



KENYA EQUITIES: INDICES & MARKET METRICS MOVEMENT

Index	0 wk	1 wk	1 m	3 m	6 m	12 m	Y-T-D
NASI	150.29	0.01	0.04	0.01	(0.05)	0.03	0.07
NSE-20	2,489.95	0.01	0.02	(0.06)	(0.12)	(0.12)	(0.12)
DBIB Select	84.92	0.01	0.02	(0.01)	(0.04)	0.03	(0.01)
FTSE 15	191.98	0.03	0.05	0.03	(0.02)	0.06	0.11
FTSE 25	202.30	0.03	(0.00)	0.03	(0.01)	0.09	0.14
FTSE Frontier 50	43,878.83	0.01	(1.00)	(0.10)	(0.02)	(0.03)	0.01

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	0 wk	1 wk	1 m	3 m	6 m	12 m
Market Cap. (USD m)	2,293.43	0.02	0.06	0.01	(0.03)	0.06
Market Turnover (USD m)	39.11	0.14	0.55	0.51	1.08	(0.51)
Market P/E (x)	14.17	0.01	0.03	0.01	0.00	(0.07)
Market Div. yld (%)	6.22	(8.16)	(26.87)	(4.14)	160.44	138.41
Market ROE (%)	35.47	4.48	141.47	(179.92)	(347.71)	324.81

(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)	0.01	0.03
Market Turnover (USD m)	26.80	(0.72)	(0.80)	(0.83)	(0.76)	(0.84)
91-day T-Bill (%)	6.42	6.20	11.70	(16.80)	(87.40)	(107.00)
5 year rate (%)	10.23	(34.67)	1.19	(3.01)	(56.67)	(150.03)
Interbank Lending (%)	6.76	(83.00)	(55.00)	415.00	201.00	343.00

(Source: CBK, NSE)

KENYA MACRO METRICS MOVEMENT

	0 wk	1 wk	1m	3m	6m	12m
KES/USD	103.25	0.00	0.00	0.00	(0.02)	(0.00)
KES/GBP	132.60	0.00	(0.04)	0.01	0.01	(0.00)
KES/EUR	114.70	0.01	(0.01)	0.02	(0.03)	0.02
Fx reserve: Import Cover	5.59	0.01	(0.02)	(0.42)	0.37	0.09
Inflation	3.83	-	-	(244)	(275)	(170)
CBR	9.00	-	-	-	-	-

(Source: CBK, NSE)

TABLE OF CONTENTS

Equity Market Sum Up.....	2
From the Fixed Income Desk.....	3
EAC Markets Snapshot.....	4
Market News.....	5
Upcoming Actions.....	6
Equity Markets.....	6
Fixed Income Markets.....	6

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IN THIS WEEK'S ISSUE...

Weekly equity turnover rose 13.1% to USD 39.1 MN (KES 4.0 BN).

NSE 20 and NASI indices increased 1.2% and 1.3% w-o-w to close at 2,489.95 and 150.29 respectively.

EQUITY MARKET SUM UP

Weekly equity turnover rose 13.1% to USD 39.1 MN (KES 4.0 BN). NSE 20 and NASI indices increased 1.2% and 1.3% w-o-w to close at 2,489.95 and 150.29 respectively.

Banking sector turnover declined by 20.4% w-o-w to close at KES 2.2 BN. 6 stocks advanced, 3 declined while 2 held constant. I&M holdings emerged top loser shedding 7.8% w-o-w to close at KES 45.15 whereas NCBA group was top gainer rising 5.2% w-o-w to close at KES 33.60.

