

DBIB WEEKLY BULLETIN

WEEK 17

Date: 30.04.2021

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INDICES & MARKET METRICS MOVEMENT

NSE 20 shed 1.2% w-o-w to close at 1,866.58 while **NASI gained** 2.1% w-o-w to close at 169.15 respectively.

Weekly equity turnover rose 2.2% w-o-w to USD 22.7 MN (KES 2.45 BN).

USD | KES: KES strengthened 0.6% w-o-w to close at 107.84 (+1.2% YTD).

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	169.15	2.14	8.72	20.79	11.20
NSE-20	1,866.58	(1.15)	(0.81)	4.65	(0.10)
DBIB Select	105.22	1.39	6.05	22.24	7.82
FTSE 15	189.42	0.25	7.21	12.94	6.33
FTSE 25	218.33	1.46	9.02	19.97	10.50
FTSE Frontier 50	46,711.59	(0.20)	3.17	17.56	6.02

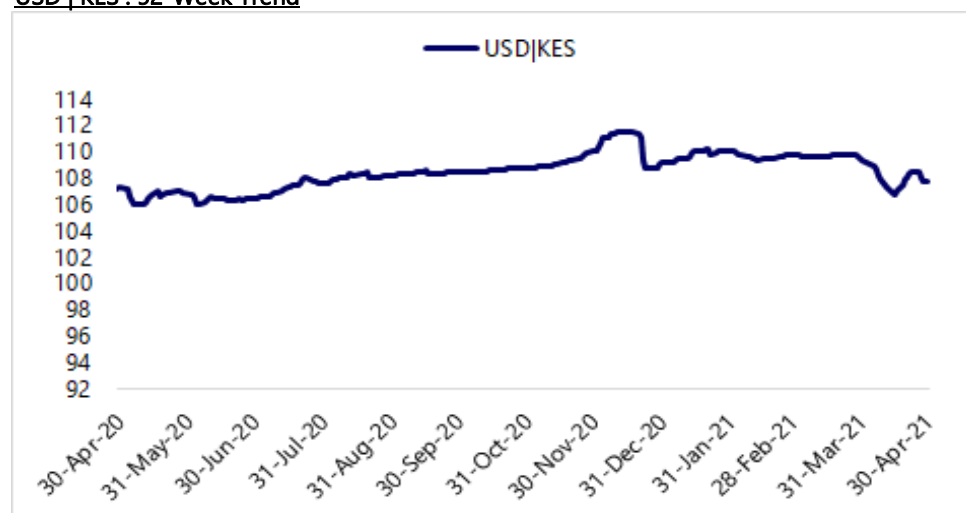
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,599.05	2.14	5.28	8.73	20.88
Market Turnover (USD m)	22.71	2.16	(21.89)	(0.71)	46.91
Market P/E (x)	14.50	5.13	9.02	13.28	17.82
Market Div. yld (%) *	4.30	(8.37)	10.00	(48.60)	(157.24)
Market ROE (%) *	39.48	22.34	624.00	878.06	115.53

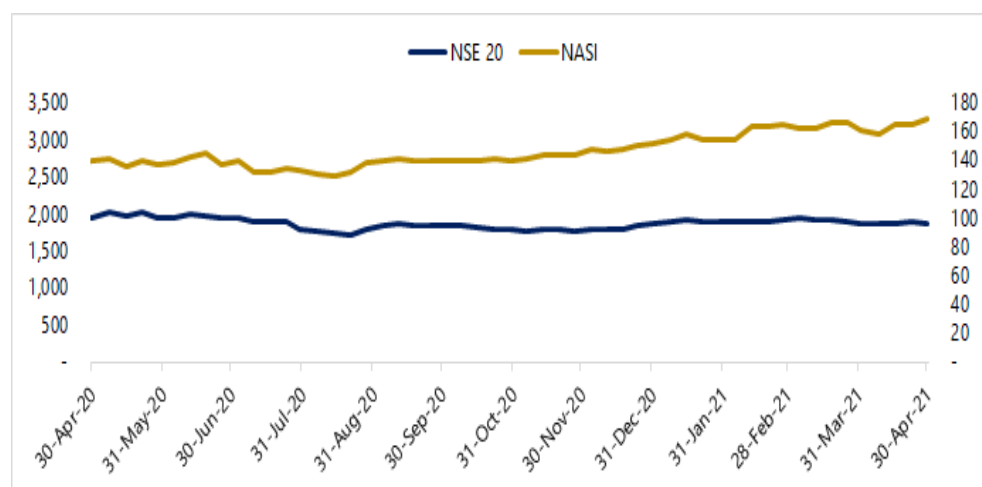
* Changes in bps ** Market ROE is market cap weighted

