

KCB Group - Long-Term Buy: As the banking sector remains strong on economic recoveries. We perceive a continued rise on its share price based on a better stellar financial performance reflected in the first 3 quarters of 2021.

The lender's price hit a high of Kes. 49.90 in mid-August after doubling its H1-2021 profits after tax (PAT) at 102.9% to Kes. 15.30Bn. This bettered in Q3-2021 to a growth of 131.1% to Kes. 25.17Bn which saw the company issue an interim dividend of Kes. 1.00 whose book closure was 9th Dec-2021 and payment due on 14-Jan-2021.

We retain a buy recommendation on the anticipated a final dividend of Kes. 2.00 and price rise reflected in the pre-covid levels.

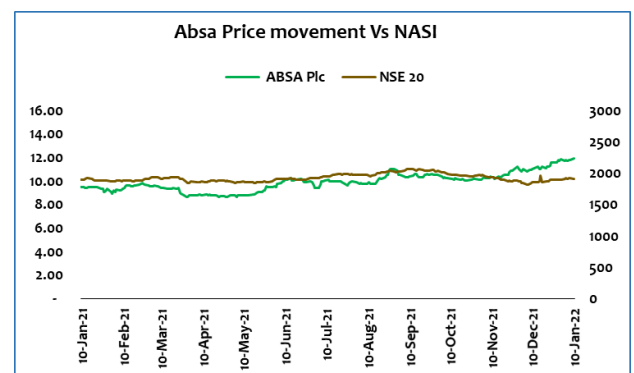
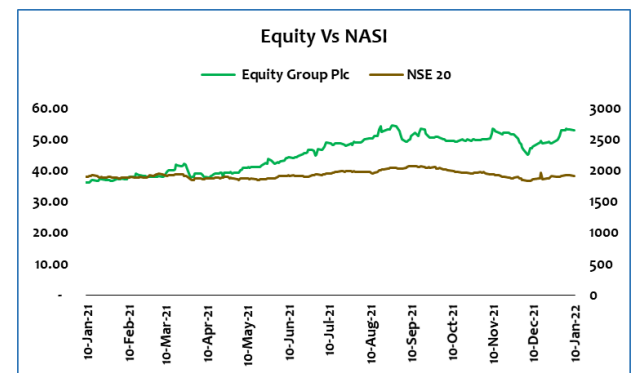
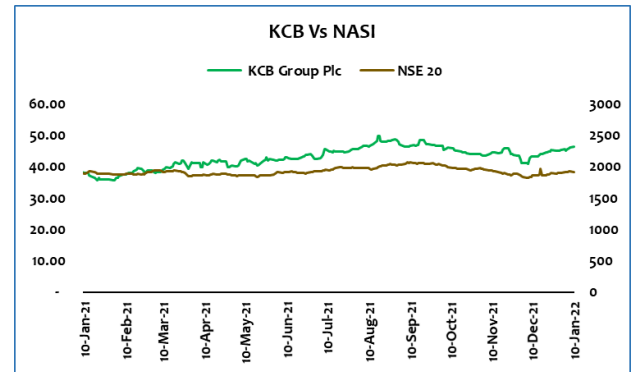
Equity Group - Long-Term Buy: The 2nd largest lender by market share remains a lucrative investment both locally and globally as it deepens its roots in the East Africa Market. In Nov-2021, the counter signaled its willingness to buy back 25% of HFCK whose Kenyan market share stands at 1.0%.

The counter's financial performance remained strong growing at 94.5% in H1-2021 and 77.8% Y/Y in Q3-2021 to Kes. 17.42Bn and Kes. 26.34Bn respectively and we foresee a better Q4-2021 in comparison to that of Q4-2020. In line with this, we expect the counter to pay a final dividend of above Kes. 2.00 as we retain our valuation at Kes. 57.75, a 9.5% uptick from the current price of Kes. 52.75.

ABSA group – Long-Term Buy: Currently trading at Kes. 11.90 having gained 25.8% Y/Y, 17.8% in the last six months. Its highest price in 2020 and 2021 were Kes. 13.60 and Kes. 11.85 respectively while recording lows of Kes. 8.62 for both periods.

