

DBIB WEEKLY BULLETIN

WEEK 37

Date: 11.09.2020

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INDICES & MARKET METRICS MOVEMENT

NSE 20 and **NASI** indices **rose** by 1.1% each w-o-w to close at 1,875.69 and 140.87 respectively.

Weekly equity turnover **declined** by 18.4% w-o-w to USD 22.35 MN (KES 2.42 BN).

USD | KES: KES **weakened** 0.1% w-o-w to close at 108.45 (-7.0% YTD).

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	140.9	1.15	(1.41)	5.39	(15.35)
NSE-20	1,875.7	1.11	(6.76)	(11.72)	(29.34)
DBIB Select	87.2	0.39	1.14	10.23	(2.52)
FTSE 15	175.4	1.22	0.37	(2.86)	(20.75)
FTSE 25	187.6	1.32	0.43	1.88	(18.27)
FTSE Frontier 50	38,301.3	0.25	9.81	9.62	(14.06)

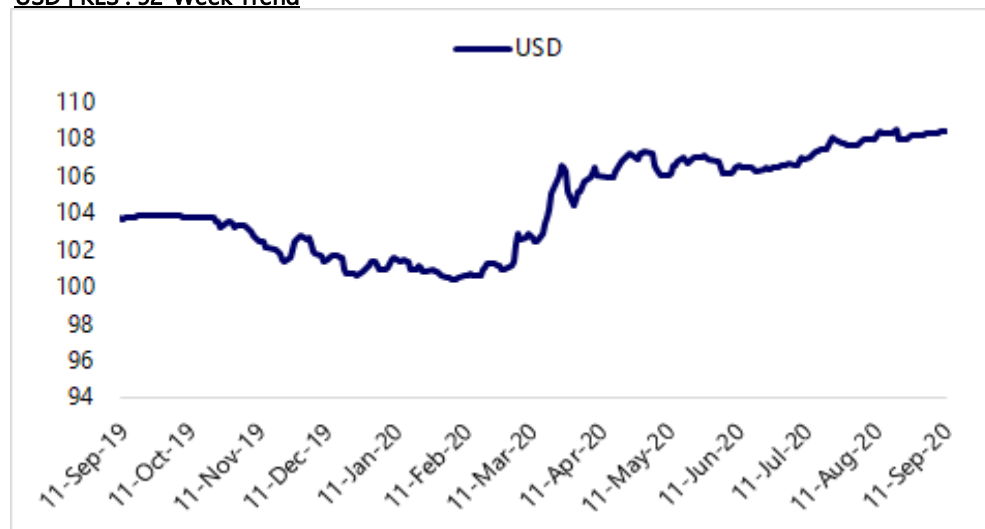
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,162.79	1.15	8.84	(0.97)	5.88
Market Turnover (USD m)	22.35	(18.36)	43.78	(28.86)	(57.97)
Market P/E (x)	12.20	1.83	11.09	(0.82)	19.73
Market Div. yld (%) *	4.77	(5.10)	(43.40)	(226.44)	(175.55)
Market ROE (%) *	29.04	(30.69)	(933.83)	(1,499.63)	(521.67)

