

DBIB WEEKLY BULLETIN

WEEK 39

Date: 25.09.2020

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INDICES & MARKET METRICS MOVEMENT

NSE 20 and **NASI** indices **rose** 0.01% and 0.1% w-o-w to close at 1,847.63 and 140.37 respectively.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	140.4	0.09	1.90	8.21	(15.65)
NSE-20	1,847.6	0.01	(4.69)	(4.31)	(30.39)
DBIB Select	87.4	0.27	1.67	6.51	(2.28)
FTSE 15	175.0	0.31	0.64	10.84	(20.92)
FTSE 25	187.0	0.38	1.29	12.14	(18.51)
FTSE Frontier 50	37,639.1	(1.29)	8.15	26.42	(15.55)

(Source: NSE, Bloomberg, DBIB Research)

Weekly equity turnover **declined** by 33.3% w-o-w to USD 31.72 MN (KES 3.44 BN).

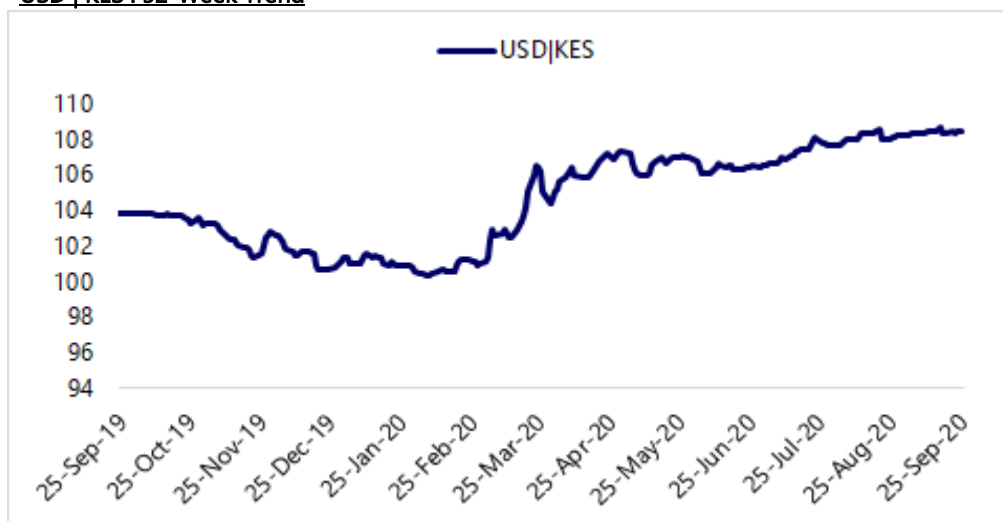
Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,155.04	0.09	1.18	2.36	10.79
Market Turnover (USD m)	31.72	(33.27)	24.53	21.27	(15.84)
Market P/E (x)	12.27	1.39	2.43	5.16	(20.85)
Market Div. Yld (%) *	4.78	(0.20)	(42.08)	(271.88)	(171.16)
Market ROE (%) *	28.49	6.69	(1,017.62)	(1,686.31)	(556.65)

* Changes in bps

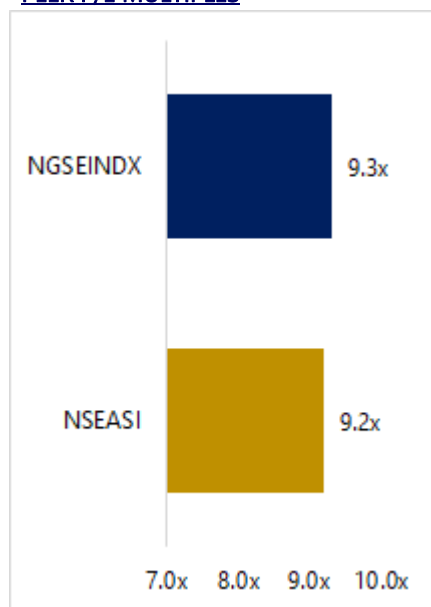
(Source: NSE, DBIB Research)

USD | KES: KES weakened 0.1% w-o-w to close at 108.47 (-7.0% YTD).

