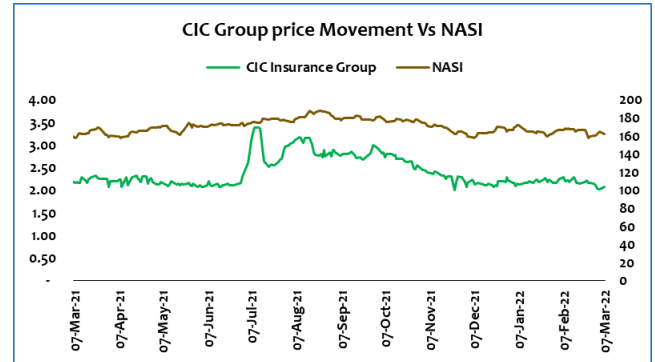


WEEKLY STOCK PICKS SELECTION

As earnings season continue rejuvenating the equities market, we have selected the following stocks for your review.

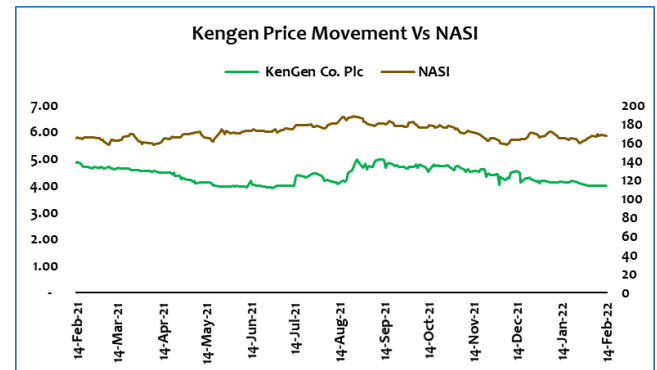
CIC Group – Short-Term Buy: Currently trading at KES 2.08, the counter has shed 6.3% Y/Y, 5.9% QTD and 4.1% YTD. The insurance recorded a highest price of KES 3.39 and the lowest at KES 2.00 in the last one year. Its 3, 6 and 12-months average price are KES 2.17, KES 2.37 and KES 2.41 respectively.

Based on the Insurance regulator provisional data, general insurance premiums for the counter grew 42.1% from KES 6.83Bn to 9.70Bn in Q3-2021 reflecting an accelerated revenue recovery on the group. With this we expect a further improvement on its FY-2021 results which will see its price edge upwards. We therefore recommend a BUY on the counter with a target price of KES 2.50, a 20.2% upside to gain on capital gains for short-term investors.



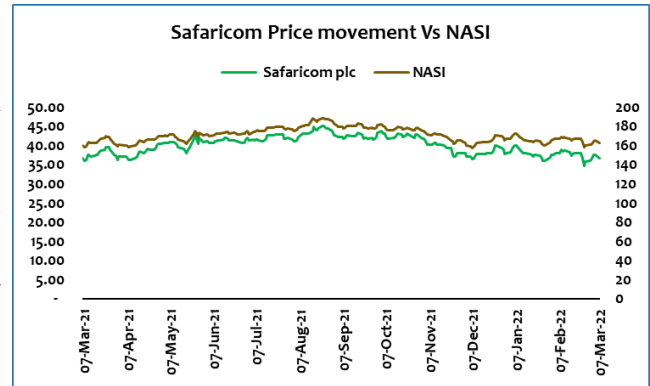
Kengen – Short-Term Buy: Trading at KES 3.82, the counter has lost 12.0%, 19.2% and 18.6% in the last 3, 6 and 12 months. The 3, 6 and 12-months average prices for the counter are KES 4.10, KES 4.38 and KES 4.33 respectively. Its highest and lowest prices for the last one year are KES 4.98 on 10-Sept-2021 and KES 3.82 on 5-Mar-22 respectively.

The electric generating counter reported a 9.5% increase in profit before tax from KES 6.87Bn to KES 7.52Bn. Profits after tax stood grew a 1.2% to KES 5.12Bn having been affected by 32% effective tax which jumped 28.6% up from KES 1.82Bn to KES 2.34Bn. With the cashflow position, we opine that the lender will retain a dividend payment of KES 0.30 for FY-2022 which will push its price upwards, and therefore recommend a BUY on the counter. Our target price stands at KES 4.35, a 13.9% upside giving a projected total return of 21.7%.



