

DBIB WEEKLY BULLETIN

WEEK 41

Date: 15.10.2021

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INDICES & MARKET METRICS MOVEMENT

NSE 20 decreased 1.13%
w-o-w to close at 1,970.44
while **NASI gained 1.73%**
w-o-w to close at 178.86.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	178.86	1.73	0.12	8.35	17.59
NSE-20	1,970.44	(1.13)	(0.10)	4.65	5.46
DBIB Select	108.15	0.75	(0.45)	3.66	10.82
FTSE 15	210.88	(0.20)	(0.49)	10.84	18.37
FTSE 25	236.31	1.18	(0.45)	9.76	19.60
FTSE Frontier 50	51,711.97	1.73	7.52	12.00	17.37

(Source: NSE, Bloomberg, DBIB Research)

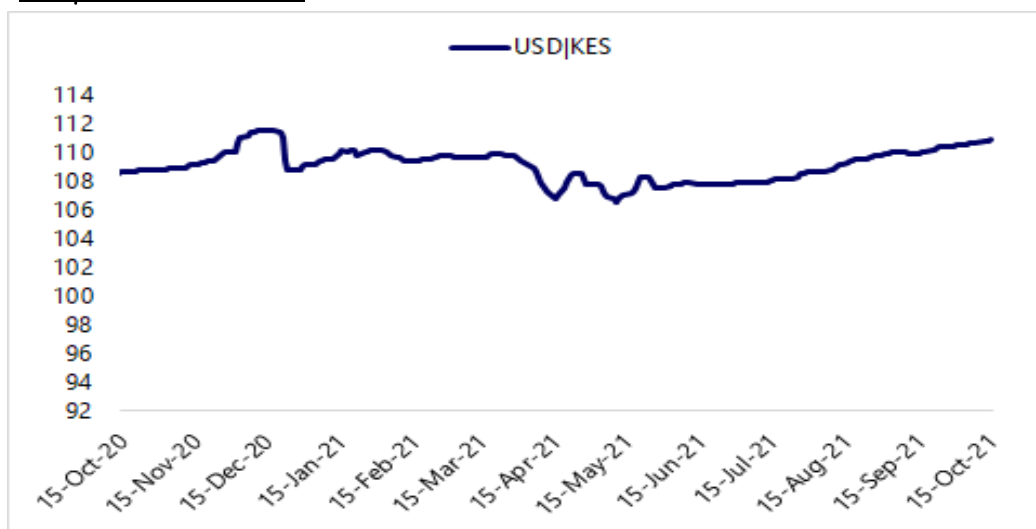
Weekly equity turnover decreased 27.3% w-o-w
to USD 18.90 MN (KES 2.10 BN).

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,786.84	1.74	(2.14)	0.11	9.87
Market Turnover (USD m)	18.90	(27.35)	(17.25)	11.72	(13.68)
Market P/E (x)	18.27	3.76	(0.32)	31.92	33.44
Market Div. yld (%) *	3.40	(5.92)	5.04	(95.49)	(140.70)
Market ROE (%) *	38.27	35.27	514.85	(80.99)	852.19

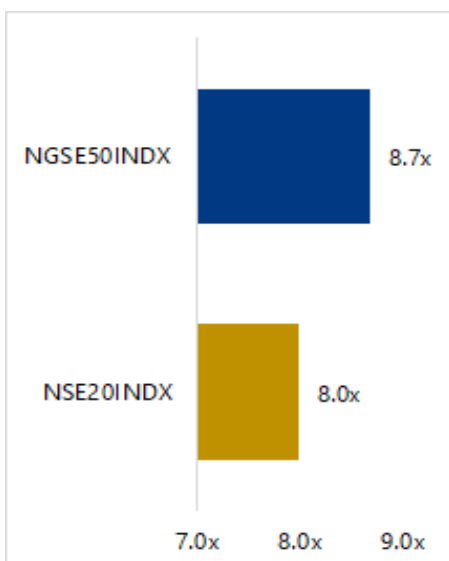
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes
(Source: NSE, DBIB Research)

USD | KES: KES weakened
0.1% w-o-w to close at
110.87 (-1.6% YTD).

