

DBIB WEEKLY BULLETIN

WEEK 49

Date: 04.12.2020

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INDICES & MARKET METRICS MOVEMENT

NSE 20 and **NASI** indices **edged up** 1.6% and 3.4% w-o -w to close at 1,786.42 and 148.12 respectively.

Weekly equity turnover **rose** by 126.4% w-o-w to USD 47.94 MN (KES 5.32 BN).

USD | KES: KES **weakened** 1.0% w-o-w to close at 111.06 (-9.6% YTD).

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	148.12	3.36	6.35	6.42	(10.99)
NSE-20	1,786.42	1.61	(3.70)	(7.90)	(32.70)
DBIB Select	89.58	2.05	3.12	3.88	0.13
FTSE 15	172.20	1.46	(0.61)	0.31	(22.19)
FTSE 25	192.38	2.72	3.92	5.28	(16.17)
FTSE Frontier 50	43,145.29	3.03	12.93	22.06	(3.20)

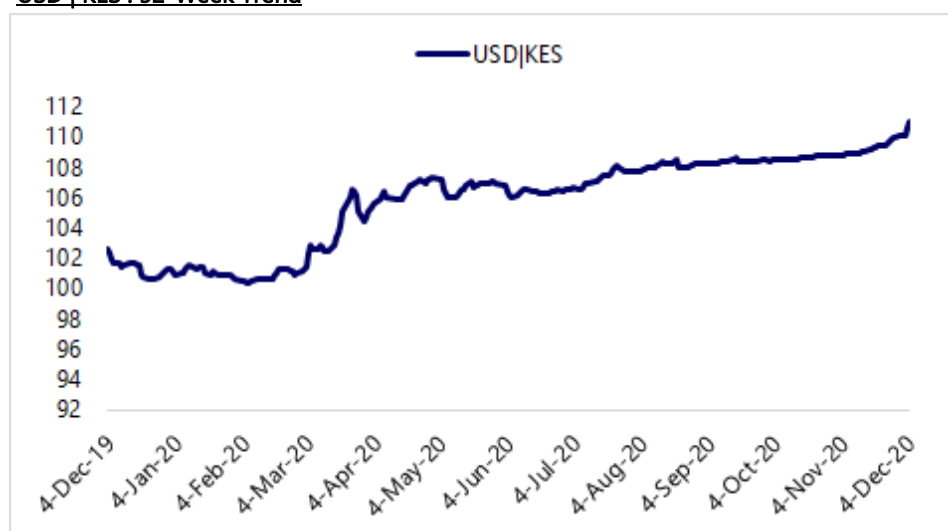
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,274.77	3.39	4.84	6.39	6.94
Market Turnover (USD m)	47.94	126.39	66.35	75.09	118.30
Market P/E (x) **	14.00	5.26	11.42	16.86	16.79
Market Div. yld (%) *	4.50	(20.00)	(31.70)	(79.43)	(132.53)
Market ROE (%) *	36.34	146.00	699.14	(198.06)	(827.84)

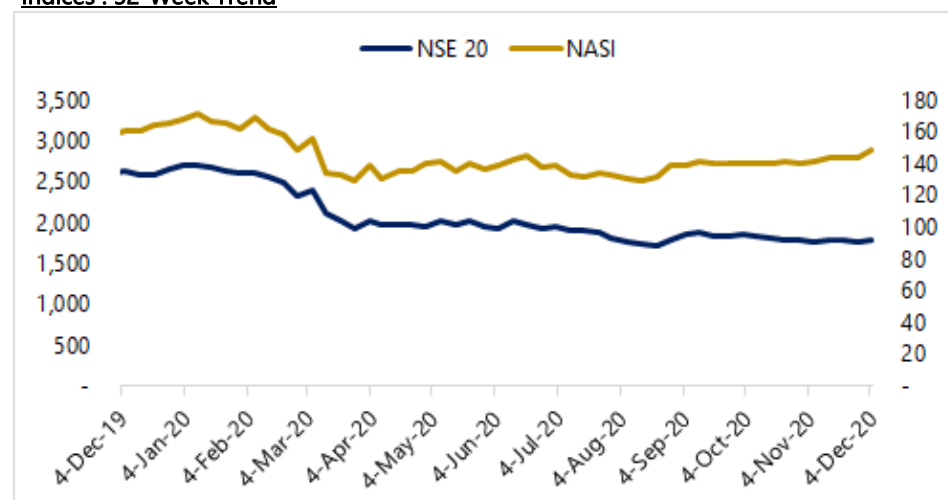
* Changes in bps ** Market cap weighted

(Source: NSE, DBIB Research)

