

KINGDOM SECURITIES

WEEKLY STOCK PICKS & STOCKMETER

CIC Insurance Group Plc – BUY: The risks shouldering company's share price has remained stable at Kes. 2.11 ytd amidst the effects of the pandemic, signaling great signs of its upsurge. Our valuation for the counter is Kes. 2.33, a 10.4% upside from the current price.

With the current Positive outlook in the insurance sector following the ongoing economic reopening, we foresee a quick recovery in the general insurance which is a key source of premiums contributing 56.2% of its total premiums.

Kengen Plc – SHORT-TERM BUY: Currently trading at Kes. 3.96, having shed 15.2% ytd and 14.7% in the last three months. Mid this month, Kengen joined the UN backed global group of combating global warming. This makes it a regional business champion and pace setter of green and renewable energy which increases its business sustainability.

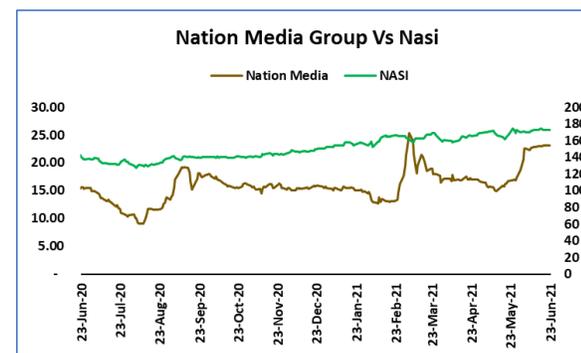
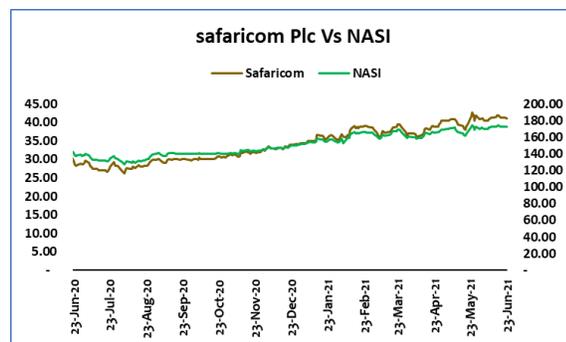
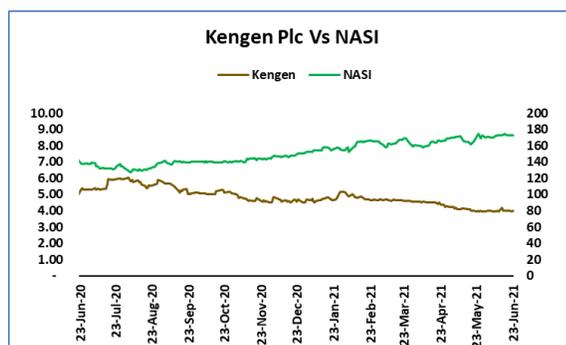
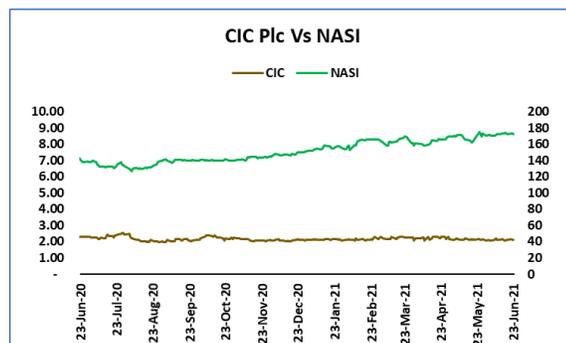
We fathom a price surge following its continued focus on sustainable energy which is likely to increase on foreign participants on the counter. This is further accelerated by its continued innovation policy and economic reopening in the manufacturing sector.

Safaricom Plc – LONG-TERM BUY: We retain a long-term buy on the counter on a projected foreign income on its entry to the Republic of Ethiopia. Its flexible innovation muscles continue making it dominant in the country and we foresee the same to replicate in the new market. Increased foreign participation on the counter has recently seen its price hit a high of Kes. 42.75 s of 25th May.

