

KINGDOM SECURITIES

Investment Playbook: Stocks & Bonds



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Investment Playbook: Make Your Money Work

At the capital markets, investors can generate returns in any season (whether in volatility, rallies, or dips). In the current environment, opportunities remain abundant for those willing to take calculated, speculative positions while actively monitoring market movements. We recommend the following counters:

Long – term Buy:

Safaricom

- Ethiopia’s long-term growth potential offers a clear path to breakeven and future value unlock.
- Sustained domestic market leadership underpins stable cash flow generation.

Speculative Buy:

Co-op Bank

Equity Group

KCB Group

- Among the most liquid counters at the bourse
- Strong depth on both demand and supply sides enhances tradability and reduces execution risk.
- Residual upside remains, albeit with elevated volatility → suitable for short- to medium-term positioning

KenGen

- Strong positioning in renewable energy.
- Supported by relatively stable and predictable earnings outlook.

Merger Arbitrage Lite:

NCBA

- Presents a compelling event-driven opportunity relative to the implied offer price of Kes 105 by Nedbank
- Transaction structure:
 - **66% of holdings acquired.**
 - **Consideration split: 80% shares, 20% cash.**
- Investors receiving fewer than 200 Nedbank Group shares will instead be paid fully in cash, effectively locking in the arbitrage spread.

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Find below the dividend schedule:

Counter	Dividend Type	Dividend per Share	Book Closure	Payment Date
<i>Safaricom</i>	Interim	0.85	25-Feb-26	31-Mar-26
<i>EABL</i>		4.00	20-Feb-26	30-Apr-26
<i>Absa</i>	Final	1.85	30-Apr-26	19-May-26
<i>I&M</i>		2.25	16-Apr-26	21-May-26
<i>SCBK</i>		23.00	30-Apr-26	21-May-26
<i>NCBA</i>		4.60	30-Apr-26	26-May-26
<i>BAT</i>		60.00	08-May-26	12-Jun-26
<i>Kakuzi</i>		16.00	29-May-26	15-Jun-26
<i>DTB-K</i>		9.00	22-May-26	26-Jun-26
<i>NSE</i>		1.00	21-May-26	31-Jul-26
<i>Stanbic</i>		18.55	15-May-26	Pending Approval
<i>Equity</i>		5.75	22-May-26	
<i>KCB</i>		3.00	02-Apr-26	Pending Approval
<i>Liberty</i>		0.50		
<i>Co-op</i>		1.50		
<i>Kenya Re</i>	0.15			

For risk-averse investors with a preference for guaranteed income and capital preservation, we recommend allocations to government bonds. These instruments offer predictable returns and a high degree of safety, making them ideal for long-term wealth accumulation. Over the life of the bond, investors can potentially earn returns exceeding twice their initial investment, depending on tenor. Additionally, bonds remain liquid, as they can be traded in the secondary market, providing flexibility for investors who may not wish to hold to maturity. The bonds below are available for sale:

PAPER	COUPON RATE	MATURITY DATE
FXD1/2022/25	14.188%	23 rd March 2047
FXD1/2021/25	13.924%	9 th April 2046
FXD1/2019/20	12.873%	21 st March 2039

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