



KENYA EQUITIES: INDICES & MARKET METRICS MOVEMENT done

Index	0 wk	1 wk	1 m	3 m	6 m	12 m	Y-T-D
NASI	149.82	0.00	0.02	(0.05)	0.03	(0.13)	0.07
NSE-20	2,689.53	0.00	0.02	(0.06)	(0.06)	(0.19)	(0.05)
DBIB Select	85.64	0.00	0.01	(0.02)	0.00	(0.07)	0.00
FTSE 15	86.54	(0.54)	(0.53)	(0.56)	(0.52)	(0.60)	(0.50)
FTSE 25	195.04	0.00	0.02	(0.05)	0.06	(0.13)	0.10
FTSE Frontier 50	48,212.58	(0.01)	0.02	0.05	0.05	(0.07)	0.11

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	0 wk	1 wk	1 m	3 m	6 m	12 m
Market Cap. (USD m)	2,281.86	0.00	0.02	(0.04)	0.05	(0.10)
Market Turnover (USD m)	22.02	(0.10)	(0.18)	0.83	(0.37)	0.13
Market P/E (x)	14.46	0.00	0.01	0.02	0.18	0.13
Market Div. yld (%)	6.21	(0.00)	(0.02)	0.35	0.28	0.53
Market ROE (%)	38.17	0.00	0.03	(0.01)	0.07	0.18

(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	98.55	0.00	0.01	0.02	0.03	0.04
Market Turnover (USD m)	229.48	0.55	0.09	0.19	2.05	1.53
91-day T-Bill (%)	6.50	(0.02)	(0.05)	(0.11)	(0.09)	(0.15)
5 year rate (%)	10.20	(0.00)	(0.03)	(0.05)	(0.12)	(0.14)
Interbank Lending (%)	2.00	(0.16)	(0.28)	(0.57)	(0.40)	(0.41)

(Source: CBK, NSE)

KENYA MACRO METRICS MOVEMENT

	0 wk	1 wk	1m	3m	6m	12m
KES/USD	103.10	(0.00)	(0.01)	(0.01)	0.01	(0.01)
KES/GBP	128.59	0.00	(0.27)	0.23	(0.00)	(0.01)
KES/EUR	115.67	0.00	(0.01)	(0.02)	0.03	0.01
Fx reserve: Import Cover	6.20	(0.01)	0.38	0.80	0.93	0.28
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 dropped by 9.8% w-o-w to close at USD 22.02 (KES 2.3 BN).

The NSE 20 and NASI indices rose 0.4% and 0.1% w-o-w to close at 2689.53 and 149.82. respectively.

Weekly equity turnover dropped by 9.8% w-o-w to close at USD 22.02 (KES 2.3 BN). The NSE 20 and NASI indices rose 0.4% and 0.1% w-o-w to close at 2,689.53 and 149.82. respectively.

The banking sector's turnover recorded a 4.9% w-o-w drop to KES 1.3 BN. 1 stock advanced ,9 declined and 2 held constant during the week. KCB Group emerged the top gainer, rising 0.8% w-o-w to close at KES 39.55 per share whereas I&M holdings was the biggest loser declining 4.5% w-o-w to close at KES 52.50 per share. In the manufacturing sector, BAT(K) rose 2.6% w-o-w to close at KES 520.00 per share attributable to the positive results posted in their 1H19 earnings, find a summary of their performance in the stories segment

Week-on-Week Performance

Top gainers	%	Top Losers	%	Top Traders	USD m
Sameer	28.8	Uchumi	(16.7)	Safaricom	7.26
Scangroup	11.2	Standard Group	(9.7)	KCB Group	5.88
E.A. Portland	10.0	Car & General (K)	(8.7)	Equity Group	4.46
Trans-Century	9.0	I&M Holdings	(4.5)	Co-op Bank	1.44
Mumias	8.6	N.B.K	(4.4)	E.A Breweries	0.93

(Source: NSE, DBIB Research)

