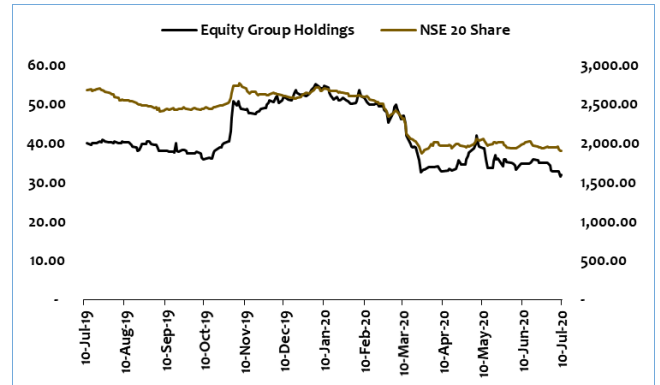
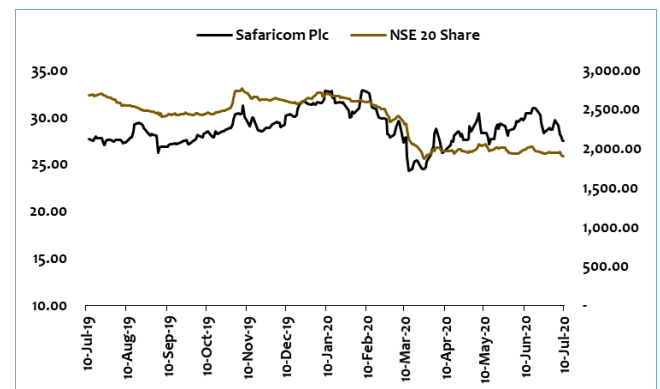


Equity Stock Picks

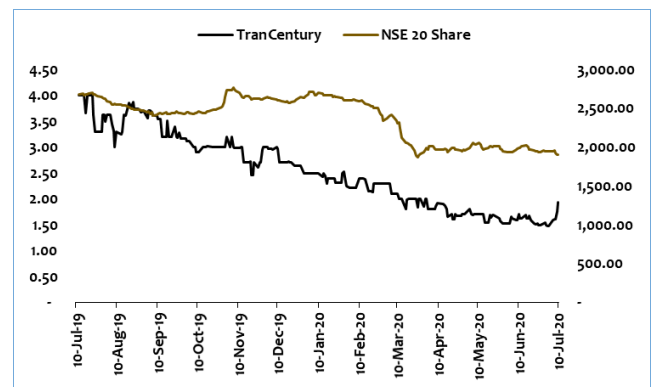
Equity Group Holdings – Buy - Heavy foreign outflows of KES 283.96 in the last two weeks have left the counter at KES 31.85. The counter formed resistance at KES 31.50 and we view a price reversal is bound to happen despite a continued net foreign sale. Price recovery to two week's levels of KES 35 will gain 9.0%.



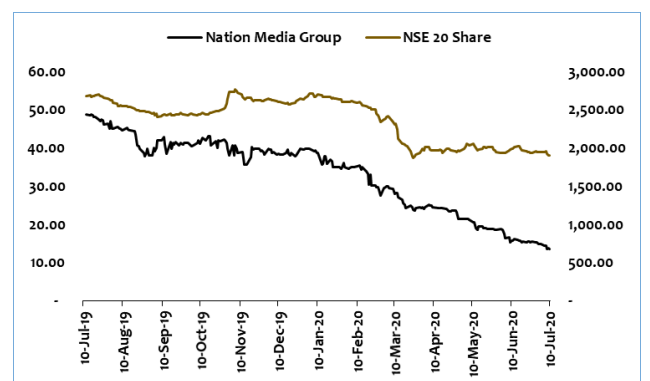
Safaricom Plc – Buy – The telecommunication company is expected to get a hit on its M-Pesa revenues which will be partially countered by growing data revenues. The stock closed the week at KES 27.50, a decline of 7.0% w/w. The company's book closure is set for 31st July with a per share dividend of KES 1.40 or dividend yield of 5.1%.



TransCentury – Hold – With the extraordinary general meeting (EGM) set for 30th July, we advise clients to hold until the resolution of the EGM. At the current value of KES 1.93, delisting will generate a potential exit premium of 17.3% on 3-month average price of KES 1.65.



Nation Media Group – Sell – We project a further decline in value due to high exit needs. The media group has lost 8.8% on m-t-d and 11.7% m-m basis. With tight economic environment and shift of medial distribution channels, we project 7.5%- 10% decline in H1-2020 revenues.



