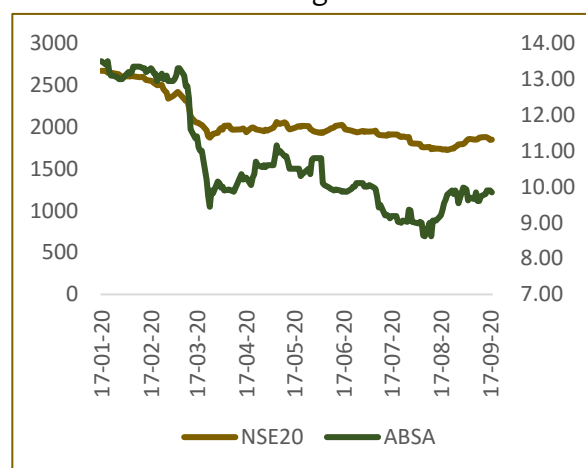
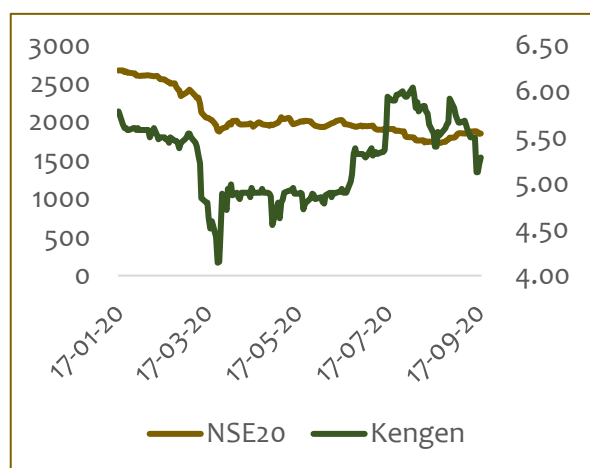


Equity Stock Picks

KENGEN – Long term Buy – The power generating company is currently trading at Kes 5.28; a 7.7% erosion in value year-to-date. The company is currently trading cum dividends with the book closure set for 22nd October 2020. The company will be issuing a dividend of Kes 0.25. For the year ending June 2019, the counter registered a marginal increase in revenue of 1.49% to close at Kes 45.97Bn, and a flat PAT growth of Kes 7.88Bn. The Key consumer, KPLC, announced a suppressed consumption of energy whereby 42% of the manufacturers operated below half their capacity due to covid-19. With the progressive

reopening of the economy, coupled with the upcoming festive season we foresee recovery in the electricity consumption.

ABSA – Long term Buy – Currently trading at Kes 9.84, this stock has registered a year-to-date downgrowth of 26.3%, hence presenting an ideal entry position of 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.



Corporate Actions

COMPANY	DECLARED	RATE KES	BOOK CLOSURE	PAYMENT DATE
Kengen	Final div	0.25	22-Oct-20	17-Dec-20
Kenya Re	First & Final div	0.10	09-Oct-20	20-Nov-20
Centum	First & Final div	1.20	02-Oct-20	To be Advised
Jubilee	Interim	1.00	11-Sept-20	09-Oct-20

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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