Week-on-Week Performance

Top gainers	%	Top Losers	%	Top Traders	USD m
Standard Group	17.0	Crown Paints	(13.9)	Equity Group	14.97
Uchumi	11.1	I&M Holdings	(7.8)	Safaricom	12.96
Sasini	9.0	Eveready	(7.0)	KCB Group	3.94
Carbacid	8.8	NBV	(5.6)	BAT Kenya	3.15
Liberty Kenya	6.8	Flame Tree	(4.1)	E.A Breweries	1.80

(Source: NSE, DBIB Research)

Y-T-D Performance

Top gainers	%	Top Losers	%
Sameer	74.1	Kenya Airways	(68.1)
Longhorn	59.2	Uchumi	(62.5)
Express Kenya	46.8	Mumias	(53.5)
Kakuzi	36.6	Nation Media	(38.9)
Safaricom	29.3	Kenya Re	(34.8)

(Source: NSE, DBIB Research)

Weekly Foreign Performance

Top Weekly Buys	% Purchase	Top Weekly Sales	% Sold
BAT Kenya	96.0	BOC Kenya	100.0
Diamond Trust BNK	92.3	Flame Tree	100.0
Stanbic BNK	80.4	Kapchorua	100.0
KCB Group	67.6	BAT Kenya	99.7
Equity Group	61.7	Diamond Trust BNK	99.4

(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
BAT Kenya	97.5	Kakuzi	95.2
Umeme	96.2	BAT Kenya	91.3
Crown Paints	92.4	Jubilee INS	79.0
E.A Breweries	83.6	Equity Group	78.8

(Source: NSE, DBIB Research)

The Bond market's turnover declined 72.5% w-o-w to USD 26.8 MN (KES 2.8 BN).

FROM THE FIXED INCOME DESK

The Bond market's turnover declined by 72.4% w-o-w to USD 26.8 MN (KES 2.8 BN). We believe the drop in turnover was due to a wait and see sentiment by market players as the IFB1/2019/16 yr auction came to an end coupled with a 4 day trading week. The most traded bond during the week was the infrastructure bond issue number IFB1/2017/7yr with a turnover of KES 516.0 MN contributing 18.6% of this week's turnover. The bond traded between 9.2987 and 10.7500%.

October IFB 1/2019/16 Primary Auction Results.

The government received KES 86.9 BN from its issue of IFB1/2019/16 against an offered amount of KES 60.0 BN placing the performance rate at 144.9%. The government accepted KES 68.5 BN. Weighted average rate of accepted bids stands at 12.394% while market weighted average rate stood at 12.507%. Although the bonds prospectus stated that the coupon rate would be market determined the coupon rate on the bond stands at 11.750% which represents a 64 bps drop from the issue's rate.

Top Trades for the Week ending 25 October 2019.

Trading Date	Issue No.	Years	Coupon	Yield	Price	Total Value
			(%)	(%)	(%)	(KES m)
22-Oct	FXD2/2019/15Yr	14.5	12.734	12.325	108.385	300.0
25-Oct	FXD 3/2019/10Yr	9.8	11.517	11.400	102.764	200.0
25-Oct	IFB 1/2016/9Yr	5.6	12.500	10.400	112.224	190.0
25-Oct	IFB 1/2018/20Yr	19.0	11.950	11.500	108.052	190.0
24-Oct	IFB 1/2015/12Yr	7.4	11.000	10.650	101.943	170.0
24-Oct	IFB 1/2015/12Yr	7.4	11.000	10.400	102.687	170.0
25-Oct	FXD1/2012/15Yr	7.9	11.000	11.200	100.123	120.0
25-Oct	FXD1/2018/15Yr	14.5	12.650	12.100	108.845	120.0
25-Oct	FXD2/2019/15Yr	14.5	12.734	12.100	110.047	120.0

SELL AND BUYBACKS

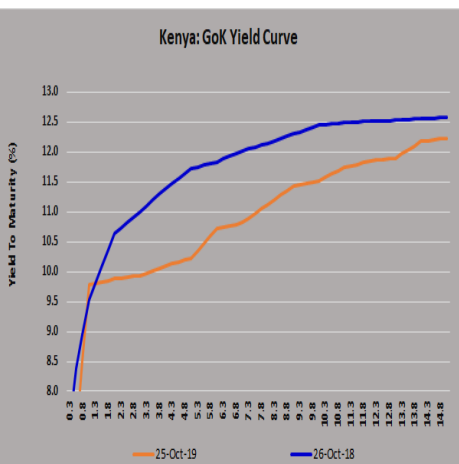
22-Oct	IFB 1/2017/7Yr	5.1	12.500	10.600	111.175	100.0
24-Oct	IFB 1/2017/7Yr	5.1	12.5000	9.8500	113.789	100.0
25-Oct	FXD3/2019/15Yr	14.7	12.340	12.370	102.736	300

