

DYER & BLAIR INVESTMENT BANK

WEEKLY MARKET WRAP UP

Founder Member of the Nairobi Securities Exchange

17th January 2020



DYER & BLAIR
INVESTMENT BANK

WE KNOW. YOU KNOW.

KENYA EQUITIES: INDICES & MARKET METRICS MOVEMENT

Index	0 wk	1 wk	1 m	3 m	6 m	12 m	Y-T-D
NASI	166.23	(0.03)	0.01	0.12	0.11	0.14	(0.94)
NSE-20	2,669.13	(0.01)	0.03	0.08	(0.01)	(0.06)	15.04
DBIB Select	89.79	(0.02)	0.02	0.07	0.05	0.05	0.00
FTSE 15	217.97	(0.04)	0.00	0.16	0.17	0.22	(0.02)
FTSE 25	225.95	(0.05)	(0.04)	0.15	0.16	0.23	(0.02)
FTSE Frontier 50	45,821.77	(0.01)	(0.99)	0.05	(0.05)	0.00	0.03

(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	0 wk	1 wk	1 m	3 m	6 m	12 m
Market Cap. (USD m)	2,537.24	(0.03)	0.01	0.13	0.11	0.17
Market Turnover (USD m)	40.34	0.54	(0.04)	0.17	0.83	0.16
Market P/E (x)	13.37	(0.07)	(0.02)	(0.04)	(0.08)	0.10
Market Div. yld (%)	5.62	12.27	(7.73)	(68.30)	(59.13)	77.50
Market ROE (%)	45.54	(5.15)	58.85	1,011.52	736.83	992.47

(Source: NSE, DBIB Research)

KENYA FIXED INCOME: YIELDS & MARKET METRICS MOVEMENT

	0 wk	1 wk	1 m	3 m	6 m	12 m
FTSE Bond Index	97.33	(0.00)	(0.00)	(0.01)	(0.01)	0.02
Market Turnover (USD m)	111.69	0.51	0.98	0.15	(0.51)	0.49
91-day T-Bill (%)	7.23	3.20	5.50	87.00	73.40	9.80
5 year rate (%)	11.34	1.67	(15.03)	77.00	113.96	(25.83)
Interbank Lending (%)	3.79	(57.25)	(187.14)	(380.27)	178.73	43.73

(Source: CBK, NSE)

KENYA MACRO METRICS MOVEMENT

	0 wk	1 wk	1m	3m	6m	12m
KES/USD	100.97	0.01	(0.01)	0.03	(0.01)	(0.01)
KES/GBP	131.88	0.00	(0.01)	0.01	(0.03)	0.03
KES/EUR	112.69	0.00	(0.01)	0.03	0.00	0.00
Fx reserve: Import Cover	5.20	(0.06)	(0.27)	(0.38)	(1.00)	(0.07)
Inflation	5.82	-	-	87	(45)	112
CBR	8.50	-	-	(50.00)	(50.00)	(50.00)

(Source: CBK, NSE)

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IN THIS WEEK'S ISSUE...

EQUITY MARKET SUM UP

Weekly equity turnover advanced 53.6% w-o-w to close at USD 40.34 MN (KES 4.07 BN).

NSE 20 and NASI shed 1.2% and 3.0% w-o-w to close at 2,669.13 and 166.23 respectively.

Weekly equity turnover advanced 53.6% w-o-w to close at USD 40.3 MN (KES 4.1 BN). NSE 20 and NASI shed 1.2% and 3.0% w-o-w to close at 2,669.13 and 166.23 respectively.

Safaricom ranked as the top trader of the week recording a turnover of 46.7 MN shares. The telecom counter dropped 4.0% w-o-w to close at KES 31.50. On the other hand, the banking sector moved 38.3 MN shares this week courtesy of KCB and Equity Group which traded 16.9 MN and 11.8 MN shares respectively. On average, the sector saw a 1.3% w-o-w decline in performance. Foreign investors assumed a net buying position by accounting for 67.3% of total market purchases and 50.9% of total market sales.

