

# DBIB WEEKLY BULLETIN

# WEEK 40

Date: 02.10.2020

## Contents:

Equity Market Sum Up	2
Fixed Income Wrap Up	4
Salient News	5
Corporate Actions	6
Appendix	7



## INDICES & MARKET METRICS MOVEMENT

**NSE 20** rose by 0.2% w-o-w to close at 1,852.17 while **NASI** dropped by 0.1% w-o-w to close at 140.22.

**Weekly equity turnover** declined by 55.7% w-o-w to USD 14.06 MN (KES 1.53 BN).

**USD | KES:** KES weakened 0.01% w-o-w to close at 108.49 (-7.1% YTD).

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	140.2	(0.11)	0.47	1.11	(15.74)
NSE-20	1,852.2	0.25	(4.82)	(8.00)	(30.22)
DBIB Select	87.2	(0.30)	1.63	1.37	(2.58)
FTSE 15	173.4	(0.91)	2.13	2.88	(21.64)
FTSE 25	186.0	(0.57)	1.55	3.28	(18.97)
FTSE Frontier 50	37,935.1	0.79	9.24	28.08	(14.89)

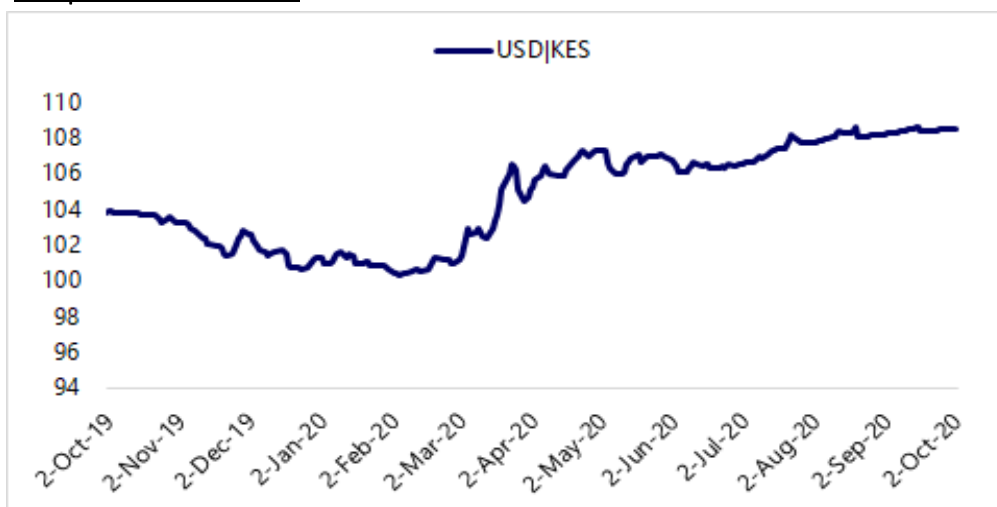
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,152.80	(0.10)	0.68	0.91	1.57
Market Turnover (USD m)	14.06	(55.67)	(48.64)	(2.27)	(45.77)
Market P/E (x)	12.10	(1.37)	1.00	18.37	(27.46)
Market Div. yld (%) *	4.80	1.88	(59.01)	(205.71)	(155.42)
Market ROE (%) *	29.49	100.31	(888.33)	(1,720.64)	(602.85)

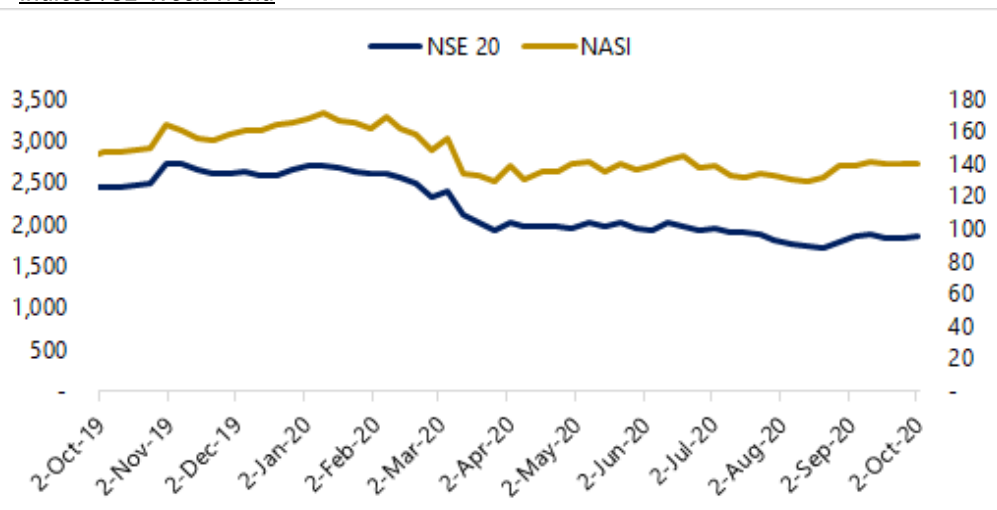
\* Changes in bps

(Source: NSE, DBIB Research)

