

DBIB WEEKLY BULLETIN

WEEK 15

Date: 16.04.2021

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INDICES & MARKET METRICS MOVEMENT

NSE 20 and **NASI** gained 0.8% and 4.1% w-o-w to close at 1,882.96 and 165.08 respectively.

Weekly equity turnover rose 14.9% w-o-w to USD 21.9 MN (KES 2.34 BN).

USD | KES: KES strengthened 0.8% w-o-w to close at 107.06 (+1.9% YTD).

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	165.08	4.09	4.36	18.21	8.53
NSE-20	1,882.96	0.76	(1.91)	3.97	0.78
DBIB Select	104.33	2.15	4.74	19.73	6.91
FTSE 15	190.25	3.80	5.87	11.14	6.79
FTSE 25	215.29	4.32	5.81	16.66	8.96
FTSE Frontier 50	46,201.74	1.90	0.04	17.66	4.86

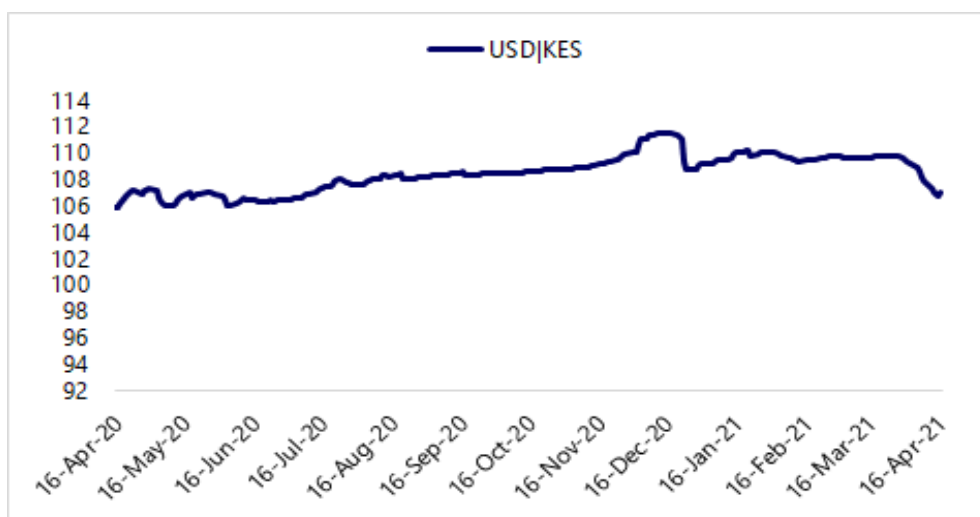
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,536.39	4.10	(1.12)	4.36	18.30
Market Turnover (USD m)	21.89	14.85	41.78	15.50	81.11
Market P/E (x)	13.69	6.78	2.18	(12.79)	12.35
Market Div. yld (%) *	4.35	(19.12)	15.17	(45.22)	(264.83)
Market ROE (%) *	39.08	681.38	215.98	933.19	(729.02)

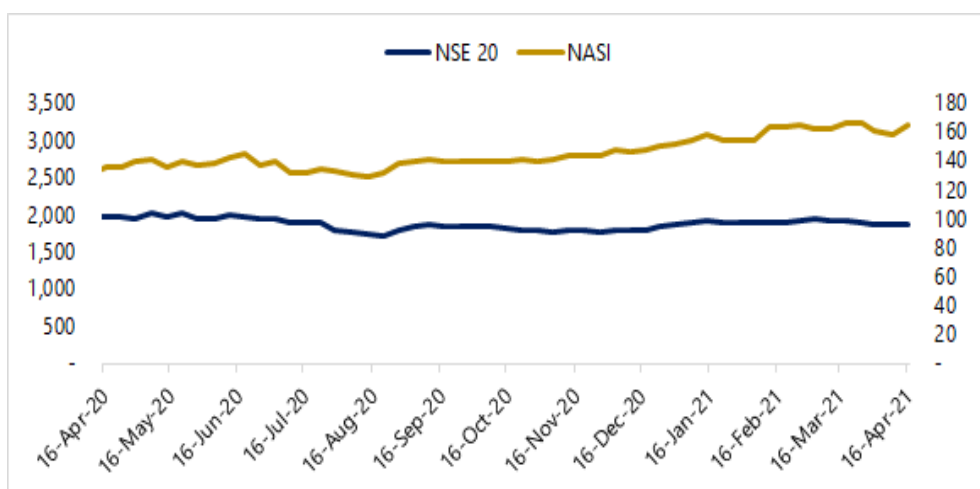
* Changes in bps ** Market ROE is market cap weighted

