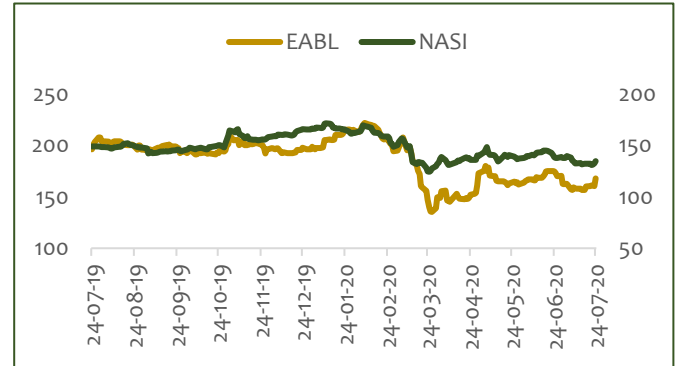
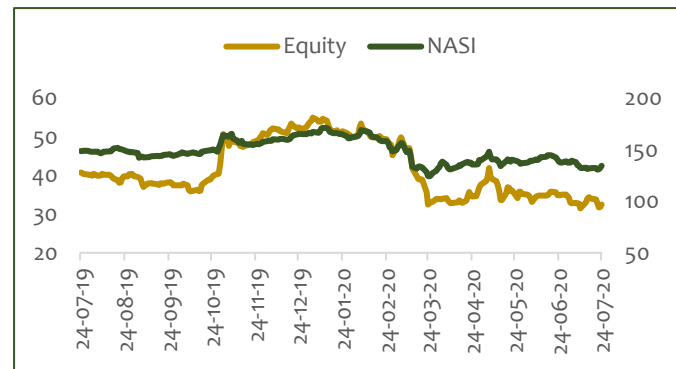


Equity Stock Picks

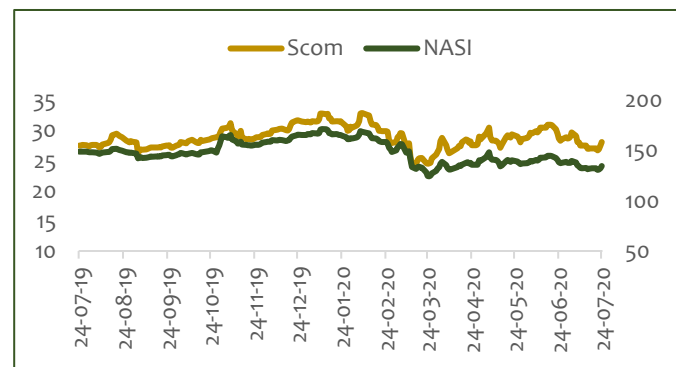
East Africa Breweries – Buy – The brewer is currently trading at kes 167.75; which is 8.98% below our valuation price of kes 182.82. The stock has recorded a year-to-date performance of -15.5%. We project the company’s profits after tax to decline by 26.2% on reduced sales and increased warehousing, distribution and marketing cost. We tag a one-year recovery to this stock.



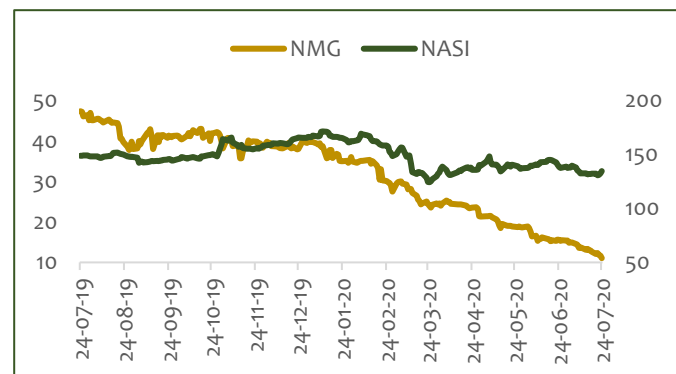
Equity Group Holdings – Buy – Currently trading at kes 32.50, this stock has shed 39.3% year-to-date; presenting an ideal entry point for accumulation. The counter has recorded a y-t-d average of kes 40.57; presenting a potential gain of 24.82%



Safaricom Plc – Hold – currently trading at kes 28.10, this stock has shed 10.8% year-to-date. The telecommunication company is expected to get a hit on its M-Pesa revenues which will be partially countered by growing data revenues. The company’s book closure is set for 31st July with a per share dividend of KES 1.40 or dividend yield of 4.98%.