USD | KES : 52-Week Trend

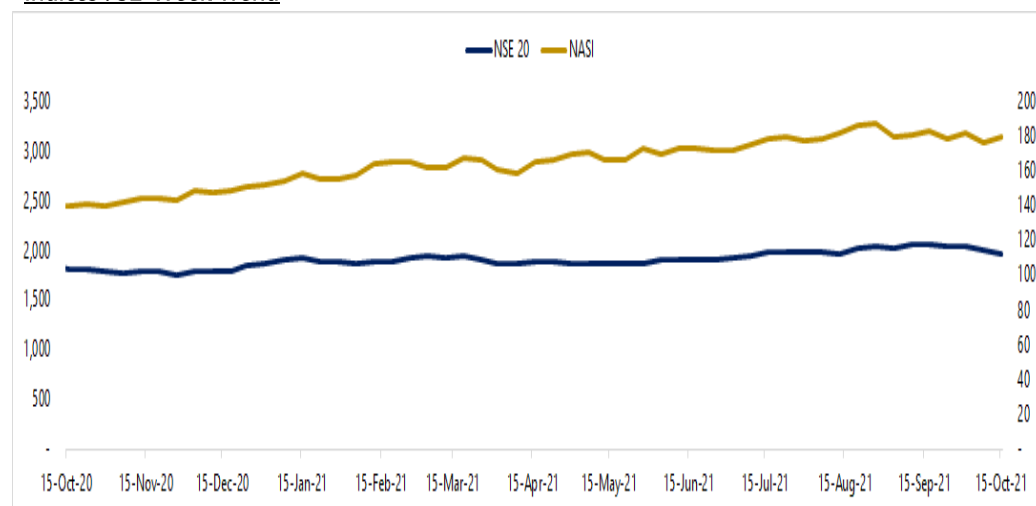


PEER P/E MULTIPLES



NSE20INDEX* - NSE 20 Index
NGSE50INDEX* - Nigeria Stock Exchange 50 Index
*LTM Price/EPS

Indices : 52-Week Trend



(Source: NSE, DBIB Research)

(Source: Bloomberg, DBIB Research)

WEEKLY BOURSE WRAP UP...

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Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 9.63 MN (KES 1.07 BN) representing 50.94% of this week's turnover.

The stock **increased** 3.5% w-o-w to close at KES 43.10 on Friday.

Foreign investors assumed a **net buying** position on the counter this week by accounting for 79.90% of foreign sales and 87.13% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Limuru Tea	10.0
Standard Group	5.0
Safaricom	3.5
Olympia Capital	2.6
E.A.Portland	2.5

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
BK Group	(6.0)
Britam	(5.4)
Kenya Power	(5.0)
KenGen	(4.4)
Eveready E.A	(4.4)

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	9.63
Equity Group	3.23
E.A Breweries	2.56
KCB Group	2.25
Co-operative Bank	0.19

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Car & General	63.6
Nation Media Group	43.4
NBV	38.8
BK Group Plc	37.6
Equity Group	35.4

(Source: NSE, DBIB Research)

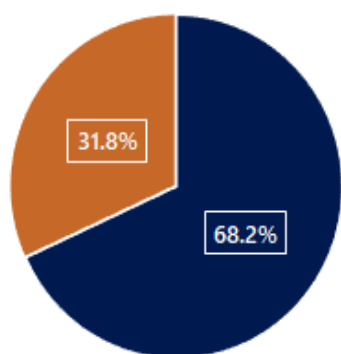


<u>Top Losers</u>	<u>%</u>
E.A.Portland	(26.4)
Standard Group	(24.9)
Crown Paints	(21.1)
DTB Kenya	(20.7)
Longhorn Publishers	(19.1)

(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>
Crown Paints	100.0
Eaagads	90.2
Safaricom	87.1
E.A Breweries	66.9
Absa Bank	64.6

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
Unga Group	100.0
Safaricom	79.9
BAT Kenya	78.1
KCB Group	70.4
Equity Group	66.2

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	99.8
BOC Kenya	89.2
Safaricom	72.0
Stanbic Holdings	66.3
Equity Group	61.2

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	99.8
E.A Breweries	79.4
Safaricom	65.9
BAT Kenya	65.8
BK Group	65.0

FROM THE FIXED INCOME DESK

The **Bond market's** turnover for the week stood at USD 93.30 MN (KES 10.34 BN) representing a 17.8% w-o-w decline from USD 113.49 MN (KES 12.57 BN) recorded the previous week.

