

DBIB WEEKLY BULLETIN

WEEK 23

Date: 05.06.2020

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INDICES & MARKET METRICS MOVEMENT

NSE 20 shed 0.4% w-o-w to close at 1,939.59 whilst **NASI rose** 1.5% w-o-w to close at 139.18.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	139.2	1.49	(10.88)	(13.17)	(16.36)
NSE-20	1,939.6	(0.44)	(19.20)	(26.01)	(26.93)
DBIB Select	86.2	0.54	(1.48)	(1.67)	(3.61)
FTSE 15	171.7	0.29	(17.77)	(19.57)	(22.43)
FTSE 25	182.7	0.76	(15.37)	(17.37)	(20.38)
FTSE Frontier 50	35,348.1	1.99	(13.52)	(19.84)	(20.69)

(Source: NSE, Bloomberg, DBIB Research)

Weekly equity turnover declined 1.2% to USD 21.96 MN (KES 2.33 BN).

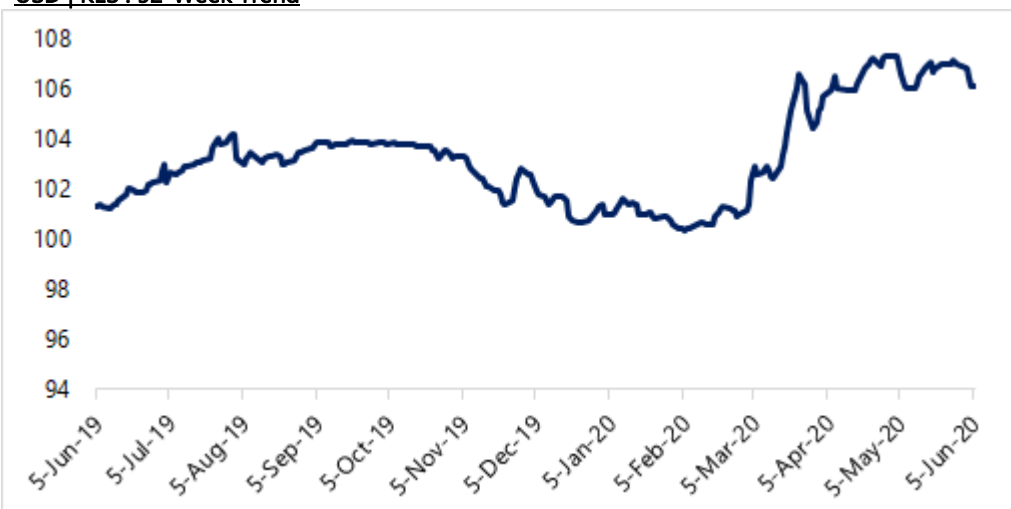
Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,127.22	1.49	(1.20)	(10.90)	(13.05)
Market Turnover (USD m)	21.96	(1.22)	(52.05)	(41.52)	(21.12)
Market P/E (x)	11.99	2.46	2.78	(3.62)	(11.78)
Market Div. yld (%)	5.29	(20.57)	(71.52)	(53.11)	(93.45)
Market ROE (%)	38.32	36.06	(655.94)	(629.78)	136.50

* Changes in bps

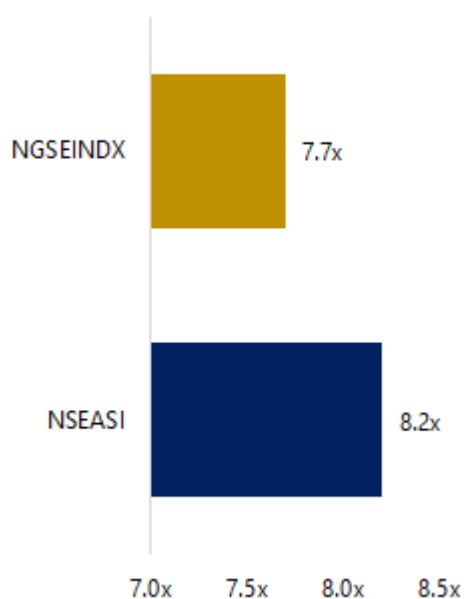
(Source: NSE, DBIB Research)

USD | KES: KES strengthened 0.8% to close at 106.09 (-4.7% YTD).

