

DBIB WEEKLY BULLETIN

WEEK 14

Date: 03.04.2020

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INDICES & MARKET METRICS MOVEMENT

.....
NSE 20 & NASI indices
gained 4.3% and 6.9% w-
 o-w to close at 2,013.19
 and 138.68 respectively.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	138.68	6.91	(17.14)	(5.81)	(16.66)
NSE-20	2,013.19	4.27	(25.65)	(17.46)	(24.16)
DBIB Select	85.98	4.75	(1.35)	3.48	(3.90)
FTSE 15	168.56	6.74	(23.92)	(8.78)	(23.84)
FTSE 25	180.04	7.95	(21.59)	(7.98)	(21.55)
FTSE Frontier 50	29,617.5	(0.52)	(33.12)	(31.81)	(33.55)

(Source: NSE, Bloomberg, DBIB Research)

.....
Weekly equity turnover
decreased by 31.2% to
 USD 25.93 MN (KES 2.74
 BN).

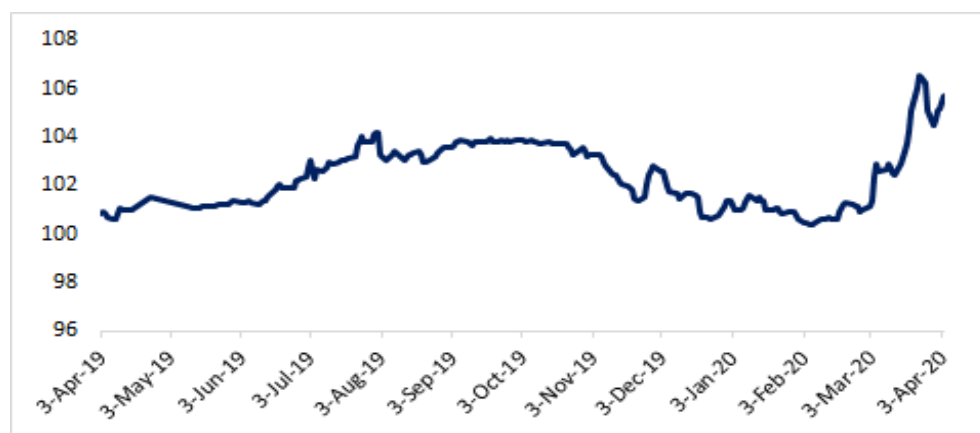
Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,119.63	8.96	6.46	(17.03)	(2.10)
Market Turnover (USD m)	25.93	(31.21)	4.15	189.02	19.09
Market P/E (x)	16.68	7.62	29.31	28.31	18.05
Market Div. Yld (%)	6.86	(64.29)	95.71	50.29	234.71
Market ROE (%)	46.70	134.64	223.64	1,117.79	818.64

* Changes in bps

(Source: NSE, DBIB Research)

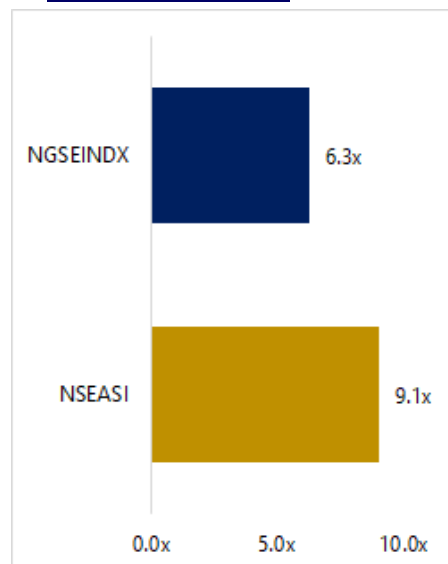
.....
USD|KES:KES weakened
 0.6% to close at 105.67 (-
 4.3% YTD)

USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

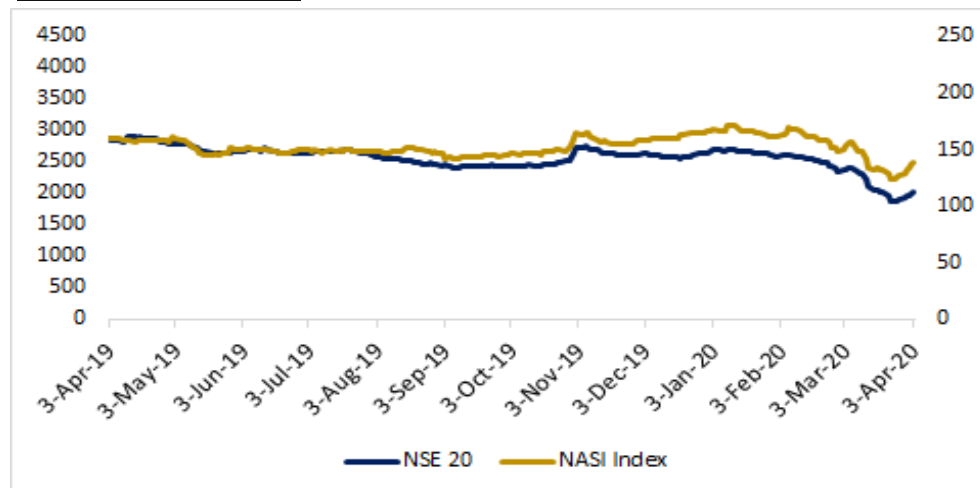
PEER P/E MULTIPLES



NSEASI - Nairobi All Share Index
 NGSEINDX - Nigeria All Share Index

(Source: Bloomberg, DBIB Research)

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

Week-on-Week Performance

.....
Safaricom rallied to close at KES 28.75 on Friday, representing a 13.4% w-o-w rise. This week, foreign investors assumed a net buying position on the counter by accounting for 97.3% of the foreign purchases and 86.7% of the foreign sales.

E.A Breweries rallied to close at KES 155.25 on Friday, representing a 14.8% w-o-w rise. Foreign investors assumed a net selling position on the counter by accounting for 62.9% of the foreign sales and 60.0% of the foreign purchases.
.....

<u>Top gainers</u>	<u>%</u>
Olympia Capital	25.0
Kenya Re	24.7
TPS E.A.	20.4
Williamson Tea	15.0
E.A. Breweries	14.8

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Eveready E.A.	(13.3)
Trans-Century	(10.0)
Car & General (K)	(6.7)
Express Kenya	(5.5)
Umeme Ltd	(4.6)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	14.63
KCB Group	4.69
Equity Group	2.76
E.A. Breweries	1.23
Stanbic Bank	1.02

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Olympia Capital	24.4
Kenya Orchards	14.0
ABSA New Gold ETF	11.8
Eaagads Ltd	8.9
B.O.C Kenya	8.2

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Flame Tree Group	(53.4)
Home Afrika	(38.3)
Nation Media	(38.3)
Equity Group	(36.4)
Bamburi Cement	(36.3)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
ABSA New Gold ETF	100.0
Stanbic Bank	97.4
Safaricom	97.3
E.A. Breweries	60.0
Equity Group	49.8

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
ABSA New Gold ETF	100.0
Bank of Kigali	100.0
KCB Group	97.6
Equity Group	97.4
Stanbic Bank	93.6

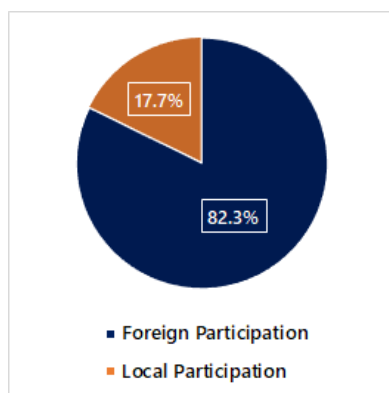
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Bank of Kigali	99.9
ABSA New Gold ETF	94.8
B.A.T. Kenya	86.3
N.S.E.	70.6
WPP Scangroup	68.4

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Bank of Kigali	100.0
ABSA New Gold ETF	99.4
B.A.T. Kenya	91.5
Stanbic Bank	91.4
Safaricom	84.5

WEEKLY LOCAL VIS-À-VIS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 84.58 MN (KES 8.94 BN) representing a 21.4% w-o-w drop from USD 111.42 MN (KES 11.70 BN) recorded the previous week.

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April Issue: IFB1/2020/9

The government has issued a 9 year fixed coupon infrastructure bond, Issue number IFB1/2020/9 this April. The government aims to raise KES 60.00 BN for funding of infrastructure projects in the FY19/20 budget estimates. The coupon rates on the bond issue are pre-determined at 10.85%. The period of sale is between 26/03/2020 and 07/04/2020.

