

DBIB WEEKLY BULLETIN

WEEK 06

Date: 12.02.2021

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INDICES & MARKET METRICS MOVEMENT

NSE 20 and NASI indices edged up 1.3% and 4.4% w-o-w to close at 1,889.77 and 164.02 respectively.

Weekly equity turnover dropped by 34.8% w-o-w to USD 18.59 MN (KES 2.03 BN).

USD | KES: KES strengthened 0.3% w-o-w to close at 109.44 (+0.2% YTD).

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	164.02	4.40	13.96	26.70	7.83
NSE-20	1,889.77	1.28	5.60	8.38	1.14
DBIB Select	103.14	2.37	17.08	23.35	5.68
FTSE 15	186.65	3.40	7.77	21.30	4.77
FTSE 25	211.81	4.08	11.84	25.95	7.20
FTSE Frontier 50	45,564.36	(0.96)	10.70	24.69	3.41

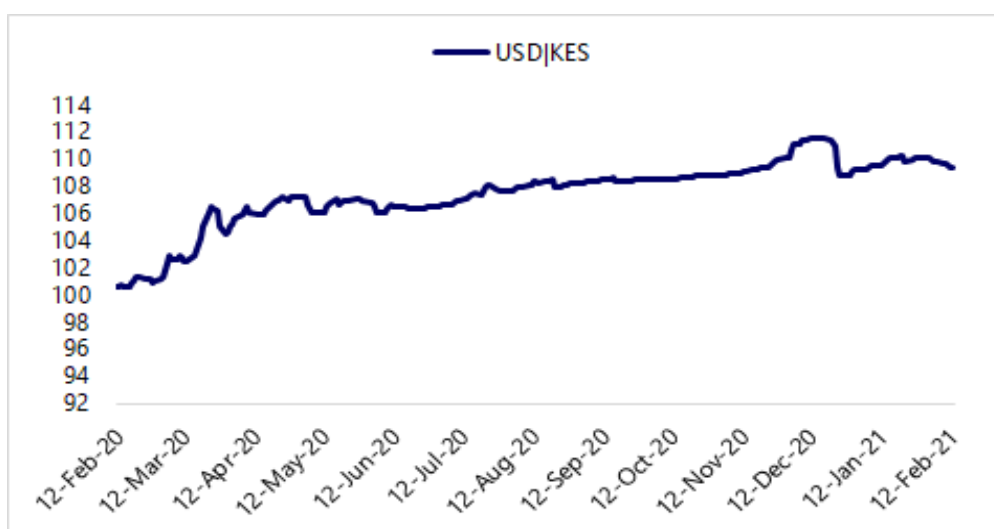
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,520.09	4.41	3.69	14.04	26.82
Market Turnover (USD m)	18.59	(34.78)	(1.94)	(2.31)	19.58
Market P/E (x)	13.37	6.19	(14.85)	3.12	21.74
Market Div. yld (%) *	4.69	55.95	4.16	(64.21)	(105.55)
Market ROE (%) *	33.68	64.19	(218.12)	(370.67)	(1,169.17)

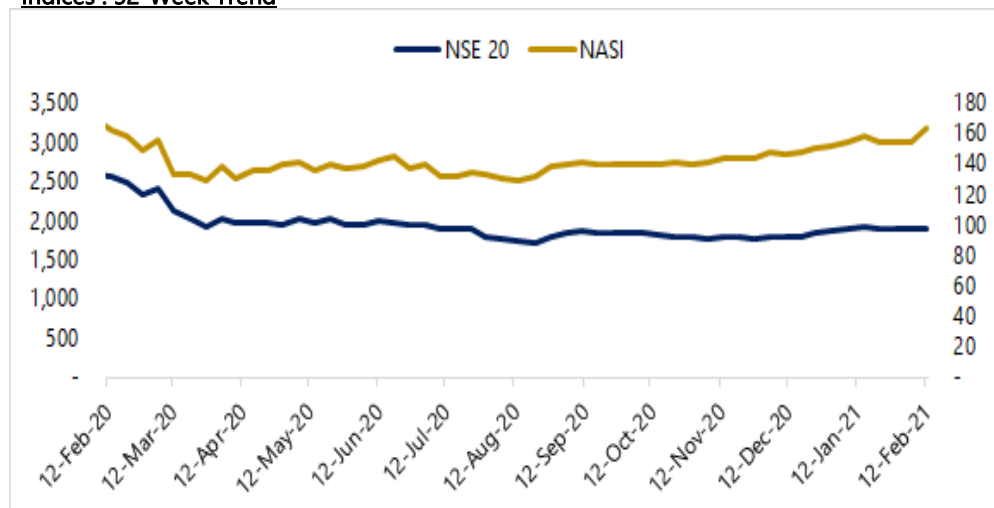
* Changes in bps ** Market ROE is market cap weighted

