

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

23RD NOVEMBER 2021



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
USD/KES	112.29	(0.03)	(2.85)
GBP/KES	151.00	(0.00)	(1.78)
EUR/KES	126.79	0.04	5.31

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	163.78	(0.62)	7.67
NSE-20	1,878.46	0.13	0.54
NSE-25	3,667.92	(0.32)	7.40
FTSE 15	204.51	(0.43)	14.80
FTSE 25	220.64	(0.58)	11.67

Market Activity	Close	1-day	y-t-d	Cumm.
Market Cap (USD BN)*	22.76	22.90	23.41	
Market Turnover (USD MN)	3.49	5.22	1,027.64	
Foreign Buys (%)	29.68	46.25	55.02	
Foreign Sales (%)	63.02	29.85	56.88	
Foreign Participation (%)	46.35	38.05	55.95	

Top Gainers	VWAP (KES)	1-day ch (%)	Volumes (shares)
Sameer Africa	2.87	9.96	100
Nairobi Business Ventures	4.57	9.33	27,500
Trans-Century	1.30	8.33	300

Top Losers	VWAP (KES)	1-day ch (%)	Volumes (shares)
Olympia Capital	1.82	(9.00)	400
Umeme	6.50	(5.80)	6,200
CIC Insurance	2.15	(5.29)	69,100

Top Traders	Turnover (USD mn)	F.buys (USD m)	F.sales (USD m)	VWAP (KES)	1-day ch (%)
Safaricom	2.07	0.46	1.99	37.55	(1.05)
KCB Group	1.11	0.52	0.11	44.70	(0.56)
ABSA Bank	0.12	0.03	0.05	10.75	2.87
Equity Group	0.03	-	-	51.75	(0.48)
Stanchart Bank	0.02	-	0.01	128.50	-

*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	31.81	(0.12)	(4.70)
KES/RWF	9.22	(0.02)	1.56
KES/TSH	20.48	(0.12)	(3.57)
USD/USH	3,572.01	0.08	1.98
USD/RWF	1,035.13	(0.01)	(4.46)
USD/TSH	2,300.01	0.09	0.82

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI**	1,467.65	0.41	12.05
USE LCI**	333.56	0.59	0.52
RSE RSI	100.86	-	(8.35)
RSE RASI	145.10	-	(2.06)
DSE DSEI**	1,865.36	(0.43)	2.67
DSE TSI**	3,518.66	0.02	0.98

USE**	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
BOBU	1,807.55	3.62	115.00	-
SBU	22,312.97	0.82	26.00	1.72

RSE				
BOK	27,119.38	27.12	250.00	-
BLR	-	13.02	120.00	-
IMR	-	4.88	45.00	-
CMR	-	13.02	120.00	-
MTNR	-	19.53	180.00	-

DSE **				
CRDB	195,579.77	11.72	240.00	-
DSE	105,355.15	63.47	1,300.00	-
JATU	79,421.57	20.26	415.00	(7.78)
NMB	226,528.21	12.21	250.00	-
NICO	4,033,469.54	99.59	2,040.00	-
TCCL	141,043.10	26.36	540.00	9.09
TPCC	31,040.22	165.99	3,400.00	-

*Local Currency

**Trading data for the previous day.

RESEARCH DEPARTMENT

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SALIENT NEWS

ABSA Group 3Q21 Earnings.

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ABSA Group released its 3Q21 results recording a fourfold jump (+328.3% y-o-y) in profit after tax (PAT) to KES 8.2 BN.

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ABSA Group released its 3Q21 results recording a four-fold jump (+328.3% y-o-y) in profit after tax (PAT) to KES 8.2 BN. This was largely attributable to a 55.2% y-o-y decline in the loan loss provision expense to KES 3.4 BN, a 7.5% y-o-y increase in total income to KES 27.3 BN and the base effect of the 3Q20 exceptional item of KES 1.9 BN. EPS for the period stood at KES 1.52 (+328.3% y-o-y). Management stated in the results release that the company is confident to resume dividend payment for the financial year 2021.

