

DBIB WEEKLY BULLETIN

WEEK 16

Date: 17.04.2020

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INDICES & MARKET METRICS MOVEMENT

.....
NSE 20 & NASI indices
gained 0.3% and 3.7% w-
 o-w to close at 1,973.82
 and 135.93 respectively.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	135.9	3.71	(18.23)	(8.38)	(18.32)
NSE-20	1,973.8	0.34	(26.05)	(19.79)	(25.64)
DBIB Select	85.1	1.98	(5.18)	1.03	(4.84)
FTSE 15	165.6	2.17	(24.02)	(11.55)	(25.17)
FTSE 25	176.6	3.22	(21.86)	(10.49)	(23.07)
FTSE Frontier 50	31,540.1	1.21	(31.17)	(27.55)	(29.23)

(Source: NSE, Bloomberg, DBIB Research)

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Weekly equity turnover
shed 13.7% to USD 22.50
 MN (KES 2.39 BN).

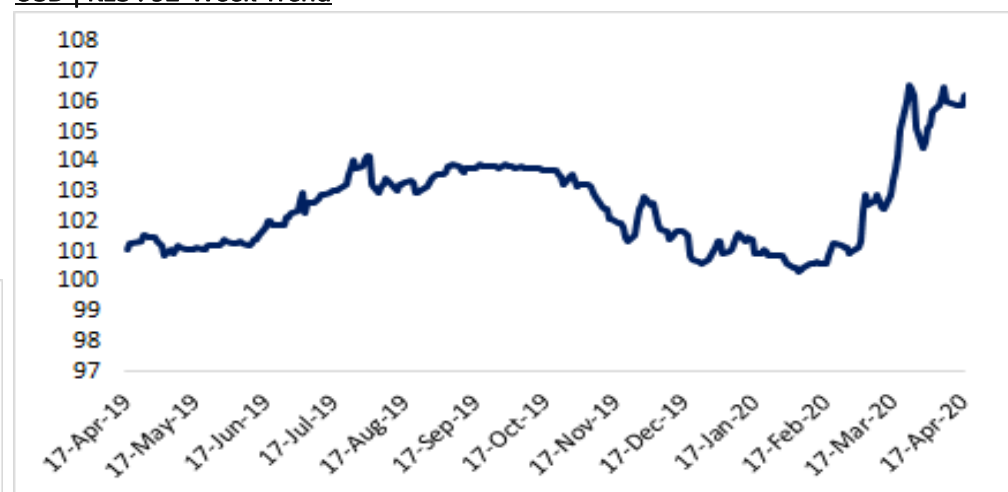
Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,077.40	3.71	2.26	(18.12)	(7.20)
Market Turnover (USD m)	22.50	(13.71)	(49.53)	(44.22)	(34.65)
Market P/E (x)	12.10	(23.85)	14.15	(9.49)	(13.37)
Market Div. yld (%)	7.00	(26.18)	137.73	69.43	238.58
Market ROE (%)	46.37	17.09	83.15	1,094.68	764.31

* Changes in bps

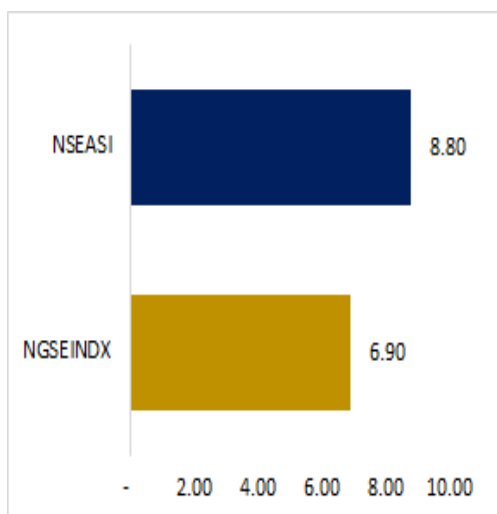
(Source: NSE, DBIB Research)

.....
USD|KES:KES weakened
 0.2% to close at 106.20 (-
 4.8% YTD)

