



KENYA EQUITIES: INDICES & MARKET METRICS MOVEMENT

Index	0 wk	1 wk	1 m	3 m	6 m	12 m	Y-T-D
NASI	160.99	(0.02)	0.09	0.09	0.05	0.10	0.15
NSE-20	2,717.86	(0.01)	0.11	0.07	(0.01)	(0.04)	(0.04)
DBIB Select	89.20	(0.00)	0.06	0.04	0.03	0.09	0.04
FTSE 15	209.60	(0.05)	0.14	0.13	0.12	0.17	0.21
FTSE 25	218.47	(0.04)	0.07	0.12	0.12	0.18	0.24
FTSE Frontier 50	44,279.74	(0.00)	(1.00)	(0.06)	(0.01)	(0.05)	(1.00)

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	0 wk	1 wk	1 m	3 m	6 m	12 m
Market Cap. (USD m)	2,457.13	(0.02)	0.10	0.09	0.07	0.13
Market Turnover (USD m)	58.40	(0.19)	3.36	4.18	2.18	2.98
Market P/E (x)	13.44	(0.06)	(0.06)	(0.05)	(0.05)	(0.07)
Market Div. yld (%)	5.80	(119.77)	(54.42)	(48.30)	(31.75)	99.76
Market ROE (%)	44.87	(14.53)	927.10	856.93	775.49	823.60

(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	97.89	(0.00)	(0.00)	(0.00)	0.01	0.03
Market Turnover (USD m)	128.11	(0.28)	2.79	0.12	0.23	0.70
91-day T-Bill (%)	6.39	(3.40)	2.10	(5.90)	(80.60)	(95.90)
5 year rate (%)	10.64	36.25	6.39	60.50	(3.75)	(109.58)
Interbank Lending (%)	4.55	(158.00)	(256.00)	100.00	(185.00)	132.00

(Source: CBK, NSE)

KENYA MACRO METRICS MOVEMENT

	0 wk	1 wk	1m	3m	6m	12m
KES/USD	102.95	0.00	0.00	(0.00)	(0.02)	0.01
KES/GBP	132.74	0.01	(0.06)	(0.01)	0.04	0.02
KES/EUR	114.24	0.01	(0.01)	0.02	(0.02)	0.03
Fx reserve: Import Cover	5.60	-	(0.02)	(0.38)	0.41	0.20
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 declined 19.0% w-o-w to close at USD 58.4 MN (KES 6.0 BN).

Both **NSE 20** and **NASI indices** dropped 2.0% and 0.6% w-o-w to close at 2,717.86 and 160.99 respectively.

Weekly equity turnover declined 19.0% w-o-w to close at USD 58.4 MN (KES 6.0 BN). Both NSE 20 and NASI indices dropped 2.0% and 0.6% w-o-w to close at 2,717.86 and 160.99 respectively.

Banking sector recorded an average w-o-w drop of 3.4% with 9 stocks declining, 1 stock rising and 2 stocks holding constant. This was despite The Presidents assenting the Finance Bill 2019. We are of the view that the quick rise of banking stocks the previous weeks saw the sector record all time highs with demand/ buys for banking stocks dropping as asks piled up.

Week-on-Week Performance

Top gainers	%	Top Losers	%	Top Traders	USD m
Scangroup	18.4	NIC Bank	(11.7)	Safaricom	21.22
Sasini	15.1	Eveready E.A	(8.8)	Equity Group	12.60
Olympia Capital	12.9	Carbacid	(8.2)	KCB Group	9.18
BAT Kenya	9.3	Home Afrika	(7.9)	Diamond Trust	6.11
Sameer	8.0	E.A.Portland	(7.0)	Co-op BNK	3.44

(Source: NSE, DBIB Research)

Y-T-D Performance

Top gainers	%	Top Losers	%
Sameer	104.3	Kenya Airways	(64.7)
Longhorn	57.5	Uchumi	(58.8)
Express Kenya	44.8	Mumias	(53.4)
Equity Group	40.2	Nation Media	(43.5)
Safaricom	35.1	Kenya Re	(32.5)

(Source: NSE, DBIB Research)

Weekly Foreign Performance

Top Weekly Buys	% Purchase	Top Weekly Sales	% Sold
Centum	78.1	B.O.C (K)	100.0
Diamond Trust BNK	76.0	Bank of Kigali	100.0
KCB Group	59.7	Diamond Trust BNK	98.4
B.O.C (K)	58.7	Britam INS	83.3
Jubilee INS	53.7	Nation Media	80.7

(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
BAT Kenya	97.3	Kakuzi	94.3
Umeme	95.9	BAT (K)	91.4
Crown Paints	92.3	Jubilee INS	78.3
E.A Breweries	81.2	Equity Group	77.0

(Source: NSE, DBIB Research)

The Bond market's turnover stood at USD 128.3 MN (KES 13.2 BN).