USD | KES : 52-Week Trend



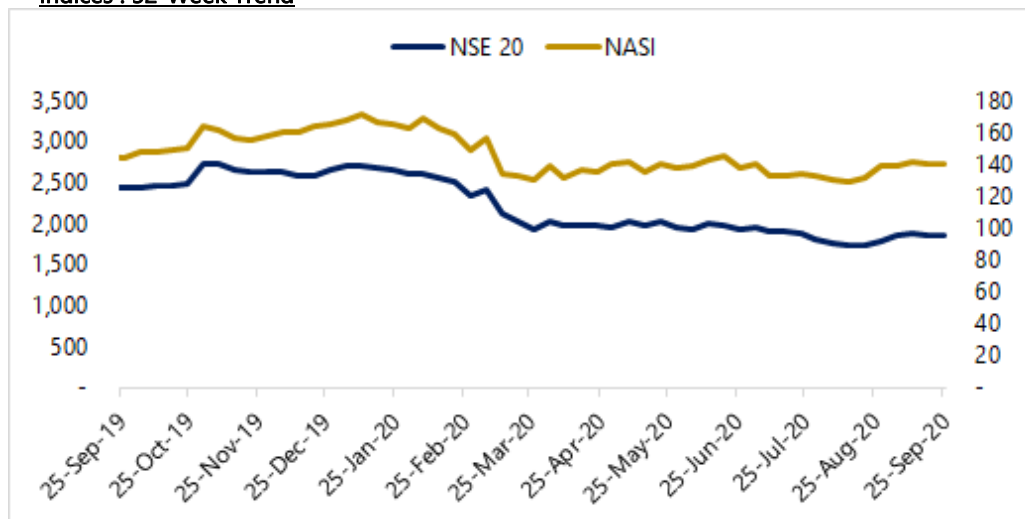
PEER P/E MULTIPLES



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...

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Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 13.25 MN (KES 1.44 BN) representing 41.79% of this week's turnover.

The stock rose by 0.2% w-o-w to close at KES 30.05 on Friday.

Foreign investors assumed a net selling position on the counter this week by accounting for 90.02% of foreign sales and 88.58% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Nation Media	10.2
TPS Eastern Africa	7.4
Sanlam Kenya	6.5
B.A.T Kenya	6.4
Umeme	4.9

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
E.A.Cables	(11.6)
Express Kenya	(10.0)
Kenya Orchards	(9.8)
Olympia Capital	(8.3)
Housing Finance	(8.2)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	13.25
Equity Group	11.75
KCB Group	2.69
E.A Breweries	1.31
Co-op Bank	0.42

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Kenya Airways	86.8
New Gold ETF	33.2
Eaagads	30.2
Sasini	18.3
Sameer Africa	17.1

(Source: NSE, DBIB Research)

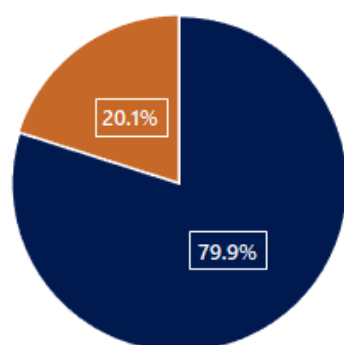


<u>Top Losers</u>	<u>%</u>
Bamburi	(70.0)
Scangroup	(57.8)
Nation Media	(56.4)
BK Group	(51.8)
Fahari I-REIT	(46.5)

(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	97.1
Safaricom	88.6
Equity Group	83.6
KCB Group	49.3
E.A Breweries	29.4

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BK Group	100.0
Jubilee	100.0
Equity Group	98.0
KenGen	91.7
Safaricom	90.0

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
BK Group	98.2
Crown Paints	84.4
B.A.T Kenya	82.6
New Gold ETF	70.5
Safaricom	69.1

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
BK Group	99.9
B.A.T Kenya	89.6
New Gold ETF	88.2
Stanbic	86.7
Safaricom	80.5

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 112.74 MN (KES 12.23 BN) representing a 21.3% w-o decline from USD 143.26 MN (KES 15.53 BN) recorded the previous week.

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Top Trades for the week ending 25 September 2020

