



KENYA EQUITIES: INDICES & MARKET METRICS MOVEMENT done

Index	0 wk	1 wk	1 m	3 m	6 m	12 m	Y-T-D
NASI	143.81	0.01	(0.05)	(0.04)	(0.09)	(0.09)	0.02
NSE-20	2,431.37	0.00	(0.04)	(0.10)	(0.16)	(0.19)	(0.14)
DBIB Select	83.69	0.00	(0.03)	(0.02)	(0.05)	(0.04)	(0.02)
FTSE 15	180.86	0.01	(0.03)	(0.04)	(0.08)	(0.06)	0.05
FTSE 25	190.77	0.01	(0.09)	(0.02)	(0.08)	(0.06)	0.08
FTSE Frontier 50	42,724.66	0.01	(1.00)	(0.09)	(0.08)	(0.07)	(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)	2,165.13	0.01	(0.06)	(0.05)	(0.09)	(0.07)
Market Turnover (USD m)	17.28	(0.42)	(0.33)	(0.53)	(0.44)	(0.33)
Market P/E (x)	13.84	0.00	(0.05)	(0.03)	(0.01)	0.14
Market Div. yld (%)	6.52	(6.01)	38.16	27.83	190.43	208.19
Market ROE (%)	34.26	9.94	(237.13)	(281.73)	(141.15)	147.84

(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	98.35	-	0.00	0.01	0.02	0.04
Market Turnover (USD m)	78.55	(0.39)	0.38	(0.41)	(0.42)	0.14
91-day T-Bill (%)	6.32	(6.00)	(4.00)	(58.00)	(57.10)	(132.70)
5 year rate (%)	10.18	5.46	11.11	(45.00)	(101.30)	(132.50)
Interbank Lending (%)	6.34	47.00	273.00	303.00	286.00	287.00

(Source: CBK, NSE)

KENYA MACRO METRICS MOVEMENT

	0 wk	1 wk	1m	3m	6m	12m
KES/USD	103.79	0.00	(0.01)	(0.02)	(0.01)	0.01
KES/GBP	127.90	0.00	(0.02)	0.03	0.03	(0.00)
KES/EUR	114.04	0.01	0.00	(0.00)	(0.01)	0.04
Fx reserve: Import Cover	5.75	(0.01)	(0.12)	(0.66)	0.30	0.06
Inflation	5.00	-	-	(70)	65	(70)
CBR	9.00	-	-	-	-	-

(Source: CBK, NSE)

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IN THIS WEEK'S ISSUE...

Weekly equity turnover declined by 42.5% w-o-w to close at USD 17.28 (KES 1.8 BN).

Both the **NSE 20** and **NASI** advanced by 0.5% and 0.9% w-o-w to close at 2431.37 and 143.81 respectively.

EQUITY MARKET SUM UP

Weekly equity turnover declined by 42.5% w-o-w to close at USD 17.28 (KES 1.8 BN). Both the NSE 20 and NASI advanced by 0.5% and 0.9% w-o-w to close at 2431.37 and 143.81 respectively.

In the banking sector, 3 stocks advanced, 4 declined while 4 held constant during the week. Housing Finance emerged the top gainer, increasing by 25.0% w-o-w to close at KES 5.50 whereas Diamond Trust Bank (DTB) was the top loser, shedding 2.6% w-o-w to close at KES 110.50

Week-on-Week Performance

Top gainers	%	Top Losers	%	Top Traders	USD m
Housing Finance	25.0	Trans-Century	(11.1)	Safaricom	5.86
N.S.E	16.1	Eaagads	(9.9)	E.A Breweries	3.54
WPP Scangroup	7.7	Stanlib Fahari I-Reit	(9.1)	Barclays Bank	2.55
Williamson Tea	7.7	Olympia Capital	(7.3)	Co-operative Bank	1.14
E.A Cables	6.6	Nation Media	(5.9)	Equity Group	1.02

(Source: NSE, DBIB Research)