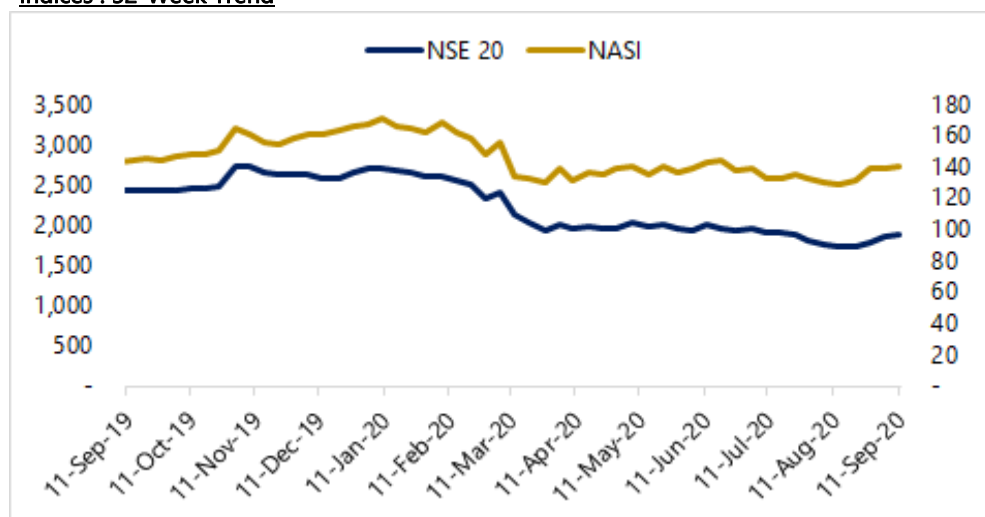
* Changes in bps

(Source: NSE, DBIB Research)

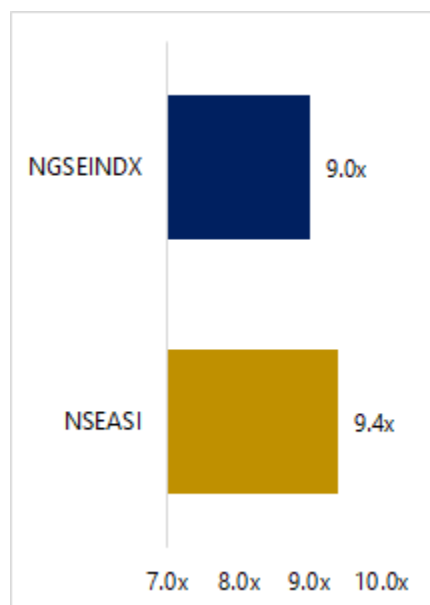
USD | KES : 52-Week Trend



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 14.11 MN (KES 1.53 BN) representing 63.13% of this week's turnover.

The stock rose by 1.5% w-o-w to close at KES 30.05 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 73.95% of foreign sales and 97.15% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Nation Media	13.3
NSE	9.7
Kenya Re	7.6
Sameer Africa	7.4
<u>Uchumi</u>	<u>7.1</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Standard Group	(11.1)
Home Afrika	(9.8)
Express Kenya	(9.6)
BK Group	(8.8)
<u>Scangroup</u>	<u>(7.1)</u>

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	14.11
Equity Group	3.86
KCB Group	1.22
E.A Breweries	1.10
<u>ABSA Bank</u>	<u>0.45</u>

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Airways	86.8
New Gold EFT	39.4
Eaagads	23.8
Kakuzi	15.0
<u>Olympia Capital</u>	<u>14.4</u>

(Source: NSE, DBIB Research)

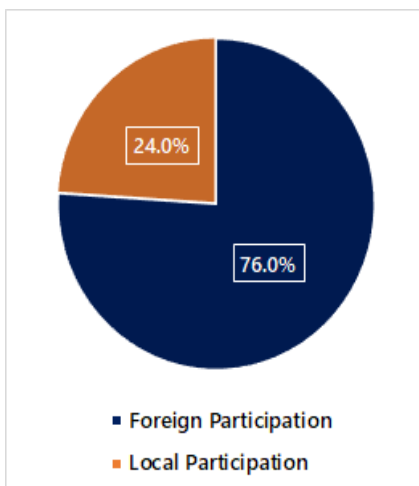


<u>Top Losers</u>	<u>%</u>
Bamburi Cement	(75.0)
Scangroup	(54.5)
Nation Media	(51.8)
Flame Tree Group	(48.6)
<u>BK Group</u>	<u>(46.4)</u>

(Source: NSE, DBIB Research)



WEEKLY LOCAL VS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
BK Group	99.3
Safaricom	97.1
Equity Group	70.8
KCB Group	62.1
<u>E.A Breweries</u>	<u>62.0</u>

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BK Group	99.7
E.A Breweries	84.9
Jubilee Holdings	84.1
Equity Group	80.2
<u>Stanbic Holdings</u>	<u>78.9</u>

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
BK Group	98.4
BAT Kenya	83.1
New Gold EFT	70.5
NSE	68.2
<u>E.A Breweries</u>	<u>66.7</u>

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
BK Group	99.9
BAT Kenya	90.1
New Gold EFT	88.2
Stanbic Holdings	87.1
<u>Safaricom</u>	<u>81.0</u>

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 196.89 MN (KES 21.35 BN) representing a 33.9% w-o decline from USD 298.03 MN (KES 32.28 BN) recorded the previous week.