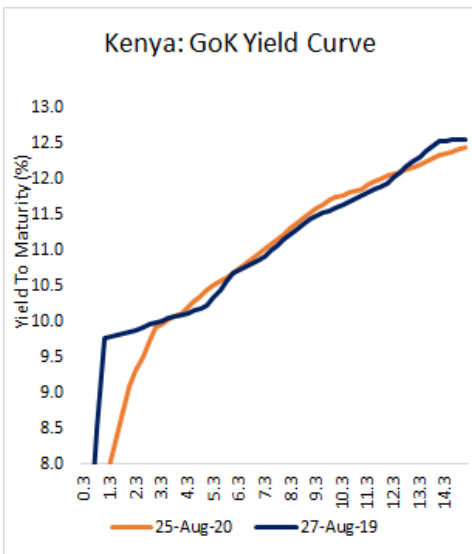
						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
21-Sep	FXD 2/2017/ 5Yr	2.1	12.5170	9.1000	111.6140	500.0
22-Sep	FXD 1/2017/ 5Yr	1.9	12.4650	9.4000	106.2470	500.0
22-Sep	FXD 3/2019/ 5Yr	4.2	11.4920	10.2000	107.4393	500.0
23-Sep	FXD 3/2019/ 5Yr	4.2	11.4920	10.1000	107.8154	500.0
24-Sep	FXD1/2020/15Yr	14.4	12.7560	12.4500	103.0862	500.0
24-Sep	FXD1/2020/15Yr	14.4	12.7560	12.5000	102.7848	500.0
25-Sep	FXD 1/2019/ 5Yr	3.4	11.3040	10.2200	104.0314	500.0
23-Sep	FXD2/2018/20Yr	17.8	13.2000	12.6000	106.2833	400.0
21-Sep	IFB 1/2020/11Yr	10.9	10.9000	10.9500	100.5557	391.0
21-Sep	IFB 1/2019/16Yr	15.0	11.7500	11.1250	108.8489	372.0
23-Sep	FXD1/2020/15Yr	14.4	12.7560	12.4551	103.0177	370.0
25-Sep	FXD1/2020/15Yr	14.4	12.7560	12.4150	103.3564	340.0
23-Sep	FXD1/2019/15Yr	13.3	12.8570	12.3052	105.5798	300.0
25-Sep	FXD 3/2016/ 5Yr	1.0	13.1120	7.6500	105.2507	300.0
22-Sep	FXD1/2020/15Yr	14.4	12.7560	12.4500	103.0178	250.0
21-Sep	IFB 1/2020/9Yr	8.5	10.8500	10.5500	106.1486	200.0
21-Sep	IFB 1/2020/11Yr	10.9	10.9000	11.0000	100.2927	200.0
22-Sep	FXD 1/2017/ 5Yr	1.9	12.4650	9.3000	106.4254	200.0
22-Sep	FXD1/2019/15Yr	13.3	12.8570	12.3000	105.5797	200.0
22-Sep	IFB 1/2020/9Yr	8.5	10.8500	10.4500	106.6389	200.0
23-Sep	FXD1/2019/15Yr	13.3	12.8570	12.5000	104.2959	200.0
24-Sep	FXD1/2019/15Yr	13.3	12.8570	12.5053	104.2961	200.0
25-Sep	FXD 1/2019/ 5Yr	3.4	11.3040	10.1000	104.3773	200.0
25-Sep	FXD1/2020/ 5Yr	4.6	11.6670	10.1500	109.8539	200.0
25-Sep	FXD1/2019/15Yr	13.3	12.8570	12.3000	105.6837	200.0
23-Sep	FXD1/2020/15Yr	14.4	12.7560	12.2550	104.3777	170.0
23-Sep	FXD2/2018/20Yr	17.8	13.2000	12.4500	107.3859	155.0
21-Sep	IFB 1/2020/11Yr	10.9	10.9000	10.9750	100.4241	150.0
22-Sep	FXD2/2018/20Yr	17.8	13.2000	12.6750	105.7034	150.0
25-Sep	FXD2/2018/20Yr	17.8	13.2000	12.6750	105.8105	140.0
22-Sep	IFB 1/2020/11Yr	10.9	10.9000	10.9750	100.4536	122.0

(Source: NSE, DBIB Research)

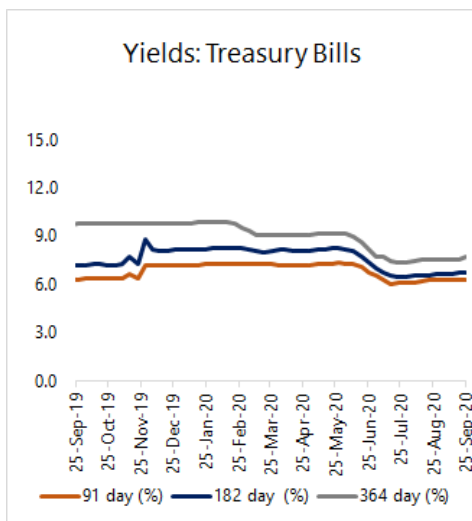
Treasury Bill auction for the week ending 25 September 2020

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	1.12	28.04	1.10	6.309	3.6
182-day	10.00	1.27	12.72	1.13	6.773	5.3
364-day	10.00	4.73	47.31	4.24	7.690	11.9

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News...

Unga Group FY20 Earnings

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Unga group Plc released their FY20 results reporting an 87.9% y-o-y decrease in PAT to KES 66.2 MN.

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Unga group Plc released their FY20 results reporting an 87.9% y-o-y decrease in PAT to KES 66.2 MN. EPS for the period stood at KES 0.45, 90.0% lower y-o-y.

Revenue edged up by 2.0% y-o-y to KES 10.3 BN despite a 4.0% decline in volumes occasioned by low consumer demand and aggressive pricing of finished products by competitors. Cost of goods on the hand rose by 4.6% y-o-y to KES 18.0 BN on account of elevated prices of wheat and maize grain throughout the year as result of unfavorable local weather and rallying world wheat prices. This saw operating profits margins contract by 237 bps y-o-y to 1.6%.

Finance costs rose 21.7% y-o-y to KES 203.0 MN on the back of capital expenditure and working capital related borrowing.

The company highlights that the group's performance was further impacted by COVID-19 pandemic that led to a reduction in the purchasing power for most household, interruptions in raw material supply chain, depreciation in the local currency and unprecedented disruptions of the travel and hospitality business.

Total assets rose by 4.2% y-o-y to KES 12.1 BN on account of a 4.2% y-o-y increase in non-current assets to KES 4.1 BN and an 18.5% y-o-y increase in current assets to KES 7.9 BN.

Current liabilities rose by 47.0% y-o-y to KES 5.0 BN while non-current liabilities dropped 20.0% y-o-y to KES 941.3 MN. Total equity edged up 0.6% y-o-y to KES 6.1 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	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>
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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RESEARCH TEAM

Edwin Chui | Mary Mukuria | Cynthia Wangari

Email: research@dyerandblair.com | Contact: +254 709 930 130