Y-T-D Performance

Top gainers	%	Top Losers	%
Sameer Africa	70.3	Kenya Airways	(71.8)
Express	34.0	Uchumi Supermarket	(62.5)
Safaricom	22.3	Mumias	(51.7)
Longhorn Publishers	21.5	Nation Media	(44.5)
E.A. Breweries	14.0	Kenya Re	(38.9)

(Source: NSE, DBIB Research)

Weekly Foreign Performance

Top Weekly Buys	% Purchase	Top Weekly Sales	% Sold
Crown Paints	100.0	Umeme	100.0
E.A Breweries	94.0	B.A.T (K)	98.8
B.A.T (K)	85.2	Barclays	98.4
Safaricom	70.6	Kenya Re	80.0
Housing Finance	62.9	K.C.B	74.0

(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)	97.5	Kakuzi	95.5
Umeme	96.9	B.A.T (K)	91.2
Crown Paints	92.9	Jubilee	84.3
E.A Breweries	84.3	Kenya Re	76.9

(Source: NSE, DBIB Research)

This week, bond turnover contracted by 39.1% w-o-w to close at USD 78.55 (KES 8.2 BN).

FROM THE FIXED INCOME DESK

This week, bond turnover contracted by 39.1% w-o-w to close at USD 78.55 (KES 8.2 BN). The most traded bonds were the infrastructure bond issue number IFB1/2018/20yr and the fixed coupon bonds issue number FXD1/2016/10yr which recorded turnovers of KES 0.91 BN and 1.0 BN respectively. They collectively accounted for 23.4% of the week's turnover. IFB1/2018/20yr traded between 11.78% and 10.48% whereas FXD1/2016/10yr traded between 11.31% and 9.97%.

FXD1/2018/15 and FXD2/2019/15 September Primary Bond Issues.

The government reopened fixed coupon bond issue numbers FXD1/2018/15 and FXD2/2019/15 aiming to raise KES 50.0 BN. The funds raised are to go towards budgetary support. FXD1/2018/15 has a coupon rate of 12.65% whereas FXD2/2019/15 has a coupon rate of 12.73%. The bonds sale closes on 17/09/2019.

Top Trades for the Week ending 13 September 2019.

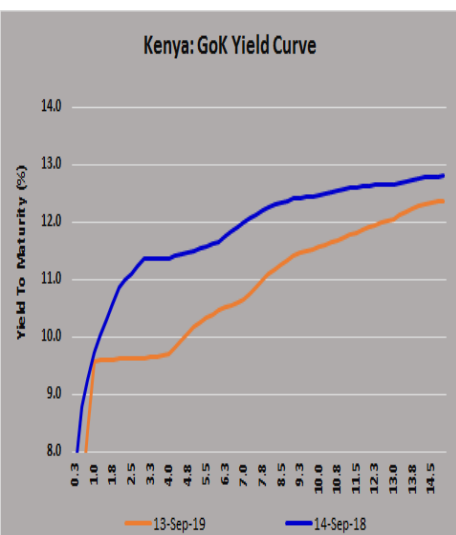
						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(%)	(KES m)
49-Sep	FXD2/2013/15Yr	8.6	12.000	11.250	108.656	450.0
9-Sep	FXD2/2019/15Yr	14.6	12.734	12.365	106.588	420.0
13-Sep	IFB 1/2015/12Yr	7.5	11.000	9.900	108.560	410.0
10-Sep	FXD 3/2016/ 5Yr	3.0	13.112	9.475	112.267	400.0
11-Sep	FXD 3/2019/10Yr	9.9	11.517	10.950	104.094	350.0
9-Sep	IFB 1/2018/20Yr	19.1	11.950	10.600	112.738	300.0
10-Sep	FXD 1/2016/10Yr	6.9	15.039	10.546	122.371	300.0
10-Sep	IFB 1/2018/20Yr	19.1	11.950	11.100	109.256	300.0
12-Sep	FXD3/2019/15Yr	14.8	12.340	11.525	100.694	295.8
10-Sep	FXD1/2012/15Yr	8.0	11.000	11.050	105.053	250.0
12-Sep	IFB 1/2015/12Yr	7.5	11.000	10.050	108.061	250.0

