

DBIB WEEKLY BULLETIN

WEEK 25

Date: 25.06.2021

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INDICES & MARKET METRICS MOVEMENT

NSE 20 and **NASI** shed 0.1% and 0.4% w-o-w to close at 1,899.11 and 171.62, respectively.

Weekly equity turnover rose 42.6% w-o-w to USD 31.3 MN (KES 3.37 BN).

USD | KES: KES held constant w-o-w to close at 107.75 (+1.3% YTD).

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	171.62	(0.44)	3.09	14.28	12.83
NSE-20	1,899.11	(0.11)	(0.21)	3.24	1.64
DBIB Select	106.67	(0.88)	1.96	9.22	9.30
FTSE 15	204.10	0.88	6.98	17.51	14.57
FTSE 25	227.76	(0.04)	5.17	17.11	15.27
FTSE Frontier 50	48,351.96	0.29	7.60	11.65	9.74

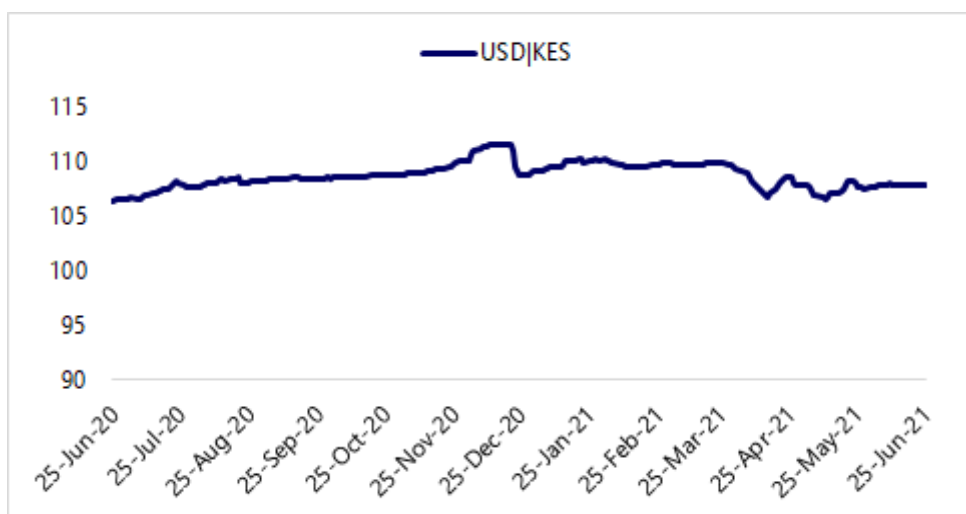
(Source: NSE, Bloomberg, DBIB Research)

Market Metrics	Current	1 wk	3 m	6 m	12m
Market Cap. (USD m)	2,672.38	(0.44)	(0.62)	4.47	15.84
Market Turnover (USD m)	31.28	42.56	(32.62)	42.47	149.28
Market P/E (x)	14.64	(0.38)	(2.37)	4.76	3.09
Market Div. yld (%) *	3.47	1.57	(76.03)	(99.26)	(173.21)
Market ROE (%) *	33.24	(10.78)	51.68	(340.37)	(542.09)

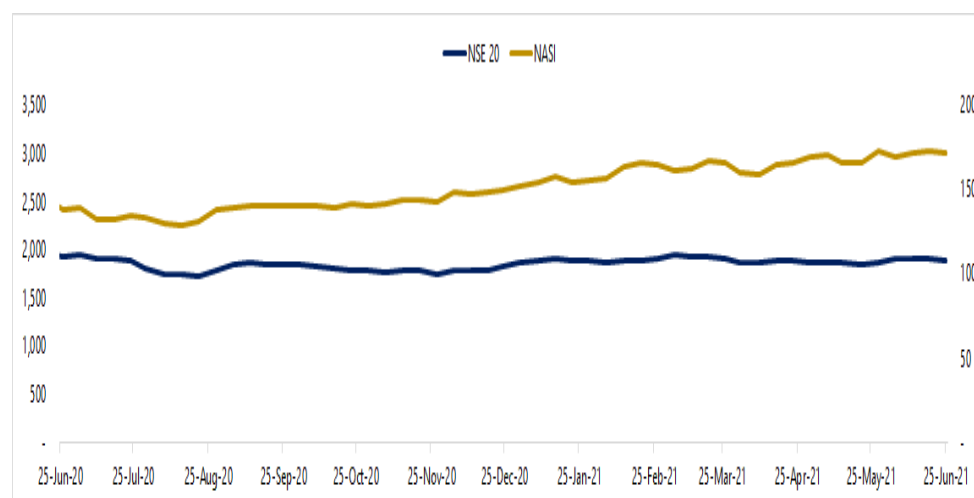
* Changes in bps ** Market ROE is market cap weighted

