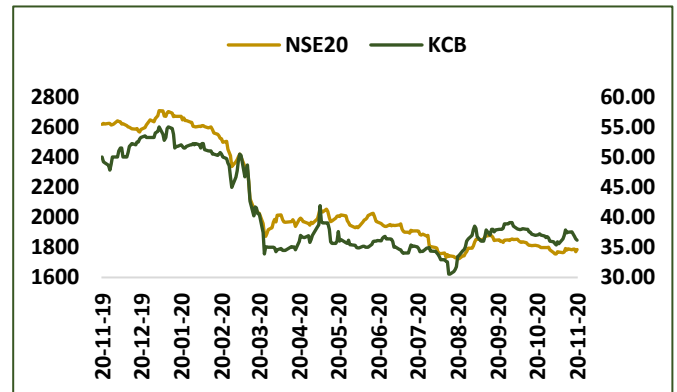
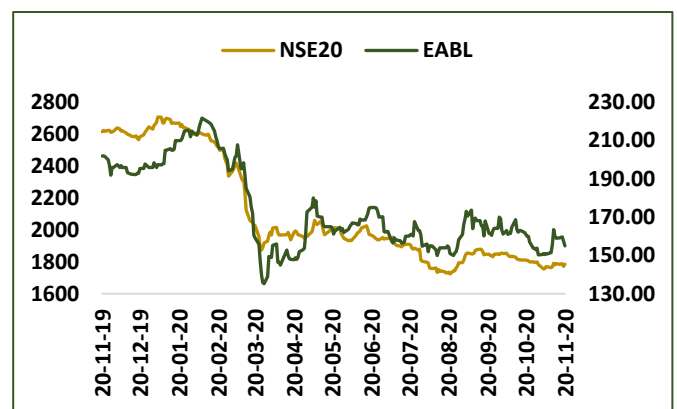


Equity Stock Picks

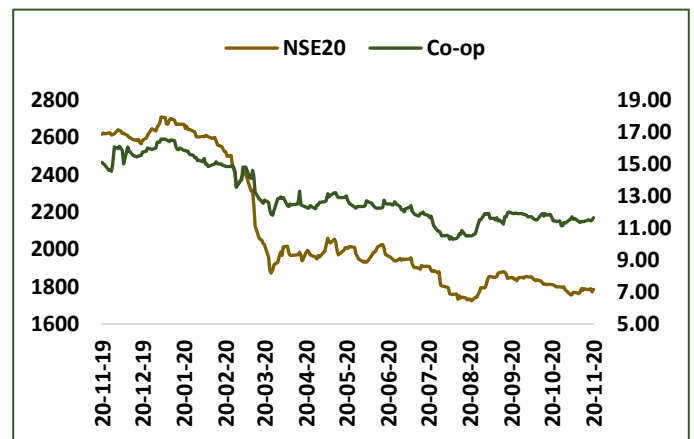
KCB Bank – Buy – Currently trading at Kes 36.20, this stock has registered a year to date value erosion of 33.0% hence presenting an opportunity for accumulation. The six-month average for the stock is Kes 35.94; a 0.72% discount from the current price. The group recorded a 43.2% decline in PAT in 3Q2020, a situation that was caused by 242.5% spike in loan loss provision; courtesy of a Kes 105Bn loan book restructure. We project the loan book to recover as the economy continues to open. Reinstatement of mobile money charges will contribute positively to the topline.



EABL – Buy – Currently trading at Kes 155.0, the brewer has seen a 21.9% downgrowth of the stock y-t-d, a 3.9% discount in comparison to the six-month average of Kes 161.29. The stock is on the recovery path after hitting a 52-week low of Kes 135.25, a 63.96% decline from the 52-week high price of Kes 221.75, a direct consequence of Covid-19 pandemic. 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. Coupled with the upcoming festive season, we foresee an enhanced revenue growth.



Co-operative Bank – Buy – The stock is trading at Kes 11.65, a 28.7% erosion y-t-d. The bank posted 11.02% decline in the Profit Before Tax in 3Q2020 to close the quarter at Kes 13.75Bn in comparison to Kes 15.45Bn recorded in 3Q2019. This is attributed to a 90.0% jump in loan loss provisions from Kes 2.1Bn to Kes 4.0Bn, a situation that was necessitated by Covid-19 pandemic. The group has restructured loans worth Kes 46.0Bn by the end of 3Q20. The PAT decline was the lowest amongst the top three banks.