(Source: NSE, DBIB Research)

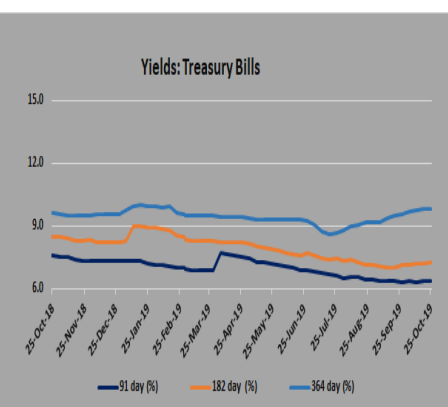
Treasury Bill auction for the week ending 25 October 2019.

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	0.544	13.6	0.544	6.424	6.2
182-day	10.0	3.413	34.1	2.932	7.223	(1.8)
364-day	10.0	13.517	135.2	12.997	9.780	(0.7)

(Source: NSE, DBIB Research)



(Source: CBK, DBIB Research)



(Source: CBK, DBIB Research)

EAC MARKETS SNAPSHOT

Rwanda: The RSE RSI and RASI declined 0.2% and 0.04% w-o-w to close at 124.78 and 135.80 respectively.

Tanzania: The DSE TSI and DSEI gained 3.4% and 4.9% w-o-w to close Friday at 1,980.62 and 3437.31 respectively.

Rwanda: The RSE RSI and RASI declined 0.2% and 0.04% w-o-w to close at 124.78 and 135.80 respectively. Weekly turnover stood at RWF 7.9 MN up from RWF 1.9 MN the previous week.

Tanzania: The DSE TSI and DSEI gained 3.4% and 4.9% w-o-w to close Friday at 1,980.62 and 3437.31 respectively. Total weekly turnover stood at TZS 610.6 MN up from TZS 338.4 MN recorded the week ending 18th October 2019.

	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	30.6	0.0	(2.9)	2.59	0.29
Bralirwa	139	139	139	15.7	(0.7)	(7.3)	1.81	0.20
Cyrstal Telecom Ltd	70	70	70	7.9	0.0	34.6	3.49	0.39
I&M Rwanda	90	90	90	10.2	0.0	(1.1)	-	-
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	100	100	4.5	0.0	(31.0)	21.94	0.98
Dar Es Salaam Community Bank (DCB)	320	320	320	14.3	0.0	(5.9)	-	-
DSE	1,020	1,020	1,020	45.7	0.0	(30.1)	0.60	0.03
Maendeleo (MBP)	490	490	490	22.0	0.0	(2.0)	-	-
National Microfinance Bank (NMB)	2,240	2,240	2,240	100.4	(4.3)	13.1	-	-
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	10,900	10,900	488.7	0.0	(15.5)	545.00	24.43
Tanga Cement Company (TCCL)	600	600	600	26.9	0.0	(6.3)	-	-
Tanzania Cigarette Company (TCC)	17,000	17,000	17,000	762.2	0.0	0.0	-	-
Tanzania Portland Cement (TPCC)	2,000	2,000	2,000	89.7	0.0	(3.8)	41.66	1.87
Tanzania Tea Packers (TTP)	120	120	120	5.4	0.0	0.0	-	-
TOL Gases	660	660	660	29.6	0.0	0.0	-	-
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	500	500	22.4	0.0	0.0	-	-
MKCB	780	780	780	35.0	0.0	(2.5)	-	-
Vodacom	850	810	850	38.1	0.0	13.3	0.09	0.00
TICL	385	385	385	17.3	0.0	0.0	-	-
NICO	175	175	175	7.8	0.0	(35.2)	1.33	0.06

(Source: RSE, DSE, DBIB Research)