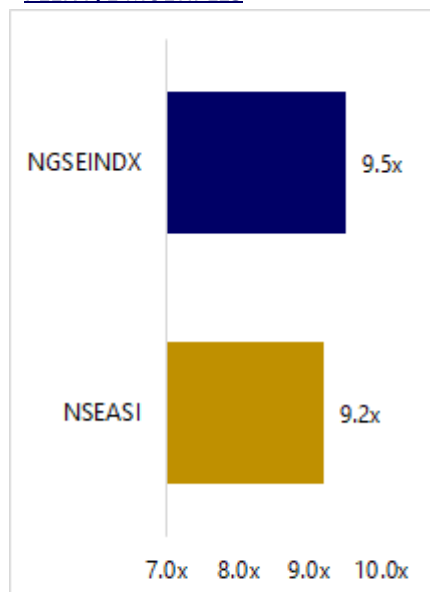
### USD | KES : 52-Week Trend



### Indices : 52-Week Trend



### PEER P/E MULTIPLES



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

(Source: Bloomberg, DBIB Research)

(Source: NSE, DBIB Research)



# WEEKLY BOURSE WRAP UP...

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**Safaricom** emerged the top traded counter on the bourse recording a weekly turnover of USD 7.99 MN (KES 866.62 MN) representing 56.81% of this week's turnover.

The stock dropped by 0.2% w-o-w to close at KES 30.00 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 89.65% of foreign sales and 98.34% of foreign purchases.  
 .....

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Jubilee Holdings	32.6
N.B.V.	10.0
BK Group	8.1
CIC Insurance	5.8
Stanbic Holdings	5.3

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Sameer Africa	(14.1)
TPS E.A.	(9.9)
Sasini	(8.5)
Flame Tree	(7.9)
Crown Paints	(7.5)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	7.99
Equity Group	1.20
E.A. Breweries	1.14
KCB Group	0.86
ABSA Bank	0.38

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Airways	86.8
ABSA New Gold ETF	38.9
Eaagads	30.2
Kakuzi	13.2
Sasini	8.3

(Source: NSE, DBIB Research)

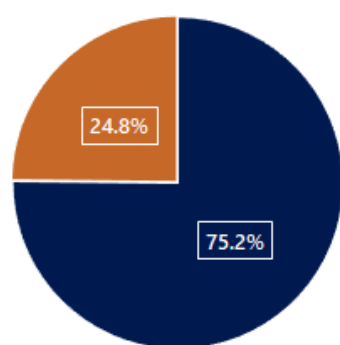


<u>Top Losers</u>	<u>%</u>
Bamburi Cement	(70.1)
Scangroup	(56.4)
Nation Media	(55.9)
BK Group	(47.9)
Flame Tree	(47.8)

(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>
BK Group	99.6
Safaricom	98.3
Equity Group	37.8
K.C.B. Group	31.7
Total Kenya	22.2

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Gold ETF	100.0
BK Group	99.8
Stanbic Holdings	98.8
B.A.T. Kenya	97.8
Britam Insurance	97.4

## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
BK Group	98.3
Crown Paints	84.4
B.A.T. Kenya	81.8
Gold ETF	70.4
Safaricom	69.5

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
BK Group	99.9
B.A.T. Kenya	89.7
Gold ETF	88.2
Stanbic Holdings	86.8
Safaricom	80.6

## FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 148.65 MN (KES 16.13 BN) representing a 31.8% w-o-w decline from USD 112.74 MN (KES 12.22 BN) recorded the previous week.

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### Top Trades for the week ending 02 October 2020