(Source: NSE, DBIB Research)

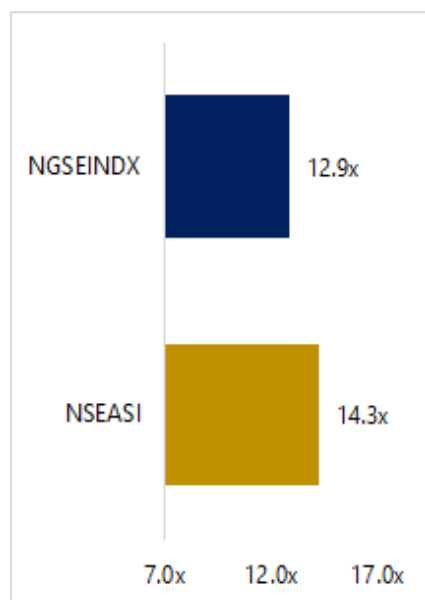
USD | KES : 52-Week Trend



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>
NBV Ltd	22.6
Liberty Kenya	17.4
B.O.C Kenya	9.3
Williamson Tea	9.2
<u>Sasini Ltd</u>	<u>8.2</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Trans-Century	(11.3)
Limuru Tea	(5.9)
Kenya Power	(4.4)
BAT Kenya	(4.1)
<u>E.A Breweries</u>	<u>(4.0)</u>

(Source: NSE, DBIB Research)



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Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 16.27 MN (KES 1.75 BN) representing 52.01% of this week's turnover.

The stock dropped 1.2% w-o-w to close at KES 40.75 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 75.11% of foreign sales and 50.53% of foreign purchases.

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<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	16.27
Equity Group	4.95
KCB Group	4.25
E.A Breweries	1.94
<u>Co-operative Bank</u>	<u>0.82</u>

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
NBV Ltd	94.9
Nation Media	49.2
BK Group	30.5
Equity Group	27.5
<u>BAT Kenya</u>	<u>19.7</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Kenya Power	(24.0)
Sanlam Kenya	(22.8)
Standard Group	(22.7)
E.A.Portland	(22.0)
<u>DTB Kenya</u>	<u>(20.0)</u>

(Source: NSE, DBIB Research)



Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Equity Group	92.4
NSE	84.5
Kenya Re	78.2
E.A Breweries	72.8
<u>Safaricom</u>	<u>50.5</u>

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
TPS E.A	99.8
Eaagads	90.8
Safaricom	75.1
Kenya Power	74.6
<u>E.A Breweries</u>	<u>73.2</u>

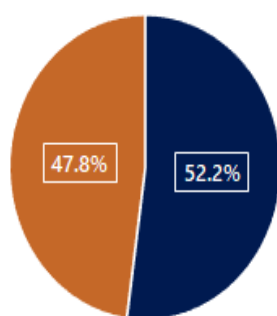
Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
BOC Kenya	86.5
Stanbic Holdings	74.5
Safaricom	72.2
<u>Total Kenya</u>	<u>66.2</u>

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	99.7
E.A Breweries	75.5
Stanbic Holdings	71.8
Safaricom	68.5
<u>KenGen</u>	<u>68.3</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 292.32 MN (KES 31.50 BN) representing a 53.5% w-o-w increase from USD 190.45 MN (KES 20.53 BN) recorded the previous week.

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Tap sale: FXD1/2019/20 and FXD1/2012/20

The Central Bank issued a tap sale of the June auction bonds i.e. FXD1/2019/20 and FXD1/2012/20. It offered a total of KES 50.0 BN to be allocated on a first come first served basis. The closing date is to be on 5th July 2021 at 2pm or upon attainment of quantum. The coupon rates remain fixed at 12.873% and 12.000% for FXD1/2019/20 and FXD1/2012/20, respectively.

