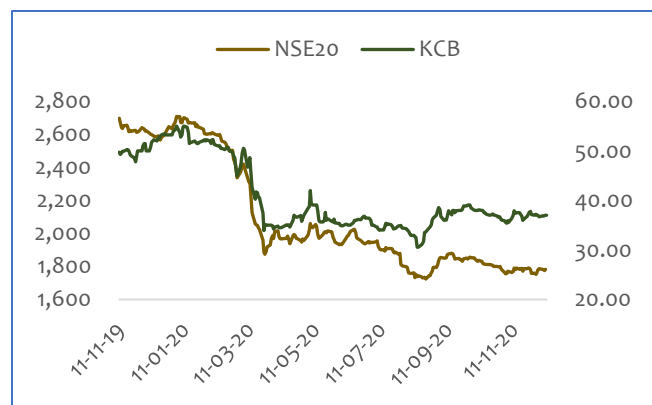


## Equity Stock Picks

**Standard Chartered – Buy** – Currently trading at Kes 150.00, this stock has shed 25.9% in value year to date hence presenting an ideal entry point, with an upside potential opportunity. The stock has registered a six-month average of Kes 158.28; a 5.0% potential from the current price. The company posted a 28.2% dip in PBT Q3-2020 to close at Kes 6.56Bn, a situation that was caused by revenue decline of 4.5% and 12.9% increase in expenses. The company has consistently maintained a dividend payout ratio of >80%.



**KCB Bank – Buy** – The stock is currently trading at Kes 37.0, with a year to date underperformance of 31.5%. The counter has registered a six-month average of kes 36.1. The group is poised to acquire a 62.06% stake of Banque Populaire du Rwanda plc. The group reported a 43.2% y/y decline in the PAT in 3Q2020 to close the quarter at Kes 10.89Bn, a scenario that was resulted by a 242.5% increase in loan provisions. We anticipate an enhanced topline with the expected reinstatement of mobile money transfer charges.



**EABL – Buy** – The brewer has been one of the most hit companies by the covid-19 pandemic, a situation that has seen the stock dip from Kes 198.50 in March 12, 2020 to the current levels of Kes 154.75, due to a stifled bottom-line. The stock has shed 22.0% year to date, and a six-month average of Kes 160.13, hence presenting an opportunity for both medium and long-term accumulation. As the economy recovers, the local subsidiary has increased its order on sorghum on increase in beer demand. This is a big boost as the subsidiary which controls 69% of the group's net revenues. The group has appointed Ms. Jane Karuku as the new group managing director, formally KBL's managing director, after Andrew Cowan taking a new role at Diageo.



**Nation Media – Sell** – We still hold an exit position on the media company, a position that is informed by a paradigm shift in distribution channels. This has led to continuous y/y revenue erosion. The group registered a revenue dip of 6.2%, 9.1% and 6.3% in Fy2017, Fy2018 and Fy2019 respectively. The stock has shed 61.4% year to date to the current price of Kes 15.35.