Nation Media Group – Sell – Currently trading at kes 11.05, we project a further downgrowth in the value of this stock due to the anticipated decline in revenue. With tight economic environment and shift of media distribution channels, we project 7.5%- 10% decline in H1-2020 revenues.



KSL Stock Meter

July 27th 2020



	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
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	9.06	13.35	-32.1%	1.38	1.10	8.32	6.57	1.09	12.14%	79.71%	16.50%	1.99%
BK Group Plc	28.00	16.70	16.70	28.00	-40.4%	4.54	1.58	28.45	3.68	0.59	9.46%	34.80%	16.90%	3.66%
Diamond Trust Bank Kenya Ltd	120.25	68.00	69.25	109.00	-36.5%	24.55	2.70	230.74	3.82	0.30	3.90%	11.00%	10.52%	1.76%
Equity Group Holdings Plc	55.00	31.50	32.50	53.50	-39.3%	5.70	-	29.62	5.70	1.10	-	-	20.03%	3.32%
HF Group Plc	7.34	3.50	3.76	6.46	-41.8%	1.35	-	26.63	2.79	0.14	-	-	-1.08%	-0.20%
I&M Holdings Plc	58.25	43.80	49.00	54.00	-9.3%	8.87	2.55	73.61	5.52	0.67	5.20%	28.75%	17.69%	3.42%
KCB Group Plc	55.00	33.90	34.35	54.00	-36.4%	8.37	3.50	40.43	4.10	0.85	10.19%	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	25.50	36.85	-30.8%	7.34	0.25	44.91	3.47	0.57	0.98%	3.41%	11.66%	1.58%
Stanbic Holdings Plc	118.50	77.00	79.00	109.25	-27.7%	31.97	7.05	124.04	2.47	0.64	8.92%	22.05%	12.86%	2.08%
Standard Chartered Bank Kenya Ltd	217.00	160.00	155.00	202.50	-23.5%	22.33	20.00	139.04	6.94	1.11	12.90%	89.57%	17.25%	2.73%
The Co-operative Bank of Kenya Ltd	16.55	11.00	11.15	16.35	-31.8%	2.48	1.00	13.52	4.50	0.82	8.97%	40.32%	18.04%	3.13%
Industry Average									4.53	0.79			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	3.80	6.84	-44.4%	(1.97)	-	-2.87	-	-1.32	-	-	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	4.89	6.76	-27.7%	0.68	0.52	4.05	7.19	1.21	10.63%	76.47%	16.76%	7.92%
Nairobi Business Ventures Ltd	0.92	0.49	0.55	0.70	-21.4%	(3.20)	-	2.33	-	0.24	-	-	-36.50%	-22.86%
Nation Media Group Plc	48.00	12.65	11.05	39.80	-72.2%	4.50	1.50	41.78	2.46	0.26	13.57%	33.33%	14.19%	9.98%
Sameer Africa Plc	4.53	2.00	3.87	3.45	12.2%	(3.82)	-	4.06	-	0.95	-	-	-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	13.70	17.55	-21.9%	0.81	-	50.31	16.91	0.27	-	-	1.30%	0.79%
Uchumi Supermarket Plc	0.38	0.25	0.36	0.29	24.1%	(4.60)	-	-5.75	-	-0.06	-	-	135.25%	-56.71%
WPP Scangroup Plc	22.10	11.50	19.55	17.20	13.7%	1.00	-	19.64	19.55	1.00	-	-	7.21%	4.24%
Industry Average									(2.55)	1.57			-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	26.00	80.00	-67.5%	1.74	-	79.08	14.94	0.33	-	-	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	2.10	2.50	-16.0%	(1.92)	-	10.10	-	0.21	-	-	-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									-2.63	0.26			-5.4%	-3.3%
Energy & Petroleum														
KenGen Co. Plc	6.36	4.14	5.96	5.72	4.2%	1.20	-	29.56	4.97	0.20	-	-	4.04%	1.96%
