

DBIB WEEKLY BULLETIN

WEEK 37

Date: 17.09.2021

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INDICES & MARKET METRICS MOVEMENT

NSE 20 shed 0.1% w-o-w to close at 2,061.45 while **NASI** gained 1.45% w-o-w to close at 182.75.

Index	Current	1 wk (%)	3 m (%)	6 m (%)	YTD (%)
NASI	182.75	1.45	6.02	9.47	20.14
NSE-20	2,061.45	(0.10)	8.43	6.61	10.33
DBIB Select	109.71	0.58	1.94	4.58	12.42
FTSE 15	220.82	1.97	9.14	13.77	23.95
FTSE 25	243.89	1.86	7.04	11.83	23.44
FTSE Frontier 50	50,219.42	0.83	4.17	10.27	13.98

(Source: NSE, Bloomberg, DBIB Research)

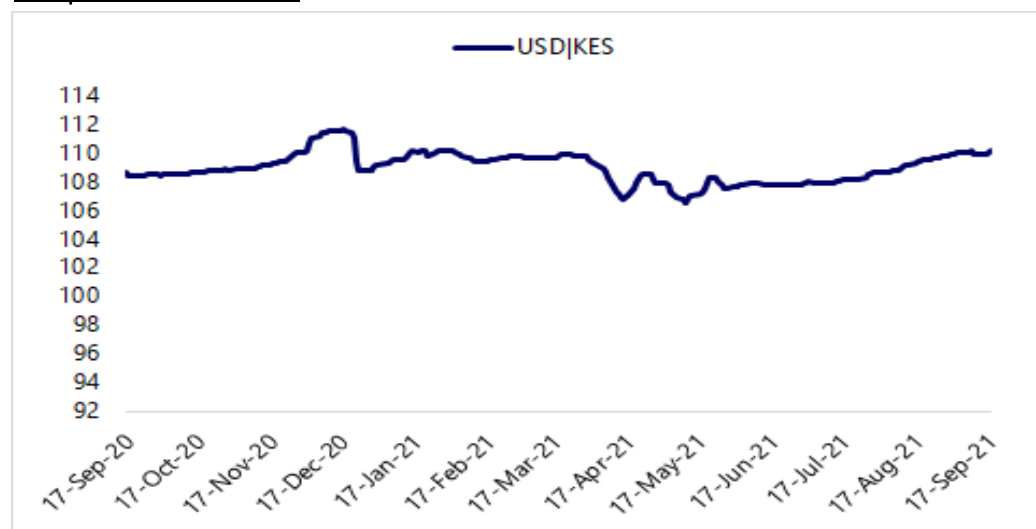
Weekly equity turnover increased 24.4% w-o-w to USD 22.84 MN (KES 2.52 BN).

Market Metrics	Current	1 wk (ch)	3 m (ch)	6 m (ch)	12 m (ch)
Market Cap. (USD m) *	2,847.93	1.45	(1.92)	6.10	11.03
Market Turnover (USD m) *	22.84	24.41	(45.22)	4.09	47.89
Market P/E (x) *	18.33	1.86	(2.50)	24.68	36.79
Market Div. yld (%) **	3.32	(5.83)	(12.98)	(107.56)	(145.88)
Market ROE (%) **	37.93	3.43	458.40	476.41	951.41

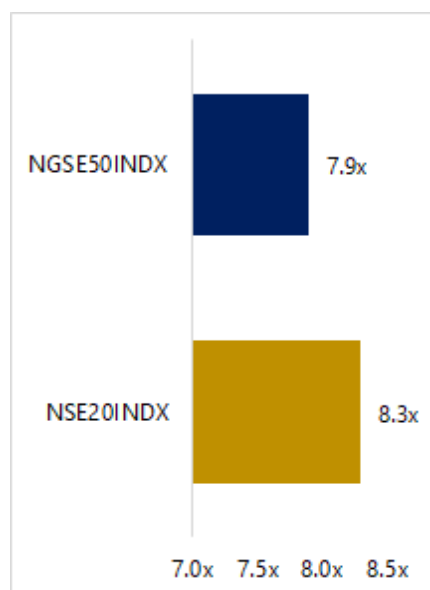
* Changes in % **Changes in bps -Market ROE is market cap weighted -ch: changes
(Source: NSE, DBIB Research)

USD | KES: KES weakened 0.2% w-o-w to close at 110.09 (-0.8% YTD).

