

DBIB WEEKLY BULLETIN

WEEK 01

Date: 08.01.2021

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 and **NASI** indices edged up 1.5% and 1.4% w-o-w to close at 1,896.46 and 154.18 respectively.

Weekly equity turnover rose by 239.5% w-o-w to USD 14.54 MN (KES 1.59 BN).

USD | KES: KES weakened 0.3% w-o-w to close at 109.55 (-0.3% YTD).

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	154.18	1.36	10.07	16.47	1.36
NSE-20	1,896.46	1.50	3.26	(0.25)	1.50
DBIB Select	98.76	1.20	13.30	17.71	1.20
FTSE 15	178.91	0.43	4.16	8.55	0.43
FTSE 25	199.79	1.12	7.87	13.80	1.12
FTSE Frontier 50	45,665.92	3.64	17.49	31.30	3.64

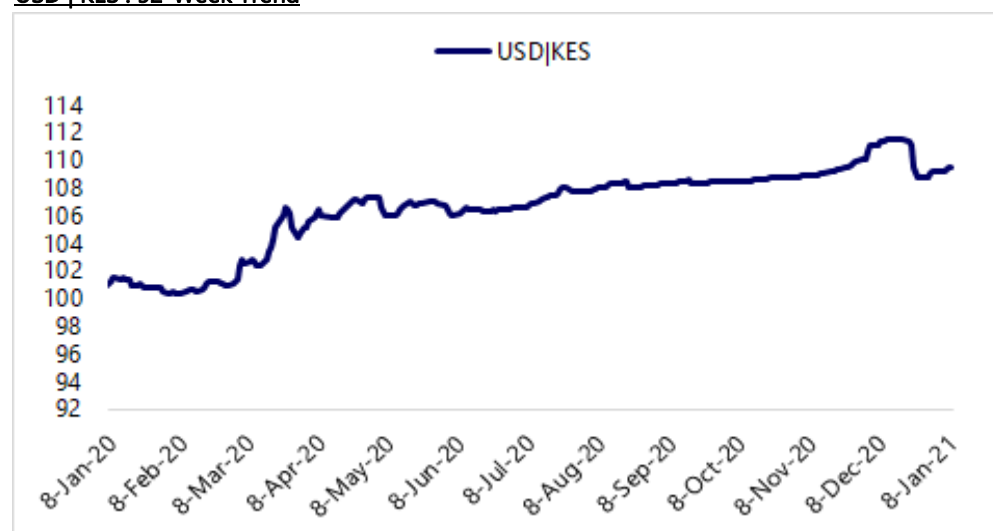
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,368.67	1.37	4.84	10.15	17.08
Market Turnover (USD m)	14.54	239.54	(39.56)	33.50	(63.72)
Market P/E (x)	14.54	1.94	5.10	20.32	42.55
Market Div. yld (%) *	4.26	(14.13)	(52.16)	(113.61)	(123.61)
Market ROE (%) *	35.53	(33.84)	598.87	(237.88)	(1,005.88)

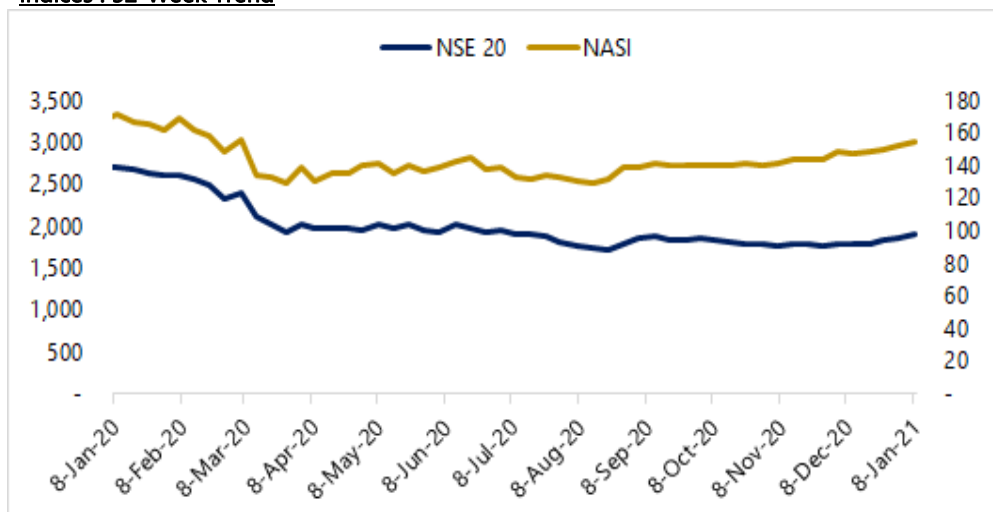
* Changes in bps ** Market ROE is market cap weighted

