



KENYA EQUITIES: INDICES & MARKET METRICS MOVEMENT

Index	0 wk	1 wk	1 m	3 m	6 m	12 m	Y-T-D
NASI	164.35	0.09	0.12	0.11	0.03	0.11	0.17
NSE-20	2,733.75	0.10	0.12	0.06	(0.02)	(0.03)	(0.04)
DBIB Select	89.45	0.05	0.08	0.04	0.01	0.10	0.05
FTSE 15	220.27	0.15	0.19	0.18	0.13	0.22	0.27
FTSE 25	226.68	0.12	0.13	0.16	0.11	0.22	0.28
FTSE Frontier 50	44,462.25	0.01	(0.99)	(0.08)	(0.02)	(0.05)	0.03

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	0 wk	1 wk	1 m	3 m	6 m	12 m
Market Cap. (USD m)	2,508.46	0.09	0.13	0.11	0.05	0.15
Market Turnover (USD m)	71.85	0.84	2.30	2.34	2.56	0.90
Market P/E (x)	14.25	0.01	0.01	(0.00)	(0.04)	(0.02)
Market Div. Yld (%)	6.99	76.94	63.93	70.12	114.45	221.35
Market ROE (%)	45.02	954.81	949.77	857.62	725.99	816.62

(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	98.23	(0.00)	(0.00)	(0.00)	0.01	0.03
Market Turnover (USD m)	178.90	5.68	1.65	(0.03)	0.86	0.45
91-day T-Bill (%)	6.42	-	4.60	(12.30)	(82.60)	(96.30)
5 year rate (%)	10.28	5.00	(33.23)	10.00	(45.83)	(140.50)
Interbank Lending (%)	6.13	(63.00)	(118.00)	362.00	23.00	360.00

(Source: CBK, NSE)

KENYA MACRO METRICS MOVEMENT

	0 wk	1 wk	1m	3m	6m	12m
KES/USD	103.28	(0.00)	0.01	(0.01)	(0.02)	0.01
KES/GBP	133.73	(0.01)	(0.03)	(0.03)	0.05	(0.00)
KES/EUR	115.09	(0.00)	(0.01)	0.00	(0.01)	0.03
Fx reserve: Import Cover	5.60	0.01	0.02	(0.44)	0.45	0.16
Inflation	4.95	-	-	(5)	(54)	(63)
CBR	9.00	-	-	-	-	-

(Source: CBK, NSE)

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IN THIS WEEK'S ISSUE...

EQUITY MARKET SUM UP

Weekly equity turnover advanced by 83.7% w-o-w to close at USD 71.9 MN (KES 7.4 BN).

Both NSE 20 and NASI indices edged up 9.8% and 9.4% w-o-w to close at 2,733.75 and 164.35 respectively.

Weekly equity turnover advanced by 83.7% w-o-w to close at USD 71.9 MN (KES 7.4 BN). Both NSE 20 and NASI indices edged up 9.8% and 9.4% w-o-w to close at 2,733.75 and 164.35 respectively.

Banking sector turnover stood at KES 5.1 BN accounting for 68.1% of the weeks turnover. Banking stocks prices reacted positively following the support received from parliament to repeal the interest rate caps. Equity Group was the top gainer rising 27.0% w-o-w to close at KES 50.75, followed by Co-op Bank and KCB Group which rose 26.4% and 20.7% w-o-w respectively to close at KES 15.80 and KES 53.25. In the telecommunication sector, Safaricom edged up 5.6% w-o-w to close at KES 30.30 on account of its 1H20 earnings. Its total turnover advanced by 30.4% to account for 23.65% of the weeks turnover.

Week-on-Week Performance

Top gainers	%	Top Losers	%	Top Traders	USD m
Equity Group	27.0	Standard Group	(14.4)	Equity Group	27.33
Co-op Bank	26.4	E.A Portland	(9.9)	Safaricom	16.99
KCB Group	20.7	Nation Media	(8.8)	KCB Group	15.34
Flame Tree Group	18.5	Sasini	(7.3)	E.A Breweries	2.64
I&M Holdings	17.9	Liberty	(6.7)	DTB Holdings	2.56

(Source: NSE, DBIB Research)

Y-T-D Performance

Top gainers	%	Top Losers	%
Sameer Africa	89.2	Kenya Airways	(65.1)
Longhorn Publishers	58.8	Uchumi Supermarket	(56.3)
Equity Group	45.6	Mumias Sugar	(53.5)
Express	45.6	Nation Media	(44.3)
KCB Group	42.2	Kenya Re Insurance	(31.8)

(Source: NSE, DBIB Research)

Weekly Foreign Performance

Top Weekly Buys	% Purchase	Top Weekly Sales	% Sold
B.A.T(K)	84.1	B.O.C (K)	100.0
Stanbic Holdings	65.0	Limuru Tea	100.0
Stanchart	61.4	Standard Group	96.4
KCB Group	55.9	B.A.T (K)	96.0
Equity	54.9	Britam	91.4

