

DBIB WEEKLY BULLETIN

WEEK 43

Date: 29.10.2021

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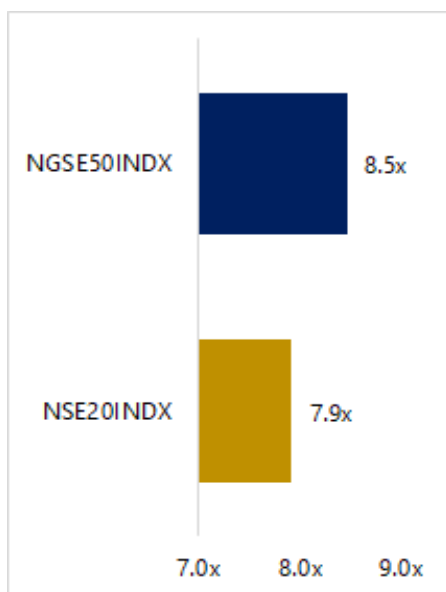
INDICES & MARKET METRICS MOVEMENT

NSE 20 remained constant to close at 1961.33 while **NASI** dropped 0.3% w-o-w to close at 177.96.

Weekly equity turnover decreased 39.3% w-o-w to USD 17.53 MN (KES 1.95 BN).

USD | KES: KES weakened 0.1% w-o-w to close at 111.21 (-1.9% YTD).

PEER P/E MULTIPLES



NSE20INDX* - NSE 20 Index
 NGSE50INDX* - Nigeria Stock Exchange 50 Index
 *LTM Price/EPS

(Source: Bloomberg, DBIB Research)

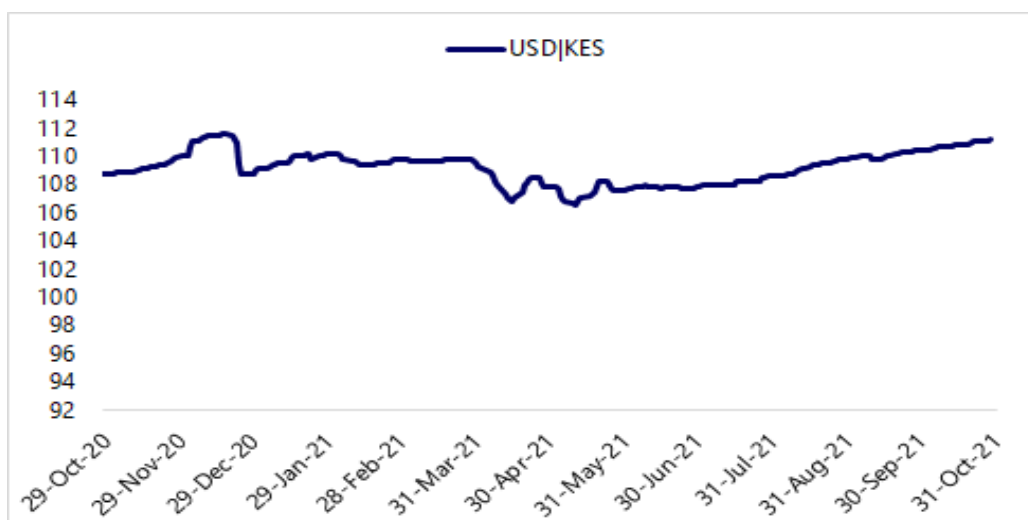
Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	177.96	(0.32)	0.25	5.21	16.99
NSE-20	1,961.33	0.03	(0.66)	5.08	4.97
DBIB Select	107.82	(0.40)	(0.48)	2.47	10.48
FTSE 15	209.19	(0.62)	(1.41)	10.44	17.42
FTSE 25	234.78	(0.45)	(0.53)	7.53	18.83
FTSE Frontier 50	52,307.61	1.22	7.69	11.98	18.72

(Source: NSE, Bloomberg, DBIB Research)

