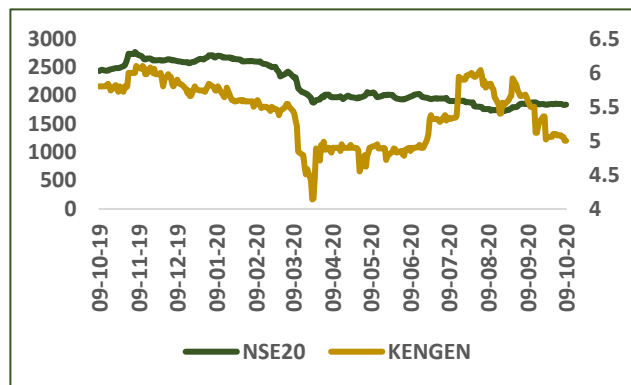
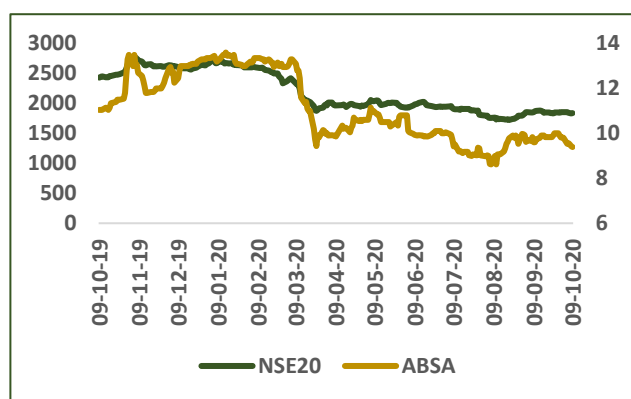


Equity Stock Picks

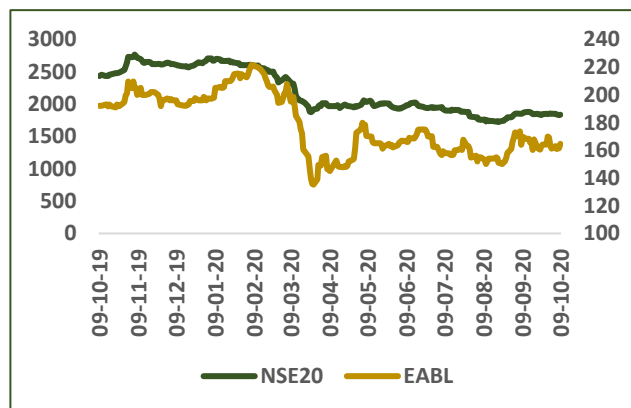
KENGEN – Long term Buy – The power generating company is currently trading at Kes 5.00; a 12.6% year-to-date downgrowth. The company is currently trading cum dividends with the book closure set for 22nd October 2020. With the progressive reopening of the economy, coupled with the upcoming festive season we foresee recovery in the electricity consumption.



ABSA – Buy – Currently trading at Kes 9.40, this counter has seen a value erosion of 29.6% year-to-date hence presenting an ideal entry opportunity for medium to long-term accumulation. The company registered a dip of 84.8% in PAT during the H1-2020; courtesy of 228.1% spike in provisions which were driven up by the restructuring of loans. With the economy almost going back to normalcy, we do not see a continued restructuring of the book.



EABL – Buy – The stock is currently trading at Kes 164.75, which is value erosion of 17.0% year-to-date. With the foregoing relaxation on consumption of alcohol in entertainment entities like clubs and restaurants, we foresee an enhanced bottom-line; consequently, translating to a relative improvement of foreign investor confidence.