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Top Trades for the week ending 15 October 2021

						Total
						Value
Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Price (KES m)	(KES m)
13-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.5500	102.23	800.0
14-Oct	FXD1/2013/15Yr	6.3	11.2500	11.8500	99.17	700.0
12-Oct	FXD 2/2019/10Yr	7.5	12.3000	12.1500	100.76	500.0
12-Oct	FXD 2/2019/10Yr	7.5	12.3000	12.0500	101.24	500.0
12-Oct	FXD1/2012/20Yr	11.1	12.0000	12.4000	102.47	500.0
13-Oct	FXD1/2012/20Yr	11.1	12.0000	12.3000	103.10	500.0
15-Oct	FXD3/2007/15Yr	1.1	12.5000	8.7000	109.20	461.5
15-Oct	IFB 1/2020/9Yr	7.5	10.8500	10.8000	100.31	316.9
12-Oct	FXD 1/2017/10Yr	5.8	12.9660	11.3700	109.37	300.0
12-Oct	FXD 1/2018/10Yr	6.8	12.6860	11.9500	105.09	250.0
12-Oct	FXD1/2019/20Yr	17.4	12.8730	13.1500	98.15	250.0
13-Oct	FXD 1/2018/10Yr	6.8	12.6860	11.8000	105.83	250.0
13-Oct	FXD1/2019/20Yr	17.4	12.8730	13.1000	98.52	250.0
14-Oct	FXD1/2021/25Yr	24.5	13.9240	13.7500	107.20	210.0
14-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.5500	102.27	200.0
14-Oct	IFB 1/2016/9Yr	3.6	12.5000	9.6000	112.45	189.3
15-Oct	IFB 1/2016/9Yr	3.6	12.5000	9.4000	113.01	189.3
12-Oct	FXD 1/2016/10Yr	4.8	15.0390	10.8000	117.78	150.0
13-Oct	FXD1/2021/25Yr	24.5	13.9240	13.9300	105.90	150.0
14-Oct	FXD1/2021/25Yr	24.5	13.9240	13.8000	106.84	150.0
14-Oct	IFB 1/2021/18Yr	17.4	12.6670	12.3500	102.05	121.6
13-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.5000	102.56	120.0
15-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.5000	102.63	112.0
12-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.3500	103.55	107.5
15-Oct	IFB 1/2021/18Yr	17.4	12.6670	12.5600	100.79	105.0
12-Oct	IFB 1/2020/11Yr	9.9	10.9000	10.0000	105.95	100.0

Sell & buy-backs

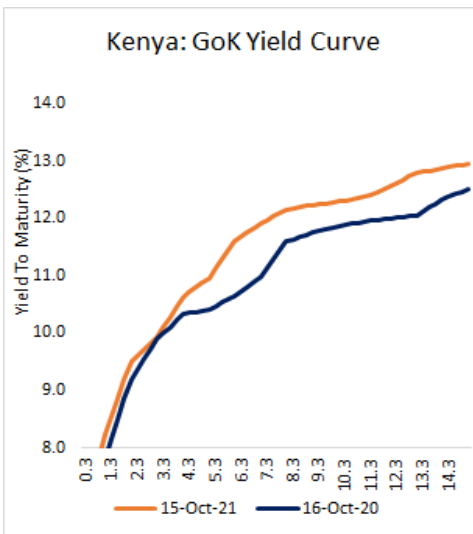
13-Oct	FXD1/2021/25Yr	24.5	13.9240	13.5700	108.48	150.0
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(Source: NSE, DBIB Research)

