

# DBIB WEEKLY BULLETIN

# WEEK 26

Date: 26.06.2020

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# INDICES & MARKET METRICS MOVEMENT

**NSE 20 and NASI** indices **dropped** by 1.6% and 4.7% w-o-w to close at 1,938.62 and 137.75 respectively.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	137.8	(4.72)	6.19	(16.72)	(17.22)
NSE-20	1,938.6	(1.57)	0.41	(26.74)	(26.97)
DBIB Select	86.0	(2.16)	4.76	(2.80)	(3.89)
FTSE 15	173.9	(1.97)	10.13	(20.47)	(21.42)
FTSE 25	184.6	(3.00)	10.71	(18.91)	(19.54)
FTSE Frontier 50	34,801.1	(1.16)	16.89	(21.31)	(21.92)

(Source: NSE, Bloomberg, DBIB Research)

**Weekly equity turnover** **declined** 13.9% w-o-w to USD 26.16 MN (KES 2.79 BN).

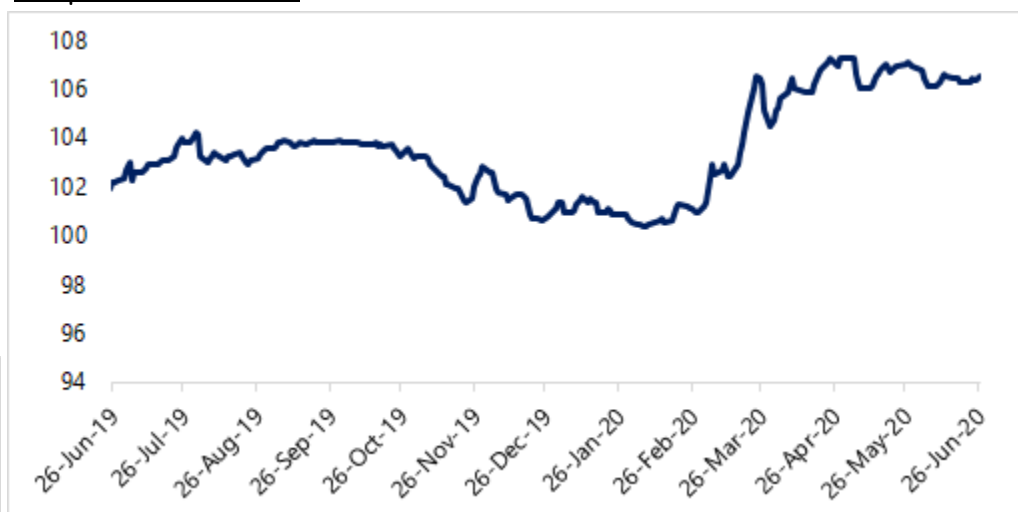
Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,105.36	(4.73)	0.45	8.23	(16.61)
Market Turnover (USD m)	26.16	(13.87)	17.66	(30.60)	197.64
Market P/E (x)	11.70	(6.10)	-	(24.52)	(13.97)
Market Div. yld (%)	5.20	22.07	(230.00)	(40.00)	(6.95)
Market ROE (%)	38.66	(0.31)	(669.00)	(608.00)	119.94

\* Changes in bps

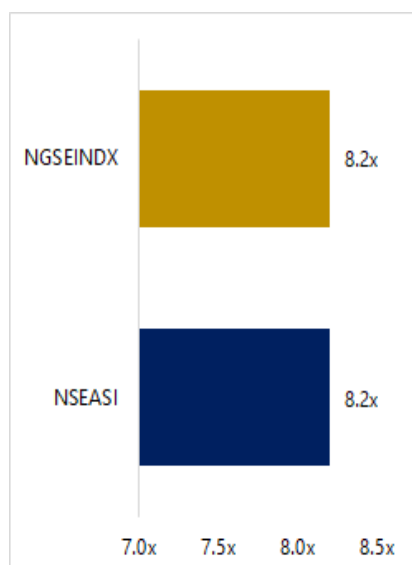
(Source: NSE, DBIB Research)