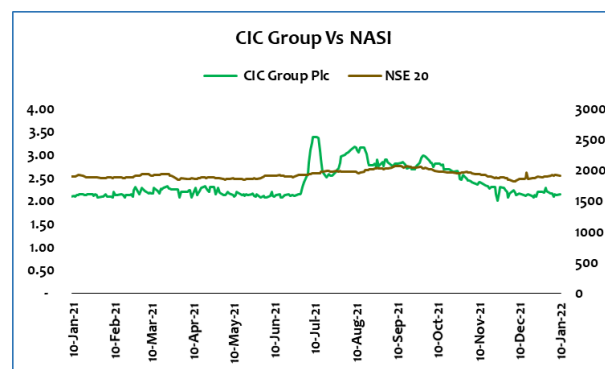
The lender's profits after tax jumped 328.3% Y/Y in Q3-2021 to Kes. 8.34Bn which we foresee to grow further on its FY-2021.

Our valuation on the counter stands at Kes. 13.55, a 13.9% upside from its current price. Cognizant of this stellar performance, we expect the counter to declare a final dividend and therefore recommend an entry.



CIC Group – Short Term Buy: Currently trading at Kes. 2.14 after hitting a high of Kes. 3.39 in early Jul-2021 while touching a low of Kes. 2.00 late Sept-2021. The risk shouldering group's highest price for the years 2020 and 2021 were Kes. 3.03 and Kes. 3.39 with bases of Kes. 1.98 and Kes. 2.00 respectively.

Cognizant of the rising insurance premiums on heavy claims and rising inflation more especially the general insurance, which is the counter's strength, we foresee spikes on the counter's revenues which will push its profitability upwards. The insurer's H1-2021 performed better at a 177.7% recovery on its PAT to Kes. 259.52Mn of which we forecast a better FY-2021 performance and therefore recommend a buy. Our target price is Kes. 2.45, a 14.5% uptick.



Ongoing Corporate Action List

DIVIDEND PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	AMOUNT	EPS	PAYOUT
KCB	I	19-Nov-21	9-Dec-21	14-Jan-22	1.00	9.92	10.1%
Kengen	F&F	1-Nov-21	16-Dec-21	10-Feb-22	0.30	0.18	166.7%
Car General	F&F	6-Jan-22	25-Feb-22	24-Mar-22	3.20	22.30	14.3%

F - Final, F&F - First and Final, SD - Special Dividend I - Interim, TBA - To be Advised

BONUS PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	ISSUED	ISSUED AND PAID	SHARES
Car General	Bonus Share	06-01-22	24-03-22	08-04-22	1:1	40,103,308	80,206,616

