

KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) – 159.52	1.2%	13.6%	USD Mn – 23,715 KES Bn – 2,388
	NSE 20 Share Index – 2846.85	-	0.5%	USD Mn – 20,421 KES Bn – 2,057
	NSE 25 Share Index – 3,988.88	1.3%	12.3%	USD Mn – 22,168 KES Bn – 2,233
UGANDA	UGSINDX – 1,796.87	2.7%	8.9%	USD Mn – 6,574 UGS Bn – 24.560
TANZANIA	DSEI – 2,077.72	0.8%	1.8%	USD Mn – 8,747 TZS Bn – 20,027
RWANDA	RSEASI – 135.81	-	3.5%	USD Mn – 3,432 RWF Bn – 3,053

Source: NSE, UGSE, DSE, RSE

KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-w (%)	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –100.72	-	1.1%	4.4%(03/2019)	6.0%(3Q2018)
UGS/USD 3,736.23	-0.6%	-0.6%	3.0%(02/2019)	6.4%(3Q17/18)
TZS/USD –2,289.55	-	-0.4%	3.0%(02/2019)	7.1%(FY2017)
RWF/USD – 889.86	-0.1%	-1.2%	0.8%(02/2019)	7.7%(3Q2018)

Source: CBK, BOT, NBR, KNBS, UBOS, NBS, NISR, BOU

Safaricom Records Mixed Performance in the 4Q2018

According to the Communication Authority of Kenya (CA), Safaricom registered a 5.9% y/y growth in sim connections to 31.3 million (4Q2017: 29.6 million). Net customer additions stood at 1.4 million (4.6% q/q) customers compared to the previous quarter. This was one of best quarters for the company in over three years. Despite this growth in customers, the company still recorded a loss in market share (in terms of subscriptions) from 72.8% in 4Q2017 to 63.3% in the 4Q2018. However, the loss in market share was not as severe compared to the previous two quarters. The continued loss in market share reflects the aggressive push by the competition. We opine that the growth in customer numbers was partly due to the promotional activities in the period. The growth in customer numbers also benefited the company's voice segment with Minutes of Use growing by 10.6% y/y to 102.9 minutes. Although the company's market share on voice and SMS declined by 11.3% y/y and 2.3% y/y to 64.3% and 94.1% respectively, there was an improvement (210bps and 10bps respectively) compared to the previous quarter. The value of mobile commerce transactions and the value of withdrawals and P2P transfers grew in by 49.4% y/y to 1,352.8 billion and by 17.0% y/y to 1649.7 billion. However, over the same period, the company's market share in those segments declined from 77.6% and 79.9% and to 75.0% and 77.8% respectively. We attribute the decline in market share to increased competition particularly from Equitel. Safaricom's share of the fixed data subscriptions, however, grew to 29.6% (4Q2017: 16.7%) while mobile data declined to 69.5% (4Q2017: 72.8%).

Although there was a decline on a year on year basis across most of the segments in terms of market shares, there was improvement compared to the previous quarter. We expect this performance to positively impact financial performance for the second half of the financial year.

Inflation Rises to 4.4% in March

Kenya's annual headline inflation rate picked up in March 2019 to 4.4% after easing to 4.1% in February (January 2019: 4.7%). The marginal rise in inflation was influenced by higher prices of foodstuffs, elevated by reduced supply, owing to the delay in the onset of the long rains season. The food and non-alcoholic drinks' index grew by 3.30% m/m due to an increase in the prices of most food stuffs. The transport index climbed by 0.42% m/m owing to an increase in the prices of petrol and diesel. Average petrol prices rose by 1.0% m/m to KES 102.13 per liter while average kerosene prices rose by 0.7% m/m to KES 97.47 per liter following price increases by the Energy Regulatory Commission (ERC) on petrol, diesel and kerosene based on the weighted average cost of imported refined petroleum products. The housing, water, electricity, gas and other fuels' index declined by 0.1% due to a decline in the cost of electricity which offset the increase in the costs of rent and cooking fuels. The meteorological department expects the late onset and poor distribution of the long rain season to negatively impact agricultural production. In light of this, we expect food inflation to trend upwards (at least for the next few months), this should lead to higher inflation. We also note that the international prices for crude oil have been edging up since the start of the year. This is likely to create inflationary pressures.

