

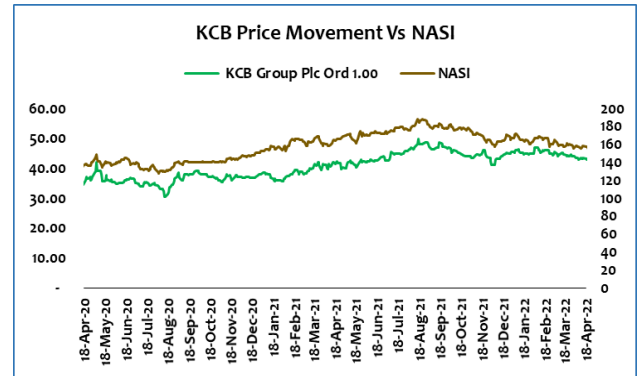
WEEKLY STOCK PICKS SELECTION

Interest rate hikes by many central banks globally has left several stocks exchanging hands at heavily discounted prices.

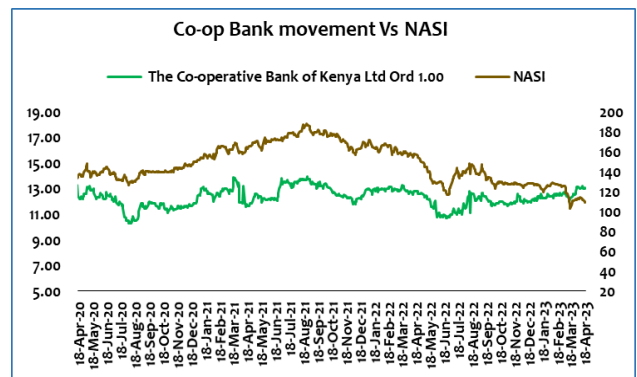
KCB Group – Long-Term BUY: Trading at KES 34.10 on 18th April, the Bank's price dropped following a 33.3% drop in total dividend of KES 2.00 against a market expectation of >KES 3.00.

In our view, the Group's cut on dividend was to conserve cash to support the lender's fast-growing asset book. Its total assets for FY 2022 enlarged by 36.4% from 1,139.67Bn to KES 1,554.23Bn on account of a 27.8% or KES 187.79Bn growth in loan book from KES 675.48Bn to KES 863.27Bn and a 335.3% jump on its assets from KES 43.17Bn in FY 2021 to KES 187.93Bn to support its subsidiaries abroad.

As the company remains fundamentally strong both locally and the region, we retain our Buy commendation at the current price of KES 34.10 with a price target of KES 40.00, a 17.3% upside.



Co-op Bank – HOLD: Currently trading at KES 13.10 as of 18th April, the Group has gained 6.5% and 9.2% in the last 3 and 6 months respectively. The gains followed a KES 1.50 final dividend whose book closure and payment dates are 24th May and 9th June 2023 respectively. The Bank's profits after tax (PAT) for FY-2022 surged 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.



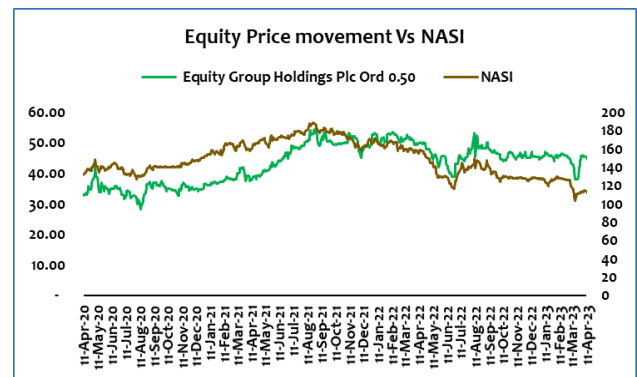
The lending Group remains among the best in dividend yield at 11.5% as of 18th April 2023. Its payout ratio stands at 40.3% from an earnings per share of 3.72 for FY-2022.

In view of this and to gain on dividends and expected price gains, we review our recommendation to HOLD to the existing shareholders.

Equity – HOLD: Trading at KES 44.80 on 18th April, the group has gained 17.9 in the last one month. Its last 3, 6- and 12-months average prices are KES 44.27, KES 44.97 and KES 45.43 respectively. Its highest and lowest prices in the last one year are KES 53.25 and KES 37.90 respectively.

