

DBIB WEEKLY BULLETIN

WEEK 32

Date: 13.08.2021

Contents:

Equity Market Sum Up	2
Fixed Income Wrap Up	4
Salient News	5
Corporate Actions	6
Appendix	7

INDICES & MARKET METRICS MOVEMENT

NSE 20 shed 0.7% w-o-w to close at 1,961.07 while **NASI** gained 1.5% to close at 181.18.

Weekly equity turnover rose 63.6% w-o-w to USD 22.45 MN (KES 2.45 BN).

USD | KES: KES weakened 0.4% w-o-w to close at 109.20 (constant YTD).

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	181.18	1.50	9.30	10.46	19.11
NSE-20	1,961.07	(0.68)	5.25	3.77	4.96
DBIB Select	109.06	0.65	3.60	5.74	11.74
FTSE 15	215.74	0.95	12.45	15.59	21.10
FTSE 25	240.61	1.33	10.20	13.60	21.78
FTSE Frontier 50	49,289.39	1.03	4.53	8.18	11.87

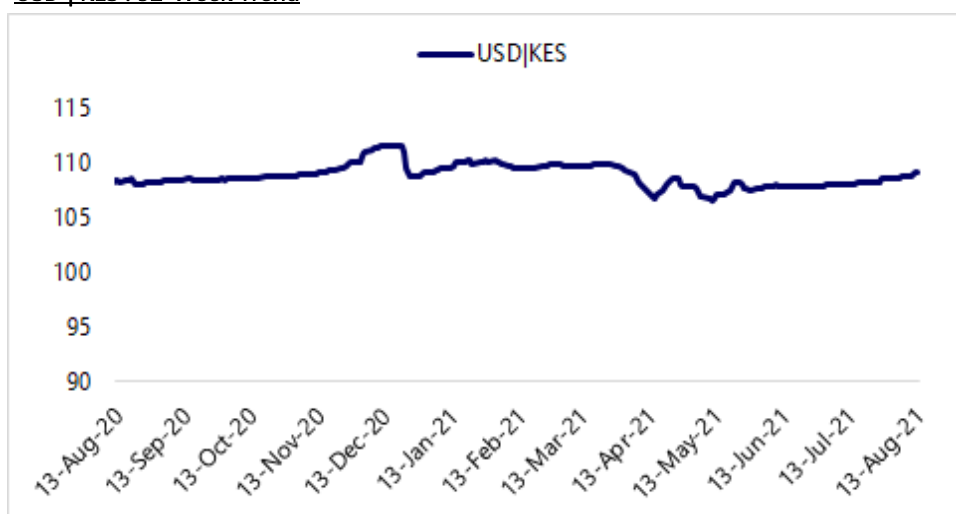
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,823.40	1.50	1.42	9.39	12.04
Market Turnover (USD m)	22.45	63.63	32.73	(21.23)	20.78
Market P/E (x)	18.30	2.81	32.13	28.33	36.89
Market Div. yld (%) *	3.30	(10.00)	(28.42)	(139.49)	(203.70)
Market ROE (%) *	37.30	19.00	410.06	362.19	(8.48)

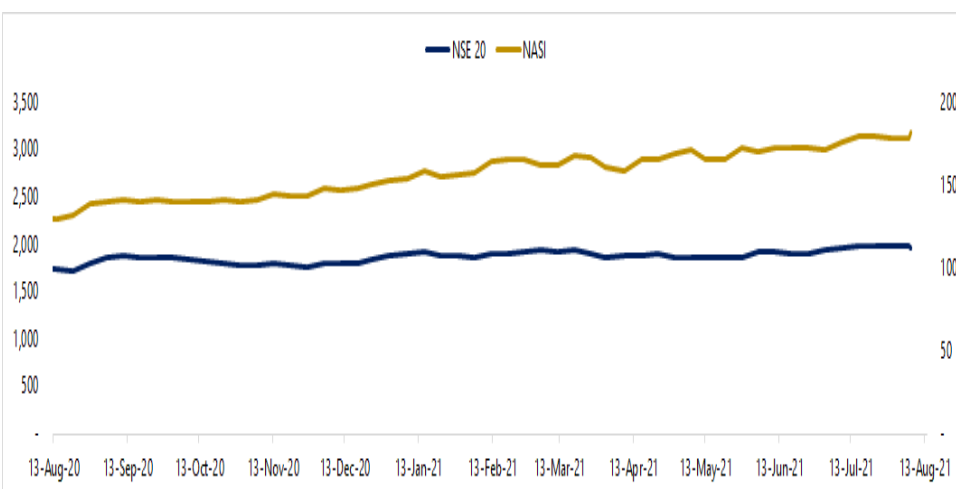
* Changes in bps ** Market ROE is market cap weighted

(Source: NSE, DBIB Research)