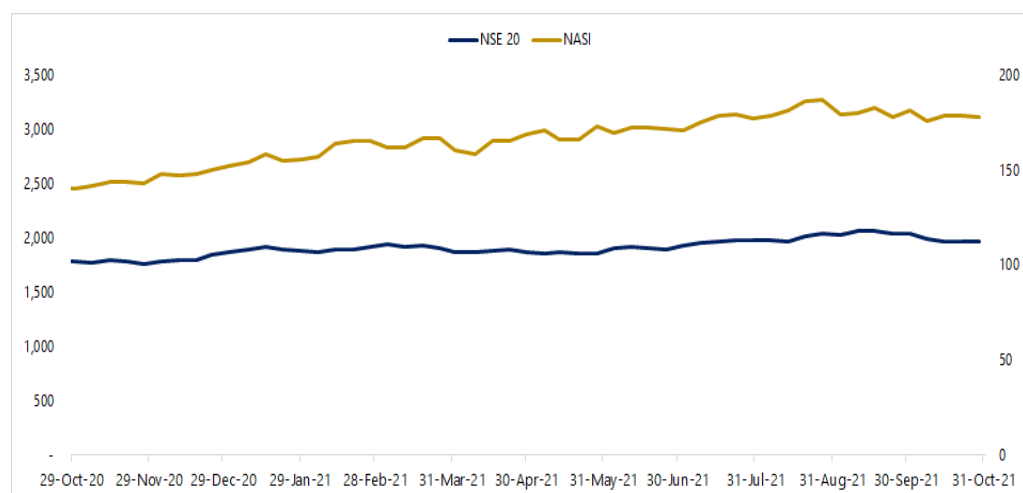
Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m)	2,777.07	(0.17)	(1.67)	0.39	6.85
Market Turnover (USD m)	17.53	(39.34)	19.19	12.60	(22.79)
Market P/E (x)	18.10	(0.64)	(1.62)	4.03	24.84
Market Div. yld (%) *	3.41	1.12	1.44	(88.56)	(137.16)
Market ROE (%) *	38.25	(3.76)	121.03	(122.97)	755.08

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

USD | KES : 52-Week Trend



Indices : 52-Week Trend



(Source: NSE, DBIB Research)

WEEKLY BOURSE WRAP UP...

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Eveready E.A	11.1
Britam Holdings	6.1
Williamson Tea	5.5
Uchumi Supermarket	4.5
Stanbic Holdings	4.4

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
E.A.Cables Ltd	(11.1)
Eaagads Ltd	(9.1)
Sasini Ltd	(5.0)
Nation Media	(4.8)
FAHARI I-REIT.	(3.7)

(Source: NSE, DBIB Research)

<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	8.55
KCB Group	3.54
E.A Breweries	2.19
Equity Group	1.40
Jubilee Holdings	0.49

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Car & General	63.6
BK Group	41.5
Equity Group	36.0
Nation Media	34.0
Jubilee Holdings	26.8

(Source: NSE, DBIB Research)

<u>Top Losers</u>	<u>%</u>
Standard Group	(33.3)
E.A.Portland	(29.1)
DTB Kenya	(21.7)
WPP Scangroup	(20.2)
Longhorn Publishers	(19.9)

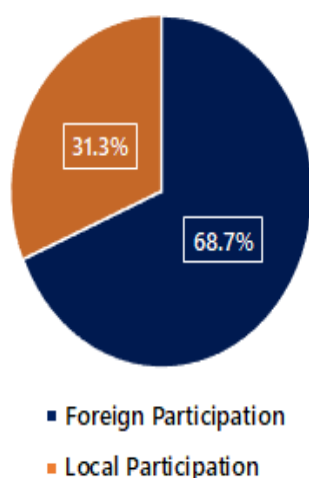
(Source: NSE, DBIB Research)

Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 8.55 MN (KES 950.49 MN) representing 48.74% of this week's turnover.

The stock **dropped** 0.3% w-o-w to close at KES 42.80 on Friday.

Foreign investors assumed a **net buying** position on the counter this week by accounting for 81.96% of foreign sales and 83.97% of foreign purchases.

