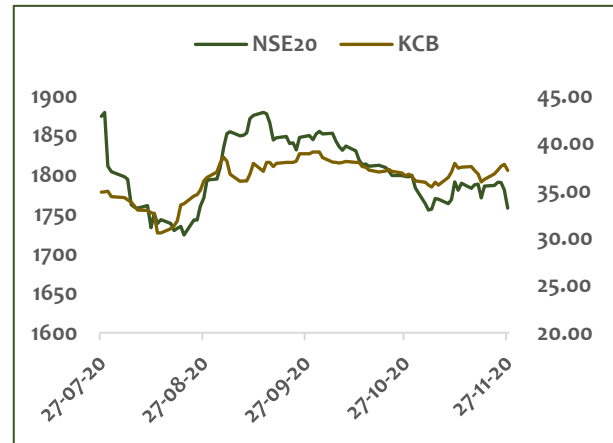
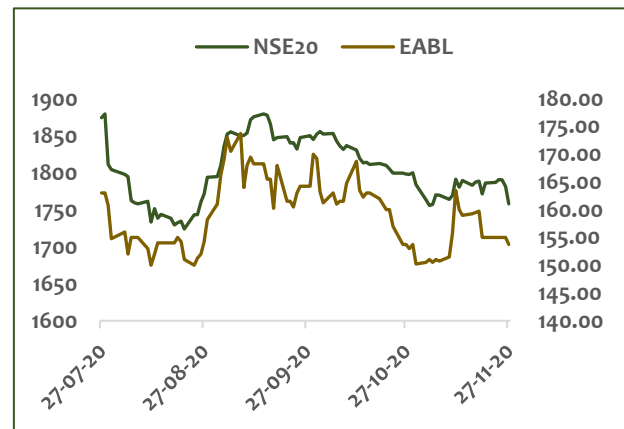


Equity Stock Picks

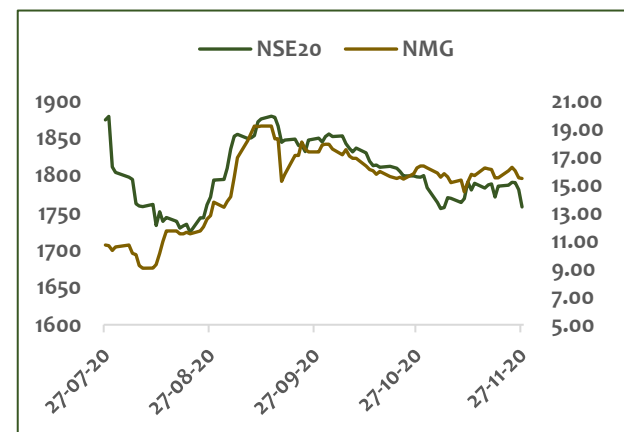
KCB Bank – Buy – The stock is currently trading at Kes 37.15, a 31.2% decline on a y-t-d basis. The counter gained by 2.62% within the week, a market reaction towards the announcement of a sale agreement of ATLAS Mara’s operations in Rwanda and Tanzania. The group is poised to acquire a 62.06% stake 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. Re-opening of the economy coupled with the expected reinstatement of mobile money charges will give a boost to the topline.



EABL – Long term Buy – Currently trading at Kes 153.75, the brewer has registered a y-t-d underperformance of 22.5%, with a six-month average of Kes 159.25. 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. With the upcoming festive season which comes with an increased consumption of the product, we foresee an enhanced revenue growth.



Nation Media – Sell - The media company has shed 61.2% y-t-d in value to the current Kes 15.45 level, a scenario that has been caused by a paradigm of shift in distribution channels. This has consequently 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. A continuance revenue erosion is foreseen, due to the covi-19 pandemic that has seen many corporates adapting a work-from-home model, hence eating into office delivery of print media.



