

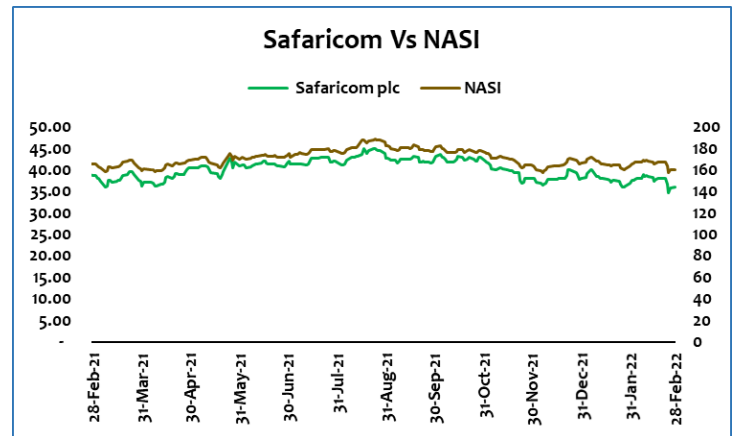
WEEKLY STOCK PICKS SELECTION

The ongoing Russia-Ukraine war has resulted to a high volatility in the Equities market especially in Europe and Asia markets which has had a ripple effect in the emerging market. This has however, posed some investment opportunities on some stocks as market indicators remain positive on a long-term investing alternative venture.

Safaricom - Long-Term Buy: The counter shed 5.6% on the Russia-Ukraine invasion news on Thursday 24th last week, from Kes. 36.60 to Kes. 34.55 while remaining steady on Monday the 28th February at Kes. 35.95 from a price of Kes. 35.65 on Friday 25th.

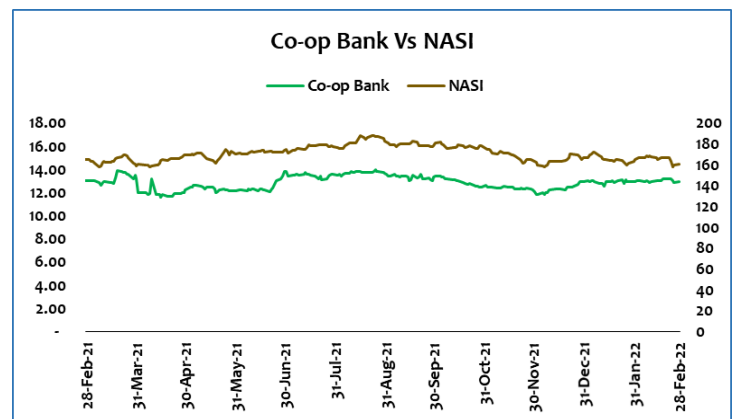
Globally, technology counters performed much better compared to consumer stocks just like in the intense covid-19 period.

Safaricom declared an interim dividend of Kes. 0.64 whose book closure and payment on 17th and 31st March respectively. We forecast the counter to pay a final dividend for the year ending 31st March, we issue a BUY recommendation on the counter.



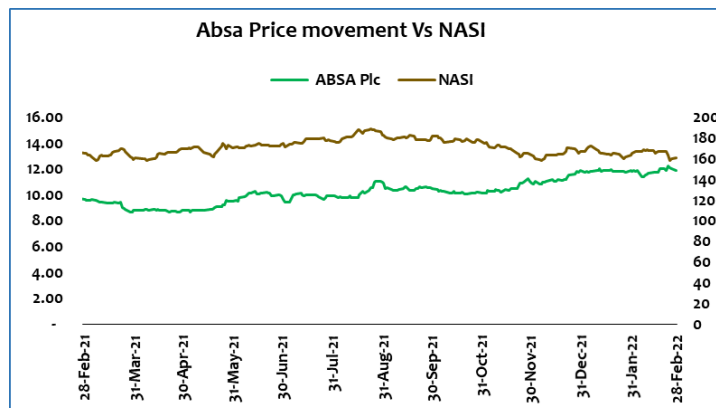
Co-op Bank Group - Long-Term BUY: Currently at Kes. 12.90, a 1.9% drop from a rising momentum that had propelled the price to Kes. 13.15 as of Wednesday last week, curtailed by the Russia-Ukraine war.

