

DBIB WEEKLY BULLETIN

WEEK 30

Date: 24.07.2020

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INDICES & MARKET METRICS MOVEMENT

NSE 20 dropped by 1.2% w-o-w to close at 1,886.84 whereas **NASI** rose 1.8% w-o-w to close at 134.59

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	134.6	1.77	(0.88)	(18.42)	(19.12)
NSE-20	1,886.8	(1.18)	(4.12)	(28.60)	(28.92)
DBIB Select	85.2	1.47	0.30	(5.48)	(4.81)
FTSE 15	165.9	(0.32)	(1.58)	(24.30)	(25.04)
FTSE 25	177.5	1.00	(0.63)	(21.95)	(22.67)
FTSE Frontier 50	35,150.4	0.12	12.04	(23.17)	(21.13)

(Source: NSE, Bloomberg, DBIB Research)

Weekly equity turnover declined 4.2% w-o-w to USD 30.59 MN (KES 3.30 BN).

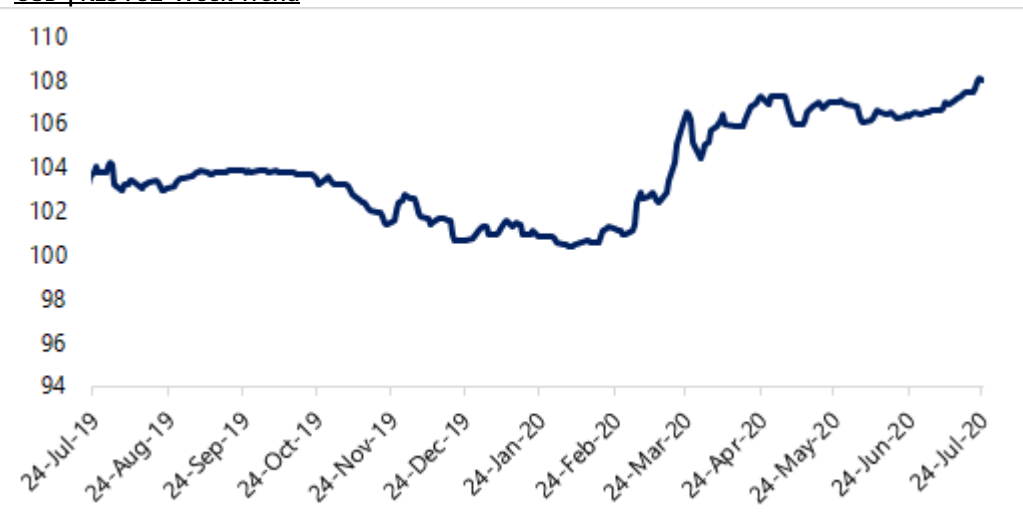
Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,056.98	1.78	(2.30)	(0.88)	(18.31)
Market Turnover (USD m)	30.59	(4.17)	16.96	(23.91)	8.52
Market P/E (x)	11.26	3.87	(3.51)	(5.75)	(16.80)
Market Div. yld (%) *	5.35	(9.47)	(168.02)	(30.79)	(91.35)
Market ROE (%) *	38.25	59.05	(806.34)	(689.56)	98.72

* Changes in bps

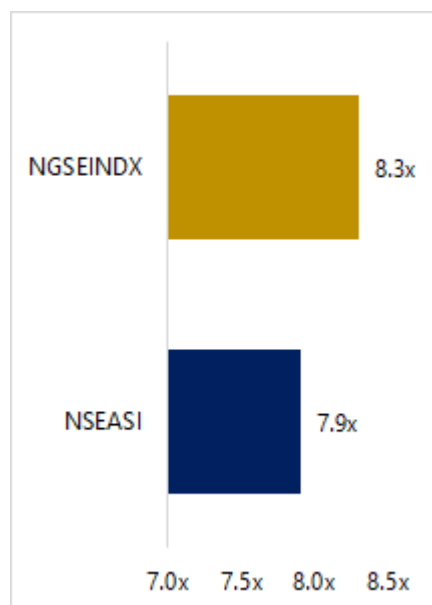
(Source: NSE, DBIB Research)

USD | KES: KES weakened 0.5% w-o-w to close at 108.02 (-6.6% YTD).