KSL Stock Meter

30-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
Automobiles & Accessories														
Industry Average									13.82	0.60			1.8%	1.4%
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	8.62	9.54	13.35	-28.5%	0.47	1.10	8.32	20.30	1.15	11.53%	234.04%	16.50%	1.99%
BK Group Plc	28.00	12.15	14.00	28.00	-50.0%	4.47	1.58	28.45	3.13	0.49	11.29%	35.33%	16.90%	3.66%
Diamond Trust Bank Kenya Ltd	120.25	59.50	61.50	109.00	-43.6%	14.40	2.70	230.74	4.27	0.27	4.39%	18.75%	10.52%	1.76%
Equity Group Holdings Plc	55.00	28.10	34.40	53.50	-35.7%	5.27	-	29.62	6.53	1.16	-	-	20.03%	3.32%
HF Group Plc	6.56	3.00	3.25	6.46	-49.7%	-2.53	-	26.63	-	0.12	-	-	-1.08%	-0.20%
I&M Holdings Plc	58.25	43.00	45.45	54.00	-15.8%	12.47	2.55	73.61	3.64	0.62	5.61%	20.45%	17.69%	3.42%
KCB Group Plc	55.00	30.55	37.15	54.00	-31.2%	8.34	3.50	40.37	4.45	0.92	9.42%	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	37.30	20.20	22.95	36.85	-37.7%	16.01	0.25	40.82	1.43	0.56	1.09%	1.56%	11.66%	1.58%
Stanbic Holdings Plc	118.50	73.50	79.00	109.25	-27.7%	16.14	7.05	124.04	4.89	0.64	8.92%	43.68%	12.86%	2.08%
Standard Chartered Bank Kenya Ltd	213.25	146.75	149.75	202.50	-26.0%	14.67	20.00	126.40	10.21	1.18	13.36%	136.33%	17.25%	2.73%
The Co-operative Bank of Kenya Ltd	16.55	10.30	11.60	16.35	-29.1%	1.67	1.00	13.52	6.95	0.86	8.62%	59.88%	18.04%	3.13%
Industry Average									4.91	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	1.21	0.75	1.01	1.10	-8.2%	-1.45	-	2.08	-	0.48	-	-	-26.59%	-36.12%
Express Kenya Plc	7.00	2.78	3.00	6.84	-56.1%	-1.97	-	-2.87	-	-1.05	-	-	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	7.40	4.35	4.50	6.76	-33.4%	0.68	-	2.70	6.62	1.67	-	-	-30.74%	-9.22%
Nairobi Business Ventures Ltd	0.80	0.49	0.71	0.70	1.4%	-3.20	-	2.33	-	0.30	-	-	-36.50%	-22.86%
Nation Media Group Plc	39.90	9.04	15.45	39.80	-61.2%	4.50	1.50	41.78	3.43	0.37	9.71%	33.33%	14.19%	9.98%
Sameer Africa Plc	4.30	2.00	3.00	3.45	-13.0%	-3.82	-	4.06	-	0.74	-	-	-46.86%	-20.45%
Standard Group Plc	28.00	18.00	22.80	27.55	-17.2%	-5.25	-	17.39	-	1.31	-	-	-34.06%	-11.54%
TFS Eastern Africa Ltd	18.60	11.50	14.95	17.55	-14.8%	0.81	-	50.31	18.46	0.30	-	-	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 Ssangroup Plc	22.10	6.00	6.00	17.20	-65.1%	1.00	-	19.64	6.00	0.31	-	-	7.21%	4.24%
Industry Average									(2.21)	1.38			-43.5%	-5.6%
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	85.25	19.90	28.00	80.00	-65.0%	1.74	-	79.08	16.09	0.35	-	-	1.25%	0.97%
Crown Paints Kenya Plc	68.00	38.00	40.00	62.50	-36.0%	3.14	0.60	18.37	12.74	2.18	1.50%	19.11%	24.27%	5.75%
E.A. Cables Ltd	2.84	1.28	1.40	2.50	-44.0%	-1.92	-	10.10	-	0.14	-	-	-22.79%	-7.72%
E.A. Portland Cement Co. Ltd	16.00	11.00	12.00	14.50	-17.2%	-16.35	-	187.68	-	0.06	-	-	-8.71%	-5.38%
Average									-2.58	0.26			-5.4%	-3.3%
Energy & Petroleum														
Industry Average														
KenGen Co. Plc	6.04	4.14	4.61	5.72	-19.4%	1.20	-	29.56	3.84	0.16	-	-	4.04%	1.96%
Kenya Power & Lighting Co Plc	3.25	1.36	1.36	2.81	-51.6%	0.13	-	28.81	10.46	0.05	-	-	0.47%	0.08%
Total Kenya Ltd	29.00	21.10	23.00	27.50	-16.4%	3.67	1.30	129.47	6.27	0.18	5.65%	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									3.85	0.16			4.8%	1.7%
Insurance														
Industry Average														
Britam Holdings Plc	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%
CIC Insurance Group Ltd	3.13	1.98	2.06	2.68	-23.1%	0.12	-	3.00	17.17	0.69	-	-	4.10%	0.91%
Jubilee Holdings Ltd	360.25	215.00	280.00	351.00	-20.2%	49.07	9.00	160.96	5.71	1.74	3.21%	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	11.00	11.00	17.20	-36.0%	0.79	-	12.05	13.92	0.91	-	-	6.59%	0.39%
Sector PE									11.183613	3.60	0.61		11.6%	2.8%
Investment														
Industry Average														
Centum Investment Co Plc	30.50	16.00	17.00	29.50	-42.4%	-2.09	1.20	79.08	-	0.21	7.06%	-	8.79%	4.54%
Home Africa Ltd	0.61	0.31	0.39	0.60	-35.0%	-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	2.58	1.92	2.02	2.01	0.5%	0.11	-	32.09	18.36	0.06	-	-	0.45%	0.35%
Trans-Century Plc	3.00	1.18	1.27	2.50	-49.2%	-7.95	-	9.45	-	0.13	-	-	-56.07%	-9.11%
Industry Average									-2.44	0.22			3.2%	1.3%
Investment Services														
Industry Average														
Nairobi Securities Exchange Plc	12.60	6.58	8.00	12.35	-35.2%	0.30	0.08	8.04	26.67	1.00	1.00%	26.67%	3.84%	3.61%
Industry Average									26.67	1.00			3.8%	3.6%
Manufacturing & Allied														
Industry Average														
B.O.C Kenya Plc	72.00	54.00	67.75	58.00	16.8%	2.86	2.35	78.03	23.69	0.87	3.47%	82.17%	4.57%	3.24%
British American Tobacco Kenya Plc	505.00	309.50	372.00	500.00	-25.6%	38.85	33.50	97.15	9.58	3.83	9.01%	86.23%	39.99%	36.36%
Carbacid Investments Plc	10.80	7.52	10.80	8.00	35.0%	1.38	0.70	8.38	7.83	1.29	6.48%	50.72%	12.39%	7.93%
East African Breweries Ltd	221.75	135.25	153.75	198.50	-22.5%	5.17	8.50	17.70	29.74	8.69	5.53%	164.41%	50.17%	5.84%
Flame Tree Group Holdings Ltd	2.72	0.78	1.31	2.47	-47.0%	0.26	-	4.57	5.04	0.29	-	-	4.16%	1.84%
Kenya Orchards Ltd	12.50	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	30.00	34.00	-11.8%	0.45	-	74.09	66.67	0.40	-	-	1.18%	0.55%
Industry Average									-24.85	8.54			-19.5%	-2.3%
Telecommunication & Technology														
Industry Average														
Safaricom Plc	32.90	24.35	31.90	31.50	1.3%	1.35	1.40	3.60	23.63	8.85	4.39%	103.70%	43.29%	32.47%
Industry Average									23.63	8.85			43.3%	32.5%
Real Estate Investment Trust														
Industry Average														
STANLIB FAHARI I-REIT	9.80	5.00	5.4	9.42	-42.7%	0.97	0.75	20.58	5.57	0.26	13.89%	77.32%	5.20%	5.02%
Industry Average									5.57	0.26			5.20%	5.02%

