

DBIB WEEKLY BULLETIN

WEEK 40

Date: 08.10.2021

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INDICES & MARKET METRICS MOVEMENT

NSE 20 and NASI decreased 2.22% and 2.99% w-o-w to close at 1992.92 and 175.82, respectively.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	175.82	(2.99)	0.34	10.86	15.59
NSE-20	1,992.92	(2.22)	2.13	6.64	6.67
DBIB Select	107.35	(1.65)	(0.53)	5.10	9.99
FTSE 15	211.30	(2.29)	(0.15)	15.28	18.61
FTSE 25	233.55	(2.89)	(0.27)	13.17	18.21
FTSE Frontier 50	50,834.37	1.41	5.85	12.22	15.37

(Source: NSE, Bloomberg, DBIB Research)

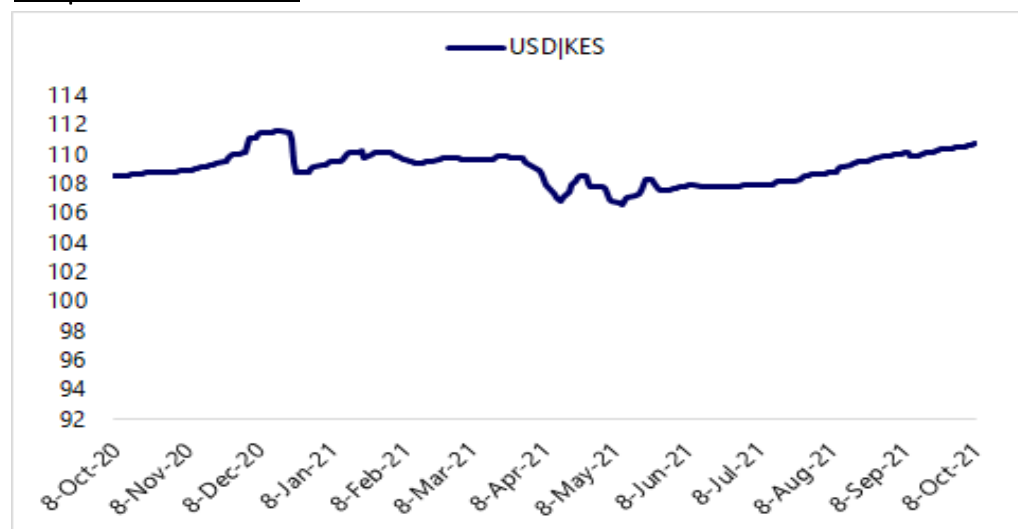
Weekly equity turnover increased 76.8% w-o-w to USD 26.01 MN (KES 2.88 BN).

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,739.27	(3.01)	(2.42)	0.39	12.43
Market Turnover (USD m)	26.01	76.82	41.71	3.66	36.46
Market P/E (x)	17.61	(4.30)	(2.14)	39.47	37.33
Market Div. yld (%) *	3.46	5.61	4.37	(108.69)	(132.94)
Market ROE (%) *	37.92	(14.28)	511.33	565.12	837.47

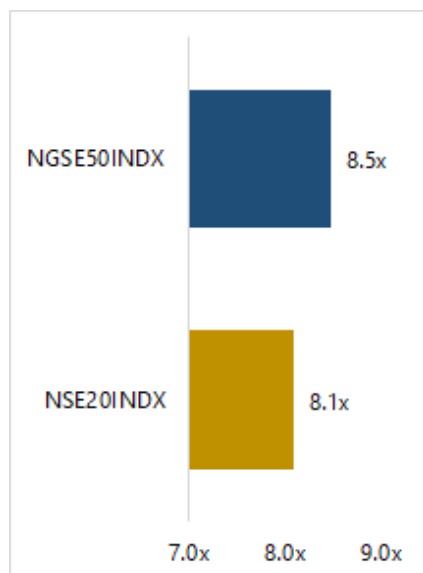
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes
(Source: NSE, DBIB Research)

USD | KES: KES weakened 0.2% w-o-w to close at 110.72 (-1.4% YTD).