USD | KES : 52-Week Trend



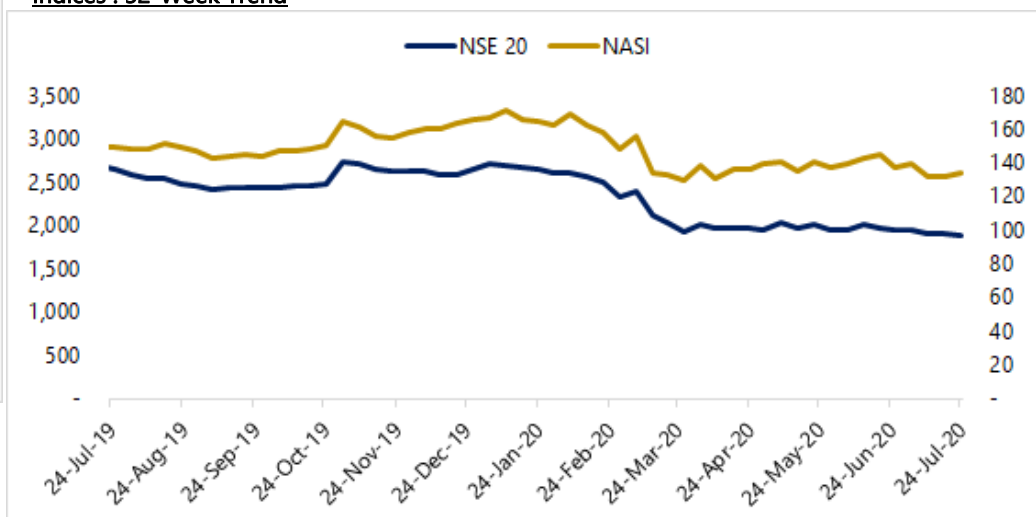
PEER P/E MULTIPLES



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>
Kakuzi	20.7
Williamson Tea	5.8
Sasini	5.2
New Gold ETF	5.2
E.A Breweries	4.8

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Trans-Century	(13.6)
Nation Media	(12.6)
Olympia Capital	(10.4)
Sameer Africa	(9.2)
NBV	(8.3)

(Source: NSE, DBIB Research)



Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 17.4 MN (KES 1.9 BN) representing 56.7% of this week's turnover.

The stock edged up 4.1% w-o-w to close at KES 28.10 on Friday.

Foreign investors assumed a net selling position on the counter this week by accounting for 93.4% of foreign sales and 49.7% of foreign purchases.

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	17.36
Equity Group	4.25
B.A.T Kenya	3.33
KCB Group	2.96
E.A Breweries	0.83

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Airways	86.8
New Gold ETF	34.8
Uchumi	24.1
Kakuzi	16.4
Scangroup	13.7

(Source: NSE, DBIB Research)

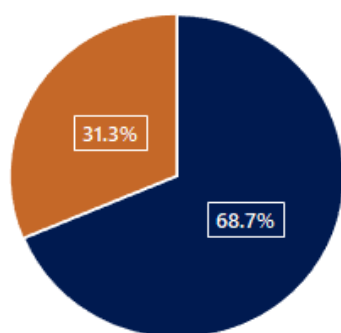


<u>Top Losers</u>	<u>%</u>
Nation Media	(72.2)
Bamburi	(67.5)
Express Kenya	(44.4)
N.S.E	(44.1)
HF Group	(41.8)

(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	99.7
B.A.T Kenya	99.0
E.A Breweries	79.8
Safaricom	49.8
Equity Group	37.4

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Bank of Kigali	100.0
New Gold ETF	100.0
Jubilee	100.0
B.A.T Kenya	99.5
Safaricom	93.4

