

# DBIB WEEKLY BULLETIN

# WEEK 43

Date: 23.10.2020

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## INDICES & MARKET METRICS MOVEMENT

**NSE 20** shed 0.7% w-o-w to close at 1,799.29 whereas **NASI** edged up 1.1% w-o-w to close at 141.21.

**Weekly equity turnover** edged up 0.4% w-o-w to USD 12.14 MN (KES 1.32 BN).

**USD | KES:** KES weakened 0.1% w-o-w to close at 108.77 (-7.3% YTD).

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	141.2	1.12	4.92	4.00	(15.14)
NSE-20	1,799.3	(0.65)	(4.64)	(8.57)	(32.21)
DBIB Select	87.2	0.07	2.40	2.71	(2.53)
FTSE 15	169.9	(0.76)	2.41	0.78	(23.24)
FTSE 25	185.3	0.40	4.40	3.75	(19.26)
FTSE Frontier 50	39,979.4	1.82	13.74	27.43	(10.30)

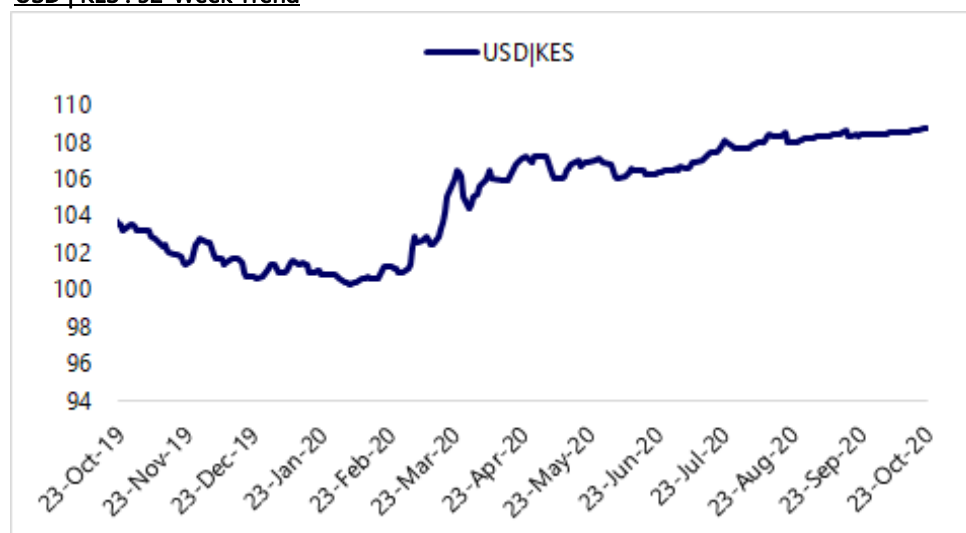
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,168.10	1.12	0.61	5.40	4.48
Market Turnover (USD m)	12.14	0.43	(61.72)	(60.31)	(69.80)
Market P/E (x)**	12.45	2.18	1.51	10.63	4.27
Market Div. yld (%) *	4.74	(6.08)	(60.90)	(228.92)	(148.11)
Market ROE (%) *	29.99	24.63	(826.02)	(1,632.36)	(547.39)

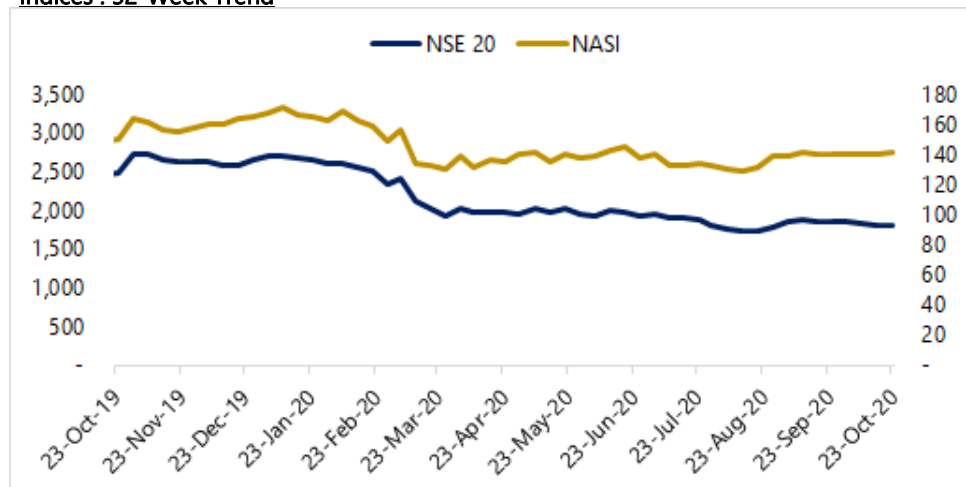
\* Changes in bps \*\* Market cap weighted

