

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

01ST FEBRUARY 2021



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	110.15	(0.005)	(0.90)
KES/GBP	150.88	(0.22)	(1.70)
KES/EUR	133.39	(0.17)	0.38

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	153.78	(1.16)	1.10
NSE-20	1,874.96	(0.37)	0.35
NSE-25	3,412.05	(0.65)	(0.09)
FTSE 15	176.54	(0.08)	(0.90)
FTSE 25	198.51	(0.48)	0.47

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	21.45	21.70	21.39
Market Turnover (USD MN)	4.84	5.58	76.07
Foreign Buys (%)	47.62	42.61	66.62
Foreign Sales (%)	62.00	71.71	59.63
Foreign Participation (%)	54.81	57.16	63.13

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
KPLC	1.61	7.33	290,700
Umeme Ltd	6.96	4.50	200
Uchumi Supermarket	0.29	3.57	253,400

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Olympia Capital	2.20	(8.33)	5,000
DTB Kenya	70.00	(7.89)	7,200
Sasini	17.00	(4.76)	2,900

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	3.39	1.77	2.05	35.15	(1.95)
Equity Group	0.46	0.45	0.39	37.20	1.92
KCB Group	0.39	0.06	0.38	35.75	(0.28)
Co-operative Bank	0.31	-	-	12.50	(0.79)
BAT Kenya	0.15	0.00	0.15	408.50	0.55

*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	33.45	(0.14)	0.22
KES/RWF	9.01	0.01	(0.75)
KES/TSH	21.05	(0.01)	(0.89)
USD/USH	3,685.00	0.14	(1.12)
USD/RWF	992.39	(0.01)	(0.14)
USD/TSH	2,319.01	(0.00)	(0.00)

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI**	1,299.94	0.24	(0.76)
USE LCI**	337.01	0.18	1.55
DSE DSEI**	1,790.18	(0.25)	(1.47)
DSE TSI**	3,522.33	(0.02)	1.08

DSE **	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
CRDB	31,223,661.01	11.16	235.00	-
JATU	35,396.04	51.30	1,080.00	(8.47)
NMB	76,692,540.80	111.15	2,340.00	-
SWIS	531.99	53.20	1,120.00	-
TBL	56,950,962.32	517.74	10,900.00	-
TCC	3,229.91	807.48	17,000.00	-
TCCL	158,598.22	21.37	450.00	(4.26)
TPCC	22,561.89	118.75	2,500.00	-
VODA	365.74	36.57	770.00	-

*Local Currency

**Trading data for the previous day.

N/B: RSE remained closed on 1st February 2021 in observance of National Heroes' Day

RESEARCH DEPARTMENT

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SALIENT NEWS.

EABL 1H21 EARNINGS

EABL released its 1H21 results reporting a 47.4% y-o-y decline in PAT to KES 3.8 BN largely on the back of a dip in revenues and an increase in other costs and expenses. EPS for the period stood at KES 2.71, 61.3% lower y-o-y. In a bid to conserve cash, the board did not recommend an interim dividend.

Gross profit declined by 11.5% y-o-y to KES 19.3 BN courtesy of a 3.0% y-o-y decline in revenue to KES 44.5 BN and a 4.6% y-o-y increase in cost of sales to KES 25.1 BN. Total expenses rose 20.1% y-o-y to KES 13.5 BN, partly driven by a 90.4% y-o-y increase in other expenses to KES 5.4 BN. Selling and distribution costs remained fairly constant at KES 3.9 BN (+0.1% y-o-y) whilst administrative expenses declined by 6.3% y-o-y to KES 4.3 BN. Income tax expense dropped by 39.8% y-o-y to KES 2.0 BN.

EABL's working capital position deteriorated by 130.0% y-o-y to a negative position of KES 9.9 BN. Current assets declined by 3.3% y-o-y to KES 31.5 BN while current liabilities rose 12.2% y-o-y to KES 41.2 BN.

Non-current liabilities edged up by 12.8% y-o-y to KES 43.4 BN, while non-current assets rose by 7.5% y-o-y to KES 65.3 BN. Total equity dropped 33.1% y-o-y to KES 12.0 BN.

Net cash from operating activities rose by 56.8% y-o-y to KES 14.0 BN following an 18.0% y-o-y increase in cash generated from operations to KES 17.9 BN. Net cash used in investing activities rose by 93.4% y-o-y to KES 9.0 BN while net cash used in financing activities declined by 21.0% y-o-y to KES 3.7 BN. Overall, cash and cash equivalents decreased by KES 2.5 BN in 1H21 placing the closing cash balance at KES 2.5 BN, 79.1% lower y-o-y.

On a trailing basis, E.A. Breweries is trading at a P/E multiple of -32.8x and a P/B multiple of 9.9x against sector medians of 10.2x and 0.9x respectively. The counter's ROE stands at -30.1% whereas the ROA stands at -3.7% against sector medians of 6.8% and 3.2% respectively. *(Source: Company Filings, DBIB Research).*