Y-T-D Performance

Top gainers	%	Top Losers	%
Sameer	124.9	Uchumi	(56.3)
Longhorn Publishers	73.5	Kenya Airways	(44.9)
Trans-Century	34.9	Mumias	(34.5)
Express Kenya	27.6	Nation Media	(29.9)
Safaricom	25.5	B.A.T(K)	(28.3)

(Source: NSE, DBIB Research)

Weekly Foreign Performance

Top Weekly Buys	% Purchase	Top Weekly Sales	% Sold
BAT Kenya	94.3	BAT Kenya	98.7
Crown Paints	94.0	E.A Breweries	98.1
Centum	86.6	KCB Group	96.5
Safaricom	65.2	HF Group	93.1
KCB Group	55.8	Uchumi	91.1

(Source: NSE, DBIB Research)

Y-T-D Foreign Performance

Top Foreign Buys	% Purchase	Top Foreign Sales	% Sold
BAT Kenya	97.7	Kakuzi	95.5
Umeme	97.1	BAT Kenya	90.5
Crown Paints	94.4	Jubilee INS	87.6
Safaricom	83.2	CFC Stanbic BNK	78.8
E.A Breweries	81.9	Safaricom	78.0

(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The bond market weekly turnover rose 54.6% to USD 229.48 (KES 23.7 BN). The most traded bonds were fixed coupon bond issue number FXD1/2019/2 and infrastructure bond issue number IFB1/2017/7Yr which recorded a cumulative turnover of KES 6.1 BN contributing to 26.7% of the weeks turnover. FXD1/2019/2 traded between 9.2% and 8.25% whereas IFB1/2017/7Yr traded between 10.0% and 8.9%.

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 19 July 2019.

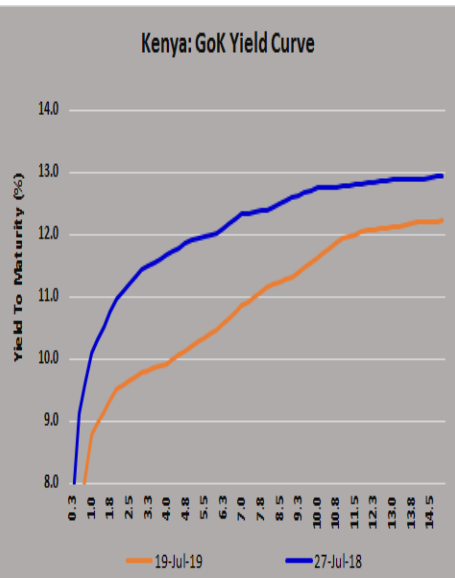
						Total
						Value
						(KES m)
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (%)	
17-Jul	FXD 1/2019/2Yr	1.5	10.701	8.950	107.448	1,000.0
16-Jul	IFB 1/2017/7Yr	5.3	12.500	10.000	110.276	500.0
17-Jul	FXD1/2018/15Yr	14.5	12.650	12.125	105.218	500.0
17-Jul	IFB 1/2018/20Yr	19.3	11.950	11.000	108.181	500.0
18-Jul	FXD 1/2016/10Yr	7.1	15.039	11.755	121.403	500.0
18-Jul	FXD1/2013/15Yr	8.6	11.250	11.450	103.538	500.0
18-Jul	FXD1/2018/15Yr	14.5	12.650	12.055	105.731	500.0
19-Jul	FXD1/2013/15Yr	8.6	11.250	11.200	104.916	500.0
19-Jul	IFB 1/2017/7Yr	5.3	12.500	9.975	110.456	500.0
16-Jul	FXD 1/2019/2Yr	1.5	10.7	8.700	107.780	400.0
16-Jul	FXD1/2019/15Yr	14.5	12.857	12.250	110.032	400.0
17-Jul	FXD1/2019/15Yr	14.5	12.857	12.050	111.467	400.0
18-Jul	FXD 1/2016/10Yr	7.1	15.039	11.206	124.317	400.0
19-Jul	IFB 1/2017/7Yr	5.3	12.500	9.200	113.317	350.0