(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend

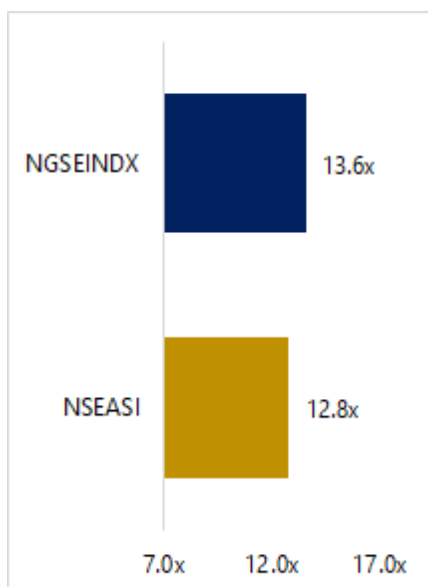


Indices : 52-Week Trend



(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>
Home Afrika	10.8
Longhorn Publishers	6.6
TPS E.A	5.8
BAT Kenya	4.6
BK Group	4.6

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Olympia Capital	(14.0)
Umeme Ltd	(8.9)
B.O.C Kenya	(8.6)
Liberty Kenya	(7.8)
Carbacid Investments	(7.6)

(Source: NSE, DBIB Research)



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Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 17.95 MN (KES 1.94 BN) representing 79.02% of this week's turnover.

The stock rose by 4.0% w-o-w to close at KES 40.35 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 41.88% of foreign sales and 88.74% of foreign purchases.

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<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	17.95
Equity Group	1.23
KCB	0.96
I&M Holdings	0.61
Co-operative Bank	0.39

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
BK Group	27.6
BAT Kenya	25.7
Housing Finance	19.6
Express Kenya Ltd	19.1
Safaricom	17.8

(Source: NSE, DBIB Research)

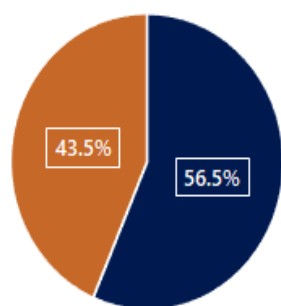


<u>Top Losers</u>	<u>%</u>
E.A.P.C.C	(27.5)
Umeme Ltd	(20.9)
KPLC	(19.3)
Trans-Century Ltd	(17.9)
Standard Group	(15.6)

(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>
Bank of Kigali	99.5
Safaricom	88.7
Carbacid	73.9
Express Kenya	65.2
E.A.P.C.C	63.4

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Bank of Kigali	97.0
BAT Kenya	86.8
Centum	83.5
KenGen	81.4
E.A Breweries	71.4

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
BOC Kenya	88.4
Stanbic Holdings	83.1
Safaricom	76.6
Equity Group	65.6

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	100.0
Stanbic Holdings	80.1
KenGen	74.3
E.A Breweries	71.7
Uchumi Supermarket	69.5

FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 155.49 MN (KES 16.77 BN) representing a 2.3% w-o-w drop from USD 159.12 MN (KES 17.27 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 155.49 MN (KES 16.77 BN) representing a 2.3% w-o-w drop from USD 159.12 MN (KES 17.27 BN) recorded the previous week. The bond issue number IFB1/2021/18Yr emerged as the top traded bond with a turnover of KES 6.1 BN accounting for 36.2% of the week's turnover. The bond traded between 11.5950% and 12.6777%.

