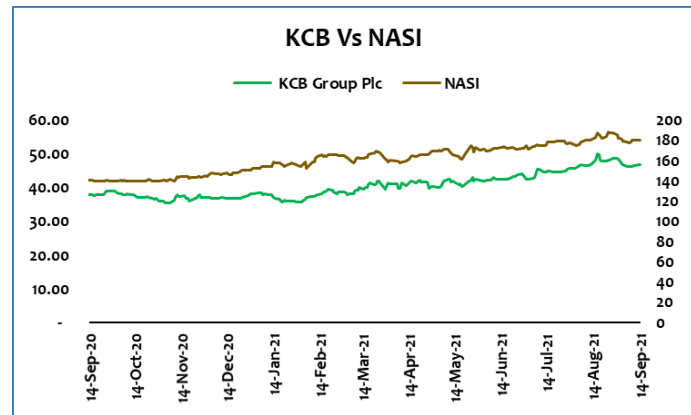


WEEKLY STOCK PICKS SELECTION

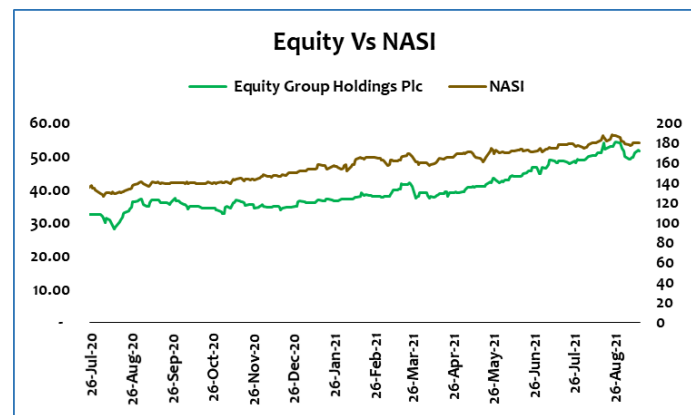
KCB GROUP – LONGTERM BUY: The group doubled its profit after tax (PAT) to Kes. 15.30Bn in H1-2021 having benefited from a 17.2% Y/Y growth on its net interest income (NII) to Kes. 36.42Bn and a 40.3% drop in loan loss provisions. The lender’s assets closed a trillion mark at a 7.2% y/y growth to Kes. 1,022.15Bn. Q/Q asset growth stood at 4.5% from Kes. 977.52Bn in Q1-2021. Its retained earnings jumped 12.7% Q/Q and 20.2% y/y to Kes. 126.48Bn.

Having recommended no interim dividend amid impressive results in H1-2021 and as H2-2021 widens on profits on the reopened economy, we forecast a them to revert to long term final dividend of Kes. 2.50. We recommend a BUY with a value of Kes. 50.17 (a 7.2% upside).



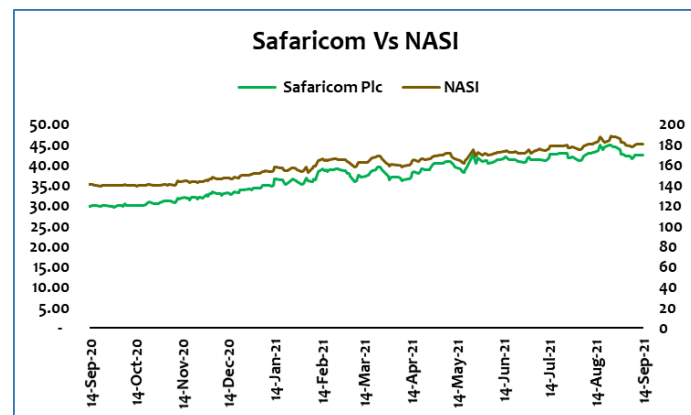
EQUITY GROUP – LONGTERM BUY: The group posted a 98.9% y/y profit before tax (PBT) growth boosted 26.5% and 44.2% y/y growths on net interest income (NII) and non-funded income (NFI). With the reopened economy we expect a further improvement in H2-2021 in comparison to that of H2-2020 and add to the overall profitability for FY-2021.

