

DYER & BLAIR INVESTMENT BANK

DAILY MARKET REPORT

Founder Member of the Nairobi Securities Exchange

28TH JANUARY 2022



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

CURRENCY PERFORMANCE-KES

	Close	1-day	y-t-d
USD/KES	113.57	(0.02)	(0.38)
GBP/KES	152.60	0.36	(0.36)
EUR/KES	127.37	0.57	0.48

KENYAN EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
NASI	161.04	0.64	(3.26)
NSE-20	1,875.33	(0.20)	(1.43)
NSE-25	3,639.37	0.57	(2.79)
FTSE 15	204.41	0.50	(2.43)
FTSE 25	217.00	0.64	(3.30)

Market Activity	Close	1-day	y-t-d	Cumm.
Market Cap (USD BN)*	22.09	21.95	22.17	
Market Turnover (USD MN)	7.61	4.71	64.53	
Foreign Buys (%)	38.77	81.18	57.52	
Foreign Sales (%)	95.27	52.37	65.76	
Foreign Participation (%)	67.02	66.78	61.64	

Top Gainers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Longhorn Publishers	4.10	7.33	3,400
Car & General	54.00	6.93	200
Nairobi Business Ventures	5.24	5.43	1,700

Top Losers	VWAP	1-day	Volumes
	(KES)	ch (%)	(shares)
Sanlam Kenya	9.70	(8.06)	1,000
Britam Holdings	7.02	(5.14)	180,400
Umeme	5.94	(2.94)	12,300

Top Traders	Turnover	F.buys	F.sales	VWAP	1-day
	(USD mn)	(USD m)	(USD m)	(KES)	ch (%)
Safaricom	3.52	1.25	3.36	36.20	0.84
E.A Breweries	2.87	1.70	2.86	161.00	3.87
KCB Group	1.05	0.01	1.03	44.80	(0.11)
ABSA Bank	0.04	-	-	11.75	(0.42)
Equity Group	0.02	-	-	50.25	-

*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	30.97	(0.25)	(1.08)
KES/RWF	9.15	(0.01)	(0.24)
KES/TSH	20.34	(0.02)	(0.16)
USD/USH	3,517.01	0.23	0.71
USD/RWF	1,038.69	(0.01)	(0.14)
USD/TSH	2,310.00	(0.00)	(0.22)

EAC EQUITY MARKETS

Equity Indices	Close	1-day	y-t-d
USE ALSI**	1,385.56	0.09	(2.47)
USE LCI**	314.98	0.52	(2.98)
RSE RSI	100.94	-	(0.76)
RSE RASI	145.12	-	(0.15)
DSE DSEI**	1,899.40	(0.13)	0.14
DSE TSI**	3,659.90	0.00	2.66

USE**	Turnover (KES MN)	VWAP (KES)	VWAP (L.C)*	1-day ch (%)
MTN	6,618,470.77	5.81	179.80	1.01
SBU	3,647.43	0.90	28.00	0.04
UCL	4,811.48	0.48	14.90	14.62
UMEM	8,544.41	6.10	189.00	0.09
RSE				
BOK	-	26.79	245.00	-
BLR	6,833.74	13.67	125.00	-
IMR	88,073.21	4.92	45.00	-
CMR	-	13.12	120.00	-
MTNR	-	19.68	180.00	-
DSE **				
CRDB	7,137,527.16	15.98	325.00	-
DCB	132.74	8.85	180.00	-
DSE	1,038,358.29	64.90	1,320.00	-
JATU	20,649.17	19.67	400.00	5.26
NMB	577,067.62	112.10	2,280.00	-
SWIS	32,940.34	49.16	1,000.00	-
TBL	25,583,634.06	535.90	10,900.00	-
TCCL	9,832.94	49.16	1,000.00	-
YETU	2,007.80	25.10	510.00	-

*Local Currency

**Trading data for the previous day.

RESEARCH DEPARTMENT

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SALIENT NEWS

East African Breweries (EABL) HY22 Earnings.

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East African Breweries (EABL) released its 1H22 results, reporting a 130.4% y-o-y jump in profit after tax to KES 8.7 BN.

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East African Breweries (EABL) released its 1H22 results, reporting a 130.4% y-o-y jump in profit after tax to KES 8.7 BN. The improved performance was attributed to an easing of COVID-19 restrictions contributing to a more favorable trading environment. This has in turn supported on-trade performance. Basic EPS increased by 211.8% y-o-y to KES 8.45. The group's directors recommended an interim dividend of KES 3.75, resuming dividend payment.

Net revenues edged up by 23.5% y-o-y to KES 54.9 BN, attributed to consumer rebound across East Africa. This follows the lifting of curfew in Kenya in October 2021 and reopening of pubs and bars. Kenya net revenue grew by 27% y-o-y, Uganda: +18% y-o-y, Tanzania: +15% y-o-y.

Gross profit increased by 36.9% y-o-y to KES 37.4 BN supported by the growth in revenues coupled with slower increase in cost of sales (+13.1% y-o-y to KES 28.4 BN). The gross profit margin in turn improved by 473 bps y-o-y to stand at 48.2% compared to 1H21's 43.5%.

The total cost of operations inched up marginally by 0.7% y-o-y to KES 13.6 BN held by a 30.4% y-o-y decline in other costs & expenses to KES 3.7 BN. Selling and distribution expenses edged up by 24.0% y-o-y to KES 4.8 BN while administrative expenses rose by 18.6% y-o-y to KES 5.0 BN.

Income tax expense doubled (+102.5% y-o-y to KES 4.1 BN) in line with PBT increase (+120.7% y-o-y to KES 12.9 BN) and further on account of reversion of the corporate tax rate to 30.0% from 25.0% starting from January 2021.

The group's working capital position worsened slightly in 1H22 compared to FY21, increasing marginally from a negative position of KES 5.6 BN in FY21 to KES 5.7 BN – reflecting a 1.5% y-o-y change. Current liabilities stood at KES 44.6 BN (+12.3% y-o-y) while current assets stood at KES 38.9 BN (+14.1% y-o-y).

Total assets rose 9.8% y-o-y to KES 110.0 BN while total liabilities edged up 0.2% to KES 85.4 BN.

Total equity increased 65.2% y-o-y to KES 24.5 BN.

Net cash from operating activities declined by 9.9% y-o-y to KES 12.6 BN. Net cash used in investing activities also declined by 29.6% y-o-y to KES 6.3 BN. Net cash used in financing activities stood KES 3.7 BN. Consequently, the company's cash position at the end of the period improved by 185.0% y-o-y to KES 7.2 BN.

(Source: Company filings, DBIB Research).