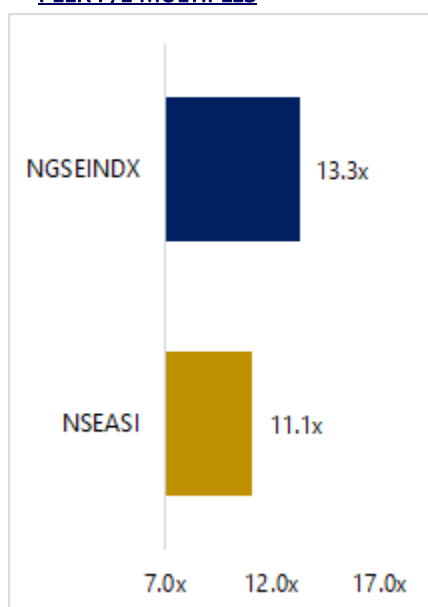
USD | KES : 52-Week Trend



Indices : 52-Week Trend



PEER P/E MULTIPLES



NSEASI* - Nairobi All Share Index
NGSEINDEX* - Nigeria All Share Index
*LTM Price/EPS

(Source: Bloomberg, DBIB Research)

(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
NBV	505.6
Olympia Capital	14.9
Carbacid	10.6
Eveready	9.9
BAT Kenya	7.5

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Express Kenya	(14.0)
Crown Paints	(7.6)
E.A.Cables	(7.1)
B.O.C Kenya	(6.3)
Flame Tree Group	(5.3)

(Source: NSE, DBIB Research)



Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 28.44 MN (KES 3.16 BN) representing 59.33% of this week's turnover.

The stock rose 5.0% w-o-w to close at KES 33.50 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 43.73% of foreign sales and 90.20% of foreign purchases.

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	28.44
Equity Group	8.91
KCB Group	7.68
E.A Breweries	1.54
BK Group	0.18

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
NBV	514.3
Carbacid	49.4
Gold ETF	36.3
Eaagads	25.7
Olympia Capital	15.4

(Source: NSE, DBIB Research)

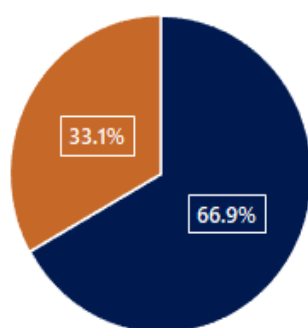


<u>Top Losers</u>	<u>%</u>
Scangroup	(62.9)
Bamburi	(62.6)
Express Kenya	(62.3)
Nation Media	(62.1)
Kenya Power	(52.3)

(Source: NSE, DBIB Research)



WEEKLY LOCAL VS FOREIGN PARTICIPATION



■ Foreign Participation
■ Local Participation

(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Bank of Kigali	99.9
Total	97.7
Umeme	96.5
Safaricom	90.2
Unga Group	87.0

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Umeme	99.3
KCB Group	94.4
Equity Group	94.0
Gold ETF	91.0
NSE	84.3

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Bank of Kigali	97.9
Crown Paints	78.3
BAT Kenya	74.4
Safaricom	72.4
Gold ETF	69.2

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Bank of Kigali	97.8
BAT Kenya	88.5
Gold ETF	88.4
Stanbic Holdings	88.0
KCB Group	79.6

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 61.94 MN (KES 6.88 BN) representing a 54.6% w-o-w decrease from USD 136.44 MN (KES 15.00 BN) recorded the previous week.

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December Issue: FXD1/2012/15 and FXD2/2019/15 Re-opens

This December, the government has re-opened two treasury bonds, FXD1/2012/15 (6.82 years) and FXD2/2019/15 (13.48 years), in a bid to raise KES 40.0 BN for budgetary support. The coupon on FXD1/2012/15 is pre-determined at 11.000% p.a. whereas that of FXD2/2019/15 is set at 12.734% p.a. The period of sale runs from November 30, 2020 to December 8, 2020.