USD | KES : 52-Week Trend



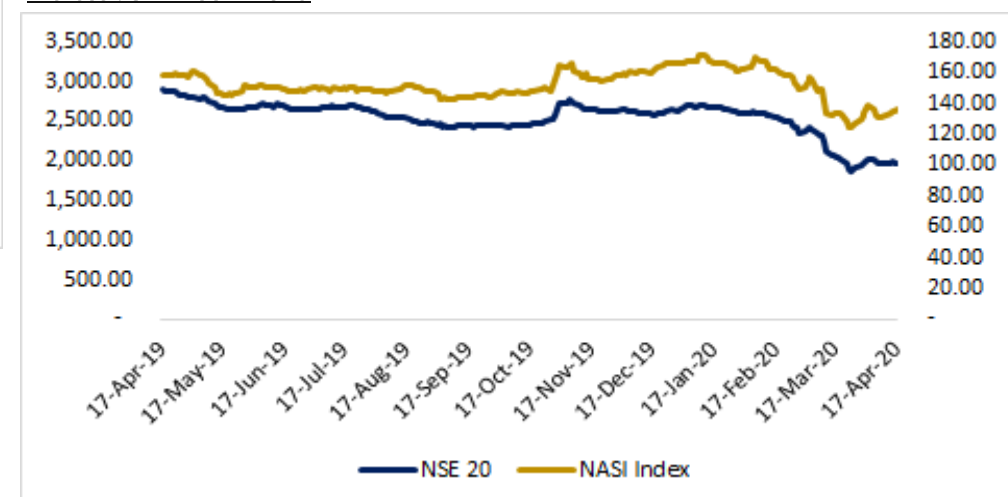
PEER P/E MULTIPLES



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	57.1
Unga Group	11.1
B.O.C Kenya	10.0
Williamson Tea	8.5
<u>Uchumi</u>	<u>7.1</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Kenya Airways	(14.4)
Trans-Century	(14.1)
Sameer Africa	(11.1)
Olympia Capital	(8.0)
<u>Kenya Re</u>	<u>(4.9)</u>

(Source: NSE, DBIB Research)



.....
Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 9.6 MN (KES 1.0 BN) representing 42.6% of this week's turnover.

The stock edged up by 6.3% w-o-w to close at KES 28.00 on Friday. Foreign investors assumed a net selling position on the counter this week by accounting for 95.5% of foreign sales and 87.5% of foreign purchases.

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	9.60
K.C.B. Group	4.94
Equity Group	4.37
E.A.Breweries	2.28
<u>Co-operative Bank</u>	<u>0.35</u>

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Orchards	54.0
ABSA New Gold ETF	22.7
Olympia Capital	14.4
B.O.C Kenya	13.8
<u>Carbacid</u>	<u>13.5</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Flame Tree	(58.3)
Kenya Airways	(47.8)
Sameer Africa	(42.0)
Bamburi Cement	(40.0)
<u>Nation Media</u>	<u>(39.1)</u>

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Centum	90.0
Safaricom	87.5
Flame Tree	56.1
E.A. Breweries	54.0
<u>Unga Group</u>	<u>51.2</u>

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
N.B.V.	100.0
K.C.B. Group	99.6
Equity Group	98.6
Safaricom	95.5
<u>WPP Scangroup</u>	<u>83.3</u>

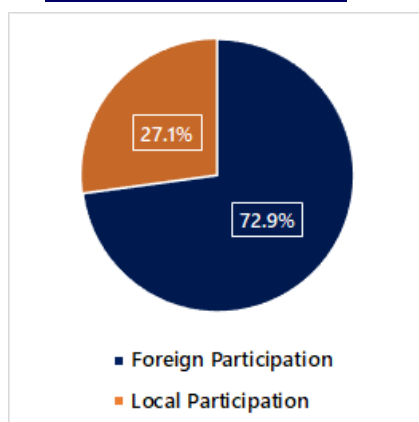
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Bank of Kigali	99.9
ABSA Gold ETF	94.8
B.A.T. Kenya	83.6
N.S.E.	69.2
<u>WPP Scangroup</u>	<u>66.0</u>

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Bank of Kigali	100.0
ABSA Gold ETF	99.4
Stanbic Holdings	91.4
B.A.T. Kenya	90.7
<u>Safaricom</u>	<u>85.7</u>

WEEKLY LOCAL VIS-À-VIS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

The **Bond market's turnover** for the week stood at USD 57.88 MN (KES 6.15 BN) representing a 52.4% w-o-w upswing from USD 37.98 MN (KES 4.02 BN) recorded the previous week.

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 57.88 MN (KES 6.15 BN) representing a 52.4% w-o-w upswing from USD 37.98 MN (KES 4.02 BN) recorded the previous week. The bond, issue number FXD2/2007/15Yr emerged as the top traded bond with a turnover of KES 1.05 BN, accounting for 17.08% of the week's turnover. The bond traded between 10.20% and 10.50%.

