

# DBIB WEEKLY BULLETIN

# WEEK 10

Date: 06.03.2020

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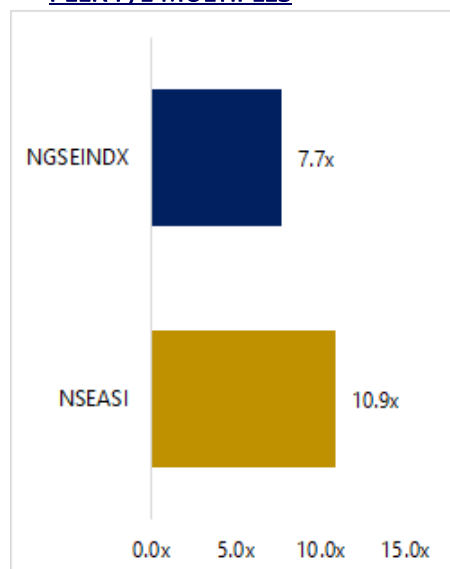
## INDICES & MARKET METRICS MOVEMENT

**NSE 20 & NASI** indices edged up 2.7% and 5.1% w-o-w to close at 2,400.56 and 156.17 respectively.

**Weekly equity turnover** increased by 29.3% to USD 37.55 MN (KES 3.85 BN)

**USD|KES:** KES weakened 1.6% to close at 102.55 (-1.2% YTD)

### PEER P/E MULTIPLES



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

(Source: Bloomberg, DBIB Research)

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	156.2	5.09	(2.57)	9.58	(6.15)
NSE-20	2,400.6	2.72	(8.43)	(0.79)	(9.56)
DBIB Select	87.5	3.24	(0.20)	5.05	(2.16)
FTSE 15	208.8	6.55	(2.18)	17.07	(5.67)
FTSE 25	215.9	6.91	(2.36)	14.65	(5.91)
FTSE Frontier 50	40,875.6	(21.24)	(7.30)	(3.71)	(8.29)

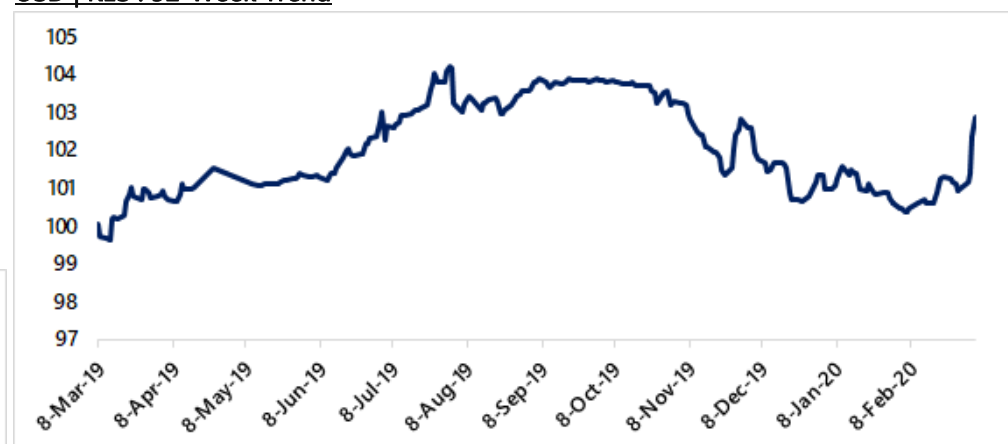
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,387.53	0.05	(0.02)	0.11	0.02
Market Turnover (USD m)	37.55	0.29	0.35	0.25	(0.33)
Market P/E (x)	12.44	0.06	(0.08)	(0.10)	(0.11)
Market Div. yld (%)	6.01	(29.05)	18.41	(57.22)	139.59
Market ROE (%)	44.88	20.09	26.12	1,072.06	942.55

\* Changes in bps

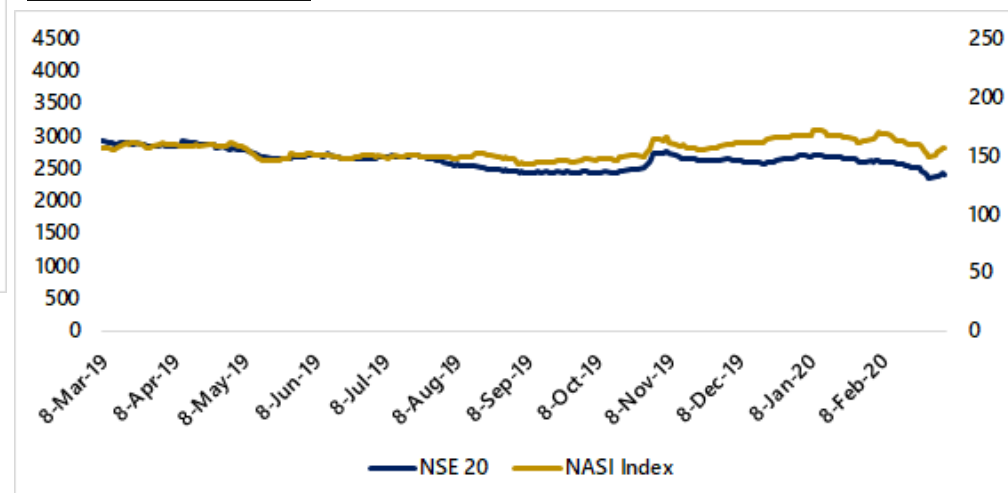
(Source: NSE, DBIB Research)

