

# DBIB WEEKLY BULLETIN

# WEEK 25

Date: 19.06.2020

## 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 shed 2.1% w-o-w to close at 1,969.45 whereas NASI rose 1.2% w-o-w to close at 144.58.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	144.6	1.19	8.76	(11.79)	(13.12)
NSE-20	1,969.5	(2.10)	(2.76)	(23.78)	(25.80)
DBIB Select	87.9	1.93	14.49	(0.37)	(1.76)
FTSE 15	177.4	1.52	3.42	(18.32)	(19.84)
FTSE 25	190.4	1.92	6.24	(15.95)	(17.06)
FTSE Frontier 50	35,209.3	0.95	17.07	(19.03)	(21.00)

(Source: NSE, Bloomberg, DBIB Research)

Weekly equity turnover declined 3.3% w-o-w to USD 30.37 MN (KES 3.23 BN).

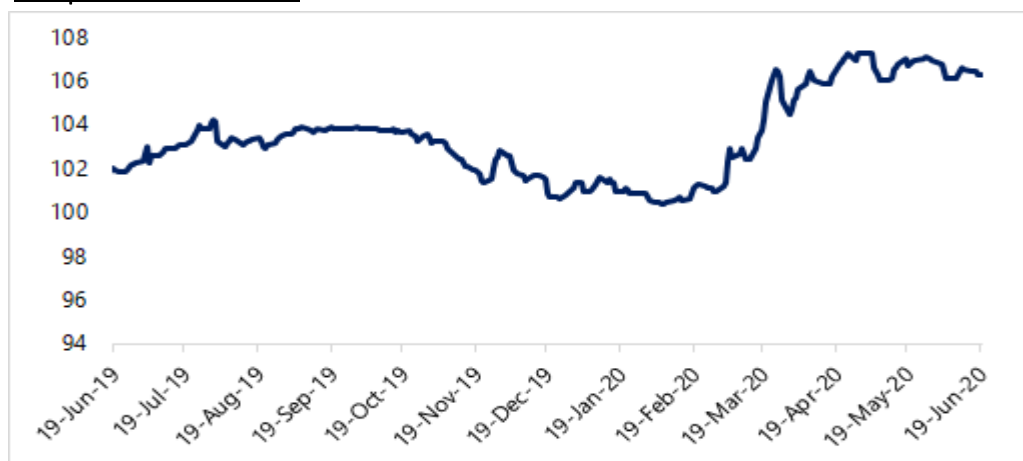
Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,209.98	1.19	2.99	8.79	(11.66)
Market Turnover (USD m)	30.37	(3.33)	34.67	(31.89)	(27.76)
Market P/E (x)	12.46	1.30	4.86	17.55	(8.38)
Market Div. yld (%)	4.98	(22.07)	(252.07)	(72.07)	(133.94)
Market ROE (%)	38.66	28.31	(602.69)	(628.69)	152.67

\* Changes in bps

(Source: NSE, DBIB Research)

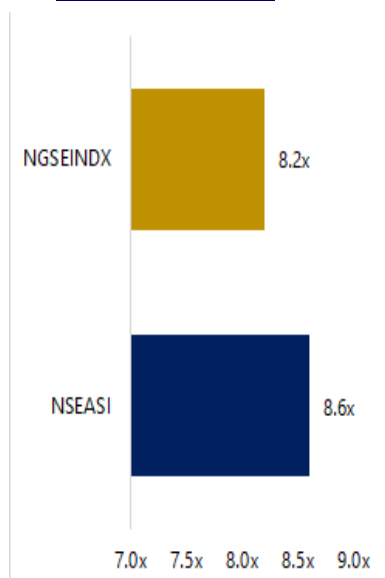
USD | KES: KES strengthened 0.2% to close at 106.29 (-4.9% YTD).

### USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

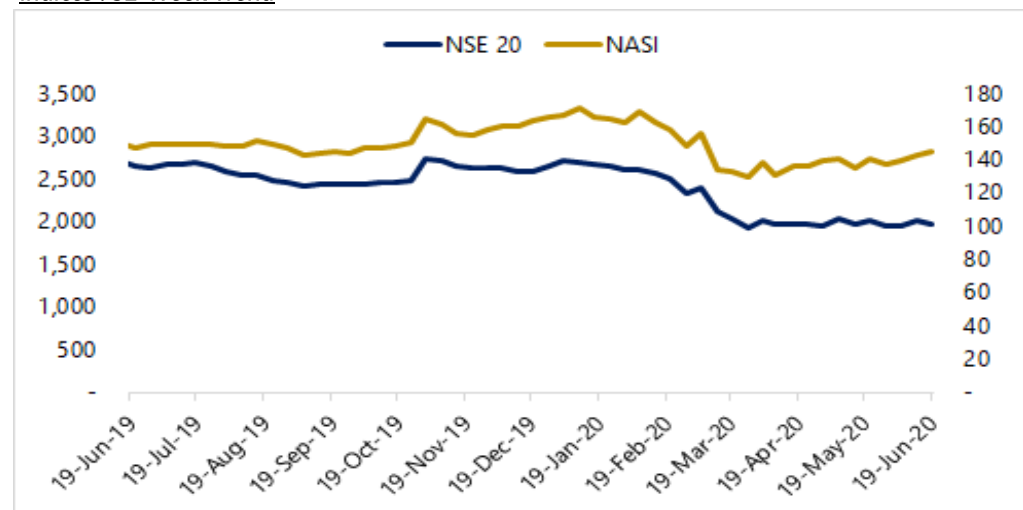
### PEER P/E MULTIPLES



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...

Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 11.4 MN (KES 1.2 BN) representing 37.4% of this week's turnover.

The stock edged up 1.5% w-o-w to close at KES 30.90 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 51.5% of foreign sales and 86.0% of foreign purchases.

## Week-on-Week Performance

Top gainers	%
Olympia Capital	17.3
Eaagads	10.0
Car & General	9.9
Eveready	8.9
Stanbic	6.5

(Source: NSE, DBIB Research)



Top Losers	%
Kenya Power	(19.7)
Flame Tree Group	(16.4)
Britam	(13.0)
Bamburi Cement	(10.5)
Sanlam Kenya	(9.4)

(Source: NSE, DBIB Research)



Top traders (Value)	USD MN
Safaricom	11.36
Equity Group	4.85
KCB Group	2.33
Britam	2.17
E.A Breweries	1.69

(Source: NSE, DBIB Research)

## Y-T-D Performance

Top gainers	%
Kenya Airways	34.6
Gold ETF	22.6
Olympia Capital	21.4
Carbacid	12.5
Uchumi	6.9

(Source: NSE, DBIB Research)

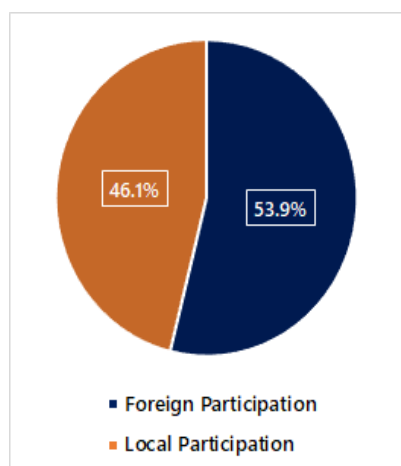


Top Losers	%
Nation Media	(61.1)
Bamburi	(57.3)
Stanlib Fahari I-REIT	(41.4)
Housing Finance	(38.1)
Flame Tree Group	(38.1)

(Source: NSE, DBIB Research)



## WEEKLY LOCAL VIS-À-VIS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

## Weekly Foreign Performance

Top Weekly Buys	% Purchase
Safaricom	86.0
E.A Breweries	78.1
Equity Group	54.1
NSE	24.8
KCB Group	23.7

(Source: NSE, DBIB Research)