The counter hit a high of Kes. 54.25 late August on strong half year performance which is expected to be duplicate in the full year results. Foreign investors exit on the stock post announcement saw value drop to a support price Kes. 49.05 and later reverting to touch a high of Kes. 51.75. Full year forecast and potential dividend will be the main attraction to the counter.



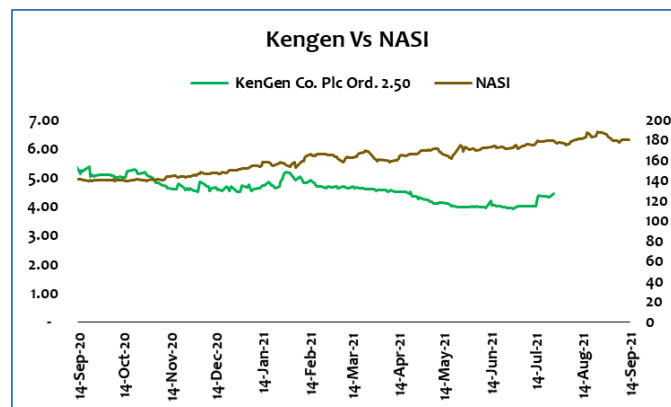
SAFARICOM -LONG-TERM BUY: The giant telco counter remains lucrative despite the recent shocks on its share price on low foreign participation which is currently the case globally.

With the return M-Pesa charges we expect the H1-2021 financial performance ending September 30th to outperform that of H1-2020 thus pushing the counter’s value up. On the long run we expect gains from the new Ethiopian market to rally the same and therefore recommend an entry on the stock with an aim to gain on capital gains and dividend payment.



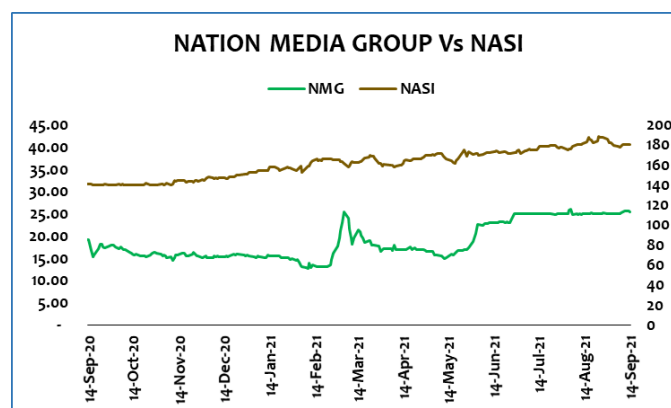
KENGEN - SELL: The green energy skewed company has gained 25.1% from a price of Kes. 3.94 on 30th June 2021 to the current price of Kes. 4.93. it recorded a highest price of Kes. 5.36 on 21st September 2020 and a lowest price of Kes. 3.91 on 29th June 2021.

With the anticipation for FY-2021 result announcement, we expect the price to slightly edge upwards on investor sentiment but later stabilize down. We therefore advice our short-term investors to exit in order to harvest on capital gains.



NATION MEDIA GROUP – SELL: We still remind our clients on the group’s buyback program which is enforce until 24th September or before when a 20.74Mn shares or a 10.0% acquisition is achieved.

We retain our SELL recommendation at above Kes. 25.00 per share for those who would like to exit.



Ongoing Corporate Action List

DIVIDEND PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	AMOUNT	EPS	PAYOUT
Williamson Tea	F&F	30-Jun-21	21-Jul-21	TBA	10.00	8.31	
Kapchora	F&F	30-Jun-21	21-Jul-21	TBA	10.00	0.90	
BAT	I	22-Jul-21	12-Aug-21	12-Aug-21	3.50	55.18	6.3%
Centum	F	27-Jul-21	TBA	TBA	0.33	0.93	35.5%
Stanbic	I	13-Aug-21	6-Sep-21	27-Sep-21	1.70	13.13	12.9%
BOC	I	26-Aug-21	26-Sep-21	18-Oct-21	1.50	5.21	28.8%
NCBA	I	30-Aug-21	28-Sep-21	12-Oct-21	0.75	2.77	27.1%
JUB	I	30-Aug-21	10-Sep-21	11-Oct-21	1.00	50.06	2.0%