KSL Stock Meter

July 13th 2020

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
Eaagds Ltd	14.00	9.90	9.90	10.10	-2.0%	0.08	-	26.34	123.75	0.38	-	-	0.31%	0.28%
Kakuzi Ltd	423.50	300.00	325.00	340.00	-4.4%	36.40	14.00	266.24	8.93	1.22	4.31%	38.46%	13.67%	11.04%
Kapchorua Tea Co. Ltd	92.50	59.57	83.00	80.00	3.8%	(16.06)	10.00	187.59	-	0.44	12.05%	-	-8.56%	-6.18%
The Limuru Tea Co. Ltd	500.00	440.00	385.00	450.00	-14.4%	0.79	0.70	80.84	487.34	4.76	0.18%	88.61%	0.98%	0.71%
Sasini Ltd	19.50	14.15	16.10	16.90	-4.7%	1.30	1.00	49.65	12.38	0.32	6.21%	76.92%	-2.98%	-2.30%
Williamson Tea Kenya Ltd	165.00	92.00	128.25	139.50	-8.1%	(9.39)	20.00	56.50	-	2.27	15.59%	-	-1.34%	-2.08%
Industry Average									-32.87	1.29			0.3%	0.3%
AUTOMOBILES & ACCESSORIES	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
Car & General (K) Ltd	26.00	20.00	22.70	26.00	-12.7%	4.27	0.80	89.87	5.32	0.25	3.52%	18.74%	6.26%	2.22%
Industry Average									5.32	0.25			6.3%	2.2%
BANKING	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
ABSA Bank Kenya Plc	13.60	9.44	9.50	13.35	-28.8%	1.38	1.10	8.32	6.88	1.14	11.58%	79.71%	16.50%	1.99%
BK Group Plc	31.00	22.40	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	128.75	78.25	70.00	109.00	-35.8%	24.55	2.70	230.74	2.85	0.30	3.86%	11.00%	10.52%	1.76%
Equity Group Holdings Ltd	55.00	32.55	31.85	53.50	-40.5%	5.70	-	29.62	5.59	1.08	-	-	20.03%	3.32%
Housing Finance Group Ltd	7.34	3.50	4.50	6.46	-30.3%	1.35	-	26.63	3.33	0.17	-	-	-1.08%	-0.20%
I&M Holdings Ltd	124.75	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%
Kenya Commercial Bank Ltd	55.00	33.90	34.05	54.00	-36.9%	8.37	3.50	40.43	4.07	0.84	10.28%	41.82%	19.40%	2.80%
National Bank of Kenya Ltd	5.56	3.57	4.12	4.12	0.0%	1.17	-	-	-	-	-	-	-2.57%	-0.27%
NCBA Group Plc	39.45	25.10	26.40	36.85	-28.4%	7.34	0.25	44.91	3.60	0.59	0.95%	3.41%	11.66%	1.58%
Stanbic Holdings Plc Ltd	118.50	90.00	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	175.00	161.50	202.50	-20.2%	22.33	12.50	139.04	7.23	1.16	7.74%	55.98%	17.25%	2.73%
The Co-operative Bank of Kenya Ltd	16.55	11.00	11.85	16.35	-27.5%	2.48	1.00	13.52	4.78	0.88	8.44%	40.32%	18.04%	3.13%
Industry Average									4.59	0.79			16.1%	2.52%
COMMERCIAL AND SERVICES	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
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	0.50	0.99	1.10	-10.0%	(1.45)	-	2.08	-	0.48	-	-	-26.59%	-36.12%
Express Kenya Plc Ord	7.50	5.30	4.24	6.84	-38.0%	(1.97)	-	-3.87	-	-1.10	-	-	-50.92%	-21.71%
Kenya Airways Ltd	5.60	1.30	3.83	2.05	86.8%	(2.23)	-	-0.44	-	-8.73	-	-	303.17%	-5.53%
Longhorn Publishers Plc	8.24	4.35	4.90	6.76	-27.5%	0.68	0.52	4.05	7.21	1.21	10.61%	76.47%	16.76%	7.92%
Nairobi Business Ventures Ltd	1.00	0.60	0.57	0.70	-18.6%	(3.20)	-	3.81	-	0.15	-	-	-36.50%	-22.86%
Nation Media Group Plc	62.00	23.55	13.55	39.80	-66.0%	4.50	1.50	41.78	3.01	0.32	11.07%	33.33%	14.19%	9.98%
Sameer Africa Plc	4.53	1.78	3.73	3.45	8.1%	(3.82)	-	4.06	-	0.92	-	-	-46.86%	-20.45%
Standard Group Plc	31.00	19.50	21.95	27.55	-20.3%	(5.25)	-	17.39	-	1.26	-	-	-34.06%	-11.54%
TFS Eastern Africa Ltd	22.90	11.50	12.60	17.55	-28.2%	0.81	-	50.31	15.56	0.25	-	-	1.30%	0.79%
Uchumi Supermarket Plc	0.71	0.25	0.35	0.29	20.7%	(4.60)	-	-5.75	-	-0.06	-	-	135.25%	-56.71%
WPP Sanganroup Plc	20.05	11.00	20.05	17.20	16.6%	1.00	-	19.64	20.05	1.02	-	-	7.21%	4.24%
