

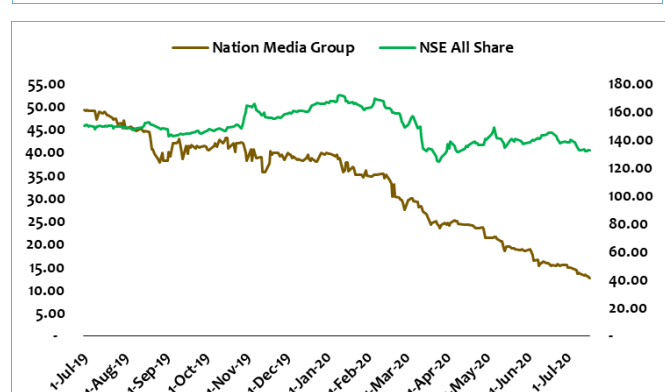
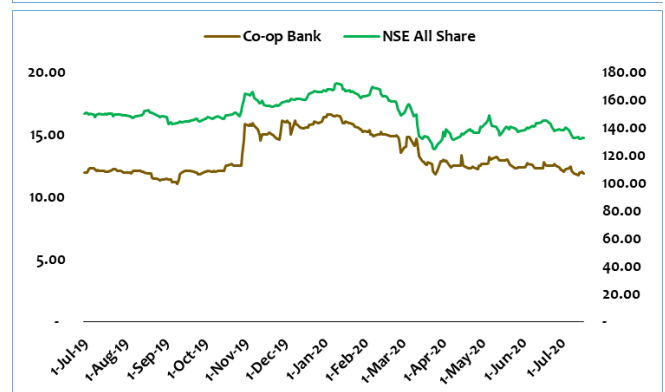
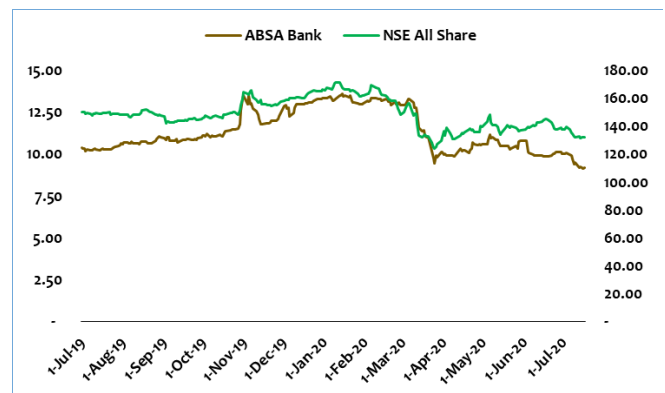
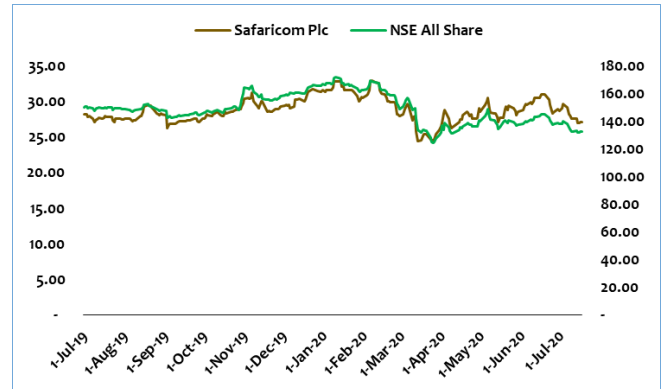
Equity Stock Picks

Safaricom Plc – Buy – we retain a buy on the telecommunication company. The counter hit a resistance price of KES 26.95 to close the week at KES 27.00 despite a 1.34Bn in net foreign outflow (59.8%). The company’s book closure is set for 31st July with a per share dividend of KES 1.40 or dividend yield of 5.2%.

ABSA – LONG TERM BUY – The counter closed the week at KES 9.18 having recovered 0.7% from a resistant level of KES 9.12. We expect improved activity on the counter as we approach H1-202 result release. We project the counter to recover 10.0% to its three-month average of KES 10.20.

