

# DBIB WEEKLY BULLETIN

# WEEK 27

Date: 03.07.2020

## 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 and NASI** indices edged up 1.3% and 0.4% w-o-w to close at 1,945.97 and 139.57 respectively.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	139.6	1.32	0.64	(16.61)	(16.13)
NSE-20	1,946.0	0.38	(3.34)	(28.14)	(26.69)
DBIB Select	85.8	(0.27)	(0.26)	(1.61)	(4.15)
FTSE 15	169.8	(2.36)	0.74	(23.36)	(23.28)
FTSE 25	183.1	(0.83)	1.71	(20.25)	(20.21)
FTSE Frontier 50	34,725.0	(0.22)	17.24	(21.59)	(22.09)

(Source: NSE, Bloomberg, DBIB Research)

**Weekly equity turnover** declined 44.9% w-o-w to USD 14.39 MN (KES 1.53 BN).

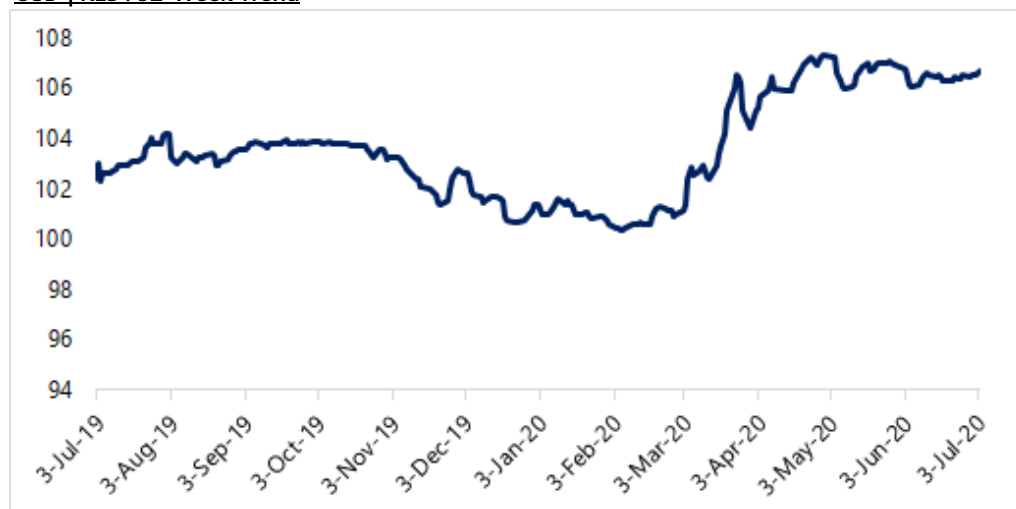
Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,133.31	1.33	0.29	0.65	(16.49)
Market Turnover (USD m)	14.39	(44.99)	(34.47)	(44.51)	60.38
Market P/E (x) *	11.84	1.50	(1.22)	(29.01)	(8.91)
Market Div. yld (%) *	5.16	(4.59)	(170.10)	(74.39)	(105.82)
Market ROE (%) *	38.51	(15.29)	(818.62)	(594.98)	105.90

\* Changes in bps

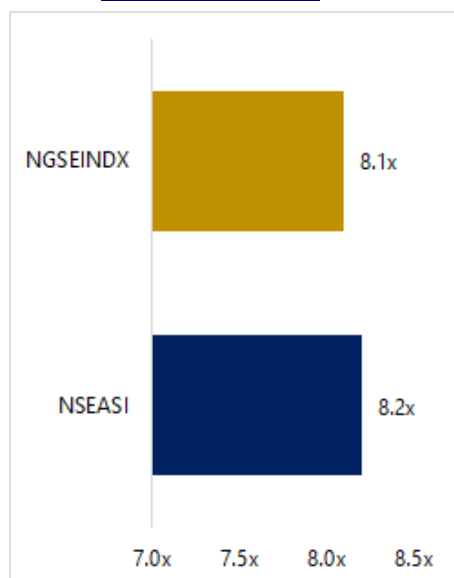
(Source: NSE, DBIB Research)