The Group declared KES 4.00 dividend (Book Closure – 19th May) for FY 2022, a 33.3% rise from that of that of KES 3.00 for FY 2021. This followed a 12.0% growth in PAT from KES 40.07Bn to KES 44.89Bn in FY 2022. Its profits before tax (PBT) were 15.3% up year on year from KES 51.88Bn to KES 59.84Bn in FY 2022.

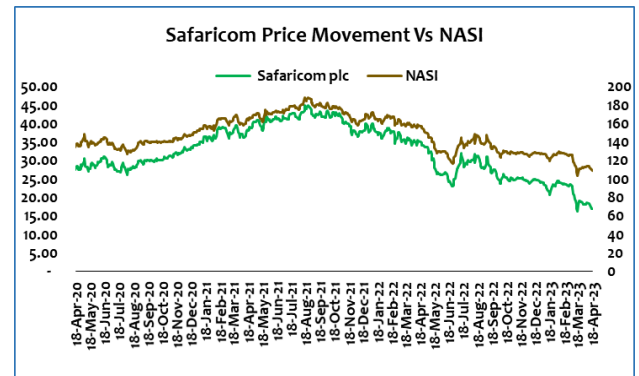
We expect the issued dividend to continue rallying the price upwards to above KES 50.00 towards book closure and advise our clients to HOLD while monitoring the price movement to exit at the best price.



Safaricom – Long-Term BUY: Trading at KES 16.85 as of 18th March 2023, the Telco’s price has dipped 22.5%, 33.9% and 51.9% in the last 3, 6 and 12-months respectively. Safaricom remains the 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.

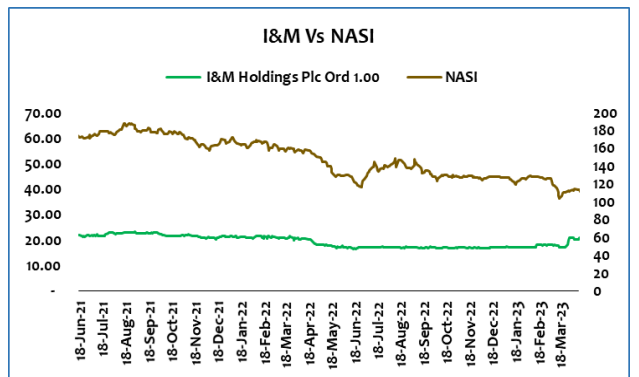
With the global inflation easing, we expect this to reverse the interest rate hikes and make investment in emerging markets attractive and thereby reverse the losses in the stock market. This will see the Telco’s price recover furthered by the Ethiopia Subsidiary incomes and therefore retain a LONG-TERM BUY on the counter.



I&M Holdings – HOLD: Trading at KES 20.45 as of 18th April, the lender has gained 19.9% y-t-d after announcing a KES 2.25 final dividend whose book closure is on Thursday, 20th April, for a payment on 25th May. Its dividend yield and payout ratios are 10.8% and 33.2% respectively.

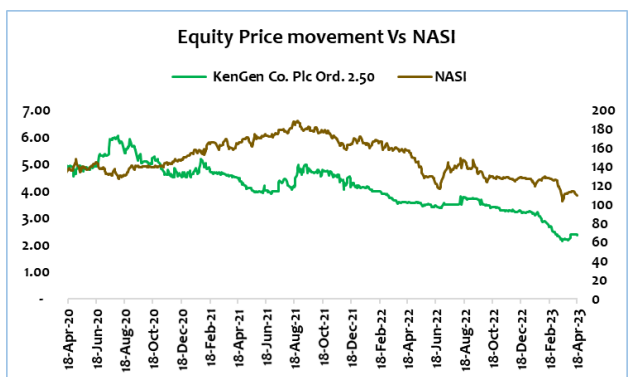
The lending Group recorded a 34.3% spike in PAT from KES 8.62Bn inn FY 2021 to KES 18.58Bn in FY 2022. Its PBT was 20.8% up to KES 14.33Bn rallied by a 191.3% surge in forex trading income to KES 5.04Bn and a 12.9% rise in interest income to KES 37.35Bn.

