

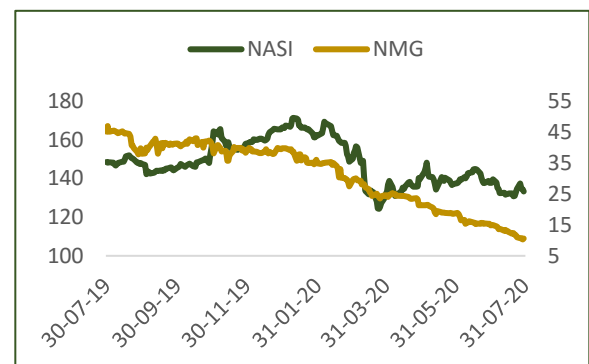
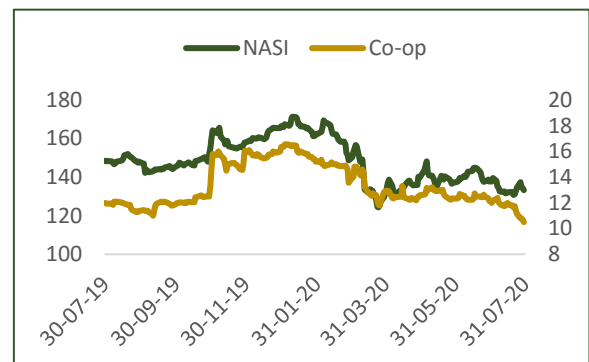
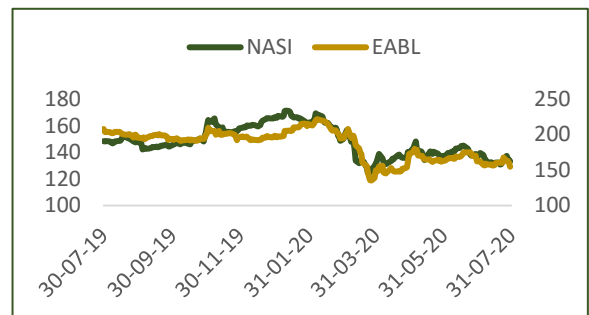
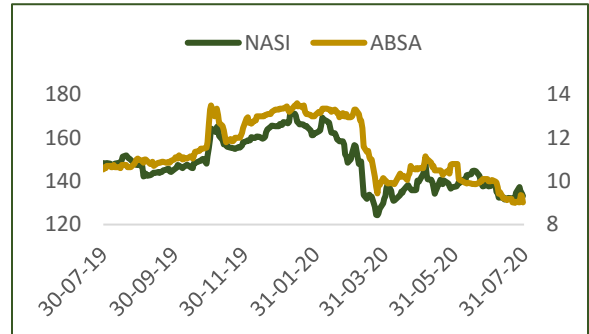
Equity Stock Picks

Absa – Long term Buy – Currently trading at kes 9.02, this price is 32.4% discounted year-to-date; presenting an ideal opportunity for accumulation. With a six-month average of kes 10.80, the stock has an opportunity gain of 19.75%. The dividend yield is currently 12.20%

East Africa Breweries – Long term Buy – The brewer is currently trading at kes 154.75; which is 18.14% below our valuation price of kes 182.82. The stock has recorded a year-to-date performance of -22.0%. The group’s FY20 net income dipped by 39.0%; which was majorly caused by the government’s directive on closure of liquor joints with an aim of containing the covid-19 crisis. The company declared that the interim dividend of kes 3.0 will be the final dividend.

The Co-operative Bank of Kenya– Long term Buy – The stock is currently trading at a 3-year low price of kes 10.50 hence giving an opportunity for long-term accumulation. The stock has shed 35.8% year-to-date. Having paid a full dividend of kes 1.00, the group’s dividend yield stands at 9.52%.

Nation Media Group – Sell – The stock has continually shed to the current kes 10.55, which a 73.5% year-to-date downgrowth. We project a further erosion in the value of this stock due to the anticipated decline in revenue. With tight economic environment and shift of medial distribution channels, we project 7.5% - 10% decline in H1-2020 revenues.