Top Trades for the week ending 25 June 2021

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
22-Jun	IFB 1/2021/18Yr	17.8	12.6670	12.0000	106.64	1,500.3
24-Jun	FXD2/2019/15Yr	12.8	12.7340	12.5000	103.02	1,500.0
21-Jun	IFB 1/2021/18Yr	17.8	12.6670	12.0000	106.61	1,200.9
23-Jun	FXD2/2019/15Yr	12.8	12.7340	12.5500	102.66	1,000.0
25-Jun	FXD1/2012/20Yr	11.4	12.0000	12.5200	98.14	1,000.0
21-Jun	IFB 1/2020/11Yr	10.1	10.9000	10.4298	105.91	956.4
24-Jun	FXD2/2018/20Yr	17.0	13.2000	12.9500	107.11	800.0
24-Jun	FXD 1/2018/ 5Yr	1.7	12.2990	9.4000	107.70	750.0
24-Jun	FXD1/2008/20Yr	7.0	13.7500	11.8000	109.46	600.0
25-Jun	FXD1/2008/20Yr	7.0	13.7500	11.6500	110.24	600.0
25-Jun	FXD1/2012/20Yr	11.4	12.0000	12.4932	98.30	600.0
22-Jun	FXD2/2018/20Yr	17.0	13.2000	13.0000	106.70	556.8
21-Jun	FXD1/2020/ 5Yr	3.9	11.6670	10.6000	104.65	500.0
21-Jun	IFB 1/2018/15Yr	11.6	12.5000	11.1000	113.00	500.0
21-Jun	IFB 1/2020/11Yr	10.1	10.9000	10.8350	103.85	500.0
22-Jun	FXD2/2018/20Yr	17.0	13.2000	13.0500	106.35	500.0
23-Jun	FXD 1/2018/ 5Yr	1.7	12.2990	9.4000	107.67	500.0
23-Jun	FXD2/2019/15Yr	12.8	12.7340	12.5150	102.89	500.0

Sell & Buy Backs

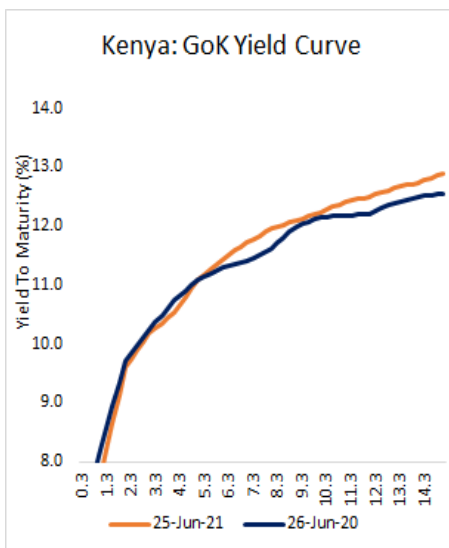
23-Jun	FXD 1/2018/10Yr	7.1	12.6860	11.9500	102.66	187.0
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(Source: NSE, DBIB Research)

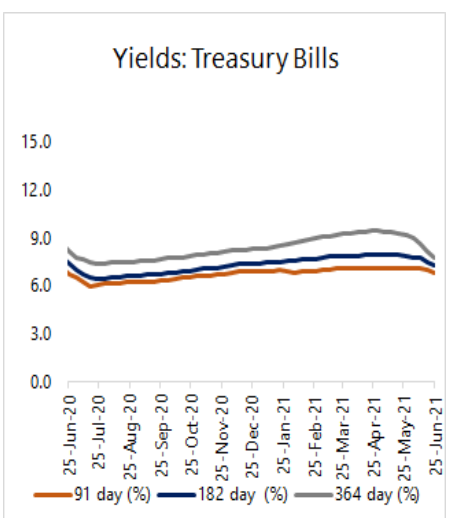
Treasury Bill auction for the week ending 25 June 2021

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	10.71	267.71	2.00	6.860	(14.0)
182-day	10.00	5.60	56.04	5.56	7.317	(21.9)
364-day	10.00	9.04	90.38	9.03	7.729	(37.6)