We propose an entry on the counter with an expected dividend payment and capital gains as we expect a price surge based on its innovative nature and its new market in Ethiopia.

Nation Media Group – SELL: The media group announced a buyback of 10% its issued and paid shares which pushed its share price 23.8% up to Kes. 23.15 from Kes. 18.70 as at 31st May. Currently, the group's share price has gained 50.7% ytd and 21.3% in the last three months while its average price stands at Kes. 18.24 since 22nd March. The targeted price remains at Kes. 25.00 which is subject to an AGM approval to be held on 25th June 2021.

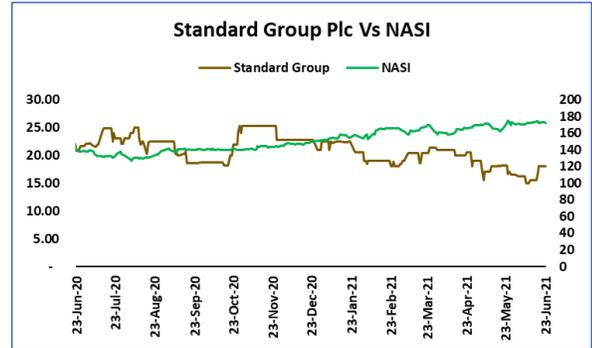
The buyback offer is expected to be done simultaneously till a target of 10% is achieved up to 24th September 2021 or whichever comes first.





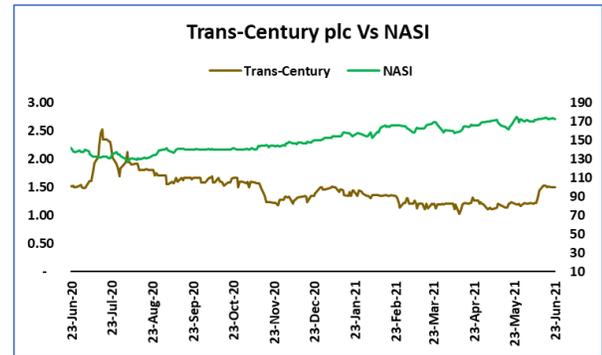
Standard Group - SELL: The group announced a 28.6% drop in revenue for FY 2020 having been hard hit by covid-19 and the low absorption of the digital sales. Its last 3-months average price stands at Kes. 18.46, easing 11.5% for the same period and 20.0% ytd. The group is currently trading at Kes. 18.00.

We fathom a continued share price erosion as we perceive a low absorption of its digital media and print media leading to a reduced revenue thus depressing its share price.



Trans-century Plc– SELL: Having reached its technical highest price in the last three months, we recommend a sell on the counter. Currently trading at Kes. 1.50 having gained 25% from March 22nd to date while gaining 1.4% ytd. The three-month average stands at Kes. 1.23. The recent AGM approval of share rights issue pushed saw the share price uptick to the a high of Kes. 1.50 since mid-January.

We perceive a downward trend in the infrastructure share price following a slow growth in the real estate and the general construction and therefore to gain on capital gains for some investors, we recommend a sell.