**USD | KES: KES weakened** 0.2% w-o-w to close at 106.51 (-5.1% YTD).

USD | KES : 52-Week Trend



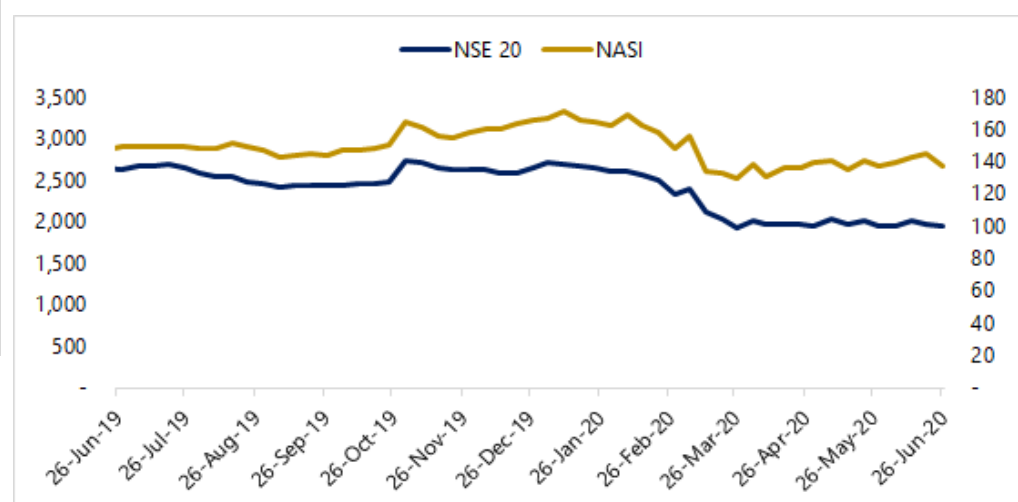
PEER P/E MULTIPLES



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>
E.A.Cables	15.3
Housing Finance	13.3
Sasini Ltd	9.2
K.P.L.C.	8.7
Williamson Tea	8.7

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Bamburi Cement	(20.3)
Umeme Ltd	(18.0)
E.A.Portland Cement	(10.0)
Home Afrika	(8.9)
Liberty Kenya	(8.6)

(Source: NSE, DBIB Research)



Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 13.8 MN (KES 1.5 BN) representing 53.1% of this week's turnover.

The stock shed 7.8% w-o -w to close at KES 28.50 on Friday.

Foreign investors assumed a net selling position on the counter this week by accounting for 89.1% of foreign sales and 67.4% of foreign purchases.

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	13.83
Equity Group	2.29
ABSA Bank	2.16
K.C.B. Group	1.77
E.A. Breweries	1.66

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Airways	32.7
ABSA Gold ETF	24.6
Olympia Capital	14.4
Carbacid	13.5
Sasini	5.0

(Source: NSE, DBIB Research)

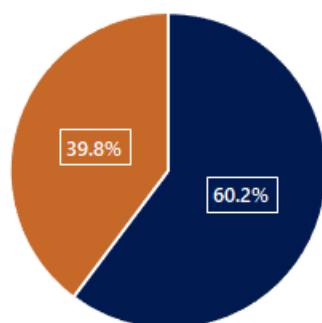


<u>Top Losers</u>	<u>%</u>
Bamburi Cement	(65.9)
Nation Media	(61.2)
Flame Tree	(42.5)
Trans-Century	(40.0)
Stanlib Fahari I-REIT	(37.4)

(Source: NSE, DBIB Research)



## WEEKLY LOCAL VIS-À-VIS FOREIGN PARTICIPATION



■ Foreign Participation  
■ Local Participation

(Source: NSE, DBIB Research)

## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Safaricom	86.0
E.A. Breweries	78.1
Equity Group	54.1
N.S.E.	24.8
KCB Group	23.7

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
ABSA Gold ETF	100.0
Stanbic Holdings	98.2
ABSA Bank	97.0
E.A. Breweries	86.1
KCB Group	85.2

## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
B.K. Group	99.4
B.A.T. Kenya	85.8
Safaricom	68.3
E.A. Breweries	62.5
ABSA Gold ETF	60.9