With the bank’s new proposition of deepening in the retail, we view that this will further grow investor returns in the long run, and to gain on the issued dividends and the expected long-run price gains, revise or recommendation to HOLD on the bank’s stock.



Kengen – Short-Term Buy: The electric generating company is currently trading at KES 2.36 as of 18th April, one of its lowest prices in the last one year. Its highest and lowest prices for the last 12 months are KES 3.81 and KES 2.15 respectively. Its last 3, 6- and 12-months average prices are KES 2.54, KES 2.90 and KES 3.22 respectively.

The largest geothermal producer in Africa recorded an 11.0% rise in revenues on its half year results from KES 24.74Bn to KES 27.46Bn. Its H1-2023 profits before tax however declined 4.4% on account of higher operating expenses. As the company closes its financial year in June 2023, we expect its board to retain a KES 0.30 dividend which will help in rallying its price upwards. In line with this that we recommend a BUY on the counter with a price target of KES 3.50, a 48.3% upside.



AGRICULTURE	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA	
52 wk high	52 wk low	18/Apr/2023	30/12/2022												
Eaagads Ltd	13.80	10.00	11.50	10.50	9.5%	0.26	-	31.40	44.23	0.37	-	-	17.61%	15.93%	
Kakuzi Plc	441.25	240.00	290.25	385.00	-24.6%	43.15	24.00	259.37	6.73	1.12	8.27%	55.62%	12.24%	9.36%	
Kapchorua Tea Kenya Plc Ord 5.00	137.00	81.00	127.75	113.25	12.8%	27.35	10.00	202.45	4.67	0.63	7.83%	36.56%	2.80%	1.96%	
The Limuru Tea Co. Plc	510.00	320.00	400.00	420.00	-4.8%	4.73	2.50	79.18	84.57	5.05	0.63%	52.85%	-0.63%	-0.58%	
Sasini Plc	29.15	19.00	27.80	22.45	23.8%	2.49	0.50	58.95	11.16	0.47	1.80%	20.08%	4.26%	3.79%	
Williamson Tea Kenya Plc	179.00	120.00	169.50	160.00	5.9%	29.73	20.00	338.08	5.70	0.50	11.80%	67.27%	-3.17%	-2.29%	
Industry Average										7.99	0.64			4.5%	3.7%
AUTOMOBILES & ACCESSORIES	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA	
52 wk high	52 wk low	18/Apr/2023	30/12/2022												
Car & General (K) Ltd	49.00	28.10	30.00	47.45	-36.8%	8.55	0.80	60.52	3.51	0.50	2.67%	9.36%	18.28%	12.53%	
Industry Average										3.51	0.50			18.3%	12.5%
BANKING	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA	
52 wk high	52 wk low	18/Apr/2023	30/12/2022												
ABS Bank Kenya Plc	12.95	9.70	12.55	12.30	2.0%	2.55	1.35	11.71	4.92	1.07	10.76%	52.94%	22.93%	3.06%	
BK Group Plc	33.00	27.00	31.55	31.50	0.2%	7.47	3.74	28.45	4.22	1.11	11.85%	50.07%	16.90%	3.66%	
Diamond Trust Bank Kenya Ltd	57.00	44.00	53.00	50.00	6.0%	16.16	5.00	240.68	3.28	0.22	9.43%	30.94%	6.56%	0.97%	
Equity Group Holdings Plc	53.25	37.90	44.80	44.50	0.7%	11.90	4.00	48.28	3.76	0.93	8.93%	33.61%	24.64%	3.10%	
HF Group Plc	4.18	2.86	3.72	3.19	16.6%	-0.92	-	17.79	-	0.21	-	-	-20.63%	-2.72%	