Y-T-D Foreign Performance

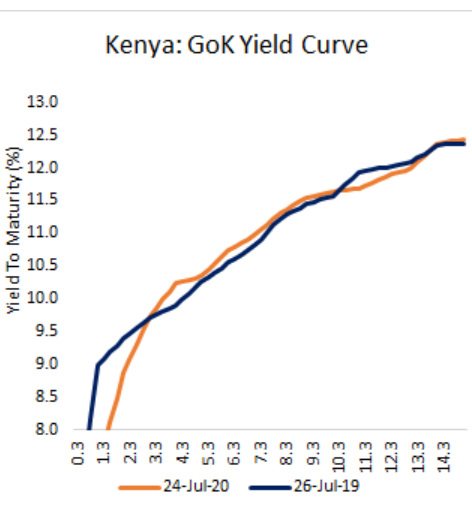
<u>Top Foreign Buys</u>	<u>% Purchase</u>
Bank of Kigali	99.5
B.A.T Kenya	84.5
E.A Breweries	64.9
Safaricom	61.8
New Gold ETF	57.4

(Source: NSE, DBIB Research)

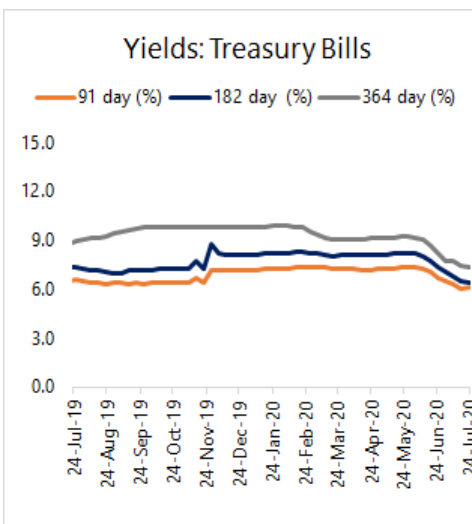
<u>Top Foreign Sales</u>	<u>% Sold</u>
Bank of Kigali	100.0
New Gold ETF	99.7
Stanbic	92.6
B.A.T Kenya	91.4
Safaricom	83.3

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 119.70 MN (KES 12.93 BN) representing a 11.12% w-o-w increase from USD 107.73 MN (KES 11.58 BN) recorded the previous week.



Source: NSE, DBIB Research



Source: NSE, DBIB Research

The Bond market's turnover for the week stood at USD 119.70 MN (KES 12.93 BN) representing a 11.12% w-o-w increase from USD 107.73 MN (KES 11.58 BN) recorded the previous week. The bond issue number IFB1/2020/9Yr emerged as the top traded bond with a turnover of KES 3.69 BN accounting for 28.50% of the week's turnover. The bond traded between 9.4000% and 11.000%.

July Issue Results: FXD1/2020/5, FXD2/2018/10 and FXD1/2019/15 (Re-opens)

The Government received KES 181.77 BN for the three re-opens, above the total amount offered, KES 60.00 BN. Total bids for the FXD1/2020/5, FXD2/2018/10 and FXD1/2019/15 re-opens stood at KES 63.34 BN, KES 55.49 BN and KES 60.95 BN respectively. Overall, the performance rate was placed at 302.95%. Against these bids, the government accepted KES 80.85 BN only: KES 9.34 BN for the 5-YR re-open, KES 21.27 BN for the 10-YR re-open and KES 50.24 BN for the 15-YR re-open. The market weighted average rates stood at 10.561%, 11.673% and 12.405% for the 5, 10 and 15 YR re-opens respectively. The weighted average rate of accepted bids were placed at 10.260%, 11.453% and 12.344% for the 5, 10 and 15 YR re-opens respectively. The coupon rates remained at 11.667%, 12.502% and 12.857% for the 5, 10 and 15 YR re-opens respectively.