(Source: NSE, DBIB Research)

Y-T-D Foreign Performance

Top Foreign Buys	% Purchase	Top Foreign Sales	% Sold
Bank of Kigali	99.9	Bank of Kigali	100.0
B.A.T (K)	97.3	Kakuzi	95.2
Umeme	96.1	B.A.T (K)	91.4
Crown Paints	92.4	Jubilee	78.6
E.A Breweries	81.7	Equity	77.9

(Source: NSE, DBIB Research)

The Bond market's turnover stood at USD 178.9 MN (KES 18.5 BN) compared to USD 26.8 MN (KES 2.8 recorded in the previous week.

FROM THE FIXED INCOME DESK

The Bond market's turnover stood at USD 178.9 MN (KES 18.5 BN) compared to USD 26.8 MN (KES 2.8 BN) recorded in the previous week. The most traded bond, during the week was the infrastructure bond issue number IFB1/2019/16Yr with a turnover of 15.8 BN. The bond traded between 12.6953% and 11.5300% and accounted for 85.5% of the week's turnover.

Top Trades for the Week ending 1 November 2019.

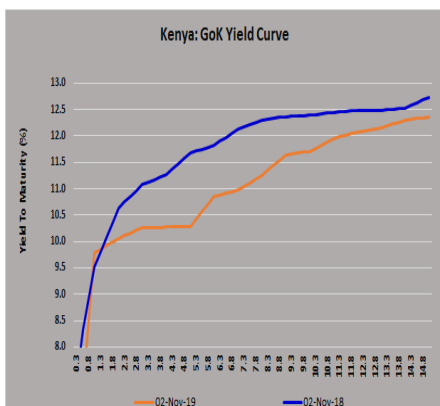
						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(%)	(KES m)
30-Oct	IFB 1/2019/16Yr	15.9	11.750	12.220	97.027	5,456.4
30-Oct	IFB 1/2019/16Yr	15.9	11.750	12.205	97.122	2,000.0
1-Nov	IFB 1/2019/16Yr	15.9	11.750	12.150	97.533	700.0
30-Oct	IFB 1/2019/16Yr	15.9	11.750	11.945	98.787	600.0
30-Oct	IFB 1/2019/16Yr	15.9	11.750	12.595	94.704	590.0
30-Oct	IFB 1/2019/16Yr	15.9	11.750	12.495	95.315	590.0
31-Oct	IFB 1/2019/16Yr	15.9	11.750	12.050	98.140	512.7
31-Oct	IFB 1/2019/16Yr	15.9	11.750	12.150	97.502	500.0
1-Nov	IFB 1/2019/16Yr	15.9	11.750	12.050	98.172	450.0
31-Oct	FXD1/2012/15Yr	7.9	11.000	11.250	100.048	400.0
1-Nov	IFB 1/2019/16Yr	15.9	11.750	12.210	97.153	354.5
30-Oct	IFB 1/2019/16Yr	15.9	11.750	12.695	94.098	340.0

(Source: NSE, DBIB Research)

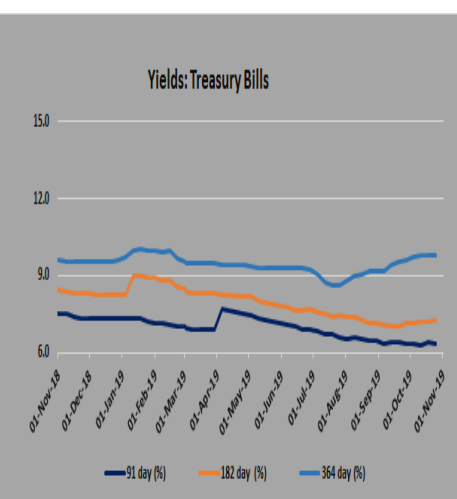
Treasury Bill auction for the week ending 1 November 2019.

Instrument	Amount Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	bps ch
91-day	4.0	6.813	170.34	6.813	6.390 (3.4)
182-day	10.0	4.613	46.13	4.133	7.189 (3.4)
364-day	10.0	16.004	160.05	12.782	9.780 (0.0)

(Source: NSE, DBIB Research)



(Source: CBK, DBIB Research)



(Source: CBK, DBIB Research)

EAC MARKETS SNAPSHOT

Rwanda: The RSE RSI and RASI rose 0.5% and 0.1% w-o-w to close at 125.44 and 135.91 respectively.

Tanzania: The DSE TSI held constant to close at 3,437.31 whereas DSE DSEI rose by 3.5% w-o-w to close at 2,049.68.

