13.3% y-o-y drop in current liabilities to KES 473.9 MN. Total non-current liabilities rose by 18.5% y-o-y to KES 7.8 MN. Total equity grew by 11.7% y-o-y to KES 1.6 BN.

Net cash from operating activities advanced by 968.6% y-o-y to KES 41.0 MN while net cash from investing activities rose by 101.3% y-o-y to KES 236.2 MN. (*Source: Company Filings, DBIB Research*)

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BOC Kenya released its FY20 earnings recording an 81.9% y-o-y growth in PAT to KES 101.7 MN.

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