Stock Market Performance and Outlook

The overall market edged up by 1.2% w/w to close the week at 159.52 (NASI), characterized by a decline in trading volumes and turnover. We attribute the slight increase in the market to foreign investor demand. Some of the counters with notable price gains included; Equity (+4.0% w/w), KCB (+1.7% w/w), KenGen (+1.1% w/w), Safaricom (+1.6% w/w) and EABL (+0.8% w/w). We expect investor demand to remain high in the coming week which should sustain the uptrend in the aforementioned counters.

Equity Market Summary

Banking Sector	Price (KES)	YTD change	% w-o-w Change	Volume Traded	C/I Ratio	P/E (X)	Dividend Yield	P/B (X)	ROE
KCB	44.80	19.6%	1.7%	6,861,000	48.7%	5.72	7.8%	1.21	21.9%
Equity Bank	43.25	24.1%	4.0%	22,039,700	52.2%	8.23	4.6%	1.72	21.1%
NIC Bank	36.25	30.4%	-0.3%	187,900	46.3%	5.49	3.4%	0.65	12.1%
Stanbic	103.00	13.5%	3.0%	114,700	50.2%	6.49	5.6%	0.91	14.3%
National Bank	4.98	-6.4%	1.0%	27,300	92.0%	240.75	0.0%	0.24	0.1%
Barclays Bank	11.95	9.1%	1.3%	1,911,400	54.2%	8.75	9.2%	1.47	17.1%
Housing Finance	4.94	-10.8%	-1.2%	652,900	107.7%	-2.91	0.0%	0.17	-5.5%
Co-operative Bank	14.95	4.5%	0.0%	870,100	54.6%	6.89	6.7%	1.26	18.2%
Diamond Trust Bank	127.50	-18.5%	-1.9%	34,500	45.2%	5.03	2.0%	0.66	13.9%
Standard Chartered	212.00	9.0%	-1.5%	21,100	51.8%	8.99	9.0%	1.56	17.5%
I&M	113.50	33.5%	0.0%	77,800	36.6%	5.52	3.4%	0.98	17.9%
Sector Average					58.1%	27.18	4.7%	0.98	13.5%

P/B (X) - FY2018

Commercial and Services	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E (X)	Dividend Yield	EPS(KES)	ROE
Kenya Airways	5.00	-43.8%	1.8%	172,600	-6.17	0.0%	-0.81	N/M
Nation Media Group	62.25	-9.1%	2.5%	55,900	9.02	16.1%	6.9	19.1%
WPP Scangroup	11.40	-18.6%	-5.0%	15,400	10.18	4.4%	1.12	5.2%
Uchumi Supermarket	0.54	-32.5%	-3.6%	35,200	-0.12	0.0%	-4.6	N/M
Longhorn Publishers	5.86	27.1%	-7.6%	229,700	11.96	6.5%	0.49	13.1%
Eveready	0.92	-8.0%	-13.2%	44,600	0.72	108.7%	1.27	-35.3%
Sector Average					4.27	5.4%		0.5%

*N/M - Not Meaningful

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Construction & Allied	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	NPM*	ROE
ARM Cement	5.55	0.0%	0.0%	0	-1.68	0.0%	-21.9%	-12.5%
Bamburi Cement	130.25	-1.7%	0.2%	2,700	28.69	3.1%	15.5%	6.4%
E.A. Portland Cement	18.70	16.9%	0.0%	100	-1.14	0.0%	19.3%	25.0%
Sector Average					8.62	1.0%		6.3%