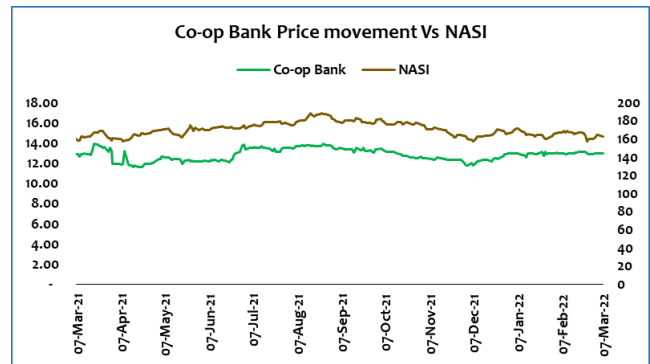
Safaricom – Long-Term Buy: The giant telco counter has remained steady after shedding 3.4% M/M and later recovering 1.5% MTD on signs of price recovery. The drop was on political risk sentiment that continue dominating the equities market.

The counter issued a special dividend of KES 0.64 whose book closure and payment are on 17th and 31st March. As technology stocks performs better globally, we expect the counter to better on its FY-2022 and issue a final dividend which will rally the price upwards supported by the ongoing infrastructure installation in Ethiopia and thus retain our BUY recommendation on the company.



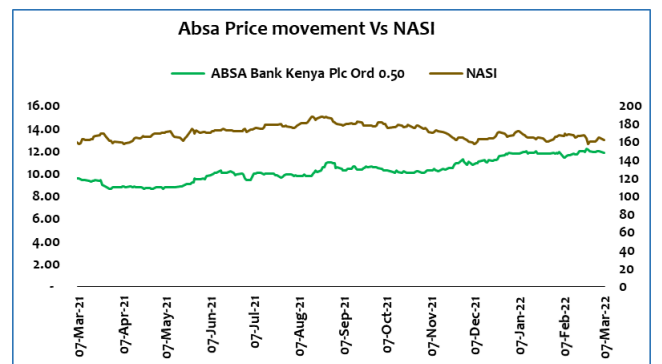
Co-op Bank – Long-Term Buy: The third largest bank by asset base remains a key promoter of Co-operatives movement in the country. Trading at KES 12.95, the bank has shed 0.4% YTD while recording a high of KES 13.95 in August and low of KES 11.60 in April 2021.

Our valuation for the lender stands at KES 17.21, a 32.9% upside from the current price of KES 12.95. As we expect the lender to maintain a dividend payment of KES 1.00 per share in FY-2021, giving a total valuation return of 40.6%. In line with this and as we forecast return of the pre-covid price levels, we retain our BUY recommendation on the counter.



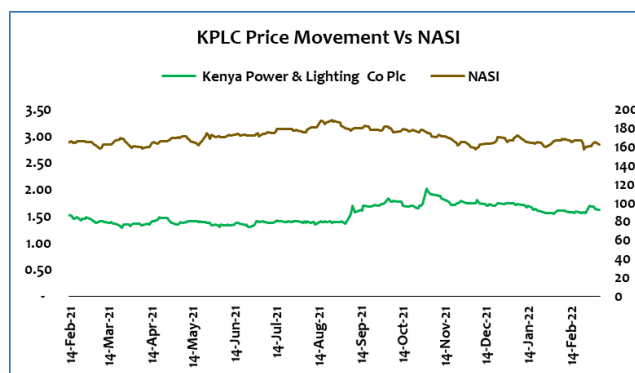
Absa plc – Long-Term Buy: Currently trading at KES 11.85, a 23.7% Y/Y, 12.3% six months to date and 0.9% YTD upticks. Its 3, 6 and annual average prices stand at KES 11.66, KES 11.04 and KES 10.30 respectively. The group recorded a high of KES 13.60 and KES 11.85 in 2020 and 2021 and stabilized its lowest price at KES 8.62 in both years.

The counter had a stellar performance on its first 3 quarters of 2021 which we expect to be replicated on its FY-2021. We expect the lender to issue a KES 1.00 dividend for FY-2021 which will help its price upwards. We retain our valuation of KES 13.55, an upside of 14.4%, giving a total return of 22.7% and therefore retain our BUY recommendation.



Kenya Power Plc – SELL: Trading at KES 1.62, the counter has gained 19.1% in the last 6-months and 14.9% Y/Y. Its last 3, 6 and 12-months average prices stands at KES 1.65, KES. 1.70 and KES. 1.54 respectively.

The electric retailing company reached resistant price at KES. 1.70 on 28th after announcing H1-2022 results. Its profits stood at KES 3.82Bn, a jump from KES 0.14Bn in HY-21. We expect a weaker H2-22 due to a recently enacted tariff cuts which will affect the firm's revenues, therefore we advise our clients to reap current capital gains while those who entered at peak can cut losses by exiting the counter as we anticipate decline in value to a low of KES 1.25.



Ongoing Corporate Action List

DIVIDEND PAYMENT							
COUNTER	EVENT	ANNOUNCEMENT DATE	BOOK CLOSURE	PAYMENT DATE	AMOUNT	EPS	PAYOUT
Stanbic	F	3-Mar-22	20-May-22	TBA	7.30	18.23	40.0%
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%
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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