Week-on-Week Performance

Top gainers	%	Top Losers	%	Top Traders	USD m
Car & General (K)	8.3	Sameer Africa	(11.3)	Safaricom	14.88
Unga Group	8.3	BK Group	(10.0)	KCB Group	8.86
HF Group	7.4	E.A Portland	(9.0)	Equity Group	6.12
Carbacid Investments	6.8	Nation Media	(7.5)	E.A.B.L.	2.92
Kapchorua Tea	4.7	Equity Group	(6.4)	B.A.T. (K)	2.76

(Source: NSE, DBIB Research)

Y-T-D Performance

Top gainers	%	Top Losers	%
Carbacid Investments	13.5	Sameer Africa	(22.9)
Scangroup	12.5	Flame Tree Group	(19.0)
B.O.C Kenya	8.6	Uchumi Supermarket	(13.8)
I&M Holdings	7.9	Nation Media Group	(10.1)
CIC Insurance	7.5	BK Group	(10.0)

(Source: NSE, DBIB Research)

Weekly Foreign Performance

Top Weekly Buys	% Purchase	Top Weekly Sales	% Sold
Bank of Kigali	99.4	Bank of Kigali	100.0
Safaricom	96.6	B.A.T. (K)	95.8
B.A.T. (K)	89.8	E.A. Breweries	70.3
Equity Group	79.6	Safaricom	60.2
E.A. Breweries	74.5	Uchumi	56.0

(Source: NSE, DBIB Research)

Y-T-D Foreign Performance

Top Foreign Buys	% Purchase	Top Foreign Sales	% Sold
Bank of Kigali	99.4	Bank of Kigali	100.0
Safaricom	94.2	B.A.T. (K)	95.4
B.A.T. (K)	89.4	Jubilee Ins	89.1
E.A. Breweries	81.9	E.A. Breweries	74.3
Equity Group	81.2	Equity Group	65.7

(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 111.69 MN (KES 11.28 BN) representing a 49.9 % w-o-w upswing from USD 74.04 MN (KES 7.52 BN) recorded the previous week

The Bond market's turnover for the week stood at USD 111.7 MN (KES 11.3 BN) representing a 49.9% w-o-w upswing from USD 74.0 MN (KES 7.5 BN) recorded the previous week. The government bond, issue number IFB1/2019/16yr emerged as the top traded bond with a turnover of KES 3.8 BN, accounting for 33.9% of the week's turnover. The bond traded at an average yield of 11.5463%.

December Issue: FXD1/2019/5 and FXD1/2019/10

The Government of Kenya reopened the 5 year bond issue number FD1/2019/5 and the 10 year bond issue number FXD1/2019/10 and seeks to raise 50.0 BN to go towards budgetary support. The coupon rate for the 5yr (4.13*yr) is set at 11.304% whereas that of the 10yr (9.13*yr) is set at 12.438%. The period of sale runs between 15/01/2020 and 21/01/2020.

**Actual term to maturity*

Top Trades for the Week ending 17 January 2020

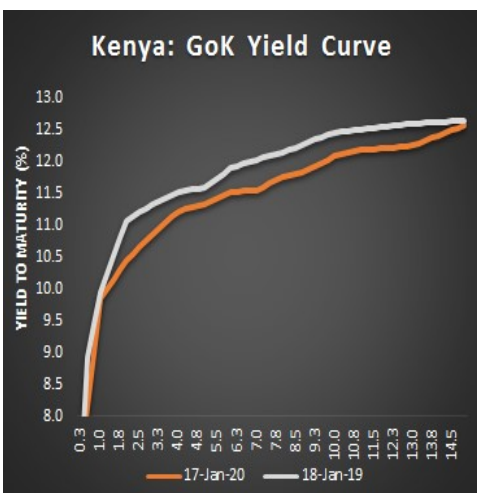
						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(%)	(KES m)
15-Jan	FXD1/2008/20Yr	8.4	13.750	12.750	107.24	800.0
14-Jan	FXD 3/2016/ 5Yr	3.0	13.112	10.350	108.21	500.0
14-Jan	FXD 1/2013/10Yr	3.4	12.371	11.000	104.57	500.0
14-Jan	FXD1/2018/20Yr	18.1	13.200	12.800	106.85	400.0
13-Jan	FXD1/2018/20Yr	18.1	13.200	12.800	106.81	400.0
16-Jan	FXD1/2019/15Yr	14.0	12.857	12.561	107.96	395.0
15-Jan	FXD1/2019/15Yr	14.0	12.857	12.650	107.34	395.0
14-Jan	IFB 1/2019/16Yr	15.7	11.750	11.600	103.47	350.5
15-Jan	IFB 1/2019/16Yr	15.7	11.750	11.650	103.17	350.0
13-Jan	IFB 1/2018/15Yr	13.0	12.500	11.550	111.51	340.0
14-Jan	IFB 1/2019/16Yr	15.7	11.750	11.700	102.81	325.0
13-Jan	IFB 1/2019/16Yr	15.7	11.750	11.700	102.77	314.0
15-Jan	IFB 1/2019/16Yr	15.7	11.750	11.600	103.50	300.0
14-Jan	FXD 3/2019/ 5Yr	4.9	11.492	11.100	102.35	300.0
14-Jan	IFB 1/2019/16Yr	15.7	11.750	11.450	104.48	300.0
13-Jan	FXD1/2019/20Yr	19.2	12.873	12.800	103.69	300.0
13-Jan	IFB 1/2019/16Yr	15.7	11.750	11.750	102.44	300.0