Top Weekly Sales	% Sold
Gold ETF	100.0
Stanbic	98.2
ABSA	97.0
E.A Breweries	86.1
KCB Group	85.2

## Y-T-D Foreign Performance

Top Foreign Buys	% Purchase
Bank of Kigali	99.4
B.A.T Kenya	85.8
Safaricom	68.3
E.A Breweries	62.5
Gold ETF	60.9

(Source: NSE, DBIB Research)

Top Foreign Sales	% Sold
Bank of Kigali	100.0
Gold ETF	99.7
Stanbic	92.9
B.A.T Kenya	89.7
Safaricom	81.3

The **Bond market's turnover** for the week stood at USD 112.62 MN (KES 11.97 BN) representing a 2.1% w-o-w upswing from USD 110.27 MN (KES 11.74 BN) recorded the previous week.

## FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 112.62 MN (KES 11.97 BN) representing a 2.1% w-o-w upswing from USD 110.27 MN (KES 11.74 BN) recorded the previous week. The bond issue number IFB1/2020/9Yr emerged as the top traded bond with a turnover of KES 2.66 BN accounting for 22.2% of the week's turnover. The bond traded between 10.600% and 11.600%.

### June Issue Results: FXD3/2019/5 (Re-open) and FXD4/2019/10 (Re-open)

The Government received KES 105.1 BN from the two re-opens of FXD3/2019/5 and FXD4/2019/10, above the total amount offered, KES 40.0 BN. Total bids for the FXD3/2019/5 re-open totaled KES 60.9 BN whereas the total bids for the FXD4/2019/10 re-open totaled KES 44.2 BN. Overall, the performance rate was placed at 262.8%. The government accepted KES 49.3 BN. The average rate of the accepted bids for the FXD3/2019/5 re-open came in at 11.186% whilst that of the FXD4/2019/10 re-open stood at 12.415%. The market weighted average rate for the FXD3/2019/5 re-open was placed at 11.449% whilst that of the FXD4/2019/10 re-open came in at 12.483%. The 5 year bond's coupon rate remained fixed at 11.492% whilst that of the 10 year bond's remained fixed at 12.280%.

### Top Trades for the week ending 19 June 2020

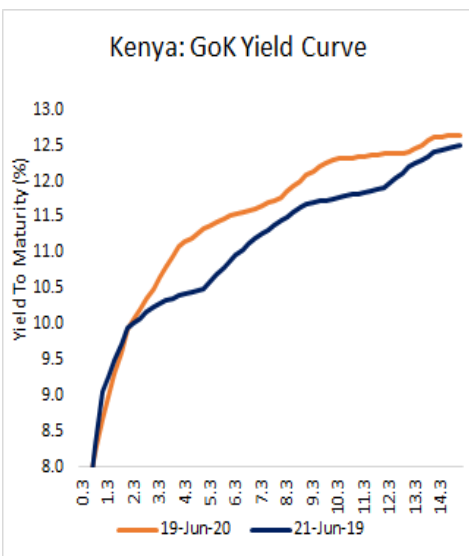
						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
16-Jun	IFB 1/2020/9Yr	8.8	10.8500	11.5000	98.9225	956.5
15-Jun	IFB 1/2020/6Yr	5.9	10.2000	10.9800	97.7450	700.0
15-Jun	FXD1/2008/15Yr	2.7	12.5000	10.5000	107.7573	500.0
16-Jun	FXD 1/2013/10Yr	3.0	12.3710	10.5000	110.7092	500.0
18-Jun	IFB 1/2020/6Yr	5.9	10.2000	11.5000	98.9833	450.0
15-Jun	FXD 4/2019/10Yr	9.4	12.2800	12.2750	100.7174	300.0
15-Jun	FXD1/2019/15Yr	13.6	12.8570	12.7500	105.5928	300.0
15-Jun	FXD1/2019/20Yr	18.8	12.8730	12.8500	102.3446	300.0
16-Jun	FXD 2/2018/10Yr	8.5	12.5020	12.3500	100.8195	300.0
17-Jun	FXD 2/2018/10Yr	8.5	12.5020	12.2000	101.6369	300.0
18-Jun	FXD 1/2018/ 5Yr	2.7	12.2990	10.4000	107.3590	300.0
15-Jun	IFB 1/2016/9Yr	4.9	12.5000	10.9500	105.2559	255.0
19-Jun	FXD1/2009/15Yr	4.3	12.5000	11.1000	106.9617	250.0

