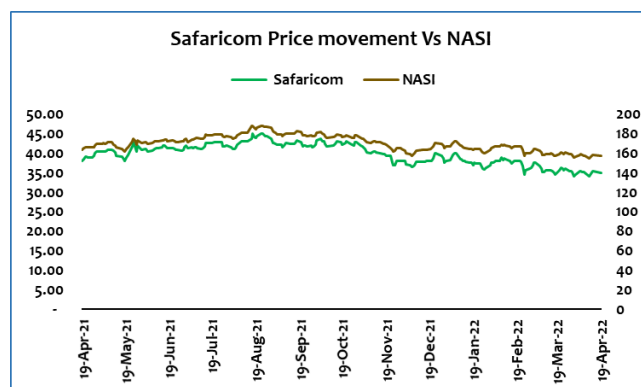


WEEKLY STOCK PICKS SELECTION

Amid rising inflation fueled by ongoing Ukraine-Russia war, we have selected the following stocks for your review.

Safaricom – Long-Term Buy: Trading at KES 35.00, the counter has remained resilient amid global fears which has seen many stock prices drop. The stock had nearly outperformed the market recording a high of KES 44.95 in August 2021 but hinged by the Ethiopia internal friction and the Russia-Ukraine war that began in Nov-2021 and Feb 2022 respectively.

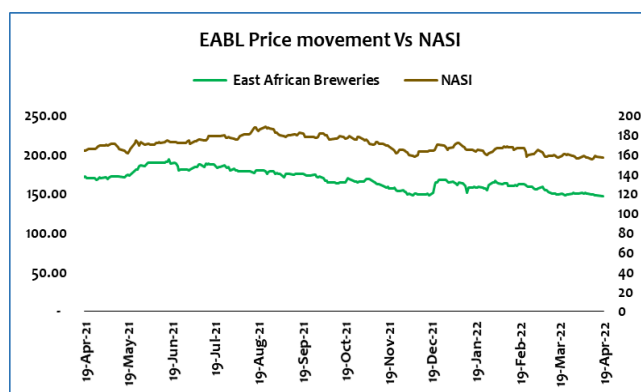
Its last 3-, 6- and 12-months price average is KES 36.89, KES 38.34, and KES 39.81 respectively. The telco counter recorded an average low price of KES 35.20 in the last one month which we fathom the low resistance price developed by the market. In line with this and as technology stocks remain strong globally, we forecast a price recovery on the counter and retain out BUY recommendation.



East African Breweries (EABL) – Long-Term Buy: The counter recorded a new low of KES 147.00 on 19th April 2021 from highs of KES 193.75 and KES 191.00 on 17th, 16 and 15th June 2022 respectively. Its last 3, 6 and 12-months average price is KES 155.55, 157.84 and KES 168.05 respectively.

The counter's performance improved 130.6% to KES 8.74Bn in profits after tax (PAT) on economic recoveries in H1-2022. We fathom an improvement on its overall performance on its FY-2022 and project an earnings per share of above 14.0 and a dividend of KES 5.00.

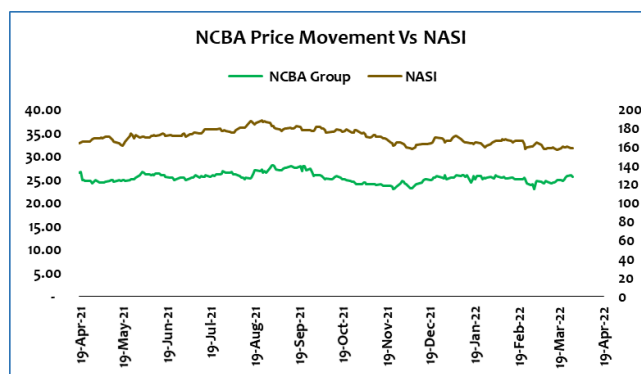
In line with this we retain our BUY recommendation with a price target of KES 175.00, a 19.0% upside from the current price of KES 147.00.