### USD | KES : 52-Week Trend



(Source: CBK, DBIB Research)

### Indices : 52-Week Trend



(Source: NSE, DBIB Research)



# WEEKLY BOURSE WRAP UP...

Key stocks on the bourse bounced back after the massive sell off experienced last week. This saw **KCB, Co-op** and **Equity** rank the top three gainers for the week. The rally on KCB prices is likely to continue ahead of the release of their FY19 results scheduled for Thursday, 12 March.

**Safaricom** emerged the top traded counter on the bourse recording a weekly turnover of USD 19.4 MN (KES 2.0 BN) representing 51.8% of this week's turnover. The stock edged up 5.7% w-o -w to close at KES 29.50 on Friday.

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
KCB Group	11.8
Co-op Bank	9.2
Equity Group	8.4
Sameer Africa	7.4
Nation Media	7.1

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Flame Tree	(18.0)
Liberty Holdings	(17.5)
Car & General	(10.0)
TPS Eastern Africa	(8.8)
Trans-Century	(8.7)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	19.44
KCB Group	6.53
Stanbic	3.92
Equity Group	3.59
E.A Breweries	1.25

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Olympia Capital	16.9
New Gold ETF	14.2
B.O.C Kenya	8.6
Carbacid	7.5
E.A Breweries	4.7

(Source: NSE, DBIB Research)



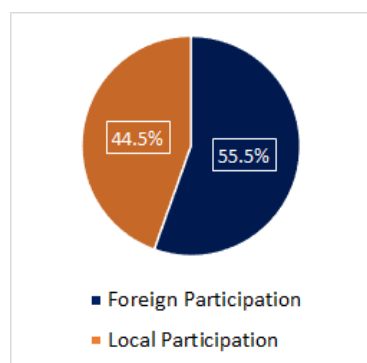
<u>Top Losers</u>	<u>%</u>
Flame Tree	(46.6)
Bamburi Cement	(28.8)
Liberty Holdings	(27.3)
Home Afrika	(26.7)
Housing Finance	(26.6)

(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>
Scangroup	89.3
Stanbic Bank	68.4
Centum	46.8
Safaricom	41.0
Britam	37.4

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Gold ETF	100.0
Stanbic Bank	95.1
Safaricom	93.1
Equity Group	72.1
KCB Group	60.7

## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Bank of Kigali	99.9
BAT Kenya	86.7
E.A Breweries	85.4
NSE	73.7
Safaricom	67.0

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Bank of Kigali	100.0
Gold ETF	100.0
BAT Kenya	93.5
Stanbic Bank	88.7
Safaricom	83.0

## FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 184.80 MN (KES 18.95 BN) representing a 16.6% w-o-w upswing from USD 158.47 MN (KES 16.00 BN) recorded the previous week.

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### March Issue: FXD1/2018/20 (Re-open) and FXD1/2018/25 (Re-open)

The government has issued an 18.07 year fixed coupon treasury bond, Issue number FXD1/2018/20, alongside a 23.32 year fixed coupon bond (re-open), Issue number FXD1/2018/25, this March. The government aims to raise KES 50.00 MN for budgetary support. The coupon rates on the FXD1/2018/20 and FXD1/2018/25 issues are pre-determined at 13.20% and 13.40% respectively. The period of sale is between 03/03/2020 and 17/03/2020.

### Top Trades for the week ending 06 March 2020

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (%)	Value (KES m)
4-Mar	IFB 1/2016/9Yr	5.2	12.5000	10.5000	109.6405	957.2
2-Mar	FXD3/2019/15Yr	14.4	12.3400	12.5000	100.1009	900.0
5-Mar	IFB 1/2018/20Yr	18.6	11.9500	10.9000	110.3347	600.0
6-Mar	IFB 1/2018/20Yr	18.6	11.9500	10.8900	110.4353	600.0
5-Mar	FXD1/2018/25Yr	23.2	13.4000	13.4000	102.6353	550.0
3-Mar	FXD 1/2018/ 5Yr	3.0	12.2990	10.8622	109.1102	500.0
6-Mar	FXD 1/2019/ 5Yr	4.0	11.3040	10.9600	101.4169	500.0
6-Mar	IFB 1/2015/12Yr	7.0	11.0000	10.5645	106.1442	453.3
3-Mar	FXD 1/2017/ 5Yr	2.5	12.4650	10.6000	104.2403	400.0
3-Mar	FXD 1/2019/10Yr	9.0	12.4380	12.2500	101.2726	400.0
4-Mar	FXD 1/2017/ 5Yr	2.5	12.4650	10.2750	104.9826	400.0
4-Mar	FXD 1/2019/ 5Yr	4.0	11.3040	11.0000	101.2305	400.0
4-Mar	FXD 1/2019/10Yr	8.9	12.4380	12.3250	100.9023	400.0
5-Mar	FXD 1/2018/10Yr	8.4	12.6860	12.0000	103.9259	400.0
5-Mar	FXD 1/2019/10Yr	8.9	12.4380	12.3000	101.3388	400.0
5-Mar	FXD1/2018/15Yr	14.5	12.6500	12.6000	103.7802	400.0