(Source: NSE, DBIB Research)

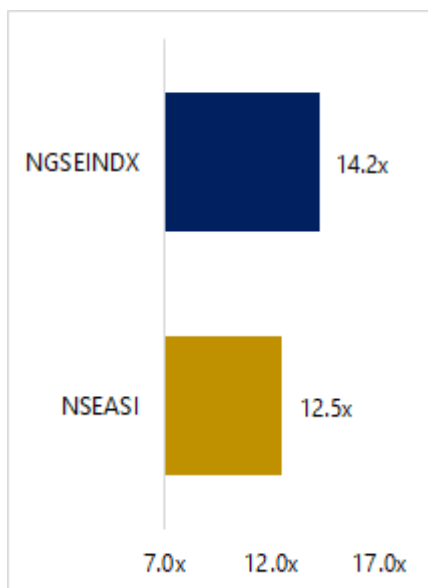
USD | KES : 52-Week Trend



Indices : 52-Week Trend



PEER P/E MULTIPLES



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

(Source: Bloomberg, DBIB Research)

(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Trans-Century Ltd	18.4
B.O.C Kenya	11.7
Kapchorua Tea	9.9
Eveready E.A	9.7
E.A.Cables	8.0

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Car & General	(10.0)
KPLC	(9.4)
Uchumi Supermarket	(8.7)
Sanlam Kenya	(5.2)
Crown Paints	(5.0)

(Source: NSE, DBIB Research)



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Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 11.22 MN (KES 1.20 BN) representing 51.23% of this week's turnover.

The stock gained 5.8% w-o-w to close at KES 38.40 on Friday.

Foreign investors assumed a net selling position on the counter this week by accounting for 92.15% of foreign sales and 65.73% of foreign purchases.

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	11.22
E.A Breweries	4.14
KCB	1.74
Equity Group	1.28
BK Group	0.82

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
BAT Kenya	31.6
Housing Finance	20.5
Eaagads Ltd	20.0
BK Group	19.8
Kapchorua Tea	14.1

(Source: NSE, DBIB Research)

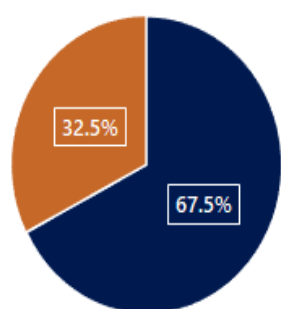


<u>Top Losers</u>	<u>%</u>
E.A.P.C.C	(27.3)
Uchumi Supermarket	(25.0)
KPLC	(18.1)
Trans-Century Ltd	(15.9)
Sanlam Kenya	(15.8)

(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>
Stanbic Holdings	99.1
E.A Breweries	81.6
Housing Finance	72.7
Safaricom	65.7
Equity Group	58.6

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Bank of Kigali	99.9
Stanbic Holdings	98.8
Uchumi Supermarket	97.5
Safaricom	92.1
Equity Group	81.9

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
Stanbic Holdings	81.9
Safaricom	74.8
Equity Group	68.6
NSE	64.2

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	100.0
Stanbic Holdings	78.5
Uchumi Supermarket	76.0
E.A Breweries	72.7
KCB	72.6

FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 249.68 MN (KES 26.73 BN) representing a 644.6% w-o-w upswing from USD 33.53 MN (KES 3.62 BN) recorded the previous week.

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Top Trades for the week ending 16 April 2021

