

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

26TH MARCH 2021



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
KES/USD	109.79	0.03	(0.56)
KES/GBP	150.45	0.33	(1.41)
KES/EUR	129.75	0.27	3.10

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	166.48	(1.40)	9.45
NSE-20	1,903.06	(0.22)	1.86
NSE-25	3,666.29	(1.19)	7.35
FTSE 15	190.79	(1.18)	7.10
FTSE 25	216.56	(1.52)	9.61

Market Activity	Close	1-day	y-t-d	Cumm.
Market Cap (USD BN)*	23.30	23.63	21.39	
Market Turnover (USD MN)	2.84	3.76	249.86	
Foreign Buys (%)	75.54	74.54	61.07	
Foreign Sales (%)	50.68	55.46	60.85	
Foreign Participation (%)	63.11	65.00	60.96	

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Liberty Kenya	8.20	9.92	100
Sasini Plc	18.60	9.09	2,500
Sanlam Kenya	12.00	7.14	100

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
HF Group	4.58	(8.22)	422,900
NSE	4.12	(5.29)	26,100
DTB Kenya	66.50	(5.00)	35,000

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	1.38	1.35	0.73	38.75	(1.90)
Equity Group	0.45	0.36	0.23	41.00	(2.03)
Stanbic Holdings	0.37	0.37	0.37	83.50	1.52
Stanchart Bank	0.26	-	-	145.00	(1.19)
KCB Group	0.14	-	0.01	41.10	(2.14)

*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	33.38	0.03	0.01
KES/RWF	8.99	(0.73)	(0.95)
KES/TSH	21.12	0.03	(0.56)
USD/USH	3,665.01	0.00	(0.57)
USD/RWF	987.11	0.75	0.39
USD/TSH	2,319.01	(0.00)	(0.00)

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI**	1,432.36	0.39	9.35
USE LCI**	346.70	-	4.47
RSE RSI	104.23	0.12	(5.29)
RSE RASI	147.03	0.01	(0.76)
DSE DSEI**	1,875.85	(0.24)	3.25
DSE TSI**	3,518.08	-	0.96

RSE	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOK	-	25.14	226.00	-
BLR	-	11.12	100.00	-
CTL	870,396.94	9.56	86.00	2.38
IMR	138,978.79	4.89	44.00	-
CMR	-	13.35	120.00	-

DSE **				
CRDB	251,819.57	10.89	230.00	-
JATU	42,667.98	81.43	1,720.00	-
NICO	17,989.78	8.99	190.00	-
SWALA	1,159.87	23.20	490.00	-
TPCC	15,386.00	118.35	2,500.00	-
TTP	56.81	5.68	120.00	-

*Local Currency

**Trading data for the previous day.

RESEARCH DEPARTMENT

research@dyerandblair.com

SALIENT NEWS

DTB Group FY20 Earnings

DTB Group released its FY20 results reporting a 51.5% y-o-y decline in PAT to KES 3.5 BN owing to an upsurge in loan loss provisions by 453.6% y-o-y to KES 7.3 BN. The EPS for the period stands at KES 11.61. No dividend was recommended for the period.

Net interest income fell by 3.4% y-o-y to KES 18.1 BN following a 5.4% y-o-y drop in interest income to KES 31.1 BN but buffered by an 8.0% y-o-y decrease in interest expense to KES 13.0 BN.

Non-funded income grew by 6.1% y-o-y to KES 6.1 BN following a 27.1% y-o-y increase in net income from forex dealings to KES 2.3 BN and a 34.2% y-o-y increase in other operating income to KES 525.9 MN. Fees and commissions income dropped 7.8% y-o-y to KES 3.3 BN.

Operating expenses (less loan loss provisions) increased by 3.7% y-o-y to KES 12.3 BN mainly due to a 5.1% y-o-y increase in other operating expenses to KES 4.6 BN and a 1.1% y-o-y increase in staff costs to KES 4.7 BN.

Loan loss provisions edged up by 453.6% y-o-y to KES 7.3 BN leading to a subsequent 285 bps y-o-y rise in cost of risk to 3.5%.

Total assets increased by 10.1% y-o-y to KES 425.1 BN mainly on account of a rise in customer loans and advances by 4.8% y-o-y to KES 208.6 BN and a 12.0% y-o-y increase in investment securities to KES 148.4 BN.

On the funding side, customer deposits rose by 6.4% y-o-y to KES 298.2 BN while borrowed funds increased by 74.3% y-o-y to KES 19.8 BN. Total equity rose by 5.9% y-o-y to KES 68.3 BN.

DTB is currently trading at a P/E multiple of 6.0x against an industry median of 6.4x; a P/B multiple of 0.3x against an industry median of 0.7x. ROE stands at 5.2% against an industry median of 10.4% while ROA stands at 0.8% against an industry median of 1.6%. *(Source: Company filings, DBIB Research).*

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SALIENT NEWS

NSE FY20 Earnings

The NSE released its FY20 results. **Profit after tax doubled (+109.5% y-o-y) to stand at KES 167.9 MN** on the back of a 25.3% y-o-y decline in administrative expenses to KES 467.2 MN. This was on account of reduction in staff-related costs and product development costs.

Revenue was down 5.0% y-o-y to KES 548.2 MN while total income declined 6.4% y-o-y to KES 669.9 MN. This was mainly driven by a 3% y-o-y drop in equity turnover which declined from KES 154 BN in FY19 to KES 149 BN in FY20. This in turn led to a reduction in equity trading levies by 3% y-o-y from KES 369.2 MN in FY19 to KES 356.8 MN in FY20.

The company's total assets stood at KES 2.3 BN, up 3.2% y-o-y.

EPS stood at KES 0.65, up 116.7% y-o-y. A first and final dividend of **KES 0.53 per share** was recommended (2019: Sh.0.08 per share), placing the pay-out ratio at 81.5% compared to FY19's 26.7%.

Return on assets and return on equity both doubled from 3.6% and 3.9% respectively in 2019 to 7.2% and 7.7% in 2020. (Source: Company filings, DBIB Research).

Sanlam Kenya FY20 Earnings

Sanlam Kenya released its FY20 results. **Loss after tax stood at KES 78.2 MN compared to FY19's profit after tax of KES 114.4 MN.** The deterioration in performance came on the back of a 12.4% y-o-y increase in total benefits, claims and other expenses. Loss per share for the period stood KES 0.81.

Gross premium income was up 24.4% y-o-y to KES 8.7 BN. Investment income increased 5.3% y-o-y to KES 2.5 BN. Gross benefits and claims paid increased 17.6% y-o-y to KES 6.5 BN.

Total assets grew by 8.4% y-o-y to KES 31.5 BN largely on account of a 17.8% y-o-y increase government securities held at fair value to KES 22.0 BN. (Source: Company filings, DBIB Research).

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