

Daily Market Wrap

- **Market Indicators:** The equities market posted modest gains across all indices, with NASI up 0.60% to close at 173.64, NSE20 rising 1.02% to 2874.69, and NSE25 adding 0.52% to 4466.68. Market capitalization grew by 0.60% to Kes. 2735.66Bn. However, trading activity slowed as volumes dropped 42.26% to 32.50Mn shares, while equities turnover declined 48.11% to Kes. 668.57Mn.
- **Price Movement:** Home Afrika (+10.23%), KenGen (+8.45%), and Kenya Re (+8.03%) led the day's gainers, while Express Kenya (-7.85%), E.A. Portland Cement (-6.58%), and Kapchorua Tea (-4.66%) topped the losers.
- **Top Movers:** Activity was concentrated on KCB Group (Kes. 168.04Mn), Safaricom (Kes. 165.39Mn), and Equity Group (Kes. 118.54Mn), which dominated market turnover, supported by sustained interest in blue-chip counters.
- **Foreigners' Participation:** Foreign investors showed mixed activity, with inflows mainly in Jubilee Holdings (Kes. 4.71Mn), and Safaricom (Kes. 0.79Mn), while significant outflows were recorded in KenGen (Kes. 21.97Mn), and KPLC (Kes. 14.05Mn), and Equity Group (Kes. 12.28Mn). Overall, blue-chip counters continued to attract demand despite notable exits in utilities and banking stocks.
- **Bonds Market:** Secondary bonds market recorded a turnover of Kes. 8.47Bn (172 deals), down from Kes. 9.32Bn (189 deals), with activity concentrated in IFB1/2023/17Yr (Kes. 3.40Bn), IFB1/2022/19Yr (Kes. 2.00Bn), and IFB1/2021/21Yr (Kes. 1.00Bn), as investors favored long-dated tax-free papers.
- **Market Update:** Last week's treasury bills action results show that the Central Bank of Kenya accepted Kes. 31.91Bn against an offer of Kes. 24.00Bn, marking a performance rate of 133.46%. The 91-day paper dominated demand, attracting Kes. 19.97Bn bids with Kes. 19.88Bn accepted. Notably, its yield fell to 7.99%, dropping below 8% for the first time since 2022. The 182-day and 364-day yields also eased to 8.05% and 9.57% respectively, as investors continued to favor short-term securities amid declining rates.

MARKET INDICATORS

| INDICATOR | 29-Aug | 01-Sep | % Change |
|-------------------------|---------|---------|----------|
| NSE10 Share Index | 1709.51 | 1720.02 | 0.61% |
| NSE20 Share Index | 2845.64 | 2874.69 | 1.02% |
| NSE25 Share Index | 4443.40 | 4466.68 | 0.52% |
| NASI | 172.60 | 173.64 | 0.60% |
| Mkt Capitalization (Bn) | 2719.26 | 2735.66 | 0.60% |
| Volumes Traded (Mn) | 56.29 | 32.50 | -42.26% |
| Equities Turnover (Mn) | 1288.34 | 668.57 | -48.11% |
| Bonds Turnover (Bn) | 9.32 | 8.47 | -9.12% |

Top Gainers

| Stock | Share Price 01-Sep | % Change |
|-------------------|-----------------------|----------|
| Home Afrika Ltd | 0.97 | 10.23% |
| KenGen Co. | 9.50 | 8.45% |
| Kenya Re | 3.23 | 8.03% |
| KPLC Ord 2.50 | 13.60 | 6.25% |
| Centum Investment | 13.75 | 5.77% |

Top Movers

| Stock | Share Price 01-Sep | Mkt Turnover (Kes. Mn) |
|---------------|-----------------------|---------------------------|
| KCB Group | 54.25 | 168.04 |
| Safaricom | 28.80 | 165.39 |
| Equity Group | 56.00 | 118.54 |
| KenGen Co. | 9.50 | 44.49 |
| KPLC Ord 2.50 | 13.60 | 30.69 |