KINGDOM SECURITIES

Research analyst certification:

The research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report hereby certifies that all of the views expressed herein accurately reflect their personal views. Each research analyst(s) also certifies that no part of their compensation was, is, or will be, directly or indirectly, related to the view(s) expressed by that research analyst in this research report.

Terms of use – Disclaimer:

This research report has been prepared by Kingdom Securities Limited and is for information purposes only. This research report should not be construed as an offer or solicitation to sell or buy any investment or product. Any opinions expressed herein reflect the analyst's judgment at the date of publication and neither Kingdom Securities Limited, nor any of its affiliates or employees accepts any responsibility in respect of the information or recommendations contained herein. Unless otherwise stated, the opinions contained in this material are as of the date indicated and are subject to change at any time without prior notice. Past performance is not a guarantee or indication of future results.

The information and opinions contained in this Material have been derived from sources believed to be reliable and in good faith or constitute Kingdom Securities' judgement as at the date of this research but no warranty is made as to their accuracy and any opinions are subject to change and may be superseded without notice. In no circumstances will Kingdom Securities or its employees be liable to you for any errors or omissions in this report or for any losses you may incur in following any recommendations in the report. Kingdom Securities is a Subsidiary of Co-operative Bank of Kenya.

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.

Kingdom Securities Ltd – A subsidiary of Co-operative Bank Limited.

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

Fred Mwireri

fmwireri@co-opbank.co.ke

Equities Trading

Justus Ogalo

jogalo@co-opbank.co.ke

Andrew Karanja

amkaranja@co-opbank.co.ke