(Source: NSE, DBIB Research)

### USD | KES : 52-Week Trend

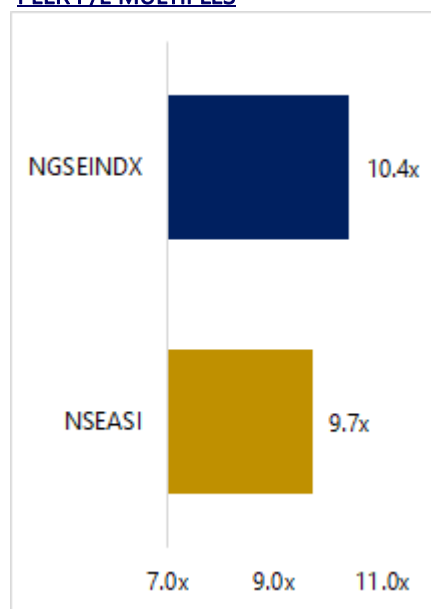


### Indices : 52-Week Trend



(Source: NSE, DBIB Research)

### PEER P/E MULTIPLES



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

(Source: Bloomberg, DBIB Research)



# WEEKLY BOURSE WRAP UP...

## Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Standard Group	20.7
Flame Tree Group	14.6
Umeme	10.8
Home Afrika	10.0
Housing Finance	9.1

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Olympia Capital	(10.3)
Eveready	(5.2)
Sanlam	(5.1)
BK Group	(5.1)
E.A Breweries	(3.7)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	6.64
KCB Group	2.36
Equity Group	1.19
E.A Breweries	1.08
Centum	0.51

(Source: NSE, DBIB Research)

## Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Gold ETF	40.0
Eaagads	31.2
Sasini	12.4
Carbacid	11.5
E.A.P.C.C	10.3

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Bamburi	(70.3)
Nation Media	(61.3)
Scangroup	(61.0)
BK Group	(53.4)
DTB Kenya	(44.0)

(Source: NSE, DBIB Research)



## Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Safaricom	89.6
NSE	86.4
KCB Group	60.2
Equity Group	55.2
E.A Breweries	45.7

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Bank of Kigali	100.0
KCB Group	96.8
Centum	96.8
E.A Breweries	95.9
Scangroup	94.5

## Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Bank of Kigali	98.0
BAT Kenya	81.1
Crown Paints	80.0
Gold ETF	70.2
Safaricom	70.0

(Source: NSE, DBIB Research)

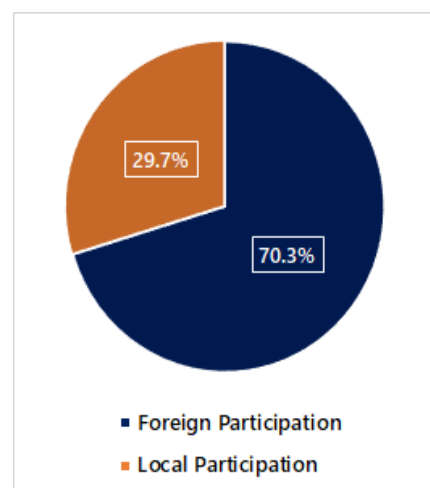
<u>Top Foreign Sales</u>	<u>% Sold</u>
Bank of Kigali	99.7
BAT Kenya	89.0
Gold ETF	88.2
Stanbic Holdings	86.7
Safaricom	80.3

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**Safaricom** emerged the top traded counter on the bourse recording a weekly turnover of USD 6.64 MN (KES 722.27 MN) representing 54.69% of this week's turnover.

The stock rose 2.82% w-o -w to close at KES 30.95 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 56.09% of foreign sales and 89.58% of foreign purchases.