Rwanda: The RSE RSI and RASI rose 0.5% and 0.1% w-o-w to close at 125.44 and 135.91 respectively. Total weekly turnover stood at RWF 24.0 MN up from RWF 7.9 MN posted the previous week.

Tanzania: The DSE TSI held constant to close at 3,437.31 whereas DSE DSEI rose by 3.5% w-o-w to close at 2,049.68. Weekly turnover stood at TZS 625.4 MN compared to TZS 610.6 MN recorded 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	270	270	270	30.5	0.0	(2.9)	-	-
Bralirwa	140	139	140	15.8	0.7	(6.7)	0.01	0.00
Crystal Telecom Ltd	75	70	75	8.5	7.1	44.2	23.96	2.71
I&M Rwanda	90	90	90	10.2	0.0	(1.1)	0.05	0.01
Dar Es Salaam Stock Exchange (DSE)			-					
African Barrick Gold (ACA)	6,650	6,650	6,650	298.1	0.0	25.0	-	-
CRDB Bank	100	95	100	4.5	0.0	(31.0)	296.31	13.28
Dar Es Salaam Community Bank (DCB)	320	320	320	14.3	0.0	(5.9)	-	-
DSE	1,020	1,000	1,000	44.8	(2.0)	(31.5)	1.38	0.06
Maendeleo (MBP)	490	490	490	22.0	0.0	(2.0)	-	-
National Microfinance Bank (NMB)	2,340	2,240	2,340	104.9	4.5	18.2	13.53	0.61
Precision Air Services (PAL)	400	400	400	17.9	0.0	0.0	-	-
Swissport Tanzania (SWIS)	1,600	1,600	1,600	71.7	0.0	(31.6)	-	-
Tanzania Breweries (TBL)	10,900	10,400	10,400	466.2	(4.6)	(19.4)	284.77	12.76
Tanga Cement Company (TCCL)	600	600	600	26.9	0.0	(6.3)	-	-
Tanzania Cigarette Company (TCC)	17,000	16,200	17,000	762.0	0.0	0.0	0.81	0.04
Tanzania Portland Cement (TPCC)	2,000	2,000	2,000	89.6	0.0	(3.8)	4.73	0.21
Tanzania Tea Packers (TTP)	120	120	120	5.4	0.0	0.0	-	-
TOL Gases	660	600	600	26.9	(9.1)	(9.1)	0.59	0.03
Swala	490	490	490	22.0	0.0	0.0	-	-
Mucoba Bank	400	400	400	17.9	0.0	0.0	-	-
YETU	550	550	550	24.7	0.0	(8.3)	-	-
MCB	500	450	450	20.2	(10.0)	(10.0)	0.46	0.02
MKCB	780	780	780	35.0	0.0	(2.5)	-	-
Vodacom	850	810	850	38.1	0.0	13.3	0.02	0.00
TICL	385	385	385	17.3	0.0	0.0	-	-
NICO	175	175	175	7.8	0.0	(35.2)	22.78	1.02

(Source: RSE, DSE, DBIB Research)

*L.C refers to Local Currency

Kenya Market News

Safaricom 1H20 Earnings

Safaricom released their 1H20 earnings posting a 14.4% y-o-y growth in profit after tax to KES 35.6 BN on the back of a 5.8% y-o-y growth in total revenue to KES 129.9 BN.

Safaricom released their 1H20 earnings posting a 14.4% y-o-y growth in profit after tax to KES 35.6 BN on the back of a 5.8% y-o-y growth in total revenue to KES 129.9 BN. Service revenue was up 5.3% y-o-y to KES 124.3 BN with M-PESA contributing 33.8%. This top line growth was occasioned by a 15.6% y-o-y increase in the overall number of customers to 34.6 MN with M-PESA's one month active customers increasing by 12.4% y-o-y to 23.6 MN as mobile data customer increased by 14.7% y-o-y to 20.2 MN customers. Total operating costs rose by 3.9% y-o-y to KES 63.4 BN placing EBITDA at KES 66.5 BN compared to KES 61.8 BN posted 1H19. Net finance costs increased by 31.2% y-o-y to KES 1.85 BN. Overall, the profit before tax margin rose to 39.8% compared to 37.1% posted in 1H19.

Current assets advanced by 34.4% h-o-h to KES 67.2 BN on account of a 139.1% h-o-h increase in other financial assets to KES 19.2 BN whereas current liabilities rose 125.6% h-o-h to KES 104.3 BN as a result of a KES 56.2 BN outstanding dividends payable. Consequently, the company recorded KES 37.2 BN in net current liabilities in contrast to KES 3.7 BN in net current assets recorded in FY19.