I&M Holdings Plc	21.00	16.50	20.45	17.00	20.3%	6.77	2.25	46.27	3.02	0.44	11.00%	33.23%	15.14%	2.65%	
KCB Group Plc	43.50	30.00	34.10	38.10	-10.5%	12.71	2.00	62.30	2.68	0.55	5.87%	15.74%	20.40%	2.63%	
NCBA Group Plc	40.00	23.60	37.95	39.35	-3.6%	2.77	1.50	47.34	13.70	0.80	3.95%	54.15%	13.11%	1.73%	
Stanbic Holdings Plc	114.00	90.00	111.50	102.00	9.3%	22.92	12.60	157.34	4.86	0.71	11.30%	54.97%	14.57%	2.73%	
Standard Chartered Bank Kenya Ltd	171.00	123.75	171.00	142.75	19.8%	31.47	22.00	148.56	5.43	1.15	12.87%	69.91%	30.47%	4.49%	
The Co-operative Bank of Kenya Ltd	13.25	10.70	13.10	12.30	6.5%	3.35	1.50	18.35	3.91	0.71	11.45%	44.78%	20.47%	3.63%	
Industry Average										3.87	0.73			19.2%	2.7%
COMMERCIAL AND SERVICES	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA	
52 wk high	52 wk low	18/Apr/2023	30/12/2022												
Deacons (East Africa) Plc	0.45	0.45	0.45	0.45	0.0%	-6.82	-	2.67	-	0.17	-	-	-254.96%	-54.19%	
Eveready East Africa Ltd	0.89	0.61	0.68	0.69	-1.4%	-0.33	-	0.03	-	22.67	-	-	-550.65%	-495.80%	
Express Kenya Plc	5.40	2.70	5.02	4.71	6.6%	-1.97	-	-2.87	-	-1.75	-	-	50.92%	-21.71%	
Homeboy Entertainment Plc	4.66	4.66	4.66	4.66	0.0%	-0.46	-	0.46	-	10.15	-	-	-77.47%	-24.29%	
Kenya Airways Ltd	3.83	3.83	3.83	3.83	0.0%	-6.57	-	-13.00	-	-0.29	-	-	15.55%	-7.49%	
Longhorn Publishers Plc	4.07	2.04	2.04	3.00	-32.0%	0.68	-	2.75	3.00	0.74	-	-	4.03%	1.39%	
Nairobi Business Ventures Ltd	4.77	2.73	2.92	3.77	-22.5%	-3.20	-	0.11	-	26.54	-	-	22.12%	18.52%	
Nation Media Group Plc	23.20	14.15	15.45	15.95	-3.1%	1.70	1.50	43.48	9.09	0.36	9.71%	88.24%	3.85%	3.69%	
Sameer Africa Plc	4.35	0.00	2.15	2.10	2.4%	0.16	-	1.38	13.44	1.56	-	-	66.97%	21.33%	
Standard Group Plc	14.75	8.16	8.82	10.45	-15.6%	-3.79	-	13.00	-	0.68	-	-	-5.34%	-1.41%	
TPS Eastern Africa Ltd	17.50	10.85	14.95	13.35	12.0%	-3.40	-	39.35	-	0.38	-	-	-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 Scanrroup Plc	4.32	2.77	2.87	3.01	-4.7%	-0.04	-	12.19	-	0.24	-	-	-32.89%	-19.82%	
Industry Average										(0.79)	-0.67			33.4%	-8.8%
CONSTRUCTION & ALLIED	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA	
52 wk high	52 wk low	18/Apr/2023	30/12/2022												
ARM Cement Plc	5.55	0.00	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	0.00	35.50	41.85	-15.2%	6.85	4.00	17.22	5.18	2.06	11.27%	58.39%	27.98%	10.25%	
E.A.Cables Ltd	1.26	0.75	0.91	0.84	8.3%	-2.15	-	10.10	-	0.09	-	-	-22.79%	-7.72%	
E.A.Portland Cement Co. Ltd	8.80	5.94	7.04	6.80	3.5%	6.02	-	187.68	1.17	0.04	-	-	-8.71%	-5.38%	
Average										-5.00	0.26			-3.6%	-2.1%
ENERGY & PETROLEUM	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA	
52 wk high	52 wk low	18/Apr/2023	30/12/2022												
KenGen Co. Plc	3.81	2.15	2.36	3.22	-26.7%	0.72	0.20	32.04	3.28	0.07	8.47%	27.78%	8.70%	4.45%	
Kenya Power & Lighting Co Plc	2.08	1.38	1.51	1.56	-3.2%	1.80	-	28.81	0.84	0.05	-	-	0.47%	0.08%	
