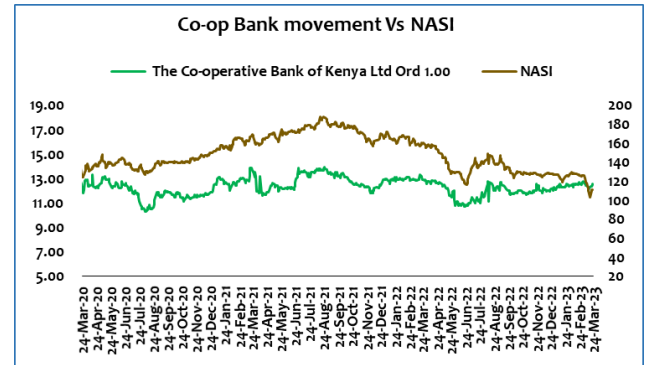


WEEKLY STOCK PICKS SELECTION

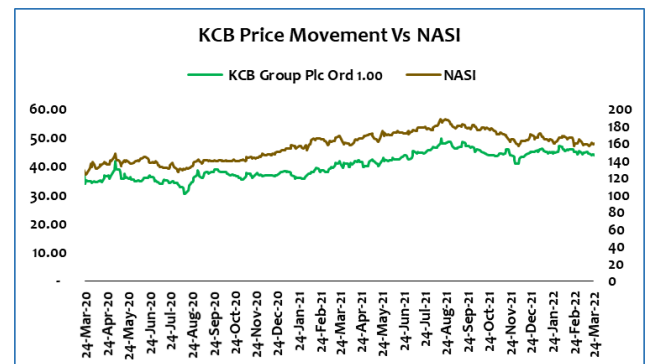
Prices of equities in the Nairobi Securities Exchange remain heavily discounted posing good investment options to investors who would like to earn on capital gains as well as dividends on the dividend earning stocks. Below are our selections for your considerations.

Co-op Bank –BUY: Trading at KES 12.60 as of 24th March 2023, the counter remains the most preferred in terms dividend payment. On 16th March, Co-op Bank group declared a dividend of KES 1.50 whose book closure and payment dates are 24th May and 9th June 2023 respectively. The dividend announcement stabilized its price even as the global economic recessions heavily impacted the banking sector. The lending Group remains among the best in dividend yield at 11.9% as of 24th March 2023 from an earnings per share of 3.72 in FY-2022.



The Lender’s profits after tax (PAT) for FY-2022 expanded by 33.2% year on year (y-y) from KES 16.54Bn in Q3-2021 to KES 22.04Bn, riding on a strong loan book and non-funded income channels.

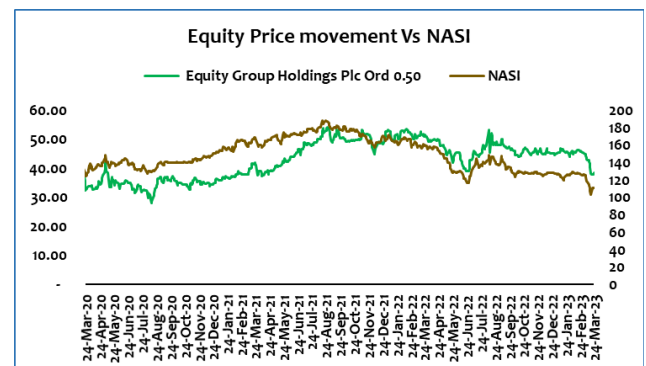
KCB Group – BUY: Trading at KES 35.50 on 24th March, the lender’s price receded after declaring a reduced final dividend of KES 1.00 on 16th March compared to a final dividend of KES 2.00 in FY-2021. Dividend book closure and payments dates are set for 6th April and 26th May respectively.



The Group posted a stellar financial performance for FY-2022 with a 19.5% growth in profit after tax to KES 40.84Bn from KES 34.17Bn reported in FY-2021.