KSL Stock Meter

23-Nov-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
Industry Average									13.85	0.60			1.8%	1.4%
AUTOMOBILES & ACCESSORIES														
Car & General (K) Ltd	26.00	20.00	21.80	26.00	-16.2%	4.27	0.80	89.87	5.11	0.24	3.67%	18.74%	6.26%	2.22%
Industry Average									5.11	0.24			6.3%	2.2%
BANKING														
ABSA Bank Kenya Plc	13.60	8.62	9.58	13.35	-28.2%	0.47	1.10	8.32	20.38	1.15	11.48%	234.04%	16.50%	1.99%
BK Group Plc	28.00	12.15	13.50	28.00	-51.8%	4.54	1.58	28.45	2.97	0.47	11.70%	34.80%	16.90%	3.66%
Diamond Trust Bank Kenya Ltd	120.25	59.50	63.25	109.00	-42.0%	20.44	2.70	230.74	3.09	0.27	4.27%	13.21%	10.52%	1.76%
Equity Group Holdings Plc	55.00	28.10	35.35	53.50	-33.9%	5.27	-	29.62	6.71	1.19	-	-	20.03%	3.32%
HF Group Plc	7.34	3.63	3.17	6.46	-50.9%	-0.29	-	26.63	-	0.12	-	-	-1.08%	-0.20%
I&M Holdings Plc	58.25	43.00	45.00	54.00	-16.7%	12.47	2.55	73.61	3.61	0.61	5.67%	20.45%	17.69%	3.42%
KCB Group Plc	55.00	30.55	36.20	54.00	-33.0%	8.34	3.50	40.37	4.34	0.90	9.67%	41.97%	19.40%	2.80%
National Bank of Kenya Ltd	4.12	4.12	4.12	4.12	0.0%	1.17	-	-	-	-	-	-	0.00%	0.00%
NCBA Group Plc	39.45	20.20	22.70	36.85	-38.4%	8.69	0.25	40.82	2.61	0.56	1.10%	2.88%	11.66%	1.58%
Stanbic Holdings Plc	118.50	73.50	83.00	109.25	-24.0%	16.14	7.05	124.04	5.14	0.67	8.49%	43.68%	12.86%	2.08%
Standard Chartered Bank Kenya Ltd	217.00	147.25	149.25	202.50	-26.3%	14.67	20.00	126.40	10.17	1.18	13.40%	136.33%	17.25%	2.73%
The Co-operative Bank of Kenya Ltd	16.55	10.30	11.65	16.35	-28.7%	1.67	1.00	13.52	6.98	0.86	8.58%	59.88%	18.04%	3.13%
Industry Average									5.37	0.82			16.4%	2.59%
COMMERCIAL AND SERVICES														
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	1.21	0.75	0.89	1.10	-19.1%	-1.45	-	2.08	-	0.43	-	-	-26.59%	-36.12%
Express Kenya Plc	7.34	3.78	3.10	6.84	-54.7%	-1.97	-	-2.87	-	-1.08	-	-	50.92%	-21.71%
Kenya Airways Ltd	3.83	0.86	3.83	2.05	86.8%	-2.23	-	-0.44	-	-8.73	-	-	303.17%	-5.53%
Longhorn Publishers Plc	7.50	4.35	4.54	6.76	-32.8%	0.68	-	2.70	6.68	1.68	-	-	-30.74%	-9.22%
Nairobi Business Ventures Ltd	0.90	0.49	0.71	0.70	1.4%	-3.20	-	2.33	-	0.30	-	-	-36.50%	-22.86%
Nation Media Group Plc	43.00	9.04	15.50	39.80	-61.1%	4.50	1.50	41.78	3.44	0.37	9.68%	33.33%	14.19%	9.98%
Sameer Africa Plc	4.30	2.00	3.09	3.45	-10.4%	-3.82	-	4.06	-	0.76	-	-	-46.86%	-20.45%
Standard Group Plc	31.00	18.00	25.30	27.55	-8.2%	-5.25	-	17.39	-	1.46	-	-	-34.06%	-11.54%
TFS Eastern Africa Ltd	18.60	11.50	14.00	17.55	-20.2%	0.81	-	50.31	17.28	0.28	-	-	1.30%	0.79%
Uchumi Supermarket Plc	0.38	0.25	0.29	0.29	0.0%	-4.60	-	-5.75	-	-0.05	-	-	135.25%	-56.71%
WPP Scangroup Plc	22.10	6.14	6.22	17.20	-63.8%	1.00	-	19.64	6.22	0.32	-	-	7.21%	4.24%
Industry Average									(2.22)	1.39			-43.5%	-5.6%
CONSTRUCTION & ALLIED														
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	97.50	19.90	28.20	80.00	-64.8%	1.74	-	79.08	16.21	0.36	-	-	1.25%	0.97%
Crown Paints Kenya Plc	72.00	41.85	39.00	62.50	-37.6%	3.14	0.60	18.37	12.42	2.12	1.54%	19.11%	24.27%	5.75%
E.A.Cables Ltd	3.00	1.43	1.40	2.50	-44.0%	-1.92	-	10.10	-	0.14	-	-	-22.79%	-7.72%
E.A.Portland Cement Co. Ltd	16.70	12.60	13.00	14.50	-10.3%	-16.35	-	187.68	-	0.07	-	-	-8.71%	-5.38%
Average									-2.59	0.26			-5.4%	-3.3%
ENERGY & PETROLEUM														
KenGen Co. Plc	6.10	4.14	4.74	5.72	-17.1%	1.20	-	29.56	3.95	0.16	-	-	4.04%	1.96%