F - Final, F&F - First and Final, I - Interim

	52 wk high		Vwap (12/07/2021)		Vwap (31/12/2020)		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA		
AGRI-Food Processing																		
Eaagads Ltd	15.00	10.50	11.30	12.50	-9.6%	0.05	-	31.40	226.00	0.36	-	-	17.61%	15.93%				
Kakuzi Plc	415.00	351.00	8.00	365.00	-97.8%	31.74	18.00	259.37	0.25	0.03	225.00%	56.71%	12.24%	9.36%				
Kapchorua Tea Kenya Plc Ord 5.00	98.25	71.00	82.25	78.00	5.4%	0.90	10.00	189.96	91.39	0.43	12.16%	1111.11%	0.48%	0.34%				
The Limuru Tea Co. Plc	400.00	263.00	300.00	360.00	-16.7%	0.79	0.70	79.18	379.75	3.79	0.23%	88.61%	-0.63%	-0.58%				
Sasini Plc	20.45	16.50	19.70	19.50	1.0%	0.07	0.50	57.76	281.43	0.34	2.54%	714.29%	-2.56%	-2.21%				
Williamson Tea Kenya Plc	152.25	120.00	131.00	130.25	0.6%	-8.31	10.00	340.32	-	0.38	7.63%	-	-2.45%	-1.82%				
Industry Average											17.23	0.32	-	1.2%	1.0%			
AUTOMOBILES & ACCESSORIES																		
Car & General (K) Ltd	35.40	20.00	34.50	22.00	56.8%	6.85	0.80	111.95	5.04	0.31	2.32%	11.68%	12.70%	8.59%				
Industry Average											5.04	0.31	-	12.7%	8.6%			
BANKING																		
ABSA Bank Kenya Plc	11.00	8.62	9.80	9.66	1.4%	0.69	-	10.21	14.20	0.96	-	-	16.5%	2.4%				
BK Group Plc	40.00	12.15	38.55	20.50	88.0%	4.66	-	28.45	8.27	1.35	-	-	16.9%	3.7%				
Diamond Trust Bank Kenya Ltd	77.50	58.00	64.25	75.00	-14.3%	10.89	-	262.23	5.90	0.25	-	-	5.5%	0.9%				
Equity Group Holdings Plc	54.25	32.75	51.00	36.55	39.5%	5.24	-	45.14	9.73	1.13	-	-	17.0%	2.1%				
HF Group Plc	4.99	3.00	4.00	3.32	20.5%	-4.44	-	17.79	-	0.22	-	-	-20.6%	-2.7%				
I&M Holdings Plc	50.00	21.10	22.95	45.00	-49.0%	9.77	2.25	43.14	2.35	0.53	9.8%	23.0%	13.3%	2.4%				
KCB Group Plc	49.90	35.40	48.10	38.10	26.2%	6.10	1.00	50.79	7.89	0.95	2.1%	16.4%	16.7%	2.6%				
National Bank of Kenya Ltd	4.12	4.12	4.12	4.12	0.0%	1.17	-	0.00	-	-	-	-	0.0%	0.0%				
NCBA Group Plc	28.15	21.70	25.30	26.75	-5.4%	2.77	1.50	46.67	9.13	0.54	5.9%	54.2%	8.6%	1.2%				
Stanbic Holdings Plc	95.25	74.00	86.00	85.00	1.2%	13.13	3.80	141.40	6.55	0.61	4.4%	28.9%	11.0%	2.1%				
Standard Chartered Bank Kenya Ltd	168.75	127.75	131.00	144.25	-9.2%	13.66	10.50	134.64	9.59	0.97	8.0%	76.9%	13.9%	2.1%				
The Co-operative Bank of Kenya Ltd	13.95	11.15	13.80	12.50	10.4%	2.34	1.00	17.59	5.90	0.78	7.2%	42.7%	10.6%	1.8%				
Industry Average											7.01	0.82	-	13.2%	2.0%			
COMMERCIAL AND SERVICES																		
Deacons (East Africa) Plc	0.45	0.45	0.45	0.45	0.0%	-6.82	-	2.67	-	0.17	-	-	-255.0%	-54.2%				