To earn on capital gains, we advise investors to take positions at the current price of KES 35.50 as we expect price recovery based on the Group’s strong fundamentals.

Equity – BUY: Currently trading at KES 38.65 as of 24th March, the lender’s price has dropped by 14.6% in the last three months, 14.5% and 25.0% in the last 6- and 12-months. Its last 3, 6- and 12-months average prices are KES 44.51, KES 45.51 and 45.76 respectively. Its highest and lowest price in the last one year are KES 53.25 and KES 37.90 recorded last Thursday, 23rd March 2023.



The Group shall be announcing its FY-2022 financial on 28th March where we expect a better growth in PAT compared to FY-2021. The Group’s Q3-2022 PAT jumped 27.9% to KES 34.38Bn from that of KES 26.87Bn of Q3-2021. This remained boosted by the Bank’s growing interest and non-funded incomes.

The lender resumed dividend payment in 2021, issuing a final dividend of KES 3.00, which we expect them to retain in its FY-2022 results. We expect this to help in the counter’s price recovery to the pre-covid levels and therefore retain our BUY recommendation.

Safaricom – BUY: Trading at KES 18.90 as of 24th March 2023, the Telco’s price has shrunk 22.7%, 35.9% and 46.8% in the last 3, 6 and 12-months respectively. Safaricom was most affected by the global interest rate hikes and geopolitical tension sentiments. This saw recall of cash from emerging economies and thereby affecting the foreign dominated stocks, especially Safaricom.

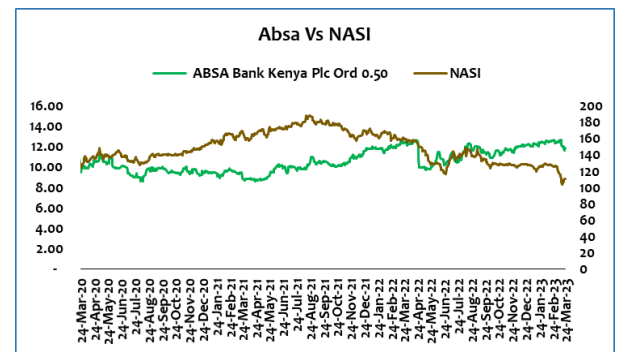
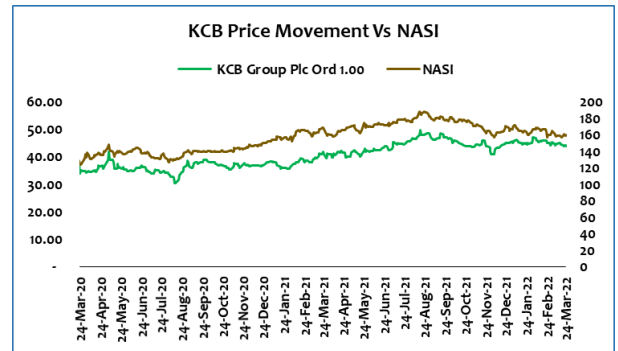
Fundamentally, Safaricom remains strong posting a PAT of KES 30.23Bn in HY-2023, an 18.4% Y/Y drop on effect of the infrastructure and operational cost towards its Ethiopia subsidiary, that went live in August 2022.

With the global economy expected to recover, we expect a general recovery of equity prices. This will see the Telco’s price recover furthered by the Ethiopia Subsidiary incomes and therefore retain a LONG-TERM BUY on the counter.

Absa – Buy: Currently trading at KES 11.90 (24th March), the lender’s price remained stable after declaring a final dividend of KES 1.15 per share on 15th March whose book close is on 28th April and payment on 25th May.

The bank reported a 34.2% spike in profits after tax from KES 10.87Bn in 2021 to KES 14.59Bn in FY-2022. Profits before tax went up 34.1% to KES 20.85Bn. The performance was supported by a 27.5% growth in interest income and a 17.2% growth in non-funded income.

