



KENYA EQUITIES: INDICES & MARKET METRICS MOVEMENT done

Index	0 wk	1 wk	1 m	3 m	6 m	12 m	Y-T-D
NASI	149.73	(0.00)	(0.00)	(0.05)	0.05	(0.13)	0.07
NSE-20	2,677.90	0.00	(0.01)	(0.08)	(0.04)	(0.20)	(0.06)
DBIB Select	85.31	0.00	(0.00)	(0.02)	0.01	(0.06)	(0.00)
FTSE 15	186.32	0.00	(0.01)	(0.05)	0.07	(0.14)	0.08
FTSE 25	194.79	0.00	0.00	(0.05)	0.09	(0.13)	0.10
FTSE Frontier 50	48,710.76	0.01	0.04	0.07	0.06	(0.06)	0.12

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	0 wk	1 wk	1 m	3 m	6 m	12 m
Market Cap. (USD m)	2,280.51	(0.00)	0.00	(0.04)	0.07	(0.10)
Market Turnover (USD m)	24.40	0.17	(0.34)	0.05	0.11	0.25
Market P/E (x)	14.44	(0.00)	0.01	0.01	0.18	0.14
Market Div. yld (%)	6.22	0.00	(0.00)	0.35	0.26	0.52
Market ROE (%)	38.04	0.02	0.03	(0.01)	0.07	0.19

(Source: NSE, DBIB Research)

KENYA FIXED INCOME: YIELDS & MARKET METRICS MOVEMENT

	0 wk	1 wk	1 m	3 m	6 m	12 m
FTSE Bond Index	98.11	0.00	0.01	0.02	0.03	0.04
Market Turnover (USD m)	148.41	(0.14)	0.12	0.15	0.51	0.31
91-day T-Bill (%)	6.60	(0.01)	(0.04)	(0.11)	(0.08)	(0.15)
5 year rate (%)	10.23	(0.00)	(0.04)	(0.05)	(0.12)	(0.14)
Interbank Lending (%)	2.38	0.08	(0.28)	0.51	0.05	(0.28)

(Source: CBK, NSE)

KENYA MACRO METRICS MOVEMENT

	0 wk	1 wk	1m	3m	6m	12m
KES/USD	102.92	(0.00)	(0.01)	(0.01)	0.01	(0.01)
KES/GBP	129.24	(0.00)	(0.27)	0.23	(0.02)	0.03
KES/EUR	115.97	(0.00)	(0.01)	(0.01)	0.03	0.00
Fx reserve: Import Cover	6.21	0.47	(0.20)	0.94	0.98	0.29
Inflation	5.70	-	-	(88)	100	135
CBR	9.00	-	-	-	-	(50.00)

(Source: CBK, NSE)

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IN THIS WEEK'S ISSUE...

EQUITY MARKET SUM UP

Weekly equity turnover advanced by 17.1% w-o-w to close at USD 24.40 (KES 2.5 BN).

The market recorded a mixed performance with **NSE 20** gaining 0.5% w-o-w to close at 2,677.90 whereas **NASI** declined 0.1% w-o-w to close at 149.73.

Weekly equity turnover advanced by 17.1% w-o-w to close at USD 24.4 (KES 2.5 BN). The market recorded mixed performance with NSE 20 gaining 0.5% w-o-w to close at 2,677.90 whereas NASI declined 0.1% w-o-w to close at 149.73. The banking sector's turnover stood at KES 1.4 BN compared to KES 0.6 BN recorded the previous week. HF Group was the top gainer rising 7.0% w-o-w to close at KES 4.30 per share whereas I&M holdings was the biggest loser declining 7.6% w-o-w to close at KES 55.00 per share.

In the telecommunication sector, Safaricom's turnover declined 49.0% w-o-w to close at KES 0.5 BN. The counter's price lost 0.4% w-o-w to close at KES 27.75.