Top Losers

| Stock | Share Price 01-Sep | % Change |
|---------------------|-----------------------|----------|
| Express Kenya | 6.10 | -7.85% |
| E.A.Portland Cement | 56.75 | -6.58% |
| Kapchorua Tea Kenya | 311.75 | -4.66% |
| Britam Holdings | 8.60 | -4.66% |
| Flame Tree Group | 1.49 | -4.49% |

Top Foreign Buys

| Stock | Share Price 1-Sep | Foreign Buys (Kes. Mn) |
|------------------|----------------------|------------------------|
| Safaricom | 28.79 | 144.79 |
| Equity Group | 55.95 | 61.45 |
| Jubilee Holdings | 295.09 | 4.71 |
| KCB Group | 54.25 | 0.56 |
| Coop Bank | 17.81 | 0.09 |

Top Foreign Sells

| Stock | Share Price 1-Sep | Foreign Sells (Kes. Mn) |
|---------------|----------------------|-------------------------|
| Safaricom | 28.79 | 144.00 |
| Equity Group | 55.95 | 73.73 |
| KenGen | 9.50 | 21.97 |
| KPLC | 13.62 | 14.05 |
| Stanbic Group | 183.80 | 7.69 |

Top Foreign Net Inflows

| Stock | Share Price 1-Sep | Net Inflows (Kes. Mn) |
|------------------|----------------------|-----------------------|
| Jubilee Holdings | 295.09 | 4.71 |
| Safaricom | 28.79 | 0.79 |
| Coop Bank | 17.81 | 0.09 |
| BAT Plc | 410.12 | 0.08 |
| Stan Chart Bank | 319.30 | 0.02 |

Top Foreign Net Outflows

| Stock | Share Price 1-Sep | Net Outflows (Kes. Mn) |
|--------------|----------------------|------------------------|
| KenGen | 9.50 | -21.97 |
| KPLC | 13.62 | -14.05 |
| Equity Group | 55.95 | -12.28 |
| Stanbic | 183.80 | -7.69 |
| I&M Group | 39.03 | -1.07 |

Stock Pick Recommendations- September 2025

The month of September presents a mix of attractive opportunities across the equities market, with several listed companies demonstrating strong earnings momentum, resilient balance sheets, and consistent dividend policies. Our recommendations are grounded in recent financial performance, sectoral outlook, and market positioning, balancing both growth and income potential. Investors can consider a combination of **BUY, HOLD, SELL and ACCUMULATE** strategies across select counters, as outlined in the following analysis.

KCB Group Plc-BUY

The company has experienced consistent growth and stable performance for the past five years both in revenue generation and cost management. Interim dividend payouts of Kes. 1.50 per share in H1 2024 and Kes. 2.00 (interim) and Kes. 2.00(special) per share in H1 2025 are promising and a clear indicator that the group is on a growth trajectory. Book closure will be 3rd September 2025 to be paid on 11th November 2025. We therefore recommend a BUY for long-term and dividend prospects.

ABSA Group Plc-BUY

The Absa Kenya Group Plc delivered a solid performance in the first half of 2025, with profit after tax (PAT) rising by 9.06% from Kes. 10.71Bn in H1 2024 to Kes. 11.68Bn in H1 2025. The Group declared an interim dividend per share of Kes. 0.20 (DPS H1 2024, Kes. 0.20) reflecting strong earnings momentum and the Group's consistent commitment to delivering shareholder returns. We recommend BUY for long-term returns.

EABL Plc-HOLD

East African Breweries Plc (EABL) delivered a strong set of results posting a profit after tax (PAT) 12.22% to Kes. 12.2Bn in 2025 buoyed by reduced financial costs and foreign gains. Earnings per share (EPS) have increased by 16.21% from Kes. 10.30 to Kes. 11.97 in 2024 and 2025 respectively. The Board of Directors recommended a final dividend payment of Kes. 5.50 in addition an interim dividend payment of Kes. 2.50 per share summing the total dividend for FY 2025 to Kes. 8.00 per share subject to withholding tax (FY 2024- Kes. 7.00). The company has managed to navigate external pressures, including proliferation of illicit alcohol, sustained input cost inflation and declining consumer spending driven by reduced disposable income.