We value the lender's price at Kes. 17.21, a 33.4% uptick from the current of Kes.12.89 as we expect the bank to maintain growth trajectory and dividend payment tradition, which we forecast at Kes. 1.00. This will give a dividend yield of 9.2% and a total return of 41.2% and therefore retain our BUY recommendation on the quoted counter.



Find our full valuation for Co-op Bank here - [Kingdom-Securities-Limited-Banking-Industry-Review-and-Outlook-2022](#)

ABSA GROUP – Long-Term BUY The group’s price remained from Kes. 9.80 in August last year to Kes. 12.20 on Wednesday last week. On Thursday the price lessened to Kes. 12.10 and later to Kes. 11.90 on Monday 28th on foreign exits which we foresee to turn around on the long-term as the lender regains its market share in the Kenyan market after a successful transition.



retain our valuation of Kes. 13.55, a 13.9% upsurge and therefore retain our BUY recommendation on the counter as we forecast the bank to revert to dividend payment after recording a 249.9% growth in Q3-2021 PBT from KES 3.39Bn to KES 11. 86Bn.

Ongoing Corporate Action List

DIVIDEND PAYMENT

COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	AMOUNT	EPS	PAYOUT
Safaricom	I	25-Feb-22	17-Mar-22	31-Mar-22	0.64	1.71	37.4%
BAT	F	17-Feb-22	22-Apr-22	24-May-22	50.00	64.83	77.1%
EABL	I	27-Jan-22	28-Feb-22	27-Apr-22	3.75	8.45	44.4%
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%
Sasin	F	11-Jan-22	22-Feb-22	15-Mar-22	0.50	2.49	20.1%