| | 52 wk high | | Vwap | | Performance YTD (%) | Trailing EPS | DPS | BVPS | P/E | P/B | Div Yield (%) | Div Payout (%) | ROE | ROA |
|---|------------|--------------|--------------|---------|---------------------|--------------|-------|-------------|--------|-------|---------------|----------------|---------|--------|
| | 52 wk low | (23/06/2020) | (31/12/2020) | | | | | | | | | | | |
| EAAGADS LTD | 15.00 | 9.00 | 11.75 | 12.50 | -6.0% | -2.18 | - | 26.34 | - | 0.45 | - | - | 3.36% | 3.02% |
| KAKUZI PLC | 405.00 | 325.00 | 405.00 | 365.00 | 11.0% | 31.74 | 18.00 | 266.24 | 12.76 | 1.52 | 4.44% | 56.71% | 13.67% | 11.04% |
| KAPCHORUA TEA KENYA PLC ORD 5.00 | 90.00 | 71.00 | 80.00 | 78.00 | 2.6% | 2.48 | 10.00 | 259.86 | 32.26 | 0.31 | 12.50% | 403.23% | -6.18% | -6.18% |
| THE LIMURU TEA CO. PLC | 400.00 | 340.00 | 320.00 | 360.00 | -11.1% | 0.79 | 0.70 | 80.84 | 405.06 | 3.96 | 0.22% | 88.61% | 0.98% | 0.71% |
| SASINI PLC | 20.00 | 16.00 | 18.65 | 19.50 | -4.4% | 0.07 | 0.50 | 49.65 | 266.43 | 0.38 | 2.68% | 714.29% | -2.98% | -2.30% |
| WILLIAMSON TEA KENYA PLC | 150.00 | 119.75 | 134.00 | 130.25 | 2.9% | 7.59 | 20.00 | 451.14 | 17.65 | 0.30 | 14.93% | 263.50% | 1.74% | 1.74% |
| Industry Average | | | | | | | | | 22.58 | 0.59 | | | 1.5% | 1.3% |
| AUTOMOBILES & ACCESSORIES | | | | | | | | | | | | | | |
| Car & General (K) Ltd | 26.00 | 20.00 | 25.45 | 22.00 | 15.7% | 6.85 | 0.80 | 98.23 | 3.72 | 0.26 | 3.14% | 11.68% | 9.11% | 5.81% |
| Industry Average | | | | | | | | | 3.72 | 0.26 | | | 9.1% | 5.8% |
| BANKING | | | | | | | | | | | | | | |
| ABSA Bank Kenya Plc | 10.25 | 8.62 | 10.10 | 9.66 | 4.6% | 0.69 | - | 8.56 | 14.64 | 1.18 | - | - | 8.9% | 1.1% |
| BK Group Plc | 26.75 | 12.15 | 26.75 | 20.50 | 30.5% | 4.66 | - | 28.45 | 5.74 | 0.94 | - | - | 16.9% | 3.7% |
| Diamond Trust Bank Kenya Ltd | 77.50 | 59.00 | 58.75 | 75.00 | -21.7% | 10.89 | - | 244.33 | 5.39 | 0.24 | - | - | 4.8% | 0.8% |
| Equity Group Holdings Plc | 45.55 | 28.10 | 45.55 | 36.55 | 24.6% | 5.24 | - | 36.74 | 8.69 | 1.24 | - | - | 14.3% | 1.9% |
| HF Group Plc | 4.99 | 3.00 | 3.67 | 3.32 | 10.5% | -4.44 | - | 26.63 | - | 0.14 | - | - | -1.1% | -0.2% |
| I&M Holdings Plc | 51.00 | 21.25 | 21.35 | 45.00 | -52.6% | 9.77 | 2.25 | 36.81 | 2.19 | 0.58 | 10.5% | 23.0% | 17.7% | 3.4% |
| KCB Group Plc | 43.25 | 30.55 | 43.35 | 38.10 | 13.8% | 6.10 | 1.00 | 44.32 | 7.11 | 0.98 | 2.3% | 16.4% | 0.0% | 0.0% |
