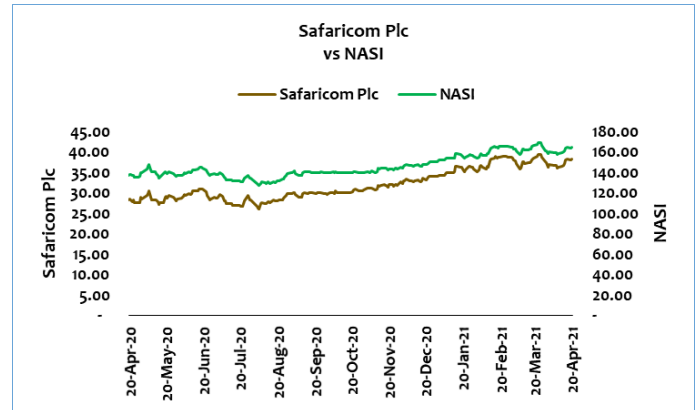


The season of dividend harvesting

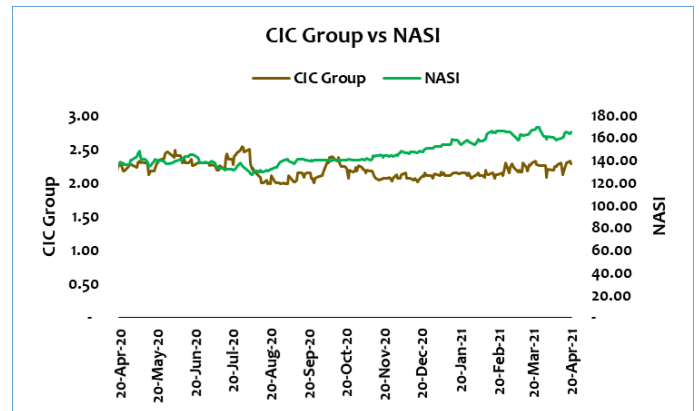
As companies continue to report FY-2020 results, more company have issued dividend payment compared to same period in 2020. This is a clear indication of positive sentiments company leaders have towards the recovery of the economy.

Safaricom - BUY - End of Year Rally – With the close of the financial year having passed on 31st March, we expect the company to stick to the tradition of releasing financial results in early May. We expect the teleco to issues a final dividend with a projection a minimum of KES 1.00 per share.

The current price has been sustained by foreigner investors pricing in the expected performance.

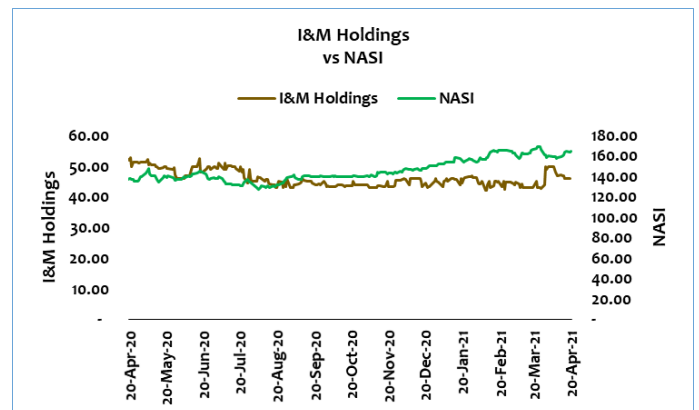


CIC Insurance – Buy – Price Swing – The stock remains return seekers haven with the counter operating on near technical analysis perfection. With the recovery of the economy, the market leader in general insurance and collective investment scheme is expected to see a price gain with the release of Q1-21 insurance industry statistics. We forecast a 7.5% price gain to KES 2.45 from the current KES 2.28. Investors looking for short term returns should aim buying and exiting at price above KES 2.43.