Kenya Power & Lighting Co Plc	3.38	1.69	1.61	2.81	-42.7%	0.13	-	28.81	12.38	0.06	-	-	0.47%	0.08%
Total Kenya Ltd	29.85	21.10	22.30	27.50	-18.9%	3.67	1.30	129.47	6.08	0.17	5.83%	35.42%	10.20%	5.89%
Umeme Ltd	8.56	6.00	7.14	8.28	-13.8%	2.36	1.13	14.19	3.03	0.50	15.83%	47.88%	16.69%	5.47%
Industry Average									3.95	0.17			4.8%	1.7%
INSURANCE														
Britam Holdings Plc	10.65	6.00	7.48	9.00	-16.9%	1.41	0.25	11.64	5.30	0.64	3.34%	17.73%	12.06%	2.83%
CIC Insurance Group Ltd	3.30	1.98	2.07	2.68	-22.8%	0.12	-	3.00	17.25	0.69	-	-	4.10%	0.91%
Jubilee Holdings Ltd	360.25	215.00	266.00	351.00	-24.2%	49.07	9.00	160.96	5.42	1.65	3.38%	18.34%	15.94%	1.89%
Kenya Re Insurance Corporation Ltd	3.26	2.00	2.12	3.03	-30.0%	2.55	0.10	11.41	0.83	0.19	4.72%	3.92%	12.41%	7.88%
Liberty Kenya Holdings Ltd	10.75	6.88	7.50	10.35	-27.5%	1.31	-	14.99	5.73	0.50	-	-	9.22%	1.94%
Sanlam Kenya Plc	18.70	12.00	11.60	17.20	-32.6%	0.79	-	12.05	14.68	0.96	-	-	6.59%	0.39%
Investment														
Centum Investment Co Plc	30.95	18.05	16.00	29.50	-45.8%	6.68	1.20	79.08	2.40	0.20	7.50%	17.96%	8.79%	4.54%
Home Afrika Ltd	0.64	0.31	0.40	0.60	-33.3%	-1.54	-	-4.79	-	-0.08	-	-	-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	2.70	1.98	2.33	2.01	15.9%	0.11	-	32.09	21.18	0.07	-	-	0.45%	0.35%
Trans-Century Plc	3.20	1.48	1.23	2.50	-50.8%	-7.95	-	9.45	-	0.13	-	-	-56.07%	-9.11%
Industry Average									13.73	0.21			3.2%	1.3%
INVESTMENT SERVICES														
Nairobi Securities Exchange Plc	12.60	6.58	8.12	12.35	-34.3%	0.30	0.08	8.04	27.07	1.01	0.99%	26.67%	3.84%	3.61%
Industry Average									27.07	1.01			3.8%	3.6%
MANUFACTURING & ALLIED														
B.O.C Kenya Plc	72.00	54.00	66.00	58.00	13.8%	2.86	2.35	78.03	23.08	0.85	3.56%	82.17%	4.57%	3.24%
British American Tobacco Kenya Plc	545.00	309.50	370.00	500.00	-26.0%	38.85	33.50	97.15	9.52	3.81	9.05%	86.23%	39.99%	36.36%
Carbacid Investments Plc	9.26	7.52	8.52	8.00	6.5%	1.38	0.70	8.38	6.17	1.02	8.22%	50.72%	12.39%	7.93%
East African Breweries Ltd	221.75	135.25	155.00	198.50	-21.9%	5.17	8.50	17.70	29.98	8.76	5.48%	164.41%	50.17%	5.84%
Flame Tree Group Holdings Ltd	2.72	0.78	1.41	2.47	-42.9%	0.26	-	4.57	5.42	0.31	-	-	4.16%	1.84%
Kenya Orchards Ltd	12.60	11.05	11.05	12.50	-11.6%	0.69	-	1.88	16.01	5.86	-	-	36.65%	7.76%
Mumias Sugar Co. Ltd	0.27	0.27	0.27	0.27	0.0%	-9.90	-	-9.40	-	-0.03	-	-	105.26%	-96.22%
Unga Group Ltd	35.70	26.10	30.05	34.00	-11.6%	0.45	-	74.09	66.78	0.41	-	-	1.18%	0.55%
Industry Average									-24.88	8.55			-19.5%	-2.3%
TELECOMMUNICATION & TECHNOLOGY														
Safaricom Plc	32.90	24.35	32.00	31.50	1.6%	1.35	1.40	3.60	23.70	8.88	4.38%	103.70%	43.29%	32.47%
Industry Average									23.70	8.88			43.3%	32.5%
REAL ESTATE INVESTMENT TRUST														
STANLIB FAHARI I-REIT	9.80	5.00	5.28	9.42	-43.9%	0.97	0.75	20.58	5.44	0.26	14.20%	77.32%	5.20%	5.02%
Industry Average									5.44	0.26				

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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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Co-operative Bank House- 5th Floor, P.O Box 48231 - 00100 Nairobi, Kenya

Office: 0711049540/0711049956

Email: kingdomresearch@co-opbank.co.ke/

Research Department

Willis Nalwenge

[wnalwenge@co-opbank.co.ke](mailto:wналwenge@co-opbank.co.ke)

Fred Mwireri

fmwireri@co-opbank.co.ke

Equities Trading

Justus Ogalo

jogalo@co-opbank.co.ke

Andrew Karanja

amkaranja@co-opbank.co.ke