Earnings per share expanded 34.5% from 2.00 in FY-2021 to 2.69 in 2022. This saw the total dividend rise 22.7% up from KES 1.10 to 1.35 in FY-2022.



	52 wk high	52 wk low	Vwap 24/Mar/2023	Vwap 30/12/2022	Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA
AGRICULTURE														
Eaagads Ltd	13.80	10.00	11.55	10.50	10.0%	0.26	-	31.40	44.42	0.37	-	-	17.61%	15.93%
Kakuzi Plc	441.25	240.00	8.00	385.00	-97.9%	43.15	24.00	259.37	0.19	0.03	300.00%	55.62%	12.24%	9.36%
Kapchorua Tea Kenya Plc Ord 5.00	137.00	81.00	130.00	113.25	14.8%	27.35	10.00	202.45	4.75	0.64	7.69%	36.56%	2.80%	1.96%
The Limuru Tea Co. Plc	510.00	320.00	400.00	420.00	-4.8%	0.79	0.70	79.18	506.33	5.05	0.18%	88.61%	-0.63%	-0.58%
Sasini Plc	27.00	18.35	25.60	22.45	14.0%	2.49	0.50	58.95	10.28	0.43	1.95%	20.08%	4.26%	3.79%
Williamson Tea Kenya Plc	179.00	120.00	160.00	160.00	0.0%	29.73	20.00	338.08	5.38	0.47	12.50%	67.27%	-3.17%	-2.29%
Industry Average									5.16	0.41			4.5%	3.7%
AUTOMOBILES & ACCESSORIES														
Car & General (K) Ltd	76.00	30.00	30.95	47.45	-34.8%	8.55	0.80	60.52	3.62	0.51	2.58%	9.36%	18.28%	12.53%
Industry Average									3.62	0.51			18.3%	12.5%
BANKING														
ABSA Bank Kenya Plc	12.70	9.70	11.90	12.30	-3.3%	2.55	1.35	11.71	4.67	1.02	11.34%	52.94%	22.93%	3.06%
BK Group Plc	32.75	27.00	30.00	31.50	-4.8%	6.49	3.24	28.45	4.62	1.05	10.80%	49.92%	16.90%	3.66%
Diamond Trust Bank Kenya Ltd	59.00	44.00	47.75	50.00	-4.5%	10.60	3.00	240.68	4.50	0.20	6.28%	28.30%	6.56%	0.97%
Equity Group Holdings Plc	53.25	37.90	38.65	44.50	-13.1%	10.38	3.00	46.69	3.72	0.83	7.76%	28.90%	22.74%	3.07%
HF Group Plc	3.84	2.86	3.42	3.19	7.2%	-1.54	-	17.79	-	0.19	-	-	-20.63%	-2.72%
I&M Holdings Plc	21.45	16.50	17.05	17.00	0.3%	4.92	1.50	43.14	3.47	0.40	8.80%	30.49%	13.28%	2.37%
KCB Group Plc	44.45	30.00	35.50	38.10	-6.8%	12.71	2.00	62.30	2.79	0.57	5.63%	15.74%	20.40%	2.63%
NCBA Group Plc	40.00	23.60	32.75	39.35	-16.8%	2.77	1.50	47.34	11.82	0.69	4.58%	54.15%	13.11%	1.73%
Stanbic Holdings Plc	114.00	90.00	109.00	102.00	6.9%	22.92	12.60	157.34	4.76	0.69	11.56%	54.97%	14.57%	2.27%
Standard Chartered Bank Kenya Ltd	169.75	123.75	167.75	142.75	17.5%	31.47	22.00	148.56	5.33	1.13	13.11%	69.91%	30.47%	4.49%
The Co-operative Bank of Kenya Ltd	12.95	10.70	12.60	12.30	2.4%	3.35	1.00	18.35	3.76	0.69	7.94%	29.85%	20.47%	3.63%
Industry Average									3.87	0.69			18.7%	2.7%