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

	52 wk high		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
	52 wk low	(28/2/2022)	(31/12/2021)											
EAAGADS LTD	15.00	10.50	12.35	13.50	-8.5%	0.05	-	31.40	247.00	0.39	-	-	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	101.00	78.25	96.00	95.50	0.5%	0.90	10.00	202.45	106.67	0.47	10.42%	1111.11%	2.80%	1.96%
THE LIMURU TEA CO. PLC	360.00	263.00	320.00	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	16.85	20.05	18.70	7.2%	2.49	0.50	58.95	8.05	0.34	2.49%	20.08%	4.26%	3.79%
WILLIAMSON TEA KENYA PLC	152.25	126.00	130.50	130.00	0.4%	-8.31	10.00	338.08	-	0.39	7.66%	-	-3.17%	-2.29%
Industry Average										8.47	0.33		4.5%	3.7%
AUTOMOBILES & ACCESSORIES														
Car & General (K) Ltd	72.75	20.00	64.00	33.95	88.5%	22.43	3.20	121.04	2.85	0.53	5.00%	14.27%	18.28%	12.53%
Industry Average									2.85	0.53			18.3%	12.5%
BANKING														
ABSA Bank Kenya Plc	12.20	8.62	11.90	11.85	0.4%	0.69	-	10.02	17.25	1.19	-	-	18.27%	2.48%
BK Group Plc	40.00	20.25	29.00	29.00	0.0%	4.66	-	28.45	6.22	1.02	-	-	16.90%	3.66%
Diamond Trust Bank Kenya Ltd	76.75	54.75	56.75	59.50	-4.6%	10.89	-	262.23	5.21	0.22	-	-	5.53%	0.87%
Equity Group Holdings Plc	54.25	37.50	50.00	52.75	-5.2%	5.24	-	43.56	9.54	1.15	-	-	19.42%	2.52%
HF Group Plc	4.99	3.34	3.34	3.90	-14.4%	-4.44	-	17.79	-	0.19	-	-	-20.63%	-2.72%
I&M Holdings Plc	50.00	20.35	20.90	21.10	-0.9%	9.77	2.25	43.14	2.14	0.48	10.77%	23.03%	13.28%	2.37%
KCB Group Plc	49.90	37.95	45.00	45.45	-1.0%	6.10	1.00	52.74	7.38	0.85	2.22%	16.39%	20.01%	3.27%
NCBA Group Plc	28.15	22.95	23.85	25.20	-5.4%	2.77	1.50	46.67	8.61	0.51	6.29%	54.15%	8.58%	1.19%
Stanbic Holdings Plc	96.25	76.00	95.00	87.25	8.9%	13.13	3.80	141.40	7.24	0.67	4.00%	28.94%	10.99%	2.07%
Standard Chartered Bank Kenya Ltd	146.75	124.00	132.00	128.25	2.9%	13.66	10.50	134.64	9.66	0.98	7.95%	76.87%	13.93%	2.06%
The Co-operative Bank of Kenya Ltd	13.95	11.60	12.90	12.95	-0.4%	2.34	1.00	17.68	5.51	0.73	7.75%	42.74%	12.21%	2.05%
Industry Average									6.98	0.80			14.6%	2.2%
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%
Evereedy East Africa Ltd	1.22	0.85	0.97	0.98	-1.0%	-0.33	-	0.03	-	32.33	-	-	-550.65%	-495.80%
Express Kenya Plc	4.61	3.37	4.00	4.10	-2.4%	-1.97	-	-2.87	-	-1.39	-	-	50.92%	-21.71%
Homeboyz Entertainment Plc	4.66	4.66	4.66	4.66	0.0%	-0.51	-	0.46	-	10.15	-	-	-77.47%	-24.29%
Kenya Airways Ltd	3.83	3.83	3.83	3.83	0.0%	-6.22	-	-13.00	-	-0.29	-	-	15.55%	-7.49%
Longhorn Publishers Plc	4.70	3.64	4.00	4.00	0.0%	0.68	-	2.75	5.88	1.45	-	-	4.03%	1.39%
Nairobi Business Ventures Ltd	12.80	3.81	4.99	6.06	-17.7%	-3.20	-	0.11	-	45.36	-	-	22.12%	18.52%
Nation Media Group Plc	26.10	14.95	20.20	18.45	9.5%	0.20	-	42.54	101.00	0.47	-	-	8.75%	8.29%
Sameer Africa Plc	3.88	2.44	2.69	2.86	-5.9%	0.16	-	1.38	16.81	1.95	-	-	66.97%	21.33%
Standard Group Plc	21.35	13.50	15.00	13.55	10.7%	-3.79	-	13.00	-	1.15	-	-	-5.34%	-1.41%
TPS Eastern Africa Ltd	18.00	12.20	12.50	15.25	-18.0%	-6.32	-	39.35	-	0.32	-	-	-15.71%	-8.16%
Uchumi Supermarket Plc	0.28	0.20	0.22	0.24	-8.3%	-4.60	-	-5.75	-	-0.04	-	-	135.25%	-56.71%
WPP Scangroup Plc	6.24	3.57	4.24	4.14	2.4%	1.00	-	12.19	4.24	0.35	-	-	-32.89%	-19.82%
Industry Average									(0.94)	-0.76			32.5%	-8.6%
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	43.15	33.55	37.05	38.00	-2.5%	2.89	3.00	93.81	12.82	0.39	8.10%	103.81%	3.47%	2.39%