NCBA Group – Long-Term Buy: The lender declared a final dividend of Kes. 2.25 of book closure 29th April and payment 5th May 2022. This represents a 48.3% dividend payout from a total earnings per share (EPS) of 6.21.

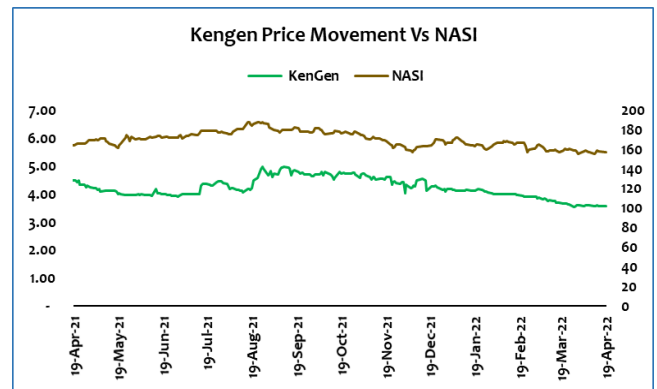
The group's FY 2021 PAT jumped 123.7% to KES 10.22Bn in FY-2021 from KES 4.57Bn a year before on reductions in operating expenses. Growth in net income pushed the group's return on assets 700bps up as return on average assets doubled to 1.9% Y/Y

In line with this, we value the group at KES 39.27, a 48.2% uptick from the current price of KES 26.50 giving a total return of 56.7% and therefore retain our BUY recommendation.



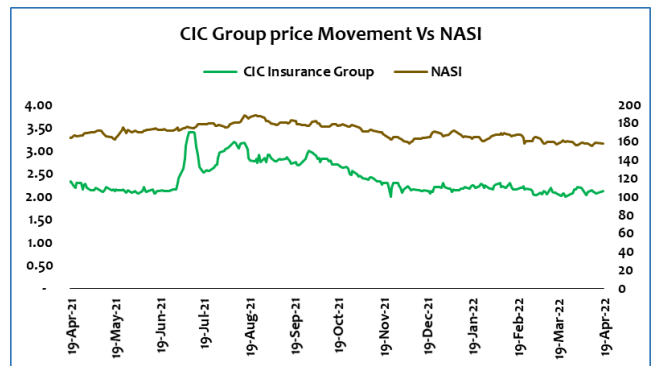
Kengen – Short-Term Buy: Currently trading at KES 3.57, the counter has shed 14.8% YTD and 20.5% Y/Y. Its average price in the last 3, 6 and 12 months are KES 3.92, KES 4.20, and KES 4.26 respectively. The electric generating company recorded a high of KES 4.98 in early September and a low of KES 3.54 late last month.

The group reported KES 5.12Bn in H1-2022, a marginal growth of 1.4% Y/Y having been affected by a 32.0% effective tax rate compared to 26.0% effective tax rate last year as revenues grew 13.7% in H1-2022. In line with this we recommend a BUY on the counter with a price target of KES 4.25, a 19.0% return.



CIC Group – Short-Term Buy: Trading at KES 2.11, the counter has lost 21.6% in the last 6 months and 1.9% QTD on signs of price recovery. From our last recommendation, risk shouldering group's price has recovered 1.9% after recording a low of KES 2.00 in March 2022 and a high of KES 3.39 in July 2021.

We retain our price valuation of KES 2.48, a 17.5% upside from the current market price. This will be rallied by recoveries witnessed in the sector which saw CIC Group record a PAT of KES 668.44Mn in FY-2021 from a loss of KES 296.83Mn in FY-2020. In line with this we retain our BUY recommendation to our short-term investors for capital gains.