(Source: NSE, DBIB Research)

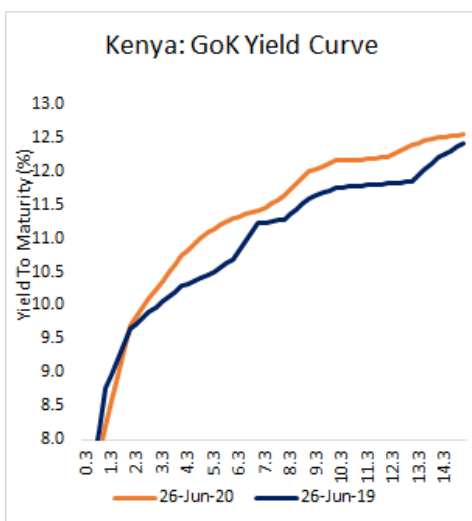
<u>Top Foreign Sales</u>	<u>% Sold</u>
B.K. Group	100.0
ABSA Gold ETF	99.7
Stanbic Holdings	92.9
B.A.T. Kenya	89.7
Safaricom	81.3

## FROM THE FIXED INCOME DESK

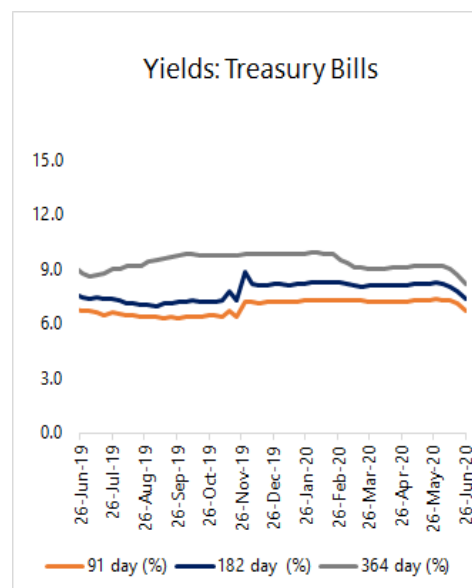
The **Bond market's turnover** for the week stood at USD 193.36 MN (KES 20.59 BN) representing a 71.7% w-o -w upswing from USD 112.69 MN (KES 11.97 BN) recorded the previous week.

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### Top Trades for the week ending 26 June 2020