Top Trades for the week ending 24 July 2020

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
21-Jul	IFB 1/2020/9Yr	8.7	10.8500	10.1000	106.4422	1,400.0
21-Jul	FXD 4/2019/10Yr	9.3	12.2800	11.6500	105.4161	1,385.0
24-Jul	FXD 4/2019/10Yr	9.3	12.2800	11.5000	106.3808	1,000.0
21-Jul	FXD 1/2019/10Yr	8.6	12.4380	11.6000	109.5133	950.0
22-Jul	IFB 1/2020/9Yr	8.7	10.8500	10.3500	105.2770	700.0
21-Jul	IFB 1/2020/6Yr	5.8	10.2000	9.8500	102.5698	500.0
22-Jul	FXD 3/2019/ 5Yr	4.4	11.4920	10.2000	105.6341	500.0
24-Jul	FXD 1/2017/ 5Yr	2.1	12.4650	8.9000	111.8026	500.0
22-Jul	IFB 1/2020/6Yr	5.8	10.2000	9.9000	102.4252	400.0
24-Jul	FXD1/2012/15Yr	7.1	11.0000	11.0000	103.8984	400.0
24-Jul	IFB 1/2020/6Yr	5.8	10.2000	10.0000	102.1379	305.0
23-Jul	IFB 1/2020/9Yr	8.7	10.8500	10.4937	104.6285	300.0
24-Jul	IFB 1/2020/9Yr	8.7	10.8500	10.2500	105.8104	300.0
24-Jul	FXD1/2020/ 5Yr	4.8	11.6670	10.0000	108.5686	250.0

(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 24 July 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	10.82	270.44	10.81	6.112	10.1
182-day	10.00	1.39	13.88	1.39	6.440	(8.4)
364-day	10.00	23.69	236.90	23.63	7.370	(9.4)

(Source: NSE, DBIB Research)

Salient News...

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TPS Eastern Africa reported its 1H20 results recording a 298.9% increase in loss after tax to KES 640.9 MN.

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TPS Eastern Africa 1H20 Earnings

TPS Eastern Africa reported its 1H20 results recording a 298.9% increase in loss after tax to KES 640.9 MN on the back of the adverse effects of the COVID-19 crisis on the operation of Serena Hotels throughout East Africa. The group's properties in East Africa were temporarily closed at the end of March 2020 in compliance with the respective East African government's containment directives. Loss per share for the period stands at KES 3.33.

Revenue from contracts with customers edged down 59.1% y-o-y to KES 1.1 BN. Exchange loss on foreign currency loans rose 714.1% y-o-y to KES 149.5 MN. Net interest costs increased by 25.7% y-o-y to KES 106.7 MN. The company's share of losses from associated rose to 39.5 MN in 1H20 from KES 2.2 MN in 1H19.

Total equity declined by 4.5% h-o-h to KES 8.8 BN. Total liabilities increased by 42.2% h-o-h to KES 568.7 MN while total assets remained fairly constant (+0.6 h-o-h) to KES 16.2 BN.

Given the severity of the crisis on the tourism industry and subsequently the performance of the group, TPS Eastern Africa has announced a profit warning on its FY20 results implying that full year profits will come in below KES 136.3 MN. *(Source: Company filings, DBIB Research).*

UPCOMING EVENTS

Profit Warnings

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

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Umeme	Final Div: USH 41.30	28-Jul-20	17-Aug-20
Total Kenya	First & Final Div: KES 1.30	26-Jun-20	31-Jul-20
N.S.E.	First & Final Div: KES 0.08	09-Jul-20	STA*
WPP Scangroup	Special Div: KES 8.00	28-Jul-20	27-Aug-20
Kapchorua Tea	Final Div: KES 10.00	30-Jul-20	STA*
Safaricom	First & Final: KES 1.40	31-Jul-20	1-Nov-20
Williamson Tea	Final Div: KES 20.00	18-Aug-20	STA*
BAT Kenya	Interim Div: KES 3.50	21-Aug-20	18-Sep-20
Centum Investment	First & Final: KES 1.20	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>
Flame Tree Group	11:00 am	Virtual	27-Jul-20
Transcentury	10:00am	Virtual	30-Jul-20
Home Afrika	10:00 am	Virtual	30-Jul-20
Safaricom	11:00 am	Virtual	31-Jul-20
Umeme	10.00 am	Virtual	6-Aug-20

(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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