May Issue: FXD2/2019/15 (Re-opened) and FXD1/2021/25 (New issue)

This May, the government issued the bond number FXD2/2019/15 (13.0 yrs.) and FXD1/2021/25 (25.0 yrs.) with the aim of raising KES 30.0 BN for budgetary support. The coupon rate of FXD2/2019/15 stands at 12.734% while that of FXD1/2021/25 will be market determined. The period of sale runs from 23 April 2021 to 04 May 2021.

Top Trades for the week ending 30 April 2021

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
29-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.4250	102.08	1,200.0
29-Apr	FXD 1/2014/10Yr	2.7	12.1800	10.2500	107.83	1,000.0
28-Apr	FXD2/2010/15Yr	4.6	9.0000	10.8500	96.72	778.0
27-Apr	FXD2/2010/15Yr	4.6	9.0000	11.0000	96.18	740.3
27-Apr	FXD 1/2018/10Yr	7.3	12.6860	12.1070	104.95	500.0
27-Apr	FXD 1/2018/10Yr	7.3	12.6860	11.9400	105.76	500.0
28-Apr	IFB 1/2020/6Yr	126.5	10.2000	10.0000	104.73	500.0
29-Apr	FXD 2/2017/ 5Yr	1.5	12.5170	9.6500	104.19	500.0
27-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.4000	102.17	460.0
30-Apr	IFB 1/2021/16Yr	137.1	12.2570	12.0000	104.74	330.0
26-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.4250	101.98	300.0
26-Apr	IFB 1/2021/18Yr	139.3	12.6670	12.3500	102.45	288.0
30-Apr	FXD 1/2016/10Yr	5.3	15.0390	11.0000	118.66	270.0
26-Apr	IFB 1/2021/16Yr	137.1	12.2570	12.0000	104.60	260.0
27-Apr	IFB 1/2021/16Yr	137.1	12.2570	12.0000	104.64	260.0
28-Apr	FXD2/2010/15Yr	4.6	9.0000	11.0000	96.21	259.7
30-Apr	IFB 1/2017/7Yr	3.6	12.5000	9.8629	111.16	237.0

Sell & Buy Backs

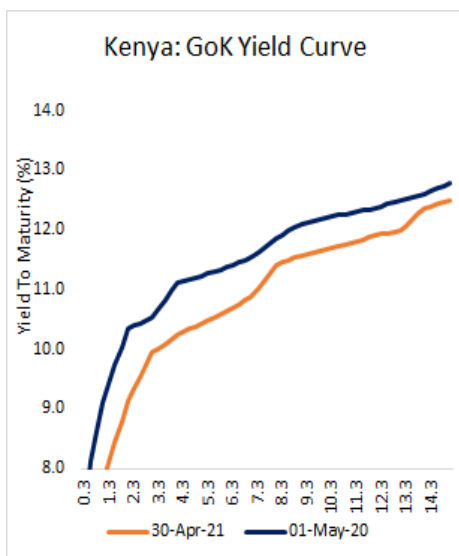
30-Apr	FXD1/2019/20Yr	17.9	12.8730	12.6910	96.18	500.0
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(Source: NSE, DBIB Research)

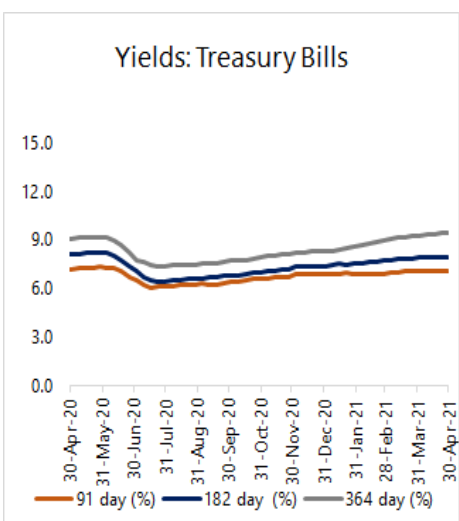
Treasury Bill auction for the week ending 30 April 2021

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	1.71	42.72	1.71	7.139	2.4
182-day	10.00	3.75	37.52	2.79	7.989	6.4
364-day	10.00	24.53	245.35	15.84	9.474	1.4

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

Nation Media FY20 Earnings

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Nation Media released its FY20 earnings recording a Profit after Tax (PAT) of KES 47.9 MN, a 94.4% y-o-y.