Co-operative Bank – Hold – Co-op has seen minimal foreign activities in the past two weeks compared to other tier one banks. We opine a hold as we project the per share value to recover by 7.5%-10.0% as we approach the H1-2020 result release.

Nation Media Group – Sell – We retain a sell on NMG with the counter shedding a further 6.64% week on week and 14.81% since the beginning of July. With tight economic environment and shift of medial distribution channels, we project 7.5%- 10% decline in H1-2020 revenues. Advertising revenues declined by an average of 7.5% with its contribution inching lower to 52.9% in FY 2029 compared to 57.4% in FY 2018. In spite of an expected double-digit growth in digital revenue, the growth has not been able to compensate the decline in print revenues in absolute terms.



KSL Stock Meter

July 20th 2020



	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
Automobiles & Accessories														
Industry Average									12.41	0.58			2.2%	1.7%
Car & General (K) Ltd	26.00	20.00	22.50	26.00	-13.5%	4.27	0.80	89.87	5.27	0.25	3.56%	18.74%	6.26%	2.22%
Banking									5.27	0.25			6.3%	2.2%
Industry Average														
ABSA Bank Kenya Plc	13.60	9.12	9.18	13.35	-31.2%	1.38	1.10	8.32	6.65	1.10	11.98%	79.71%	16.50%	1.99%
BK Group Plc	28.00	16.70	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	120.25	68.00	69.00	109.00	-36.7%	24.55	2.70	230.74	2.81	0.30	3.91%	11.00%	10.52%	1.76%
Equity Group Holdings Plc	55.00	31.50	34.00	53.50	-36.4%	5.70	-	29.62	5.96	1.15	-	-	20.03%	3.32%
HF Group Plc	7.34	3.50	4.00	6.46	-38.1%	1.35	-	26.63	2.96	0.15	-	-	-1.08%	-0.20%
I&M Holdings Plc	58.25	43.80	49.85	54.00	-7.7%	8.87	2.55	73.61	5.62	0.68	5.12%	28.75%	17.69%	3.42%
KCB Group Plc	55.00	33.90	35.25	54.00	-34.7%	8.37	3.50	40.43	4.21	0.87	9.93%	41.82%	19.40%	2.80%
National Bank of Kenya Ltd	4.12	3.57	4.12	4.12	0.0%	1.17	-	-	-	-	-	-	0.00%	0.00%
NCBA Group Plc	39.45	25.10	25.20	36.85	-31.6%	7.34	0.25	44.91	3.43	0.56	0.99%	3.41%	11.66%	1.58%
Stanbic Holdings Plc	118.50	77.00	78.50	109.25	-28.1%	31.97	7.05	124.04	2.46	0.63	8.98%	22.05%	12.86%	2.08%
Standard Chartered Bank Kenya Ltd	217.00	160.00	160.00	202.50	-21.0%	22.33	12.50	139.04	7.17	1.15	7.81%	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									4.66	0.81			16.4%	2.59%
Commercial and Services														
Industry Average														
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	0.75	1.03	1.10	-6.4%	(1.45)	-	2.08	-	0.49	-	-	-26.59%	-36.12%
Express Kenya Plc	7.34	4.13	4.13	6.84	-39.6%	(1.97)	-	-2.87	-	-1.44	-	-	50.92%	-21.71%
Kenya Airways Ltd	4.95	0.86	3.83	2.05	86.8%	(2.23)	-	-0.44	-	-8.73	-	-	303.17%	-5.53%
Longhorn Publishers Plc	8.16	4.35	4.75	6.76	-29.7%	0.68	0.52	4.05	6.99	1.17	10.95%	76.47%	16.76%	7.92%
Nairobi Business Ventures Ltd	0.92	0.49	0.60	0.70	-14.3%	(3.20)	-	2.33	-	0.26	-	-	-36.50%	-22.86%
Nation Media Group Plc	48.00	12.65	12.65	39.80	-68.2%	4.50	1.50	41.78	2.81	0.30	11.86%	33.33%	14.19%	9.98%
Sameer Africa Plc	4.53	2.00	4.26	3.45	23.5%	(3.82)	-	4.06	-	1.05	-	-	-46.86%	-20.45%
Standard Group Plc	31.00	18.00	24.90	27.55	-9.6%	(5.25)	-	17.39	-	1.43	-	-	-34.06%	-11.54%
TFS Eastern Africa Ltd	21.10	11.50	13.40	17.55	-23.6%	0.81	-	50.31	16.54	0.27	-	-	1.30%	0.79%
Uchumi Supermarket Plc	0.38	0.25	0.36	0.29	24.1%	(4.60)	-	-5.75	-	-0.06	-	-	135.25%	-56.71%
WPP Scansgroup Plc	22.10	11.50	19.70	17.20	14.5%	1.00	-	19.64	19.70	1.00	-	-	7.21%	4.24%
Industry Average									(2.58)	1.59			-41.2%	-5.4%
Construction & Allied														
Industry Average														
