

# DBIB WEEKLY BULLETIN

# WEEK 50

Date: 11.12.2020

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## INDICES & MARKET METRICS MOVEMENT

**NSE 20 edged up** 0.4% w-o-w to close at 1,794.06 whereas **NASI shed** 0.7% w-o-w to close at 147.12.

**Weekly equity turnover declined** by 49.8% w-o-w to USD 24.06 MN (KES 2.68 BN).

**USD | KES: KES weakened** 0.4% w-o-w to close at 111.48 (-10.0% YTD).

| Index            | Current   | 1 wk (%) | 3 m (%) | 6 m (%) | YTD (%) |
|------------------|-----------|----------|---------|---------|---------|
| NASI             | 147.12    | (0.68)   | 4.44    | 2.97    | (11.59) |
| NSE-20           | 1,794.06  | 0.43     | (4.35)  | (10.82) | (32.41) |
| DBIB Select      | 89.13     | (0.50)   | 2.20    | 3.36    | (0.38)  |
| FTSE 15          | 171.44    | (0.44)   | (2.25)  | (1.89)  | (22.53) |
| FTSE 25          | 191.13    | (0.65)   | 1.90    | 2.34    | (16.72) |
| FTSE Frontier 50 | 43,805.11 | 1.70     | 14.37   | 25.59   | (1.72)  |

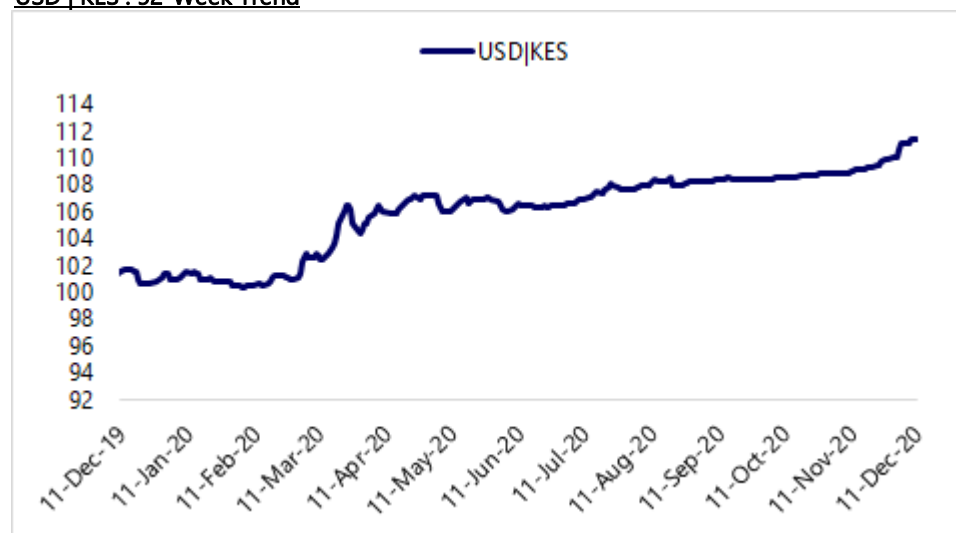
(Source: NSE, Bloomberg, DBIB Research)

| Market Metrics          | Current  | 1 wk    | 3 m     | 6 m      | 12m      |
|-------------------------|----------|---------|---------|----------|----------|
| Market Cap. (USD m)     | 2,259.35 | (0.68)  | 2.24    | 4.46     | 3.45     |
| Market Turnover (USD m) | 24.06    | (49.81) | 26.44   | 7.65     | (23.42)  |
| Market P/E (x)          | 13.83    | (1.18)  | 6.72    | 13.40    | 12.48    |
| Market Div. yld (%) *   | 4.56     | 6.43    | (20.18) | (63.57)  | (163.57) |
| Market ROE (%) *        | 36.46    | 12.10   | 741.94  | (191.90) | (824.90) |