(Source: NSE, DBIB Research)

USD | KES : 52-Week Trend

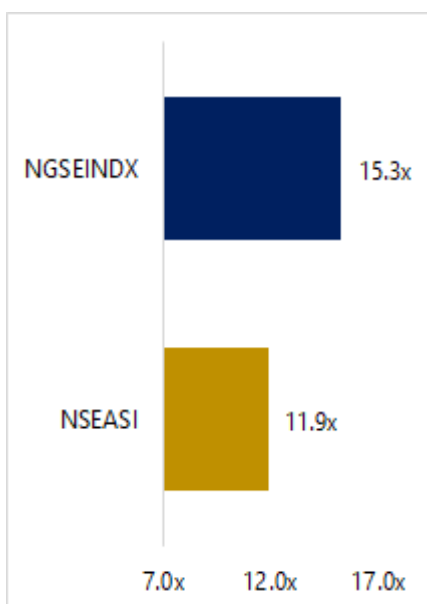


Indices : 52-Week Trend



(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>
Sasini	10.9
Car & General	9.1
BK Group	7.9
Stanbic Holdings	6.9
<u>Safaricom</u>	<u>5.9</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Eaagads	(9.7)
Flame Tree Group	(8.0)
NBV	(7.8)
Bamburi Cement	(6.7)
<u>Liberty Holdings</u>	<u>(5.3)</u>

(Source: NSE, DBIB Research)



.....
Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 6.86 MN (KES 750.5 MN) representing 36.89% of this week's turnover.

The stock gained 5.9% w-o-w to close at KES 38.35 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 63.79% of foreign sales and 91.83% of foreign purchases.

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<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	6.86
E.A Breweries	3.75
KCB Group	2.45
Equity Group	1.35
<u>Standard Chartered</u>	<u>0.79</u>

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
NBV	21.5
B.A.T Kenya	17.7
E.A Breweries	13.5
Safaricom	12.0
<u>Car & General</u>	<u>9.1</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Standard Group	(15.6)
Home Afrika	(14.3)
Sanlam Kenya	(12.7)
Nation Media	(12.6)
<u>Kenya Power</u>	<u>(10.5)</u>

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Safaricom	99.3
NSE	91.8
Equity Group	89.4
EA Breweries	87.8
<u>ABSA</u>	<u>84.2</u>

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Bank of Kigali	99.9
Stanbic Holdings	99.3
KCB Group	93.2
Standard Chartered	90.9
<u>Equity Group</u>	<u>84.7</u>

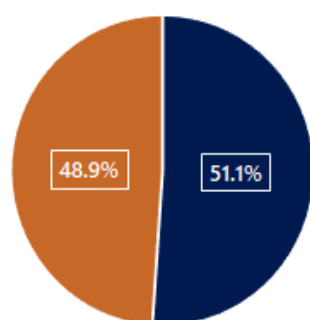
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
Stanbic Holdings	85.2
Safaricom	82.9
Equity Group	80.3
NSE	78.6
<u>EA Breweries</u>	<u>60.6</u>

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
KCB Group	91.9
Umeme	82.7
Equity Group	82.0
Britam	76.9
<u>Standard Chartered</u>	<u>72.6</u>

WEEKLY LOCAL VS FOREIGN PARTICIPATION



■ Foreign Participation
 ■ Local Participation

(Source: NSE, DBIB Research)

FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 193.71 MN (KES 21.31 BN) representing a 0.6% w-o-w increase from USD 193.51 MN (KES 21.25 BN) recorded the previous week.

