

DBIB WEEKLY BULLETIN

WEEK 45

Date: 06.11.2020

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INDICES & MARKET METRICS MOVEMENT

NSE 20 shed 0.8% w-o-w to close at 1,769.54 whereas **NASI** edged up 0.9% w-o-w to close at 141.32 respectively.

Weekly equity turnover rose by 86.4% w-o-w to USD 28.82 MN (KES 3.14 BN).

USD | KES: KES weakened 0.1% w-o-w to close at 108.91 (-7.5% YTD).

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	141.32	0.91	8.22	0.32	(15.08)
NSE-20	1,769.54	(0.79)	0.65	(13.03)	(33.34)
DBIB Select	86.62	0.63	3.25	(0.45)	(3.18)
FTSE 15	167.88	0.10	5.84	(6.82)	(24.14)
FTSE 25	184.52	1.40	7.45	(2.41)	(19.60)
FTSE Frontier 50	40,224.82	1.24	11.94	22.92	(9.75)

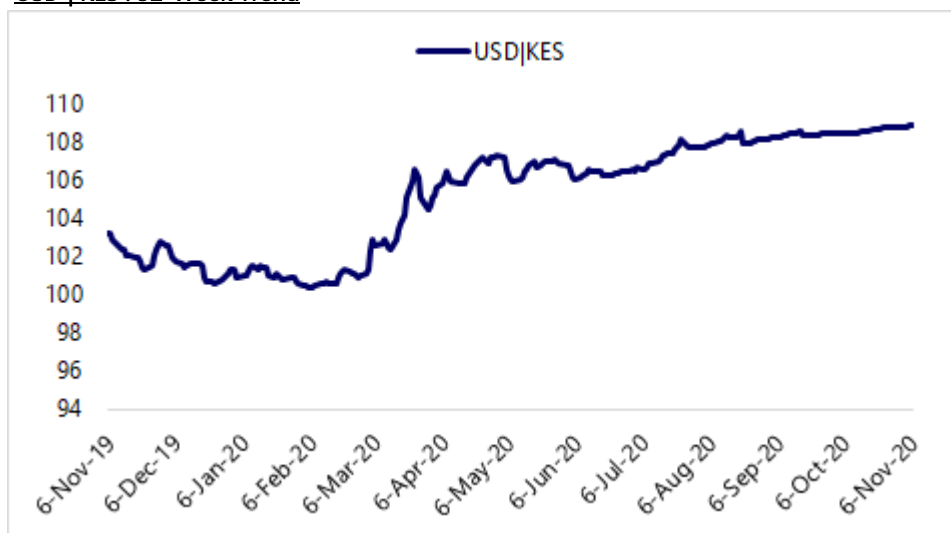
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk (%)	3 m (%)	6 m (%)	12 m (%)
Market Cap. (USD m)	2,169.80	0.92	0.90	8.25	0.77
Market Turnover (USD m)	28.82	86.41	164.54	5.85	(37.08)
Market P/E (x)	12.57	2.10	3.98	9.79	7.73
Market Div. yld (%) *	4.74	(4.67)	(71.39)	(106.65)	(105.65)
Market ROE (%) *	31.04	33.89	(629.07)	(699.80)	(1,383.26)

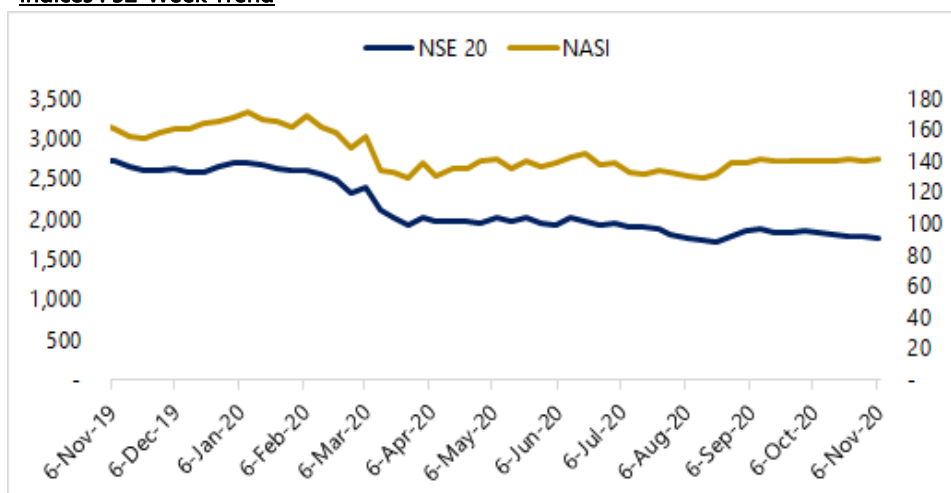
* Changes in bps ** Market cap weighted

(Source: NSE, DBIB Research)