Crown Paints Kenya Plc	42.80	19.65	36.00	30.50	18.0%	8.42	-	17.22	4.28	2.09	-	-	27.98%	10.25%
E.A.Cables Ltd	1.60	1.12	1.16	1.20	-3.3%	-2.15	-	10.10	-	0.11	-	-	-22.79%	-7.72%
E.A.Portland Cement Co. Ltd	9.40	6.06	6.88	6.66	3.3%	20.97	-	187.68	0.33	0.04	-	-	-8.71%	-5.38%
Average									-8.37	0.30			-3.6%	-2.1%
ENERGY & PETROLEUM														
KenGen Co. Plc	4.98	3.90	3.90	4.19	-6.9%	0.18	0.30	32.04	21.67	0.12	7.69%	166.67%	8.70%	4.45%
Kenya Power & Lighting Co Plc	2.02	1.28	1.70	1.75	-2.9%	0.76	-	28.81	2.24	0.06	-	-	0.47%	0.08%
Total Kenya Ltd	26.30	21.85	23.30	25.00	-6.8%	5.24	1.57	129.47	4.45	0.18	6.74%	29.96%	10.20%	5.89%
Umeme Ltd	7.20	0.00	6.12	6.74	-9.2%	0.81	0.37	14.19	7.56	0.43	6.05%	45.68%	16.69%	5.47%
Industry Average									8.78	0.14			7.9%	2.9%
INSURANCE														
Britam Holdings Plc	8.38	6.72	6.98	7.50	-6.9%	-3.62	-	6.76	-	1.03	-	-	53.39%	7.28%
CIC Insurance Group Ltd	3.39	2.00	2.15	2.21	-2.7%	-0.11	-	3.00	-	0.72	-	-	4.10%	0.91%
Jubilee Holdings Ltd	390.00	261.75	279.00	316.75	-11.9%	50.06	9.00	490.33	5.57	0.57	3.23%	17.98%	11.50%	2.80%
Kenya Re Insurance Corporation Ltd	2.68	2.22	2.27	2.30	-1.3%	2.55	0.10	11.41	0.89	0.20	4.41%	3.92%	12.41%	7.88%
Liberty Kenya Holdings Ltd	10.30	6.52	6.54	7.00	-6.6%	1.23	-	14.99	5.32	0.44	-	-	9.22%	1.94%
Sanlam Kenya Plc	15.00	9.16	13.50	11.55	16.9%	0.81	-	12.05	16.67	1.12	-	-	6.59%	0.39%
Sector PE								11.18361464	26.06	0.54			18.0%	4.3%
INVESTMENT														
Centum Investment Co Plc	17.85	13.95	14.05	14.10	-0.4%	-0.93	0.33	79.08	-	0.18	2.35%	-	8.80%	4.54%
Home Afrika Ltd	0.45	0.36	0.39	0.40	-2.5%	-0.60	-	-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	2.29	1.76	2.00	2.00	0.0%	-0.14	-	32.09	-	0.06	-	-	0.45%	0.35%
Trans-Century Plc	1.53	1.03	1.18	1.17	0.9%	-7.95	-	9.45	-	0.12	-	-	-56.07%	-9.11%
Industry Average									-2.64	0.18			3.2%	1.3%
INVESTMENT SERVICES														
Nairobi Securities Exchange Plc	10.15	7.74	7.78	8.00	-2.8%	0.65	1.03	8.04	11.97	0.97	13.2%	158.5%	3.8%	3.6%
Industry Average									11.97	0.97			3.8%	3.6%
MANUFACTURING & ALLIED														
B.O.C Kenya Plc	93.25	57.00	85.00	70.00	21.4%	5.21	4.15	78.03	16.31	1.09	4.88%	79.65%	4.57%	3.24%
British American Tobacco Kenya Plc	509.00	420.25	489.75	441.50	10.9%	55.18	45.00	118.56	8.88	4.13	9.19%	81.55%	46.54%	25.42%
Carbacid Investments Plc	13.25	10.00	11.40	11.00	3.6%	1.63	1.60	8.38	6.99	1.36	14.04%	98.16%	12.39%	7.93%
East African Breweries Ltd	193.75	148.25	159.00	165.00	-3.6%	5.51	-	17.70	28.86	8.99	-	-	50.17%	5.84%
Flame Tree Group Holdings Ltd	1.43	1.16	1.30	1.26	3.2%	0.42	-	4.57	3.10	0.28	-	-	4.16%	1.84%
Kenya Orchards Ltd	10.40	10.40	10.40	10.40	0.0%	0.69	-	1.88	15.07	5.52	-	-	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	36.25	26.10	30.00	27.65	8.5%	0.45	-	74.09	66.67	0.40	-	-	1.18%	0.55%
Industry Average									-39.32	8.45			-10.0%	-1.2%
TELECOMMUNICATION & TECHNOLOGY														
Safaricom Plc	44.95	34.55	35.95	37.95	-5.3%	1.71	1.37	3.57	21.02	10.07	3.8%	80.1%	51.5%	34.5%
Industry Average									21.02	10.07			51.5%	34.5%
REAL ESTATE INVESTMENT TRUST														
STANLIB FAHARI I-REIT	7.20	5.72	6.20	6.26	-1.0%	0.82	0.60	20.86	7.56	0.30	9.7%	73.2%	3.9%	3.8%</

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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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