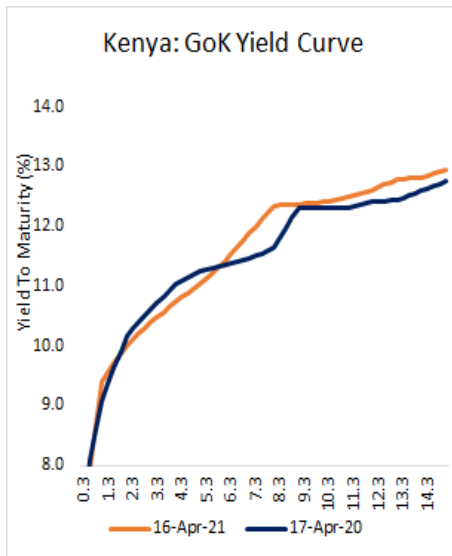
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Total	
					Price (KES m)	Value (KES m)
14-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.5000	101.10	2,200.0
14-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.4500	101.42	1,000.0
13-Apr	IFB 1/2021/16Yr	137.1	12.2570	12.4500	101.38	880.0
16-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.4000	101.80	870.0
12-Apr	IFB 1/2021/16Yr	137.1	12.2570	12.0800	103.64	844.5
14-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.5000	101.10	672.0
16-Apr	IFB 1/2019/16Yr	14.5	11.7500	11.8599	104.86	650.0
13-Apr	IFB 1/2021/16Yr	137.1	12.2570	12.4000	101.70	643.1
13-Apr	IFB 1/2021/16Yr	137.1	12.2570	12.9000	98.62	600.0
13-Apr	IFB 1/2021/16Yr	137.1	12.2570	12.7500	99.53	600.0
15-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.4500	101.45	570.0
12-Apr	IFB 1/2020/11Yr	131.7	10.9000	11.1650	100.11	500.0
13-Apr	IFB 1/2021/16Yr	137.1	12.2570	12.4250	101.54	500.0
14-Apr	FXD 3/2019/ 5Yr	3.7	11.4920	10.6000	106.44	500.0
14-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.4250	101.57	500.0
16-Apr	FXD 1/2021/2Yr	1.7	9.4860	10.0000	101.64	500.0
12-Apr	IFB 1/2021/16Yr	137.1	12.2570	12.0500	103.82	444.5
13-Apr	IFB 1/2021/16Yr	137.1	12.2570	12.5000	101.07	435.0
14-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.4000	101.73	410.0
16-Apr	IFB 1/2020/11Yr	131.7	10.9000	11.1500	100.31	400.0
16-Apr	FXD2/2018/20Yr	17.2	13.2000	13.2000	102.89	350.0
13-Apr	IFB 1/2020/9Yr	129.3	10.8500	10.9500	99.61	300.0
14-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.5500	100.79	300.0
15-Apr	IFB 1/2019/16Yr	14.5	11.7500	11.8500	104.89	300.0
15-Apr	FXD2/2018/20Yr	17.2	13.2000	13.4000	101.51	275.0
Sell & Buy Backs						
15-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.6500	101.80	500.0

(Source: NSE, DBIB Research)

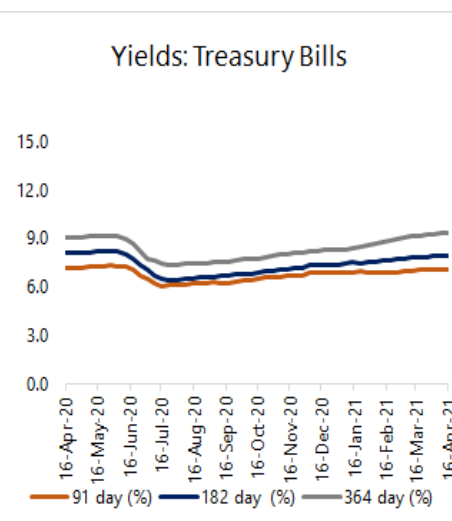
Treasury Bill auction for the week ending 16 April 2021

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	4.10	102.40	4.10	7.108	1.2
182-day	10.00	3.67	36.65	3.67	7.938	2.4
364-day	10.00	13.10	130.98	10.42	9.403	3.7

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

.....
Jubilee Holdings released its FY20 results reporting a 1.7% y-o-y growth in PAT to KES 4.1 BN.
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Jubilee Holdings FY20 Earnings

Jubilee Holdings released its FY20 results reporting a 1.7% y-o-y growth in PAT to KES 4.1 BN. EPS for the period stands at KES 50.06, 2.0% higher y-o-y. The board has recommended the payment of a final dividend of KES 8.00 to be paid on or about 26th July 2021 to shareholders on register at the close of 26th May 2021.

Net insurance premium revenue recorded a 3.3% y-o-y rise to KES 20.1 BN owing to a 2.4% y-o-y increase in gross earned premiums to KES 29.8 BN and a 0.5% y-o-y increase in insurance premium ceded to KES 9.7 BN. Other revenues fell by 2.7% y-o-y to KES 13.0 BN.