FROM THE FIXED INCOME DESK

The Bond market's turnover stood at USD 128.3 MN (KES 13.2 BN) compared to USD 178.9 MN (KES 18.5 BN) recorded in the previous week. The infrastructure bond, issue number IFB1/2019/16yr emerged the most traded bond the second week running with a turnover of KES 10.0 BN representing 75.8% of last week's total turnover. The bond traded between 11.2600% and 12.25% which are lower than the yields last week.

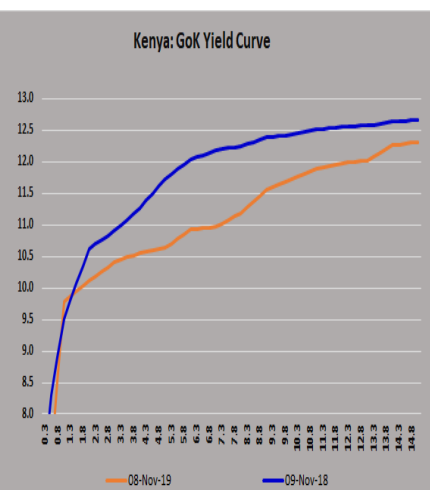
November Issue of FXD4/2019/10yr

The Government of Kenya issued a new 10 year bond issue number FXD4/2019/10yr seeking to raise KES 50.0 BN to go towards budgetary support. Coupon rate will be market determined. The period of sale on the bond runs between 6th November 2019 and 19th November 2019.

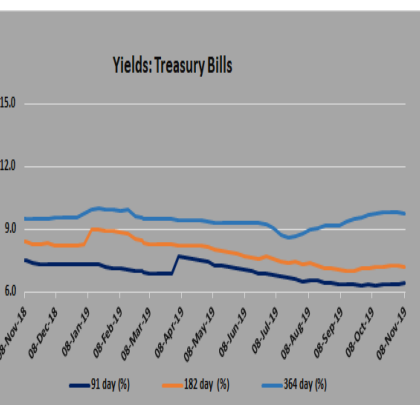
Top Trades for the Week ending 08 November 2019.

Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (%)	Total Value (KES m)
5-Nov	IFB 1/2019/16Yr	15.9	11.750	12.055	98.267	1,400.0
5-Nov	IFB 1/2019/16Yr	15.9	11.750	12.000	98.619	754.0
4-Nov	IFB 1/2019/16Yr	15.9	11.750	12.050	98.266	500.0
6-Nov	IFB 1/2019/16Yr	15.9	11.750	11.900	99.299	500.0
7-Nov	IFB 1/2019/16Yr	15.9	11.750	12.150	97.723	500.0
8-Nov	IFB 1/2019/16Yr	15.9	11.750	11.850	99.688	500.0
8-Nov	IFB 1/2019/16Yr	15.9	11.750	11.900	99.362	500.0
5-Nov	IFB 1/2019/16Yr	15.9	11.750	12.055	98.267	400.0
8-Nov	IFB 1/2019/16Yr	15.9	11.750	11.950	99.037	345.0
7-Nov	IFB 1/2019/16Yr	15.9	11.750	11.850	99.657	300.0
8-Nov	IFB 1/2017/7Yr	5.0	12.500	10.300	112.715	300.0

(Source: NSE, DBIB Research)



(Source: CBK, DBIB Research)



(Source: CBK, DBIB Research)

Treasury Bill auction for the week ending 08 November 2019.

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.0	0.864	21.6	0.864	6.390	0.0
182-day	10.0	3.246	32.5	3.246	7.261	7.2
364-day	10.0	27.702	277.0	22.440	9.787	0.7

(Source: NSE, DBIB Research)

EAC MARKETS SNAPSHOT

Rwanda: The RSE RSI and RASI declined 0.5% and 0.1% w-o-w to close at 124.78 and 135.80 respectively.