| National Bank of Kenya Ltd | 360.00 | 4.12 | 4.12 | 4.12 | 0.0% | 1.17 | - | 0.00 | - | - | - | - | 0.0% | 0.0% |
| NCBA Group Plc | 27.90 | 20.20 | 25.40 | 26.75 | -5.0% | 2.77 | 1.50 | 44.03 | 9.17 | 0.58 | 5.9% | 54.2% | 6.3% | 0.9% |
| Stanbic Holdings Plc | 87.25 | 73.50 | 83.25 | 85.00 | -2.1% | 13.13 | 3.80 | 130.86 | 6.34 | 0.64 | 4.6% | 28.9% | 10.0% | 1.6% |
| Standard Chartered Bank Kenya Ltd | 169.75 | 129.50 | 129.00 | 144.25 | -10.6% | 13.66 | 10.50 | 134.68 | 9.44 | 0.96 | 8.1% | 76.9% | 10.7% | 1.7% |
| The Co-operative Bank of Kenya Ltd | 13.90 | 10.30 | 12.40 | 12.50 | -0.8% | 2.34 | 1.00 | 15.69 | 5.30 | 0.79 | 8.1% | 42.7% | 11.7% | 2.0% |
| Industry Average | | | | | | | | | 6.50 | 0.85 | | | 9.0% | 1.4% |
| COMMERCIAL AND SERVICES | | | | | | | | | | | | | | |
| Deacons (East Africa) Plc | 0.45 | 0.45 | 0.45 | 0.45 | 0.0% | -6.82 | - | 2.67 | - | 0.17 | - | - | -255.0% | -54.2% |
| Eveready East Africa Ltd | 1.38 | 0.87 | 0.98 | 1.20 | -18.3% | -0.33 | - | 2.08 | - | 0.47 | - | - | -26.6% | -36.1% |
| Express Kenya Plc | 6.00 | 2.58 | 4.02 | 3.61 | 11.4% | -1.97 | - | -2.87 | - | -1.40 | - | - | 50.9% | -21.7% |
| Homeboyz Entertainment Plc | 4.66 | 4.66 | 4.66 | 4.66 | 0.0% | -0.51 | - | 0.46 | - | 10.15 | - | - | -77.5% | -24.3% |
| Kenya Airways Ltd | 3.83 | 2.48 | 3.83 | 3.83 | 0.0% | -6.22 | - | -0.44 | - | -8.73 | - | - | 303.2% | -5.5% |
| Longhorn Publishers Plc | 4.94 | 3.99 | 4.16 | 4.88 | -14.8% | 0.68 | - | 2.70 | 6.12 | 1.54 | - | - | -30.7% | -9.2% |
| Nairobi Business Ventures Ltd | 6.90 | 0.55 | 6.92 | 4.28 | 61.7% | -3.20 | - | 0.18 | - | 37.85 | - | - | -36.5% | -22.9% |
| Nation Media Group Plc | 25.35 | 9.04 | 23.15 | 15.45 | 49.8% | 0.20 | - | 41.78 | 115.75 | 0.55 | - | - | 14.2% | 10.0% |
| Sameer Africa Plc | 4.26 | 2.61 | 3.51 | 3.25 | 8.0% | 0.16 | - | 4.06 | 21.94 | 0.86 | - | - | -46.9% | -20.5% |
| Standard Group Plc | 25.30 | 15.00 | 18.00 | 22.50 | -20.0% | -3.79 | - | 13.70 | - | 1.31 | - | - | 26.9% | 7.4% |
| TPS Eastern Africa Ltd | 18.00 | 11.75 | 14.00 | 16.00 | -12.5% | -6.32 | - | 50.31 | - | 0.28 | - | - | 1.3% | 0.8% |
| Uchumi Supermarket Plc | 0.38 | 0.21 | 0.28 | 0.28 | 0.0% | -4.60 | - | -5.75 | - | -0.05 | - | - | 135.3% | -56.7% |
| WPP Scangroup Plc | 22.10 | 5.10 | 5.36 | 6.00 | -10.7% | 1.00 | - | 19.64 | 5.36 | 0.27 | - | - | 7.2% | 4.2% |
| Industry Average | | | | | | | | | (0.96) | 1.57 | | | -40.9% | -5.2% |