Operating profits dropped by 4.1% y-o-y to KES 3.9 BN largely driven by a 3.4% y-o-y increase in net insurance benefits and claims to KES 20.4 BN placing claims ratio at 101.3%, 8 bps higher y-o-y. Total expenses and commissions fell by 2.5% y-o-y to KES 8.9 BN placing expense ratio at 44.0%, 264 bps lower.

Profits before tax rose 1.4% y-o-y to KES 5.1 BN on account of 34.5% y-o-y increase in profits share of associate to KES 1.3 BN that significantly restored the gains.

Total assets advanced by 12.1% y-o-y to KES 145.9 BN largely attributable to a 14.9% y-o-y increase in investment properties to KES 109.8 BN. Total liabilities rose by 10.8% y-o-y to KES 110.3 BN while total equity grew by 16.4% y-o-y to KES 35.5 BN.

Jubilee holdings is currently trading at a P/E multiple of 5.1x above a sector median of 3.3x and a P/B multiple of 0.6x at par with the sector median. Its ROE stands at 11.5% against a sector median of 8.2% while its ROA stands at 2.8% against a sector median of 1.7%. Dividend yield stands at 3.2% as per current prices. *(Source: Company Filings, DBIB Research)*

Salient News cont'd...

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Liberty Holdings released its FY20 results reporting a 2.0% y-o-y decline in Profit after Tax (PAT) to KES 675.9 MN.
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Liberty Holdings FY20 Earnings

Liberty Holdings released its FY20 results reporting a 2.0% y-o-y decline in Profit after Tax (PAT) to KES 675.9 MN. EPS for the period stood at KES 1.23. The board does not recommend a dividend payment for the period.

Net insurance premiums dropped 3.2% y-o-y to KES 6.7 BN following a 10.9% y-o-y rise in insurance premiums ceded to KES 4.5 BN but cushioned by a 2.0% y-o-y increase in insurance premiums to KES 11.2 BN.

Total income for the period shed 14.5% y-o-y to KES 9.9 BN largely attributable to a 53.7% y-o-y decrease in fair value adjustments to assets held at fair value through P/L to KES 1.4 BN.

PBT dropped by 7.4% y-o-y to KES 1.0 BN. Claims and policy holder benefits under insurance contracts saw a 3.7% y-o-y decrease to KES 5.0 BN placing claims ratio at 74.1%, 39 bps lower y-o-y. Other operating expenses dropped by 4.1% y-o-y to KES 2.9 BN placing expense ratio at 43.7%, 40 bps lower y-o-y while acquisition costs rose by 3.5% y-o-y to KES 1.7 BN placing net acquisitions cost ratio at 25.0%, 162 bps higher y-o-y.

Income tax charge dropped 15.8% y-o-y to KES 368.0 MN placing effective tax rate at 35.2%, 355 bps lower y-o-y.

Long term policyholder liability edged down 0.7% y-o-y to KES 19.6 BN while short term insurance liabilities rose by 7.9% y-o-y to KES 7.1 BN. Total assets increased by 2.8% y-o-y to KES 39.3 BN. Total liabilities rose by 1.2% y-o-y to KES 30.6 BN while total equity increased by 9.1% y-o-y to KES 8.7 BN.

Liberty Holdings is currently trading at P/E and P/B multiples of 6.5x and 0.5x against respective sector medians of 3.3x and 0.6x. Its ROA stands at 1.7% at par with the sector median while its ROE stands at 8.0% below a sector median of 8.2%. *(Source: Company Filings, DBIB Research)*

Salient News cont'd...

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Flame Tree Group released its FY20 earnings reporting a 67.3% y-o-y increase in Profit after Tax (PAT) to KES 75.2 MN.
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Flame Tree Group FY20 Earnings

Flame Tree Group released its FY20 earnings reporting a 67.3% y-o-y increase in **Profit after Tax (PAT)** to KES 75.2 MN. EPS for the period stood at KES 0.42, 68.0% higher y-o-y.

Gross margin grew by stood at 39.2%, 529 bps higher y-o-y. Revenue grew by 20.0% y-o-y to KES 2.9 BN while cost of sales rose by 10.4% y-o-y to KES 1.8 BN.

Operating income fell by 70.3% y-o-y to KES 2.5 MN while operating expenses rose by 25.8% y-o-y to KES 837.1 MN. Finance cost saw a 110.6% y-o-y upswing to KES 158.4 MN impacted by the devaluation of the Kenya Shilling in FY20.