Tanzania: The DSEI went up 1.2% w-o-w to close at 2,073.33 whereas DSE TSI declined 0.1% w-o-w to close at 3,432.34. .

Rwanda: The RSE RSI and RASI declined 0.5% and 0.1% w-o-w to close at 124.78 and 135.80 respectively. Total weekly turnover stood at RWF 131.4 MN up from RWF 24.0 MN posted the previous week.

Tanzania: The DSEI went up 1.2% w-o-w to close at 2,073.33 whereas DSE TSI declined 0.1% w-o-w to close at 3,432.34. Weekly turnover stood TZS 4.3 BN compared to TZS 625.4 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	29.79	0.0	(2.9)	0.78	0.09
Bralirwa	139	139	139	15.34	(0.7)	(7.3)	0.14	0.02
Cyrstal Telecom Ltd	79	70	70	7.72	(6.7)	34.6	130.50	14.40
I&M Rwanda	90	90	90	9.93	0.0	(1.1)	0.02	0.00
Dar Es Salaam Stock Exchange (DSE)								
African Barrick Gold (ACA)	6,650	6,650	6,650	296.73	0.0	25.0	-	-
CRDB Bank	100	95	95	4.24	(5.0)	(34.5)	846.93	37.79
Dar Es Salaam Community Bank (DCB)	320	320	320	14.28	0.0	(5.9)	-	-
DSE	1,000	1,000	1,000	44.62	0.0	(31.5)	1.31	0.06
Maendeleo (MBP)	490	490	490	21.86	0.0	(2.0)	-	-
National Microfinance Bank (NMB)	2,340	2,340	2,340	104.41	0.0	18.2	-	-
Precision Air Services (PAL)	400	400	400	17.85	0.0	0.0	-	-
Swissport Tanzania (SWIS)	1,600	1,600	1,600	71.39	0.0	(31.6)	0.35	0.02
Tanzania Breweries (TBL)	10,900	10,400	10,900	486.38	4.8	(15.5)	3,217.64	143.58
Tanga Cement Company (TCCL)	600	600	600	26.77	0.0	(6.3)	-	-
Tanzania Cigarette Company (TCC)	17,000	17,000	17,000	758.57	0.0	0.0	-	-
Tanzania Portland Cement (TPCC)	2,000	2,000	2,000	89.24	0.0	(3.8)	10.89	0.49
Tanzania Tea Packers (TTP)	120	120	120	5.35	0.0	0.0	-	-
TOL Gases	600	600	600	26.77	0.0	(9.1)	-	-
Swala	490	490	490	21.86	0.0	0.0	0.39	0.02
Mucoba Bank	400	400	400	17.85	0.0	0.0	-	-
YETU	550	550	550	24.54	0.0	(8.3)	-	-
MCB	450	450	450	20.08	0.0	(10.0)	-	-
MKCB	780	780	780	34.80	0.0	(2.5)	-	-
Vodacom	850	850	850	37.93	0.0	13.3	200.39	8.94
TICL	385	385	385	17.18	0.0	0.0	-	-
NICO	175	175	175	7.81	0.0	(35.2)	11.60	0.52

(Source: RSE, DSE, DBIB Research)

*L.C refers to Local Currency

Kenya Market News

National Bank Kenya 1H20 Earnings

Recently acquired National Bank released its 3Q19 earnings to post a profit after tax of KES 407.2 MN compared to KES 22.0 MN recorded in 3Q18

Recently acquired National Bank released its 3Q19 earnings posting a profit after tax of KES 407.2 MN compared to KES 22.0 MN recorded in 3Q18 partly on account of a 56.3% y-o-y drop exceptional expenses to KES 124.2 MN. Net interest income rose 11.6% y-o-y to KES 4.6 BN on account of a 4.7% increase in total interest income to KES 6.6 BN coupled with an 8.2% y-o-y decrease in interest expense to KES 2.0 BN driven by a 14.9% y-o-y drop in interest from customer deposits to KES 1.6 BN. The 4.7% growth in total interest income is attributable to 6.0% increase in interest on loans and advances to KES 3.2 BN and a 4.2% growth in interest from government securities to KES 3.3 BN. Total non interest income declined 4.6% y-o-y to KES 1.4 BN whereas total operating expenses rose 3.9% y-o-y to KES 5.4 BN. Total assets declined 4.7% y-o-y to KES 107.2 BN partly on account of a 6.6% y-o-y decrease in government securities to KES 56.6 BN. Loans and advanced shrunk by 0.3% y-o-y to KES 47.9 BN as customer deposits declined 11.1% y-o-y to KES 82.5 BN bringing the loans to deposit ratio to 58.0% up 630 bps y-o-y. National Bank remained undercapitalized with core ratio standing at 1.5% below the minimum statutory of 8.0% while total capital to total risk weighted assets ratio stands at 2.9% compared to a minimum of 14.5%.