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	115.75	26.00	26.20	80.00	-67.3%	1.74	-	79.08	15.06	0.33	-	-	1.25%	0.97%
Crown Paints Kenya Plc	85.50	45.00	46.90	62.50	-25.0%	4.46	0.60	18.37	10.52	2.55	1.28%	13.45%	24.27%	5.75%
E.A. Cables Ltd	3.81	1.48	2.29	2.50	-8.4%	(1.92)	-	10.10	-	0.23	-	-	-22.79%	-7.72%
E.A. Portland Cement Co. Ltd	18.50	12.60	13.85	14.50	-4.5%	(16.35)	-	187.68	-	0.07	-	-	-8.71%	-5.38%
Average									-2.64	0.26			-5.4%	-3.3%
Energy & Petroleum														
Industry Average														
KenGen Co. Plc	6.36	4.14	5.94	5.72	3.8%	1.20	-	29.56	4.95	0.20	-	-	4.04%	1.96%
Kenya Power & Lighting Co Plc	4.00	1.69	1.92	2.81	-31.7%	0.13	-	28.81	14.77	0.07	-	-	0.47%	0.08%
Total Kenya Ltd	29.95	22.00	24.00	27.50	-12.7%	3.67	1.30	129.47	6.54	0.19	5.42%	35.42%	10.20%	5.89%
Umembe Ltd	8.56	6.00	7.56	8.28	-8.7%	2.36	1.13	14.19	3.20	0.53	14.95%	47.88%	16.69%	5.47%
Industry Average									4.70	0.20			4.8%	1.7%
Insurance														
Industry Average														
Britam Holdings Plc	10.65	6.00	7.50	9.00	-16.7%	1.41	0.25	11.64	5.32	0.64	3.33%	17.73%	12.06%	2.83%
CIC Insurance Group Ltd	3.58	2.04	2.35	2.68	-12.3%	0.12	-	3.00	19.58	0.78	-	-	4.10%	0.91%
Jubilee Holdings Ltd	380.00	229.00	250.00	351.00	-28.8%	49.07	9.00	160.96	5.09	1.55	3.60%	18.34%	15.94%	1.89%
Kenya Re Insurance Corporation Ltd	3.99	2.00	2.40	3.03	-20.8%	2.55	0.10	11.41	0.94	0.21	4.17%	3.92%	12.41%	7.88%
Liberty Kenya Holdings Ltd	10.90	6.88	7.90	10.35	-23.7%	1.31	-	14.99	6.03	0.53	-	-	9.22%	1.94%
Sanlam Kenya Plc	20.00	12.90	14.00	17.20	-18.6%	0.79	-	12.05	17.72	1.16	-	-	6.59%	0.39%
Sector PE									11.183613	3.65	0.62		11.6%	2.8%
Investment														
Industry Average														
Centum Investment Co Plc	32.90	20.25	23.05	29.50	-21.9%	6.68	1.20	79.08	3.45	0.29	5.21%	17.96%	8.79%	4.54%
Home Afrika Ltd	0.65	0.31	0.48	0.60	-20.0%	-1.54	-	-4.79	-	-0.10	-	-	-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	1.98	2.50	2.01	24.4%	0.11	-	32.09	22.73	0.08	-	-	0.45%	0.35%
Trans-Century Plc	4.00	1.48	2.35	2.50	-6.0%	-7.95	-	9.45	-	0.25	-	-	-56.07%	-9.11%
Industry Average									19.87	0.30			3.2%	1.3%
Investment Services														
Industry Average														
Nairobi Securities Exchange Plc	12.60	6.60	6.88	12.35	-44.3%	0.30	0.08	8.04	22.93	0.86	1.16%	26.67%	3.84%	3.61%
Industry Average									22.93	0.86			3.8%	3.6%
Manufacturing & Allied														
Industry Average														
B.O.C Kenya Plc	72.00	54.00	54.00	58.00	-6.9%	2.86	2.35	78.03	18.88	0.69	4.35%	82.17%	4.57%	3.24%
British American Tobacco Kenya Plc	545.00	309.50	310.00	500.00	-38.0%	38.85	33.50	97.15	7.98	3.19	10.81%	86.23%	39.99%	36.36%
Carbacid Investments Plc	9.26	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	221.75	135.25	160.00	198.50	-19.4%	11.23	8.50	20.43	14.25	7.83	5.31%	75.69%	71.28%	10.39%
Flame Tree Group Holdings Ltd	2.95	0.78	1.43	2.47	-42.1%	0.26	-	4.57	5.00	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	0.38	0.27	0.27	0.27	0.0%	-9.90	-	-9.40	-	-0.03	-	-	105.26%	-96.22%
Unga Group Ltd	37.00	26.10	28.05	34.00	-17.5%	4.52	0.50	74.09	6.21	0.38	1.78%	11.06%	13.96%	7.89%
Industry Average									-103.90	7.59			6.6%	0.9%
Telecommunication & Technology														
Industry Average														
Safaricom Plc	32.90	24.35	27.00	31.50	-14.3%	1.86	1.40	3.60	14.52	7.49	5.19%	75.27%	43.29%	32.47%
Industry Average									14.52	7.49			43.3%	32.5%
Real Estate Investment Trust														
Industry Average														
STANLIB FAHARI I-REIT	9.80	5.50	5.8	9.42	-38.4%	0.97	0.75	20.58	5.98	0.28	12.93%	77.32%	5.20%	5.02%
Industry Average									5.98	0.28				