Eveready East Africa Ltd	1.38	0.87	0.95	1.20	-20.8%	-0.33	-	0.20	-	4.87	-	-	-284.0%	-36.1%				
Express Kenya Plc	4.84	2.58	4.14	3.61	14.7%	-1.97	-	-2.87	-	-1.44	-	-	50.9%	-21.7%				
Homeboy Entertainment Plc	4.66	4.66	4.66	4.66	0.0%	-0.51	-	0.46	-	10.15	-	-	-77.5%	-24.3%				
Kenya Airways Ltd	3.83	3.83	3.83	3.83	0.0%	-6.22	-	-13.00	-	-0.29	-	-	15.6%	-7.5%				
Longhorn Publishers Plc	4.90	3.96	4.00	4.88	-18.0%	0.68	-	2.16	5.88	1.85	-	-	-86.4%	-20.7%				
Nairobi Business Ventures Ltd	12.80	0.60	5.50	4.28	28.5%	-3.20	-	0.30	-	18.18	-	-	22.1%	18.5%				
Nation Media Group Plc	26.10	12.65	25.00	15.45	61.8%	0.20	-	39.03	125.00	0.64	-	-	8.8%	8.3%				
Sameer Africa Plc	4.04	2.61	3.17	3.25	-2.5%	0.16	-	1.38	19.81	2.30	-	-	67.0%	21.3%				
Standard Group Plc	25.30	15.00	20.00	22.50	-11.1%	-3.79	-	13.00	-	1.54	-	-	-5.3%	-1.4%				
TPS Eastern Africa Ltd	18.00	13.65	14.90	16.00	-6.9%	-6.32	-	39.35	-	0.38	-	-	-15.7%	-8.2%				
Uchumi Supermarket Plc	0.31	0.21	0.23	0.28	-17.9%	-4.60	-	-5.75	-	-0.04	-	-	135.3%	-56.7%				
WPP Scangroup Plc	7.74	3.57	4.35	6.00	-27.5%	1.00	-	12.19	4.35	0.36	-	-	-32.9%	-19.8%				
Industry Average											(0.96)	-0.73	-	33.6%	-8.9%			
CONSTRUCTION & ALLIED																		
ARM Cement Plc	5.55	0.00	5.55	5.55	0.0%	-6.83	-	28.95	-	0.19	-	-	-10.1%	-5.5%				
Bamburi Cement Ltd	46.35	22.00	38.15	37.85	0.8%	2.89	3.00	93.81	13.20	0.41	7.9%	103.8%	3.5%	2.4%				
Crown Paints Kenya Plc	49.00	19.65	25.60	38.00	-32.6%	8.42	-	17.22	3.04	1.49	-	-	28.0%	10.3%				
E.A.Cables Ltd	1.88	1.18	1.45	1.38	5.1%	-1.92	-	10.10	-	0.14	-	-	-22.8%	-7.7%				
E.A.Portland Cement Co. Ltd	16.00	7.20	8.66	11.00	-21.3%	-16.35	-	187.68	-	0.05	-	-	-8.7%	-5.4%				
Average											-3.82	0.29	-	-3.6%	-2.1%			
ENERGY & PETROLEUM																		
KenGen Co. Plc	5.36	3.91	4.17	4.71	-11.5%	2.79	0.30	32.04	1.49	0.13	7.2%	10.8%	8.7%	4.5%				
Kenya Power & Lighting Co Plc	1.89	1.24	1.40	1.71	-18.1%	0.13	-	28.81	10.77	0.05	-	-	0.5%	0.1%				
Total Kenya Ltd	26.30	21.85	24.95	24.00	4.0%	5.24	1.57	129.47	4.76	0.19	6.3%	30.0%	10.2%	5.9%				
Umeme Ltd	7.50	0.00	6.86	7.28	-5.8%	0.81	0.37	14.19	8.47	0.48	5.4%	45.7%	16.7%	5.5%				
Industry Average											2.19	0.15	-	7.9%	2.9%			
INSURANCE																		
Britam Holdings Plc	8.38	6.72	8.22	7.26	13.2%	-3.62	-	6.76	-	1.22	-	-	53.4%	7.3%				
CIC Insurance Group Ltd	3.39	2.00	3.16	2.13	48.4%	-0.11	-	3.00	-	1.05	-	-	4.1%	0.9%				