(Source: NSE, DBIB Research)

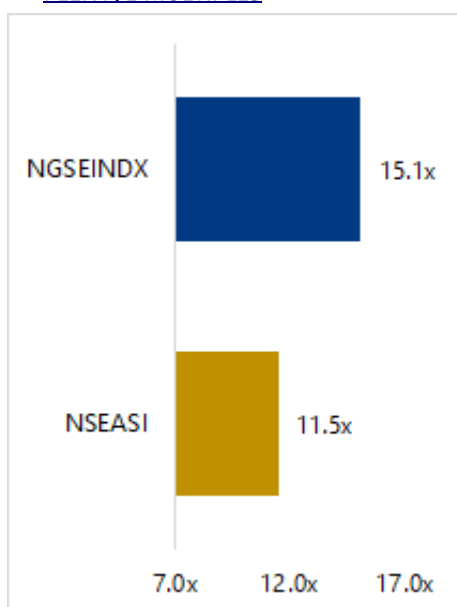
USD | KES : 52-Week Trend



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>
Flame Tree Group	11.4
Sameer Africa	11.1
FAHARI I-REIT	10.6
Car & General (K)	9.1
Centum Investment	9.0

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Sanlam Kenya	(7.3)
E.A.P.C.C	(6.8)
BK Group	(6.1)
Olympia Capital	(5.9)
Home Afrika	(4.8)

(Source: NSE, DBIB Research)



Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 1.64 MN (KES 846.25 MN) representing 51.55% of this week's turnover.

The stock rose 2.2% w-o-w to close at KES 35.00 on Friday.

Foreign investors assumed a net buying position on the counter this week by accounting for 77.93% of foreign sales and 78.78% of foreign purchases.

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	7.72
Equity Group	2.95
E.A Breweries	1.75
KCB Ltd	0.89
Stanchart Bank	0.29

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Flame Tree Group	11.4
Sameer Africa	11.1
FAHARI I-REIT	10.6
Car & General (K)	9.1
Centum Investment	9.0

(Source: NSE, DBIB Research)

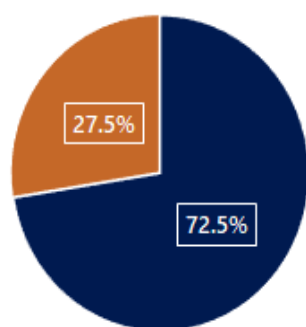


<u>Top Losers</u>	<u>%</u>
Sanlam Kenya	(7.3)
E.A.P.C.C	(6.8)
BK Group	(6.1)
Olympia Capital	(5.9)
Home Afrika	(4.8)

(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>
BOC Kenya	100.0
Safaricom	78.8
NSE	65.8
E.A Breweries	55.7
Bamburi Cement	44.7

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Britam Holdings	98.2
BAT Kenya	97.3
Equity Group	92.5
Stanchart Bank	92.1
KCB Ltd	88.4

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
BOC Kenya	100.0
Safaricom	78.8
NSE	65.8
E.A Breweries	55.7
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(Source: NSE, DBIB Research)

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FROM THE FIXED INCOME DESK

The **Bond market's turnover** for the week stood at USD 58.72 MN (KES 6.43 BN) representing a 6.0% w-o-w increase from USD 55.37 MN (KES 6.04 BN) recorded the previous week.

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January Issue Results: FXD1/2021/002

The Government received a total of KES 61.15 BN from the issue of FXD1/2021/002, 244.6% higher than the total amount offered of KES 25.00 BN. The government accepted KES 55.86 BN. The average rate of the accepted bids came in at 9.486% against market weighted average rate of 9.541%. The coupon rate stood at 9.486%.

