

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

16TH NOVEMBER 2021



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
USD/KES	111.97	(0.06)	(2.57)
GBP/KES	150.29	(0.28)	(1.30)
EUR/KES	128.22	(0.07)	4.24

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	170.54	(0.17)	12.12
NSE-20	1,911.00	(0.34)	2.28
NSE-25	3,759.79	(0.18)	10.09
FTSE 15	207.35	(0.13)	16.39
FTSE 25	227.77	(0.06)	15.28

Market Activity	Close	1-day	y-t-d	Cumm.
Market Cap (USD BN)*	23.77	23.81		24.38
Market Turnover (USD MN)	0.60	4.83		1,001.38
Foreign Buys (%)	16.49	20.78		55.27
Foreign Sales (%)	29.26	58.05		57.04
Foreign Participation (%)	22.88	39.42		56.15

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Trans-Century	1.30	8.33	700
E.A.Cables	1.28	4.07	13,800
Centum	15.55	1.97	15,300

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Liberty Kenya	7.00	(7.89)	1,200
Kakuzi	385.00	(7.23)	100
Express Kenya	3.54	(6.84)	4,100

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	0.27	0.07	0.13	40.05	-
KCB Group	0.06	0.00	-	44.55	0.45
Stanchart Bank	0.05	0.00	-	130.50	0.77
NCBA Group	0.05	-	-	23.75	(1.04)
BAT Kenya	0.03	-	0.03	428.25	(0.17)

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

CURRENCY PERFORMANCE-TSH, U\$H, RWF

	Close	1-day	y-t-d
KES/USH	31.53	(0.08)	(5.56)
KES/RWF	9.11	(0.05)	0.33
KES/TSH	20.56	(0.01)	(3.22)
USD/USH	3,530.01	0.03	3.14
USD/RWF	1,019.72	(0.01)	(2.90)
USD/TSH	2,302.01	(0.04)	0.73

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI**	1,465.16	(0.21)	11.86
USE LCI**	338.06	0.90	1.87
RSE RSI	100.86	-	(8.35)
RSE RASI	145.10	-	(2.06)
DSE DSEI**	1,867.24	(0.32)	2.77
DSE TSI**	3,497.57	(0.01)	0.37

USE**	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
SBU	61,030.15	0.82	26.00	2.73
UCL	6,578.82	0.27	8.50	-
UMEM	57,933.73	6.30	198.52	(0.13)

RSE				
BOK	1,529,077.17	27.45	250.00	-
BLR	-	13.18	120.00	-
IMR	4,941.36	4.94	45.00	-
CMR	-	13.18	120.00	-
MTNR	5,229,938.07	19.77	180.00	-

DSE **				
CRDB	4,935,428.17	12.16	250.00	-
JATU	123,793.08	24.32	500.00	(7.41)
NMB	3,346,936.79	91.45	1,880.00	-
TICL	510.74	17.02	350.00	-
TOL	257.80	25.78	530.00	-
TPCC	330,598.05	165.38	3,400.00	-
VODA	1,123.62	37.45	770.00	-

*Local Currency

**Trading data for the previous day.

RESEARCH DEPARTMENT

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SALIENT NEWS

Standard Chartered 3Q22 Earnings.

Standard Chartered Group released its 3Q21 results recording a 46.7% y-o-y increase in profit after tax (PAT) to KES 6.4 BN. This was on the back of a 7.8% y-o-y increase in total income to KES 22.3 BN and a 5.9% y-o-y decline in the operating expenses (less loan loss provisions) to KES 10.7 BN. EPS for the period stood at KES 16.49. An interim dividend of KES 5.00 per share was announced.

Net interest income grew by 2.8% y-o-y to KES 14.7 BN, on the back of a 2.5% y-o-y decrease in interest income to KES 17.5 BN. Interest expense declined 23.3% y-o-y to KES 2.8 BN, supporting net interest income growth. As such, the net interest margin decreased 13 bps y-o-y to 6.4%.

Non-funded income was up 19.1% y-o-y to KES 7.6 BN, attributable to a 17.9% y-o-y increase in fee and commission income to KES 4.1 BN and a 33.8% y-o-y increase in net income from forex dealings to KES 2.5 BN. Other operating income declined by 4.6% y-o-y to KES 944.4 MN. As such, funded income reliance declined 322 bps y-o-y to stand at 66.1%.

Operating expenses (less loan loss provisions) declined 5.9% y-o-y to KES 10.7 BN on the back of a 12.4% y-o-y decline in staff costs to KES 4.9 BN and an 11.0% y-o-y decline in other operating expenses to KES 4.3 BN.

Pre-provision operating profit was up 24.6% y-o-y to KES 11.6 BN. Loan loss provision expense recorded a marginal 1.6% y-o-y decline to KES 2.7 BN, placing the cost of risk at 2.7%, 5 bps lower y-o-y. As a result, profit before tax was up 35.5% y-o-y to KES 8.9 BN.

Customer loans and advances remained relatively unchanged y-o-y at KES 131.7 BN (+1.1% q-o-q). Investment securities saw an 8.1% y-o-y decrease to KES 94.0 BN (-5.3% q-o-q) whereas held for dealing securities increased 26.8% y-o-y to KES 4.9 BN (+83.5% q-o-q).

On the funding side, customer deposits saw a 6.4% y-o-y growth to KES 258.4 BN (-7.1% q-o-q). The loan-to-deposits ratio stood at 50.4%, down 333 bps y-o-y.

Gross NPL increased 4.8% y-o-y to stand at KES 23.0 BN (+0.6% q-o-q), with the NPL ratio increasing 57 bps y-o-y to 14.9% (-6 bps q-o-q). The NPL coverage ratio was up 755 bps y-o-y to 71.3% (+339 bps q-o-q).

On a trailing basis, StanChart is trading at a P/E ratio of 6.6x relative to an industry median of 6.0x, and a P/B of 0.9x relative to an industry median of 0.7x. ROE stands at 14.1%, relative to an industry median of 12.6%, whereas ROA stands at 2.3%, relative to an industry median of 2.1%.

(Source: Company filings, DBIB Research).

Standard Chartered

Group released its 3Q21 results recording a 46.7% y-o-y increase in profit after tax (PAT) to KES 6.4 BN.