**USD | KES: KES weakened** 0.1% w-o-w to close at 106.67 (-5.3% YTD).

USD | KES : 52-Week Trend



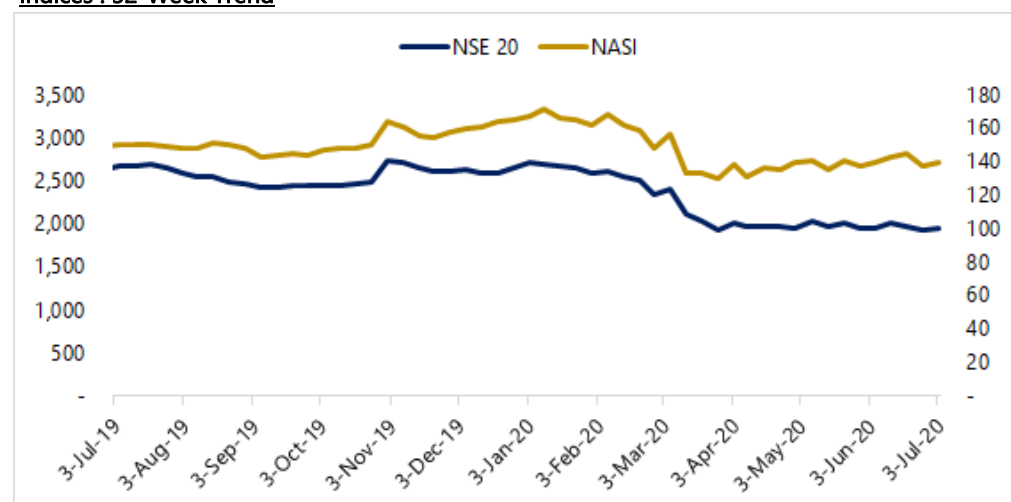
PEER P/E MULTIPLES



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 Airways	40.8
Home Afrika	12.2
Liberty Holdings	11.4
Car & General	10.1
E.A.Portland Cement	9.9

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
TPS Eastern Africa	(18.8)
Total Kenya	(13.4)
Eaagads	(9.3)
Equity Group	(6.3)
E.A Breweries	(4.4)

(Source: NSE, DBIB Research)



Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 7.4 MN (KES 791.0 MN) representing 51.5% of this week's turnover.

The stock gained 4.0% w-o-w to close at KES 29.65 on Friday.

Foreign investors assumed a net selling position on the counter this week by accounting for 78.2% of foreign sales and 46.1% of foreign purchases.

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	7.42
Equity Group	2.62
KCB Group	1.62
E.A Breweries	1.06
Co-op Bank	0.29

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Airways	86.8
New Gold ETF	25.1
Olympia Capital	14.4
Carbacid Investments	14.0
Uchumi	10.3

(Source: NSE, DBIB Research)

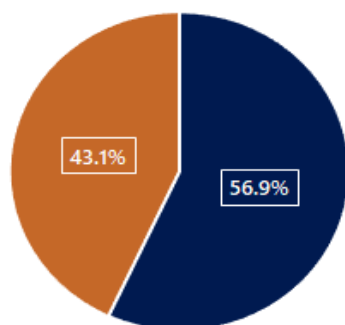


<u>Top Losers</u>	<u>%</u>
Bamburi	(65.0)
Nation Media	(62.6)
Flame Tree Group	(43.7)
Trans-Century	(40.8)
Equity Group	(38.6)

(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>
E.A Breweries	81.3
Umeme	72.8
KCB Group	47.0
Safaricom	46.1
Equity Group	35.2

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Gold ETF	100.0
E.A Breweries	95.3
NSE	89.1
BAT Kenya	85.9
Equity Group	83.3

## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Bank of Kigali	99.4
BAT Kenya	83.0
Safaricom	66.9
E.A Breweries	62.6
Gold ETF	58.8

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Bank of Kigali	100.0
Gold ETF	99.7
Stanbic Holdings	92.9
BAT Kenya	90.1
Safaricom	81.8

## FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 85.64 MN (KES 9.13 BN) representing a 55.6% w-o-w decline from USD 193.36 MN (KES 20.59 BN) recorded the previous week.