Top Trades for the week ending 08 January 2021

						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
6-Jan	FXD 1/2019/ 5Yr	3.1	11.3040	10.1500	107.19	500.0
8-Jan	FXD1/2012/15Yr	6.7	11.0000	11.4068	101.60	500.0
8-Jan	FXD1/2012/15Yr	6.7	11.0000	11.2000	102.55	500.0
8-Jan	IFB 1/2018/15Yr	12.0	12.5000	11.1000	113.85	400.0
4-Jan	FXD1/2020/15Yr	14.1	12.7560	12.3500	107.31	300.0
5-Jan	FXD1/2020/ 5Yr	4.3	11.6670	10.5000	105.78	300.0
8-Jan	FXD1/2020/ 5Yr	4.3	11.6670	10.4500	106.05	300.0
4-Jan	FXD1/2019/15Yr	13.0	12.8570	12.0000	111.25	200.0
6-Jan	FXD1/2020/ 5Yr	4.3	11.6670	10.5000	105.81	200.0
6-Jan	FXD1/2018/25Yr	22.4	13.4000	13.3000	101.35	200.0
8-Jan	FXD1/2010/15Yr	4.2	10.2500	10.4000	102.74	200.0
8-Jan	FXD2/2013/15Yr	7.3	12.0000	11.4500	105.30	200.0

Sell-Buy Backs

5-Jan	FXD1/2019/15Yr	13.0	12.8570	12.0000	113.85	300.0
5-Jan	FXD1/2018/25Yr	22.4	13.4000	13.1000	107.31	200.0
6-Jan	FXD1/2018/15Yr	12.3	12.6500	11.8000	105.78	150.0
6-Jan	FXD1/2018/25Yr	22.4	13.4000	12.5000	106.05	300.0

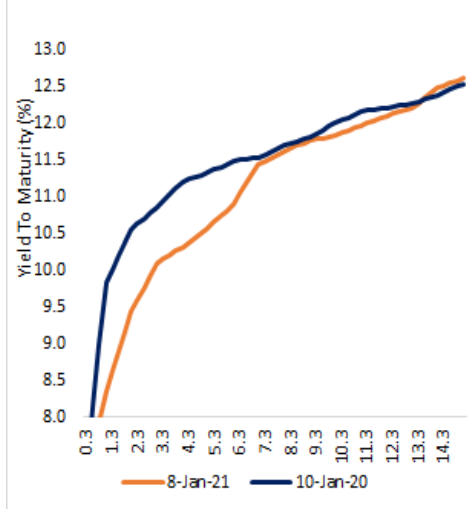
(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 08 January 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	0.75	18.70	0.75	6.895	(1.1)
182-day	10.00	5.00	50.00	3.07	7.479	7.9
364-day	10.00	10.02	100.21	10.02	8.363	1.5

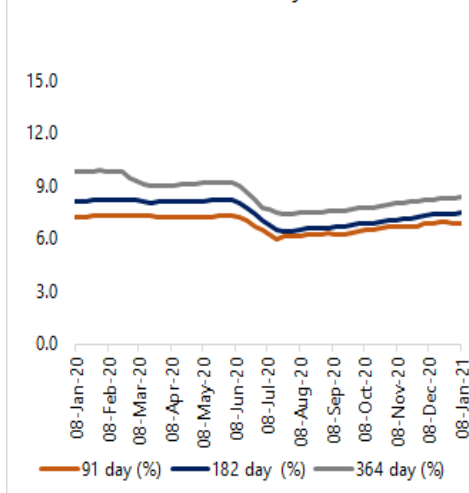
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

Salient News

Co-operative Bank announce profit warning

.....
Co-operative Bank announced that it expects FY20 earnings to be materially lower than the earnings reported in FY19.
.....

Co-operative Bank this week announced that it expects its FY20 earnings to be materially lower than the earnings reported in FY19. This is attributable to the dip in profits arising from the adverse operating environment caused by the COVID-19 pandemic that has resulted in reducing business volumes and increasing credit risk. However, it remains confident that the COVID-19 mitigation strategies put in place including a pro-active Credit Risk Management project in liaison with a global consulting firm will give the business impetus for sustained growth. *(Source: Company Filings, DBIB Research)*

UPCOMING EVENTS

Profit Warnings

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

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
Carbacid	First & Final: KES 0.70	09-Jan-21	29-Jan-21

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Carbacid Investments	10.00 am	Virtual	29-Jan-21

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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