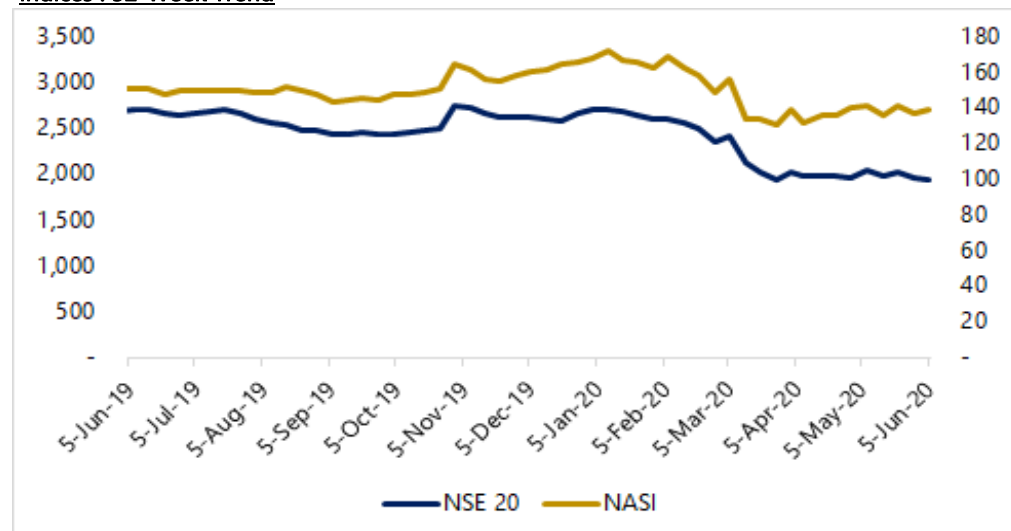
USD | KES : 52-Week Trend



PEER P/E MULTIPLES



Indices : 52-Week Trend



(Source: NSE, DBIB Research)

NSEASI - Nairobi All Share Index
NGSEINDX - Nigeria All Share Index

(Source: Bloomberg, DBIB Research)

WEEKLY BOURSE WRAP UP...

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Flame Tree Group	24.8
Kenya Power	17.1
Eveready	16.0
Standard Group	9.5
<u>Uchumi</u>	<u>6.7</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Nation Media	(11.6)
Kapchorua Tea	(8.9)
Stanbic	(7.6)
ABSA	(6.9)
<u>N.S.E</u>	<u>(6.8)</u>

(Source: NSE, DBIB Research)



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Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 9.4 MN (KES 993.3 MN) representing 42.6% of this week's turnover.

The stock edged up 3.3% w-o-w to close at KES 29.50 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 79.0% of foreign sales and 90.4% of foreign purchases.

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	9.36
Equity Group	5.51
KCB Group	2.72
E.A Breweries	1.16
<u>Britam</u>	<u>0.94</u>

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Gold ETF	20.4
Olympia Capital	14.4
Kenya Airways	13.7
Uchumi	10.3
<u>Carbacid</u>	<u>9.3</u>

(Source: NSE, DBIB Research)

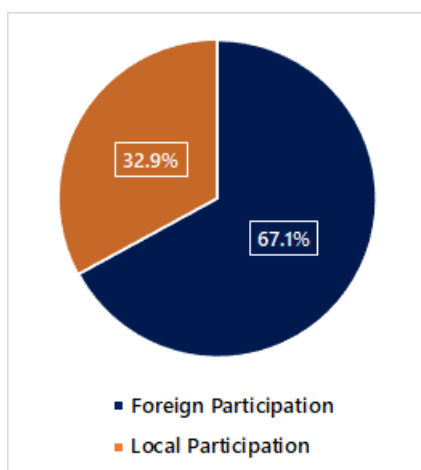


<u>Top Losers</u>	<u>%</u>
Nation Media	(58.7)
Bamburi	(47.6)
Flame Tree Group	(40.9)
N.S.E	(40.4)
<u>Housing Finance</u>	<u>(39.5)</u>

(Source: NSE, DBIB Research)



WEEKLY LOCAL VIS-À-VIS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
BAT Kenya	94.2
Safaricom	90.4
Jubilee	83.7
Umeme	62.4
<u>E.A Breweries</u>	<u>46.3</u>