## WEEKLY LOCAL VS FOREIGN PARTICIPATION



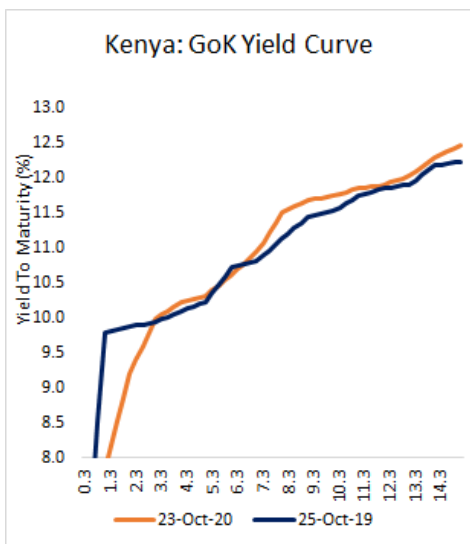
(Source: NSE, DBIB Research)

## FROM THE FIXED INCOME DESK

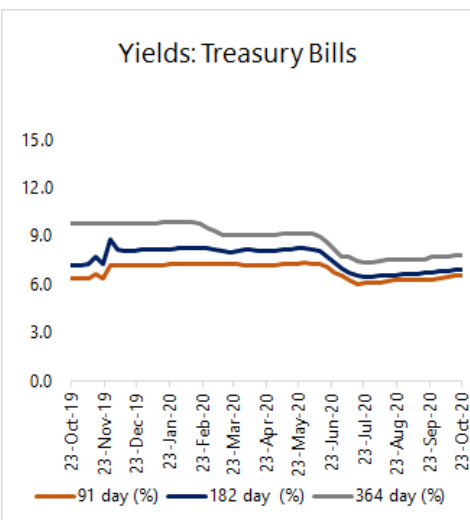
The Bond market's turnover for the week stood at USD 121.98 MN (KES 13.27 BN) representing a 7.0% w-o-w increase from USD 113.96 MN (KES 12.38 BN) recorded the previous week.

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### Top Trades for the week ending 23 October 2020



Source: NSE, DBIB Research



Source: NSE, DBIB Research

						Total
						Value
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	(KES m)
19-Oct	FXD 3/2019/ 5Yr	4.1	11.4920	10.1500	108.4058	1,000.0
19-Oct	FXD1/2012/15Yr	6.9	11.0000	10.9750	101.1539	700.0
22-Oct	FXD2/2007/15Yr	1.6	13.5000	8.9500	111.7634	500.0
22-Oct	FXD1/2018/25Yr	22.6	13.4000	13.4500	104.0906	450.0
23-Oct	FXD1/2018/25Yr	22.6	13.4000	13.4000	104.4802	450.0
19-Oct	FXD 1/2014/10Yr	3.2	12.1800	9.9689	109.0202	407.0
22-Oct	FXD 3/2019/ 5Yr	4.1	11.4920	9.9659	109.1249	400.0
22-Oct	IFB 1/2020/11Yr	10.8	10.9000	10.9000	101.7352	335.5
19-Oct	FXD1/2009/15Yr	4.0	12.5000	10.0740	108.0322	325.0
22-Oct	FXD 2/2017/ 5Yr	2.0	12.5170	9.2000	106.0146	320.0
21-Oct	FXD1/2012/15Yr	6.9	11.0000	10.0500	105.7431	300.0
21-Oct	FXD1/2020/15Yr	14.3	12.7560	12.3500	104.6891	300.0
21-Oct	FXD1/2018/25Yr	22.6	13.4000	13.4000	104.4058	300.0
23-Oct	FXD1/2018/25Yr	22.6	13.4000	13.4250	104.3037	300.0
23-Oct	FXD1/2018/25Yr	22.6	13.4000	13.3500	104.9466	250.0
23-Oct	IFB 1/2020/11Yr	10.8	10.9000	10.9300	101.6074	250.0
22-Oct	FXD1/2018/15Yr	12.6	12.6500	11.8000	110.6886	220.0
21-Oct	FXD1/2018/15Yr	12.6	12.6500	12.0500	108.9886	220.0
19-Oct	FXD 1/2017/ 5Yr	1.8	12.4650	9.1000	107.4906	200.0
19-Oct	IFB 1/2020/11Yr	10.8	10.9000	10.9500	101.3837	200.0
22-Oct	FXD1/2012/15Yr	6.9	11.0000	10.8000	102.0798	200.0
22-Oct	FXD1/2018/25Yr	22.6	13.4000	13.5250	103.5660	200.0
22-Oct	FXD1/2018/25Yr	22.6	13.4000	13.4000	104.4430	200.0
21-Oct	FXD 3/2019/ 5Yr	4.1	11.4920	9.3224	111.3391	200.0
21-Oct	FXD 3/2019/ 5Yr	4.1	11.4920	10.1500	108.4648	200.0
21-Oct	FXD1/2012/15Yr	6.9	11.0000	10.9500	101.3323	200.0
21-Oct	IFB 1/2020/11Yr	10.8	10.9000	10.8500	101.9689	200.0
23-Oct	SDB 1/2011/30Yr	20.3	12.0000	12.9100	95.6715	200.0
23-Oct	IFB 1/2020/11Yr	10.8	10.9000	10.2200	105.4310	200.0