Industry Average									(4.58)	1.58			-41.2%	-5.4%
CONSTRUCTION & ALLIED	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
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	130.00	45.40	27.25	80.00	-65.9%	1.74	-	79.08	15.66	0.34	-	-	1.25%	0.97%
Crown Paints Kenya Plc	87.00	58.00	48.25	62.50	-22.8%	4.46	0.60	18.37	10.82	2.63	1.24%	13.45%	24.27%	5.75%
E.A. Cables Ltd	3.81	1.48	1.97	2.50	-21.2%	(1.92)	-	10.10	-	0.20	-	-	-22.79%	-7.72%
E.A. Portland Cement Co. Ltd	18.70	13.00	13.85	14.50	-4.5%	(16.35)	-	187.68	-	0.07	-	-	-8.71%	-5.38%
Industry Average									-2.70	0.26			-3.4%	-3.3%
ENERGY & PETROLEUM	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
KenGen Co. Plc	6.36	4.14	5.32	5.72	-7.0%	1.20	-	29.56	4.43	0.18	-	-	4.04%	1.96%
Kenya Power & Lighting Co Plc	4.40	1.69	1.94	2.81	-31.0%	0.13	-	28.81	14.92	0.07	-	-	0.47%	0.08%
Total Kenya Ltd	29.95	22.80	23.10	27.50	-16.0%	3.67	1.30	129.47	6.29	0.18	5.63%	35.42%	10.20%	5.89%
Umeme Ltd	8.42	6.00	7.00	8.28	-15.5%	2.36	1.13	14.19	2.97	0.49	16.14%	47.88%	16.69%	5.47%
Industry Average									4.29	0.18			4.8%	1.7%
INSURANCE	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
Britam Holdings Plc	9.94	6.00	7.00	9.00	-22.2%	1.41	0.25	11.64	4.96	0.60	3.57%	17.73%	12.06%	2.83%
CIC Insurance Group Ltd	3.76	2.04	2.25	2.68	-16.0%	0.12	-	3.00	18.75	0.75	-	-	4.10%	0.91%
Jubilee Holdings Ltd	420.00	250.00	229.00	351.00	-34.8%	49.07	9.00	160.96	4.67	1.42	3.93%	18.34%	15.94%	1.89%
Kenya Re Insurance Corporation Ltd	14.95	2.19	2.00	3.03	-34.0%	2.55	0.10	11.41	0.78	0.18	5.00%	3.92%	12.41%	7.88%
Liberty Kenya Holdings Ltd	11.40	6.88	7.86	10.35	-24.1%	1.31	-	14.99	6.00	0.52	-	-	9.22%	1.94%
Sanlam Kenya Plc	22.90	13.85	13.50	17.20	-21.5%	0.79	-	12.05	17.09	1.12	-	-	6.59%	0.39%
Industry Average									11.183615	3.37	0.57		11.6%	2.8%
INVESTMENT	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
Centum Investment Co Plc	34.90	20.25	24.35	29.50	-17.5%	6.68	1.20	79.08	3.65	0.31	4.93%	17.96%	8.79%	4.54%
Home Afrika Ltd	0.73	0.31	0.45	0.60	-25.0%	(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	3.55	2.00	2.46	2.01	22.4%	0.11	-	32.09	22.36	0.08	-	-	0.45%	0.35%
Trans-Century Plc	4.35	1.80	1.93	2.50	-22.8%	-7.95	-	9.45	-	0.20	-	-	-56.07%	-9.11%
Industry Average									20.70	0.31			3.2%	1.3%
INVESTMENT SERVICES	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
Nairobi Securities Exchange Plc	13.80	8.84	7.42	12.35	-39.9%	0.30	0.08	8.04	24.73	0.92	1.08%	26.67%	3.84%	3.61%
Industry Average									24.73	0.92			3.8%	3.6%
MANUFACTURING & ALLIED	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
B.O.C Kenya Plc	79.50	54.25	55.00	58.00	-5.2%	2.86	2.35	78.03	19.23	0.70	4.27%	82.17%	4.57%	3.24%
British American Tobacco Kenya Plc	550.00	360.00	310.00	500.00	-38.0%	38.85	33.50	97.15	7.98	3.19	10.81%	86.23%	39.99%	36.36%
Carbaid Investments Plc	9.60	7.20	9.00	8.00	12.5%	1.38	0.70	8.38	6.52	1.07	7.78%	50.72%	12.39%	7.93%
East African Breweries Ltd	224.25	135.25	158.00	198.50	-20.4%	11.23	8.50	20.43	14.07	7.73	5.38%	75.69%	71.28%	10.39%
Flame Tree Group Holdings Ltd	2.95	0.99	1.41	2.47	-42.9%	0.26	-	4.57	5.42	0.31	-	-	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	0.48	0.27	0.27	0.27	0.0%	-9.90								

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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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