(Source: NSE, DBIB Research)

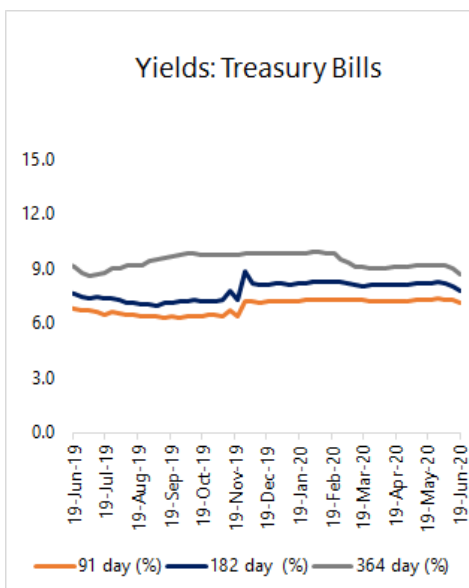
### Treasury Bill auction for the week ending 19 June 2020

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	13.37	334.36	6.36	7.089	(17.0)
182-day	10.00	13.06	130.56	4.24	7.739	(31.9)
364-day	10.00	18.77	187.75	4.12	8.667	(36.3)

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

---

## Salient News...

### Standard Chartered lowers dividend recommendation

.....

The board of **Standard Chartered** has announced that they will be varying their final dividend recommendation from KES 15.00 per share to a combination of a KES 7.50 per share dividend and a bonus issue of 1 ordinary share for every 10 ordinary shares held.

.....

The board of Standard Chartered has announced that they will be varying their final dividend recommendation from KES 15.00 per share to a combination of a KES 7.50 per share dividend and a bonus issue of 1 ordinary share for every 10 ordinary shares held. Using Friday's closing price of KES 167.57 as a proxy for the price on the date of crediting, the total value of these resolutions to shareholders on register at the close of 27th April 2020 translates to circa KES 24.07, well above the initial proposed dividend. The recommendations are set to be passed during the AGM scheduled for 24th July 2020. The board believes that the decision to vary shareholder distributions will allow the company to maximize its support to individuals, businesses and communities afflicted by the COVID-19 crisis. *(Source: Company filings, 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>
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*
Standard Chartered	Final Div: KES 7.50	27-Apr-20	STA*
Stanbic Holdings	Final Div: KES 5.80	18-May-20	STA*
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
Total Kenya	First & Final Div: KES 1.30	26-Jun-20	31-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
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>
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
Sameer Africa	9.00am	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
N.S.E	11:00am	Virtual	09-Jul-20
Sanlam	11.00am	Virtua	09-Jul-20
Housing Finance	10.00am	Virtual	10-Jul-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*

### DISCLAIMER

*While every care has been taken in preparing this report and it has been prepared from sources believed to be reliable, no representation, warranty, or undertaking (express or implied) is given and no responsibility is accepted by Dyer and Blair Investment Bank Limited, its related companies, subsidiaries, affiliates, its employees and agents, as to the accuracy and completeness of the information contained herein or in respect of any reliance on or use thereof. This report is solely intended for distribution to clients of Dyer and Blair Investment Bank Limited. Any information may be changed after distribution at any time without any notice.*

### RESEARCH TEAM

Edwin Chui | Mary Mukuria | Cynthia Wangari

Email: [research@dyerandblair.com](mailto:research@dyerandblair.com) | Contact: +254 709 930 130