#### Sell/Buy Back Transactions

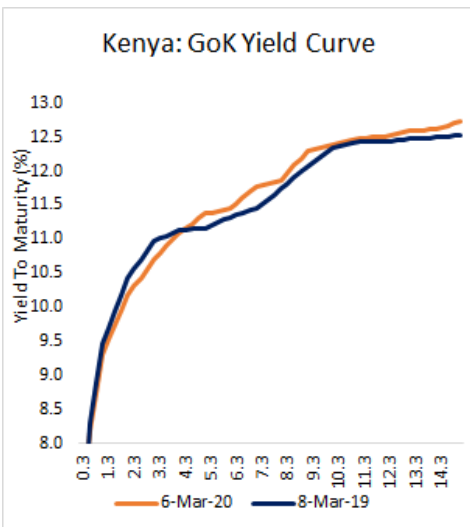
2-Mar	FXD 3/2019/10Yr	9.4	11.5170	11.4000	101.0985	200.0
3-Mar	FXD 1/2019/10Yr	9.0	12.4380	11.6600	104.5263	103.0
5-Mar	FXD 1/2017/ 5Yr	2.5	12.4650	10.0500	105.5081	100.0

(Source: NSE, DBIB Research)

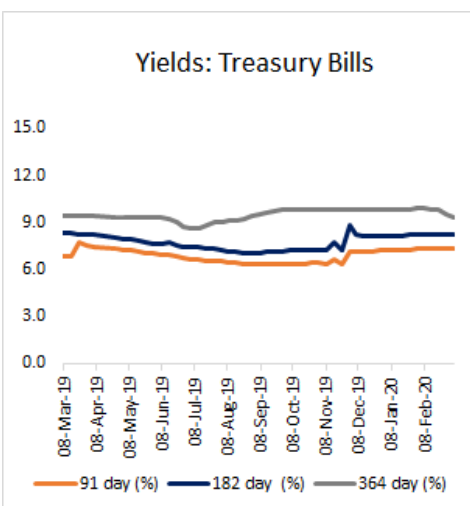
### Treasury Bill auction for the week ending 06 March 2020

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.0	0.86	21.41	0.76	7.310	(0.5)
182-day	10.0	9.89	98.92	1.97	8.186	(4.9)
364-day	10.0	36.08	360.77	18.82	9.312	(18.8)

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

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## Salient News...

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### Inflation

The Kenya National Bureau of Statistics released the rates of inflation for the month of February reporting a **6.37% y-o-y rate** of inflation, up from 5.78% in January.

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### Inflation rate edges up to 6.37% in February 2020

The Kenya National Bureau of Statistics released the rates of inflation for the month of February reporting a 6.37% y-o-y rate of inflation, up from 5.78% in January. The food and non-alcoholic drinks index rose 10.58% y-o-y on account of increases in the prices of several food items outweighing the decrease registered in others. The prices of tomatoes, loose maize grain, onions and beans for instance, had risen 62.4%, 42.8%, 23.4% and 14.6% y-o-y respectively. Housing, water, electricity, gas and other fuels' index increased by 3.0% y-o-y owing to an increase in the cost of house rent. The cost of electricity had however dropped during the period. The transport index increased by 5.0% y-o-y due to the rise in prices of petrol, diesel and air fares. *(Source: Company filings, DBIB Research)*

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## UPCOMING EVENTS

### Profit Warnings

- Sasini
- Eaagads
- BOC Gases
- NSE
- Eveready
- EAPC

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Carbacid	Final Div: KES 0.70	6-Nov-19	*STA
E.A Breweries	Interim Div: KES 3.00	28-Feb-20	17-Apr-20
BAT Kenya	Final Div: KES 30.00	20-Mar-20	29-Apr-20
Stanbic Holdings	Final Div: KES 5.80	18-May-20	*STA

*(Source: NSE, DBIB Research)*

*\*STA—Subject to approval*

## AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Eveready EA	11:00AM	Merica Hotel	26-Mar-20

*(Source: Company filings , DBIB Research)*

## UPCOMING EARNINGS

<u>Company</u>	<u>Period</u>	<u>Release Date</u>
KCB Group	FY19	12-Mar-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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