Week-on-Week Performance

Top gainers	%	Top Losers	%	Top Traders	USD m
Kenya Airways	18.8	Uchumi	(22.2)	Equity	8.28
Home Afrika	14.0	Umeme	(9.9)	Safaricom	5.11
Unga Group	10.0	TransCentury	(8.8)	Stanbic	3.28
Standard Group	9.5	Car & G (K)	(8.0)	B.A.T(K)	2.70
B.O.C Kenya	9.2	Mumias	(7.9)	E.A Breweries	2.32

(Source: NSE, DBIB Research)

Y-T-D Performance

Top gainers	%	Top Losers	%
Sameer	74.6	Uchumi	(47.5)
Longhorn	73.5	Kenya Airways	(43.1)
I&M Holdings Ltd Ord 1.00	29.4	Mumias Sugar	(39.7)
Olympia Capital	25.7	B.A.T(K)	(30.1)
Safaricom	25.0	Nation Media	(29.6)

(Source: NSE, DBIB Research)

Weekly Foreign Performance

Top Weekly Buys	% Purchase	Top Weekly Sales	% Sold
B.A.T(K)	96.7	Stanbic	98.0
Crown Paints	94.5	E.A Breweries	97.9
Centum	85.8	C&G (K)	96.0
WPP Scangroup	85.6	Safaricom	91.4
Safaricom	82.0	Britam	86.7

(Source: NSE, DBIB Research)

Y-T-D Performance

Top Foreign Buys	% Purchase	Top Foreign Sales	% Sold
Bank of Kigali	99.8	Bank of Kigali	100.0
B.A.T(K)	97.8	Kakuzi	95.5
Umeme	97.2	B.A.T(K)	90.4
Crown Paints	94.4	Jubilee	87.8
Safaricom	83.7	Stanbic BNK	78.9

(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The bond market turnover declined by 14.5% w-o-w to close at USD 148.4 (KES 15.3 BN). The most traded bonds were fixed coupon bonds issue number FXD1/2012/15 and FXD1/2019/15 which recorded a cumulative turnover of KES 5.0 BN accounting for 33.0% of the weeks turnover. FXD1/2012/15 traded between 10.6% and 11.15% whereas FXD1/2019/15 traded between 11.6% and 12.2395%.

July 2019 Bond Issue (FXD 3/2019/15)

The government seeks to raise KES 40.0 BN through the issue of a fixed income bond issue number FXD 3/2019/15. The amount raised is to go towards budgetary support. The coupon rate is market determined and the bond's period of sale is between 2/07/19 and 23/07/19

Top Trades for the Week ending 12 July 2019.

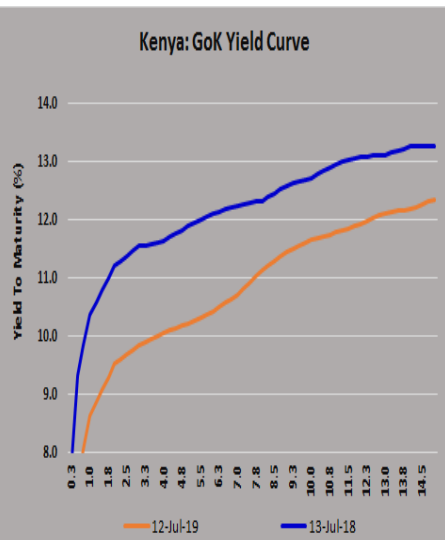
						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(%)	(KES m)
8-Jul	FXD 1/2019/2Yr	1.5	10.701	8.925	107.252	1,000.0
10-Jul	FXD1/2012/15Yr	8.2	11.000	11.350	101.575	900.0
8-Jul	EABB.BD.28/03/22-0052-14.17	2.7	14.170	13.250	105.811	546.3
8-Jul	FXD1/2019/15Yr	14.5	12.857	12.360	108.986	500.0
9-Jul	FXD1/2019/15Yr	14.5	12.857	12.200	110.128	500.0
9-Jul	FXD1/2019/20Yr	19.7	12.873	12.891	102.832	500.0
9-Jul	IFB 1/2018/15Yr	13.5	12.500	11.400	112.412	500.0
10-Jul	FXD1/2019/20Yr	19.7	12.873	12.400	106.454	500.0
11-Jul	FXD 2/2019/10Yr	9.7	12.300	11.500	107.518	500.0
11-Jul	FXD1/2012/15Yr	8.2	11.0	11.200	102.387	500.0
12-Jul	FXD1/2012/15Yr	8.2	11.000	11.200	102.417	500.0
12-Jul	FXD1/2012/15Yr	8.2	11.000	11.350	101.636	500.0

