

DBIB WEEKLY BULLETIN

WEEK 41

Date: 09.10.2020

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INDICES & MARKET METRICS MOVEMENT

NSE 20 and **NASI** indices fell by 0.8% and 0.1% w-o -w to close at 1,836.54 and 140.07 respectively.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	140.1	(0.11)	5.81	6.87	(15.83)
NSE-20	1,836.5	(0.84)	(3.41)	(6.64)	(30.81)
DBIB Select	87.2	0.01	3.90	4.42	(2.57)
FTSE 15	171.8	(0.96)	4.21	5.96	(22.39)
FTSE 25	185.2	(0.40)	5.49	8.28	(19.29)
FTSE Frontier 50	38,866.4	2.45	11.75	25.19	(12.80)

(Source: NSE, Bloomberg, DBIB Research)

Weekly equity turnover declined by 22.5% w-o-w to USD 10.89 MN (KES 1.18 BN).

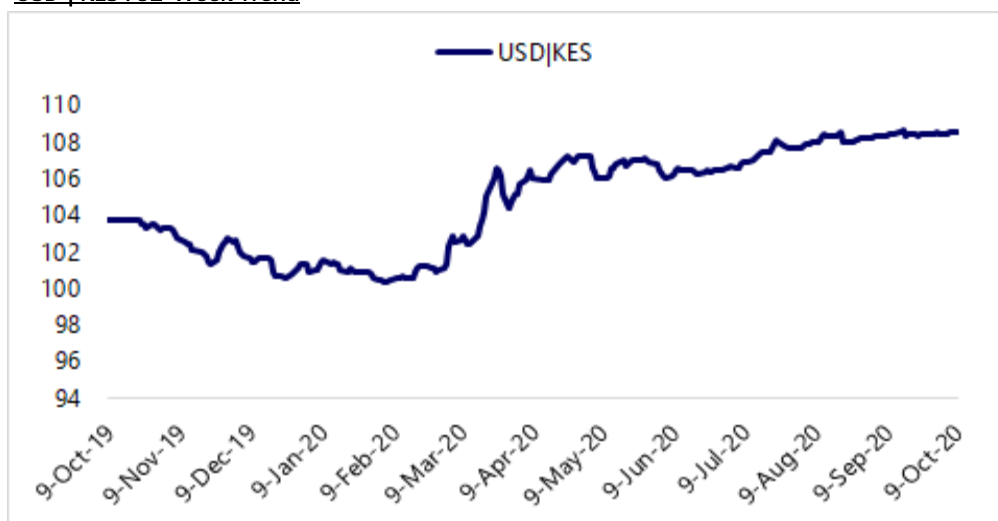
Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,150.47	(0.11)	(0.57)	6.29	7.36
Market Turnover (USD m)	10.89	(22.53)	(51.26)	(72.82)	(58.23)
Market P/E (x)	12.08	(0.13)	(0.94)	18.47	(23.95)
Market Div. yld (%) *	4.79	(1.45)	(61.45)	(247.63)	(155.45)
Market ROE (%) *	29.54	5.25	(836.75)	(1,665.66)	(605.75)

* Changes in bps

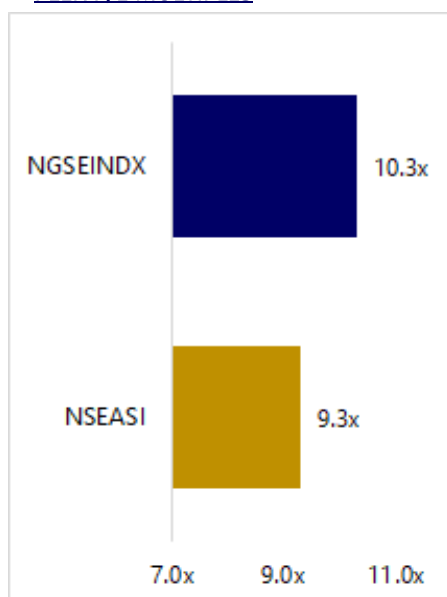
(Source: NSE, DBIB Research)

USD | KES: KES weakened 0.03% w-o-w to close at 108.52 (-7.1% YTD).