	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
	52 wk high	52 wk low	(10/1/2022)	(31/12/2021)										
Eaagads Ltd	15.00	10.50	13.80	13.50	2.2%	0.05	-	31.40	276.00	0.44	-	-	17.61%	15.93%
Kakuzi Plc	423.50	351.00	8.00	385.00	-97.9%	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	99.50	78.00	92.00	95.00	-3.7%	0.90	10.00	189.96	102.22	0.48	10.87%	1111.11%	0.48%	0.34%
The Limuru Tea Co. Plc	360.00	263.00	63.00	320.00	0.0%	0.79	0.70	79.18	405.06	4.04	0.22%	88.61%	-0.63%	-0.58%
Sasini Plc	22.40	16.50	20.55	18.70	9.9%	0.07	0.50	57.76	293.57	0.36	2.43%	714.29%	-2.56%	-2.21%
Williamson Tea Kenya Plc	152.25	126.00	132.00	130.00	1.5%	-8.31	10.00	340.32	-	0.39	7.58%	-	-2.45%	-1.82%
Industry Average									18.06	0.34			1.2%	1.0%
AUTOMOBILES & ACCESSORIES									5.94	0.36			12.7%	8.6%
Car & General (K) Ltd	40.70	20.00	40.70	33.95	19.9%	6.85	0.80	111.95	5.94	0.36	1.97%	11.68%	12.70%	8.59%
Industry Average									5.94	0.36			12.7%	8.6%
BANKING														
ABSA Bank Kenya Plc	11.90	8.62	11.90	11.85	0.4%	0.69	-	10.21	17.25	1.17	-	-	16.5%	2.4%
BK Group Plc	40.00	18.50	30.00	29.00	3.4%	4.66	-	28.45	6.44	1.05	-	-	16.9%	3.7%
Diamond Trust Bank Kenya Ltd	77.50	54.75	60.00	59.50	0.8%	10.89	-	262.23	5.51	0.23	-	-	5.5%	0.9%
Equity Group Holdings Plc	54.25	36.00	52.75	52.75	0.0%	5.24	-	45.14	10.07	1.17	-	-	17.0%	2.1%
HF Group Plc	4.99	3.31	3.71	3.90	-4.9%	-4.44	-	17.79	-	0.21	-	-	-20.6%	-2.7%
I&M Holdings Plc	50.00	20.35	21.40	21.10	1.4%	9.77	2.25	43.14	2.19	0.50	10.5%	23.0%	13.3%	2.4%
KCB Group Plc	49.90	35.70	46.40	45.45	2.1%	6.10	1.00	50.79	7.61	0.91	2.2%	16.4%	16.7%	2.6%
NCBA Group Plc	28.15	22.95	25.90	25.20	2.8%	2.77	1.50	46.67	9.35	0.56	5.8%	54.2%	8.6%	1.2%
Stanbic Holdings Plc	95.25	74.00	87.50	87.25	0.3%	13.13	3.80	141.40	6.66	0.62	4.3%	28.9%	11.0%	2.1%
Standard Chartered Bank Kenya Ltd	146.75	124.00	130.50	128.25	1.8%	13.66	10.50	134.64	9.55	0.97	8.0%	76.9%	13.9%	2.1%
The Co-operative Bank of Kenya Ltd	13.95	11.60	12.80	12.95	-1.2%	2.34	1.00	17.59	5.47	0.73	7.8%	42.7%	10.6%	1.8%
Industry Average									7.15	0.81			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%
Evereedy East Africa Ltd	1.22	0.85	0.87	0.98	-11.2%	-0.33	-	0.20	-	4.46	-	-	-284.0%	-36.1%
Express Kenya Plc	4.61	3.31	3.80	4.10	-7.3%	-1.97	-	-2.87	-	-1.32	-	-	50.9%	-21.7%
Homeboyz 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	3.64	3.97	4.00	-0.7%	0.68	-	2.16	5.84	1.83	-	-	-86.4%	-20.7%
Nairobi Business Ventures Ltd	12.80	3.81	5.04	6.06	-16.8%	-3.20	-	0.30	-	16.66	-	-	22.1%	18.5%
Nation Media Group Plc	26.10	12.65	19.10	18.45	3.5%	0.20	-	42.54	95.50	0.45	-	-	8.8%	8.3%
Sameer Africa Plc	3.88	2.54	2.68	2.86	-6.3%	0.16	-	1.38	16.75	1.95	-	-	67.0%	21.3%
Standard Group Plc	22.50	13.50	14.90	13.55	10.0%	-3.79	-	13.00	-	1.15	-	-	-5.3%	-1.4%
TPS Eastern Africa Ltd	18.00	13.70	15.25	15.25	0.0%	-6.32	-	39.35	-	0.39	-	-	-15.7%	-8.2%
Uchumi Supermarket Plc	0.30	0.21	0.21	0.24	-12.5%	-4.60	-	-5.75	-	-0.04	-	-	135.3%	-56.7%
WPP Scangroup Plc	6.40	3.57	4.17	4.14	0.7%	1.00	-	12.19	4.17	0.34	-	-	-32.9%	-19.8%
Industry Average									(0.90)	-0.69			33.6%	-8.9%
CONSTRUCTION & ALLIED														
ARM Cement Plc	5.55	5.55	0.00	5.55	-100.0%	-6.83	-	28.95	-	0.00	-	-	-10.1%	-5.5%
Bamburi Cement Ltd	46.35	33.55	37.95	38.00	-0.1%	2.89	3.00	93.81	13.13	0.40	7.9%	103.8%	3.5%	2.4%
Crown Paints Kenya Plc	42.80	19.65	0.00	30.50	-100.0%	8.42	-	17.22	0.00	0.00	-	-	28.0%	10.3%