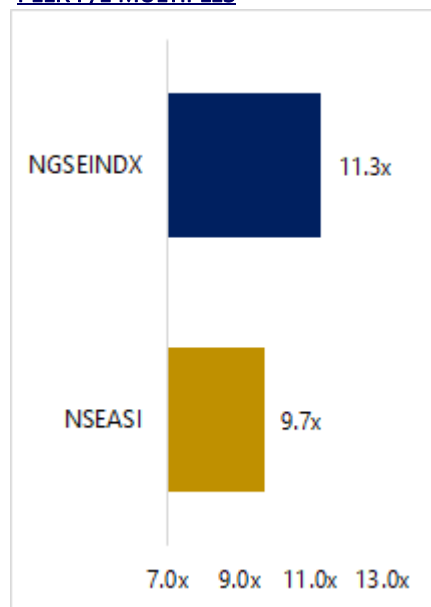
USD | KES : 52-Week Trend



Indices : 52-Week Trend



PEER P/E MULTIPLES



NSEASI* - Nairobi All Share Index
NGSEINDX* - Nigeria All Share Index
*LTM Price/EPS

(Source: Bloomberg, DBIB Research)

(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Olympia Capital	12.8
Uchumi	7.1
Carbacid	5.4
New Gold ETF	4.4
Stanbic	3.9

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
E.A.Cables	(11.9)
Kenya Re	(10.2)
Limuru Tea	(10.0)
Sasini	(9.0)
Crown Paints	(8.4)

(Source: NSE, DBIB Research)



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Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 11.99 MN (KES 1.31 BN) representing 41.60% of this week's turnover.

The stock rose by 1.5% w-o-w to close at KES 31.30 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 92.99% of foreign sales and 97.38% of foreign purchases.

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<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	11.99
KCB Group	8.19
Equity Group	3.55
E.A Breweries	2.64
Bamburi	0.48

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
New Gold ETF	43.6
Eaagads	31.2
Carbacid	12.0
E.A.Portland Cement	10.3
Kakuzi	9.6

(Source: NSE, DBIB Research)

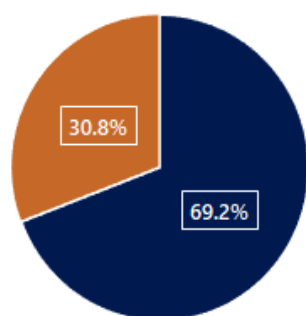


<u>Top Losers</u>	<u>%</u>
Bamburi Cement	(69.1)
Scangroup	(62.8)
Nation Media	(61.9)
BK Group	(55.2)
DTB Group	(44.0)

(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>
NSE	98.0
Safaricom	97.4
Bank of Kigali	90.9
DTB Kenya	50.0
Coop Bank	38.3

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Bank of Kigali	100.0
KCB Group	98.2
E.A Breweries	97.9
NSE	97.3
DTB Group	95.1

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Bank of Kigali	97.6
Crown Paints	79.9
BAT Kenya	79.5
Safaricom	70.7
Gold ETF	70.2

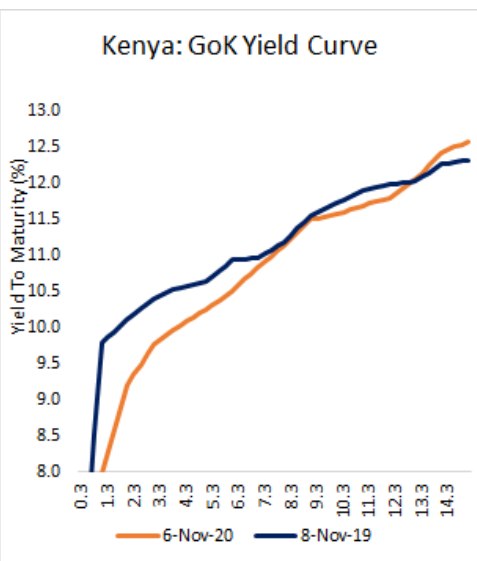
(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
Bank of Kigali	99.9
BAT Kenya	88.7
Gold ETF	88.2
Stanbic Holdings	87.1
Safaricom	80.6

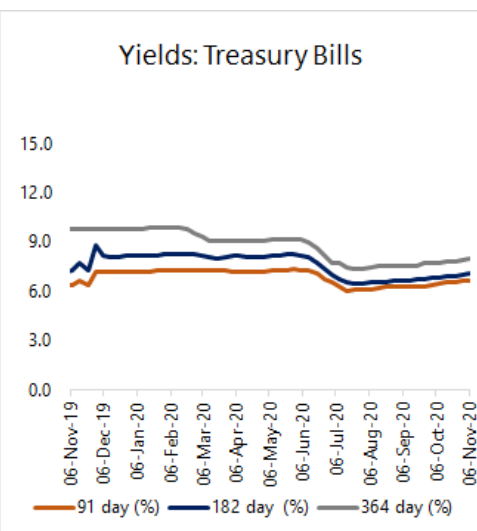
FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 68.96 MN (KES 7.51 BN) representing a 37.9% w-o-w decline from USD 110.98 MN (KES 12.08 BN) recorded the previous week.