						Total
						Value
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	(KES m)
28-Sep	FXD1/2020/ 5Yr	10.9	11.6670	10.5000	108.6446	1,000.0
30-Sep	IFB 1/2020/9Yr	3.4	10.8500	10.6000	106.1903	803.3
1-Oct	IFB 1/2020/11Yr	10.9	10.9000	11.0000	100.5882	700.0
28-Sep	FXD 1/2019/ 5Yr	4.6	11.3040	10.2200	104.1168	500.0
29-Sep	IFB 1/2020/11Yr	10.9	10.9000	11.0000	100.5290	500.0
30-Sep	FXD1/2020/ 5Yr	4.6	11.6670	10.3000	109.4448	500.0
1-Oct	IFB 1/2020/11Yr	14.4	10.9000	11.0500	100.3266	414.0
29-Sep	IFB 1/2016/9Yr	1.0	12.5000	9.8355	111.6147	400.0
28-Sep	FXD1/2020/15Yr	14.4	12.7560	12.4152	103.4577	350.0
28-Sep	FXD 3/2016/ 5Yr	12.3	13.1120	7.6500	106.4339	300.0
29-Sep	FXD1/2020/15Yr	13.8	12.7560	12.4500	103.2574	300.0
1-Oct	IFB 1/2018/15Yr	10.9	12.5000	11.3500	108.9918	300.0
28-Sep	FXD3/2019/15Yr	8.4	12.3400	12.2871	102.4420	285.0
30-Sep	IFB 1/2020/11Yr	6.9	10.9000	10.9000	101.0847	258.0
28-Sep	FXD 1/2019/10Yr	4.1	12.4380	11.4251	106.5499	205.0
28-Sep	FXD1/2012/15Yr	6.9	11.0000	11.1000	99.9364	200.0
28-Sep	IFB 1/2017/7Yr	13.3	12.5000	9.9000	111.1032	200.0
29-Sep	FXD1/2012/15Yr	13.3	11.0000	10.9500	100.6815	200.0
29-Sep	FXD1/2019/15Yr	4.1	12.8570	12.5320	104.2961	200.0
29-Sep	FXD1/2019/15Yr	12.3	12.8570	12.3209	105.6835	200.0
29-Sep	IFB 1/2017/7Yr	10.9	12.5000	9.5000	112.2367	200.0
30-Sep	IFB 1/2018/15Yr	4.6	12.5000	11.5300	107.8555	200.0
30-Sep	IFB 1/2020/11Yr	10.9	10.9000	11.0000	100.5586	200.0
1-Oct	IFB 1/2016/9Yr	4.6	12.5000	9.9000	111.4942	200.0

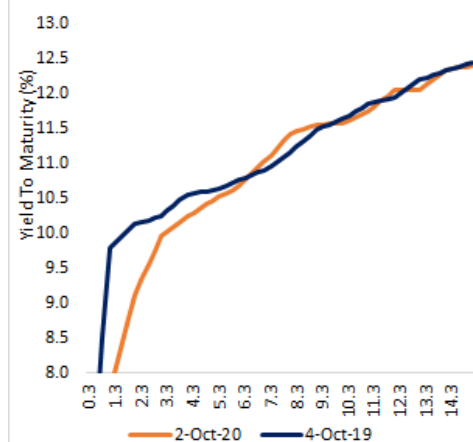
(Source: NSE, DBIB Research)

### Treasury Bill auction for the week ending 02 October 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	6.19	154.65	4.89	6.400	9.1
182-day	10.00	4.06	40.69	3.47	6.839	6.6
364-day	10.00	5.33	53.34	2.34	7.744	5.4

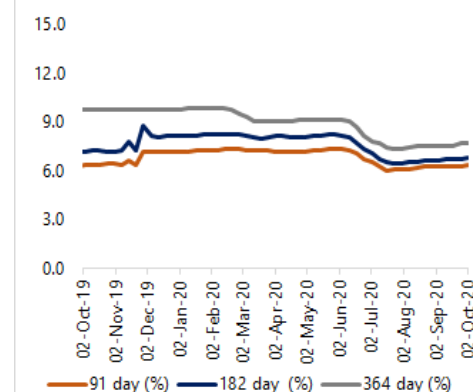
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

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## Salient News...

### Jubilee Holdings Limited and Allianz sign Sale and Purchase Agreements

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In a notice dated September 29, 2020, Jubilee Holdings Limited (JHL) announced that it has entered into a set of binding agreements with Allianz Africa Holding.  
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In a notice dated September 29, 2020, Jubilee Holdings Limited (JHL) announced that it has entered into a set of binding agreements with Allianz Africa Holding, whereby the latter will acquire 51.0% to 66.0% of the shareholding in JHL's operating subsidiaries engaged in the short-term general insurance business in Kenya, Uganda, Tanzania, Burundi and Mauritius.

Allianz Group is a subsidiary of Allianz SE, headquartered in Munich, Germany and listed on German Stock Exchanges. The group currently has a presence in 12 countries in Africa and serves customers in 40 African markets. As a result of this transaction, Allianz will become co-shareholders with JHL. The transaction only targets JHL's short-term general business and does not include any of JHL's life or health insurance businesses. Allianz Insurance Company of Kenya will also transfer its insurance business to Jubilee General Insurance Ltd.

Allianz's total consideration stands at KES 10.8 BN, of which KES 7.8 BN will be received by JHL. On a pro-forma basis, JHL estimates that the subsidiaries that are subject of the transaction account for 12.3% of JHL's consolidated net assets of KES 32.3 BN as at June 30, 2020.

In light of the announcement, the counter has edged up 32.6% w-o-w to close at KES 291.75 on Friday, indicating that the market has priced this news positively.

*(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	22-Oct-20	17-Dec-20
Jubilee	Interim Div: KES 1.00	11-Sep-20	09-Oct-20
Centum Investment	First & Final: KES 1.20	02-Oct-20	STA*
<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>
Eveready E.A.	09:30 am	Virtual	27-Oct-20
Co-operative Bank	11:00 am	Virtual	22-Oct-20

*(Source: Company filings , DBIB Research)*

*\*TBC—To be confirmed*

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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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