(Source: NSE, DBIB Research)

### Treasury Bill auction for the week ending 23 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	4.12	103.06	4.12	6.589	6.9
182-day	10.00	7.23	72.28	6.74	6.967	5.8
364-day	10.00	8.17	81.73	8.14	7.840	0.4

(Source: NSE, DBIB Research)

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## Salient News...

### KNBS releases 2Q20 GDP Growth Rates

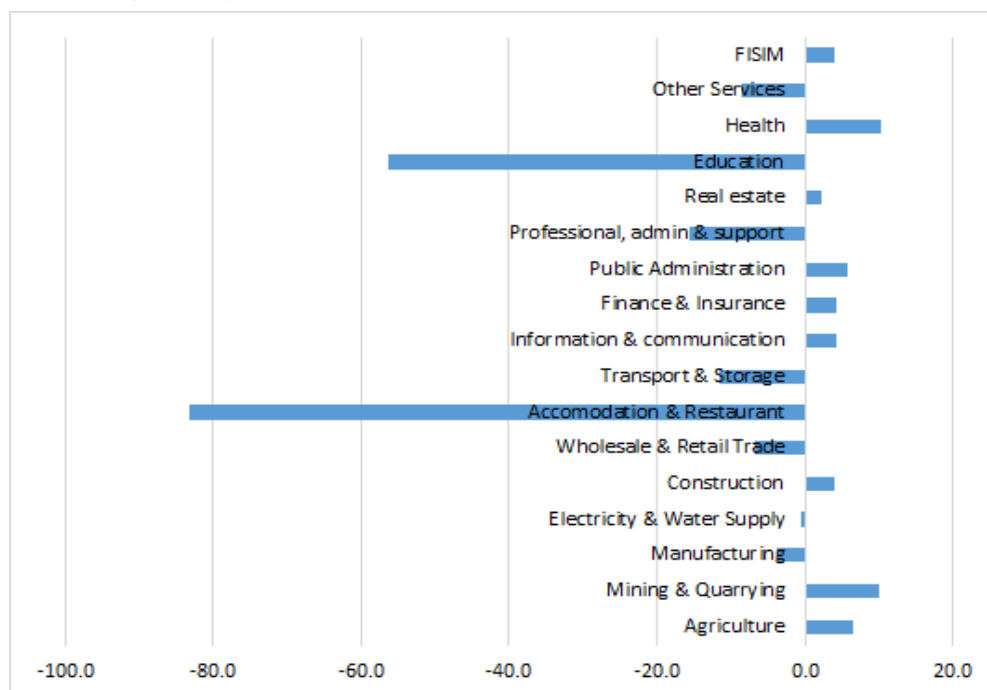
Kenya's economy contracted for the first time in twelve years in the second quarter of 2020.

Kenya's economy contracted for the first time in twelve years in the second quarter of 2020. Real GDP for the period recorded by 5.7% decline in contrast to a 5.3% growth recorded in 2Q19.

This was the result of constrained output across a number of sectors owing to the various COVID-19 containment measures that saw the accommodation and food services sector decline 83.3%, transport and storage decline 11.6% and wholesale & retail trade sector decline 6.9%. That said, the economy was cushioned by growths in agriculture (6.4%), financial and insurance activities (4.2%), construction (3.9%), and health services (10.3%).

Leading economic indicators show that economic activity is recovering in the 3rd and 4th quarters of 2020 with various entities projecting GDP growth to range between 1.0 and 2.0%. Although forecasts suggest a quick recovery in 2021, we observe that a second wave of COVID-19 has already seen a number of countries announce new restrictions and thus expect a weak recovery that may extend beyond 2021. *(Source: KNBS DBIB Research)*

#### 2Q20 GDP growth by sector



*(Source: KNBS 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>
Eveready E.A.	09:30 am	Virtual	27-Oct-20
Kenya Power	11.00 a.m	Virtual	13-Nov-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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