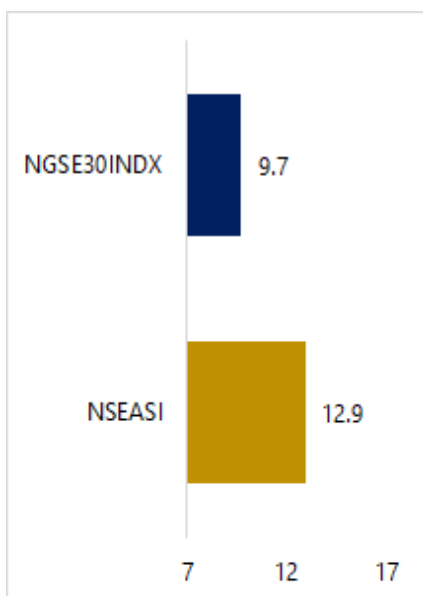
USD | KES : 52-Week Trend



Indices : 52-Week Trend



PEER P/E MULTIPLES



NSEASI* - Nairobi All Share Index
NGSEINDX* - 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>
BK Group	18.1
Umeme	9.4
Standard Group	7.8
Sanlam Kenya	6.9
B.O.C Kenya	5.4

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
NBV Ltd	(14.9)
Home Afrika	(12.2)
Car & General	(10.0)
Olympia Capital	(9.2)
Uchumi Supermarket	(7.4)

(Source: NSE, DBIB Research)



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Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 11.17 MN (KES 1.22 BN) representing 49.75% of this week's turnover.

The stock gained 2.1% w-o-w to close at KES 43.00 on Friday.

Foreign investors assumed a **net buying** position on the counter this week by accounting for 19.07% of foreign sales and 81.54% of foreign purchases.

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<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	11.17
Equity Group	2.09
KCB Group	1.92
Co-operative Bank	1.69
StanChart Bank	1.27

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
BK Group	86.6
Nation Media	61.8
CIC Insurance	47.9
Car & General	43.2
Equity Group	39.5

(Source: NSE, DBIB Research)

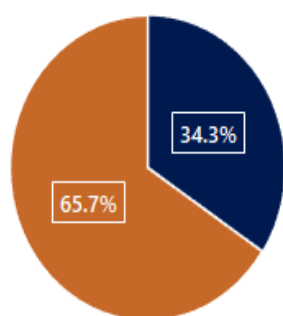


<u>Top Losers</u>	<u>%</u>
Crown Paints	(32.8)
Scangroup	(27.3)
E.A. Portland	(21.3)
Kenya Power	(20.5)
Longhorn Publishers	(18.0)

(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>
Safaricom	81.5
Crown Paints	64.7
ABSA Bank	55.1
E.A Breweries	50.1
KCB Group	24.3

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
WPP Scangroup	95.7
BAT Kenya	86.9
E.A Breweries	86.7
KCB Group	33.1
NBV Ltd	31.0

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
BOC Kenya	91.2
Safaricom	72.7
Stanbic Holdings	72.2
Equity Group	63.9

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	99.7
E.A Breweries	78.0
Stanbic Holdings	69.6
BAT Kenya	67.9
Safaricom	67.3

FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 191.07 MN (KES 20.86 BN) representing a 2.3% w-o-w decrease from USD 195.63 MN (KES 21.27 BN) recorded the previous week.

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August Auction Results: FXD3/2019/10 (Re-opened), FXD1/2018/20 (Re-opened) & FXD1/2021/20 (New issue)

Following the August bond issue, the government offered a total of KES 60.0 BN and in turn received a total of KES 104.6 BN; KES 38.3 BN for FXD3/2019/10, KES 22.8 BN for FXD1/2018/20 and KES 43.5 BN for FXD1/2021/20. This placed the performance rate at 63.86%, 38.03% and 72.51% for FXD3/2019/10, FXD1/2018/20 and FXD1/2021/20, respectively. Subsequently, the government accepted KES 23.0 BN for FXD3/2019/10, KES 17.8 BN for FXD1/2018/20 and KES 39.5 BN for FXD1/2021/20. The coupon rates remained fixed at 11.517% and 13.200% for FXD3/2019/10 and FXD1/2018/20 respectively, while that of FXD1/2021/20 stood at 13.444%.