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

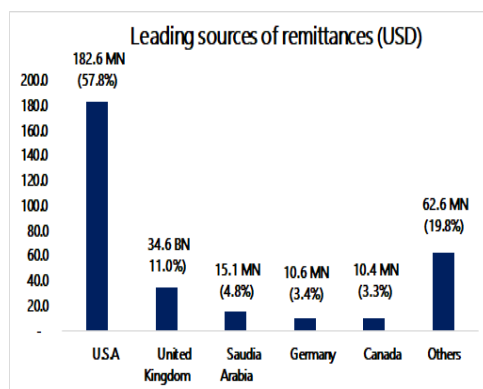
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In May 2021, **diaspora remittances** saw a 22.3% y-o-y uptick to USD 315.8 MN, the highest amount ever sent on a monthly basis, thus bolstering foreign currencies held by CBK.

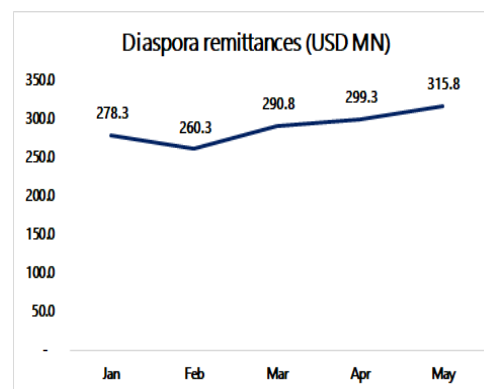
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Diaspora remittances closed off at an all-time high of USD 315.8 MN in May 2021

In May 2021, diaspora remittances saw a 22.3% y-o-y uptick to USD 315.8 MN (KES 34.0 BN), the highest amount ever sent on a monthly basis, thus bolstering the foreign currencies held by the CBK. This was mainly backed by a 30.5% y-o-y growth in diaspora remittances in the US, to USD 182.6 MN (KES 19.7 BN) which accounted for 57.8% of the total inflows.



Source: CBK, DBIB Research



Source: CBK, DBIB Research

The Central Bank of Kenya rolled out a survey that ran until 17th May 2021 with the intention of boosting diaspora inflows. The survey's focus was on the cost of remitting funds, difficulties encountered in remitting funds, how recipients use remittances and the availability of information on investment opportunities in Kenya. Nonetheless, Kenya continues to record high levels of inflows, contrary to expectations of a decline in remittances in developing countries amidst the COVID-19 pandemic.

(Source: CBK, DBIB Research)

Liberty holdings proposes to purchase additional shares of Liberty Kenya

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Liberty holdings intends to purchase an additional 84.2 MN shares of **Liberty Kenya**, through a private transaction. CBK.

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Liberty holdings intends to purchase an additional 84.2 MN shares of Liberty Kenya, through a private transaction. The firm currently owns 57.7% of Liberty Kenya (309.3 MN shares). Once the acquisition is complete, the firm's ownership will increase to 73.5%.

A Shareholders Circular was issued by Liberty holdings via email to shareholders of Liberty Kenya. The circular can also be accessed through the company's website or a hard copy from the Liberty Kenya's office. (Source: Company filings, DBIB Research)

UPCOMING EVENTS

Profit Warnings

1. Eaagads
2. E.A. Cables
3. Centum
4. Williamson Tea

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
NCBA	Final: KES 1.50	20-Apr-21	STA*
KenGen	First & Final: KES 0.30	22-Apr-21	22-Jul-21
Bamburi Cement	First & Final: KES 3:00	16-May-21	15-Jul-21
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
Sasini	Interim: KES 0.50	02-Jun-21	15-Jul-2021
NSE	First& Final: KES 0.53	04-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
Kenya Re	First & Final: KES 0.20	30-Jun-21	13-Aug-21
Safaricom	Final : KES 0.92	30-Jul-21	31-Aug-21

Rights Issue

Crown Paints	Rights issue: 1:1	31-May-21	15-Jul-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>
TPS E.A	11:00 a.m.	Virtual	28-Jun-21
CIC Insurance	10:00 a.m.	Virtual	29-Jun-21
Jubilee Holdings	11:00 a.m.	Virtual	29-Jun-21
Kenya Re	11:00 a.m.	Virtual	30-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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