Top Trades for the week ending 04 April 2020

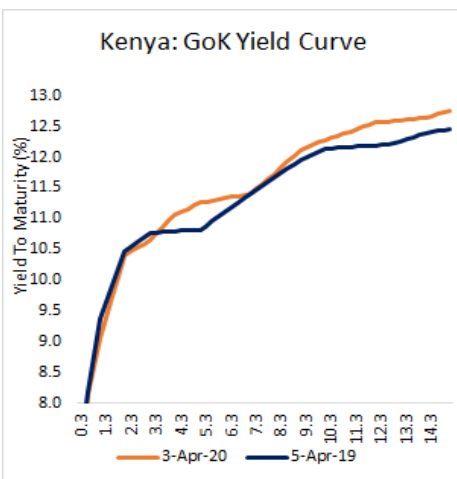
						Total
		Coupon		Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(%)	(KES m)
2-Apr	FXD 4/2019/10Yr	9.6	12.2800	12.2250	104.6209	1,000.0
30-Mar	IFB 1/2015/12Yr	6.9	11.0000	10.1500	102.4723	700.0
30-Mar	FXD 2/2015/ 5Yr	0.6	13.9200	9.1000	107.7794	300.0
30-Mar	FXD 1/2019/10Yr	8.9	12.4380	12.0500	103.2518	300.0
30-Mar	FXD 1/2019/10Yr	8.9	12.4380	12.1000	102.9798	300.0
30-Mar	IFB 1/2015/12Yr	6.9	11.0000	10.8000	100.7315	300.0
30-Mar	IFB 1/2019/16Yr	15.5	11.7500	12.2000	102.0784	300.0
31-Mar	FXD 4/2019/10Yr	9.6	12.2800	12.2500	104.4130	300.0
31-Mar	FXD1/2018/25Yr	23.2	13.4000	13.6804	101.6346	300.0
31-Mar	IFB 1/2019/16Yr	15.5	11.7500	11.5000	106.6327	300.0
1-Apr	IFB 1/2019/16Yr	15.5	11.7500	11.3000	108.0157	300.0
30-Mar	FXD 2/2015/ 5Yr	0.6	13.9200	9.0000	107.8435	250.0
2-Apr	FXD3/2019/15Yr	14.3	12.3400	12.6504	100.1639	225.0
30-Mar	FXD 1/2019/10Yr	8.9	12.4380	12.1500	102.7087	200.0
31-Mar	FXD1/2018/25Yr	23.2	13.4000	13.8000	100.8211	200.0
1-Apr	FXD 2/2016/ 5Yr	1.3	14.0690	9.0000	107.8957	200.0
1-Apr	FXD 1/2019/ 5Yr	3.9	11.3040	11.0500	101.9118	200.0
1-Apr	FXD1/2018/25Yr	23.2	13.4000	13.4000	103.6275	200.0
2-Apr	FXD 1/2019/ 5Yr	3.9	11.3040	10.9000	102.4106	200.0
2-Apr	FXD 3/2019/ 5Yr	4.7	11.4920	11.1443	104.6186	200.0

(Source: NSE, DBIB Research)

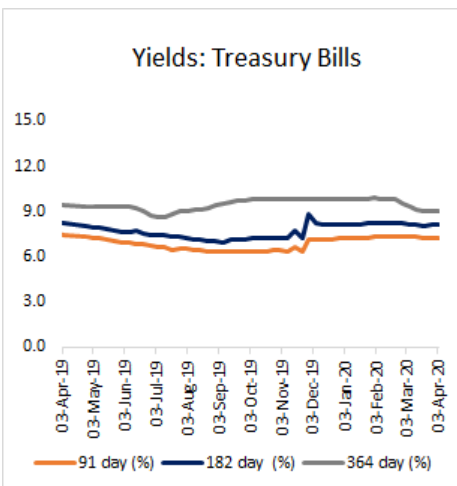
Treasury Bill auction for the week ending 04 April 2020

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.0	0.91	22.69	0.91	7.220	(2.0)
182-day	10.0	4.63	46.26	4.63	8.145	2.7
364-day	10.0	21.51	215.12	17.09	9.049	0.4

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News...

HF Group FY19 Earnings

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HF Group released its FY19 earnings recording a KES 110.1 MN loss after tax, 81.6% lower than the loss recorded in FY18.

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HF Group released its FY19 earnings recording a KES 110.1 MN loss after tax, 81.6% lower than the loss recorded in FY18. The loss per share saw an 81.4% y-o-y improvement to KES 0.29. Net interest income dropped 13.2% y-o-y to KES 2.0 BN on the back of a 15.4% y-o-y decline in interest income to KES 5.1 BN and a 16.7% decrease in interest expense to KES 3.1 BN. Yield on interest earning assets declined 87 bps y-o-y to 11.5% while cost of funds dropped by 46 bps y-o-y to 7.3%. This saw net interest margin drop 41 bps to 4.3%.