HF Group-BUY

HF Group Plc posted a Kes. 702.89Mn profit before tax (PBT) in their earnings update for the first half of 2025. This is a 148.41% increase in PBT from Kes. 282.95Mn that was posted in the first half of

2024. The lenders profit after tax (PAT) increased by 134.48% from Kes. 266.27Mn in H1 2024 to Kes. 624.34Mn in H1 2025. We recommend a BUY as the company's performance continues to improve demonstrated by its consistent PAT growth for the last three years.

Co-op Bank Group-BUY

The strong performance by Co-operative Bank Group Plc in H1 2025 aligns with its strategic focus of attaining resiliency, agility and sustainable growth. With top-notch digital momentum and bottom-line stable growth for the past five years, the lender has been consistent in annual dividend payment to shareholders. In addition, the bank's stock price has been steady for the first half of 2025 buoying between Kes. 10.10 to Kes. 18.35 per share. We recommend a BUY on the stock.

Kenya Re-ACCUMULATE

Kenya Re reported a 50.00% jump in profit after tax to Kes. 1.58Bn in H1 2025, up from Kes. 1.06Bn a year earlier, supported by higher investment income of Kes. 2.77Bn, a 97.00% drop in forex losses to Kes. 0.02Bn, and lower operating costs, which offset weaker insurance revenue that declined 15.00% to Kes. 6.32Bn. Profit before tax rose 48.00% to Kes. 2.24Bn, while total comprehensive income surged to Kes. 2.26Bn from Kes. 0.18Bn in H1 2024, boosted by valuation gains and positive currency effects. Despite pressure on core insurance operations, net investment and insurance results climbed 51.00% to Kes. 2.74Bn. An accumulation recommendation is based on the insurer's robust capital and liquidity, and diversification into new income generating vehicles.

Safaricom Plc-ACCUMULATE

Safaricom Plc delivered a strong performance reporting a 7.27% increase in PAT from Kes. 42.66Bn in FY 2024 to Kes. 45.76Bn in FY 2025. The company has retained a consistent annual dividend payout of Kes. 1.2 per share from FY 2023 with a positive historical share performance making it a good buy for both in the short-term and long-term. The company's high stock liquidity has commanded a strong demand from both local and foreign investors. Safaricom Ethiopia is advancing with renewed commitment, solid operational foundations, and a clear mandate to establish itself as a reliable and transformative player in Ethiopia's digital economy. This strategic progress underscores Safaricom's long-term growth potential, strengthening the investment case for an ACCUMULATION on the stock.