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Top Trades for the week ending 11 September 2020

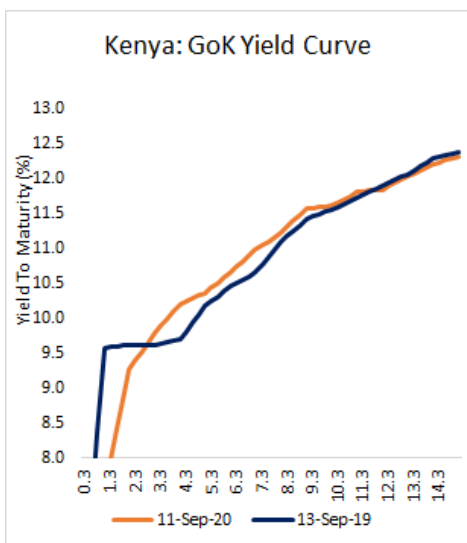
						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
9-Sep	FXD2/2018/20Yr	17.8	13.2000	12.6500	105.4214	850.0
10-Sep	IFB 1/2020/11Yr	10.9	10.9000	11.0500	99.7060	675.0
8-Sep	FXD 1/2019/2Yr	0.4	10.7010	6.7996	102.6945	634.2
8-Sep	IFB 1/2020/11Yr	10.9	10.9000	10.9400	100.2265	514.0
7-Sep	FXD 1/2017/ 5Yr	1.9	12.4650	9.1500	106.3011	500.0
7-Sep	FXD1/2020/ 5Yr	4.6	11.6670	10.2750	108.8463	500.0
8-Sep	FXD2/2018/20Yr	17.8	13.2000	12.6750	103.9524	500.0
10-Sep	FXD1/2020/ 5Yr	4.6	11.6670	10.3000	108.8425	500.0
10-Sep	IFB 1/2020/11Yr	10.9	10.9000	11.0250	99.8372	500.0
11-Sep	FXD 1/2019/ 5Yr	3.4	11.3040	10.1800	103.7495	500.0
9-Sep	FXD2/2007/15Yr	1.7	13.5000	9.5000	109.7041	400.0
10-Sep	FXD2/2018/20Yr	17.8	13.2000	12.6500	105.4570	400.0
11-Sep	FXD2/2007/15Yr	1.7	13.5000	9.5500	110.3087	400.0
11-Sep	FXD2/2018/20Yr	17.8	13.2000	12.6500	105.4925	400.0
7-Sep	IFB 1/2016/9Yr	4.7	12.5000	9.7000	111.3543	350.0
7-Sep	IFB 1/2017/7Yr	4.2	12.5000	9.9000	110.4855	350.0
8-Sep	IFB 1/2019/16Yr	15.1	11.7500	11.1000	108.5995	345.9
10-Sep	FXD2/2018/20Yr	17.8	13.2000	12.6549	105.4214	316.0
7-Sep	IFB 1/2020/11Yr	10.9	10.9000	11.1000	99.3559	300.0
8-Sep	FXD 1/2019/ 5Yr	3.4	11.3040	10.0596	104.0162	300.0
9-Sep	FXD2/2018/20Yr	17.8	13.2000	12.6750	105.2404	300.0
9-Sep	IFB 1/2017/7Yr	4.2	12.5000	9.5000	111.6658	300.0
9-Sep	IFB 1/2020/11Yr	10.9	10.9000	11.1032	99.3981	300.0
9-Sep	IFB 1/2020/11Yr	10.9	10.9000	11.0556	99.6472	300.0
10-Sep	IFB 1/2020/11Yr	10.9	10.9000	11.0168	99.8803	300.0
11-Sep	FXD 1/2013/10Yr	2.8	12.3710	9.7000	109.0865	300.0
11-Sep	IFB 1/2020/11Yr	10.9	10.9000	11.0250	99.8667	300.0