USD | KES : 52-Week Trend



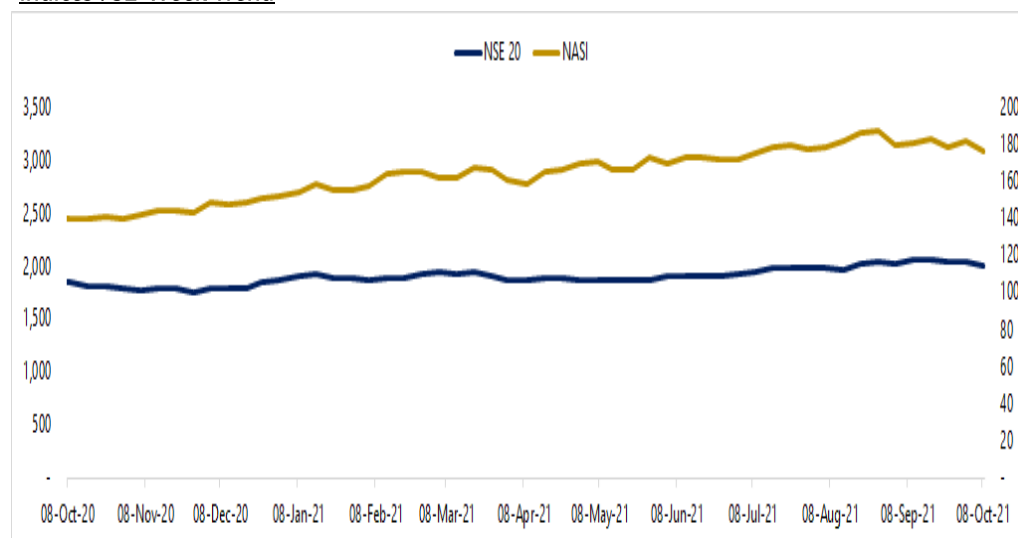
PEER P/E MULTIPLES



NSE20INDEX* - NSE 20 Index
NGSE50INDEX* - Nigeria Stock Exchange 50 Index

*LTM Price/EPS

Indices : 52-Week Trend



(Source: Bloomberg, DBIB Research)

WEEKLY BOURSE WRAP UP...

.....
Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 19.09 MN (KES 2.11 BN) representing 73.38% of this week's turnover.

The stock **edged down** 3.6% w-o-w to close at KES 41.65 on Friday.

Foreign investors assumed a **net selling** position on the counter this week by accounting for 72.22% of foreign sales and 54.13% of foreign purchases.

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Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Trans-Century	10.2
Crown Paints	9.1
BK Group	7.1
B.O.C Kenya	3.7
Sanlam	3.5

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
NBV	(15.7)
Sameer	(8.2)
NSE	(7.7)
Standard Group	(7.5)
Housing Finance	(6.8)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	19.09
KCB Group	3.37
E.A Breweries	1.05
Equity Group	0.69
I&M Holdings	0.38

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Car & General	63.6
BK Group	46.3
Nation Media Group	44.7
NBV	35.5
Equity Group	35.0

(Source: NSE, DBIB Research)

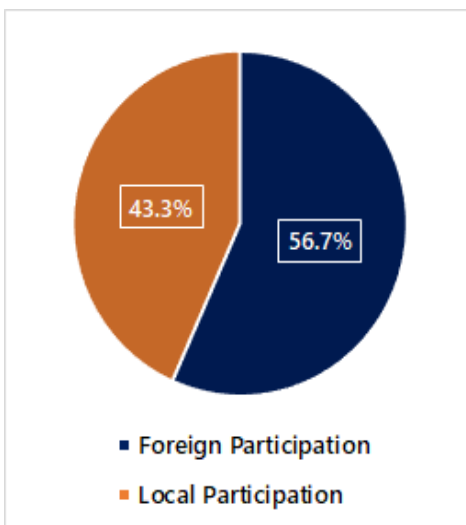


<u>Top Losers</u>	<u>%</u>
Standard Group	(28.4)
E.A.Portland Cement	(28.2)
Crown Paints	(19.3)
DTB Kenya	(19.3)
Uchumi	(17.9)

(Source: NSE, DBIB Research)



WEEKLY LOCAL VS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
Crown Paints	66.9
Olympia Capital	58.8
Safaricom	54.1
BOC Kenya	53.5
Equity Group	45.2

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
TransCentury	93.9
BK Group	89.6
Stanbic Holdings	88.3
KCB Group	88.3
Centum	81.6

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	99.8
BOC Kenya	89.6
Safaricom	71.7
Stanbic Holdings	66.3
Equity Group	61.7

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	99.8
E.A Breweries	79.9
BAT Kenya	65.7
Safaricom	65.6
BK Group	65.0

FROM THE FIXED INCOME DESK

The **Bond market's** turnover for the week stood at USD 113.49 MN (KES 12.57 BN) representing a 45.6% w-o-w decline from USD 208.63 MN (KES 23.05 BN) recorded the previous week.

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October Auction Results: FXD1/2013/15, FXD3/2019/15 & FXD1/2021/25

Following the October bond issue, the government offered a total of KES 60.0 BN and in turn received a total of KES 55.5 BN; KES 23.4 BN for FXD1/2013/15, KES 3.4 BN for FXD3/2019/15 and KES 28.7 BN for FXD1/2021/25. This placed the performance rate at 39.02%, 5.65% and 47.78% for FXD1/2013/15, FXD3/2019/15 and FXD1/2021/25, respectively. Subsequently, the government accepted KES 22.9 BN for FXD1/2013/15, KES 3.3 BN for FXD3/2019/15 and KES 25.9 BN for FXD1/2021/25. The coupon rates remained fixed at 11.250%, 12.340% and 13.924% for FXD1/2013/15, FXD3/2019/15 and FXD1/2021/25, respectively.