| CONSTRUCTION & ALLIED | | | | | | | | | | | | | | |
| ARM Cement Plc | 5.55 | 5.55 | 5.55 | 5.55 | 0.0% | -6.83 | - | 28.95 | - | 0.19 | - | - | -10.1% | -5.1% |
| Bamburi Cement Ltd | 46.35 | 19.90 | 35.00 | 37.85 | -7.5% | 2.89 | 3.00 | 83.49 | 12.11 | 0.42 | 8.6% | 103.8% | 3.7% | 3.5% |
| Crown Paints Kenya Plc | 49.00 | 36.00 | 40.00 | 38.00 | 5.3% | 8.42 | - | 18.37 | 4.75 | 2.18 | - | - | 24.3% | 5.7% |
| E.A.Cables Ltd | 0.00 | 0.00 | 1.30 | 1.38 | -5.8% | -1.92 | - | 10.10 | - | 0.13 | - | - | -22.8% | -7.7% |
| E.A.Portland Cement Co. Ltd | 2.36 | 1.18 | 8.82 | 11.00 | -19.8% | -16.35 | - | 187.68 | - | 0.05 | - | - | -8.7% | -5.4% |
| Average | | | | | | | | | -3.20 | 0.28 | | | -4.3% | -2.7% |
| ENERGY & PETROLEUM | | | | | | | | | | | | | | |
| KenGen Co. Plc | 16.00 | 7.32 | 3.98 | 4.71 | -15.5% | 2.79 | 0.30 | 32.04 | 1.43 | 0.12 | 7.5% | 10.8% | 8.7% | 4.5% |
| Kenya Power & Lighting Co Plc | 6.04 | 3.94 | 1.35 | 1.71 | -21.1% | 0.13 | - | 28.81 | 10.38 | 0.05 | - | - | 0.5% | 0.1% |
| Total Kenya Ltd | 6.00 | 6.00 | 25.05 | 24.00 | 4.4% | 5.24 | 1.57 | 129.47 | 4.78 | 0.19 | 6.3% | 30.0% | 10.2% | 5.9% |
| Umeme Ltd | 27.15 | 21.10 | 5.92 | 7.28 | -18.7% | 0.81 | 0.37 | 14.19 | 7.31 | 0.42 | 6.3% | 45.7% | 16.7% | 5.5% |
| Industry Average | | | | | | | | | 2.05 | 0.14 | | | 7.9% | 2.9% |
| INSURANCE | | | | | | | | | | | | | | |
| Britam Holdings Plc | 8.56 | 5.58 | 7.30 | 7.26 | 0.6% | -3.62 | - | 6.76 | - | 1.08 | - | - | 53.4% | 7.3% |
| CIC Insurance Group Ltd | 8.14 | 6.52 | 2.12 | 2.13 | -0.5% | -0.11 | - | 3.00 | - | 0.71 | - | - | 4.1% | 0.9% |
| Jubilee Holdings Ltd | 2.53 | 1.98 | 320.25 | 284.00 | 12.8% | 50.06 | 9.00 | 490.33 | 6.40 | 0.65 | 2.8% | 18.0% | 11.5% | 2.8% |
| Kenya Re Insurance Corporation Ltd | 320.25 | 215.00 | 2.40 | 2.32 | 3.4% | 2.55 | 0.10 | 11.41 | 0.94 | 0.21 | 4.2% | 3.9% | 12.4% | 7.9% |
| Liberty Kenya Holdings Ltd | 2.70 | 2.00 | 7.92 | 7.70 | 2.9% | 1.23 | - | 14.99 | 6.44 | 0.53 | - | - | 9.2% | 1.9% |
| Sanlam Kenya Plc | 10.30 | 6.70 | 9.72 | 12.95 | -24.9% | 0.81 | - | 12.05 | 12.00 | 0.81 | - | - | 6.6% | 0.4% |
| Sector PE | | | | | | | | 11.18361464 | 28.08 | 0.58 | | | 18.0% | 4.3% |
| INVESTMENT | | | | | | | | | | | | | | |
| Centum Investment Co Plc | 14.00 | 9.16 | 15.40 | 16.05 | -4.0% | 6.68 | 1.20 | 79.08 | 2.31 | 0.19 | 7.8% | 18.0% | 8.8% | 4.5% |
| Home Afrika Ltd | 26.00 | 14.50 | 0.42 | 0.42 | 0.0% | -1.54 | - | -4.79 | - | -0.09 | - | - | -45.8% | -20.4% |