MARKET SUMMARY

| SECTOR | Share Price 29-Aug | Share Price 01-Sep | % Change | YTD % Change | Market Turnover (Kes. Mn) |
|--------------------------------------|-----------------------|-----------------------|-------------|-----------------|------------------------------|
| AGRICULTURAL | | | | | |
| Eaagads Ltd | 21.40 | 20.95 | -2.10% | 74.58% | 0.07 |
| Kakuzi Plc | 387.00 | 395.50 | 2.20% | 0.76% | 0.04 |
| Kapchorua Tea Kenya | 327.00 | 311.75 | -4.66% | 30.30% | 0.41 |
| The Limuru Tea Co. Plc | 310.25 | 310.25 | 0.00% | -11.36% | 0.00 |
| Sasini Plc | 17.05 | 17.00 | -0.29% | 13.33% | 0.09 |
| Williamson Tea Kenya Plc | 250.50 | 245.25 | -2.10% | 9.12% | 0.29 |
| AUTOMOBILES & ACCESSORIES | | | | | |
| Car & General (K) Ltd | 31.40 | 31.10 | -0.96% | 24.40% | 2.25 |
| BANKING | | | | | |
| ABSA Group | 20.10 | 20.50 | 1.99% | 8.75% | 2.59 |
| BK Group | 40.80 | 39.90 | -2.21% | 14.00% | 0.07 |
| DTB Group | 89.75 | 90.25 | 0.56% | 35.21% | 1.51 |
| Equity Group | 56.00 | 56.00 | 0.00% | 16.67% | 118.54 |
| HF Group | 9.58 | 9.60 | 0.21% | 108.70% | 29.23 |
| I&M Group | 38.65 | 39.05 | 1.03% | 8.47% | 12.22 |
| KCB Group | 54.25 | 54.25 | 0.00% | 27.95% | 168.04 |
| NCBA Group | 64.25 | 65.00 | 1.17% | 27.45% | 6.86 |
| Stanbic Holdings | 182.50 | 183.75 | 0.68% | 31.48% | 8.11 |
| StanChart Bank Kenya | 320.00 | 319.25 | -0.23% | 11.92% | 2.42 |
| Co-op Bank Group | 17.80 | 17.80 | 0.00% | 2.01% | 29.28 |
| COMMERCIAL AND SERVICES | | | | | |
| Deacons (East Africa) | 0.45 | 0.45 | 0.00% | 0.00% | 0.00 |
| Eveready East Africa | 1.40 | 1.37 | -2.14% | 17.09% | 0.20 |
| Express Kenya | 6.62 | 6.10 | -7.85% | 69.44% | 0.35 |
| Homeboyz Entertainment | 4.66 | 4.66 | 0.00% | 0.00% | 0.00 |
| Kenya Airways Ltd | 3.74 | 3.75 | 0.27% | -2.09% | 1.28 |
| Longhorn Publishers | 2.99 | 3.00 | 0.33% | 30.43% | 0.01 |
| Nairobi Business Ventures | 1.62 | 1.61 | -0.62% | -19.90% | 0.11 |
| Nation Media Group | 13.30 | 13.05 | -1.88% | -9.38% | 0.04 |
| Sameer Africa | 15.65 | 16.05 | 2.56% | 557.79% | 1.78 |
| Standard Group | 6.32 | 6.04 | -4.43% | 21.04% | 0.01 |
| TPS Eastern Africa Ltd | 14.70 | 14.85 | 1.02% | -6.31% | 0.00 |

| | | | | | |
|--------------------|------|------|--------|--------|------|
| Uchumi Supermarket | 0.30 | 0.29 | -3.33% | 81.25% | 0.08 |
| WPP Scangroup | 2.84 | 2.75 | -3.17% | 9.56% | 0.07 |

CONSTRUCTION & ALLIED

| | | | | | |
|---------------------|-------|-------|--------|--------|------|
| ARM Cement Plc | 5.55 | 5.55 | 0.00% | 0.00% | 0.00 |
| Bamburi Cement | 54.00 | 54.00 | 0.00% | -1.82% | 0.00 |
| Crown Paints Kenya | 47.85 | 48.00 | 0.31% | 41.59% | 0.05 |
| E.A.Cables Ltd | 1.71 | 1.71 | 0.00% | 61.32% | 0.00 |
| E.A.Portland Cement | 60.75 | 56.75 | -6.58% | 95.35% | 0.14 |

ENERGY & PETROLEUM

| | | | | | |
|-------------------------------|-------|-------|--------|---------|-------|
| KenGen Co. | 8.76 | 9.50 | 8.45% | 153.33% | 44.49 |
| KPLC Ord 2.50 | 12.80 | 13.60 | 6.25% | 162.55% | 30.69 |
| KPLC 4% Pref 20.00 | 4.10 | 4.10 | 0.00% | 2.50% | 0.00 |
| KPLC 7% Pref 20.00 | 6.00 | 6.00 | 0.00% | 0.00% | 0.00 |
| TotalEnergies Marketing Kenya | 34.95 | 34.85 | -0.29% | 71.25% | 1.28 |
| Umeme Ltd | 9.50 | 9.46 | -0.42% | -43.35% | 1.21 |