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%
Eveaready East Africa Ltd	0.89	0.61	0.67	0.69	-2.9%	-0.33	-	0.03	-	22.33	-	-	-550.65%	-495.80%
Express Kenya Plc	5.20	2.70	5.20	4.71	10.4%	-1.97	-	-2.87	-	-1.81	-	-	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%	-2.73	-	-13.00	-	-0.29	-	-	15.55%	-7.49%
Longhorn Publishers Plc	4.07	2.54	2.79	3.00	-7.0%	0.68	-	2.75	4.10	1.01	-	-	4.03%	1.39%
Nairobi Business Ventures Ltd	5.00	2.73	3.41	3.77	-9.5%	-3.20	-	0.11	-	31.00	-	-	22.12%	18.52%
Nation Media Group Plc	23.20	14.15	14.90	15.95	-6.6%	2.50	1.50	42.51	5.96	0.35	10.07%	60.00%	6.10%	5.77%
Sameer Africa Plc	4.35	0.00	2.13	2.10	1.4%	0.16	-	1.38	13.31	1.55	-	-	66.97%	21.33%
Standard Group Plc	14.75	8.74	9.80	10.45	-6.2%	-3.79	-	13.00	-	0.75	-	-	-5.34%	-1.41%
TPS Eastern Africa Ltd	17.50	10.85	13.00	13.35	-2.6%	-3.40	-	39.35	-	0.33	-	-	-15.71%	-8.16%
Uchumi Supermarket Plc	0.28	0.16	0.21	0.23	-8.7%	-4.60	-	-5.75	-	-0.04	-	-	135.25%	-56.71%
WPP Scangroup Plc	4.32	2.80	2.97	3.01	-1.3%	-0.04	-	12.19	-	0.24	-	-	-32.89%	-19.82%
Industry Average									(1.57)	-0.68			32.9%	-8.7%
CONSTRUCTION & ALLIED														
ARM Cement Plc	5.55	4.50	5.55	5.55	0.0%	-6.83	-	28.95	-	0.19	-	-	-10.08%	-5.48%
Bamburi Cement Ltd	38.35	26.75	28.00	31.50	-11.1%	3.58	3.58	93.81	7.82	0.30	12.79%	100.00%	3.47%	2.39%
Crown Paints Kenya Plc	44.00	43.00	38.00	41.85	-9.2%	6.85	4.00	17.22	5.55	2.21	10.53%	58.39%	27.98%	10.25%
E.A.Cables Ltd	1.26	0.75	0.84	0.84	0.0%	-2.15	-	10.10	-	0.08	-	-	-22.79%	-7.72%
E.A.Portland Cement Co. Ltd	8.80	6.02	6.36	6.80	-6.5%	6.02	-	187.68	1.06	0.03	-	-	-8.71%	-5.38%
Average									-5.06	0.26			-3.6%	-2.1%
ENERGY & PETROLEUM														
KenGen Co. Plc	3.81	2.15	2.21	3.22	-31.4%	0.72	0.20	32.04	3.07	0.07	9.05%	27.78%	8.70%	4.45%
Kenya Power & Lighting Co Plc	2.08	1.31	1.40	1.56	-10.3%	1.80	-	28.81	0.78	0.05	-	-	0.47%	0.08%
Total Kenya Ltd	25.85	18.25	20.45	23.85	-14.3%	4.35	1.31	129.47	4.70	0.16	6.41%	30.11%	10.20%	5.89%
Umeme Ltd	10.05	6.20	9.96	7.42	34.2%	2.76	1.74	14.19	3.61	0.70	17.47%	63.04%	16.69%	5.47%
Industry Average									2.74	0.12			7.9%	2.9%
INSURANCE														
Britam Holdings Plc	6.94	4.47	4.67	5.20	-10.2%	0.02	-	6.76	233.50	0.69	-	-	53.39%	7.28%
CIC Insurance Group Ltd	2.21	1.72	1.97	1.95	1.0%	0.40	0.13	3.05	4.93	0.65	6.60%	32.50%	8.37%	1.61%
Jubilee Holdings Ltd	274.75	148.25	150.00	198.75	-24.5%	89.88	13.00	490.33	1.67	0.31	8.67%	14.46%	11.50%	2.80%