| Kurwitu Ventures Ltd | 0.49 | 0.35 | 1500.00 | 1500.00 | 0.0% | -36.00 | - | 592.46 | - | 2.53 | - | - | -8.9% | -3.9% |
| Olympia Capital Holdings Ltd | 1500.00 | 1500.00 | 1.97 | 2.20 | -10.5% | 0.11 | - | 32.09 | 17.91 | 0.06 | - | - | 0.4% | 0.4% |
| Trans-Century Plc | 2.53 | 1.80 | 1.50 | 1.45 | 3.4% | -7.95 | - | 9.45 | - | 0.16 | - | - | -56.1% | -9.1% |
| Industry Average | | | | | | | | | 13.37 | 0.20 | | | 3.2% | 1.3% |
| INVESTMENT SERVICES | | | | | | | | | | | | | | |
| Nairobi Securities Exchange Plc | 2.52 | 1.03 | 8.30 | 8.16 | 1.7% | 0.65 | 0.53 | 8.04 | 12.77 | 1.03 | 6.4% | 81.5% | 3.8% | 3.6% |
| Industry Average | | | | | | | | | 12.77 | 1.03 | | | 3.8% | 3.6% |
| MANUFACTURING & ALLIED | | | | | | | | | | | | | | |
| B.O.C Kenya Plc | 9.38 | 6.58 | 61.50 | 63.00 | -2.4% | 5.21 | 4.15 | 78.03 | 11.80 | 0.79 | 6.7% | 79.7% | 4.6% | 3.2% |
| British American Tobacco Kenya Plc | 75.25 | 54.00 | 430.25 | 361.00 | 19.2% | 55.18 | 45.00 | 118.56 | 7.80 | 3.63 | 10.5% | 81.6% | 46.5% | 25.4% |
| Carbacid Investments Plc | 499.75 | 309.50 | 11.05 | 12.10 | -8.7% | 1.38 | 0.70 | 8.38 | 8.01 | 1.32 | 6.3% | 50.7% | 12.4% | 7.9% |
| East African Breweries Ltd | 12.80 | 7.90 | 185.00 | 154.25 | 19.9% | 7.19 | 8.50 | 17.70 | 25.73 | 10.45 | 4.6% | 118.2% | 50.2% | 5.8% |
| Flame Tree Group Holdings Ltd | 193.75 | 148.25 | 1.34 | 1.23 | 8.9% | 0.42 | - | 4.57 | 3.19 | 0.29 | - | - | 4.2% | 1.8% |
| Kenya Orchards Ltd | 1.57 | 1.16 | 10.40 | 10.50 | -1.0% | 0.69 | - | 1.88 | 15.07 | 5.52 | - | - | 36.7% | 7.8% |
| Mumias Sugar Co. Ltd | 12.25 | 10.40 | 0.27 | 0.27 | 0.0% | -9.90 | - | -9.40 | - | -0.03 | - | - | 105.3% | -96.2% |
| Unga Group Ltd | 0.27 | 0.27 | 27.20 | 31.80 | -14.5% | 0.45 | - | 74.09 | 60.44 | 0.37 | - | - | 1.2% | 0.5% |
| Industry Average | | | | | | | | | -58.18 | 9.10 | | | -10.0% | -1.2% |
| TELECOMMUNICATION & TECHNOLOGY | | | | | | | | | | | | | | |
| Safaricom Plc | 33.00 | 26.10 | 41.15 | 34.25 | 20.1% | 1.71 | 1.37 | 3.57 | 24.06 | 11.52 | 3.3% | 80.1% | 51.5% | 34.5% |
| Industry Average | | | | | | | | | 24.06 | 11.52 | | | 51.5% | 34.5% |
| REAL ESTATE INVESTMENT TRUST | | | | | | | | | | | | | | |
| STANLIB FAHARI I-REIT | 42.75 | 26.15 | 6.00 | 5.64 | 6.4% | 0.82 | 0.60 | 20.8 | | | | | | |

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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