USD | KES : 52-Week Trend



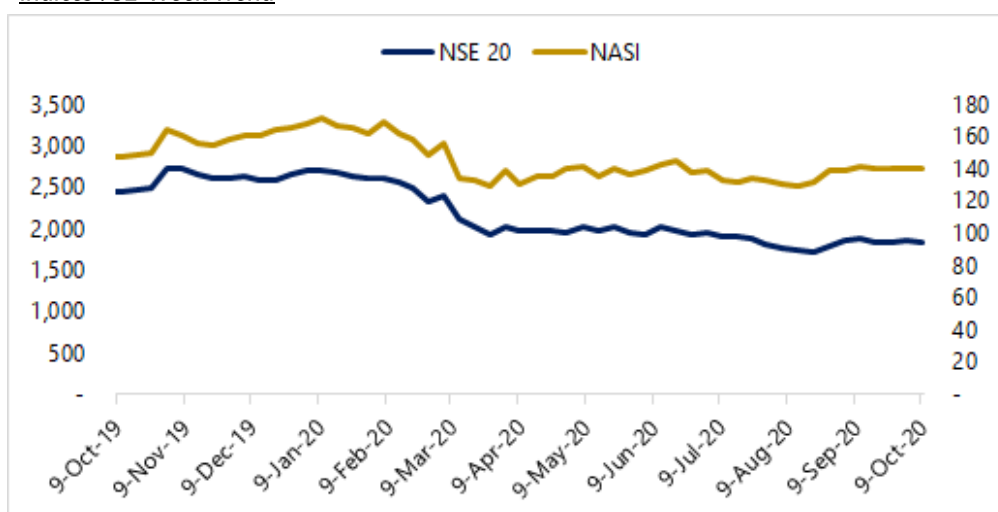
PEER P/E MULTIPLES



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>
CIC Insurance	9.1
Carbacid Investments	8.9
E.A.Portland Cement	7.7
Olympia Capital	7.4
Fahari I-REIT.	7.2

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Uchumi	(10.0)
Jubilee	(7.5)
Centum	(6.5)
BK Group	(4.1)
ABSA Bank	(4.1)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	6.01
Equity Group	2.46
E.A. Breweries	0.58
K.C.B. Group	0.32
B.A.T. Kenya	0.24

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Airways	86.8
ABSA New Gold ETF	39.9
Eaagads	30.7
Olympia Capital	14.9
Kakuzi Ltd	13.2

(Source: NSE, DBIB Research)

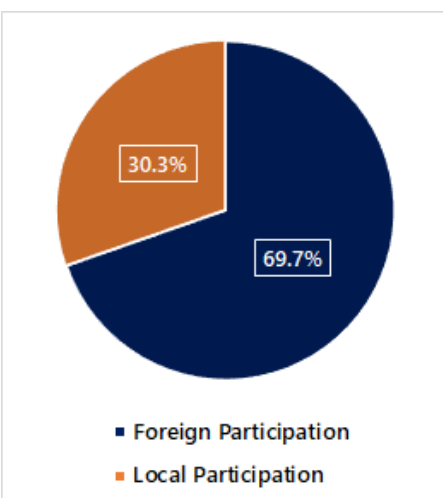


<u>Top Losers</u>	<u>%</u>
Bamburi Cement	(70.8)
Scangroup	(57.9)
Nation Media	(57.5)
BK Group	(50.0)
Flame Tree	(46.2)

(Source: NSE, DBIB Research)



WEEKLY LOCAL VS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Safaricom	89.9
N.S.E.	74.8
BK Group	74.8
Bamburi Cement	52.0
K.C.B. Group	46.9

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
ABSA New Gold ETF	100.0
BK Group	93.6
Equity Group	91.4
E.A. Breweries	88.9
Safaricom	87.2

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
BK Group	98.2
Crown Paints	83.9
B.A.T. Kenya	81.2
ABSA New Gold ETF	70.2
Safaricom	69.7

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
BK Group	99.9
B.A.T. Kenya	89.1
ABSA New Gold ETF	88.2
Stanbic Holdings	86.7
Safaricom	80.7

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 147.98 MN (KES 16.06 BN) representing a 0.5% w-o-w decline from USD 148.65 MN (KES 16.13 BN) recorded the previous week.