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Nation Media released its FY20 earnings recording a Profit after Tax (PAT) of KES 47.9 MN, a 94.4% y-o-y deterioration courtesy of a 24.7% y-o-y decline in turnover to KES 6.8 BN and an upsurge in operating expenses. Earnings per share for the period stood at KES 0.20, 95.6% lower y-o-y.

Gross profit saw a 21.7% y-o-y decline to KES 5.7 BN. Top-line performance was affected by the group's decline in advertising revenues, particularly between April and June. Most advertisers scaled down operations and held back marketing activities in a bid to survive the obscure environment occasioned by the COVID-19 pandemic. The restriction on the mobility of people across the markets led to a decline in newspaper copy sales which was partially mitigated by growth in subscriptions of the group's E-paper products. Nevertheless, the group's performance improved in the second half of the year following the gradual easing of the pandemic-related restrictions. Television and digital revenue grew substantially while print advertising and circulation volumes commenced recovery.

Profit before Tax (PBT) dipped by 90.8% y-o-y to KES 119.9 MN. Though not reported, this paints a clear picture of the group's upsurge in operating expenses.

Net working capital saw a 6.3% y-o-y growth to KES 3.5 BN. Current assets edged up 0.7% y-o-y to KES 7.0 BN while current liabilities dropped 4.6% y-o-y to KES 3.4 BN.

Total equity rose 1.7% y-o-y to KES 7.9 BN. Non-current assets declined 6.2% y-o-y to KES 4.9 BN whereas non-current liabilities declined 34.2% y-o-y to KES 477.5 MN.

Total cash and cash equivalents rose 12.3% y-o-y to KES 2.9 BN. Net cash from operations declined 68.2% y-o-y to KES 460.1 MN whereas net cash generated from investing stood at KES 23.6 MN. Net cash used in financing activities dropped by 82.3% y-o-y to KES 204.4 MN.

Following the launch of 'Nation.Africa' in July 2020, its new digital brand, digital revenue grew substantially, thereby easing the decline in newspaper copy sales.

NMG is currently trading at a P/E of 73.6x and a P/B of 0.4x. ROE stands at 0.6% whereas ROA stands at 0.4%. The BOD did not recommend payment of a dividend.

(Source: Company Filings, DBIB Research)

Salient News cont'd...

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Britam saw a 357.2% decline in profit after tax to a loss of KES 9.1 BN in FY20, down from a profit of KES 3.5 BN in FY19.

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Britam Group FY20 Earnings

Britam saw a 357.2% decline in profit after tax to a loss of KES 9.1 BN in FY20, down from a profit of KES 3.5 BN in FY19 largely on account of a fair value loss of KES 2.3 BN owing to the depressed performance of the equities market and property impairments of KES 2.0 BN. The group's investment in HF Group saw a deterioration in the value of the investment by KES 603.0 MN, following the loss incurred in FY20. In addition, a provision for investment losses of KES 5.2 BN in Wealth Management Fund LLP, a fund managed by Britam Asset Managers, further depressed the group's earnings.

Net earned premiums remained fairly constant y-o-y at KES 23.1 BN (+0.2%) on the back of a 3.9% y-o-y rise in gross written premiums to KES 28.2 BN and a 25.7% y-o-y rise in premiums ceded to KES 5.1 BN. Management attributed top line growth to continued growth of the international general insurance business which recorded an increase in gross earned premium of 50.0%, contributing 28.0% of the group's gross earned premium and a profit of KES 832.0 MN.