Source: NSE, DBIB Research



Source: NSE, DBIB Research

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
25-Jun	FXD 4/2019/10Yr	9.4	12.2800	12.1000	102.0159	945.0
26-Jun	FXD1/2018/15Yr	14.5	12.6500	12.3000	103.3212	900.0
23-Jun	IFB 1/2020/9Yr	8.8	10.8500	11.4000	99.5809	600.0
22-Jun	FXD 1/2019/ 5Yr	3.6	11.3040	10.9500	104.7088	500.0
24-Jun	FXD 4/2019/10Yr	9.4	12.2800	12.2000	101.4280	500.0
24-Jun	IFB 1/2020/9Yr	8.8	10.8500	11.4000	99.6112	500.0
25-Jun	FXD1/2018/15Yr	14.5	12.6500	12.4000	102.6404	500.0
22-Jun	FXD1/2018/15Yr	14.5	12.6500	12.5250	101.7386	400.0
23-Jun	FXD 4/2019/10Yr	9.4	12.2800	12.1000	101.9501	400.0
23-Jun	FXD1/2018/15Yr	14.5	12.6500	12.3947	102.6068	400.0
26-Jun	FXD1/2020/ 5Yr	4.9	11.6670	11.0500	103.7229	400.0
26-Jun	FXD 4/2019/10Yr	9.4	12.2800	12.0000	102.6080	400.0
26-Jun	IFB 1/2020/6Yr	5.9	10.2000	10.6000	99.3279	400.0
22-Jun	IFB 1/2020/6Yr	5.9	10.2000	10.6000	99.2152	300.0
23-Jun	FXD 3/2019/ 5Yr	4.4	11.4920	11.0000	101.9499	300.0
23-Jun	FXD 4/2019/10Yr	9.4	12.2800	12.1250	101.8438	300.0
23-Jun	FXD1/2018/15Yr	14.5	12.6500	12.4500	102.2515	300.0
23-Jun	FXD1/2019/15Yr	13.5	12.8570	12.3500	108.4982	300.0
23-Jun	FXD1/2019/15Yr	13.5	12.8570	12.4500	107.8340	300.0
25-Jun	FXD1/2019/15Yr	13.5	12.8570	12.3250	108.7368	300.0
26-Jun	FXD1/2018/15Yr	14.5	12.6500	12.2000	103.9742	285.0
26-Jun	IFB 1/2020/6Yr	5.9	10.2000	10.4000	100.0036	275.0
26-Jun	IFB 1/2015/12Yr	6.7	11.0000	10.4231	104.2645	266.2
25-Jun	FXD 4/2019/10Yr	9.4	12.2800	12.0000	102.5752	250.0
25-Jun	FXD2/2019/15Yr	13.8	12.7340	12.5000	103.0625	225.0
24-Jun	FXD2/2019/15Yr	13.8	12.7340	12.5500	102.6994	215.5
25-Jun	FXD2/2019/15Yr	13.8	12.7340	12.3500	104.0588	215.5
23-Jun	IFB 1/2020/6Yr	5.9	10.2000	10.7500	98.7400	215.0
22-Jun	FXD 1/2018/ 5Yr	2.7	12.2990	10.1500	108.0832	200.0
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 26 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	16.48	412.04	0.69	6.700	(38.9)
182-day	10.00	14.03	140.25	1.54	7.395	(34.4)
364-day	10.00	28.44	284.44	11.53	8.194	(47.3)

(Source: NSE, DBIB Research)

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## Salient News...

### Equity Group discontinues the Atlas Mara Transaction

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In an update dated June 22, 2020, Equity Group announced that the discussions on the proposed transaction with Atlas Mara have been discontinued for the foreseeable future.

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In an update dated June 22, 2020, Equity Group announced that the discussions on the proposed transaction with Atlas Mara have been discontinued for the foreseeable future. This clears the uncertainty in the air following the expiration of the transaction's binding statement, as per the public announcement dated December 31, 2019. The proposed transaction would have seen Equity acquire banking businesses in Rwanda, Tanzania, Zambia and Mozambique in pursuit of its regional expansion strategy.

Following the rescindment of the FY19 dividend payment and the re-evaluation of the acquisition of new businesses that require capital injection and managerial attention, it has become very apparent that management is keen on refining the group's strategy by conserving cash and liquidity. Management's focus has now been shifted to growing its various non-funded income franchises, including its digital channels. We are of the opinion that this is a good move for its liquidity and capitalization position, especially in the current COVID-stricken environment. *(Source: Company filings, DBIB Research),*

## UPCOMING EVENTS

### Profit Warnings

	<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
• Sasini	Standard Chartered	Final Div: KES 7.50	27-Apr-20	STA*
• Eaagads	Stanbic Holdings	Final Div: KES 5.80	18-May-20	29-Jun-20
• NSE	BK Group	Final Div: FRW 14.40	12-Jun-20	24-Jul-20
• Eveready	Kenya Re	First & Final Div: KES 0.10	12-Jun-20	24-Jul-20
• Unga Group	Kakuzi Plc	First & Final Div: KES 14.00	19-Jun-20	15-Jul-20
• E.A. Breweries	Umeme	Final Div: USH 41.30	22-Jun-20	27-Jul-20
• Nation Media	Britam Holdings	First & Final Div: KES 0.25	23-Jun-20	03-Jul-20
• Longhorn	DTB Kenya	First & Final Div: KES 2.70	25-Jun-20	24-Jul-20
• Kenya Power	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>
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	Virtual	09-Jul-20
Housing Finance	10.00am	Virtual	10-Jul-20
Car and General	11.00am	Virtual	15-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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### RESEARCH TEAM

Edwin Chui | Mary Mukuria | Cynthia Wangari

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