(Source: NSE, DBIB Research)

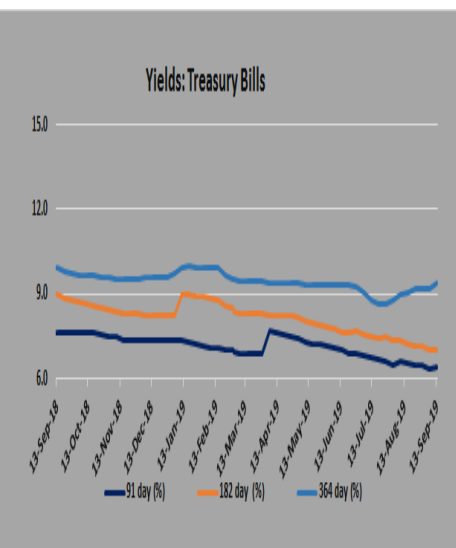
Treasury Bill auction for the week ending 13 September 2019.

Instrument	Amount Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(%)	bps ch
91-day	4.0	6.270	156.76	6.315	(6.0)
182-day	10.0	1.081	10.81	7.143	14.8
364-day	10.0	11.504	115.04	9.582	6.2

(Source: NSE, DBIB Research)



(Source: CBK, DBIB Research)



(Source: CBK, DBIB Research)

EAC MARKETS SNAPSHOT

Rwanda: The RSE, RSI and RASI indices advanced by 0.01% and 0.1% w-o-w to close at 126.01 and 136.00 respectively.

Tanzania: The DSE TSI held constant at 3,291.83 whereas DSEI declined by 1.9% w-o-w to close at 1,909.36.

Rwanda: The RSE, RSI and RASI indices advanced by 0.01% and 0.1% w-o-w to close at 126.01 and 136.00 respectively. Weekly turnover stood at RWF 2.3 MN compared to RWF 5.4 MN recorded the previous week.

Tanzania: The DSE TSI held constant at 3,291.83 whereas DSEI declined by 1.9% w-o-w to close at 1,909.36. Total weekly turnover stood at TZS 184.7 MN compared to TZS 73.5 MN 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)
Rwanda Stock Exchange (RSE)								
Bank of Kigali	273	273	273	31	0.0	(1.8)	-	-
Bralirwa	143	143	143	16	0.0	(4.7)	0.16	0.02
Cyrstal Telecom Ltd	65	60	65	7	8.3	25.0	2.19	0.25
I&M Rwanda	90	90	90	10	0.0	(1.1)	0.09	0.01
Dar Es Salaam Stock Exchange (DSE)								
African Barrick Gold (ACA)	6,900	6,600	6,850	310	(7.4)	28.8	-	-
CRDB Bank	100	100	100	5	0.0	(31.0)	144.22	6.52
Dar Es Salaam Community Bank (DCB)	340	340	340	15	0.0	0.0	-	-
DSE	1,080	1,080	1,080	49	1.9	(26.0)	0.46	0.02
Maendeleo (MBP)	490	490	490	22	0.0	(2.0)	-	-
National Microfinance Bank (NMB)	2,340	2,240	2,240	101	(4.3)	13.1	2.83	0.13
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)	0.04	0.00
Tanzania Breweries (TBL)	11,400	10,900	10,900	493	(4.4)	(15.5)	17.22	0.78
Tanga Cement Company (TCCL)	600	600	600	27	0.0	(6.3)	-	-
Tanzania Cigarette Company (TCC)	17,000	17,000	17,000	768	0.0	0.0	-	-
Tanzania Portland Cement (TPCC)	2,000	2,000	2,000	90	(4.8)	(3.8)	15.20	0.69
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	800	800	800	36	0.0	6.7	1.00	0.05
TICL	385	385	385	17	0.0	0.0	0.00	0.00
NICO	175	175	175	8	0.0	(35.2)	3.71	0.17

(Source: RSE, DSE, DBIB Research)