Kenya Re Insurance Corporation Ltd	2.28	1.54	1.82	1.83	-0.5%	2.55	0.10	11.41	0.71	0.16	5.49%	3.92%	12.41%	7.88%
Liberty Kenya Holdings Ltd	7.48	4.28	4.76	5.60	-15.0%	0.15	-	16.45	31.73	0.29	-	-	0.93%	0.20%
Sanlam Kenya Plc	14.90	7.86	9.12	9.58	-4.8%	-2.79	-	12.05	-	0.76	-	-	6.59%	0.39%
Industry Average									11.18361464	2.55	0.36		17.5%	4.2%
INVESTMENT														
Centum Investment Co Plc	12.30	7.90	8.74	8.36	4.5%	-0.93	0.33	79.08	-	0.11	3.78%	-	8.80%	4.54%
Home Afrika Ltd	0.41	0.28	0.28	0.32	-12.5%	-0.72	-	-4.79	-	-0.06	-	-	-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	3.10	2.00	2.75	2.96	-7.1%	0.28	-	31.63	9.82	0.09	-	-	1.38%	1.18%
Trans-Century Plc	1.30	0.79	1.00	0.93	7.5%	-0.95	-	9.45	-	0.11	-	-	-56.07%	-9.11%
Industry Average									-1.69	0.12			3.2%	1.4%
INVESTMENT SERVICES														
Nairobi Securities Exchange Plc	8.38	6.04	6.12	6.78	-9.7%	0.51	1.40	8.04	12.00	0.76	22.9%	274.5%	3.8%	3.6%
Industry Average									12.00	0.76			3.8%	3.6%
MANUFACTURING & ALLIED														
B.O.C Kenya Plc	85.00	65.00	70.00	70.75	-1.1%	5.55	4.40	78.03	12.61	0.90	6.29%	79.28%	4.57%	3.24%
British American Tobacco Kenya Plc	499.25	404.00	425.00	460.00	-7.6%	68.92	57.00	118.56	6.17	3.58	13.41%	82.70%	46.54%	25.42%
Carbadd Investments Plc	14.15	10.55	12.40	12.00	3.3%	2.78	1.70	8.38	4.46	1.48	13.71%	61.15%	12.39%	7.93%
East African Breweries Ltd	187.00	110.00	170.75	167.50	1.9%	15.00	11.00	17.70	11.38	9.65	6.44%	73.33%	50.17%	5.84%
Flame Tree Group Holdings Ltd	1.36	0.92	1.25	1.08	15.7%	0.58	-	4.57	2.16	0.27	-	-	4.16%	1.84%
Kenya Orchards Ltd	15.00	10.40	15.00	10.40	44.2%	0.28	-	1.88	53.57	7.96	-	-	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	34.75	15.00	15.95	32.00	-50.2%	2.48	-	74.09	6.43	0.22	-	-	1.18%	0.55%
Industry Average									39.02	8.53			-10.0%	-1.2%
TELECOMMUNICATION & TECHNOLOGY														
Safaricom Plc	35.95	16.35	18.90	24.15	-21.7%	1.74	1.39	4.66	10.86	4.05	7.4%	79.9%	32.5%	16.0%
Industry Average									10.86	4.05			32.5%	16.0%
REAL ESTATE INVESTMENT TRUST														
STANLIB FAHARI I-REIT	7.20	5.30	6.32	6.52	-3.1%	-0.68	0.56	20.86	-	0.30	8.9%	-	3.9%	3.8%
Industry Average									#DIV/0!	0.30				

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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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