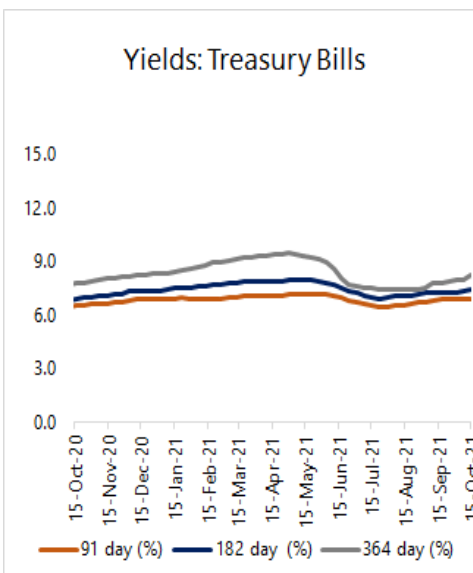
Treasury Bill auction for the week ending 15 October 2021

Instrument	Amount (KES Bn)	Bids Received (KES Bn)	Subscription Rate (%)	Bids Accepted (KES Bn)	Yield (%)	w-o-w bps ch
91-day	4.00	3.02	75.39	3.02	6.952	1.7
182-day	10.00	9.01	90.07	8.04	7.428	11.2
364-day	10.00	5.82	58.15	5.82	8.225	19.7

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

EAST AFRICAN CABLES FY20 AUDITED RESULTS

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East African Cables released its FY20 results reporting a loss of 555.1 MN, down from a profit of KES 658.7 MN in FY19.

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East African Cables released its FY20 results reporting an after tax loss of 753.2 MN, down from a profit of KES 631.0 MN in FY19. The earnings per share for the period are KES –2.15 per share, down from KES 2.68 per share..

Revenue for the period increased 13.6% y-o-y to KES 1.8 BN and gross profit increased 12.3% y-o-y to KES 565.2 MN. Cost of sales increased 14.2% to KES 1.2 BN while other income dropped 99.5% y-o-y to KES 7.5 MN.

Total assets decreased 5.5% y-o-y to KES 5.9 BN mainly attributable to a 12.3% y-o-y drop in current assets to KES 1.1 BN and a 3.7% y-o-y drop in non-current assets to KES 4.8 BN.

Total liabilities increased 9.5% y-o-y to KES 4.4 BN following a 25.7% y-o-y increase in non-current liabilities to KES 3.0 BN and a 12..7% y-o-y decrease in current liabilities to KES 1.5 BN. Total equity for the period dropped 34.6% y-o-y to KES 1.3 BN.

Current assets outweighed current liabilities for the period hence placing the company in an illiquid state. The company employed initiatives of enhancing working capital and collecting of long outstanding receivables among other measures to tackle the illiquidity problem.

Net cash generated operating activities advanced 223.0% y-o-y to KES 264.1 MN while net cash used in financing activities stood at KES 293.3 MN.

(Source: Company filings, DBIB Research).

EAST AFRICAN CABLES 1H21 EARNINGS

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East African Cables released its 1H21 results reporting a loss of 228.3 MN, down from a loss of KES 268.8 MN in 1H20.

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East African Cables released its 1H21 results reporting a loss of 228.3 MN, up from a loss of KES 268.8 MN in 1H20. The company stated that it's still in a challenging operating environment due to sharp fluctuation prices of metal but its containment measures have led to the 7% loss reduction. The earnings per share for the period are KES –0.78 per share.

Revenue for the period increased 10.8% y-o-y to KES 837.2 MN. Gross profit edged up 0.8% y-o-y to KES 234.6 MN while cost of sales increased 15.2% to KES 602.6 MN.

Total assets decreased 10.0% y-o-y to KES 5.5 BN mainly attributable to a 28.6% y-o-y drop in current assets to KES 848.7 MN and a 5.5% y-o-y drop in non-current assets to KES 4.7 BN.

Total liabilities increased 3.2% y-o-y to KES 4.4 BN following a 7.8% y-o-y increase in non-current liabilities to KES 3.1 BN and a 6.4% y-o-y decrease in current liabilities to KES 1.3 BN. Total equity for the period dropped 39.3% y-o-y to KES 1.2 BN.

Net cash generated operating activities decreased 78.2% y-o-y to KES 28.2 MN while net cash used in financing activities increased 15.9% y-o-y to KES 142.5 MN.

(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>
Centum Investment	Final: KES 0.33	08-Oct-21	STA*
BOC Kenya	Interim: KES 1.50	24-Sep-21	18-Oct-21

(Source: NSE, DBIB Research)

STA—Subject to approval*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
E.A Cables	11.00 am	Virtual	02-Nov-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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