# **Equity Stock Picks**

KENGEN – Long term Buy – The power generating company is currently trading at Kes 5.28; a 7.7% erosion in value year-to-date. The company is currently trading cum dividends with the book closure set for 22<sup>nd</sup> October 2020. The company will be issuing a dividend of Kes 0.25. For the year ending June 2019, the counter registered a marginal increase in revenue of 1.49% to close at Kes 45.97Bn, and a flat PAT growth of Kes 7.88Bn. The Key consumer, KPLC, announced a suppressed consumption of energy whereby 42% of the manufacturers operated below half their capacity due to covid-19. With the progressive



reopening of the economy, coupled with the upcoming festive season we foresee recovery in the electricity consumption.

ABSA – Long term Buy – Currently trading at Kes 9.84, this stock has registered a year-to-date downgrowth of 26.3%, hence presenting an ideal entry position of medium to long-term accumulation. The company registered a dip of 84.8% in PAT during the H1-2020; courtesy of 228.1% spike in provisions which were driven up by the restructuring of loans. With the economy almost going back to normalcy, we do not see a continued restructuring of the book.



### **Corporate Actions**

COMPANY	DECLARED	RATE KES	BOOK CLOSURE	PAYMENT DATE
Kengen	Final div	0.25	22-Oct-20	17-Dec-20
Kenya Re	First & Final div	0.10	09-Oct-20	20-Nov-20
Centum	First & Final div	1.20	02-Oct-20	To be Advised
Jubilee	Interim	1.00	11-Sept-20	09-Oct-20