(Source: NSE, DBIB Research)

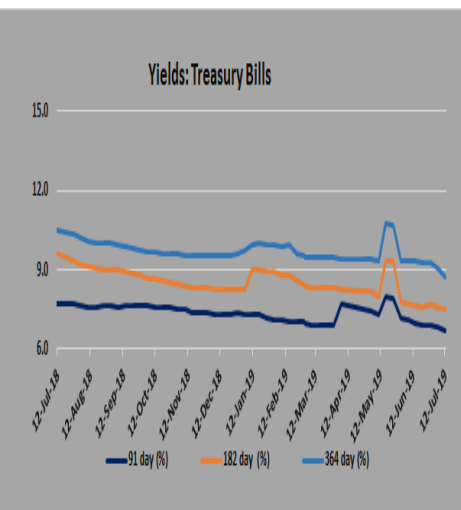
Treasury Bill auction for the week ending 12 July 2019.

Instrument	Amount Bids Received (KES Bn)	Subscription (KES Bn)	Bids Accepted Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.0	3.243	81.09	3.243	6.600	(8.5)
182-day	10.0	11.14	111.14	11.14	7.469	7.2
364-day	10.0	29.771	297.71	29.771	8.646	3.6

(Source: NSE, DBIB Research)



(Source: CBK, DBIB Research)



(Source: CBK, DBIB Research)

EAC MARKETS SNAPSHOT

Rwanda: The RSE RSI and RASI declined 0.4% and 0.1% w-o-w to close at 126.77 and 136.12 respectively.

Tanzania: The DSE TSI held constant at 3295.61 whereas DSEI rose 0.9% w-o-w to close at 1905.71.

Rwanda: The RSE RSI and RASI declined 0.4% and 0.1% w-o-w to close at 126.77 and 136.12 respectively. Total turnover rose to RWF 1.6 BN compared to RWF 9.5 MN posted the previous week.

Tanzania: The DSE TSI held constant at 3,295.61 whereas DSEI rose 0.9% w-o-w to close at 1,905.71. Total weekly turnover stood at TZS 2.7 BN compared to TZS 302.2 MN posted the previous week.