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October Bond Auction: FXD1/2011/20 & FXD1/2018/25 (Reopens)

For the month of October, the government has reopened the treasury bonds issue number FXD1/2011/20 (10.6 yrs) and FXD1/2018/25 (22.7yrs) and is seeking to raise KES 50.0 BN for budgetary support. The coupon rates on FXD1/2011/20 and FXD1/2018/25 are set at 10.000% p.a and 13.400% p.a respectively. The period of sale runs from 28/09/2020 to 13/10/2020.

Top Trades for the week ending 09 October 2020

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
7-Oct-20	FXD 3/2019/ 5Yr	4.16	11.4920	10.2500	107.7092	1,850.0
8-Oct-20	FXD1/2020/15Yr	14.33	12.7560	12.4500	103.5662	1,000.0
8-Oct-20	IFB 1/2020/11Yr	10.84	10.9000	10.9900	100.8479	1,000.0
9-Oct-20	FXD 2/2017/ 5Yr	2.02	12.5170	8.8166	111.6264	1,000.0
9-Oct-20	FXD 2/2017/ 5Yr	2.02	12.5170	8.8000	111.6528	723.2
7-Oct-20	FXD3/2007/15Yr	2.07	12.5000	9.1900	111.2641	656.8
5-Oct-20	FXD 1/2018/ 5Yr	2.44	12.2990	9.5000	106.4806	531.3
6-Oct-20	IFB 1/2020/9Yr	8.48	10.8500	10.6500	106.1439	525.0
6-Oct-20	IFB 1/2020/11Yr	10.84	10.9000	10.9000	101.2617	500.0
8-Oct-20	FXD 1/2019/ 5Yr	3.36	11.3040	10.2100	104.4309	500.0
7-Oct-20	FXD1/2020/15Yr	14.33	12.7560	12.4650	103.4310	390.0
5-Oct-20	FXD 3/2019/ 5Yr	4.16	11.4920	10.2800	107.5472	350.0
5-Oct-20	FXD 3/2019/ 5Yr	4.16	11.4920	10.2750	107.5644	300.0
5-Oct-20	IFB 1/2020/11Yr	10.84	10.9000	10.9200	101.1267	300.0
6-Oct-20	IFB 1/2020/11Yr	10.84	10.9000	11.0000	100.7362	300.0
6-Oct-20	IFB 1/2020/11Yr	10.84	10.9000	10.9500	100.9985	300.0

Sale buy backs

7-Oct-20	IFB 1/2019/16Yr	15.00	11.7500	11.5000	106.8649	50.0
7-Oct-20	IFB 1/2020/11Yr	10.84	10.9000	11.0000	100.7659	25.0

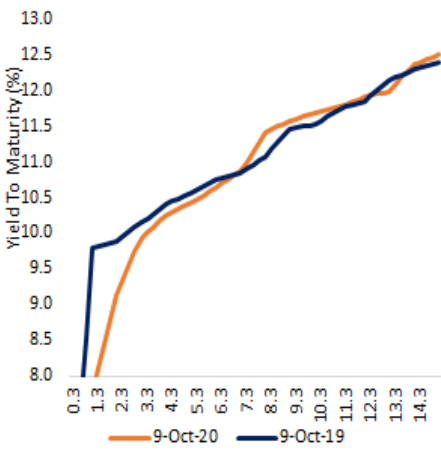
(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 09 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	7.46	186.47	7.38	6.468	6.8
182-day	10.00	3.93	39.30	3.33	6.853	1.4
364-day	10.00	15.01	150.10	14.08	7.762	1.8

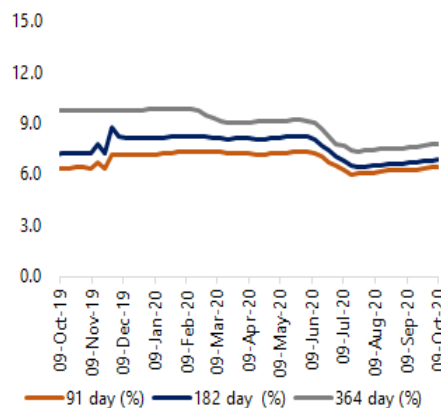
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

Salient News...