	52 wk high	52 wk low	Vwap (19/4/2022)	Vwap (31/12/2021)	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
AGRI														
Eaagads Ltd	15.00	10.50	12.65	13.50	-6.3%	0.05	-	31.40	253.00	0.40	-	-	17.61%	15.93%
Kakuzi Plc	425.00	355.00	8.00	385.00	-97.9%	16.31	22.00	259.37	0.49	0.03	275.00%	134.89%	12.24%	9.36%
Kapchorua Tea Kenya Plc Ord 5.00	101.00	80.00	90.25	95.50	-5.5%	0.90	10.00	202.45	100.28	0.45	11.08%	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	19.50	18.70	4.3%	2.49	0.50	58.95	7.83	0.33	2.56%	20.08%	4.26%	3.79%
Williamson Tea Kenya Plc	152.25	126.00	133.50	130.00	2.7%	-8.31	10.00	338.08	-	0.39	7.49%	-	-3.17%	-2.29%
Industry Average										11.72	0.32		4.5%	3.7%
AUTOMOBILES & ACCESSORIES														
Car & General (K) Ltd	76.00	20.00	45.00	33.95	32.5%	22.43	3.20	121.04	2.01	0.37	7.11%	14.27%	18.28%	12.53%
Industry Average									2.01	0.37			18.3%	12.5%
BANKING														
ABSA Bank Kenya Plc	12.55	8.62	12.55	11.85	5.9%	1.90	1.00	10.39	6.61	1.21	7.97%	52.63%	19.26%	2535.63%
BK Group Plc	40.00	24.30	29.20	29.00	0.7%	4.66	-	28.45	6.27	1.03	-	-	16.90%	3.66%
Diamond Trust Bank Kenya Ltd	69.00	54.75	56.00	59.50	-5.9%	10.89	3.00	240.68	5.14	0.23	5.36%	27.55%	6.56%	0.97%
Equity Group Holdings Plc	54.25	37.95	49.65	52.75	-5.9%	10.38	3.00	46.69	4.78	1.06	6.04%	28.90%	22.74%	3.07%
HF Group Plc	4.90	2.91	3.03	3.90	-22.3%	-4.44	-	17.79	-	0.17	-	-	-20.63%	-2.72%
I&M Holdings Plc	47.50	20.00	20.35	21.10	-3.6%	9.77	2.25	43.14	2.08	0.47	11.06%	23.03%	13.28%	2.37%
KCB Group Plc	49.90	39.70	43.20	45.45	-5.0%	10.64	3.00	53.44	4.06	0.81	6.94%	28.20%	19.90%	3.29%
NCBA Group Plc	28.15	23.00	26.50	25.20	5.2%	2.77	1.50	47.34	9.57	0.56	5.66%	54.15%	13.11%	1.73%
Stanbic Holdings Plc	104.75	76.00	104.50	87.25	19.8%	18.23	9.00	142.80	5.73	0.73	8.61%	49.37%	12.77%	2.19%
Standard Chartered Bank Kenya Ltd	144.50	124.00	144.50	128.25	12.7%	23.49	19.00	138.89	6.15	1.04	13.15%	80.89%	17.23%	2.70%
The Co-operative Bank of Kenya Ltd	13.95	11.65	12.80	12.95	-1.2%	2.66	1.00	17.08	4.81	0.75	7.81%	37.59%	16.51%	2.85%
Industry Average									4.66	0.80			16.8%	2.8%
COMMERCIAL AND SERVICES														
Deacons (East Africa) Plc	0.45	0.00	0.45	0.45	0.0%	-6.82	-	2.67	-	0.17	-	-	-254.96%	-54.19%
Eveready East Africa Ltd	1.22	0.80	0.80	0.98	-18.4%	-0.33	-	0.03	-	26.67	-	-	-550.65%	-495.80%
Express Kenya Plc	4.61	3.37	3.90	4.10	-4.9%	-1.97	-	-2.87	-	-1.36	-	-	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	3.31	3.41	4.00	-14.8%	0.68	-	2.75	5.01	1.24	-	-	4.03%	1.39%
Nairobi Business Ventures Ltd	12.80	3.81	4.13	6.06	-31.8%	-3.20	-	0.11	-	37.54	-	-	22.12%	18.52%
Nation Media Group Plc	26.10	14.95	20.90	18.45	13.3%	0.20	-	42.51	104.50	0.49	-	-	6.10%	5.77%
Sameer Africa Plc	3.88	2.18	2.40	2.86	-16.1%	0.16	-	1.38	15.00	1.74	-	-	66.97%	21.33%
Standard Group Plc	20.55	11.90	13.00	13.55	-4.1%	-3.79	-	13.00	-	1.00	-	-	-5.34%	-1.41%
TPS Eastern Africa Ltd	16.95	11.50	12.00	15.25	-21.3%	-6.32	-	39.35	-	0.30	-	-	-15.71%	-8.16%
Uchumi Supermarket Plc	0.28	0.17	0.19	0.24	-20.8%	-4.60	-	-5.75	-	-0.03	-	-	135.25%	-56.71%
WPP Scangroup Plc	6.24	3.57	4.09	4.14	-1.2%	1.00	-	12.19	4.09	0.34	-	-	-32.89%	-19.82%
Industry Average									(0.90)	-0.73			32.9%	-8.7%