### **KSL Stock Meter**

21-Sep-20

# KINGDOM SECURITIES

	52 wk high	52 wk low	Current Price	Vwap (FY19)	Performa	nce YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Eaagads Ltd	14.00	8.24	12.95	10.10		28.2%	-2.18	-	25.87	-	0.50	-	-	-8.41%	-7.38%
Kakuzi Plc	423.50	300.00	385.00	340.00		13.2%	36.40	14.00	266.24	10.58	1.45	3.64%	38.46%	13.67%	11.04%
Kapchorua Tea Kenya Plc Ord 5.00 The Limuru Tea Co. Plc	90.00 475.00	62.00 385.00	80.00 385.00	80.00 450.00		0.0% -14.4%	2.48 0.79	10.00 0.70	182.37 80.84	32.26 487.34	0.44 4.76	12.50% 0.18%	403.23% 88.61%	1.36% 0.98%	1.00% 0.71%
Sasini Plc	20.00	14.85	19.75	16.90		16.9%	1.30	1.00	49.65	15.19	0.40	5.06%	76.92%	-2.98%	-2.30%
Williamson Tea Kenya Plc	147.50	92.00	129.00	139.50		-7.5%	7.59	20.00	350.39	17.00	0.37	15.50%	263.50%	2.24%	1.74%
Industry Average	2	0.2.00		200.00		1.071				14.88	0.65	2010011	200.007.	1.8%	1.4%
AUTOMOBILES & ACCESSORIES	52 wk high	52 wk low	Current Price	Vwap (FY19)	Performa	nce YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Car & General (K) Ltd	26.00	20.00	22.35	26.00		-14.0%	4.27	0.80	89.87	5.23	0.25	3.58%	18.74%	6.26%	2.22%
Industry Average										5.23	0.25			6.3%	2.2%
BANKING		52 wk low	Current Price	Vwap (FY19)	Performa	nce YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B		Div Payout (%)	ROE	ROA 1.99%
ABSA Bank Kenya Plc BK Group Plc	13.60 28.00	8.62 13.50	9.84 13.50	13.35 28.00		-26.3% -51.8%	1.32 4.54	1.10 1.58	8.32 28.45	7.45 2.97	1.18 0.47	11.18% 11.70%	83.33% 34.80%	16.50% 16.90%	1.99% 3.66%
Diamond Trust Bank Kenya Ltd	120.25	62.50	62.50	109.00		-51.8% -42.7%	20.44	2.70	28.45	3.06	0.47	4.32%	13.21%	10.52%	1.76%
Equity Group Holdings Plc	55.00	28.10	36.15	53.50		-32.4%	5.93	2.70	29.62	6.10	1.22	4.52/0	13.21/0	20.03%	3.32%
HF Group Plc	7.34	3.50	4.37	6.46		-32.4%	-0.29		26.63	0.10	0.16			-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	37.90	54.00		-29.8%	8.11	3.50	40.37	4.67	0.94	9.23%	43.16%	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	20.20	22.20	36.85		-39.8%	8.69	0.25	40.82	2.55	0.54	1.13%	2.88%	11.66%	1.58%
Stanbic Holdings Plc	118.50	73.50	75.00	109.25		-31.4%	16.14	7.05	124.04	4.65	0.60	9.40%	43.68%	12.86%	2.08%
Standard Chartered Bank Kenya Ltd	217.00	147.25	164.50	202.50		-18.8%	23.49	20.00	126.40	7.00	1.30	12.16%	85.14%	17.25%	2.73%
The Co-operative Bank of Kenya Ltd	16.55	10.30	12.00	16.35		-26.6%	2.43	1.00	13.52	4.94	0.89	8.33%	41.15%	18.04%	3.13%
Industry Average COMMERCIAL AND SERVICES	52 wk high	52 wk low	Current Drice	Vivon (EV10)	Dorforma	nce YTD (%)	Trailing EPS	DPS	BVPS	4.85 P/E	0.84 P/B	Div Yield (%)	Div Payout (%)	16.4% ROE	2.59% ROA
Deacons (Fast Africa) Plc	0.45	0.45	Current Price 0.45	Vwap (FY19) 0.45	remonna	0.0%	-6.82	Dr3	2.67		0.17	Div Held (%)	Div Payout (%)	-254.96%	-54.19%
Eveready East Africa Ltd	1.45	0.45	0.43	1.10		-10.0%	-1.45	-	2.08		0.48			-26.59%	-36.12%
Express Kenya Plc	7.34	3.78	4.80	6.84		-29.8%	-1.97	-	-2.87	-	-1.67		-	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	7.90	4.35	4.75	6.76		-29.7%	0.68	-	2.70	6.99	1.76	-	-	-30.74%	-9.22%
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	45.25	9.04	15.75	39.80		-60.4%	4.50	1.50	41.78	3.50	0.38	9.52%	33.33%	14.19%	9.98%
Sameer Africa Plc	4.30	2.00	4.00	3.45		15.9%	-3.82	-	4.06	-	0.99	-	-	-46.86%	-20.45%
Standard Group Plc	31.00 21.10	18.00 11.50	18.60 15.50	27.55 17.55		-32.5%	-5.25 0.81	-	17.39 50.31	10.14	1.07 0.31	-	-	-34.06%	-11.54% 0.79%
TPS Eastern Africa Ltd Uchumi Supermarket Plc	0.38	0.25	0.30	0.29		-11.7% 3.4%	-4.60	-	-5.75	19.14	-0.05	-	-	1.30% 135.25%	-56.71%
WPP Scangroup Plc	22.10	6.14	7.54	17.20		-56.2%	1.00		19.64	7 54	0.03			7.21%	4.24%
Industry Average	22.10	0.14	7.54	17.20		-30.270	1.00		13.04	(2.27)	1.42			-43.5%	-5.6%
CONSTRUCTION & ALLIED	52 wk high	52 wk low	Current Price	Vwap (FY19)	Performa	nce YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
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	109.00	19.90	25.00	80.00		-68.8%	1.74	-	79.08	14.37	0.32	-		1.25%	0.97%
Crown Paints Kenya Plc	85.50	41.85	44.90	62.50		-28.2%	3.14	0.60	18.37	14.30	2.44	1.34%	19.11%	24.27%	5.75%
E.A.Cables Ltd	3.81	1.48	1.73	2.50		-30.8%	-1.92	-	10.10	-	0.17	-	-	-22.79%	-7.72%
E.A.Portland Cement Co. Ltd	18.50	12.60	14.85	14.50		2.4%	-16.35		187.68	-	0.08	-		-8.71%	-5.38%