*NPM - Net Profit Margin

Energy & Petroleum Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
KenGen	5.70	-18.8%	1.1%	1,022,000	4.75	7.0%	1.20	4.2%
KenolKobil	22.00	15.5%	0.0%	0	13.17	2.7%	1.67	23.4%
Kenya Power	4.05	-0.5%	-3.1%	886,300	4.13	0.0%	0.98	3.0%
Total Kenya	28.80	4.7%	-0.5%	22,000	7.85	4.5%	3.67	10.5%
Sector Average					7.48	3.2%		10.2%

Insurance Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/B(X)	P/E(X)	Loss Ratio	Expense Ratio
CIC Insurance	3.89	0.8%	-0.5%	302,800	1.29	21.61	64.9%	49.0%
Britam	8.72	-12.8%	-3.3%	333,100	0.79	36.33	67.6%	134.8%
*Jubilee	407.00	0.6%	-0.4%	10,800	1.17	8.14	102.4%	142.2%
Kenya Re	11.35	-18.6%	3.2%	87,500	0.28	2.22	62.2%	106.7%
Sanlam Kenya	19.75	-10.2%	-6.2%	800	2.14	94.05	95.4%	149.7%
Liberty	9.80	-24.0%	0.2%	19,500	0.71	6.20	66.5%	66.5%
Sector Average					0.88	9.57	76.5%	108.2%

*Jubilee-FY2017

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Investment Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	P/B(X)	NAVPS**	EPS (KES)	ROE
Centum Investment	31.65	8.2%	-1.1%	568,500	7.54	0.41	73.2	4.20	5.6%
Home Afrika Ltd	0.52	-25.7%	-8.8%	1,569,100	-1.33	-5.05	0.85	-0.39	2.6%
Trans-Century	2.71	287.1%	-9.4%	4,300	-1.74	0.21	40.96	-1.56	4.7%
Sector Average					N/M	-1.47			4.3%

*NPM - Net Profit Margin, **NAVPS - Net Asset Value Per Share

Investment Services	Price (KES)	YTD Change	%w-o-w change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
NSE	13.70	-5.8%	-0.4%	56,100	18.77	3.6%	0.73	9.3%
Sector Average					18.77	3.6%		

Manufacturing & Allied Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Mumias Sugar	0.49	-15.5%	-3.9%	840,800	-0.11	0.0%	-4.43	-69.4%
EABL	208.00	19.0%	0.8%	1,569,900	28.93	3.6%	7.19	61.4%
FTG Holdings	2.80	12.0%	6.5%	43,400	3.29	0.0%	0.85	22.3%
Carbacid	9.24	-7.6%	-0.6%	127,200	6.70	7.6%	1.38	14.6%
BAT	550.00	-24.1%	1.1%	10,700	16.49	4.7%	33.36	48.0%
Sector Average					11.06	3.2%		

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	28.00	26.1%	1.6%	37,282,100	20.00	3.9%	1.40	47.8%
Sector Average					20.00	3.9%		

	Price (KES)	YTD Change		Volume Traded	NAVPS*
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Real Estate Investment Trust			% w-o-w Change			Dividend Yield	EPS (KES)
STANLIB FAHARI I-REIT	10.10	-7.8%	9.3%	103,600	14.23	7.43%	0.71
Sector Average						NA	

*NAVPS - Net Asset Value Per Share

Market Statistics	This Week	Last Week	% Change
Total Volumes	78,704,700	103,742,300	-24.1%
Total Turnover (KES)	2,774,061,363	3,096,702,901	-10.4%