Top Trades for the week ending 04 December 2020

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
3-Dec	FXD 3/2019/ 5Yr	4.0	11.4920	10.0145	110.19	400.0
2-Dec	FXD 3/2019/ 5Yr	4.0	11.4920	10.1500	109.71	400.0
2-Dec	IFB 1/2019/16Yr	14.8	11.7500	11.4750	102.94	300.0
2-Dec	IFB 1/2020/6Yr	5.5	10.2000	10.0000	100.69	300.0
1-Dec	IFB 1/2020/6Yr	5.5	10.2000	10.2000	100.03	300.0
30-Nov	IFB 1/2020/11Yr	10.7	10.9000	10.7100	103.90	274.4
1-Dec	IFB 1/2018/15Yr	12.1	12.5000	10.9500	113.51	274.2
4-Dec	FXD3/2019/15Yr	13.6	12.3400	10.1000	109.94	250.0
3-Dec	FXD1/2018/20Yr	17.2	13.2000	13.3000	101.93	200.0
3-Dec	FXD1/2018/25Yr	22.5	13.4000	13.1000	108.18	200.0
3-Dec	IFB 1/2020/6Yr	5.5	10.2000	9.8000	101.35	200.0
30-Nov	FXD 1/2013/10Yr	2.5	12.3710	9.6125	111.58	200.0
30-Nov	FXD1/2018/20Yr	17.2	13.2000	13.1000	103.17	197.5
4-Dec	IFB 1/2020/6Yr	5.5	10.2000	9.9000	101.06	141.0
30-Nov	IFB 1/2019/16Yr	14.8	11.7500	11.4000	103.37	140.0
1-Dec	FXD1/2018/25Yr	22.5	13.4000	13.2500	107.01	131.0
30-Nov	FXD1/2018/25Yr	22.5	13.4000	13.4500	105.55	131.0
30-Nov	FXD1/2018/25Yr	22.5	13.4000	13.2000	107.34	120.0

Sale-Buy Backs

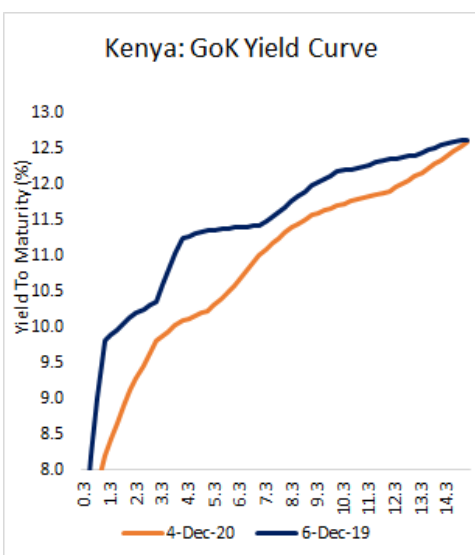
1-Dec	FXD2/2018/20Yr	17.6	13.2000	12.6000	108.77	400.0
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(Source: NSE, DBIB Research)

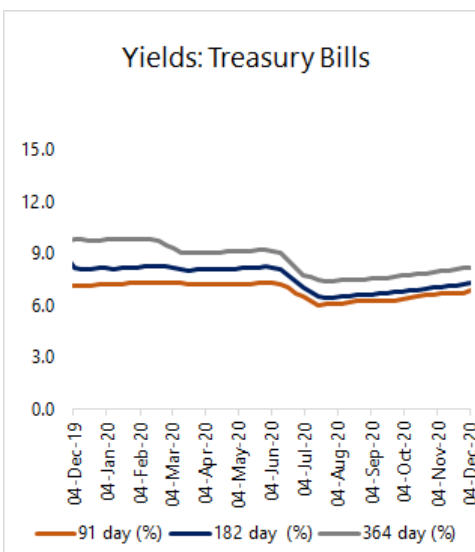
Treasury Bill auction for the week ending 04 December 2020

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	2.97	74.28	2.48	6.861	13.1
182-day	10.00	2.69	26.87	2.69	7.333	14.0
364-day	10.00	5.26	52.59	5.26	8.204	5.3

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News...

NBV Limited: Lifting of the suspension in trading

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In a notice dated 30th November 2020 the suspension from trading of **NBV Limited securities** was lifted as approved by the CMA.
.....

In a notice dated 30th November 2020, the suspension from trading of NBV Limited securities was lifted as approved by the CMA.