(Source: NSE, DBIB Research)

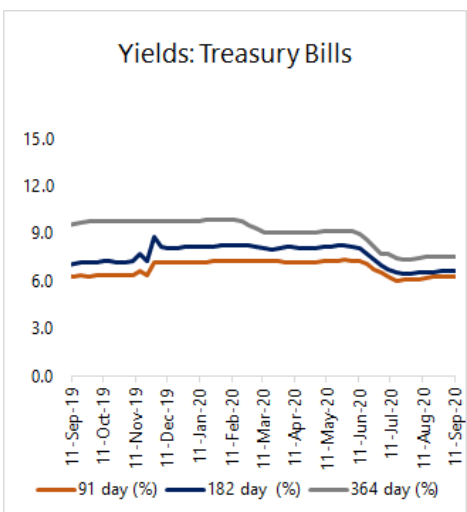
Treasury Bill auction for the week ending 11 September 2020

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	7.23	180.69	7.21	6.267	(2.8)
182-day	10.00	7.60	76.02	7.51	6.689	6.2
364-day	10.00	5.35	53.51	3.96	7.564	1.0

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News...

East Africa Portland Cement FY19 Earnings

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EAPC released its FY19 results reporting a loss after tax of KES 3.4 BN, a significant deterioration from a profit after tax of KES 7.9 BN recorded in FY18.
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EAPC released its FY19 results reporting a loss after tax of KES 3.4 BN, a significant deterioration from a profit after tax of KES 7.9 BN recorded in FY18. This was largely on the back of a 233.2 MN fair value loss on investment property reported in contrast to a KES 11.3 BN gain reported in FY18. Loss per share for the period stood at KES 37.35, down 142.8% y-o-y.

Revenue for the period edged down 45.1% y-o-y to KES 2.8 BN on account of downward pressure on prices brought on by increased competitive pressure coupled with an excess supply in the market. Cost of sales dropped 23.1% y-o-y to KES 4.1 BN. This saw gross loss rise 13 fold to KES 1.2 BN.

The company recorded a 233.2 MN fair value loss on investment property in contrast to a KES 11.3 BN gain reported in FY18.

Total expenses declined by 32.7% y-o-y to KES 2.5 BN owing to staff rationalization programs and other cost management initiatives undertaken by the company as well as a reduction in the provision for staff related court awards charged for the year.

Total assets decreased 2.8% y-o-y to KES 36.5 BN while total liabilities increased by 17.4% y-o-y to KES 15.0 BN. Total equity stood at KES 21.5 BN, 13.3% lower y-o-y.

(Source: Company filings, DBIB Research)

EABL's 7th Interest Payment of the Tranche 2 KES 6.0 BN Fixed Rate Notes due to mature in 2022

East African Breweries announced that the seventh interest payment of Tranche 2 will be paid on September 28, 2020 at a fixed rate of 14.17% p.a. to noteholders on register as at close of business September 11, 2020. *(Source: Company filings, DBIB Research)*

UPCOMING EVENTS

Profit Warnings

- Sasini
- Eaagads
- NSE
- Eveready
- Unga Group
- 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*
BAT Kenya	Interim Div: KES 3.50	21-Aug-20	18-Sep-20
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	STA*	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>
E.A. Breweries	TBC	Virtual	16-Sep-20
Centum	11.00 am	Virtual	18-Sep-20
Express Kenya	11.00 am	Virtual	24-Sep-20
CIC Group	10.00 am	Virtual	29-Sep-20
Eaagads	11:00 am	Virtual	30-Sep-20
WPP Scangroup	11:00 am	Virtual	30-Sep-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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