

DBIB WEEKLY BULLETIN

WEEK 15

Date: 09.04.2020

Contents:

Equity Market Sum Up	2-3
Fixed Income Wrap Up	4
Salient News	5
Corporate Actions	6
Appendix	7



INDICES & MARKET METRICS MOVEMENT

.....
NSE 20 & NASI indices
shed 2.3% and 5.5% w-o-
w to close at 1,967.13 and
131.07 respectively.
.....

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	131.1	(5.49)	(23.51)	(11.22)	(21.24)
NSE-20	1,967.1	(2.29)	(27.17)	(19.88)	(25.89)
DBIB Select	83.5	(2.91)	(8.52)	(0.77)	(6.69)
FTSE 15	162.1	(3.83)	(28.77)	(11.94)	(26.75)
FTSE 25	171.0	(5.00)	(28.16)	(12.57)	(25.47)
FTSE Frontier 50	31,161.8	5.21	(32.41)	(28.26)	(30.08)

(Source: NSE, Bloomberg, DBIB Research)

.....
Weekly equity turnover
rose by 0.6% to USD 26.08
MN (KES 2.76 BN).
.....

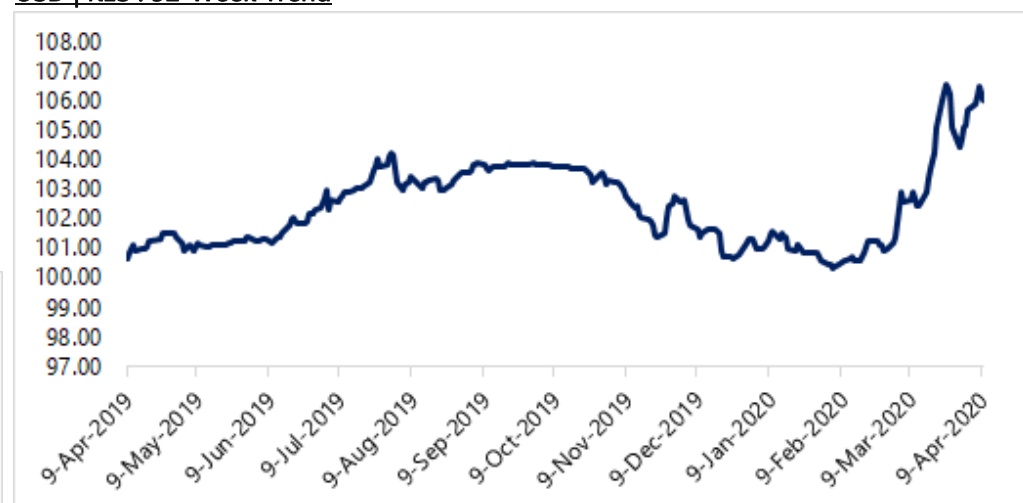
Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,003.02	(5.50)	(1.94)	(23.42)	(10.08)
Market Turnover (USD m)	26.08	0.57	(50.96)	(0.69)	94.68
Market P/E (x)	15.89	(4.74)	55.95	11.06	11.53
Market Div. yld (%)	7.26	40.47	176.18	92.18	264.46
Market ROE (%)	46.20	(49.73)	60.91	1,059.91	775.76

* Changes in bps

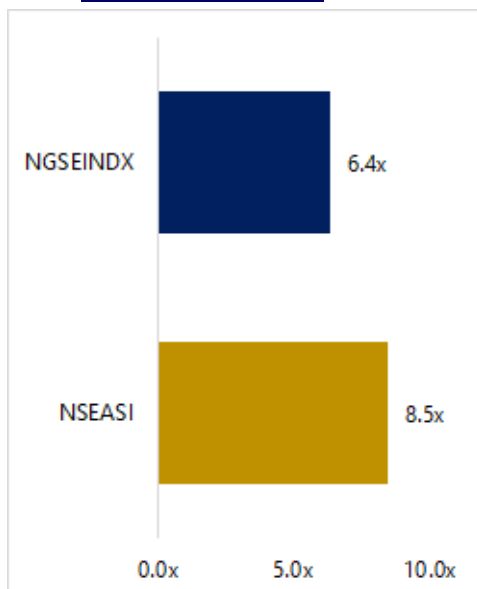
(Source: NSE, DBIB Research)

.....
USD|KES:KES weakened
0.3% to close at 106.00 (-
4.6% YTD)
.....