INSURANCE

| | | | | | |
|------------------------|--------|--------|--------|---------|-------|
| Britam Holdings | 9.02 | 8.60 | -4.66% | 47.77% | 0.45 |
| CIC Insurance Group | 4.73 | 4.63 | -2.11% | 116.36% | 13.62 |
| Jubilee Holdings Ltd | 294.50 | 295.00 | 0.17% | 68.81% | 8.11 |
| Kenya Re | 2.99 | 3.23 | 8.03% | 139.26% | 8.65 |
| Liberty Kenya Holdings | 10.90 | 10.95 | 0.46% | 63.43% | 0.18 |
| Sanlam Kenya | 8.20 | 8.04 | -1.95% | 62.42% | 0.22 |

INVESTMENT

| | | | | | |
|------------------------------|---------|---------|--------|---------|------|
| Centum Investment | 13.00 | 13.75 | 5.77% | 34.80% | 0.43 |
| Home Afrika Ltd | 0.88 | 0.97 | 10.23% | 162.16% | 1.71 |
| Kurwitu Ventures Ltd | 1500.00 | 1500.00 | 0.00% | 0.00% | 0.00 |
| Olympia Capital Holdings Ltd | 5.00 | 4.85 | -3.00% | 72.60% | 0.26 |
| Trans-Century Plc | 1.12 | 1.12 | 0.00% | 180.00% | 0.00 |

INVESTMENT SERVICES

| | | | | | |
|-----------------------------|-------|-------|-------|---------|------|
| Nairobi Securities Exchange | 14.60 | 15.00 | 2.74% | 154.24% | 2.09 |
|-----------------------------|-------|-------|-------|---------|------|

MANUFACTURING & ALLIED

| | | | | | |
|-------------|--------|--------|--------|--------|------|
| B.O.C Kenya | 124.75 | 121.50 | -2.61% | 36.90% | 0.20 |
| BAT Kenya | 427.25 | 410.00 | -4.04% | 8.97% | 1.77 |

| | | | | | |
|------------------------|--------|--------|--------|--------|------|
| Carbacid Investments | 27.00 | 26.70 | -1.11% | 31.20% | 0.53 |
| EABL | 218.25 | 218.25 | 0.00% | 24.36% | 0.59 |
| Flame Tree Group | 1.56 | 1.49 | -4.49% | 55.21% | 0.29 |
| Africa Mega Agricorn | 72.00 | 72.00 | 0.00% | 2.86% | 0.00 |
| Mumias Sugar | 0.27 | 0.27 | 0.00% | 0.00% | 0.00 |
| Unga Group Ltd | 20.50 | 20.60 | 0.49% | 37.33% | 0.06 |
| Shri Krishana Overseas | 6.20 | 6.20 | 0.00% | 5.08% | 0.28 |

TELECOMMUNICATION

| | | | | | |
|-----------|-------|-------|-------|--------|--------|
| Safaricom | 28.60 | 28.80 | 0.70% | 67.44% | 165.39 |
|-----------|-------|-------|-------|--------|--------|

REAL ESTATE INV. TRUST

| | | | | | |
|-----------------------|-------|-------|-------|-------|------|
| LAPTRUST IMARA I-REIT | 20.00 | 20.00 | 0.00% | 0.00% | 0.00 |
|-----------------------|-------|-------|-------|-------|------|

EXCHANGE TRADED FUNDS

| | | | | | |
|------------------------------|---------|---------|-------|--------|------|
| ABSA New Gold ETF | 3985.00 | 3985.00 | 0.00% | 22.24% | 0.04 |
| Satrix MSCI World Feeder ETF | 815.00 | 822.00 | 0.86% | 8.02% | 0.56 |

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