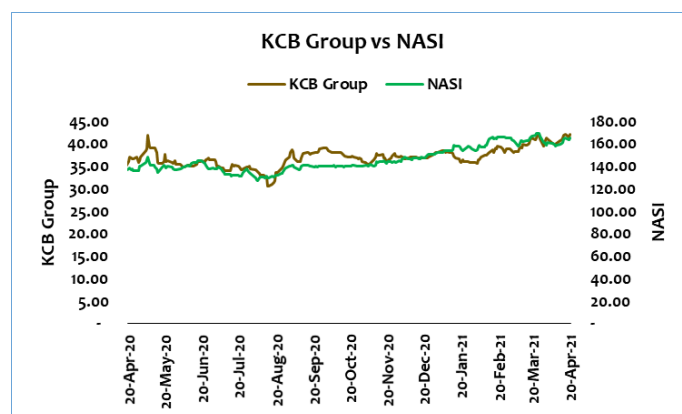


I&M - BUY – Bonus Share Price Rise – The only company to issue a 1:1 bonus share and KES 2.25 per share dividend. We expect the price to rally toward the book closure on the bonus on 10th May. The new shares will lead to doubling of available shares from 0.83Bn to 1.65Bn shares leading to easier exit.

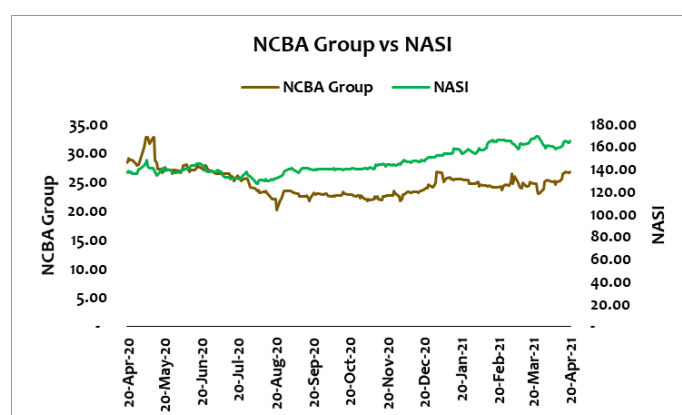
The worth of the bonus stock is worth the early entry to await the price surge.



KCB Group – SELL - Drive on Book Closure – The counter has gained 4.9% value since release of FY-2020 results and the board proposed a per share dividend of KES 1.00 for a 16.4% payout. Price is expected to ease as the counter goes ex-dividend upon book closure on Monday April 26th, 2021. We advise investors to exit after book closure as we expect the share to retreat towards KES 39.00 – KES 39.50.



NCBA Group – Sell – Dividend or Value – The bank reported full year result as a merged unit. The remains a challenge in synergy gained despite trimming the excess weight. With the counter trading ex-div, we view the counter will recede to the 6-month average price of KES 24.40 which is 8.2% below our valuation price of KES 26.57.



Corporate Action

DIVIDEND PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	AMOUNT	EPS	PAYOUT
Kengen	FF	28-Jan-21	29-Mar-21	22-Jul-21	0.30	2.79	10.8%
BAT Kenya	FIN	19-Feb-21	16-Apr-21	12-May-21	41.50	55.18	75.2%
Stanbic Hold	FF	04-Mar-21	21-May-21	STA	3.80	13.13	28.9%
Co-op Bank	FF	17-Mar-21	13-Apr-21	14-Apr-21	1.00	1.98	50.5%
KCB Group	FF	17-Mar-21	26-Apr-21	STA	1.00	6.10	16.4%
Kakuzi Plc	FF	18-Mar-21	31-May-21	30-Jun-21	18.00	31.74	56.7%
Fahari I-REIT	FF	19-Mar-21	06-Apr-21	30-Apr-21	0.60	0.82	73.2%
UMEME*	FF	23-Mar-21	25-Jun-21	19-Jul-21	12.20	27.00	45.2%
Stanchart	FF	25-Mar-21	27-Apr-21	27-May-21	10.50	13.95	75.3%
NCBA	FF	26-Mar-21	20-Apr-21	09-Jun-21	1.50	2.77	54.2%
NSE Ltd	FF	26-Mar-21	04-Jun-21	30-Aug-21	0.53	0.65	81.5%
I&M Holdings	FF	31-Mar-21	10-May-21	21-May-21	2.25	9.77	23.0%
Total Kenya	FF	06-Apr-21	25-Jun-21	30-Jul-21	1.57	4.03	39.0%
Jubilee Holdings	FF	16-Apr-21	26-May-21	26-Jul-21	8.00	50.06	16.0%

BONUS PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	ISSUE	ISSUED AND PAID	EXPECTED
I&M Holdings	BS	31-Mar-21	10-May-21	21-May-21	1:1	826,810,738	1,653,621,476

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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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