	Week's High (L.C)	Week's Low(L.C)	Current Price (L.C)	Price (KES)	w-o-w change %	y-t-d change %	Turnover (L.C MN)	Turnover (KES MN)
Rwanda Stock Exchange (RSE)			-					
Bank of Kigali	275	275	275	276	0.4	(1.1)	1,149.94	129.50
Bralirwa	146	145	145	140	(1.4)	(3.3)	476.53	53.66
Cyrstal Telecom Ltd	57	56	57	54	0.0	9.6	7.57	0.85
I&M Rwanda	90	90	90	90	0.0	(1.1)	0.08	0.01
Dar Es Salaam Stock Exchange (DSE)			-	0				
African Barrick Gold (ACA)	6,000	6,000	6,000	6,000	0.0	12.8	-	-
CRDB Bank	105	100	105	130	0.0	(27.6)	477.03	21.35
Dar Es Salaam Community Bank (DCB)	340	340	340	300	0.0	0.0	-	-
DSE	1,100	1,100	1,100	1,280	(8.3)	(24.7)	13.47	0.60
Maendeleo (MBP)	490	490	490	490	0.0	(2.0)	-	-
National Microfinance Bank (NMB)	2,340	2,000	2,000	2,000	0.0	18.2	0.20	0.01
Precision Air Services (PAL)	400	400	400	400	0.0	0.0	-	-
Swissport Tanzania (SWIS)	1,600	1,600	1,600	1,660	0.0	(31.6)	1.00	0.04
Tanzania Breweries (TBL)	11,400	9,700	9,700	11,000	0.0	(11.6)	1,966.38	87.99
Tanga Cement Company (TCCL)	600	600	600	600	0.0	(6.3)	-	-
Tanzania Cigarette Company (TCC)	17,000	14,500	17,000	14,500	17.2	0.0	6.67	0.30
Tanzania Portland Cement (TPCC)	2,000	2,000	2,000	2,200	0.0	(3.8)	16.09	0.72
Tanzania Tea Packers (TTP)	120	120	120	120	0.0	0.0	-	-
TOL Gases	600	600	600	600	0.0	(9.1)	172.49	7.72
Swala	470	470	470	475	0.0	(4.1)	-	-
Mucoba Bank	400	400	400	400	0.0	0.0	-	-
YETU	550	550	550	600	0.0	(8.3)	-	-
MCB	430	430	430	430	0.0	(14.0)	-	-
MKCB	800	800	800	800	0.0	0.0	-	-
Vodacom	800	800	680	700	0.0	6.7	-	-
TICL	350	350	350	350	0.0	(9.1)	-	-
NICO	175	175	175	170	0.0	(35.2)	2.78	0.12

(Source: RSE, DSE, DBIB Research)

*L.C refers to Local Currency

Kenya Market News

EPRA reviews petroleum prices.

Super prices are set to increase by KES 0.29 whereas diesel and kerosene prices are set to decrease by KES 0.88 and KES 2.31 per litre

The Energy & Petroleum Regulatory Authority (EPRA) released the maximum retail pump prices of petroleum products which will be in force from 15th July to 14th August 2019 taking into account the weighted average cost of imported refined petroleum products. The pump prices are in line with the inflation adjusted excise rates and the 8% Value added tax (VAT) in line with the provisions of the Finance Act 2018. The maximum allowed price of super petrol in Nairobi i increased by KES 0.29 per litre to KES 115.39 while diesel and kerosene prices decreased by KES 0.88 and KES 2.31 per litre to KES 103.88 and KES 101.97 respectively. These changes are attributed to a decrease of the average landed cost of imported super petrol, diesel and kerosene by 1.8%, 3.1% and 5.5% respectively. The Free on Board (FOB) price of murban crude oil also decreased by 10.4% and the mean monthly US Dollar to Kenya shilling exchange rate depreciated by 0.9% to KES. 101.89 per USD in June 2019. (‘Source: EPRC and DBIB Research’)

EAC Market News

Update on Acacia Mining Plc Takeover

Barrick Gold Corp, which holds majority shares (63.9%) of Tanzania's largest gold miner, Acacia, has continued to discuss the proposal to acquire the remaining 36.1% of the Acacia shares through a share swap that will see an exchange of 0.153 Barrick shares for each ordinary share of 10 pence each in Acacia.

Barrick Gold Corp, which holds majority shares (63.9%) of Tanzania's largest gold miner, Acacia, has continued to discuss the proposal to acquire the remaining 36.1% of the Acacia shares through a share swap that will see an exchange of 0.153 Barrick shares for each ordinary share of Acacia. This equates to about 193 pence per share, valuing the company at about USD 990.0M, compared to USD 787.0M when Barrick had first proposed the deal, thanks to Barrick's shares rising by almost 30.0% since its close before its proposal. SRK Consulting, an independent technical consultant, valued Acacia at 271 pence per share under a preferred-value scenario, with a range of 203 pence to 281 pence per share under low and high value scenarios. In response to the Barrick buyout proposal, Acacia stated that it is worth more than what Barrick had submitted and therefore extended the deadline for a firm bid to July 19, 2019, when Barrick is expected to announce either a firm intention to make an offer or that it does not intend to make an offer. Barrick stated that it has continued talks with the Acacia Transaction Committee and it is also reviewing the SRK Consulting Report against its own due diligence study of Acacia's assets. Acacia's board believes that a buyout by Barrick would be an attractive solution as long as the price is fair and supported by the minority shareholders. A minority shareholder expressed that the minimum the minorities are willing to accept is 271 pence. ('Source: Company filings, Reuters and DBIB Research')