E.A.Cables Ltd	1.60	1.17	1.17	1.20	-2.5%	-2.15	-	10.10	-	0.12	-	-	-22.8%	-7.7%
E.A.Portland Cement Co. Ltd	11.25	6.06	7.00	6.66	5.1%	-16.35	-	187.68	-	0.04	-	-	-8.7%	-5.4%
Average									-2.32	0.18			-3.6%	-2.1%
ENERGY & PETROLEUM														
KenGen Co. Plc	5.18	3.91	4.13	4.19	-1.4%	2.79	0.30	32.04	1.48	0.13	7.3%	10.8%	8.7%	4.5%
Kenya Power & Lighting Co Plc	2.02	1.28	1.71	1.75	-2.3%	0.13	-	28.81	13.15	0.06	-	-	0.5%	0.1%
Total Kenya Ltd	26.30	21.85	24.30	25.00	-2.8%	5.24	1.57	129.47	4.64	0.19	6.5%	30.0%	10.2%	5.9%
Umeme Ltd	7.40	5.48	6.74	6.74	0.0%	0.81	0.37	14.19	8.32	0.47	5.5%	45.7%	16.7%	5.5%
Industry Average									2.19	0.15			7.9%	2.9%
INSURANCE														
Britam Holdings Plc	8.38	6.72	7.50	7.50	0.0%	-3.62	-	6.76	-	1.11	-	-	53.4%	7.3%
CIC Insurance Group Ltd	3.39	2.00	2.14	2.21	-3.2%	-0.11	-	3.00	-	0.71	-	-	4.1%	0.9%
Jubilee Holdings Ltd	390.00	261.75	310.25	316.75	-2.1%	50.06	9.00	490.33	6.20	0.63	2.9%	18.0%	11.5%	2.8%
Kenya Re Insurance Corporation Ltd	2.70	2.22	2.32	2.30	0.9%	2.55	0.10	11.41	0.91	0.20	4.3%	3.9%	12.4%	7.9%
Liberty Kenya Holdings Ltd	10.30	6.52	6.90	7.00	-1.4%	1.23	-	14.99	5.61	0.46	-	-	9.2%	1.9%
Sanlam Kenya Plc	14.00	9.16	10.50	11.55	-9.1%	0.81	-	12.05	12.96	0.87	-	-	6.6%	0.4%
Sector PE								11.18361464	27.69	0.57			18.0%	4.3%
INVESTMENT														
Centum Investment Co Plc	18.00	14.05	14.05	14.10	-0.4%	-0.93	0.33	79.08	-	0.18	2.3%	-	8.8%	4.5%
Home Afrika Ltd	0.45	0.35	0.40	0.40	0.0%	-0.60	-	-4.79	-	-0.08	-	-	-45.8%	-20.4%
Kurwitu Ventures Ltd	1500.00	1500.00	0.00	1500.00	-100.0%	-36.00	-	592.46	-	0.00	-	-	-8.9%	-3.9%
Olympia Capital Holdings Ltd	2.40	1.78	1.80	2.00	-10.0%	-0.14	-	32.09	-	0.06	-	-	0.4%	0.4%
Trans-Century Plc	1.53	1.03	0.00	1.17	-100.0%	-7.95	-	9.45	-	0.00	-	-	-56.1%	-9.1%
Industry Average									-2.49	0.17			3.2%	1.3%
INVESTMENT SERVICES														
Nairobi Securities Exchange Plc	10.15	7.74	8.18	8.00	2.3%	0.65	0.53	8.04	12.58	1.02	6.5%	81.5%	3.8%	3.6%
Industry Average									12.58	1.02			3.8%	3.6%
MANUFACTURING & ALLIED														
B.O.C Kenya Plc	75.25	57.00	72.75	70.00	3.9%	5.21	4.15	78.03	13.96	0.93	5.7%	79.7%	4.6%	3.2%
British American Tobacco Kenya Plc	499.75	385.75	442.00	441.50	0.1%	55.18	45.00	118.56	8.01	3.73	10.2%	81.6%	46.5%	25.4%
Carbacid Investments Plc	13.25	10.00	10.80	11.00	-1.8%	1.38	0.70	8.38	7.83	1.29	6.5%	50.7%	12.4%	7.9%
East African Breweries Ltd	193.75	148.25	163.25	165.00	-1.1%	5.51	-	17.70	29.63	9.23	-	-	50.2%	5.8%
Flame Tree Group Holdings Ltd	1.43	1.16	1.24	1.26	-1.6%	0.42	-	4.57	2.95	0.27	-	-	4.2%	1.8%
Kenya Orchards Ltd	10.50	10.40	0.00	10.40	-100.0%	0.69	-	1.88	0.00	0.00	-	-	36.7%	7.8%
Mumias Sugar Co. Ltd	0.27	0.27	0.00	0.27	-100.0%	-9.90	-	-9.40	-	0.00	-	-	105.3%	-96.2%
Unga Group Ltd	33.15	26.10	0.00	27.65	-100.0%	0.45	-	74.09	0.00	0.00	-	-	1.2%	0.5%
Industry Average									-37.80	8.24			-10.0%	-1.2%
TELECOMMUNICATION & TECHNOLOGY														
Safaricom Plc	44.95	34.90	38.50	37.95	1.4%	1.71	1.37	3.57	22.51	10.78	3.6%	80.1%	51.5%	34.5%
Industry Average									22.51	10.78			51.5%	34.5%
REAL ESTATE INVESTMENT TRUST														
STANLIB FAHARI I-REIT	7.20	5.72	6.72	6.26	7.3%	0.82	0.60	20.86	8.20	0.32	8.9%	73.2%	3.9%	3.8%
Industry Average									8.20	0.32				

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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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