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	36.00	38.00	-5.3%	2.89	3.00	93.81	12.46	0.38	8.33%	103.81%	3.47%	2.39%
Crown Paints Kenya Plc	42.80	19.65	38.00	30.50	24.6%	8.42	-	17.22	4.51	2.21	-	-	27.98%	10.25%
E.A.Cables Ltd	1.60	0.98	0.99	1.20	-17.5%	-2.15	-	10.10	-	0.10	-	-	-22.79%	-7.72%
E.A.Portland Cement Co. Ltd	9.40	6.06	6.34	6.66	-4.8%	20.97	-	187.68	0.30	0.03	-	-	-8.71%	-5.38%
Average									-8.30	0.29			-3.6%	-2.1%
ENERGY & PETROLEUM														
KenGen Co. Plc	4.98	3.54	3.57	4.19	-14.8%	0.18	0.30	32.04	19.83	0.11	8.40%	166.67%	8.70%	4.45%
Kenya Power & Lighting Co Plc	2.02	1.30	1.46	1.75	-16.6%	0.76	-	28.81	1.92	0.05	-	-	0.47%	0.08%
Total Kenya Ltd	26.30	22.05	25.00	25.00	0.0%	5.24	1.57	129.47	4.77	0.19	6.28%	29.96%	10.20%	5.89%
Umeme Ltd	7.96	0.00	7.86	6.74	16.6%	0.81	0.37	14.19	9.70	0.55	4.71%	45.68%	16.69%	5.47%
Industry Average									8.88	0.14			7.9%	2.9%
INSURANCE														
Britam Holdings Plc	8.38	6.60	6.74	7.50	-10.1%	-3.62	-	6.76	-	1.00	-	-	53.39%	7.28%
CIC Insurance Group Ltd	3.39	2.00	2.11	2.21	-4.5%	0.23	-	3.05	9.17	0.69	-	-	8.37%	1.61%
Jubilee Holdings Ltd	390.00	248.50	262.00	316.75	-17.3%	50.06	9.00	490.33	5.23	0.53	3.44%	17.98%	11.50%	2.80%
Kenya Re Insurance Corporation Ltd	2.68	2.16	2.16	2.30	-6.1%	2.55	0.10	11.41	0.85	0.19	4.63%	3.92%	12.41%	7.88%
Liberty Kenya Holdings Ltd	9.98	5.70	5.92	7.00	-15.4%	0.15	-	16.45	39.47	0.36	-	-	0.93%	0.20%
Sanlam Kenya Plc	15.00	9.16	11.00	11.55	-4.8%	0.81	-	12.05	13.58	0.91	-	-	6.59%	0.39%
Sector PE								11.18361464	21.52	0.51			17.5%	4.2%
INVESTMENT														
Centum Investment Co Plc	17.85	11.95	12.05	14.10	-14.5%	-0.93	0.33	79.08	-	0.15	2.74%	-	8.80%	4.54%
Home Afrika Ltd	0.45	0.33	0.33	0.40	-17.5%	-0.60	-	-4.79	-	-0.07	-	-	-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	2.04	2.00	2.0%	-0.14	-	32.09	-	0.06	-	-	0.45%	0.35%
Trans-Century Plc	1.53	0.00	1.15	1.17	-1.7%	-7.95	-	9.45	-	0.12	-	-	-56.07%	-9.11%
Industry Average									-2.29	0.16			3.2%	1.3%
INVESTMENT SERVICES														
Nairobi Securities Exchange Plc	10.15	7.00	8.00	8.00	0.0%	0.65	1.03	8.04	12.31	1.00	12.9%	158.5%	3.8%	3.6%
Industry Average									12.31	1.00			3.8%	3.6%
MANUFACTURING & ALLIED														
B.O.C Kenya Plc	93.25	0.00	73.25	70.00	4.6%	5.21	4.15	78.03	14.06	0.94	5.67%	79.65%	4.57%	3.24%
British American Tobacco Kenya Plc	509.00	420.25	488.50	441.50	10.6%	53.50	64.83	118.56	9.13	4.12	13.27%	121.18%	46.54%	25.42%
Carbacid Investments Plc	13.25	10.00	11.80	11.00	7.3%	1.63	1.60	8.38	7.24	1.41	13.56%	98.16%	12.39%	7.93%
East African Breweries Ltd	193.75	147.00	147.00	165.00	-10.9%	5.51	-	17.70	26.68	8.31	-	-	50.17%	5.84%
Flame Tree Group Holdings Ltd	1.43	1.15	1.19	1.26	-5.6%	0.42	-	4.57	2.83	0.26	-	-	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	27.50	27.65	-0.5%	0.45	-	74.09	61.11	0.37	-	-	1.18%	0.55%
Industry Average									-35.87	7.99			-10.0%	-1.2%
TELECOMMUNICATION & TECHNOLOGY														
Safaricom Plc	44.95	34.10	35.00	37.95	-7.8%	1.71	1.37	3.57	20.47	9.80	3.9%	80.1%	51.5%	34.5%
Industry Average									20.47	9.80			51.5%	34.5%
REAL ESTATE INVESTMENT TRUST														
STANLIB FAHARI I-REIT	7.20	5.62	6.06	6.26	-3.2%	0.82	0.60	20.86	7.39	0.29	9.9%	73.2%	3.9%	3.8%
Industry Average									7.39	0.29				