WEEKLY LOCAL VS FOREIGN PARTICIPATION



(Source: NSE, DBIB Research)

Weekly Foreign Performance

<u>Top Weekly Buys</u>	<u>% Purchase</u>
BK Group	97.2
Crown Paints	96.7
Safaricom	84.0
Jubilee Holdings	79.2
E.A Breweries	74.5

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
BK Group	90.4
KCB Group	86.9
Williamson Tea	86.4
BAT Kenya	82.5
Safaricom	82.0

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	99.8
BOC Kenya	88.6
Safaricom	72.5
Stanbic Holdings	66.2
Equity Group	61.3

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	99.8
E.A Breweries	80.0
BAT Kenya	67.5
Safaricom	65.9
BK Group	65.3

FROM THE FIXED INCOME DESK

The **Bond market's** turnover for the week stood at USD 206.45 MN (KES 22.96 BN) representing a 49.8% w-o-w rise from USD 137.85 MN (KES 15.31 BN) recorded the previous week.

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November Issue: FXD1/2021/5 & FXD1/2019/20

This November, the government has issued the bonds: FXD1/2021/5 (5 yrs.) and FXD1/2019/20 (17.5 yrs.) with the aim of raising KES 50.0 BN for budgetary support. The coupon rates stand at Market Determined and 12.873% for FXD1/2021/5 and FXD1/2019/20, respectively. The period of sale runs from 25 October 2021 to 9 November 2021.

Top Trades for the week ending 29 October 2021

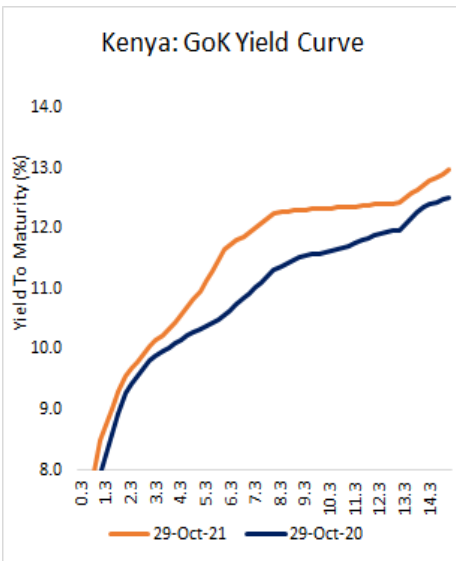
						Total
			Coupon	Yield	Price	Value
Trading Date	Issue No.	Years	(%)	(%)	(KES m)	(KES m)
28-Oct	FXD1/2021/25Yr	24.5	13.9240	13.6500	108.46	1,570.0
25-Oct	FXD1/2013/15Yr	6.3	11.2500	11.7400	99.98	1,000.0
26-Oct	FXD1/2013/15Yr	6.3	11.2500	11.7000	100.19	1,000.0
27-Oct	FXD1/2013/15Yr	6.3	11.2500	11.9000	99.36	961.0
26-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.6500	102.03	835.0
28-Oct	IFB 1/2018/15Yr	11.2	12.5000	11.9000	106.42	600.0
26-Oct	IFB 1/2020/11Yr	9.9	10.9000	11.4000	99.52	591.0
27-Oct	FXD1/2013/15Yr	6.3	11.2500	11.9250	99.25	570.0
25-Oct	IFB 1/2018/15Yr	11.2	12.5000	11.6000	108.00	500.0
26-Oct	FXD1/2012/20Yr	11.0	12.0000	12.4250	102.80	500.0
26-Oct	IFB 1/2020/11Yr	9.9	10.9000	11.5000	99.06	500.0
28-Oct	IFB 1/2021/21Yr	20.9	12.7370	12.6500	102.10	500.0
26-Oct	IFB 1/2020/11Yr	9.9	10.9000	11.3000	99.99	463.6
28-Oct	FXD1/2021/25Yr	24.5	13.9240	13.8000	107.39	450.0
29-Oct	FXD1/2021/25Yr	24.5	13.9240	13.6000	108.86	450.0
28-Oct	FXD1/2021/25Yr	24.5	13.9240	13.7500	107.74	400.0
29-Oct	FXD1/2013/15Yr	6.3	11.2500	11.9000	99.42	400.0
29-Oct	IFB 1/2013/12Yr	4.0	11.0000	10.1000	103.99	385.7
28-Oct	FXD1/2012/20Yr	11.0	12.0000	12.3058	103.57	362.0