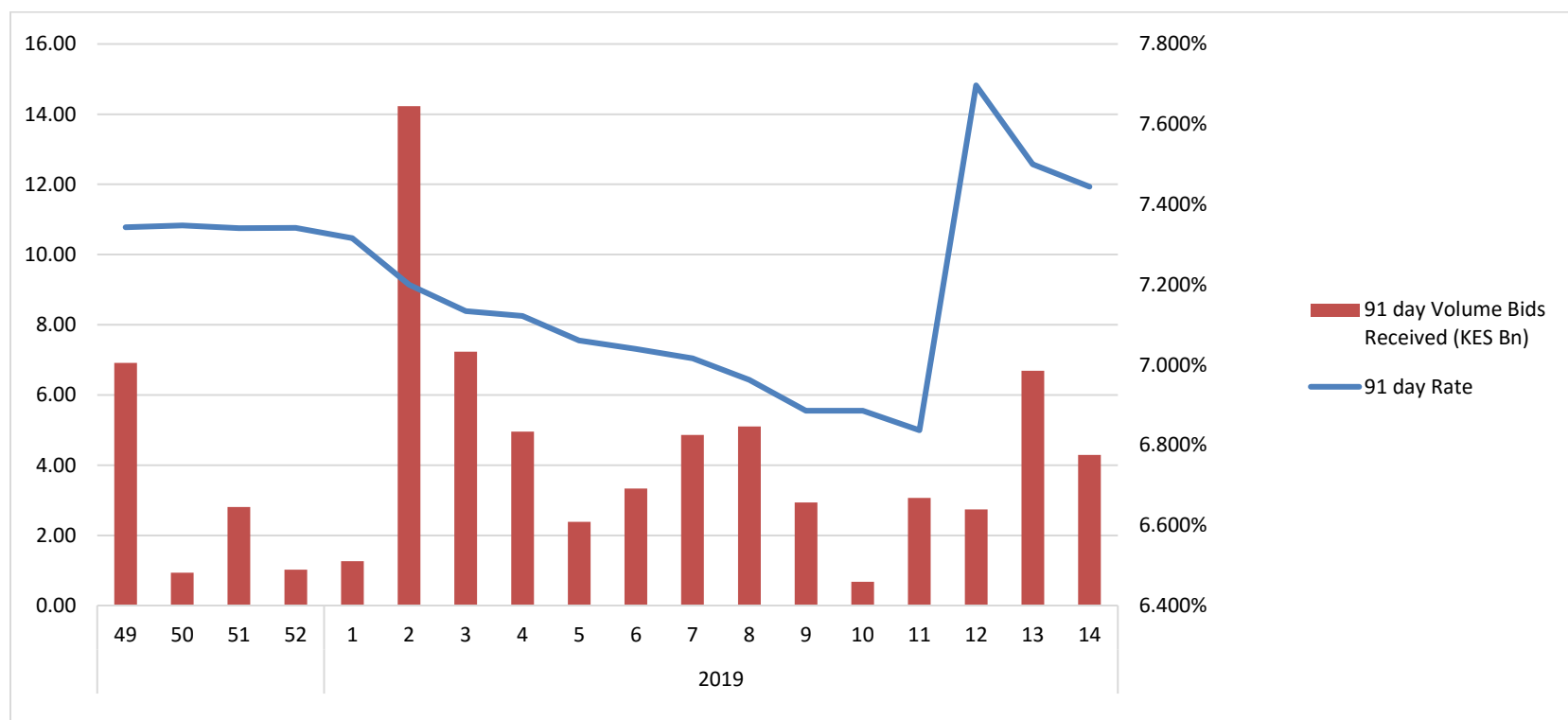
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Fixed Income Market Summary

	Bids Received (KES)	Subscription	Bids Accepted (KES)	Rate	Previous Rate	% Change
91 day T-bill	4.29Bn	107.22%	2.82Bn	7.444%	7.500%	-0.056
182 day T-bill	10.26Bn	102.60%	10.05Bn	8.189%	8.204%	-0.015
364 day T-bill	45.65Bn	456.49%	29.82Bn	9.385%	9.408%	-0.023