Research analyst certification:

The research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report hereby certifies that all of the views expressed herein accurately reflect their personal views. Each research analyst(s) also certifies that no part of their compensation was, is, or will be, directly or indirectly, related to the view(s) expressed by that research analyst in this research report.

Terms of use – Disclaimer:

This research report has been prepared by Kingdom Securities Limited and is for information purposes only. This research report should not be construed as an offer or solicitation to sell or buy any investment or product. Any opinions expressed herein reflect the analyst's judgment at the date of publication and neither Kingdom Securities Limited, nor any of its affiliates or employees accepts any responsibility in respect of the information or recommendations contained herein. Unless otherwise stated, the opinions contained in this material are as of the date indicated and are subject to change at any time without prior notice. Past performance is not a guarantee or indication of future results.

The information and opinions contained in this Material have been derived from sources believed to be reliable and in good faith or constitute Kingdom Securities' judgement as at the date of this research but no warranty is made as to their accuracy and any opinions are subject to change and may be superseded without notice. In no circumstances will Kingdom Securities or its employees be liable to you for any errors or omissions in this report or for any losses you may incur in following any recommendations in the report. Kingdom Securities is a Subsidiary of Co-operative Bank of Kenya.

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.

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

Email: kingdomresearch@co-opbank.co.ke

Research Department

Willis Nalweng wnalenge@co-opbank.co.ke
Shadrack Manyinsa smanyinsa@co-opbank.co.ke

Equities Dealing

Justus Ogalo jogalo@co-opbank.co.ke
Andrew Karanja amkaranja@co-opbank.co.ke