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### Top Trades for the week ending 03 July 2020

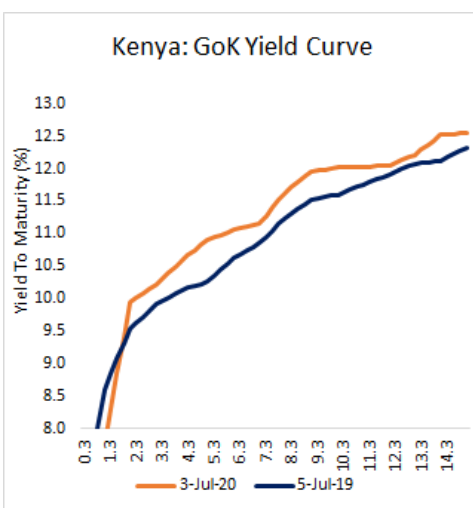
						Total
						Value
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	(KES m)
29-Jun	IFB 1/2020/6Yr	5.9	10.2000	10.2500	100.5973	500.0
3-Jul	IFB 1/2020/9Yr	8.7	10.8500	10.8000	102.6102	400.0
30-Jun	FXD1/2018/15Yr	14.5	12.6500	12.1000	104.7688	350.0
30-Jun	FXD 4/2019/10Yr	9.4	12.2800	11.9500	103.0205	300.0
30-Jun	FXD1/2013/15Yr	7.6	11.2500	11.6000	102.3694	300.0
30-Jun	FXD1/2019/15Yr	13.5	12.8570	12.3250	108.9156	300.0
1-Jul	FXD1/2019/15Yr	13.5	12.8570	12.3250	108.9514	300.0
1-Jul	FXD1/2019/15Yr	13.5	12.8570	12.2947	109.1543	300.0
1-Jul	FXD 4/2019/10Yr	9.4	12.2800	12.1000	102.2137	246.4
30-Jun	FXD 1/2019/ 5Yr	3.6	11.3040	10.6000	105.9996	240.0
1-Jul	FXD 1/2019/ 5Yr	3.6	11.3040	10.4000	106.6326	240.0
1-Jul	IFB 1/2015/12Yr	6.7	11.0000	10.4814	104.2645	219.5
1-Jul	FXD1/2020/ 5Yr	4.8	11.6670	10.2100	107.0803	205.4
2-Jul	IFB 1/2020/9Yr	8.8	10.8500	11.0000	101.6602	205.0
1-Jul	FXD1/2020/ 5Yr	4.8	11.6670	11.2000	103.3172	200.0
2-Jul	FXD1/2020/ 5Yr	4.8	11.6670	10.8000	104.8470	200.0
2-Jul	FXD 1/2019/10Yr	8.6	12.4380	12.0000	106.6878	200.0
2-Jul	FXD 4/2019/10Yr	9.4	12.2800	11.9000	103.3683	200.0
2-Jul	FXD3/2019/15Yr	14.0	12.3400	12.6000	103.6063	200.0
3-Jul	IFB 1/2018/20Yr	18.3	11.9500	12.2000	99.9711	200.0
3-Jul	IFB 1/2020/9Yr	8.7	10.8500	10.9700	101.8274	200.0

(Source: NSE, DBIB Research)

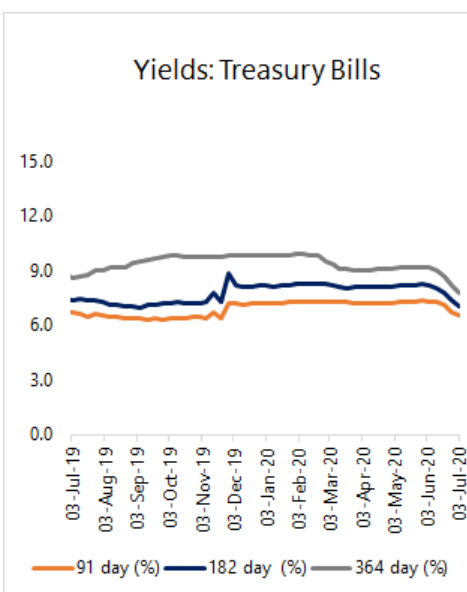
### Treasury Bill auction for the week ending 03 July 2020

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	20.45	511.33	9.45	6.546	(15.4)
182-day	10.00	26.75	267.53	10.78	7.048	(34.7)
364-day	10.00	28.98	289.77	23.68	7.769	(42.5)

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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## Salient News...