# KSL Stock Meter

14-Dec-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	
<b>Automobiles &amp; Accessories</b>															
Industry Average									13.87	0.60			1.8%	1.4%	
<b>Car &amp; General (K) Ltd</b>	26.00	20.00	23.00	26.00	-11.5%	4.27	0.80	89.87	5.39	5.39	0.26	3.48%	18.74%	6.26%	2.22%
<b>Banking</b>															
Industry Average									5.39	0.26			6.3%	2.2%	
<b>ABSA Bank Kenya Plc</b>	13.60	8.62	9.56	13.35	-28.4%	0.47	1.10	8.32	20.34	1.15	11.51%	234.04%	16.50%	1.99%	
<b>BK Group Plc</b>	28.00	12.15	20.15	28.00	-28.0%	4.54	1.58	28.45	4.44	0.71	7.84%	34.80%	16.90%	3.66%	
<b>Diamond Trust Bank Kenya Ltd</b>	120.25	59.50	69.25	109.00	-36.5%	20.44	2.70	230.74	3.39	0.30	3.90%	13.21%	10.52%	1.76%	
<b>Equity Group Holdings Plc</b>	55.00	28.10	35.00	53.50	-34.6%	5.27	-	29.62	6.64	1.18	-	-	20.03%	3.32%	
<b>HF Group Plc</b>	7.34	3.63	3.08	6.46	-52.3%	-0.29	-	26.63	-	0.12	-	-	-1.08%	-0.20%	
<b>I&amp;M Holdings Plc</b>	58.25	43.00	46.00	54.00	-14.8%	12.47	2.55	73.61	3.69	0.62	5.54%	20.45%	17.69%	3.42%	
<b>KCB Group Plc</b>	55.00	30.55	37.00	54.00	-31.5%	8.34	3.50	40.37	4.44	0.92	9.46%	41.97%	19.40%	2.80%	
<b>National Bank of Kenya Ltd</b>	4.12	4.12	4.12	4.12	0.0%	1.17	-	-	-	-	-	-	0.00%	0.00%	
<b>NCBA Group Plc</b>	39.45	20.20	23.30	36.85	-36.8%	8.69	0.25	40.82	2.68	0.57	1.07%	2.88%	11.66%	1.58%	
<b>Stanbic Holdings Plc</b>	118.50	73.50	75.25	109.25	-31.1%	16.14	7.05	124.04	4.66	0.61	9.37%	43.68%	12.86%	2.08%	
<b>Standard Chartered Bank Kenya Ltd</b>	217.00	147.25	150.00	202.50	-25.9%	14.67	20.00	126.40	10.22	1.19	13.33%	136.33%	17.25%	2.73%	
<b>The Co-operative Bank of Kenya Ltd</b>	16.55	10.30	11.70	16.35	-28.4%	1.67	1.00	13.52	7.01	0.87	8.55%	59.88%	18.04%	3.13%	
Industry Average									5.44	0.83			16.4%	2.59%	
<b>Commercial and Services</b>															
Industry Average									(2.22)	1.39			-43.5%	-5.6%	
<b>Deacons (East Africa) Plc</b>	0.45	0.45	0.45	0.45	0.0%	-6.82	-	2.67	-	0.17	-	-	-254.96%	-54.19%	
<b>Eveready East Africa Ltd</b>	1.21	0.75	1.19	1.10	8.2%	-1.45	-	2.08	-	0.57	-	-	-26.59%	-36.12%	
<b>Express Kenya Plc</b>	7.34	3.78	2.99	6.84	-56.3%	-1.97	-	-2.87	-	-1.04	-	-	50.92%	-21.71%	
<b>Kenya Airways Ltd</b>	3.83	0.86	3.83	2.05	86.8%	-2.23	-	-0.44	-	-8.73	-	-	303.17%	-5.53%	
<b>Longhorn Publishers Plc</b>	7.50	4.35	4.82	6.76	-28.7%	0.68	-	2.70	7.09	1.79	-	-	-30.74%	-9.22%	
<b>Nairobi Business Ventures Ltd</b>	0.90	0.49	4.50	0.70	542.9%	-3.20	-	2.33	-	1.93	-	-	-36.50%	-22.86%	
<b>Nation Media Group Plc</b>	43.00	9.04	15.35	39.80	-61.4%	4.50	1.50	41.78	3.41	0.37	9.77%	33.33%	14.19%	9.98%	
<b>Sameer Africa Plc</b>	4.30	2.00	3.00	3.45	-13.0%	-3.82	-	4.06	-	0.74	-	-	-46.86%	-20.45%	
<b>Standard Group Plc</b>	31.00	18.00	22.80	27.55	-17.2%	-5.25	-	17.39	-	1.31	-	-	-34.06%	-11.54%	
<b>TFS Eastern Africa Ltd</b>	18.60	11.50	14.15	17.55	-19.4%	0.81	-	50.31	17.47	0.28	-	-	1.30%	0.79%	
<b>Uchumi Supermarket Plc</b>	0.38	0.25	0.30	0.29	3.4%	-4.60	-	-5.75	-	-0.05	-	-	-135.25%	-56.71%	
<b>WPP Scangroup Plc</b>	22.10	6.14	6.18	17.20	-64.1%	1.00	-	19.64	6.18	0.31	-	-	7.21%	4.24%	
Industry Average															
<b>Construction &amp; Allied</b>															
Industry Average															
<b>ARM Cement Plc</b>	5.55	5.55	5.55	5.55	0.0%	-6.83	-	28.95	-	0.19	-	-	-10.08%	-5.48%	
<b>Bamburi Cement Ltd</b>	97.50	19.90	38.90	80.00	-51.4%	1.74	-	79.08	22.36	0.49	-	-	1.25%	0.97%	
<b>Crown Paints Kenya Plc</b>	72.00	41.85	36.40	62.50	-41.8%	3.14	0.60	18.37	11.59	1.98	1.65%	19.11%	24.27%	5.75%	
<b>E.A. Cables Ltd</b>	3.00	1.43	1.37	2.50	-45.2%	-1.92	-	10.10	-	0.14	-	-	-22.79%	-7.72%	
<b>E.A. Portland Cement Co. Ltd</b>	16.70	12.60	11.20	14.50	-22.8%	-16.35	-	187.68	-	0.06	-	-	-8.71%	-5.38%	
Average															
Industry Average									-3.05	0.30			-5.4%	-3.3%	