USD | KES : 52-Week Trend



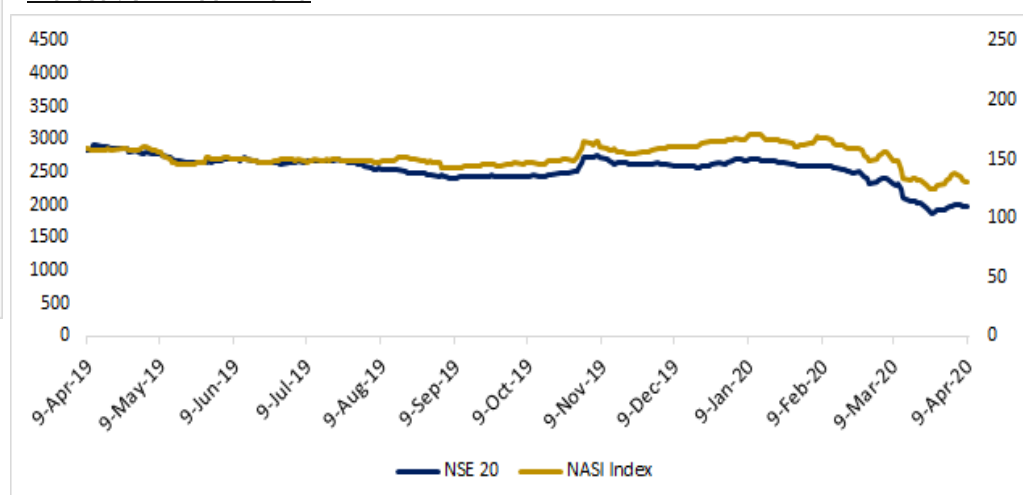
PEER P/E MULTIPLES



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

<u>Top gainers</u>	<u>%</u>
Kenya Orchards	26.2
Umeme Ltd	11.0
Home Afrika	10.8
Kapchorua Tea	9.2
E.A. Breweries	14.8

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Unga Group	(13.0)
Total Kenya	(11.6)
Kenya Airways	(11.3)
Standard Group	(10.0)
Eaagads	(9.1)

(Source: NSE, DBIB Research)



.....
Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 13.5 MN (KES 1.4 BN) representing 51.7% of this week's turnover. The stock shed 8.3% w-o-w to close at KES 26.35 on Thursday. Foreign investors assumed a net selling position on the counter this week by accounting for 96.8% of foreign sales and 93.4% of foreign purchases.

KCB and **Equity** shed 0.3% and 3.5% w-o-w to close at KES 34.50 and KES 32.80 respectively.

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	13.47
Equity Group	5.47
K.C.B Group	4.75
Co-op Bank	0.88
E.A Breweries	0.76

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Orchards	54.0
Olympia Capital	24.4
Carbacid	12.5
Limuru Tea	5.6
B.O.C Kenya	3.4

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Flame Tree Group	(57.5)
Bamburi Cement	(39.8)
Kenya Airways	(39.0)
Equity Group	(38.7)
Nation Media	(38.4)

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Safaricom	93.4
E.A Breweries	48.2
Equity Group	37.4
KCB Group	20.0
Centum	16.3

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
E.A Breweries	99.9
Equity Group	99.7
Safaricom	96.8
KCB Group	96.1
ABSA	90.0

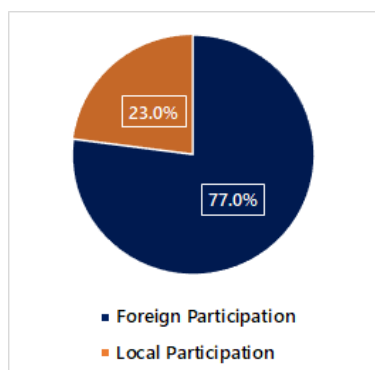
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Bank of Kigali	99.9
BAT Kenya	85.3
NSE	69.8
Scangroup	66.6
Stanbic Holdings	63.9

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Bank of Kigali	100.0
Stanbic Holdings	91.4
BAT Kenya	90.9
Safaricom	85.3
KCB Group	79.5

WEEKLY LOCAL VIS-À-VIS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

The **Bond market's turnover** for the week stood at USD 37.98 MN (KES 4.03 BN) representing a 55.1% w-o-w drop from USD 84.58 MN (KES 8.94 BN) recorded the previous week.

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 37.98 MN (KES 4.03 BN) representing a 55.1% w-o-w drop from USD 84.58 MN (KES 8.94 BN) recorded the previous week. The bond, issue number FXD1/2018/25Yr emerged as the top traded bond with a turnover of KES 491.00 MN, accounting for 12.2% of the week's turnover. The bond traded between 13.05% and 13.80%.

April Issue Results: IFB1/2020/9

The Government received KES 68.41 BN from its issue of the IFB1/2020/9 above the offered KES 60.00 BN placing the performance rate at 114.02%. The government accepted KES 39.01 BN. The average rate of the accepted bids came in at 12.051% whilst the market weighted average rate was placed at 12.332%. The IFB's coupon rate was placed at 10.85%.