USD | KES : 52-Week Trend



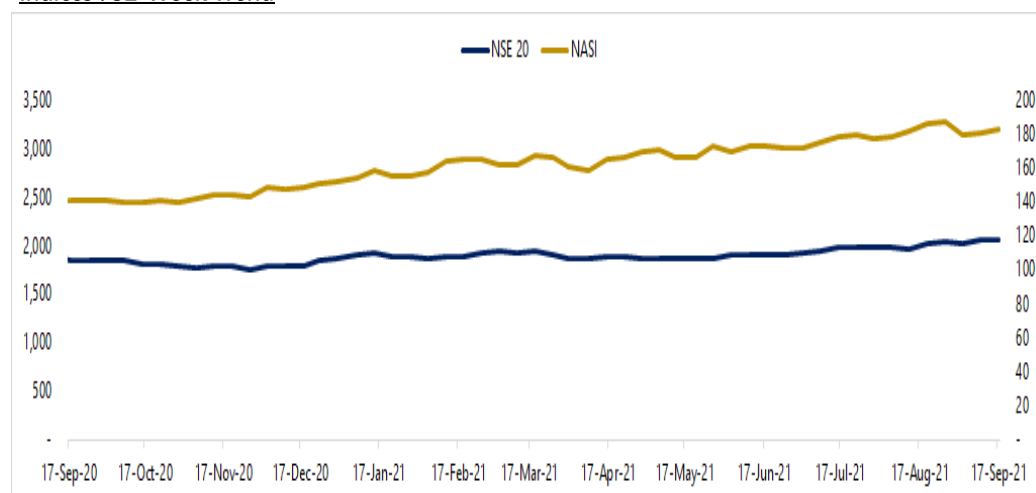
PEER P/E MULTIPLES



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...

.....
Safaricom emerged the top traded counter on the bourse recording a weekly turnover of USD 13.24 MN (KES 1.46 BN) representing 72.26% of this week's turnover.

The stock edged up 1.6% w-o-w to close at KES 43.20 on Friday.

Foreign investors assumed a **net buying** position on the counter this week by accounting for 60.48% of foreign sales and 68.92% of foreign purchases.

Week-on-Week Performance

<u>Top gainers</u>	<u>%</u>
Sanlam	15.9
Eveready E.A	9.8
Kenya Power	7.6
Umeme	5.1
<u>Carbacid</u>	<u>5.0</u>

(Source: NSE, DBIB Research)



<u>Top Losers</u>	<u>%</u>
Uchumi	(15.4)
Standard Group	(10.8)
WPP Scangroup	(6.5)
Nairobi Business Ventures	(5.3)
<u>NSE</u>	<u>(4.7)</u>

(Source: NSE, DBIB Research)



<u>Top traders (Value)</u>	<u>USD MN</u>
Safaricom	13.24
Equity Group	3.33
KCB Group	2.22
E.A Breweries	1.04
<u>Co-op Bank</u>	<u>0.65</u>

(Source: NSE, DBIB Research)

Y-T-D Performance

<u>Top gainers</u>	<u>%</u>
Nation Media Group	62.5
Nairobi Business Ventures	50.9
Car & General	48.2
Equity Group	45.7
<u>BK Group</u>	<u>38.8</u>

(Source: NSE, DBIB Research)

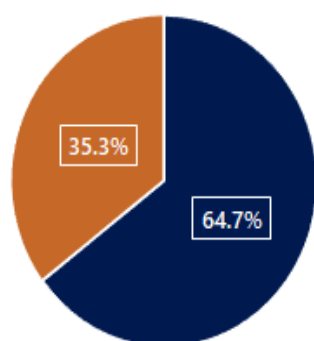


<u>Top Losers</u>	<u>%</u>
Standard Group	(28.7)
E.A.Portland	(22.9)
Uchumi	(21.4)
DTB Kenya	(16.3)
<u>Eveready E.A</u>	<u>(15.8)</u>

(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	98.0
ABSA Bank	90.8
NSE	86.0
Safaricom	79.2
<u>KCB Group</u>	<u>78.3</u>

(Source: NSE, DBIB Research)