Average	FO I. Link	F2l. la	Comment Daise	\/ (F\/.10)	Davida anno	VTD (0/)	Tarilla - EDC	DDC	DVDC	-2.53	0.25	Diviviald (o/)	Di., Danier (0/)	-5.4% ROE	-3.3% ROA
ENERGY & PETROLEUM  KenGen Co. Plc	52 wk high 6.10	52 wk low 4.14	Current Price 5.28	Vwap (FY19) 5.72	renonna	nce YTD (%) -7.7%	Trailing EPS 1,20	DPS -	29.56	P/E 4.40	P/B 0.18	Div Yield (%)	Div Payout (%)	4.04%	1.96%
Kenya Power & Lighting Co Plc	3.79	1.69	1.81	2.81		-35.6%	0.13		28.81	13.92	0.06	-		0.47%	0.08%
Total Kenya Ltd	29.95	21.10	23.50	27.50		-14.5%	3.67	1.30	129.47	6.40	0.18	5.53%	35.42%	10.20%	5.89%
Umeme Ltd	8.56	6.00	7.00	8.28		-15.5%	2.36	1.13	14.19	2.97	0.49	16.14%	47.88%	16.69%	5.47%
Industry Average										4.26	0.18			4.8%	1.7%
INSURANCE	52 wk high	52 wk low	Current Price	Vwap (FY19)	Performa	nce YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Britam Holdings Plc	10.65	6.00	7.36	9.00		-18.2%	1.41	0.25	11.64	5.22	0.63	3.40%	17.73%	12.06%	2.83%
CIC Insurance Group Ltd	3.39	1.98	2.15	2.68		-19.8%	0.12		3.00	17.92	0.72			4.10%	0.91%
Jubilee Holdings Ltd	370.00 3.26	215.00	220.00 2.23	351.00 3.03		-37.3% -26.4%	49.07 2.55	9.00 0.10	160.96 11.41	4.48 0.87	1.37 0.20	4.09% 4.48%	18.34% 3.92%	15.94% 12.41%	1.89% 7.88%
Kenya Re Insurance Corporation Ltd Liberty Kenya Holdings Ltd	3.26 10.80	6.88	7.98	10.35		-26.4% -22.9%	2.55 1.31	0.10	14.99	6.09	0.20	4.48%	3.92%	9.22%	1.94%
Sanlam Kenya Pic	19.00	12.10	12.30	17.20		-28.5%	0.79	_	12.05	15.57	1.02			6.59%	0.39%
								ector PE	11.183615	3.41	0.58			11.6%	2.8%
INVESTMENT	52 wk high	52 wk low	Current Price	Vwap (FY19)	Performa	nce YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Centum Investment Co Plc	32.30	20.25	20.90	29.50		-29.2%	6.68	1.20	79.08	3.13	0.26	5.74%	17.96%	8.79%	4.54%
Home Afrika Ltd	0.64	0.31	0.42	0.60		-30.0%	-1.54	-	-4.79	-	-0.09	-	-	-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	2.30	2.01		14.4%	0.11	-	32.09	20.91	0.07	-	-	0.45% -56.07%	0.35%
Trans-Century Plc Industry Average	3.87	1.48	1.66	2.50	_	-33.6%	-7.95		9.45	17.82	0.18	_		-56.07% 3.2%	-9.11% 1.3%
INVESTMENT SERVICES	52 wk high	52 wk low	Current Price	Vwap (FY19)	Porforma	ace VTD (%)	Trailing EPS	DPS	BVPS	D/F	0.27 P/B	Div Viold (%)	Div Payout (%)	3.2% ROE	1.3% ROA
Nairobi Securities Exchange Plc	12.60	6.58	8.66	12.35	remorma	nce YTD (%) -29.9%	0.30	0.08	8.04	28.87	1.08	0.92%	26.67%	3.84%	3.61%
Industry Average	12.00	0.56	3.00	12.33		23.370	5.30	0.00	5.54	28.87	1.08	5.5276	20.0776	3.8%	3.6%
MANUFACTURING & ALLIED	52 wk high	52 wk low	Current Price	Vwap (FY19)	Performa	nce YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
B.O.C Kenya Plc	72.00	54.00	55.25	58.00		-4.7%	2.86	2.35	78.03	19.32	0.71	4.25%	82.17%	4.57%	3.24%
British American Tobacco Kenya Plc	545.00	309.50	333.50	500.00		-33.3%	38.85	33.50	97.15	8.58	3.43	10.04%	86.23%	39.99%	36.36%
Carbacid Investments Plc	9.26	7.20	8.44	8.00		5.5%	1.38	0.70	8.38	6.12	1.01	8.29%	50.72%	12.39%	7.93%
East African Breweries Ltd	221.75	135.25	168.00	198.50		-15.4%	5.17	8.50	17.70	32.50	9.49	5.06%	164.41%	50.17%	5.84%
Flame Tree Group Holdings Ltd	2.87	0.78	1.38	2.47		-44.1%	0.26	-	4.57	5.31	0.30	-	-	4.16%	1.84%
Kenya Orchards Ltd	12.60	12.25 0.27	12.25 0.27	12.50 0.27		-2.0% 0.0%	0.69 -9.90	-	1.88 -9.40	17.75	6.50 -0.03	-	-	36.65% 105.26%	7.76%
Mumias Sugar Co. Ltd	0.34 36.00	26.10	30.65	0.27 34.00		-9.9%	-9.90 4.52	0.50	-9.40 74.09	6.78	-0.03 0.41	1.63%	11.06%	105.26%	-96.22% 7.89%
Unga Group Ltd Industry Average	30.00	20.10	30.05	34.00		-3.5%	4.52	V.5U	74.09	-27.10	8.88	1.03%	11.00%	-15.8%	-1.9%
TELECOMMUNICATION & TECHNOLOGY	52 wk high	52 wk low	Current Price	Vwap (FY18)	Performa	nce YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
Safaricom Plc	32.90	24.35	30.00	31.50		-4.8%	1.40	1.40	3.60	21.43	8.33	4.67%	80.00%	43.29%	32.47%
Industry Average			22.30							21.43	8.33			43.3%	32.5%
REAL ESTATE INVESTMENT TRUST	52 wk high		Current Price	Vwap (FY18)	Performa	nce YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B		Div Payout (%)	ROE	ROA
STANLIB FAHARI I-REIT	9.80	5.02	5.02	9.42		-46.7%	0.97	0.75	20.58	5.18	0.24	14.94%	77.32%	5.20%	5.02%
Industry Average										5.18	0.24				

# 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.

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** 

**Equities Trading** 

Willis Nalwenge wnalwenge@co-opbank.co.ke Justus Ogalo jogalo@co-opbank.co.ke

Fred Mwireri fmwireri@co-opbank.co.ke Andrew Karanja amkaranja@co-opbank.co.ke