Top Trades for the week ending 17 April 2020

						Total
						Value
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (%)	(KES m)
16-Apr	FXD 2/2015/ 5Yr	0.6	13.9200	9.0500	108.2580	650.0
16-Apr	FXD 2/2016/ 5Yr	1.2	14.0690	9.5500	108.5733	500.0
14-Apr	FXD 2/2017/ 5Yr	2.5	12.5170	10.5000	110.4084	450.0
15-Apr	FXD 2/2017/ 5Yr	2.5	12.5170	10.2000	111.1084	450.0
14-Apr	FXD2/2007/15Yr	2.1	13.5000	10.5000	110.3191	400.0
15-Apr	FXD2/2007/15Yr	2.1	13.5000	10.2000	110.9378	400.0
14-Apr	IFB 1/2013/12Yr	5.4	11.0000	12.6000	96.3300	310.0
14-Apr	FXD1/2018/25Yr	23.1	13.4000	13.7245	101.8519	300.0
17-Apr	FXD1/2008/15Yr	2.9	12.5000	10.9000	104.9777	300.0
17-Apr	FXD2/2007/15Yr	2.1	13.5000	10.3000	110.8026	250.0
14-Apr	FXD1/2018/25Yr	23.1	13.4000	13.7000	102.0191	200.0
16-Apr	FXD2/2018/20Yr	18.2	13.2000	13.1000	103.5379	200.0
16-Apr	FXD1/2018/25Yr	23.1	13.4000	13.5000	103.4776	200.0
17-Apr	FXD2/2018/20Yr	18.2	13.2000	13.0250	104.0957	200.0
17-Apr	FXD1/2018/25Yr	23.1	13.4000	13.7000	102.2422	200.0
17-Apr	IFB 1/2017/7Yr	4.6	12.5000	10.5500	110.5745	126.0
14-Apr	FXD 1/2017/ 5Yr	2.3	12.4650	10.3500	106.0157	100.0
15-Apr	FXD 1/2017/ 5Yr	2.3	12.4650	10.2000	106.3619	100.0
16-Apr	IFB 1/2017/7Yr	4.6	12.5000	12.6000	104.5993	100.0
16-Apr	IFB 1/2019/16Yr	15.5	11.7500	12.1000	103.2705	100.0

Sell Buy Backs

17-Apr	IFB 1/2019/25Yr	23.9	12.2000	11.6000	101.9020	150.0
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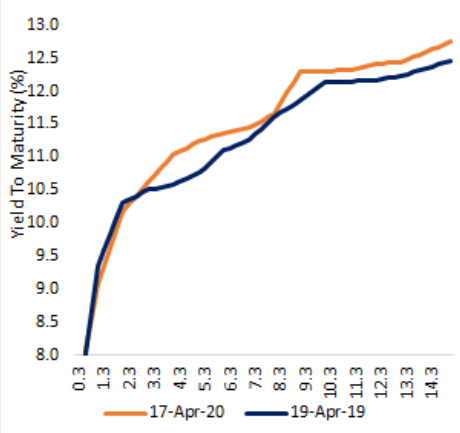
(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 17 April 2020

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.0	2.62	65.51	2.62	7.201	(0.8)
182-day	10.0	0.81	8.21	0.77	8.089	(1.7)
364-day	10.0	10.86	108.57	10.86	9.091	5.1

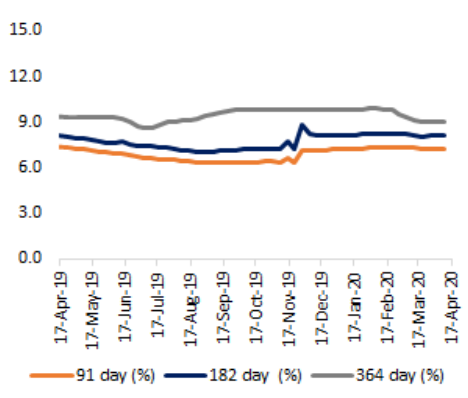
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

Salient News...

Nation Media Group: FY19 Results

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Nation Media released its FY19 results posting a 19.0% y-o-y drop in profit after tax (PAT) to KES 856.0 MN.
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Nation Media released its FY19 results posting a 19.0% y-o-y drop in profit after tax (PAT) to KES 856.0 MN. The group's turnover saw a 6.3% y-o-y decline to KES 9.1 BN. Profit before tax came in at KES 1.3 BN, 14.7% lower y-o-y. Non-current liabilities rose to KES 725.5 MN compared to KES 30.0 MN reported in FY18. Non-current assets rose 8.7% y-o-y to KES 5.2 BN. Current liabilities rose 8.6% y-o-y to KES 3.6 BN whereas current assets rose 7.5% y-o-y to KES 6.9 BN. As a result, net working capital edged up by 6.4% y-o-y to KES 3.3 BN.

Earnings per share (EPS) for the period came in at KES 4.5, 23.7% lower y-o-y than the previous period. Dividends per share (DPS) for the period came in at KES 1.5, 70.0% lower y-o-y than the previous period. Directors were not in favor of a final dividend for the year. Management intends to plough back substantial resources including cash reserves in order to make extensive investments in innovation so as to boost new revenue streams and gradually transition into digital media.

The directors recommended a **bonus share issue** of a new fully paid ordinary share for every ten shares held in the capital of the company, to the shareholders on the register at COB on June 12, 2020. The new shares shall not qualify for payment of the FY19 interim dividend. This is subject to approval by the CMA, the NSE and shareholders at the AGM. Due to the prevailing restrictions on mass gatherings, the AGM meeting will be announced at a later date.

Top-line performance was affected by the challenging economic environment and industry-specific developments. The advertising sector saw a general decline in the advertising spend owing to the mushrooming of digital media. Topline was also affected by higher prices of newsprint which significantly affected the traditional media platforms. Management asserted that operating costs reduced at a group level owing to the optimization of business operations to improve efficiency and productivity. *(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>
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

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
BK Group	10:00am	Video/Audio Conference Call	20-May-20

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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