<u>Top Weekly Sales</u>	<u>% Sold</u>
NSE	85.3
E.A Breweries	83.3
Safaricom	82.1
TPS Eastern Africa	76.9
<u>BK Group</u>	<u>56.6</u>

Y-T-D Foreign Performance

<u>Top Foreign Buys</u>	<u>% Purchase</u>
New Gold ETF	100.0
BOC Kenya	89.6
Safaricom	73.7
Stanbic Holdings	71.5
<u>NSE</u>	<u>62.6</u>

(Source: NSE, DBIB Research)

<u>Top Foreign Sales</u>	<u>% Sold</u>
New Gold ETF	99.8
E.A Breweries	79.5
Stanbic Holdings	68.9
BAT Kenya	67.0
<u>Safaricom</u>	<u>64.9</u>

FROM THE FIXED INCOME DESK

The Bond market's turnover for the week stood at USD 359.31 MN (KES 39.56 BN) representing a 243.1% w-o-w upswing from USD 104.94 MN (KES 11.53 BN) recorded the previous week.

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Top Trades for the week ending 17 September 2021

Trading Date	Issue No.	Years	Coupon (%)	Yield (%)	Total	
					Price (KES m)	Value (KES m)
14-Sep	FXD 3/2019/10Yr	7.9	11.5170	12.3000	97.07	5,346.0
15-Sep	FXD1/2019/15Yr	12.3	12.8570	12.2800	105.45	1,745.5
14-Sep	IFB 1/2021/21Yr	20.9	12.7370	12.7700	99.82	1,400.0
17-Sep	IFB 1/2021/21Yr	20.9	12.7370	12.5000	101.68	1,024.0
14-Sep	IFB 1/2021/21Yr	20.9	12.7370	12.7900	99.69	985.0
14-Sep	IFB 1/2021/21Yr	20.9	12.7370	12.4500	101.90	950.0
17-Sep	IFB 1/2021/16Yr	15.3	12.2570	12.0000	103.31	860.0
16-Sep	IFB 1/2020/11Yr	9.9	10.9000	10.9000	100.70	800.0
14-Sep	IFB 1/2021/21Yr	20.9	12.7370	12.6000	100.92	700.0
15-Sep	IFB 1/2021/21Yr	20.9	12.7370	12.4000	102.27	658.7
16-Sep	IFB 1/2021/21Yr	20.9	12.7370	12.4750	101.81	650.0
13-Sep	IFB 1/2020/11Yr	9.9	10.9000	11.0000	100.13	500.0
15-Sep	FXD1/2021/20Yr	19.9	13.4440	13.4000	101.38	500.0
16-Sep	FXD 3/2019/10Yr	7.9	11.5170	12.1500	97.80	500.0
17-Sep	FXD1/2012/20Yr	11.1	12.0000	12.4800	101.16	500.0
17-Sep	IFB 1/2019/16Yr	14.1	11.7500	11.9000	103.70	500.0
17-Sep	IFB 1/2021/21Yr	20.9	12.7370	12.5345	101.45	500.0
16-Sep	IFB 1/2021/21Yr	20.9	12.7370	12.5051	101.61	500.0
14-Sep	IFB 1/2016/15Yr	10.1	12.0000	10.8500	109.46	457.0
14-Sep	IFB 1/2020/11Yr	9.9	10.9000	10.8500	100.89	450.0
13-Sep	IFB 1/2020/6Yr	4.7	10.2000	8.7865	106.70	450.0
14-Sep	FXD1/2021/20Yr	19.9	13.4440	13.4052	101.31	400.0

Sell & buy-backs

16-Sep	FXD 3/2019/10Yr	7.9	11.5170	12.3000	101.68	500.0
17-Sep	FXD1/2019/20Yr	17.5	12.8730	13.1600	101.90	500.0
17-Sep	FXD1/2019/20Yr	17.5	12.8730	13.1000	103.31	500.0
17-Sep	FXD1/2019/15Yr	12.3	12.8570	12.2800	99.69	100.0