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Gold ETF	100.0
Umeme	98.0
E.A Breweries	97.8
BAT Kenya	90.4
<u>Equity Group</u>	<u>87.3</u>

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Bank of Kigali	99.6
BAT Kenya	85.8
Gold ETF	66.0
Safaricom	65.4
<u>E.A Breweries</u>	<u>61.3</u>

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Bank of Kigali	100.0
Gold ETF	99.7
Stanbic	92.2
BAT Kenya	89.9
<u>Safaricom</u>	<u>84.7</u>

FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 89.45 MN (KES 9.49 BN) representing a 30.4% w-o-w decline from USD 128.49 MN (KES 13.74 BN) recorded the previous week.

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June Issue: FXD3/2019/5 and FXD4/2019/10 Re-opens

The Government reopened the 5 year fixed coupon bond, Issue number FXD3/2019/5 (4.48 years) and the 10 year fixed coupon bond, Issue number FXD4/2019/10 (9.42 years), this June. It aims to raise KES 40.0 BN for budgetary support. The 5 year bond's coupon rate is fixed at 11.492% whilst the 10 year bond's coupon rate is fixed at 12.280%. The period of sale lies between 04/06/2020 and 16/06/2020.

Top Trades for the week ending 05 June 2020

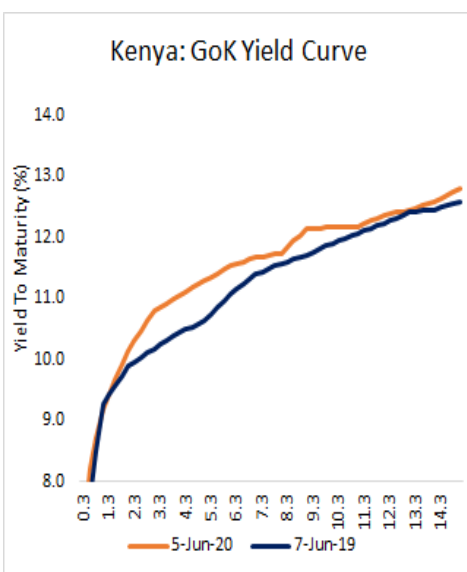
						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
4-Jun	FXD1/2018/25Yr	23.0	13.4000	13.3800	106.1598	1,000.0
4-Jun	FXD 4/2019/10Yr	9.4	12.2800	12.1200	101.2151	790.0
4-Jun	IFB 1/2020/9Yr	8.8	10.8500	11.4500	98.7820	675.0
4-Jun	FXD1/2020/ 5Yr	4.9	11.6670	11.5000	101.3665	500.0
5-Jun	IFB 1/2020/6Yr	6.0	10.2000	11.0500	97.2252	500.0
5-Jun	IFB 1/2020/6Yr	6.0	10.2000	11.2000	96.7281	500.0
4-Jun	FXD1/2020/ 5Yr	4.9	11.6670	11.2000	102.4854	430.0
3-Jun	IFB 1/2020/9Yr	8.8	10.8500	11.7500	97.4210	400.0
5-Jun	IFB 1/2020/6Yr	6.0	10.2000	11.0000	97.3917	400.0
3-Jun	IFB 1/2019/25Yr	23.7	12.2000	12.6500	99.2344	300.0
3-Jun	IFB 1/2019/25Yr	23.7	12.2000	12.7500	98.5600	300.0
2-Jun	IFB 1/2019/16Yr	15.3	11.7500	12.4712	96.6214	250.0
3-Jun	IFB 1/2020/9Yr	8.8	10.8500	11.7000	97.6410	200.0
4-Jun	FXD 1/2012/10Yr	2.0	12.7050	10.1500	110.5433	200.0
4-Jun	FXD 1/2013/10Yr	3.0	12.3710	10.6500	109.9425	200.0
4-Jun	IFB 1/2020/9Yr	8.8	10.8500	11.7000	97.6715	200.0
5-Jun	IFB 1/2020/9Yr	8.8	10.8500	11.6500	97.9227	200.0
5-Jun	IFB 1/2020/6Yr	6.0	10.2000	11.1000	97.0592	200.0

(Source: NSE, DBIB Research)