The Bond market's turnover for the week stood at USD 194.71 MN (KES 21.31 BN) representing a 0.6% w-o-w increase from USD 193.51 MN (KES 21.25 BN) recorded the previous week. The bond issue number IFB1/2021/16Yr emerged as the top traded bond with a turnover of KES 8.74 BN accounting for 41.0% of the week's turnover. The bond traded between 11.0100% and 12.0000%.

Tap Sale: FXD1/2013/15 & FXD1/2012/20

The government has offered investors with an opportunity to participate in a tap sale of the bonds issue numbers FXD1/2013/15 & FXD1/2012/20 with the aim of raising KES 18.0 BN. The coupons on FXD1/2013/15 & FXD1/2012/20 are set at 11.250% and 12.000% respectively. The period of sale runs from 09 February 2021 to 17 February 2021.

Top Trades for the week ending 12 February 2021

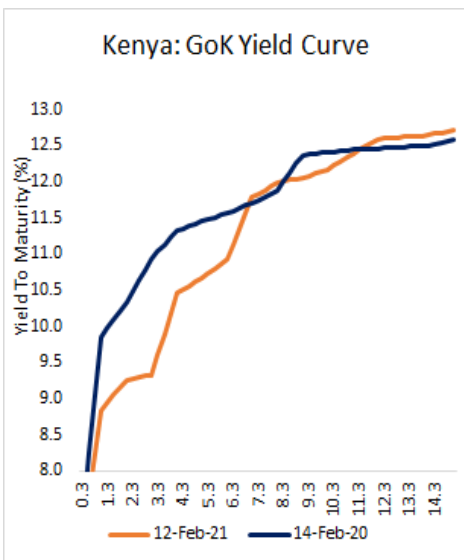
						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
9-Feb	IFB 1/2021/16Yr	15.9	12.2570	11.6500	104.33	980.0
9-Feb	IFB 1/2021/16Yr	15.9	12.2570	11.7000	104.01	816.0
12-Feb	IFB 1/2021/16Yr	15.9	12.2570	11.6000	104.75	750.0
9-Feb	IFB 1/2013/12Yr	4.6	11.0000	10.2000	106.04	650.0
9-Feb	IFB 1/2021/16Yr	15.9	12.2570	11.6000	104.66	600.0
11-Feb	IFB 1/2021/16Yr	15.9	12.2570	11.6000	104.72	572.0
9-Feb	FXD1/2018/25Yr	22.3	13.4000	13.3000	102.51	500.0
9-Feb	IFB 1/2021/16Yr	15.9	12.2570	11.6750	104.17	500.0
10-Feb	FXD2/2018/20Yr	17.4	13.2000	13.0500	101.59	500.0
10-Feb	FXD1/2018/25Yr	22.3	13.4000	13.2000	103.26	500.0
10-Feb	IFB 1/2021/16Yr	15.9	12.2570	11.6350	104.46	500.0
11-Feb	FXD2/2018/20Yr	17.4	13.2000	12.9949	102.00	500.0
8-Feb	IFB 1/2021/16Yr	15.9	12.2570	11.6500	104.30	410.2
9-Feb	IFB 1/2018/15Yr	11.9	12.5000	11.3000	107.43	410.0
8-Feb	IFB 1/2021/16Yr	15.9	12.2570	11.6000	104.62	400.0
12-Feb	FXD2/2007/15Yr	1.3	13.5000	8.8250	108.14	400.0
12-Feb	FXD1/2019/20Yr	18.1	12.8730	12.9500	103.77	400.0

(Source: NSE, DBIB Research)