Top Trades for the week ending 13 August 2021

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
12-Aug	IFB 1/2020/11Yr	10.0	10.9000	11.0000	104.62	1,750.0
10-Aug	IFB 1/2020/11Yr	10.0	10.9000	10.8500	105.30	1,000.0
11-Aug	IFB 1/2021/16Yr	15.4	12.2570	11.9553	102.37	1,000.0
11-Aug	IFB 1/2021/16Yr	15.4	12.2570	11.9000	102.71	1,000.0
11-Aug	IFB 1/2020/11Yr	10.0	10.9000	10.9663	104.76	700.0
10-Aug	FXD 1/2019/ 5Yr	2.5	11.3040	9.8700	108.39	650.0
9-Aug	FXD 1/2021/2Yr	1.4	9.4860	8.5000	102.01	500.0
11-Aug	IFB 1/2020/9Yr	7.6	10.8500	10.7073	104.15	500.0
11-Aug	IFB 1/2020/11Yr	10.0	10.9000	10.9000	105.08	500.0
13-Aug	FXD 1/2019/ 5Yr	2.5	11.3040	9.7000	108.97	500.0
13-Aug	IFB 1/2020/11Yr	10.0	10.9000	10.9500	104.90	500.0
13-Aug	IFB 1/2021/16Yr	15.4	12.2570	12.0000	102.16	500.0
12-Aug	FXD1/2020/15Yr	13.5	12.7560	12.7000	106.34	400.0
13-Aug	IFB 1/2020/11Yr	10.0	10.9000	10.8500	105.39	350.0
10-Aug	FXD 1/2021/2Yr	1.4	9.4860	8.3000	102.30	320.0

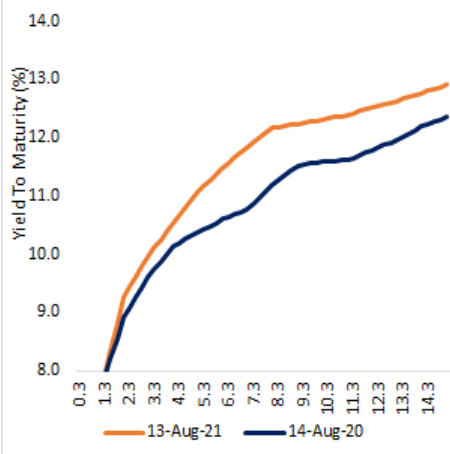
(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 13 August 2021

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	2.81	70.31	2.78	6.527	1.4
182-day	10.00	3.13	31.35	3.13	7.117	7.1
364-day	10.00	1.09	10.89	1.09	7.418	0.0

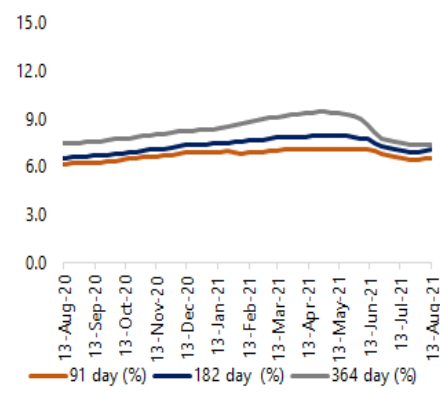
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

Salient News

CIC Insurance 1H21 earnings

CIC Insurance released its 1H21 results reporting a profit after tax of KES 259.5 MN, an improvement from a loss after tax of KES 335.5 MN in 1H20. EPS for the period stood at KES 0.06 vis-à-vis a loss per share of KES 0.13 in 1H20.

Gross written premiums stood at KES 10.8 BN, a 15.9% y-o-y increase.

Total income grew 17.6% y-o-y to KES 9.8 BN. This was driven by a 0.5% y-o-y marginal growth in net earned premium to KES 7.1 BN and a 119.1% y-o-y rise in investment and other income to KES 2.6 BN.

Net claims and policy holders' benefits rose 7.0% y-o-y to KES 5.8 BN placing claims ratio at 81.3%, 496 bps up y-o-y. Operating and other expenses saw an 18.5% y-o-y increase to KES 3.4 BN, placing expense ratio at 47.6%, 722 bps up y-o-y.

Finance cost dropped 23.3% y-o-y to KES 231.8 MN.

Income tax expense rose 57.7% y-o-y to KES 77.2 MN due to the reversion of corporate tax rate to 30% from 25%.

Total assets gained 5.9% y-o-y to KES 41.1 BN while total liabilities rose 7.6% y-o-y to KES 33.5 BN. Total equity edged down 0.8% y-o-y to KES 7.6 BN. (*Source: Company filings, DBIB Research*)

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UPCOMING EVENTS

Profit Warnings

1. E.A. Cables

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
NSE	First& Final: KES 0.53	04-Jun-21	30-Aug-21
Kapchorua Tea	First & Final: KES 10.00	21-Jul-21	STA*
Williamson Tea	First & Final: KES 10.00	21-Jul-21	STA*
Centum Investment	Final: KES 0.33	STA*	STA*
Safaricom	Final: KES 0.92	30-Jul-21	31-Aug-21
BAT Kenya	Interim: KES 3.50	12-Aug-21	16-Sep-21

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Co-operative Bank	11:00 a.m.	Virtual	20-Aug-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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