Total Kenya Ltd	25.85	18.25	22.15	23.85	-7.1%	4.35	1.31	129.47	5.09	0.17	5.91%	30.11%	10.20%	5.89%	
Umeme Ltd	15.05	6.58	13.85	7.42	86.7%	3.18	2.23	14.19	4.36	0.98	16.10%	70.13%	16.69%	5.47%	
Industry Average										3.16	0.14			7.9%	2.9%
INSURANCE	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA	
52 wk high	52 wk low	18/Apr/2023	30/12/2022												
Britam Holdings Plc	6.94	4.34	4.39	5.20	-15.6%	0.63	-	6.76	6.97	0.65	-	-	53.39%	7.28%	
CIC Insurance Group Ltd	2.18	1.72	1.88	1.95	-3.6%	0.40	0.13	3.05	4.70	0.62	6.91%	32.50%	8.37%	1.61%	
Jubilee Holdings Plc	270.00	148.25	174.25	198.75	-12.3%	89.88	13.00	490.33	1.94	0.36	7.46%	14.46%	11.50%	2.80%	
Kenya Re Insurance Corporation Ltd	2.25	1.54	1.82	1.83	-0.5%	1.08	0.20	11.41	1.69	0.16	10.99%	18.52%	12.41%	7.88%	
Liberty Kenya Holdings Ltd	7.48	3.71	3.93	5.60	-29.8%	0.15	-	16.45	26.20	0.24	-	-	0.93%	0.20%	
Sanlam Kenya Plc	14.90	7.26	7.26	9.58	-24.2%	-2.79	-	12.05	-	0.60	-	-	6.59%	0.39%	
								11.18361464	3.11	0.36				17.5%	4.2%
INVESTMENT	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA	
52 wk high	52 wk low	18/Apr/2023	30/12/2022												
Centum Investment Co Plc	12.25	7.90	8.50	8.36	1.7%	-0.93	0.33	79.08	-	0.11	3.88%	-	8.80%	4.54%	
Home Afrika Ltd	0.41	0.28	0.30	0.32	-6.3%	-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	2.65	2.96	-10.5%	0.28	-	31.63	9.46	0.08	-	-	1.38%	1.18%	
Trans-Century Plc	1.30	0.79	0.99	0.93	6.5%	-7.95	-	9.45	-	0.10	-	-	-56.07%	-9.11%	
Industry Average										-1.65	0.12			3.2%	1.4%
INVESTMENT SERVICES	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA	
52 wk high	52 wk low	18/Apr/2023	30/12/2022												
Nairobi Securities Exchange Plc	8.38	6.02	6.32	6.78	-6.8%	0.05	0.20	8.04	126.40	0.79	3.2%	400.0%	3.8%	3.6%	
Industry Average										126.40	0.79			3.8%	3.6%
MANUFACTURING & ALLIED	Vwap		Vwap		Performance YTD (%)	Trailing EPS	DPS	BVPS	P/E	P/B	Div Yield (%)	Div Payout (%)	ROE	ROA	
52 wk high	52 wk low	18/Apr/2023	30/12/2022												
B.O.C Kenya Plc	85.00	65.00	77.00	70.75	8.8%	5.55	4.40	78.03	13.87	0.99	5.71%	79.28%	4.57%	3.24%	
British American Tobacco Kenya Plc	490.00	404.00	472.00	460.00	2.6%	68.92	57.00	118.56	6.85	3.98	12.08%	82.70%	46.54%	25.42%	
Carbacid Investments Plc	14.15	10.55	12.25	12.00	2.1%	2.78	1.70	8.38	4.41	1.46	13.88%	61.15%	12.39%	7.93%	
East African Breweries Ltd	187.00	110.00	167.50	167.50	0.0%	15.00	11.00	17.70	11.17	9.47	6.57%	73.33%	50.17%	5.84%	
Flame Tree Group Holdings Ltd	1.36	0.92	1.16	1.08	7.4%	0.58	-	4.57	2.00	0.25	-	-	4.16%	1.84%	
Kenya Orchards Ltd	15.00	10.40	15.00	10.40	44.2%	0.17	-	1.88	88.24	7.96	-	-	36.65%	7.76%	
Mumias Sugar Co. Ltd	0.27	0.27													

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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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