September Inflation Rate drops to 4.20%

.....
In September 2020, inflation declined by 16 bps month-on-month to stand at 4.20%, compared to 4.36% in August 2020.
.....

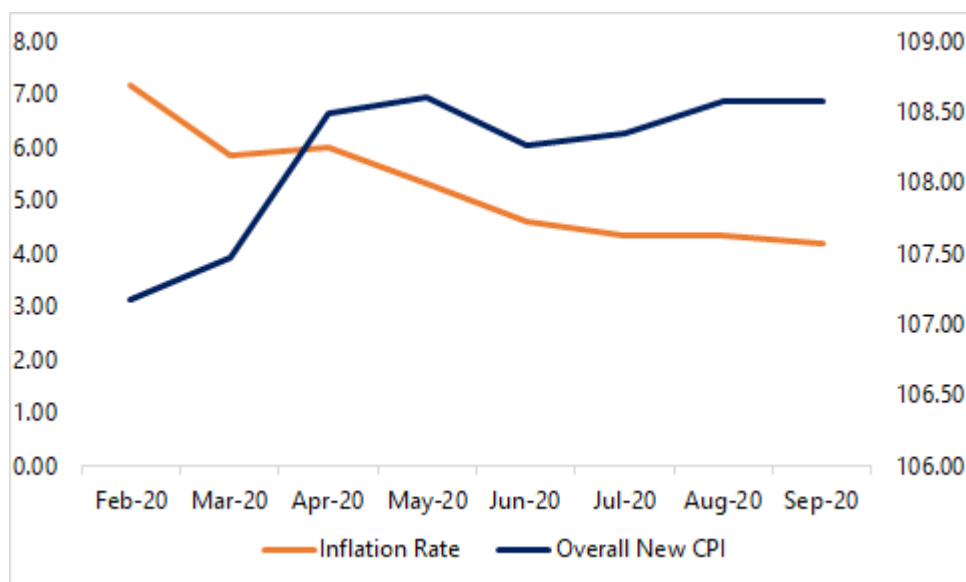
In September 2020, inflation declined by 16 bps month-on-month to stand at 4.20%, compared to 4.36% in August 2020. As at September 2019, inflation stood at 3.83%.

The food and non-alcoholic beverages index, which accounts for 32.91% of the basket, rose by 0.15% m-o-m. On a y-o-y basis, the index recorded a 5.18% increase. The m-o-m increase is attributable to an increase in prices of peas (+13.69%), oranges (+3.82%), irish potatoes (+2.74%) and cabbages (+1.72%). On the other hand, the prices of maize grain loose, fortified maize flour and kales declined by 1.54%, 1.07% and 0.26% respectively.

The housing, water, electricity, gas and other fuels' index, which accounts for 14.61% of the basket, saw a 0.05% m-o-m decline. On a y-o-y basis, the index recorded a 2.18% increase. The m-o-m decline is attributed to a 1.29% drop in cost of cooking gas, as well as a 0.60% drop in the cost of kerosene. On the other hand, the price of electricity for 200 KWh rose by 0.66% m-o-m.

The transport index, which accounts for 9.65% of the basket, saw a 0.01% m-o-m decline. On a y-o-y basis, the index recorded a 12.95% increase. The m-o-m drop is attributable to the drop in pump prices of diesel, which outweighed the increase in petrol pump prices.

OVERALL CPI AND RATES OF INFLATION



(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
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
Crown Paints	11:00 am	Virtual	30-Oct-20
KenGen	11:00 am	Virtual	03-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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