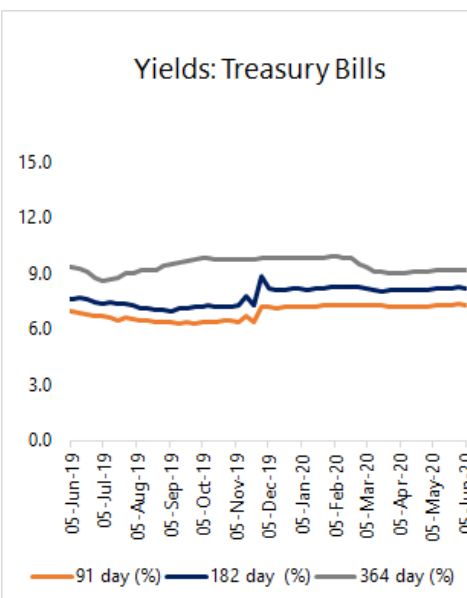
Treasury Bill auction for the week ending 05 June 2020

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	10.22	255.55	4.25	7.325	0.8
182-day	10.00	21.30	213.04	8.86	8.200	4.8
364-day	10.00	18.65	186.50	4.47	9.165	3.3

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News...

Home Afrika FY19 Earnings

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Home Afrika released its FY19 results reporting a loss after tax of KES 888.8 MN compared to that of 346.2 MN reported in FY18

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Home Afrika released its FY19 results reporting a loss after tax of KES 888.8 MN compared to that of 346.2 MN reported in FY18, primarily on account of a depressed valuation of the group's land and uncompleted houses. Loss per share stands at KES 1.54. The board did not recommend a dividend for the period.

Revenue edged up 232.9% y-o-y to KES 363.0 MN. These gains were however eroded by a 336.7% y-o-y increase in cost of sales to KES 359.3 MN. As such, gross profit margin dropped by 2,354 bps to 1.0%. Actual sales not adjusted for percentage of completion edged up 10.8% y-o-y to 645 MN indicating growth in the sale of property despite a depressed economic environment and weakening real estate performance. Finance costs rose by 58.5% y-o-y to KES 254.6 MN

Total assets decreased by 3.4% y-o-y to KES 4.3 BN on account of a 42.3% y-o-y drop in non-current assets to KES 392.5 MN and a 3.5% y-o-y increase in current assets to KES 4.0 BN. Total liabilities rose by 13.2% y-o-y to KES 6.3 BN. *(Source: Company filings, DBIB Research)*

UPCOMING EVENTS

Profit Warnings

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

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Limuru Tea Plc	First & Final Div: KES 0.70	10-Apr-20	26-Jun-20
KCB Group	Final Div: KES 2.50	27-Apr-20	STA*
Stanbic Holdings	Final Div: KES 5.80	18-May-20	STA*
ABSA Bank	Final Div: KES 0.90	03-Jun-20	19-Jun-20
I&M Holdings	First & Final Div: KES 2.55	08-Jun-20	26-Jun-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
Kakuzi Plc	First & Final Div: KES 14.00	19-Jun-20	15-Jul-20
Umeme	Final Div: USH 41.30	22-Jun-20	27-Jul-20
Britam Holdings	First & Final Div: KES 0.25	23-Jun-20	STA*
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
Safaricom	First & Final: KES 1.40	31-Jul-20	01-Nov-20
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>
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>
Kakuzi Plc	12:00noon	Virtual	09-Jun-20
ABSA Bank	10:00am	Virtual	19-Jun-20
BAT Kenya	9.00am	Virtual	24-Jun-20
DTB Group	11:00am	Virtual	25-Jun-20
Total Kenya	9:00am	Virtual	26-Jun-20
Nation Media	3:00pm	Virtual	26-Jun-20
Stanbic Holdings	11.00am	Virtual	26-Jun-20
Britam Insurance	11:00am	Virtual	29-Jun-20
Equity Group	10.00am	Virtual	30-Jun-20
CIC Insurance	10:00am	Virtual	30-Jun-20
TPS Serena	11:00am	Virtual	30-Jun-20

Please note:

The Capital Markets Authority (CMA) advised in a press statement dated 18 March 2020 that AGMs scheduled for March, April and May 2020 be deferred to a later date. *(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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