



### KENYA EQUITIES: INDICES & MARKET METRICS MOVEMENT

Index	0 wk	1 wk	1 m	3 m	6 m	12 m	Y-T-D
NASI	147.64	0.00	0.03	(0.01)	(0.07)	0.02	0.05
NSE-20	2,455.27	0.01	0.01	(0.08)	(0.16)	(0.13)	(0.13)
DBIB Select	84.13	0.01	0.01	(0.01)	(0.04)	0.02	(0.02)
FTSE 15	184.08	(0.00)	0.02	(0.01)	(0.06)	0.04	0.06
FTSE 25	195.64	(0.00)	(0.04)	0.00	(0.04)	0.08	0.11
FTSE Frontier 50	43,436.70	0.00	(1.00)	(0.11)	(0.05)	(0.04)	0.00

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	0 wk	1 wk	1 m	3 m	6 m	12 m
Market Cap. (USD m)	2,227.60	0.00	0.03	(0.02)	(0.06)	0.05
Market Turnover (USD m)	13.39	(0.38)	(0.22)	(0.45)	(0.42)	0.18
Market P/E (x)	14.25	0.01	0.03	(0.01)	(0.00)	0.29
Market Div. yld (%)	6.34	(1.77)	(18.51)	11.92	171.93	143.65
Market ROE (%)	35.60	7.73	133.74	(244.56)	(284.57)	334.58

(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	98.24	(0.00)	(0.00)	0.00	0.02	0.04
Market Turnover (USD m)	33.78	(0.50)	(0.57)	(0.77)	(0.74)	(0.61)
91-day T-Bill (%)	6.37	(0.90)	5.40	(23.10)	(102.80)	(122.50)
5 year rate (%)	10.57	(3.37)	39.86	34.86	(22.64)	(125.49)
Interbank Lending (%)	7.11	(20.00)	77.00	473.00	553.00	372.00

(Source: CBK, NSE)

### KENYA MACRO METRICS MOVEMENT

	0 wk	1 wk	1m	3m	6m	12m
KES/USD	103.76	0.00	(0.00)	(0.01)	(0.02)	(0.00)
KES/GBP	126.75	0.01	(0.00)	0.01	0.02	0.01
KES/EUR	113.92	(0.00)	0.00	0.02	(0.02)	0.03
Fx reserve: Import Cover	5.62	0.04	(0.13)	(0.59)	0.35	0.03
Inflation	3.83	-	-	(244)	(275)	(187)
CBR	9.00	-	-	-	-	-

(Source: CBK, NSE)

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## IN THIS WEEK'S ISSUE...

Weekly equity turnover stood at USD 13.4 MN (KES 1.4 BN) representing a 38.5% w-o-w drop.

NSE 20 and NASI indices edged up 0.7% and 0.3% w-o-w to close at 2,455.27 and 147.64 respectively.

## EQUITY MARKET SUM UP

Weekly equity turnover stood at USD 13.4 MN (KES 1.4 BN) representing a 38.5% w-o-w drop. NSE 20 and NASI indices edged up 0.7% and 0.3% w-o-w to close at 2,455.27 and 147.64 respectively.

Kenya Power emerged the top traded stock in the bourse, rising 10.0% w-o-w to close at KES 3.08. This is despite a profit warning on its FY19 earnings issued mid September that stated that their upcoming earnings will record more that 25.0% drop primarily due to an increase in non fuel costs.

### Week-on-Week Performance

Top gainers	%	Top Losers	%	Top Traders	USD m
Kenya Power	10.0	Car & General	(10.0)	Safaricom	8.98
Uchumi	7.4	Crown Paints	(10.0)	KCB Group	5.89
NBV	7.1	TPS Serena	(9.6)	Equity Group	4.28
Standard Group	6.9	Eaagads	(9.2)	E.A Breweries	0.67
Total Kenya	6.8	Longhorn	(9.2)	Centum	0.41

(Source: NSE, DBIB Research)

### Y-T-D Performance

Top gainers	%	Top Losers	%
Sameer Africa	73.0	Kenya Airways	(69.2)
Longhorn Publishers	45.8	Uchumi	(63.8)
Kakuzi	36.5	Mumias Sugar	(53.5)
Express Kenya	30.0	Nation Media	(37.7)
Safaricom	28.2	Kenya Re	(34.8)

(Source: NSE, DBIB Research)

### Weekly Foreign Performance

Top Weekly Buys	% Purchase	Top Weekly Sales	% Sold
BAT Kenya	90.2	Unga	100.0
Safaricom	81.2	Equity Group	98.5
E.A Breweries	75.9	Standard Group	74.3
KCB Group	75.8	Sanlam	66.9
Fahari I-REIT	64.1	Diamond Trust Bank	64.6