<b>Energy &amp; Petroleum</b>															
Industry Average															
<b>KenGen Co Plc</b>	6.10	4.14	4.61	5.72	-19.4%	1.20	-	29.56	3.84	0.16	-	-	4.04%	1.96%	
<b>Kenya Power &amp; Lighting Co Plc</b>	3.38	1.69	1.25	2.81	-55.5%	0.13	-	28.81	9.62	0.04	-	-	0.47%	0.08%	
<b>Total Kenya Ltd</b>	29.85	21.10	24.10	27.50	-12.4%	3.67	1.30	129.47	6.57	0.19	5.39%	35.42%	10.20%	5.89%	
<b>Umeme Ltd</b>	8.56	6.00	7.20	8.28	-13.0%	2.36	1.13	14.19	3.05	0.51	15.69%	47.88%	16.69%	5.47%	
Industry Average									3.86	0.16			4.8%	1.7%	
<b>Insurance</b>															
Industry Average															
<b>Britam Holdings Plc</b>	10.65	6.00	7.20	9.00	-20.0%	1.41	0.25	11.64	5.11	0.62	3.47%	17.73%	12.06%	2.83%	
<b>CIC Insurance Group Ltd</b>	3.30	1.98	2.06	2.68	-23.1%	0.12	-	3.00	17.17	0.69	-	-	4.10%	0.91%	
<b>Jubilee Holdings Ltd</b>	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%	
<b>Kenya Re Insurance Corporation Ltd</b>	3.26	2.00	2.11	3.03	-30.4%	2.55	0.10	11.41	0.83	0.18	4.74%	3.92%	12.41%	7.88%	
<b>Liberty Kenya Holdings Ltd</b>	10.75	6.88	7.50	10.35	-27.5%	1.31	-	14.99	5.73	0.50	-	-	9.22%	1.94%	
<b>Sanlam Kenya Plc</b>	18.70	12.00	12.65	17.20	-26.5%	0.79	-	12.05	16.01	1.05	-	-	6.59%	0.39%	
Industry Average															
<b>Investment</b>															
Industry Average															
<b>Centum Investment Co Plc</b>	30.95	18.05	15.75	29.50	-46.6%	6.68	1.20	79.08	2.36	0.20	7.62%	17.96%	8.79%	4.54%	
<b>Home Afrika Ltd</b>	0.64	0.31	0.38	0.60	-36.7%	-1.54	-	-4.79	-	-0.08	-	-	-45.79%	-20.44%	
<b>Kurwitu Ventures Ltd</b>	1500.00	1500.00	1500.00	1500.00	0.0%	-36.00	-	592.46	-	2.53	-	-	-8.90%	-3.90%	
<b>Olympia Capital Holdings Ltd</b>	2.70	1.98	2.20	2.01	9.5%	0.11	-	32.09	20.00	0.07	-	-	0.45%	0.35%	
<b>Trans-Century Plc</b>	3.20	1.48	1.31	2.50	-47.6%	-7.95	-	9.45	-	0.14	-	-	-56.07%	-9.11%	
Industry Average															
Industry Average									13.55	0.20			3.2%	1.3%	
<b>Investment Services</b>															
Industry Average															
<b>Nairobi Securities Exchange Plc</b>	12.60	6.58	8.18	12.35	-33.8%	0.30	0.08	8.04	27.27	1.02	0.98%	26.67%	3.84%	3.61%	
Industry Average									27.27	1.02			3.8%	3.6%	
<b>Manufacturing &amp; Allied</b>															
Industry Average															
<b>B.O.C Kenya Plc</b>	72.00	54.00	60.00	58.00	3.4%	2.86	2.35	78.03	20.98	0.77	3.92%	82.17%	4.57%	3.24%	
<b>British American Tobacco Kenya Plc</b>	545.00	309.50	390.00	500.00	-22.0%	38.85	33.50	97.15	10.04	4.01	8.59%	86.23%	39.99%	36.36%	
<b>Carbacid Investments Plc</b>	9.26	7.52	11.80	8.00	47.5%	1.38	0.70	8.38	8.55	1.41	5.93%	50.72%	12.39%	7.93%	
<b>East African Breweries Ltd</b>	221.75	135.25	154.75	198.50	-22.0%	5.17	8.50	17.70	29.93	8.75	5.49%	164.41%	50.17%	5.84%	
<b>Flame Tree Group Holdings Ltd</b>	2.72	0.78	1.25	2.47	-49.4%	0.26	-	4.57	4.81	0.27	-	-	4.16%	1.84%	
<b>Kenya Orchards Ltd</b>	12.60	11.05	11.05	12.50	-11.6%	0.69	-	1.88	16.01	5.86	-	-	36.65%	7.76%	
<b>Mumias Sugar Co. Ltd</b>	0.27	0.27	0.27	0.27	0.0%	-9.90	-	-9.40	-	-0.03	-	-	105.26%	-96.22%	
<b>Unga Group Ltd</b>	35.70	26.10	30.00	34.00	-11.8%	0.45	-	74.09	66.67	0.40	-	-	1.18%	0.55%	
Industry Average															
Industry Average									-25.25	8.68			-19.5%	-2.3%	
<b>Telecommunication &amp; Technology</b>															
Industry Average															
<b>Safaricom Plc</b>	32.90	24.35	32.95	31.50	4.6%	1.35	1.40	3.60	24.41	9.15	4.25%	103.70%	43.29%	32.47%	
Industry Average									24.41	9.15			43.3%	32.5%	
<b>Real Estate Investment Trust</b>															
Industry Average															
<b>STANLIB FAHARI I-REIT</b>	9.80	5.00	5.62	9.42	-40.3%	0.97	0.75	20.58	5.79	0.27	13.35%	77.32%	5.20%	5.02%	

# 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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