Top Trades for the week ending 09 April 2020

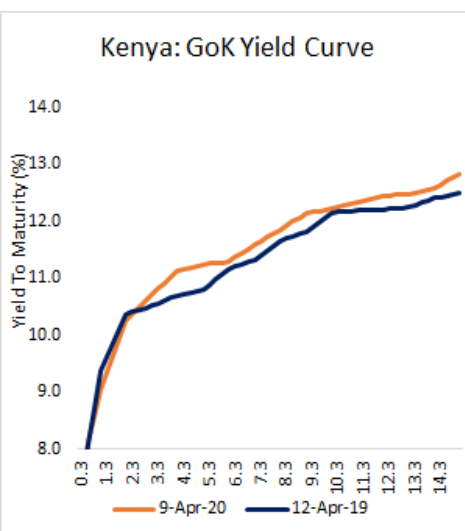
						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(%)	(KES m)
6-Apr	FXD 1/2017/10Yr	8.4	12.9660	11.5964	109.0787	452.9
8-Apr	FXD1/2018/25Yr	23.1	13.4000	13.8000	101.1172	300.0
6-Apr	FXD3/2019/15Yr	14.2	12.3400	12.7830	99.4510	270.0
6-Apr	FXD2/2019/15Yr	14.0	12.7340	12.6794	105.4665	245.0
8-Apr	FXD1/2012/15Yr	7.4	11.0000	11.6500	97.5022	200.0
7-Apr	FXD2/2007/15Yr	2.1	13.5000	10.0150	111.0636	150.0
6-Apr	FXD1/2016/20Yr	16.4	14.0000	13.3442	104.8510	140.0
6-Apr	IFB 1/2018/15Yr	12.8	12.5000	11.4023	108.9740	121.0
7-Apr	FXD 1/2017/ 5Yr	2.4	12.4650	10.3500	105.8102	100.0
7-Apr	FXD 1/2019/10Yr	8.8	12.4380	11.8500	104.6144	100.0
6-Apr	FXD 1/2018/10Yr	8.3	12.6860	11.9877	105.0616	100.0
8-Apr	FXD1/2017/5Yr	2.4	12.4650	10.2000	106.1586	100.0
9-Apr	IFB1/2018/15Yr	12.8	12.5000	11.3000	109.7225	100.0
6-Apr	FXD1/2013/15Yr	7.8	11.2500	11.7623	98.9001	99.9
6-Apr	FXD1/2018/25Yr	23.1	13.4000	13.6000	102.4103	81.0

(Source: NSE, DBIB Research)

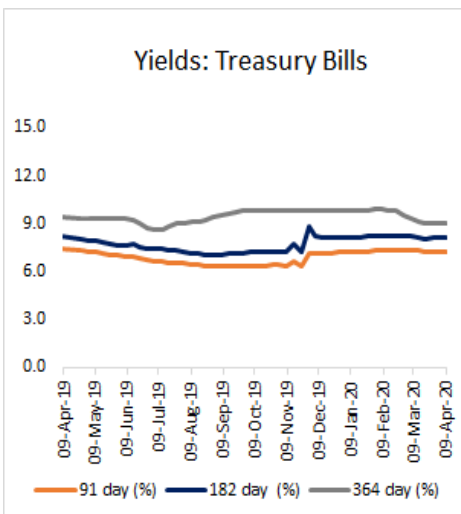
Treasury Bill auction for the week ending 09 April 2020

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.0	0.57	14.28	0.57	7.209	1.1
182-day	10.0	1.63	16.25	1.57	8.106	3.9
364-day	10.0	6.34	63.36	6.34	9.040	0.9

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News...

Stanbic Bank Kenya to redeem KES 4.0 BN Bond early

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Stanbic Bank announced that it would be redeeming 100% of its KES 4.0 BN outstanding notes on 8th June 2020.
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Stanbic Bank announced that it would be redeeming 100% of its KES 4.0 BN outstanding notes on 8th June 2020, the next interest payment date. The 7 year bond issued in on 15th December 2014 was set to mature on 8th December 2021. The bond's proceeds were to be put towards expanding the bank's branch network and its digital platforms and solutions. During the issue the subordinated and unsecured Tier II fixed rate bond was oversubscribed by 27.0% raising KES 5.1 BN out of the anticipated KES 4.0 BN. The bond was largely taken up by fund managers who accounted for 88.0%, while insurance companies and retail investors took up 9.0% and 3.0% respectively. The bond is priced at a fixed coupon rate of 12.95%. Its implied yield to maturity as at 9th April 2020 was 8.22%. *(Source: Company filings, DBIB Research)*

Vodacom and Safaricom joint venture to accelerate M-PESA expansion

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Vodacom and Safaricom announced that they have completed the acquisition of the M-PESA brand, product development and support services from Vodafone through a newly-created joint venture.
.....

Vodacom and Safaricom announced that they have completed the acquisition of the M-PESA brand, product development and support services from Vodafone through a newly-created joint venture. The transaction, which was first announced in 2019, is expected to accelerate M-PESA's growth in Africa by giving both Vodacom and Safaricom full control of the M-PESA brand, product development and support services as well as the opportunity to expand M-PESA into new African markets. M-PESA currently has 40.0 MN users and processes over a 1.0 BN transactions every month. M-PESA is operational in Kenya, Tanzania, Lesotho, Democratic Republic of Congo, Ghana, Mozambique and Egypt. The disposal of the M-PESA brand, support and product development services to Vodacom and Safaricom is broadly financially neutral for Vodafone Group. *(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	15-Apr-20	23-Apr-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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