(Source: NSE, DBIB Research)

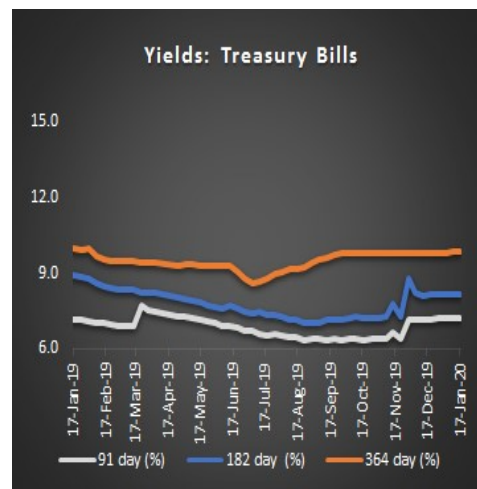
Treasury Bill auction for the week ending 17 January 2020.

Instrument	Amount Bids Received	Subscription	Bids Accepted	Yield	w-o-w	
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.0	5.010	125.25	5.008	7.232	3.2
182-day	10.0	6.356	63.56	6.356	8.167	2.5
364-day	10.0	16.985	169.85	11.337	9.842	0.9

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

EAC MARKETS SNAPSHOT

Rwanda: The RSE RSI remained constant w-o-w to close at 123.02 while RSE RASI edged up 11.5% w-o-w to close at 151.17.

Tanzania: The DSE DSEI shed 0.6% w-o-w to close at 2,077.95 whereas DSE TSI edged up 0.1% w-o-w to close at 3,435.94.

Uganda: The USE ALSI and USE LSI saw a 1.9% and 0.2% w-o-w decline to close at 1,809.49 and 345.43 respectively.

Rwanda: The RSE RSI remained constant w-o-w to close at 123.02 while RSE RASI edged up 11.5% w-o-w to close at 151.17. Total weekly turnover advanced by 299.1% w-o-w to stand at RWF 158.00 MN. CTL accounted for 99.7% of the total value traded recording a turnover of RWF 157.47 MN.

Tanzania: The DSE DSEI shed 0.6% w-o-w to close at 2,077.95 whereas DSE TSI edged up 0.1% w-o-w to close at 3,435.94. Weekly turnover advanced to TZS 28.75 BN compared to TZS 1.69 BN recorded the previous week. Tanzania Breweries emerged the top traded counter with a turnover of TZS 21.79 BN, accounting for 75.8% of the week's turnover.

Uganda: The USE ALSI and USE LSI saw a 1.9% and 0.2% w-o-w decline to close at 1,809.49 and 345.43 respectively.