(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	97.6	Kakuzi	95.3
Umeme	96.2	BAT Kenya	91.1
Crown Paints	92.6	Jubilee INS	79.0
E.A Breweries	84.5	Kenya re	75.9

(Source: NSE, DBIB Research)

Bond weekly turnover declined by 49.9% w-o-w to USD 33.8 MN

## FROM THE FIXED INCOME DESK

Bond weekly turnover declined by 49.9% w-o-w to USD 33.8 MN (KES 3.5 BN). We attribute the drop in turnover to the central bank's ongoing issue of the 16 year infrastructure bond. During the week, IFB 1/2015/9yr emerged as the top traded bond, recording a turnover of KES 1.5 BN and contributing 43.1% of this week's turnover. IFB1/2015/9yr traded between 8.69% and 10.75%.

### Issue of IFB 1/2019/16

The Central Bank of Kenya (CBK) issue of a 16 year infrastructure bond issue number IFB1/2019/16 is expected to close on the 22<sup>nd</sup> of October 2019. This auction aims to raise KES 60.0 BN and has a redemption structure. According to its prospectus 50.0% of unencumbered outstanding principal will be redeemed on 14th October 2030 (11 yrs) while the final redemption will occur on 8th October 2035. The bond is scheduled to commence secondary trading on 29th October 2019.

### Top Trades for the Week ending 11 October 2019.

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(%)	(KES m)
7-Oct	IFB 1/2015/9Yr	5.1	11.000	10.450	104.955	500.0
8-Oct	IFB 1/2015/9Yr	5.1	11.000	10.430	105.036	500.0
8-Oct	IFB 1/2015/9Yr	5.1	11.000	10.000	106.145	500.0
11-Oct	FXD 1/2018/10Yr	8.8	12.686	11.525	107.916	500.0
9-Oct	FXD1/2016/20Yr	16.9	14.000	12.600	110.310	260.0
7-Oct	FXD1/2016/20Yr	16.9	14.000	12.700	109.492	153.2
7-Oct	IFB 1/2018/15Yr	13.3	12.500	11.150	110.791	117.0
8-Oct	IFB 1/2018/15Yr	13.3	12.500	11.150	110.824	117.0
8-Oct	FXD1/2016/20Yr	16.9	14.000	12.700	109.529	107.4
8-Oct	FXD1/2008/20Yr	8.7	13.750	11.406	116.936	100.0
11-Oct	FXD1/2008/20Yr	8.7	13.750	11.314	117.585	100.0

### SELL AND BUYBACKS

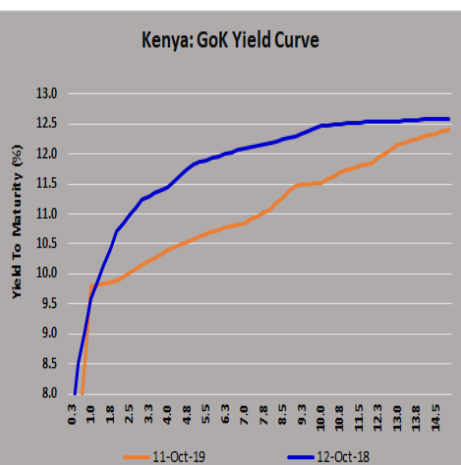
11-Oct	FXD1/2008/20Yr	8.7	13.750	11.314	117.585	100.0
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(Source: NSE, DBIB Research)

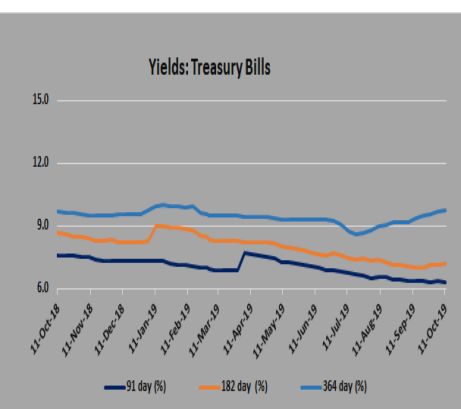
### Treasury Bill auction for the week ending 11 October 2019.

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	5.376	134.4	5.376	6.369	(0.9)
182-day	10.0	0.495	5.0	0.495	7.250	5.0
364-day	10.0	17.724	177.2	11.037	9.792	(0.6)

(Source: NSE, DBIB Research)



(Source: CBK, DBIB Research)



(Source: CBK, DBIB Research)

## EAC MARKETS SNAPSHOT

**Rwanda:** The RSE RSI and RASI indices declined 0.2% and 0.04% w-o-w to close at 125.07 and 135.85 respectively

**Tanzania:** The DSE TSI dropped 0.25% w-o-w to close Friday at 1,918.84 while DSEI held constant at 3,278.09

**Rwanda:** The RSE RSI and RASI indices declined 0.2% and 0.04% w-o-w to close at 125.07 and 135.85 respectively. Weekly turnover stood at RWF 81.6 MN.