KSL Stock Meter

03-Aug-20

KINGDOM SECURITIES

	52 wk high	52 wk low	Current Price	Vwap (FY19)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Industry Average									13.84	0.64			2.2%	1.7%
AUTOMOBILES & ACCESSORIES														
Car & General (K) Ltd	26.00	20.00	22.50	26.00	-13.5%	4.27	0.80	89.87	5.27	0.25	3.56%	18.74%	6.26%	2.22%
Industry Average									5.27	0.25			6.3%	2.2%
BANKING														
ABSA Bank Kenya Plc	13.60	9.12	9.02	13.35	-32.4%	1.38	1.10	8.32	6.54	1.08	12.20%	79.71%	16.50%	1.99%
BK Group Plc	28.00	16.70	16.85	28.00	-39.8%	4.54	1.58	28.45	3.71	0.59	9.38%	34.80%	16.90%	3.66%
Diamond Trust Bank Kenya Ltd	120.25	68.00	65.75	109.00	-39.7%	24.55	2.70	230.74	2.68	0.28	4.11%	11.00%	10.52%	1.76%
Equity Group Holdings Plc	55.00	31.50	32.55	53.50	-39.2%	5.70	-	29.62	5.71	1.10	-	-	20.03%	3.32%
HF Group Plc	7.34	3.50	3.88	6.46	-39.9%	1.35	-	26.63	2.87	0.15	-	-	-1.08%	-0.20%
I&M Holdings Plc	58.25	43.80	46.20	54.00	-14.4%	8.87	2.55	73.61	5.21	0.63	5.52%	28.75%	17.69%	3.42%
KCB Group Plc	55.00	33.90	34.40	54.00	-36.3%	8.37	3.50	40.43	4.11	0.85	10.17%	41.82%	19.40%	2.80%
National Bank of Kenya Ltd	4.12	3.57	4.12	4.12	0.0%	1.17	-	-	-	-	-	-	0.00%	0.00%
NCBA Group Plc	39.45	25.10	24.15	36.85	-34.5%	7.34	0.25	44.91	3.29	0.54	1.04%	3.41%	11.66%	1.58%
Stanbic Holdings Plc	118.50	77.00	83.25	109.25	-23.8%	31.97	7.05	124.04	2.60	0.67	8.47%	22.05%	12.86%	2.08%
Standard Chartered Bank Kenya Ltd	217.00	160.00	153.75	202.50	-24.1%	22.33	20.00	139.04	6.89	1.11	13.01%	89.57%	17.25%	2.73%
The Co-operative Bank of Kenya Ltd	16.55	11.00	10.50	16.35	-35.8%	2.48	1.00	13.52	4.23	0.78	9.52%	40.32%	18.04%	3.13%
Industry Average									4.47	0.78			16.4%	2.59%
COMMERCIAL AND SERVICES														
Deacons (East Africa) Plc	0.45	0.45	0.45	0.45	0.0%	(6.82)	-	2.67	-	0.17	-	-	-254.96%	-54.19%
Eveready East Africa Ltd	1.45	0.75	1.07	1.10	-2.7%	(1.45)	-	2.08	-	0.51	-	-	-26.59%	-36.12%
Express Kenya Plc	7.34	4.13	3.90	6.84	-43.0%	(1.97)	-	-2.87	-	-1.36	-	-	50.92%	-21.71%
Kenya Airways Ltd	4.95	0.86	3.83	2.05	86.8%	(2.23)	-	-0.44	-	-8.73	-	-	303.17%	-5.53%
Longhorn Publishers Plc	8.16	4.35	4.84	6.76	-28.4%	0.68	0.52	4.05	7.12	1.19	10.74%	76.47%	16.76%	7.92%
Nairobi Business Ventures Ltd	0.92	0.49	0.60	0.70	-14.3%	(3.20)	-	2.33	-	0.26	-	-	-36.50%	-22.86%
Nation Media Group Plc	48.00	12.65	10.55	39.80	-73.5%	4.50	1.50	41.78	2.34	0.25	14.22%	33.33%	14.19%	9.98%
Sameer Africa Plc	4.53	2.00	3.48	3.45	0.9%	(3.82)	-	4.06	-	0.86	-	-	-46.86%	-20.45%
Standard Group Plc	31.00	18.00	23.00	27.55	-16.5%	(5.25)	-	17.39	-	1.32	-	-	-34.06%	-11.54%
TFS Eastern Africa Ltd	21.10	11.50	13.65	17.55	-22.2%	0.81	-	50.31	16.85	0.27	-	-	1.30%	0.79%
Uchumi Supermarket Plc	0.38	0.25	0.35	0.29	20.7%	(4.60)	-	-5.75	-	-0.06	-	-	135.25%	-56.71%
WPP Scangroup Plc	22.10	11.50	11.30	17.20	-34.3%	1.00	-	19.64	11.30	0.58	-	-	7.21%	4.24%
Industry Average									(2.30)	1.42			-41.2%	-5.4%
CONSTRUCTION & ALLIED														
ARM Cement Plc	5.55	5.55	5.55	5.55	0.0%	(6.83)	-	28.95	-	0.19	-	-	-10.08%	-5.48%
Bamburi Cement Ltd	115.75	26.00	25.50	80.00	-68.1%	1.74	-	79.08	14.66	0.32	-	-	1.25%	0.97%
Crown Paints Kenya Plc	85.50	45.00	47.00	62.50	-24.8%	4.46	0.60	18.37	10.54	2.56	1.28%	13.45%	24.27%	5.75%
E.A.Cables Ltd	3.81	1.48	2.36	2.50	-5.6%	(1.92)	-	10.10	-	0.23	-	-	-22.79%	-7.72%