KSL Stock Meter

12-Oct-20



	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									14.92	0.65			1.8%	1.4%
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	8.62	9.40	13.35	-29.6%	1.32	1.10	8.32	7.12	1.13	11.70%	83.33%	16.50%	1.99%
DK Group Plc	28.00	12.15	14.00	28.00	-50.0%	4.54	1.58	28.45	3.08	0.49	11.29%	34.80%	16.90%	3.66%
Diamond Trust Bank Kenya Ltd	120.25	59.50	63.75	109.00	-41.5%	20.44	2.70	230.74	3.12	0.28	4.24%	13.21%	10.52%	1.76%
Equity Group Holdings Plc	55.00	28.10	34.90	53.50	-34.8%	5.93	-	29.62	5.89	1.18	-	-	20.03%	3.32%
HF Group Plc	7.34	3.65	4.00	6.46	-38.1%	-0.29	-	26.63	-	0.15	-	-	-1.08%	-0.20%
I&M Holdings Plc	58.25	43.00	43.60	54.00	-19.3%	12.47	2.55	73.61	3.50	0.59	5.85%	20.45%	17.69%	3.42%
KCB Group Plc	55.00	30.55	38.10	54.00	-29.4%	8.11	3.50	40.37	4.70	0.94	9.19%	43.16%	19.40%	2.80%
National Bank of Kenya Ltd	4.12	4.12	4.12	4.12	0.0%	1.17	-	-	-	-	-	-	0.00%	0.00%
NCBA Group Plc	39.45	20.20	22.60	36.85	-38.7%	8.69	0.25	40.82	2.60	0.55	1.11%	2.88%	11.66%	1.58%
Stanbic Holdings Plc	118.50	73.50	83.75	109.25	-23.3%	16.14	7.05	124.04	5.19	0.68	8.42%	43.68%	12.86%	2.08%
Standard Chartered Bank Kenya Ltd	217.00	147.25	161.50	202.50	-20.2%	23.49	20.00	126.40	6.88	1.28	12.38%	85.14%	17.25%	2.73%
The Co-operative Bank of Kenya Ltd	16.55	10.30	11.50	16.35	-29.7%	2.43	1.00	13.52	4.73	0.85	8.70%	41.15%	18.04%	3.13%
Industry Average									4.79	0.83			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	1.21	0.75	0.97	1.10	-11.8%	-1.45	-	2.08	-	0.47	-	-	-26.59%	-36.12%
Express Kenya Plc	7.34	3.78	4.17	6.84	-39.0%	-1.97	-	-2.87	-	-1.45	-	-	50.92%	-21.71%
Kenya Airways Ltd	3.83	0.86	3.83	2.05	86.8%	-2.23	-	-0.44	-	-8.73	-	-	303.17%	-5.53%
Longhorn Publishers Plc	7.50	4.35	4.75	6.76	-29.7%	0.68	-	2.70	6.99	1.76	-	-	-30.74%	-9.22%
Nairobi Business Ventures Ltd	0.90	0.49	0.68	0.70	-2.9%	-3.20	-	2.33	-	0.29	-	-	-36.50%	-22.86%
Nation Media Group Plc	43.00	9.04	16.90	39.80	-57.5%	4.50	1.50	41.78	3.76	0.40	8.88%	33.33%	14.19%	9.98%
Sameer Africa Plc	4.30	2.00	3.50	3.45	1.4%	-3.82	-	4.06	-	0.86	-	-	-46.86%	-20.45%
Standard Group Plc	31.00	18.00	18.65	27.55	-32.3%	-5.25	-	17.39	-	1.07	-	-	-34.06%	-11.54%
TFS Eastern Africa Ltd	18.60	11.50	14.65	17.55	-16.5%	0.81	-	50.31	18.09	0.29	-	-	1.30%	0.79%
Uchumi Supermarket Plc	0.38	0.25	0.27	0.29	-6.9%	-4.60	-	-5.75	-	-0.05	-	-	-135.25%	-56.71%
WPP Scangroup Plc	22.10	6.14	7.24	17.20	-57.9%	1.00	-	19.64	7.24	0.37	-	-	7.21%	4.24%
Industry Average									(2.25)	1.41			-43.5%	-5.6%
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	97.50	19.90	23.40	80.00	-70.8%	1.74	-	79.08	13.45	0.30	-	-	1.25%	0.97%
Crown Paints Kenya Plc	72.00	41.85	42.50	62.50	-32.0%	3.14	0.60	18.37	13.54	2.31	1.41%	19.11%	24.27%	5.75%
E.A.Cables Ltd	3.00	1.44	1.49	2.50	-40.4%	-1.92	-	10.10	-	0.15	-	-	-22.79%	-7.72%
E.A.Portland Cement Co. Ltd	18.50	12.60	16.00	14.50	10.3%	-16.35	-	187.68	-	0.09	-	-	-8.71%	-5.38%
Average									-2.44	0.24			-5.4%	-3.3%
ENERGY & PETROLEUM														
KenGen Co. Plc	6.10	4.14	5.00	5.72	-12.6%	1.20	-	29.56	4.17	0.17	-	-	4.04%	1.96%