Net cash generated from operations remained fairly stable rising by 0.5% y-o-y to KES 55.1 BN. On the other hand, net cash used in investing activities and net cash used in financing activities rose by 73.8% and 106.4% y-o-y to KES 29.3 BN and KES 22.8 BN respectively. Overall cash and cash equivalents generated during the period declined by 88.0% y-o-y to KES 3.3 BN partly due to capital expenditure to the tune of KES 18.1 BN used in advancing the company's efforts to invest in its network focusing particularly on increasing 4G coverage. This capital expenditure was financed from internally generated cash. The company closed its balance for the period at KES 23.3 BN, 36.7% lower than the closing balance as at 1H19. *(Source: Company Filings, DBIB Research)*

WPP Scangroup Kantar Update

WPP Scangroup's BOD approving the sale of all its shareholding in Katar Millward Brown Limited (100.0%).

WPP Scangroup's board of directors held a meeting on 31st October 2019 approving the sale of all its shareholding in Katar Millward Brown Limited (100.0%) and 80.0% of its shareholding in Research and Marketing Group Investment Limited the holding company for its Kantar business. This follows, WPP Plc's shareholder approval for the sale of 60.0% of its stake in Kantar to Bain Capital Private Equity on 24th October 2019. WPP Scangroup expects to realize approximately KES 5.0 BN after tax while WPP Plc is expected to receive a consideration of USD 3.1 BN from the transaction. In line with the parent, WPP Scangroup is expected to retain 60.0% while 40.0% is expected to be returned to shareholders in the form of a special dividend. *(Source: Company Filings, DBIB Research)*

Olympia Capital 1H19 Earnings

Olympia Capital released their 1H19 earnings posting a 10.9% y-o-y decline in their profit after tax to KES 8.33 MN on the back of a 21.4% y-o-y drop in revenue to KES 197.23 MN.

Olympia Capital released their 1H19 earnings posting a 10.9% y-o-y decline in their profit after tax to KES 8.33 MN on the back of a 21.4% y-o-y drop in revenue to KES 197.23 MN. The group recorded a 12.7% y-o-y fall in EBIT to KES 19.85 MN. Finance costs declined by 45.5% y-o-y to KES 1.2 MN placing the operating profit at KES 18.6 MN compared to KES 20.5 MN recorded in 1H18. Non-current assets edged up 31.4% over the half year period to KES 1.3 BN resulting in a 17.2% increase in total assets to KES 1.6 BN. Total equity declined by 12.9% to KES 832.7 MN while total liabilities grew by 23.4% to KES 354.2 MN. The group reported a KES2.8 MN decline in cash and cash equivalents to KES 57.93 MN in 1H19 compared to a KES 35.8 MN drop to KES 43.0 MN in a similar period in 2018. *(Source: Company Filings, DBIB Research)*

Kenya Market News

Inflation up by bps to 4.95% in October

The consumer price indices (CPI) and inflation rates rose by 0.28% and 112 bps to 202.12 and 4.95% respectively in October 2019.

Kenya National Bureau of Statistics (KNBS) reported that the consumer price indices (CPI) and inflation rates rose by 0.28% and 112 bps to 202.12 and 4.95% respectively in October 2019. The Food and Non-Alcoholic Index, which accounts for 36.04% of the CPI, rose by 0.48% to 252.74 in October 2019. This was attributable to the increase in prices of several foodstuffs such as maize grain (loose), maize flour (sifted) and tomatoes which increased by 5.82%, 4.58% and 4.44% respectively. Likewise, the Food and Non-Alcoholic Drinks inflation rose from 6.31% in September to 8.74% in October 2019. The Alcoholic Beverages, Tobacco and Narcotics Index, which accounts for 2.06% of the CPI, increased by 1.97% following the increase in prices of cigarettes after the rise in excise tax. On the other hand, the Transport Index, which accounts for 8.66% of the CPI, decreased by 0.27% due to a decrease in pump prices of diesel and petrol.

(Source: KNBS, DBIB Research)

Profit Warnings

- Sasini
- Kenya Power

UPCOMING EVENTS

Company	Announcement	Book Closure	Payment
StanChart BNK	Interim Div: KES 5.00	23-Sep-19	30-Oct-19
KCB Group PLC	Interim Div: KES 1.00	05-Sep-19	15-Nov-19
Safaricom Plc	Special Div: KES: 0.62	02-Sep-19	30-Nov-19
Safaricom Plc	First & Final Div: KES: 1.25	02-Sep-19	30-Nov-19
Unga	First & Final Div: KES 0.50	05-Dec-19	15-Jan-20
Longhorn	Final Div: KES 0.52	28-Nov-19	26-Feb-20
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 0.60	27-Jun-19	N/A
Carbacid	Final Div: KES 0.70	06-Nov-19	N/A

(Source: NSE, DBIB Research)

AGM SCHEDULE

Company	Time	Venue	Date
Longhorn	N/A	N/A	28-Nov-19
Unga	N/A	N/A	05-Dec-19
Carbacid	10.00 AM	Azure Hotel	05-Dec-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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