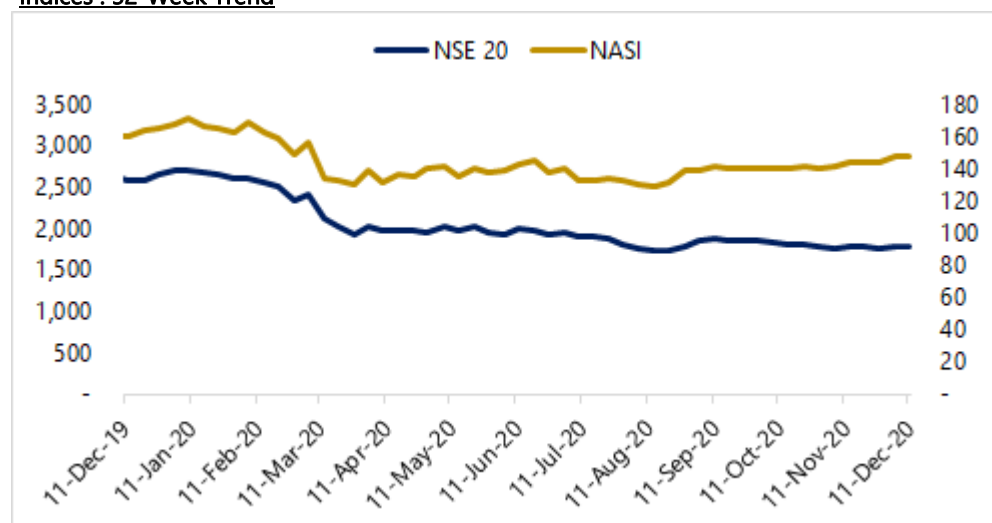
\* Changes in bps \*\* Market ROE is market cap weighted

(Source: NSE, DBIB Research)

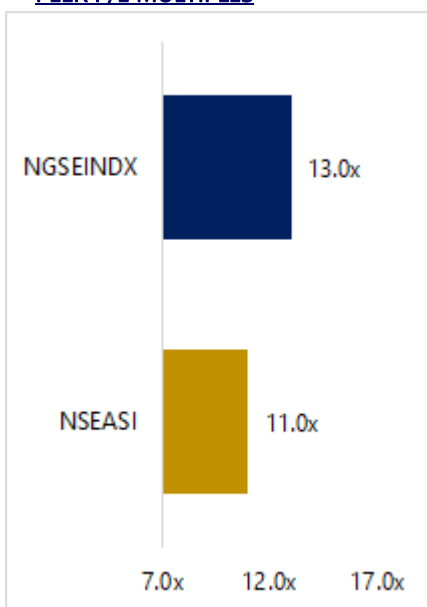
### USD | KES : 52-Week Trend



### Indices : 52-Week Trend



### PEER P/E MULTIPLES



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

(Source: Bloomberg, DBIB Research)

(Source: NSE, DBIB Research)



# WEEKLY BOURSE WRAP UP...

.....  
**Safaricom** emerged the top traded counter on the bourse recording a weekly turnover of USD 12.43 MN (KES 1.39 BN) representing 51.68% of this week's turnover.

The stock fell 1.6% w-o-w to close at KES 32.95 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 77.76% of foreign sales and 91.43% of foreign purchases.

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## Week-on-Week Performance

| <u>Top gainers</u> | <u>%</u> |
|--------------------|----------|
| BK Group           | 34.3     |
| Bamburi            | 29.9     |
| Express Kenya      | 15.9     |
| Sanlam Kenya       | 15.0     |
| DTB Kenya          | 9.1      |

(Source: NSE, DBIB Research)



| <u>Top Losers</u> | <u>%</u> |
|-------------------|----------|
| Housing Finance   | (7.8)    |
| Home Afrika       | (7.3)    |
| Kenya Power       | (6.7)    |
| B.O.C Kenya       | (5.5)    |
| Olympia Capital   | (5.2)    |

(Source: NSE, DBIB Research)



| <u>Top traders (Value)</u> | <u>USD MN</u> |
|----------------------------|---------------|
| Safaricom                  | 12.43         |
| Equity Group               | 6.54          |
| Carbacid                   | 1.37          |
| EABL                       | 0.98          |
| KCB Group                  | 0.93          |

(Source: NSE, DBIB Research)

## Y-T-D Performance

| <u>Top gainers</u> | <u>%</u> |
|--------------------|----------|
| NBV                | 542.9    |
| Carbacid           | 47.5     |
| Gold ETF           | 36.5     |
| Eaagads            | 19.8     |
| Olympia Capital    | 9.5      |

(Source: NSE, DBIB Research)

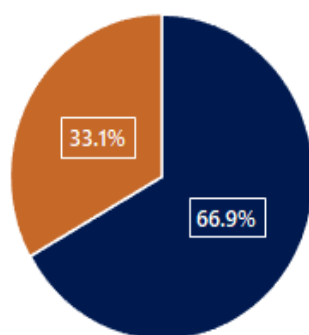


| <u>Top Losers</u> | <u>%</u> |
|-------------------|----------|
| Scangroup         | (64.1)   |
| Nation Media      | (61.4)   |
| Express Kenya     | (56.3)   |
| Kenya Power       | (55.5)   |
| Housing Finance   | (52.3)   |