Non-interest income rose 6.4% y-o-y to KES 1.4 BN primarily on the back of a 91.2% increase in fees and commissions to KES 410.5 MN. Funded income reliance ratio thus declined 483 bps to 58.4%. Operating expenses (less loan provision) dropped 18.1% y-o-y to KES 3.2 BN while bad debt charges shed 6.8% y-o-y to KES 350.4 MN. Cost to income ratio declined 1,394 bps y-o-y to 93.8%.

Customer loans and advances declined by 11.3% y-o-y to KES 38.6 BN while customer deposits edged up 7.7% y-o-y to KES 37.4 BN. Loan to deposits ratio thus dropped by 2,203 bps to 103.1%. Total NPL's dropped by 16.1% y-o-y to KES 9.1 BN attributable to a 7.6% y-o-y decline in gross NPLs to KES 12.3 BN and a 29.2% y-o-y increase in interest in suspense to KES 3.2 BN. *(Source: Company filings, DBIB Research)*

Britam Group FY19 Earnings

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Britam Holdings announced its FY19 earnings which saw a return to profitability with a PAT of KES 3.5 BN compared to a loss after tax of KES 2.2 BN in FY18.

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Britam announced its FY19 earnings which saw a return to profitability with a PAT of KES 3.5 BN compared to a loss after tax of KES 2.2 BN in FY18. This was mainly on the back of a significant gain on financial assets at FVPL to KES 4.8 BN from a loss of KES 3.0 BN in FY18. The Directors recommend a dividend of KES 0.25 per share.

Net earned revenue rose 8.9% y-o-y to KES 23.6 BN on the back of a 10.7% y-o-y rise in gross earned premiums and fund management fees to KES 27.7 BN and a 23.2% y-o-y rise in ceded reinsurance premiums to KES 4.0 BN. Investment income rose 25.2% y-o-y to KES 7.7 BN, net income from investment property declined to a loss of KES 747.0 MN while financial assets at fair value through profit and loss rose to KES 4.8 BN. Total income thus rose 38.1% y-o-y to KES 36.4 BN.

Net claims and benefits rose 8.4% y-o-y to KES 15.4 BN while interest payments rose 130.3% y-o-y to KES 3.9 BN. Total expenses thus 12.1% y-o-y to KES 31.8 BN. Net assets rose 22.6% y-o-y to KES 29.4 BN on the back of a 20.8% y-o-y rise in total assets to KES 125.2 BN and a 20.3% y-o-y rise in total liabilities to KES 95.9 BN. Investment assets rose 26.9% y-o-y to KES 107.8 BN. *(Source: Company filings, DBIB Research)*

UPCOMING EVENTS

Profit Warnings

- Sasini
- Eaagads
- BOC Gases
- NSE
- Eveready
- Unga Group

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
E.A Breweries	Interim Div: KES 3.00	28-Feb-20	17-Apr-20
BAT Kenya	Final Div: KES 30.00	20-Mar-20	29-Apr-20
Limuru Tea Plc	First & Final Div: KES 0.70	10-Apr-20	26-Jun-20
Co-op Bank	First & Final Div: KES 1.00	23-Apr-20	5-Jun-20
NCBA	Final Div: KES 1.50	23-Apr-20	STA*
KCB Group	Final Div: KES 2.50	27-Apr-20	STA*
Stanchart	Final Div: KES 15.00	27-Apr-20	28-May-20
Stanbic Holdings	Final Div: KES 5.80	18-May-20	STA*
BK Group	Final Div: Frw 14.40	12-Jun-20	24-Jul-20
Kenya Re	First & Final Div: KES 0.1	12-Jun-20	24-Jul-20
Equity Group	First & Final Div: KES 2.50	12-Jun-20	24-Jul-20
Kakuzi	First & Final Div: KES 14.00	19-Jun-20	15-Jul-20
Umeme	Final Div: USH 41.30	22-Jun-20	27-Jul-20
DTB Kenya	First & Final Div: KES 2.70	25-Jun-20	24-Jul-20
Britam Holdings	First & Final Div: KES 0.25	STA*	STA*
NSE	First & Final Div: KES 0.08	STA*	STA*
I&M Holdings	First & Final Div: KES 2.55	STA*	STA*
ABSA	Final Div: KES 0.90	STA*	STA*

(Source: NSE, DBIB Research)

**STA—Subject to approval*

AGM SCHEDULE

Please note:

The Capital Markets Authority (CMA) advised in a press statement dated 18 March 2020 that AGMs scheduled for March, April and May 2020 be deferred to a later date. We will therefore advise on the amended dates once announced.

(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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