(Source: NSE, DBIB Research)

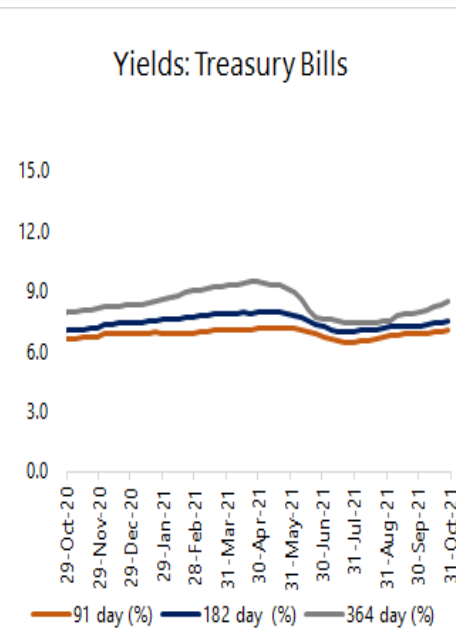
Treasury Bill auction for the week ending 29 October 2021

Instrument	Amount	Bids Received	Subscription	Bids Accepted	Yield	w-o-w
	(KES Bn)	(KES Bn)	Rate (%)	(KES Bn)	(%)	bps ch
91-day	4.00	2.64	65.97	2.64	7.040	2.0
182-day	10.00	7.42	74.16	5.49	7.486	6.9
364-day	10.00	5.79	57.90	5.79	8.489	13.4

(Source: NSE, DBIB Research)



Source: NSE, DBIB Research



Source: NSE, DBIB Research

Salient News

E.A Breweries medium-term note results

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E.A Breweries has received applications for Notes amounting to KES 37.9 BN

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East African Breweries Plc (EABL) has received applications for Notes amounting to **KES 37.9 BN** following its intention to raise **KES 11.0 BN** through its Medium-Term Note issue. This represents an oversubscription of 245%. The note was opened on 6th October 2021 and closed on 21st October 2021. It was offered at an interest rate of 12.25% payable semi-annually.

(Source: Company filings, DBIB Research).

E.A Portland FY21 Earnings

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E.A Portland released its FY21 results reporting a profit after tax of KES 1.9 BN, an improvement from a loss after tax of KES 2.8 BN in FY20.

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E.A Portland Cement released its FY21 results reporting a profit after tax of **KES 1.9 BN**, an improvement from a loss after tax of **KES 2.8 BN** in FY20. Revenue grew by 11.6% y-o-y to KES 2.8 BN while cost of sales rose by 8.6% y-o-y to KES 3.6 BN.

Operating income dropped by 45.4% y-o-y to KES 108.7 MN while **operating expenses** edged down 0.1% y-o-y to KES 2.5 BN.

Tax credit for the period rose 5-fold y-o-y to close at **KES 151.6 MN**.

Total assets fell by 1.5% y-o-y to **KES 34.6 BN** due to a 1.7% y-o-y drop in non-current assets to KES 32.2 BN but held up by a 1.2% y-o-y increase in current assets to KES 2.4 BN.

Total liabilities dropped by 17.0% to **KES 13.6 BN** largely due to an 18.9% y-o-y drop in current liabilities to KES 13.2 BN.

Net cash flows used in operating activities rose by 11.0% to **KES 2.2 BN** while net cash flows generated from investing activities grew 3-fold y-o-y to KES 6.5 BN. Net cash flows used in financing activities stood at KES 4.3 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>
Centum Investment	Final: KES 0.33	08-Oct-21	STA*
<i>(Source: NSE, DBIB Research)</i>			
<i>STA*—Subject to approval</i>			

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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