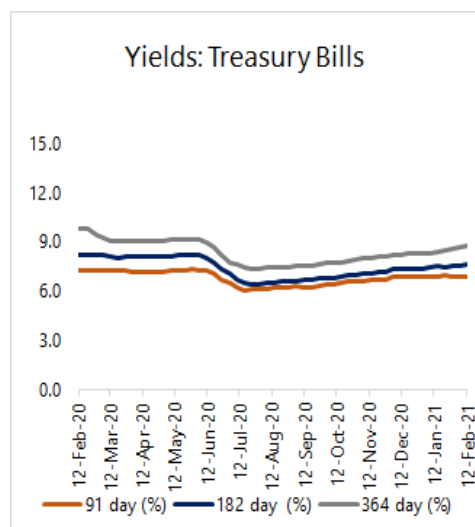
Treasury Bill auction for the week ending 12 February 2021

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	0.96	23.91	0.95	6.905	3.2
182-day	10.00	4.70	46.98	4.22	7.644	5.0
364-day	10.00	16.08	160.79	14.07	8.824	10.8

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

BAT Uganda FY20 Earnings

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BAT Uganda released its FY20 results reporting a 27.3% y-o-y increase in PAT to USH 20.0 BN (KES 596.3 MN).
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BAT Uganda released its FY20 results reporting a 27.3% y-o-y increase in PAT to USH 20.0 BN (KES 596.3 MN). EPS for the period stood at USH 407.00 (KES 12.16). The board announced a final dividend of USH 406.00 (KES 12.13) translating to a near 100% pay-out ratio (99.8%). The dividend is to be paid on 21st June 2021 to shareholders on register at the close of 31st May 2021.

Gross revenue dropped 1.4% y-o-y to USH 162.0 BN (KES 4.8 BN) on account of lower volumes occasioned by the COVID-19 pandemic. Improvement in the product mix saw the excise duty and VAT drop 6.8% y-o-y to USH 82.8 BN (KES 2.5 BN) placing net revenue at USH 79.3 BN (KES 2.4 BN), 5.1% higher y-o-y.

Costs of operations dropped 5.5% y-o-y to USH 50.1 BN (KES 1.5 BN) in line with the drop in volumes and on account of pragmatic cost saving initiatives undertaken to cushion business profitability from the impact of the COVID-19 pandemic on revenue. As such operating profits margin rose 704 bps to 36.8%.

Total assets rose 2.6% y-o-y to USH 69.7 BN (KES 2.1 BN) while total liabilities dropped 10.4% y-o-y to USH 21.6 BN (KES 2.5 BN). Total equity grew 9.7% y-o-y to USH 48.2 BN (KES 1.4 BN). *(Source: Company Filings, DBIB Research)*

Safaricom Announces Interim Dividend

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Safaricom announced that it would be paying an interim dividend of KES 0.45 per share for the year ending 31st March 2021.
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Safaricom announced an interim dividend of KES 0.45 per share for the year ending 31st March 2021 in recognition of the company's resilient half year performance. Safaricom recorded a 6.0% y-o-y decline in profit after tax to KES 33.1 BN in 1H21 despite the adverse impacts of the pandemic and the waiver on p2p transfers below KES 1,000 and transactions to and from banking wallets. At current prices, this translates to a dividend yield of 1.2%. The dividend will be paid on or about 31st March 2021 to shareholders on register at the close of 5th March 2021. *(Source: Company Filings, DBIB Research)*

UPCOMING EVENTS

Profit Warnings

1. Eaagads
2. NSE
3. Eveready
4. Nation Media
5. Kenya Power
6. E.A. Cables
7. I&M
8. StanChart
9. Sameer
10. HF Group
11. Kenya Airways
12. Britam
13. ABSA
14. DTB
15. Co-op Bank
16. CIC Insurance

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Car & General	First & Final: KES 0.80	22-Feb-21	25-Mar-21
KenGen	First & Final: KES 0.30	29-Apr-21	22-Jul-21
<u>Safaricom</u>	Interim : KES 0.45	5-Mar-21	31-Mar-21

(Source: NSE, DBIB Research)

STA—Subject to approval*

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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