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Source: NSE, DBIB Research



Source: NSE, DBIB Research

November Issue: FXD2/2013/15 and FXD1/2018/20 (Reopens)

This November, the Government has reopened treasury bonds FXD2/2013/15 (7.52 years) and FXD1/2018/20 (17.4 years) in a bid to raise KES 40.0 BN for budgetary support. The coupon rate on FXD2/2013/15 is pre-determined at 12.000% p.a. whereas that of FXD1/2018/20 is predetermined at 13.200% p.a. The period of sale runs between 04-Nov-20 and 17-Nov-20.

Tap Sale: FXD1/2018/25

The Government has reopened its October issue (FXD1/2018/25) to a tap sale in a bid to raise an additional KES 20.0 BN. The coupon rate on the paper was predetermined at 13.400% p.a. whilst the average yield stood at 13.494% as per auction results. The bonds adjusted average price (per KES 100.00) stands at 104.717. The period of sale runs from 04-Nov-20 to 10-Nov-20, or upon attainment of quantum.

Top Trades for the week ending 06 November 2020

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
3-Nov	IFB 1/2020/11Yr	10.8	10.9000	10.8000	102.62	480.0
2-Nov	IFB 1/2020/11Yr	10.8	10.9000	10.8250	102.46	400.0
2-Nov	IFB 1/2020/9Yr	8.4	10.8500	10.5300	102.05	250.0
3-Nov	IFB 1/2020/9Yr	8.4	10.8500	10.5000	102.21	250.0
5-Nov	IFB 1/2020/6Yr	5.5	10.2000	9.7500	105.84	250.0
6-Nov	IFB 1/2020/6Yr	5.5	10.2000	9.7500	105.86	250.0
6-Nov	IFB 1/2020/11Yr	10.8	10.9000	10.7700	102.87	250.0
3-Nov	FXD1/2018/25Yr	22.6	13.4000	13.4000	104.89	200.2
2-Nov	IFB 1/2019/25Yr	23.3	12.2000	11.7000	105.03	200.0
2-Nov	IFB 1/2020/11Yr	10.8	10.9000	10.8400	102.38	200.0
3-Nov	FXD1/2010/15Yr	4.3	10.2500	10.1500	101.73	200.0
3-Nov	FXD1/2018/25Yr	22.6	13.4000	13.4250	104.71	200.0
3-Nov	IFB 1/2019/16Yr	14.9	11.7500	11.3047	103.15	200.0
4-Nov	FXD1/2010/15Yr	4.3	10.2500	9.9764	102.36	200.0

(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 06 November 2020

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	2.28	56.94	2.28	6.666	1.3
182-day	10.00	4.55	45.51	4.55	7.072	3.4
364-day	10.00	21.00	209.95	20.73	7.994	6.1

(Source: NSE, DBIB Research)

Salient News...

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East Africa Portland Cement released their FY20 results reporting a 17.7% y-o-y worsening in loss after tax to KES 2.5 BN. Loss per share worsened 17.6% y-o-y to KES 30.77.
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East Africa Portland Cement FY20 Earnings

East Africa Portland Cement released their FY20 results reporting a 17.7% y-o-y worsening in loss after tax to KES 2.5 BN. Loss per share worsened 17.6% y-o-y to KES 30.77.

Revenue declined 13.1% y-o-y to KES 2.5 BN while cost of sales dropped 18.6% y-o-y to KES 3.3 BN. This placed gross loss at KES 825.4 MN, 31.5% larger y-o-y.

Other income declined 88.2% y-o-y to KES 198.9 MN while administrative and selling expenses edged down 1.8% y-o-y to KES 2.5 BN, resulting in a 51.7% y-o-y worsening in losses from operations to KES 3.1 BN.

The company recorded KES 1.1 BN in fair value gains on property in contrast to a KES 233.2 MN loss recorded in FY19. Finance costs rose 13.7% y-o-y to KES 786.3 MN.

Non-current assets dropped 0.5% y-o-y to KES 32.8 BN while current assets decreased by 33.3% y-o-y to KES 2.4 BN resulting in 3.7% y-o-y decrease in total assets to KES 35.2 BN.

Total liabilities rose 9.3% y-o-y to KES 16.4 BN on the back of an 85.4% y-o-y decrease in non-current liabilities KES 180.0 MN and a 17.8% y-o-y increase in current liabilities to KES 16.2 BN. Total equity dropped 12.9% y-o-y to KES 18.8 BN. *(Source: Company Filings, DBIB Research)*

UPCOMING EVENTS

Profit Warnings

- Sasini
- Eaagads
- NSE
- Eveready
- Nation Media
- Kenya Power

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
N.S.E.	First & Final Div: KES 0.08	09-Jul-20	STA*
Kapchorua Tea	Final Div: KES 10.00	30-Jul-20	STA*
Williamson Tea	Final Div: KES 20.00	18-Aug-20	STA*
Kenya Re	First & Final: KES 0.10	09-Oct-20	20-Nov-20
KenGen	First & Final: KES 0.25	03-Nov-20	17-Dec-20
<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Crediting Date</u>
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>
Kenya Power	11:00 am	Virtual	13-Nov-20

(Source: Company filings , DBIB Research)
**TBC—To be confirmed*

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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