Graph showing 91 day T-bill rate and volume

Week No. 14



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Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Stanlib Fahari I-REIT	First & Final dividend	Kes.0.75	29-Mar-19	Subject to Approval	30-Apr-19
Standard Group Plc	First & Final dividend	Kes.0.60	18-Mar-19	Subject to Approval	Subject to Approval
Total Kenya Plc	First & Final dividend	Kes.1.30	28-Mar-19	26-Jun-19	22-Jul-19
Umeme Ltd	Final dividend	Ushs.28.20	25-Mar-19	25-Jun-19	15-Jul-19
Kenya Reinsurance Corporation Ltd	First & Final dividend	Kes.0.45	29-Mar-19	17-Jun-19	26-Jul-19
Nairobi Securities Exchange	First & Final dividend	Kes.0.49	22-Mar-19	30-May-19	30-Jul-19
Diamond Trust Bank Ltd	First & Final dividend	Kes.2.60	01-Mar-19	24-May-19	26-Jun-19
I&M Holdings Plc	Bonus Issue	Bonus Issue of 1:1	27-Mar-19	10-May-19	23-May-19
Stanbic Holdings PLC	Final dividend	Kes.3.55	01-Mar-19	10-May-19	Subject to Approval
Kakuzi Plc	First & Final dividend	Kes.9.00	29-Mar-19	01-May-19	30-Jun-19
CIC Insurance Group Plc	First & Final dividend	Kes.0.13	11-Mar-19	30-Apr-19	31-May-19
Barclays Bank of Kenya Ltd	Final dividend	Kes.0.90	11-Mar-19	30-Apr-19	29-May-19
BOC Kenya Plc	Final dividend	Kes.2.85	09-Mar-19	29-Apr-19	26-Jul-19
Co-operative Bank of Kenya	First & Final dividend	Kes.1.00	21-Mar-19	29-Apr-19	07-Jun-19
KCB Group PLC	Final dividend	Kes.2.50	06-Mar-19	29-Apr-19	Subject to Approval
Equity Group Holdings Plc	First & Final dividend	Kes.2.00	27-Mar-19	26-Apr-19	31-May-19
Standard Chartered Bank Kenya	Final dividend	Kes.14.00	22-Mar-2019	26-Apr-19	23-May-19
NIC Group Plc	First & Final dividend	Kes.1.25	21-Mar-19	18-Apr-19	06-May-2019
Limuru Tea Company Plc	First & Final dividend	Kes.1.00	25-Mar-19	12-Apr-19	03-Jun-19
BAT Kenya PL	Final dividend	Kes.31.50	14-Feb-19	14-Mar-19	10-May-19
I&M Holdings Plc	Interim dividend	Kes.3.90	31-Dec-18	28-Feb-19	23-May-19
East African Breweries Ltd	Interim dividend	Kes.2.50	25-Jan-19	22-Feb-19	11-Apr-19

Market Recommendations

Counter	Recommendation	52-Week High	52-Week Low	YTD Change	Price as at 5th April 2019
KCB Group	Long-term Buy	55.00	34.00	19.6%	44.80
Equity Group Holdings	Long-term Buy	57.00	33.40	24.1%	43.25
Bamburi Cement	Hold	190.00	117.00	-1.7%	130.25
Safaricom	Hold	33.50	21.00	26.1%	28.00
EABL	Hold	270.00	160.00	19.0%	208.00
Jubilee Holdings	Buy	540.00	355.25	0.6%	407.00
Barclays Bank of Kenya	Hold	13.50	9.50	9.1%	11.95
Diamond Trust Bank	Hold	216.00	123.00	-18.5%	127.50
Cooperative Bank	Long-term Buy	20.00	12.65	4.5%	14.95
KenGen	Long-term Buy	9.21	5.10	-18.8%	5.70
Centum	Long-term Buy	45.00	22.50	8.2%	31.65
NBK	Sell	9.65	4.05	-6.4%	4.98
Mumias	Sell	0.95	0.49	-15.5%	0.49

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