*L.C refers to Local Currency

Kenya Market News

Equity Group proposed regional expansion in the DRC

Equity Group announced that its Board of Directors gave the go ahead for the entry of a non-binding term sheet with certain shareholders of the Banque Commerciale du Congo (BCDC) for the purchase of a controlling equity stake in BCDC for a cash consideration. The underlying proposition is the amalgamation of the business of BCDC with that of Equity Bank Congo. The customary conditions for transactions of this nature include: the completion of due diligence, the entering of detailed transaction agreements, obtaining shareholder approvals and the receipt of regulatory approvals from the Capital Markets Authority, the Central Bank of Congo and competition regulators. This move allows Equity Group to anchor its position in DRC. [\(Source: Company Filings, DBIB Research\)](#).

Energy & Petroleum Regulatory Authority (EPRA) raises Oil prices.

The EPRA reviewed the petroleum pump prices which will be in force between 15th September and 4th October 2019. Super rose 0.25% to KES 112.81 whereas Diesel rose 2.43% to KES 103.04. Kerosene declined by 3.18% to KES 100.64 per liter. Crude oil prices stood at USD 62.30 per barrel compared to USD 66.15 per barrel in July 2019. Over the same period, the mean monthly exchange rate of the shilling depreciated by 0.13% from KES 103.31 in July to KES 103.44 per USD in August 2019. [\(Source: EPRA, DBIB Research\)](#).

East African Market News

DFCU Bank 1H19 Earnings

DFCU released their 1H19 earnings posting a 14.3% y-o-y drop in Profit after tax to TZS 35.9 BN on the back of a 0.3% y-o-y growth in net income to TZS 148.5 BN and a 2.7% y-o-y increase in operating expenses to TZS 99.1 BN. Loan loss allowance stood at TZS 3.4 BN. Total assets contracted by 2.7% y-o-y to TZS 2.95 TRN driven by 3.8% y-o-y drop in advances to customers to TZS 1.4 TRN. Customer deposits contracted by 1.5% y-o-y to TZS 2.0 BN whereas borrowings declined by 16.7% y-o-y to TZS 323.4 BN. Total shareholder funds stood at TZS 557.9 BN compared to TZS 552.1 BN posted in 1H18. Core capital ratio stood at 20.0% whereas total capital stood at 22.0% (Source: [Company Filings](#), [DBIB Research](#))

UPCOMING EVENTS

Company	Announcement	Book Closure	Payment
BAT Kenya	Interim Div: KES 3.50	19-Aug-19	20-Sep-19
Nation Media	Interim Div: KES 1.50	13-Sep-19	30-Sep-19
Kapchorua Tea	Final Div: KES 10.0	31-Jul-19	04-Oct-19
Williamson Tea	Final Div: KES 20.0	31-Jul-19	04-Oct-19
Jubilee	Interim Div: KES 1.00	13-Sep-19	07-Oct-19
Barclays Bank	Interim Div: KES 0.20	07-Sep-19	11-Oct-19
BOC Kenya	Interim Div: KES 2.35	27-Sep-19	15-Oct-19
StanChart BNK	Interim Div: KES 5.0	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: RWF 12.2	N/A	N/A
Centum Investments	First & Final Div: KES 1.20	02-Oct-19	N/A

(Source: NSE, DBIB Research)

AGM SCHEDULE

Company	Time	Venue	Date
E.A Breweries	11.00 AM	Safari Park	18-Sep-19
Eaagads	11.00 AM	Eaagads Estate	25-Sep-19
Longhorn	N/A	N/A	28-Nov-19

(Source: Company filings , DBIB Research)

KCB -NBK Take Over Time Table

Event	Date
Circulation of Offer Document & Circulars to NBK Shareholders	09-Jul-19
Record Date for purposes of the Offer	10-Jul-19
Closing Date of the Offer	30-Aug-19
Announcement of the results of the Offer	09-Sep-19
Settlement of KCB Shares in CDSC Accounts of Shareholders	12-Sep-19
<u>Listing of additional KCB Shares on the NSE</u>	<u>16-Sep-19</u>

(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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