E.A.Portland Cement Co. Ltd	18.50	12.60	13.85	14.50	-4.5%	(16.35)	-	187.68	-	0.07	-	-	-8.71%	-5.38%
Average									-2.61	0.26			-5.4%	-3.3%
ENERGY & PETROLEUM														
KenGen Co. Plc	6.36	4.14	5.94	5.72	3.8%	1.20	-	29.56	4.95	0.20	-	-	4.04%	1.96%
Kenya Power & Lighting Co Plc	4.00	1.69	1.97	2.81	-29.9%	0.13	-	28.81	15.15	0.07	-	-	0.47%	0.08%
Total Kenya Ltd	29.95	22.00	23.55	27.50	-14.4%	3.67	1.30	129.47	6.42	0.18	5.52%	35.42%	10.20%	5.89%
Umembe Ltd	8.56	6.00	7.20	8.28	-13.0%	2.36	1.13	14.19	3.05	0.51	15.69%	47.88%	16.69%	5.47%
Industry Average									4.65	0.20			4.8%	1.7%
INSURANCE														
Britam Holdings Plc	10.65	6.00	6.78	9.00	-24.7%	1.41	0.25	11.64	4.81	0.58	3.69%	17.73%	12.06%	2.83%
CIC Insurance Group Ltd	3.58	2.04	2.45	2.68	-8.6%	0.12	-	3.00	20.42	0.82	-	-	4.10%	0.91%
Jubilee Holdings Ltd	380.00	229.00	240.00	351.00	-31.6%	49.07	9.00	160.96	4.89	1.49	3.75%	18.34%	15.94%	1.89%
Kenya Re Insurance Corporation Ltd	3.99	2.00	2.37	3.03	-21.8%	2.55	0.10	11.41	0.93	0.21	4.22%	3.92%	12.41%	7.88%
Liberty Kenya Holdings Ltd	10.90	6.88	8.12	10.35	-21.5%	1.31	-	14.99	6.20	0.54	-	-	9.22%	1.94%
Sanlam Kenya Plc	20.00	12.90	13.50	17.20	-21.5%	0.79	-	12.05	17.09	1.12	-	-	6.59%	0.39%
Investment									3.50	0.59			11.6%	2.8%
Centum Investment Co Plc	32.90	20.25	23.10	29.50	-21.7%	6.68	1.20	79.08	3.46	0.29	5.19%	17.96%	8.79%	4.54%
Home Afrika Ltd	0.65	0.31	0.48	0.60	-20.0%	-1.54	-	-4.79	-	-0.10	-	-	-45.79%	-20.44%
Kurwitu Ventures Ltd	1500.00	1500.00	1500.00	1500.00	0.0%	-36.00	-	592.46	-	2.53	-	-	-8.90%	-3.90%
Olympia Capital Holdings Ltd	3.55	1.98	2.24	2.01	11.4%	0.11	-	32.09	20.36	0.07	-	-	0.45%	0.35%
Trans-Century Plc	4.00	1.48	1.83	2.50	-26.8%	-7.95	-	9.45	-	0.19	-	-	-56.07%	-9.11%
Industry Average									19.66	0.30			3.2%	1.3%
INVESTMENT SERVICES														
Nairobi Securities Exchange Plc	12.60	6.60	6.80	12.35	-44.9%	0.30	0.08	8.04	22.67	0.85	1.18%	26.67%	3.84%	3.61%
Industry Average									22.67	0.85			3.8%	3.6%
MANUFACTURING & ALLIED														
B.O.C Kenya Plc	72.00	54.00	54.00	58.00	-6.9%	2.86	2.35	78.03	18.88	0.69	4.35%	82.17%	4.57%	3.24%
British American Tobacco Kenya Plc	545.00	309.50	328.00	500.00	-34.4%	38.85	33.50	97.15	8.44	3.38	10.21%	86.23%	39.99%	36.36%
Carbacid Investments Plc	9.26	7.20	7.90	8.00	-1.3%	1.38	0.70	8.38	5.72	0.94	8.86%	50.72%	12.39%	7.93%
East African Breweries Ltd	221.75	135.25	154.75	198.50	-22.0%	11.23	3.00	17.70	13.78	8.75	1.94%	26.71%	50.17%	6.33%
Flame Tree Group Holdings Ltd	2.95	0.78	1.49	2.47	-39.7%	0.26	-	4.57	5.73	0.33	-	-	4.16%	1.84%
Kenya Orchards Ltd	12.60	12.25	12.25	12.50	-2.0%	0.69	-	1.88	17.75	6.50	-	-	36.65%	7.76%
Mumias Sugar Co. Ltd	0.38	0.27	0.27	0.27	0.0%	-9.90	-	-9.40	-	-0.03	-	-	105.26%	-96.22%
Unga Group Ltd	37.00	26.10	30.00	34.00	-11.8%	4.52	0.50	74.09	6.64	0.40	1.67%	11.06%	13.96%	7.89%
Industry Average									-102.33	8.30			-15.8%	-2.0%
TELECOMMUNICATION & TECHNOLOGY														
Safaricom Plc	32.90	24.35	28.15	31.50	-10.6%	1.86	1.40	3.60	15.13	7.81	4.97%	75.27%	43.29%	32.47%
Industry Average									15.13	7.81			43.3%	32.5%
REAL ESTATE INVESTMENT TRUST														
STANLIB FAHARI I-REIT	9.80	5.50	6	9.42	-36.3%	1.03	0.75	20.58	5.83	0.29	12.50%	72.82%	5.20%	5.02%
Industry Average									5.83	0.29				