Corporate Actions

COMPANY	DECLARED	RATE KES	BOOK CLOSURE	PAYMENT DATE
Kakuzi	First & final div	14.00	19-Jun-20	15-Jul-20
WPP Scangroup	Special div	8.00	28-Jul-20	27-Aug-20
Safaricom	First & Final div	1.40	31-Jul-20	1-Nov-20
Williamson Tea	Final div	20.00	18-Aug-20	To be Advised
Kapchorua Tea	Final div	10.00	30-Jul-20	To be Advised
Centum	First & Final div	1.20	Subject to Approval	
Umeme	Final div	41.30 (Ushs)	28-Jul-20	17-Aug-20

Bonus Issues...

Company	Bonus	Book Closure	Date of Credit
Nation Media	1:10	12-Jun-2020	To be advised
NCBA	1:10	12-May-2020	To be advised
Stanchart	1:10	27-April-2020	To be advised

Annual General Meetings...

Company	Date	Registration USSD
Safaricom	31-Jul-20	*717#
Stanchart	24-Jul-20	*483#
Car & General	15Jul-20	*483*824#
TransCentury	30-7-20	*483*821#
Kapchorua Tea	20-Aug-20	To be advised
Williamson Tea	20-Aug-20	To be advised

KINGDOM SECURITIES

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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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