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**Crown Paints** released its FY19 financial results recording a 72.6% y-o-y increase in profits after tax to KES 317.2 MN

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### Crown Paints FY19 Results

Crown Paints released its FY19 financial results recording a 72.6% y-o-y increase in profits after tax to KES 317.2 MN. EPS for the period stood at KES 4.50. The board did not recommend a dividend for the period. The group's revenue grew by 3.5% y-o-y to KES 8.6 BN. Volumes edged up by a slight 3.0% y-o-y on account of the slow-down in construction activities in both the home builders and infrastructure segments; and a prolonged rainy season that made conditions for construction activities unfavorable. Total assets stood at KES 5.5 BN, 0.8% higher y-o-y while total liabilities stood at KES 4.2 BN, 5.3% lower y-o-y. Total equity rose by 27.3% y-o-y to KES 1.3 BN. *(Source: Company filings, DBIB Research).*

### Kenya Airways Suspended from trading

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The NSE suspended the trading of **Kenya Airways** shares effective 3rd July 2020 for a period of 3 calendar months

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Following a request submitted by the company, the NSE suspended the trading of Kenya Airways shares effective 3rd July 2020 for a period of 3 calendar months. The company has been in discussions with the Government with respect to collaboration between KQ and other stakeholders in the Kenyan aviation industry, including a possible restructuring of the operations and corporate structure. To this end, The National Aviation Management Bill 2020 which sets out the legal framework for the nationalization of KQ has been tabled in Parliament. The nationalization would see the government buy out all shareholders. As such, the transport committee set out a tentative budget of 800.0 MN to buyout minority shareholders. The consortium of local lenders, who acquired 38.0% of the company's equity during the 2017 restructuring, on the other hand, will likely be paid through government debt, possibly in 10-year Treasury bonds. *(Source: NSE, DBIB Research),*

## UPCOMING EVENTS

### Profit Warnings

- Sasini
- Eaagads
- NSE
- Eveready
- Unga Group
- E.A. Breweries
- Nation Media
- Longhorn
- Kenya Power

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Kakuzi Plc	First & Final Div: KES 14.00	19-Jun-20	15-Jul-20
Standard Chartered	Final Div: KES 7.50	27-Apr-20	24-Jul-20
BK Group	Final Div: FRW 14.40	12-Jun-20	24-Jul-20
Kenya Re	First & Final Div: KES 0.10	12-Jun-20	24-Jul-20
DTB Kenya	First & Final Div: KES 2.70	25-Jun-20	24-Jul-20
Jubilee Holdings	Final Div: KES 8.00	30-Jun-20	24-Jul-20
Umeme	Final Div: USH 41.30	22-Jun-20	27-Jul-20
Total Kenya	First & Final Div: KES 1.30	26-Jun-20	31-Jul-20
Safaricom	First & Final: KES 1.40	31-Jul-20	1-Nov-20
Centum Investment	First & Final: KES 1.20	STA*	STA*
N.S.E.	First & Final Div: KES 0.08	STA*	STA*
<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Crediting Date</u>
Standard Chartered	Bonus Issue: 1:10	27-Apr-20	STA*
NCBA Group	Bonus Issue: 1:10	12-May-20	STA*
Nation Media	Bonus Issue: 1:10	12-Jun-20	STA*

*(Source: NSE, DBIB Research)*

*STA\*—Subject to approval*

## AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
N.S.E.	11:00 am	Virtual	09-Jul-20
Sanlam	11.00 am	Virtual	09-Jul-20
Housing Finance	10.00 am	Virtual	10-Jul-20
Car and General	11.00 am	Virtual	15-Jul-20
NCBA Group	10:00 am	Virtual	24-Jul-20
Standard Chartered	11:00 am	Virtual	24-Jul-20
Home Afrika	10:00 am	Virtual	30-Jul-20
Safaricom	11:00 am	Virtual	31-Jul-20

*(Source: Company filings , DBIB Research)*

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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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