Total assets rose by 9.1% y-o-y to KES 2.5 BN while total liabilities rose by 14.7% y-o-y to KES 1.4 BN. Total equity increased by 2.6% y-o-y to KES 1.1 BN.

Net cash from operating activities dipped by 90.7% y-o-y to KES 12.4 MN while net cash used in investing activities dropped by 54.4% y-o-y to KES 115.4 MN. Net cash used in financing activities stood at KES 161.9 MN as opposed to the KES 287.8 MN net cash from operating activities in FY19.

Flame Tree is currently trading at a P/E multiple of 3.1x below a sector median of 5.6x and a P/B multiple of 0.2x below a sector median of 0.9x. Its ROE stands at 6.9% at par with the sector median while its ROA stands at 3.0% above the sector median of 1.8%. *(Source: Company Filings, DBIB Research)*

Salient News cont'd...

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Sameer Africa released its FY20 results recording a Profit after Tax (PAT) of KES 43.5 MN, an improvement from a loss after tax of KES 1.1 BN in FY19.

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Sameer Africa FY20 Earnings

Sameer Africa released its FY20 results recording a Profit after Tax (PAT) of KES 43.5 MN, an improvement from a loss after tax of KES 1.1 BN in FY19. No dividend was recommended for the period.

Revenue declined by 56.9% y-o-y to KES 757.5 MN following the group's closure of and resumption of tyre business operations. Cost of sales dropped by 65.4% y-o-y to KES 513.8 MN.

Operating income grew by 141.3% y-o-y to KES 37.9 MN while operating expenses fell by 86.5% y-o-y to KES 118.0 MN. Net finance costs rose by 26.6% y-o-y to KES 108.3 MN.

Income tax expense dipped by 107.0% y-o-y to KES 28.3 MN placing effective tax rate at 39.4%.

Total assets fell by 31.6% y-o-y to KES 1.0 BN while total liabilities fell by 36.2% y-o-y to KES 932.4 MN. Total equity rose by 66.0% y-o-y to KES 114.7 MN.

Net cash generated from operating activities rose by 55.6% y-o-y to KES 200.2 MN while net cash used in investing activities rose by 22.4% y-o-y to KES 45.6 MN. Net cash generated by financing activities dropped by 42.5% y-o-y to KES 253.4 MN.

Sameer Africa is currently trading at a P/E multiple of 21.5x against a sector median of (2.2)x and a P/B multiple of 8.2x against a sector median of 1.8x. Its ROE stands at 37.9% against a sector median of (3.4)% while its ROA stands at 4.2% against a sector median of (19.3)%. *(Source: Company Filings, DBIB Research)*

UPCOMING EVENTS

Profit Warnings

1. Eaagads
2. Nation Media
3. E.A. Cables
4. Britam
5. Homeboyz
6. Centum

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
ILAM Fahari I-REIT	First & Final: KES 0.60	6-Apr-21	30-Apr-21
I&M Holdings	Final: KES 2.25	15-Apr-21	20-May-21
BAT Kenya	Final: 41.50	16-Apr-21	12-May-21
NCBA	Final: KES 1.50	20-Apr-21	STA*
KenGen	First & Final: KES 0.30	22-Apr-21	22-Jul-21
KCB Group	First & Final: KES 1.00	26-Apr-21	STA*
Stanchart Bank	First & Final: KES 10.50	27-Apr-21	27-May-21
Stanbic Holdings	Final: KES 3.80	21-May-21	STA*
Jubilee Holdings	Final: KES 8.00	26-May-21	26-Jul-21
Kakuzi	First & Final: KES 18.00	31-May-21	30-Jun-21
NSE	First& Final: KES 0.53	4-Jun-21	30-Aug-21
Umeme Ltd	Final: USH: 12.20	25-Jun-21	19-Jul-21
Total Kenya	First & Final: KES 1.57	25-Jun-21	30-Jul-21

Bonus Issue

I&M Holdings	Bonus Issue: 1:1	10-May-21	21-May-21
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(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
KenGen	11:00 a.m.	Virtual	22-Apr-21
Umeme Ltd	10:00 a.m.	Virtual	6-May-21
BAT Kenya	9:00 a.m.	Virtual	12-May-21
Kakuzi	12:00 noon	Virtual	18-May-21
Flame Tree Group	11:00 a.m.	Virtual	30-Jun-21

(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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