(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> |
|------------------------|-------------------|
| Gold ETF               | 100.0             |
| TPS Serena             | 100.0             |
| Safaricom              | 91.4              |
| Jubilee                | 82.9              |
| EABL                   | 65.2              |

(Source: NSE, DBIB Research)

| <u>Top Weekly Sales</u> | <u>% Sold</u> |
|-------------------------|---------------|
| Equity Group            | 96.2          |
| EABL                    | 86.5          |
| Co-op Bank              | 82.9          |
| KCB Group               | 79.9          |
| Safaricom               | 77.8          |

## Y-T-D Foreign Performance

| <u>Top Foreign Buys</u> | <u>% Purchase</u> |
|-------------------------|-------------------|
| BK Group                | 97.8              |
| Crown Paints            | 78.0              |
| BAT Kenya               | 74.3              |
| Safaricom               | 72.8              |
| Gold ETF                | 69.3              |

(Source: NSE, DBIB Research)

| <u>Top Foreign Sales</u> | <u>% Sold</u> |
|--------------------------|---------------|
| BK Group                 | 97.8          |
| Gold ETF                 | 88.3          |
| BAT Kenya                | 88.3          |
| Stanbic                  | 87.8          |
| KCB Group                | 79.6          |

## FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 116.74 MN (KES 13.01 BN) representing a 88.5% w-o-w increase from USD 61.94 MN (KES 6.88 BN) recorded the previous week.

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### December Bond Auction Results

The Government received KES 9.26 BN and KES 15.08 BN bids from the reopen of treasury bond issue number FXD1/2012/15 & FXD2/2019/15 with a subscription rate of 23.15% and 37.70% respectively. The government accepted KES 8.55 BN for FXD1/2012/15 and 9.71 BN for FXD2/2019/15. The weighted average rate of accepted bids stood at 11.461% and 12.807% while the average price stood at KES 100.59 and KES 100.73 for FXD1/2012/15 & FXD2/2019/15 respectively. The coupon rate stood at 11.000% for FXD1/2012/15 and 12.734% for FXD2/2019/15.

### Top Trades for the week ending 11 December 2020

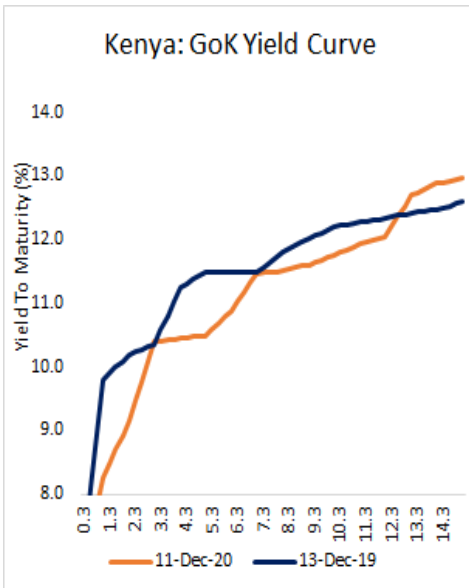
|              |                 |       |         |         |         | Total   |
|--------------|-----------------|-------|---------|---------|---------|---------|
|              |                 |       | Coupon  | Yield   | Price   | Value   |
| Trading Date | Issue No.       | Years | (%)     | (%)     | (KES m) | (KES m) |
| 9-Dec        | FXD3/2019/15Yr  | 13.6  | 12.3400 | 12.2765 | 100.38  | 1,158.5 |
| 9-Dec        | FXD2/2018/20Yr  | 17.6  | 13.2000 | 13.0840 | 100.75  | 876.5   |
| 9-Dec        | FXD1/2019/15Yr  | 13.1  | 12.8570 | 12.1488 | 104.55  | 788.0   |
| 11-Dec       | FXD 1/2019/10Yr | 8.2   | 12.4380 | 11.5250 | 104.72  | 500.0   |
| 7-Dec        | FXD2/2018/20Yr  | 17.6  | 13.2000 | 13.3500 | 98.95   | 460.0   |
| 8-Dec        | FXD2/2018/20Yr  | 17.6  | 13.2000 | 13.2000 | 99.96   | 460.0   |
| 8-Dec        | FXD1/2018/20Yr  | 17.2  | 13.2000 | 13.2000 | 99.95   | 400.0   |
| 7-Dec        | FXD1/2018/20Yr  | 17.2  | 13.2000 | 13.2946 | 99.31   | 300.0   |
| 8-Dec        | FXD1/2018/20Yr  | 17.2  | 13.2000 | 13.3000 | 99.28   | 300.0   |
| 8-Dec        | FXD1/2018/20Yr  | 17.2  | 13.2000 | 13.0000 | 101.31  | 300.0   |
| 8-Dec        | IFB 1/2019/16Yr | 14.8  | 11.7500 | 11.3000 | 102.89  | 300.0   |
| 11-Dec       | FXD 1/2014/10Yr | 3.1   | 12.1800 | 10.4000 | 104.60  | 300.0   |
| 11-Dec       | FXD2/2013/15Yr  | 7.3   | 12.0000 | 11.3500 | 103.15  | 300.0   |
| 11-Dec       | FXD2/2018/20Yr  | 17.6  | 13.2000 | 13.0947 | 100.68  | 265.5   |
| 10-Dec       | FXD3/2019/15Yr  | 13.6  | 12.3400 | 12.2817 | 100.35  | 264.0   |
| 7-Dec        | FXD2/2013/15Yr  | 7.3   | 12.0000 | 11.1000 | 104.42  | 200.0   |
| 7-Dec        | FXD1/2018/25Yr  | 22.5  | 13.4000 | 13.4500 | 99.63   | 200.0   |
| 8-Dec        | FXD1/2010/15Yr  | 4.2   | 10.2500 | 10.1500 | 100.31  | 200.0   |