(Source: NSE, DBIB Research)

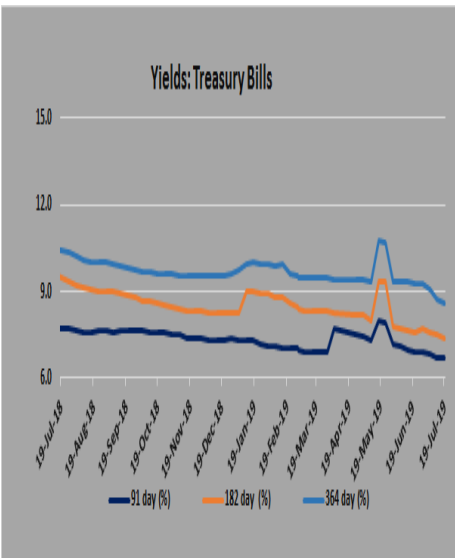
Treasury Bill auction for the week ending 19 July 2019.

Instrument	Amount Bids Received (KES Bn)	Subscription Bids Accepted (KES Bn)	Rate (%)	Yield (%)	w-o-w bps ch
91-day	4.0	7.502	187.56	6.498	(10.2)
182-day	10.0	6.966	69.66	7.358	(11.1)
364-day	10.0	11.557	115.57	8.785	13.9

(Source: NSE, DBIB Research)



(Source: CBK, DBIB Research)



(Source: CBK, DBIB Research)

EAC MARKETS SNAPSHOT

Rwanda: The RSE RSI and RASI held constant during the week to close at 126.77 and 136.12 respectively.

Tanzania: The DSE TSI held constant at 3,295.61 whereas DSEI rose 0.1% w-o-w to close at 1,924.15.

Rwanda: The RSE RSI and RASI held constant during the week to close at 126.77 and 136.12 respectively. Total turnover stood at RWF 1.6 MN compared to RWF 1.6 BN posted the previous week.

Tanzania: The DSE TSI held constant at 3,295.61 whereas DSEI rose 0.1% w-o-w to close at 1,924.15. Total weekly turnover stood at TZS 462.6 MN compared to TZS 2.7 BN posted the previous week. CRDB bank recorded the largest turnover accounting for 94.0% of the weeks turnover.

	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)	0.08	0.01
Bralirwa	146	145	145	140	(1.4)	(3.3)	-	-
Cyrstal Telecom Ltd	57	56	57	54	0.0	9.6	0.02	0.00
I&M Rwanda	90	90	90	90	0.0	(1.1)	1.54	0.17
Dar Es Salaam Stock Exchange (DSE)								
African Barrick Gold (ACA)	6,000	6,000	6,000	6,000	0.0	12.8	-	-
CRDB Bank	105	100	105	130	0.0	(27.60)	436.94	19.59
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)	0.46	0.02
Maendeleo (MBP)	490	490	490	490	0.0	(2.0)	-	-
National Microfinance Bank (NMB)	2,340	2,000	2,000	2,000	(14.5)	1.0	0.41	0.02
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)	0.03	0.00
Tanzania Breweries (TBL)	11,400	9,700	11,400	11,000	(14.9)	(24.8)	0.36	0.02
Tanga Cement Company (TCCL)	600	600	600	600	0.0	(6.3)	0.04	0.00
Tanzania Cigarette Company (TCC)	17,000	14,500	17,000	14,500	17.2	0.0	-	-
Tanzania Portland Cement (TPCC)	2,000	2,000	2,080	2,200	0.0	(3.8)	8.20	0.37
Tanzania Tea Packers (TTP)	120	120	120	120	0.0	0.0	0.04	0.00
TOL Gases	600	600	600	600	0.0	(9.1)	1.12	0.05
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	680	680	700	(15.0)	(9.3)	0.02	0.00
TICL	350	350	350	350	0.0	(9.1)	-	-
NICO	175	175	175	170	0.0	(35.2)	15.01	0.67

(Source: RSE, DSE, DBIB Research)

*L.C refers to Local Currency

Kenya Market News

British American Tobacco Kenya (BAT) 1H19 Earnings

BAT released their 1H19 earnings posting a 25.2% y-o-y growth in profit after tax to KES 2.5BN on the back of a 10.1% y-o-y growth in gross revenue to KES 19.2 BN.