*L.C refers to Local Currency

Kenya Market News

Safaricom Launches New Strategy

*Safaricom New simple transparent
and honest strategy*

Safaricom marked its 19th year with the launch of its 'Simple, Transparent and Honest' strategy which aims to simplify the group's products. The company unveiled a new data, calling and SMS plan with no expiry starting at KES 1.00. This followed a complaint filed before the Communication and Multimedia Appeal Tribunal that advocates for telecommunication companies to be more transparent on their tariff. Under the new plan, Safaricom customers can review how much data MBs, minutes and SMS they will get before completing the transaction. In addition, as a permanent proposition to customers purchasing the new call and messaging plan, they will receive a 50.0% extra talk time launched to enable consumers talk more for less. Some of the other changes promised to Safaricom customers include; under five minutes service time in both its shops and call centre. Starting 1st November 2019, new customers joining the network will get Safaricom SIM cards for free at their shops and dealer outlets, however to activate the line a customer will top up with KES 50 airtime. In a bid to be more transparent, Safaricom has revamped its *100# menu and enhanced its data manager where customers can now stop their airtime from being used when they run out of data bundles. The company also increased its data bundle sizes under the new plan by more than 45.0% especially for the more affordable price points of between KES 1.0 and KES 20.0. The new strategy focuses on Safaricom's total service range with a focus on its traditional services. This we believe was on account of heightened competition in the industry with Communication Authority (CA) statistics for the period ending June 2019 reporting a 6.2% q-o-q drop in voice traffic to 9.2 BN to control a market share of 56.8% (down 310 bps q-o-q). Safaricom still dominates sms traffic with a market share of 95.4% as at June 2019. (Source: Parliament, Company News, CA, Nation Newspaper, DBIB Research)

Kenya Market News

Carbacid FY19 Earnings

Carbacid released their FY19 earnings, posting an 11.4% y-o-y drop in profit after tax to KES 264.6 MN

Carbacid released their FY19 earnings, posting an 11.4% y-o-y drop in profit after tax to KES 264.6 MN. Turnover recorded an 11.5% y-o-y growth to KES 630.5 MN on account of a 13.0% y-o-y improvement in sales volume mainly due to the group's entry into new markets. Cost of sales rose 11.6% y-o-y to KES 230.2 MN in line with revenue growth. Overall, gross profit grew by 11.4% y-o-y to KES 400.3 MN. Gains made were partly offset by an increase in unrealized loss on equity holdings to KES 54.9 BN compared to KES 9.8 BN posted in FY18. Other income went up 3.5% y-o-y to KES 203.7 MN. Administrative expenses held constant, rising by 0.3% to KES 176.4 MN. Net working capital declined by 17.2% y-o-y to KES 788.4 MN following a 10.2% y-o-y drop in current assets to KES 956.4 MN and a 48.6% y-o-y rise in current liabilities to KES 168.0 MN. Total shareholder funds stood at KES 3.1 BN compared to KES 3.0 BN posted in FY18. Net cash generated from operations improved by 38.6% y-o-y to KES 411.4 MN whereas net cash used in investment activities dropped by 44.7% y-o-y to KES 61.0 MN. Overall, cash at the end of the period stood at KES 220.0 MN. The board recommends a final dividend of KES 0.7 per share same as FY18. At the current market price of KES 8.4 this gives a dividend yield of 8.4%. The dividend will be payable to shareholders on book by 6th November 2019.

The company's investment in equities were impacted by the reduced value in listed shares that resulted in the group issuing a profit warning in March stating that they expect their FY19 performance to record a more than 25.0% y-o-y drop. Management indicated that they have a long term approach on their equities investment. The company continues to be impacted by high electricity costs, mining royalties costs, currency volatility and increased local competition based from alcohol based CO2. *(Source: Company Filings, DBIB Research)*

NCBA Lists an additional 793.8 MN shares

NCBA on Tuesday the 22nd of October 2019 listed an additional 793.8 MN shares bringing the group's total number of shares to 1.5 BN. Capitalization rose by more than 2.4x to KES 50.3 BN. On listing the stocks' price rose 5.3% to close at KES 33.65.

Profit Warnings

- Sasini
- Kenya Power

UPCOMING EVENTS

Company	Announcement	Book Closure	Payment
Centum I	First & Final Div: KES 1.20	02-Oct-19	25-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
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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