Top Trades for the week ending 08 October 2021

						Total
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	Value (KES m)
5-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.5000	102.29	1,355.0
6-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.4750	102.49	772.1
7-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.4500	102.68	710.0
5-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.4500	102.62	520.0
6-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.4500	102.65	517.5
4-Oct	IFB 1/2021/16Yr	15.3	12.2570	12.2999	102.06	500.1
5-Oct	FXD 1/2019/10Yr	7.4	12.4380	12.1500	102.81	500.0
5-Oct	FXD1/2012/20Yr	11.1	12.0000	12.4000	102.24	500.0
5-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.5100	102.22	500.0
6-Oct	FXD 1/2019/10Yr	7.4	12.4380	12.0068	103.54	500.0
6-Oct	FXD1/2012/20Yr	11.1	12.0000	12.3000	102.86	500.0
4-Oct	IFB 1/2015/12Yr	5.4	11.0000	9.4500	104.90	452.7
4-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.5000	102.25	400.0
8-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.5000	102.39	330.0

Sell & buy-backs

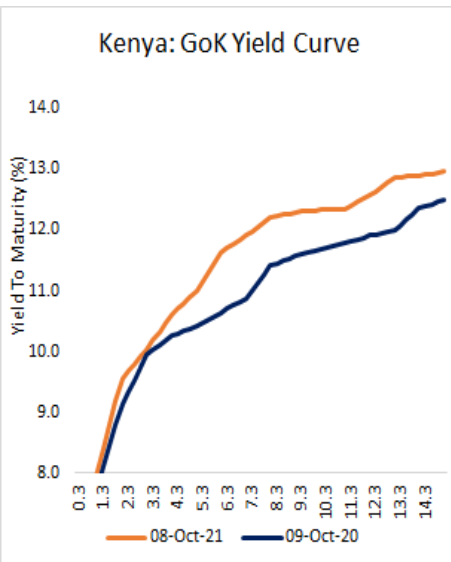
8-Oct	FXD 1/2017/10Yr	5.8	12.9660	11.3900	109.15	300.0
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(Source: NSE, DBIB Research)

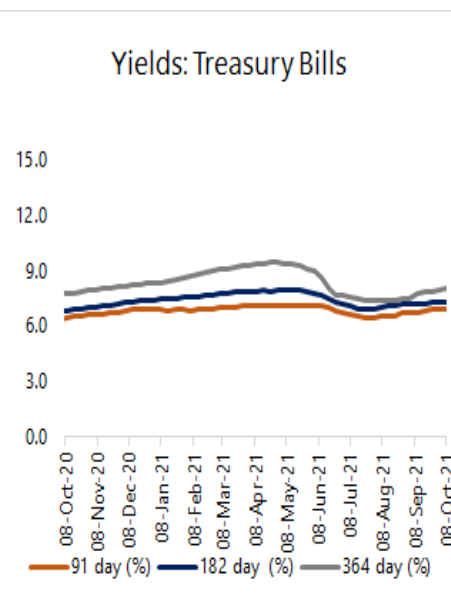
Treasury Bill auction for the week ending 08 October 2021

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	3.42	85.56	3.42	6.935	4.0
182-day	10.00	3.96	39.62	3.96	7.316	3.4
364-day	10.00	2.44	24.39	2.39	8.028	7.9

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

.....
MTN Uganda plans to sell a fifth of the company's stake (20% of it's equity) to investors through the Uganda Securities Exchange.
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MTN UGANDA IPO

MTN Uganda plans to sell a fifth of the company's stake (20% of it's equity) to investors through the Uganda Securities Exchange. The IPO is set for mid October running for about six weeks and is open to East African investors. MTN Uganda is the biggest Telecom operator in Uganda with over 15 million subscribers.

Uganda's Capital Markets Authority Chief Executive, Keith Kalyegira, has stated the the IPO is expected to raise about \$1.2 BN (Kshs. 132.0 BN)

(Source: Company filings, DBIB Research).

UPCOMING EVENTS

Profit Warnings

1. WPP Scangroup

<u>Company</u>	<u>Announcement</u>	<u>Book Closure</u>	<u>Payment</u>
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*
BOC Kenya	Interim: KES 1.50	24-Sep-21	18-Oct-21
NCBA Group	Interim: KES 0.75	28-Sep-21	12-Oct-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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