(Source: NSE, DBIB Research)

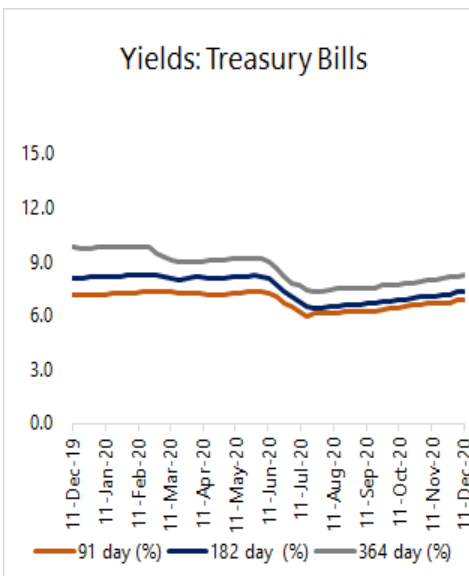
### Treasury Bill auction for the week ending 11 December 2020

| Instrument | Amount   | Bids Received | Subscription | Bids Accepted | Yield | w-o-w  |
|------------|----------|---------------|--------------|---------------|-------|--------|
|            | (KES Bn) | (KES Bn)      | Rate (%)     | (KES Bn)      | (%)   | bps ch |
| 91-day     | 4.00     | 1.55          | 38.77        | 1.55          | 6.901 | 4.0    |
| 182-day    | 10.00    | 3.02          | 30.20        | 2.98          | 7.363 | 3.0    |
| 364-day    | 10.00    | 5.28          | 52.81        | 5.19          | 8.246 | 4.2    |

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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## Salient News...

### Stanchart and I&M announce profit warning

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Standard Chartered and I&M Holdings this week announced that they expect FY20 earnings to be significantly lower than those of FY19.  
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Standard Chartered and I&M Holdings this week announced that they expect FY20 earnings to be significantly lower than those of FY19.

Both companies attribute the dip in profits to the adverse operating environment occasioned by the COVID-19 pandemic that has resulted in reducing business volumes and increasing credit risk. They however, remain optimistic about medium term to long term prospects as the announcement on a COVID-19 vaccine uplifts global business sentiment. *(Source: Company Filings, DBIB Research)*

## UPCOMING EVENTS

### Profit Warnings

- 1) Sasini
- 2) Eaagads
- 3) NSE
- 4) Eveready
- 5) Nation Media
- 6) Kenya Power
- 7) E.A. Cables
- 8) I&M
- 9) Stanchart
- 10) Sameer
- 11) HF Group
- 12) Kenya Airways
- 13) Britam

| <u>Company</u> | <u>Announcement</u>     | <u>Book Closure</u> | <u>Payment</u>        |
|----------------|-------------------------|---------------------|-----------------------|
| 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> |
|----------------------|-------------|--------------|-------------|
| 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*

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## 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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