The suspension of trading on the security had been effected on 16th November 2020 to allow for the completion of the company's restructuring exercise which includes a share split, allotment and issuance of shares to Delta International FZE and subscription agreement between NBV and Delta. *(Source: Company Filings, DBIB Research)*

Eaagads Limited: 1H21 Earnings Snapshot

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Eaagads Ltd saw a 121.3% y-o-y improvement in profit after tax to KES 9.2 MN in 1H21.
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Eaagads Limited released its 1H21 results reporting a 121.3% y-o-y improvement in profits after tax to KES 9.2 MN as compared to a loss of KES 43.3 MN in 1H20. The projected early crop target was achieved due to favourable weather conditions. On the other hand, sales were affected by international coffee prices due to COVID 19 containment measures which affected the international markets. The EPS for the period stands at KES 0.29.

Cost of production edged up by 12.2% y-o-y to KES 47.1 MN while administrative expenses reduced by 14.9% y-o-y to KES 14.1 MN.

Total equity rose by 4.7% y-o-y to KES 841.1 MN following an increase in revaluation surplus by 6.82% y-o-y to KES 689.1 MN. Total assets increased by 4.0% y-o-y to KES 943.9 MN while total liabilities dropped by 1.2% y-o-y to KES 102.8 MN.

On a trailing basis, the counter's P/E multiple stands at 7.4x against and industry median of 1.4x and a P/B multiple of 0.5x against an industry median of 0.5x. Its R.O.E stands at 6.6% against an industry median of 1.8% while its R.O.E stands at 5.8% against an industry median of 1.5%. *(Source: Company Filings, DBIB Research)*

Salient News...

.....
I&M Holdings saw a 30.8% y-o-y decline in profit after tax to KES 19.7 BN in 3Q20.
.....

I&M Holdings: 3Q20 Earnings Snapshot

I&M Holdings released its 3Q20 financial results recording a 30.8% y-o-y decline in profits to KES 19.7 BN. The EPS for the period stood at KES 5.27.

Net interest income dropped by 1.7% y-o-y to KES 10.4 BN on the back of an 8.9% y-o-y rise in interest expense to KES 9.3 BN. Interest income rose by 3.0% y-o-y to KES 19.7 BN.

Net fee and commission income dropped by 8.3% y-o-y to KES 2.8 BN following a 5.9% y-o-y decline in fee and commission income to KES 3.0 BN.

Operating expenses edged up by 8.8% y-o-y to KES 7.3 BN mainly due to a 1.2% y-o-y increase in staff cost to KES 3.6 BN and a 14.5% y-o-y rise in other expenses to KES 2.5 BN.

The total assets rose by 6.3% y-o-y to KES 344.7 BN while total liabilities rose by 5.3% y-o-y to KES 280.8 BN. Total shareholders' funds rose by 10.8% y-o-y to KES 63.8 BN.

On a trailing basis, the counter's P/E multiple stands at 4.6x against and industry median of 5.8x And a P/B multiple of 0.6x against an industry median of 0.6x. Its R.O.E stands at 13.8% against an industry median of 11.2% while its R.O.E stands at 2.4% against an industry median of 1.5%. *(Source:: Company Filings, DBIB Research)*

UPCOMING EVENTS

Profit Warnings

- Sasini
- Eaagads
- NSE
- Eveready
- Nation Media
- Kenya Power
- E.A. Cables

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Centum	First & Final Div: KES 1.20	02-Oct-20	STA*
Kapchorua Tea	Final Div: KES 10.00	30-Jul-20	STA*
Williamson Tea	Final Div: KES 20.00	18-Aug-20	STA*
KenGen	First & Final: KES 0.25	03-Nov-20	17-Dec-20
Carbacid	First & Final: KES 0.70	09-Jan-21	29-Jan-21

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Crediting Date</u>
Nation Media	Bonus Issue: 1:10	12-Jun-20	15-Dec-20

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Limuru Tea	11:00 am	Virtual	08-Dec-20
BOC	11:00 am	Virtual	08-Dec-20
Jubilee Holdings	11:00 am	Virtual	15-Dec-20
E.A. Portland Cement	12.00 noon	Virtual	17-Dec-20

(Source: Company filings , DBIB Research)

**TBC—To be confirmed*

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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