Profit warnings

- Bamburi
- Deacons
- Unga limited
- E.A Portland
- Carbacid

UPCOMING EVENTS

Company	Announcement	Book Closure	Payment
Bamburi Cement	Final Div: KES 4.10	17-May-19	12-Jul-19
Umeme	Final dividend UGX: 28.20	25-Jun-19	15-Jul-19
Total Kenya	First & Final Div: KES 1.30	26-Jun-19	22-Jul-19
TPS Serena	Final Div: KES 0.35	25-Jun-19	25-Jul-19
Jubilee	Final Div KES: 8.00	25-Jun-19	25-Jul-19
Kenya Re	First & Final Div: KES 0.45	17-Jun-19	26-Jul-19
BOC Kenya	Final Div: KES 2.85	29-Apr-19	26-Jul-19
NSE	First & Final Div: KES 0.49	30-May-19	30-Jul-19
Nation Media	Final Div KES: 3.50	14-Jun-19	30-Jul-19
WPP Scangroup	Final dividend of Kes.1.00	10-May-19	10-Jun-19
Standard Group	First & Final Div :KES 0.60	21-Jun-19	23-Aug-19
Equity Group	First & Final Div KES: 2.00	26-Apr-19	31-May-19
Safaricom Plc	Special Div KES: 0.62	N/A	01-Dec-19
Safaricom Plc	First & Final Div KES: 1.25	N/A	01-Dec-19
KCB Group PLC	Final div: KES 2.50	29-Apr-19	N/A
BK Group	First & Final Div:FRW 12.2	N/A	N/A
Kenya Re	Bonus Issue of 3:1	14-Jun-19	N/A
Crown paints	Final Div KES:KES 0.60	28-Jun-19	N/A
Centum	Final Div: KES 1.20	N/A	N/A
Kapchorua Tea	Final Div: KES 10.0	31-Jul-19	N/A
Williamson Tea	Final Div: KES 20.0	31-Jul-19	N/A

(Source: NSE, DBIB Research)

AGM SCHEDULE

Company	Time	Venue	Date
Kapchorua Tea	10.00 AM	Nairobi Club	31-Jul-19
Williamson Tea	10.00 AM	Nairobi Club	01-Aug-19

(Source: Company filings , DBIB Research)

APPENDIX

COMPANY INVESTMENT RATINGS

Buy: Share price may generate more than 15.0% upside over the next 12 months

Overweight: Share price may generate between 10.0% and 15.0% upside over the next 12 months

Hold: Share price may fall within the range of <+5.0%/ -10.0% over the next 12 months

Take Profit: Target price has been attained. Look to accumulate at lower levels. Company fundamentals however remain strong

Underweight: Share price may generate between 10.0% and 15.0% downside over the next 12 months

Sell: Share price may generate more than 15.0% downside over the next 12 months, significant business and/or financial risks present, industry concerns

Not Rated: Counter is not within regular research coverage

SECTOR INVESTMENT RATINGS

Overweight: Industry performance better than that of the whole market

Equal weight: Industry performance about the same as that of the whole market

Underweight: Industry performance worse than that of the whole market

DBIB SELECT INDEX

*The DBIB Select Index is an **in-house, bespoke index** designed by **DBIB Research department** to represent the performance of select Kenyan companies listed on the Nairobi Securities Exchange which fall within DBIB Research's class A and B coverage. The Index is market capitalization-weighted and comprises of counters in the Banking, Insurance, FMCG, Investments, Cement, Telco, Utilities and Media space. We believe this provides investors with a complementary index with which to measure the performance of the major capital and industry segments of the Kenyan Stock Market, hence appealing to broad range of investors and intermediaries seeking to develop structured portfolios based on indices*

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