Investment income rose 21.8% y-o-y to KES 9.4 BN whereas net unrealized gains on assets held at FVPL declined 153.1% y-o-y to a loss of KES 2.5 BN. As a result, total income declined 17.3% y-o-y to KES 30.2 BN.

Net claims and benefits rose 20.8% y-o-y to KES 18.6 BN to see a claims ratio of 80.6%, up 1,375 bps y-o-y. Operating and other expenses rose 53.0% y-o-y to KES 13.5 BN on the back cost of control measures to see an expense ratio of 58.1%, up 2,008 bps y-o-y. Commission payable rose 9.8% y-o-y to KES 3.8 BN whereas commission earned rose 21.9% y-o-y to KES 1.2 BN. As a result, acquisition ratio rose 51 bps y-o-y to 11.2%. Altogether, the combined ratio rose 3,434 bps y-o-y to 149.9%.

The group's net assets declined 41.9% y-o-y to KES 17.1 BN on the back of a 9.4% y-o-y rise in total assets to KES 137.0 BN and a 25.1% y-o-y rise in total liabilities to KES 119.9 BN.

The counter is currently trading at a P/B of 1.0x against a sector median of 0.7x.

(Source: Company Filings, DBIB Research)

Salient News cont'd...

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CTL, having been suspended from trading, awaits its official delisting and the subsequent listing of MTN Rwandacell Plc on 4th May 2021.

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Crystal Telecom Limited (Rwanda) awaits delisting from the RSE

Following the annual general meeting of Crystal telecom Ltd held on 22nd March 2021, shareholders approved a proposal to dissolve the company and distribute the shares held in MTN as excess assets to the shareholders after payments of all company liabilities. Thus, 26th April 2021 marked the counter's last trading day whereas 28th April 2021 was its record date i.e. the full settlement cycle from the last traded positions. Thus, CTL currently awaits its official delisting from the RSE. Subsequently, MTN Rwandacell PLC awaits listing on 4th May 2021. *(Source: Company Filings, DBIB Research)*

Safaricom's consortium submits bid proposal for the Ethiopia Telco License

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Safaricom submitted its formal bid proposal for the Ethiopia Telco License, following ECA's announcement of the 26th April 2021 deadline.

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On 5th March 2021, the Ethiopian Communications Authority (ECA) announced that the Government of Ethiopia issued a final request for proposals for the award of two full service mobile telecommunications licenses in Ethiopia. Safaricom is a leading member of a consortium that intends to make a formal bid for the Ethiopia Telco License. The ECA stated that proposals from interested bidders must be submitted by 26th April 2021, and the successful bidders will be announced within 30 days subject to timings subsequently advised by the ECA. *(Source: Company Filings, DBIB Research)*

Crown Paints, Home Afrika and E.A Cables announce delay in publication of audited financial statements

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Crown Paints, Home Africa and E.A Cables announced that there will be a delay in publishing the audited financial statements for the year ended 31st December 2020 from the set deadline of 30th April 2021 to no later than 30th June 2021.

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Crown Paints, Home Africa and E.A Cables announced that there will be a delay in publishing the audited financial statements for the year ended 31st December 2020 from the set deadline of 30th April 2021 to no later than 30th June 2021. Crown Paints and E.A Cables attribute this to the disruptions caused in their audits schedules occasioned by the effects of the COVID-19 pandemic. *(Source: Company Filings, DBIB Research)*

UPCOMING EVENTS

Profit Warnings

1. Eaagads
2. E.A. Cables
3. Centum

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
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
Bamburi Cement	First & Final: KES 3:00	16-May-21	15-Jul-21
Stanbic Holdings	Final: KES 3.80	21-May-21	STA*
BOC Kenya	Final: KES 4.15	25-May-21	19-Jul-21
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>
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
Stanbic Holdings	11:00 a.m.	Virtual	20-May-21
BOC Kenya	11:00 a.m.	Virtual	24-Jun-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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