**Tanzania:** The DSE TSI dropped 0.25% w-o-w to close on Friday at 1,918.84 while DSEI held constant at 3,278.09. Total weekly turnover stood at TZS 111.4 MN compared to TZS 1.2 BN reported 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)
<b>Rwanda Stock Exchange (RSE)</b>								
Bank of Kigali	270	270	270	30	0.0	(2.9)	59.56	6.70
Bralirwa	141	140	141	16	0.0	(6.0)	0.03	0.00
Cyrstal Telecom Ltd	70	70	70	8	0.0	34.6	21.92	2.46
I&M Rwanda	90	90	90	10	0.0	(1.1)	0.06	0.01
<b>Dar Es Salaam Stock Exchange (DSE)</b>								
African Barrick Gold (ACA)	6,650	6,650	6,650	300	0.0	25.0	-	-
CRDB Bank	100	100	100	5	0.0	(31.0)	96.79	4.37
Dar Es Salaam Community Bank (DCB)	320	320	320	14	0.0	(5.9)	-	-
DSE	1,060	1,060	1,060	48	0.0	(27.4)	0.08	0.00
Maendeleo (MBP)	490	490	490	22	0.0	(2.0)	-	-
National Microfinance Bank (NMB)	2,340	2,340	2,340	106	0.0	18.2	0.05	0.00
Precision Air Services (PAL)	400	400	400	18	0.0	0.0	-	-
Swissport Tanzania (SWIS)	1,600	1,600	1,600	72	0.0	(31.6)	-	-
Tanzania Breweries (TBL)	10,900	10,900	10,900	492	0.0	(15.5)	0.46	0.02
Tanga Cement Company (TCCL)	600	600	600	27	0.0	-(6.3)	-	-
Tanzania Cigarette Company (TCC)	17,000	17,000	17,000	767	0.0	0.0	-	-
Tanzania Portland Cement (TPCC)	2,000	2,000	2,000	90	0.0	(3.8)	8.63	0.39
Tanzania Tea Packers (TTP)	120	120	120	5	0.0	0.0	-	-
TOL Gases	660	660	660	30	0.0	0.0	-	-
Swala	490	490	490	22	0.0	0.0	-	-
Mucoba Bank	400	400	400	18	0.0	0.0	-	-
YETU	550	550	550	25	0.0	(8.3)	-	-
MCB	500	500	500	23	0.0	0.0	-	-
MKCB	780	780	780	35	0.0	(2.5)	-	-
Vodacom	850	850	850	38	0.0	13.3	5.14	0.23
TICL	385	385	385	17	0.0	0.0	-	-
NICO	175	175	175	8	0.0	(35.2)	0.21	0.01

(Source: RSE, DSE, DBIB Research)

\*L.C refers to Local Currency

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## Kenya Market News

### Safaricom keen to acquire stake in Ethio Telecom

*Safaricom will either buy a stake in the world's largest telecoms monopoly or set up shop in Ethiopia from scratch.*

State-owned Ethio Telecom announced the sale of its shares through a privatization plan which raised Safaricom's interest. Ethio Telecom has the biggest single-country customer base in Africa with a subscriber base of over 44 MN and offers Safaricom access to a wider customer base through potential partnerships that may emerge. Management relayed that Safaricom will either buy a stake in the world's largest telecoms monopoly or set up shop in Ethiopia from scratch. In our view the former would be less capital intensive thus more attractive to the group. Various other global operators i.e. Vodafone, MTN, Orange, Etisalat and Zain have expressed interest in gaining access to Ethiopia's fast-growing mobile market. *(Source: Business Daily, DBIB Research).*

## Profit Warnings

- Sasini
- Kenya Power

## UPCOMING EVENTS

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
BOC Kenya	Interim Div: KES 2.35	27-Sep-19	15-Oct-19
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
Longhorn	Final Div: KES 0.52	28-Nov-19	26-Feb-20
BK Group	First & Final Div: FRW 12.2	N/A	N/A
Centum	First & Final Div: KES 1.20	02-Oct-19	N/A
Kenya Re	Bonus Issue of 3:1	14-Jun-19	N/A
E.A. Breweries	Final Div: KES 6.00	25-Sep-19	11-Oct-19
Unga	First & Final Div: KES 0.50	05-Dec-19	15-Jan-20
NIC Group Plc	Interim Div: KES 0.25	30-Sep-19	15-Oct-19
Crown Paints Kenya	Final Div: KES 0.60	27-Jun-19	N/A

(Source: NSE, DBIB Research)

## AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Longhorn	N/A	N/A	28-Nov-19
Unga	N/A	N/A	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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