

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

29TH JANUARY 2021



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	110.14	0.00	(0.89)
KES/GBP	150.55	0.27	(1.48)
KES/EUR	133.16	0.11	0.55

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	155.59	(0.62)	2.29
NSE-20	1,881.91	(0.36)	0.72
NSE-25	3,434.52	(0.32)	0.56
FTSE 15	176.68	(0.21)	(0.83)
FTSE 25	199.46	(0.95)	0.95

Market Activity	Close	1-day	y-t-d
Market Cap (USD BN)*	21.70	21.84	21.39
Market Turnover (USD MN)	5.58	3.15	71.19
Foreign Buys (%)	42.61	75.76	67.92
Foreign Sales (%)	71.71	77.75	59.47
Foreign Participation (%)	57.16	76.76	63.70

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Olympia Capital	2.40	3.90	200
Carbacid Investments	12.00	2.13	2,200
ABSA Bank	9.32	1.97	20,200

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Bamburi	42.05	(7.99)	390,800
Flame Tree Group	1.28	(5.88)	1,400
Umeme	6.66	(5.40)	200

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Equity Group	2.08	1.14	1.09	36.50	-
KCB Group	1.25	0.10	1.24	35.85	(0.14)
Safaricom	1.17	1.06	1.01	35.85	(0.97)
E.A Breweries	0.54	0.07	0.42	149.75	(0.66)
B.A.T Kenya	0.23	-	0.23	406.25	0.06

*Year-to-date refers to Market Capitalization as at 31st December 2018

CURRENCY PERFORMANCE-TSH, USH, RWF

	Close	1-day	y-t-d
KES/USH	33.50	0.41	0.36
KES/RWF	9.01	0.01	(0.75)
KES/TSH	21.05	0.00	(0.88)
USD/USH	3,690.00	(0.41)	(1.25)
USD/RWF	992.26	(0.01)	(0.13)
USD/TSH	2,319.01	(0.00)	(0.00)

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI**	1,296.89	0.30	(0.99)
USE LCI**	336.39	-	1.37
RSE RSI	110.05	-	-
RSE RASI	148.15	-	-
DSE DSEI**	1,794.66	0.19	(1.22)
DSE TSI**	3,522.90	(0.00)	1.10

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	-	25.86	233.00	-
BLR	-	13.43	121.00	-
CTL	-	8.33	75.00	-
IMR	-	5.00	45.00	-
CMR	-	13.32	120.00	-

DSE **	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
CRDB	202,583.32	11.16	235.00	-
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JATU	189,994.44	56.05	1,180.00	(9.23)
NICO	-	9.02	190.00	-
TBL	7,335,936.13	517.71	10,900.00	-
TCCL	111,616.15	22.32	470.00	-
VODA	13,897.40	36.57	770.00	-

*Local Currency

**Trading data for the previous 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).*