Net interest income grew by 8.6% y-o-y to KES 18.6 BN, on the back of a 1.3% y-o-y increase in interest income to KES 23.5 BN. Interest expense declined 19.1% y-o-y to KES 4.9 BN, supporting net interest income growth. As such, the net interest margin increased 44 bps y-o-y to 7.9%

Non-funded income grew by 5.2% y-o-y to KES 8.4 BN, attributable to 11.7% y-o-y increase in fees and commission income to KES 4.6 BN and a 5.0% y-o-y increase in other operating income to KES 1.0 BN. Net income from forex dealings on the other hand declined by 3.4% y-o-y to KES 3.1 BN. The funded income reliance increased 71 bps y-o-y to 68.0%.

Operating expenses (less loan loss provisions) declined by 3.5% y-o-y to KES 12.0 BN mainly on the back of an 8.6% y-o-y decline in staff costs to KES 6.8 BN. Other operating expenses on the other hand increased 17.4% y-o-y to KES 4.3 BN.

Pre-provision operating profit increased 18.1% y-o-y to KES 15.3 BN. Loan loss provision expense saw a 55.2% y-o-y decline to KES 3.4 BN, placing the cost of risk at 2.0%, 286 bps lower y-o-y. Profit before tax was up 249.9% y-o-y to KES 11.9 BN, further supported by the base effect of the 3Q20 exceptional item of KES 1.9 BN.

Customer loans and advances grew by 9.5% y-o-y to KES 229.1 BN (+4.7% q-o-q). Government securities saw a 13.7% y-o-y decrease to KES 81.7 BN (+6.0% q-o-q) whereas held for dealing securities increased by 14.1% y-o-y to KES 44.9 BN (+1.6% q-o-q).

On the funding side, customer deposits saw a 9.0% y-o-y increase to KES 268.8 BN (+1.8% q-o-q). The loan-to-deposits ratio stood at 85.2%, up 35 bps y-o-y.

Gross NPL increased 17.1% y-o-y to stand at KES 19.6 BN (+7.0% q-o-q), with the NPL ratio increasing by 47 bps y-o-y to 7.9% (+16 bps q-o-q). The NPL coverage ratio increased 1,205 bps y-o-y to 70.9% (+440 bps q-o-q)

On a trailing basis, ABSA is trading at a P/E ratio of 5.4x relative to an industry median of 5.8x, and a P/B ratio of 1.0x relative to an industry median of 0.7x. ROE stands at 19.2%, relative to an industry median of 13.3%, whereas ROA stands at 2.5%, relative to an industry median of 2.2%.

(Source: Company filings, DBIB Research).

SALIENT NEWS

Eaagads 1H22 Earnings.

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Eaagads released its 1H22 results reporting a net loss of KES 0.4 MN after reporting a profit after tax (PAT) of KES 9.2 MN in a similar period in 2020.

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Eaagads released its 1H22 results reporting a net loss of KES 0.4 MN after reporting a profit after tax (PAT) of KES 9.2 MN in a similar period in 2020. The loss is attributed to a 14.6% y-o-y decline in revenue following reduced output with the company stating it only produced 83 tons of clean coffee in this period compared to 123 tons in a similar period last year. The firm recorded a loss per share of KES 0.01 from an Earnings Per Share of KES 0.29.

Cost of production increased by 2.6% y-o-y to KES 48.4 MN while fair value of biological assets increased 3.8% y-o-y to KES 4.6 MN.

Total assets rose 18.7% y-o-y to KES 1.1 BN due to a 19.9% y-o-y increase in non-current assets to KES 997.1 MN and a 9.6% y-o-y increase in current assets to KES 123.4 MN.

Total liabilities increased by 8.1% to KES 111.2 MN following a 37.1% y-o-y increase in non-current liabilities to KES 77.7 MN and a 27.6% y-o-y decrease in current liabilities to KES. 33.4 MN.

Total equity increased 20.0% y-o-y to KES 1.0 BN.

Net cash used in operating activities stood at KES 3.3 MN while Net cash generated from financing activities stood at KES 4.2 MN.

(Source: Company filings, DBIB Research).