Corporate Actions

COMPANY	DECLARED	RATE KES	BOOK CLOSURE	PAYMENT DATE
WPP Scangroup	Special div	8.00	28-Jul-20	27-Aug-20
Safaricom	First & Final div	1.40	31-Jul-20	1-Nov-20
Williamson Tea	Final div	20.00	18-Aug-20	To be Advised
Kapchorua Tea	Final div	10.00	30-Jul-20	To be Advised
Centum	First & Final div	1.20	Subject to Approval	
Umeme	Final div	41.30 (Ushs)	28-Jul-20	17-Aug-20

Bonus Issues...

Company	Bonus	Book Closure	Date of Credit
Nation Media	1:10	12-Jun-2020	To be advised
NCBA	1:10	12-May-2020	To be advised
Stanchart	1:10	27-April-2020	To be advised

Annual General Meetings...

Company	Date	Registration USSD
Kapchorua Tea	20-Aug-20	To be advised
Williamson Tea	20-Aug-20	To be advised
Fahari IREIT	20-Aug-20	*483*560#
EABL	16-Sept-20	To be advised

KINGDOM SECURITIES

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Recommendation Guide:

Analysts' stock ratings are defined as follows:

- **Buy** – A buy rating reflects 1) An analyst has a bullish conviction on a stock 2) A 30% or greater expected return.
- **Accumulate** – An accumulate rating reflects 1) An analyst has a lesser bullish conviction on a stock 2) Expected return falls between 10% and 30%.
- **Hold** – A hold rating reflects 1) An analyst has a neutral conviction (lack of bullish or bearish conviction) on a stock 2) Expected return falls within the range of 5% to 10%.
- **Speculative Buy** – A speculative buy rating reflects 1) An analyst has a bullish conviction accompanied by a substantially higher than normal risk 2) Expected return falls above 10%.
- **Sell** – A sell rating reflects 1) An analyst has a bearish conviction on a stock 2) Expected return falls below 5%.

*Expected Return (ER) represents the sum total of both capital appreciation and the dividend yield.

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