On 5th September 2019, KCB Group announced its successful take over of National Bank of Kenya with shareholders owning 297.1 MN ordinary shares representing 87.7% of the total issued ordinary shares accepting their offer (1KCB for 10 NBK). Following this acquisition, KCB further applied for the Capital Markets (Take-overs and Mergers) Regulations, 2002 and Part XXIV, Division 4 of the Companies Act to compulsorily acquire the remaining shares of National Bank of Kenya. *(Source: Company Filings, DBIB Research)*

KenGen seeks Joint Venture for Olkaria Project.

KenGen is seeking a JV with an external investor where the two, through a SPV will develop a 140 MW geothermal plant in Olkaria, Naivasha.

KenGen is seeking a joint venture with an external investor where the two, through a special purpose vehicle (SPV), will develop a 140 MW geothermal plant in Olkaria, Naivasha. KenGen has invited interested firms and bidders to participate in a multi-step bid process by submitting qualification information for the right to bid for the project on a build, own, operate, transfer (BOOT) basis. KenGen has drilled and tested all production wells required for the project and will be responsible for the operation and management of steam supply to the project under a 25-year agreement. The SPV will be responsible for the development, design, financing, construction, operation and maintenance of the project and Kenya Power will purchase electricity from the project under a 25-year power purchase agreement. KenGen will make an equity cash investment in the SPV constituting an equity ownership participation of 25% while the successful party will have a majority 75% stake. KenGen has scheduled a pre-qualification and investor conference of the prospective bidders and interested lenders, to clarify any part of the bidding process and to answer any relevant questions that may be raised. The conference is to be held on 27th November 2019 from 0900-1600hours. The venue is to be confirmed through the company website. *(Source: Company, DBIB Research).*

Kenya Market News

ICEA Lion to buy rival asset manager, STANLIB Kenya

STANLIB Kenya Limited (SKL) signed a sale agreement, dated November 6, 2019, with one of its competitors, ICEA Lion Asset Management (ILAM).

STANLIB Kenya Limited (SKL) signed a sale agreement, dated November 6, 2019, with one of its competitors, ICEA Lion Asset Management (ILAM). The terms state that ICEA will acquire certain assets of STANLIB, which form a substantial part of the assets of its business of managing funds, assets and investments of third parties in Kenya. ICEA will not assume any of the debts or liabilities of STANLIB in connection or relating to that business. The deal is estimated at more than KES 1.5 BN. This agreement will see ICEA manage the STANLIB Fahari I-REIT and earn more than KES 80.0 MN in fees to oversee the property fund. Unit holders and the general public are advised to heed caution when dealing in the securities of the REIT until further announcements are made. The implementation of the agreement is subject to fulfilment, by February 29, 2020 subject to the approval of the Competition Authority of Kenya (CAK), the Capital Markets Authority (CMA), the Trustee (Co-operative Bank of Kenya), and other conditions precedent set out in the Agreement. *(Source: Company Filings, Business Daily, DBIB Research)*

KCB Group Deleted From MSCI Frontier Market Index

KCB Group was deleted from the MSCI Frontier Market Index as from the close of business on November 26th 2019. This leaves only three counters on the frontier market index i.e. Equity, Safaricom and EABL. Conversely, the counter was added on the MSCI Frontier Markets Small Cap Indices whilst Barclays Bank of Kenya and Co-operative Bank of Kenya were deleted from the same index. *(Source: MSCI, DBIB Research)*.

Profit Warnings

- Sasini
- Kenya Power

UPCOMING EVENTS

Company	Announcement	Book Closure	Payment
KCB Group PLC	Interim Div: KES 1.00	05-Sep-19	15-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
Unga	N/A	N/A	05-Dec-19
Carbacid	10.00 AM	Azure Hotel	05-Dec-19
Longhorn	11.00 AM	Serena Hotel	28-Nov-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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