BAT released their 1H19 earnings posting a 25.2% y-o-y growth in profit after tax to KES 2.5BN on the back of a 10.1% y-o-y growth in gross revenue to KES 19.2 BN. This performance was driven by excise led pricing in Kenya and Somalia as well as growth in exports to Sudan. Excise duty and VAT rose 3.7% y-o-y to KES 7.9 BN placing net interest revenue at KES 11.3BN (+11.3% y-o-y). The domestic to export market revenue mix stood at 48:52 same as 1H18. The value of exports in the period rose 11.0% y-o-y to USD 46.6 MN while volume declined 2.0% y-o-y to 4.6 BN sticks. The continued decline in revenue from the domestic market is attributable to affordability challenges and increased illicit cigarettes in the Kenyan market. Finance costs stood at KES 126.0 MN compared to KES 164.0 MN in 1H18. Overall, the operating margin rose 200 bps y-o-y to 33.1%. Current assets declined 6.8% y-o-y to KES 8.3 BN whereas non-current assets rose 7.3% y-o-y to KES 9.8 BN as a result, total assets were relatively flat at KES 18.1 BN. Current liabilities declined 15.2% y-o-y to KES 5.9 BN whereas non-current liabilities rose 2.8% y-o-y to KES3.5 BN. Overall, working capital rose 24.2% y-o-y to KES2.3 BN. Net cash from operating activities was at a positive position of KES 1.9 BN compared to a negative position of KES 21.0 MN in 1H18 this follows from higher profits recorded and improvements in working capital management. Total shareholder funds advanced by 13.5% y-o-y to KES 8.7 BN due to a 27.3% y-o-y growth in retained earnings to KES 5.9 BN.

Going forward, exports are expected to continue contributing a substantial amount to the bottom line. Currently BAT exports to 9 markets. The domestic market continues to be affected by uncertainty in regulations and illicit trade especially from Uganda. The board recommends an interim dividend of KES 3.50 per share payable on 20 September 2019 to shareholders on book by 19 August 2019. ('Source: Company fillings, DBIB Research')

East African Market News

Expansion of Fuliza overdraft service into Tanzania

Vodacom introduced an M-Pesa overdraft facility dubbed 'Songesha' in Tanzania as part of the regional expansion plan of the Fuliza Service.

Earlier on in March 2019, Safaricom announced its plans to expand its M-Pesa overdraft service, Fuliza, to other regional markets in which M-Pesa is already readily available. Currently, M-Pesa services are available in Tanzania, Lesotho, Ghana, the Democratic Republic of Congo (DRC), Mozambique and India. Vodacom introduced an M-Pesa overdraft facility dubbed 'Songesha' in Tanzania as part of the regional expansion plan of the Fuliza Service. Vodacom has partnered with TPB bank, which will utilize algorithms based on M-Pesa transactions to determine the overdraft limits. Songesha charges an interest rate of 1% per day with a facility term of up to 18 days and users can make one request at a time, as long as it is within their overdraw limits, which is dependent on their M-Pesa transaction score. The successful rollout of Songesha will enable Vodacom to maintain market leadership in mobile and financial services in terms of market share, transaction volumes and subscribers. ('Source: Company filings, Business Daily and DBIB Research')

Profit warnings

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

UPCOMING EVENTS

Company	Announcement	Book Closure	Payment
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
BAT Kenya	Interim Div: KES 3.50	19-Aug-19	20-Sep-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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