NOVEMBER 2026 EQUITIES WATCHLIST

October extended the equities market's losing streak, with NASI declining 3.0% M/M as investors continued to lock in gains following the strong rally recorded earlier in the year. In our view, the correction has improved entry levels across selected fundamentally sound counters, particularly companies offering earnings resilience, attractive valuations and sustainable dividend income.

LONG-TERM BUYS

Safaricom Plc | LONG-TERM BUY

Safaricom remains our top long-term Buy, supported by its dominant domestic franchise, strong cash-generation capabilities and the improving trajectory of its Ethiopian operations. HY2027 Group service revenue increased 13.1% y/y to Kes. 226.06Bn, while PBT rose 47.2% to Kes. 81.33Bn. Safaricom Ethiopia also continues to improve, with strong topline growth accompanied by a significant narrowing of operating losses. We view price weakness following the broader market correction as an opportunity for gradual accumulation rather than short-term trading.

KCB Group | LONG-TERM BUY

We maintain our long-term Buy recommendation on KCB Group. The lender remains one of our preferred banking-sector exposures, supported by its scale, diversified regional operations, improving credit conditions and attractive earnings outlook. Independent sector research similarly identifies KCB among the more attractive listed banks, supported by improving sector profitability and declining funding costs. With banking Q3 earnings approaching, the counter remains one of our core November stocks to watch.

Co-operative Bank | LONG-TERM BUY

We maintain our long-term Buy on Co-operative Bank, supported by resilient earnings, improving asset quality and sustainable shareholder distributions. Q3 earnings will be an important near-term catalyst, particularly after the Bank declared its first interim dividend in Q3 2025. Any repeat payout would reinforce the counter's income proposition. With the share recently trading around the mid-Kes. 30s, we favour accumulation on weakness rather than chasing short-term rallies.

EABL | LONG-TERM BUY / ACCUMULATE

EABL remains a quality long-term consumer-sector exposure, offering investors diversification away from the banking-heavy recommendation universe. The company's strong brand portfolio and cash-generating characteristics support progressive accumulation, particularly following the recent market correction. Near-term risks remain consumer purchasing power, taxation and input costs, making valuation discipline important.

BUY / ACCUMULATE

KenGen | BUY

KenGen remains one of our preferred energy-sector exposures. Our investment case is supported by the company's strategic importance to Kenya's electricity supply, its renewable-energy portfolio and longer-term generation-capacity expansion. The counter also remains actively traded, ranking among the NSE's more liquid stocks in early November. We favour accumulation on price weakness for investors with a medium-to-long investment horizon.

Kenya Re | BUY

We retain a Buy recommendation on Kenya Re, supported by its combination of insurance-sector growth, dividend characteristics and potential regulatory tailwinds. The counter also provides useful sector diversification within an equities portfolio. Recent trading data points to continued investor interest in the stock. Our preference is to accumulate gradually, particularly following the strong market rerating recorded during 2026.

ABSA Bank Kenya | BUY / ACCUMULATE

We recommend Buy/Accumulate on Absa Bank Kenya, particularly for income-oriented investors. The counter offers exposure to a strong domestic banking franchise with attractive shareholder-return characteristics. The recent price pullback should be assessed against earnings and dividend fundamentals rather than interpreted purely as negative momentum. Absa was among the larger counters recording a meaningful one-month pullback entering November.

Jubilee Holdings | BUY

We recommend a Buy on Jubilee Holdings, providing exposure to insurance and a useful diversification away from the banking and telecommunications sectors. The stock has recently shown positive momentum, but our thesis should remain centred on insurance profitability, investment returns and capital strength rather than price performance alone. Jubilee was up approximately 2.3% over the preceding month in early-November market data.

Williamson Tea Kenya | BUY / ACCUMULATE

We recommend gradual accumulation of Williamson Tea for investors seeking agricultural-sector exposure and potential dividend income. The investment thesis remains sensitive to tea prices, production volumes, foreign-exchange movements and shareholder distributions. Given the counter's relatively lower trading liquidity, investors should build positions progressively rather than chase price movements.

TACTICAL / SPECIAL SITUATION

NCBA Group | TACTICAL BUY

NCBA remains an interesting November special situation following Nedbank's acquisition of approximately 66% of the company. The reduction in freely tradable NCBA shares could result in tighter secondary-market liquidity and increased sensitivity of price discovery to incremental demand. However, lower free float should not itself be interpreted as a guarantee of price appreciation.

We therefore view the transaction as an additional tactical catalyst, while the fundamental banking case remains the primary reason for holding the counter.

I&M Group | TACTICAL BUY / INCOME WATCH

I would add I&M Group prominently to the November watchlist given the approaching Q3 earnings season. The Bank has an established history of paying interim dividends, making the upcoming results particularly relevant after the counter's significant rerating into the Kes. 80 range during 2026.

Rather than buying purely in anticipation of a dividend, we recommend watching the payout alongside earnings growth and the prevailing share price to determine whether the resulting dividend yield presents an attractive income opportunity.

Kapchorua Tea | HOLD / TACTICAL ACCUMULATE

Kapchorua's earlier dividend catalyst has already played out, so the November thesis should be more valuation-sensitive. Existing shareholders may continue holding the counter, while new investors should await attractive entry points and clearer visibility on the next earnings and dividend cycle. Given its relatively limited liquidity, we would avoid chasing sharp short-term price movements.

HOLD / INCOME

BAT Kenya | HOLD / INCOME

BAT remains primarily an income-oriented Hold rather than a momentum trade. The counter's cash-generation and dividend characteristics continue to support the investment case for existing shareholders, although taxation, regulation and longer-term tobacco-consumption trends remain important risks. We favour holding established positions and accumulating only where valuation provides an adequate margin of safety.

November Recommendation Summary

Counter	November Call	Primary Thesis
Safaricom	Long-term Buy	Earnings growth, M-PESA, improving Ethiopia trajectory
KCB Group	Long-term Buy	Strong banking franchise, earnings and dividend potential
Co-operative Bank	Long-term Buy	Earnings resilience, Q3 dividend catalyst
EABL	Long-term Buy / Accumulate	Quality consumer franchise, portfolio diversification
KenGen	Buy	Renewable generation and capacity-growth story
Kenya Re	Buy	Insurance growth, dividends and regulatory tailwinds
Absa Bank Kenya	Buy / Accumulate	Income-oriented banking exposure
Jubilee Holdings	Buy	Insurance-sector diversification and earnings potential

Williamson Tea	Buy / Accumulate	Agriculture exposure and dividend potential
NCBA Group	Tactical Buy	Reduced free float following Nedbank transaction
I&M Group	Tactical Buy / Income Watch	Q3 earnings and interim-dividend catalyst
Kapchorua Tea	Hold / Tactical Accumulate	Valuation and next dividend cycle
BAT Kenya	Hold / Income	Dividend income and cash-generation profile

November Strategy

Ahead of the Q3 banking earnings season, we expect increased activity around financial counters, with Co-operative Bank and I&M Group particularly in focus on potential interim-dividend announcements. Towards the festive season, moderate profit-taking could create selective entry opportunities, particularly among banks that have recorded sizeable gains during the year.

Following the recent market correction, investors should avoid chasing short-term price movements and instead remain guided by earnings quality, valuation, sustainable dividends and company-specific fundamentals. We similarly advocate patience for investors participating in the upcoming Quickmart and Dangote GDR listings, allowing adequate time for price discovery and the underlying investment theses to develop.

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