Jubilee Holdings Ltd	390.00	217.25	358.75	284.00	26.3%	50.06	9.00	490.33	7.17	0.73	2.5%	18.0%	11.5%	2.8%				
Kenya Re Insurance Corporation Ltd	2.70	2.01	2.51	2.32	8.2%	2.55	0.10	11.41	0.98	0.22	4.0%	3.9%	12.4%	7.9%				
Liberty Kenya Holdings Ltd	10.30	6.70	9.24	7.70	20.0%	1.23	-	14.99	7.51	0.62	-	-	9.2%	1.9%				
Sanlam Kenya Plc	14.00	9.16	11.50	12.95	-11.2%	0.81	-	12.05	14.20	0.95	-	-	6.6%	0.4%				
Sector PE											11.18361464	32.37	0.67	-	18.0%	4.3%		
INVESTMENT																		
Centum Investment Co Plc	21.00	14.50	15.55	16.05	-3.1%	-0.93	0.33	79.08	-	0.20	2.1%	-	8.8%	4.5%				
Home Afrika Ltd	0.45	0.35	0.37	0.42	-11.9%	-0.60	-	-4.79	-	-0.08	-	-	-45.8%	-20.4%				
Kurwitu Ventures Ltd	1500.00	1500.00	1500.00	1500.00	0.0%	-36.00	-	592.46	-	2.53	-	-	-8.9%	-3.9%				
Olympia Capital Holdings Ltd	2.50	1.80	2.00	2.20	-9.1%	-0.14	-	32.09	-	0.06	-	-	0.4%	0.4%				
Trans-Century Plc	1.69	1.03	1.31	1.45	-9.7%	-7.95	-	9.45	-	0.14	-	-	-56.1%	-9.1%				
Industry Average											-2.91	0.20	-	3.2%	1.3%			
INVESTMENT SERVICES																		
Nairobi Securities Exchange Plc	10.15	7.40	8.82	8.16	8.1%	0.65	0.53	8.04	13.57	1.10	6.0%	81.5%	3.8%	3.6%				
Industry Average											13.57	1.10	-	3.8%	3.6%			
MANUFACTURING & ALLIED																		
B.O.C Kenya Plc	75.25	0.00	67.75	63.00	7.5%	5.21	4.15	78.03	13.00	0.87	6.1%	79.7%	4.6%	3.2%				
British American Tobacco Kenya Plc	499.75	329.00	456.00	361.00	26.3%	55.18	45.00	118.56	8.26	3.85	9.9%	81.6%	46.5%	25.4%				
Carbacid Investments Plc	12.85	8.00	12.45	12.10	2.9%	1.38	0.70	8.38	9.02	1.49	5.6%	50.7%	12.4%	7.9%				
East African Breweries Ltd	193.75	148.25	177.00	154.25	14.7%	5.51	-	17.70	32.12	10.00	-	-	50.2%	5.8%				
Flame Tree Group Holdings Ltd	1.49	1.16	1.32	1.23	7.3%	0.42	-	4.57	3.14	0.29	-	-	4.2%	1.8%				
Kenya Orchards Ltd	12.25	10.40	10.40	10.50	-1.0%	0.69	-	1.88	15.07	5.52	-	-	36.7%	7.8%				
Mumias Sugar Co. Ltd	0.27	0.27	0.27	0.27	0.0%	-9.90	-	-9.40	-	-0.03	-	-	105.3%	-96.2%				
Unga Group Ltd	33.15	26.10	29.05	31.80	-8.6%	0.45	-	74.09	64.56	0.39	-	-	1.2%	0.5%				
Industry Average											-41.07	8.95	-	-10.0%	-1.2%			
TELECOMMUNICATION & TECHNOLOGY																		
Safaricom Plc	44.95	29.70	43.60	34.25	27.3%	1.71	1.37	3.57	25.50	12.21	3.1%	80.1%	51.5%	34.5%				
Industry Average											25.50	12.21	-	51.5%	34.5%			
REAL ESTATE INVESTMENT TRUST																		
STANLIB FAHARI I-REIT	7.20	5.00	6.96	5.64	23.4%	0.82	0.60	20.86	8.49	0.33	8.6%	73.2%	3.9%	3.8%				
Industry Average											8.49	0.33	-	3.9%	3.8%			