Kenya Power & Lighting Co Plc	4.00	1.69	1.89	2.81	-32.7%	0.13	-	28.81	14.54	0.07	-	-	0.47%	0.08%
Total Kenya Ltd	29.95	22.00	23.15	27.50	-15.8%	3.67	1.30	129.47	6.31	0.18	5.62%	35.42%	10.20%	5.89%
Umembe Ltd	8.56	6.00	7.74	8.28	-6.5%	2.36	1.13	14.19	3.28	0.55	14.60%	47.88%	16.69%	5.47%
Industry Average									4.72	0.20			4.8%	1.7%
Insurance														
Britam Holdings Plc	10.65	6.00	7.06	9.00	-21.6%	1.41	0.25	11.64	5.01	0.61	3.54%	17.73%	12.06%	2.83%
CIC Insurance Group Ltd	3.58	2.04	2.44	2.68	-9.0%	0.12	-	3.00	20.33	0.81	-	-	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	2.40	3.03	-20.8%	2.55	0.10	11.41	0.94	0.21	4.17%	20.83%	12.41%	7.88%
Liberty Kenya Holdings Ltd	10.90	6.88	8.02	10.35	-22.5%	1.31	-	14.99	6.12	0.53	-	-	9.22%	1.94%
Sanlam Kenya Plc	20.00	12.90	14.00	17.20	-18.6%	0.79	-	12.05	17.72	1.16	-	-	6.59%	0.39%
Industry Average									3.55	0.60			11.6%	2.8%
Investment														
Centum Investment Co Plc	32.90	20.25	23.85	29.50	-19.2%	6.68	1.20	79.08	3.57	0.30	5.03%	17.96%	8.79%	4.54%
Home Africa Ltd	0.65	0.31	0.47	0.60	-21.7%	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	2.03	2.50	-18.8%	-7.95	-	9.45	-	0.21	-	-	-56.07%	-9.11%
Industry Average									20.34	0.31			3.2%	1.3%
Investment Services														
Nairobi Securities Exchange Plc	12.60	6.60	6.90	12.35	-44.1%	0.30	0.08	8.04	23.00	0.86	1.16%	26.67%	3.84%	3.61%
Industry Average									23.00	0.86			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	317.25	500.00	-36.6%	38.85	33.50	97.15	8.17	3.27	10.56%	86.23%	39.99%	36.36%
Carbacid Investments Plc	9.26	7.20	8.28	8.00	3.5%	1.38	0.70	8.38	6.00	0.99	8.45%	50.72%	12.39%	7.93%
East African Breweries Ltd	221.75	135.25	167.75	198.50	-15.5%	11.23	8.50	20.43	14.94	8.21	5.07%	75.69%	71.28%	10.39%
Flame Tree Group Holdings Ltd	2.95	0.78	1.47	2.47	-40.5%	0.26	-	4.57	5.65	0.32	-	-	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									-108.23	7.90			6.6%	0.9%
Telecommunication & Technology														
Safaricom Plc	32.90	24.35	28.10	31.50	-10.8%	1.86	1.40	3.60	15.11	7.80	4.98%	75.27%	43.29%	32.47%
Industry Average									15.11	7.80			43.3%	32.5%
Real Estate Investment Trust														
STANLIB FAHARI I-REIT	9.80	5.50	5.54	9.42	-41.2%	0.97	0.75	20.58	5.71	0.27	13.54%	77.32%	5.20%	5.02%
Industry Average									5.71	0.27				

KINGDOM SECURITIES

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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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Co-operative Bank House- 5th Floor, P.O Box 48231 - 00100 Nairobi, Kenya

Office: 0711049540/0711049956

Email: [kingdomresearch@co-opbank.co.ke/](mailto:kingdomresearch@co-opbank.co.ke)

Research Department

Willis Nalwenge

wnalwenge@co-opbank.co.ke

Fred Mwireri

fmwireri@co-opbank.co.ke

Equities Trading

Justus Ogalo

jogalo@co-opbank.co.ke

Andrew Karanja

amkaranja@co-opbank.co.ke