Kenya Power & Lighting Co Plc	3.38	1.69	1.75	2.81	-37.7%	0.13	-	28.81	13.46	0.06	-	-	0.47%	0.08%
Total Kenya Ltd	29.90	21.10	23.70	27.50	-13.8%	3.67	1.30	129.47	6.46	0.18	5.49%	35.42%	10.20%	5.89%
Umembe Ltd	8.56	6.00	7.50	8.28	-9.4%	2.36	1.13	14.19	3.18	0.53	15.07%	47.88%	16.69%	5.47%
Industry Average									4.17	0.18			4.8%	1.7%
INSURANCE														
Britam Holdings Plc	10.65	6.00	7.76	9.00	-13.8%	1.41	0.25	11.64	5.50	0.67	3.22%	17.73%	12.06%	2.83%
CIC Insurance Group Ltd	3.30	1.98	2.39	2.68	-10.8%	0.12	-	3.00	19.92	0.80	-	-	4.10%	0.91%
Jubilee Holdings Ltd	360.25	215.00	270.00	351.00	-23.1%	49.07	9.00	160.96	5.50	1.68	3.33%	18.34%	15.94%	1.89%
Kenya Re Insurance Corporation Ltd	3.26	2.00	2.36	3.03	-22.1%	2.55	0.10	11.41	0.93	0.21	4.24%	3.92%	12.41%	7.88%
Liberty Kenya Holdings Ltd	10.75	6.88	7.32	10.35	-29.3%	1.31	-	14.99	5.59	0.49	-	-	9.22%	1.94%
Sanlam Kenya Plc	18.70	12.00	12.00	17.20	-30.2%	0.79	-	12.05	15.19	1.00	-	-	6.59%	0.39%
Investment Sector PE									11.18	3.13			11.6%	2.8%
INVESTMENT														
Centum Investment Co Plc	30.95	18.70	18.70	29.50	-36.6%	6.68	1.20	79.08	2.80	0.24	6.42%	17.96%	8.79%	4.54%
Home Afrika Ltd	0.64	0.31	0.41	0.60	-31.7%	-1.54	-	-4.79	-	-0.09	-	-	-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	2.70	1.98	2.31	2.01	14.9%	0.11	-	32.09	21.00	0.07	-	-	0.45%	0.35%
Trans-Century Plc	3.20	1.48	1.58	2.50	-36.8%	-7.95	-	9.45	-	0.17	-	-	-56.07%	-9.11%
Industry Average									16.03	0.24			3.2%	1.3%
INVESTMENT SERVICES														
Nairobi Securities Exchange Plc	12.60	6.58	8.48	12.35	-31.3%	0.30	0.08	8.04	28.27	1.05	0.94%	26.67%	3.84%	3.61%
Industry Average									28.27	1.05			3.8%	3.6%
MANUFACTURING & ALLIED														
B.O.C Kenya Plc	72.00	54.00	56.50	58.00	-2.6%	2.86	2.35	78.03	19.76	0.72	4.16%	82.17%	4.57%	3.24%
British American Tobacco Kenya Plc	545.00	309.50	345.00	500.00	-31.0%	38.85	33.50	97.15	8.88	3.55	9.71%	86.23%	39.99%	36.36%
Carbaid Investments Plc	9.26	7.20	8.78	8.00	9.7%	1.38	0.70	8.38	6.36	1.05	7.97%	50.72%	12.39%	7.93%
East African Breweries Ltd	221.75	135.25	164.75	198.50	-17.0%	5.17	8.50	17.70	31.87	9.31	5.16%	164.41%	50.17%	5.84%
Flame Tree Group Holdings Ltd	2.72	0.78	1.33	2.47	-46.2%	0.26	-	4.57	5.12	0.29	-	-	4.16%	1.84%
Kenya Orchards Ltd	12.60	11.05	11.05	12.50	-11.6%	0.69	-	1.88	16.01	5.86	-	-	36.65%	7.76%
Mumias Sugar Co. Ltd	0.27	0.27	0.27	0.27	0.0%	-9.90	-	-9.40	-	-0.03	-	-	105.26%	-96.22%
Unga Group Ltd	35.70	26.10	30.00	34.00	-11.8%	0.45	-	74.09	66.67	0.40	-	-	1.18%	0.55%
Industry Average									-25.64	8.81			-19.5%	-2.3%
TELECOMMUNICATION & TECHNOLOGY														
Safaricom Plc	32.90	24.35	30.10	31.50	-4.4%	1.40	1.40	3.60	21.50	8.35	4.65%	100.00%	43.29%	32.47%
Industry Average									21.50	8.35			43.3%	32.5%
REAL ESTATE INVESTMENT TRUST														
STANLIB FAHARI I-REIT	9.80	5.00	5.38	9.42	-42.9%	0.97	0.75	20.58	5.55	0.26	13.94%	77.32%	5.20%	5.02%
Industry Average									5.55	0.26				

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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