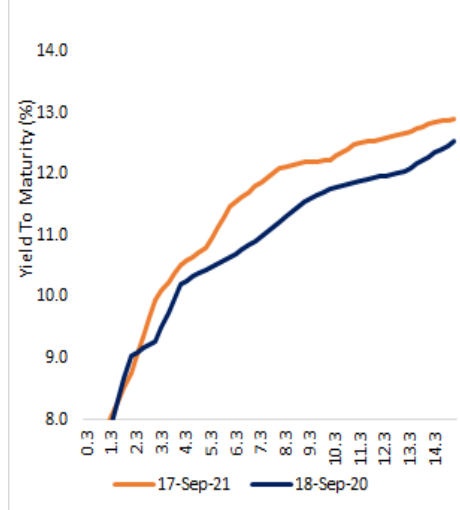
(Source: NSE, DBIB Research)

Treasury Bill auction for the week ending 17 September 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	3.35	83.79	3.35	6.870	8.9
182-day	10.00	6.80	67.96	6.80	7.250	0.3
364-day	10.00	2.95	29.50	2.95	7.845	6.8

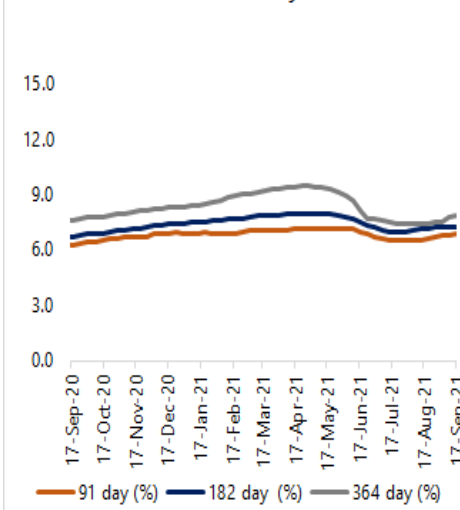
(Source: NSE, DBIB Research)

Kenya: GoK Yield Curve



Source: NSE, DBIB Research

Yields: Treasury Bills



Source: NSE, DBIB Research

Salient News

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Longhorn Publishers released its FY21 results, reporting a KES 7.5 MN profit after tax, an improvement from a loss after tax of KES 225.9 MN in FY20.
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Longhorn Publishers FY21 Results

Longhorn Publishers released its FY21 results for year ended 30th June 2021, reporting a KES 7.5 MN profit after tax, an improvement from a loss after tax of KES 225.9 MN in FY20. The improvement was largely attributable to a 53.0% y-o-y reduction of the company's operating expenses to KES 296.4 MN and a 16.5% y-o-y increase in revenue to KES 1.2 BN.

Revenue increased by 16.5% y-o-y to KES 1.2 BN while cost of sales rose 28.6% y-o-y to KES 746.5 MN.

Operating expenses dropped by 53.0% y-o-y to KES 296.4 MN while finance expenses rose by 20.6% y-o-y to KES 183.3 MN.

Total assets rose by 17.5% y-o-y to KES 2.9 BN mainly due to a 50.0% y-o-y rise in trade and other receivables to KES 873.1 MN, and a 24.8% y-o-y increase in inventories to KES 684.5 MN.

Total liabilities increased by 24.6% y-o-y to KES 2.1 BN mainly due to a 77.7% y-o-y rise in trade payables and other payables to KES 959.8 MN, while total equity edged up by 0.8% y-o-y to KES 740.9 MN.

Net cash from operating activities saw a 259.2% y-o-y upswing to KES 225.4 MN, net cash used in investing activities dropped 58.7% y-o-y to KES 102.0 MN while net cash used in financing activities stood at KES 202.2 MN. (*Source: Company filings, DBIB Research*)

UPCOMING EVENTS

Profit Warnings

1. E.A. Cables

<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*
Stanbic Holdings	Interim: KES 1.70	06-Sep-21	27-Sep-21
Jubilee Holdings	Interim: KES 1.00	10-Sep-21	11-Oct-21
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*

AGM SCHEDULE

<u>Company</u>	<u>Time</u>	<u>Venue</u>	<u>Date</u>
Centum	11:00 a.m.	Virtual	24-Sep-21
Eaagads	11:00 a.m.	Virtual	28-Sep-21
Home Afrika	10:00 a.m.	Virtual	30-Sep-21
WPP Scangroup	11:00 a.m.	Virtual	30-Sep-21
Express Kenya	11:00 a.m.	Virtual	01-Oct-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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RESEARCH TEAM

Email: research@dyerandblair.com | Contact: +254 709 930 128