	Week's High (L.C)	Week's Low(L.C)	Current Price (L.C)	Price (KES)	w-o-w change %	y-t-d change %	Turnover (L.C MN)	Turnover (KES MN)
Rwanda Stock Exchange (RSE)								
Bank of Kigali	265	265	265	28.19	0.0	0.0	4.61	0.49
Bralirwa	139	139	139	14.79	0.0	0.0	0.40	0.04
Cyrstal Telecom Ltd	70	65	65	6.92	0.0	(7.1)	34.47	3.67
I&M Rwanda	90	90	90	9.58	0.0	1.1	0.10	0.01
Dar Es Salaam Stock Exchange (DSE)								
CRDB Bank	100	95	100	4.38	5.3	5.3	42.63	1.87
Dar Es Salaam Community Bank (DCB)	295	295	295	12.92	0.0	0.0	0.29	0.01
DSE	980	980	980	42.93	0.0	0.0	1.19	0.05
Maendeleo (MBP)	490	490	490	21.47	0.0	0.0	-	-
National Microfinance Bank (NMB)	2,340	2,340	2,340	102.51	0.0	0.0	-	-
Precision Air Services (PAL)	400	400	400	17.52	0.0	0.0	-	-
Swissport Tanzania (SWIS)	1,600	1,600	1,600	70.09	0.0	0.0	0.01	0.00
Tanzania Breweries (TBL)	10,900	10,900	10,900	477.49	0.0	0.0	1,636.04	71.67
Tanga Cement Company (TCCL)	600	600	600	26.28	0.0	0.0	-	-
Tanzania Cigarette Company (TCC)	17,000	17,000	17,000	744.71	0.0	0.0	-	-
Tanzania Portland Cement (TPCC)	2,000	2,000	2,000	87.61	0.0	0.0	3.65	0.16
Tanzania Tea Packers (TTP)	120	120	120	5.26	0.0	0.0	-	-
TOL Gases	660	660	660	28.91	0.0	0.0	-	-
Swala	490	490	490	21.47	0.0	0.0	-	-
Mucoba Bank	400	400	400	17.52	0.0	0.0	-	-
YETU	550	550	550	24.09	0.0	0.0	-	-
MCB	500	500	500	21.90	0.0	0.0	-	-
MKCB	780	780	780	34.17	0.0	0.0	-	-
Vodacom	850	850	850	37.24	0.0	0.0	-	-
TICL	385	385	385	16.87	0.0	0.0	-	-
NICO	175	170	170	7.45	(2.9)	(2.9)	1.93	0.08

(Source: RSE, DSE, DBIB Research)

*L.C refers to Local Currency

KENYA MARKET NEWS

KCB Group Shareholder Profile post the NBK Acquisition

The shareholding of the Permanent Secretary to the Treasury of Kenya and NSSF advanced to 19.79% and 7.13% from 17.53% and 6.12% respectively as at FY18.

The shareholding profile of KCB Bank has seen an alteration following its acquisition of NBK. Total shares of the bank rose from 3.07 BN to 3.21 BN. Currently, KCB has a total of 191,942 shareholders compared to 153,740 as in FY18. The shareholding of the Permanent Secretary to the Treasury of Kenya and NSSF advanced to 19.8% and 7.1% from 17.5% and 6.1% respectively as at FY18. Local individuals and local institutional (ex of Treasury) investors holding declined to 25.5% and 32.8% from 27.6% and 49.7% respectively as at FY18. Likewise, foreign shareholding declined to 21.94% from 22.69% as at FY18. Below is a tabulation of the current shareholding profile.

	No. of shareholders	No. of shares	Shareholding (%)
PS to the Treasury of Kenya	1	635,001,947	19.76
Local Institutional Investors	6,483	1,054,140,041	32.80
Local Individual Investors	184,725	819,372,110	25.50
Foreign Investors	733	704,948,717	21.94
Total	191,942	3,213,462,815	100.00

(Source: Company Filings, DBIB Research)

Diesel, Petrol and Kerosene prices per litre up by KES 0.54, KES 0.70 and KES 1.64 respectively

The maximum allowed pump price of Super petrol in Nairobi increased by KES 0.70 per litre to KES 110.20 per litre courtesy of a 2.2% month on month increase in the average landed cost of imported super petrol to USD 471.01 per cubic metre.

The Energy and Petroleum Regulatory Authority (EPRA) announced higher petrol, diesel and kerosene prices that will be in force from 15th January to 14th February 2020 courtesy of the high import bill. The maximum allowed pump price of Super petrol in Nairobi increased by KES 0.70 per litre to KES 110.20 per litre courtesy of a 2.2% month on month increase in the average landed cost of imported super petrol to USD 471.01 per cubic metre. The diesel pump prices also took a similar trend with a KES 0.54 per litre rise in price to KES 102.32 per litre on the back of a 1.7% month on month increase in the average landed cost of imported diesel to USD 493.68 per cubic metre. Kerosene prices rose by KES 1.64 per litre to KES 103.95 per litre in Nairobi impelled by a 5.8% month on month increase in the average landed cost of imported kerosene to USD 508.77 per cubic metre. The revised prices are inclusive of an 8.0% VAT charge. *(Source: EPRA, DBIB Research)*

Profit Warnings

- Sasini
- Kenya Power
- Eaagads
- BOC Gases
- NSE

UPCOMING EVENTS

Company	Announcement	Book Closure	Payment
Longhorn	Final Div: KES 0.52	28-Nov-19	26-Feb-20
Kenya Re	Bonus Issue of 3:1	14-Jun-19	N/A
Carbacid	Final Div: KES 0.70	06-Nov-19	N/A

(Source: NSE, 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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