

KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) - 160.19	1.3%	14.1%	USD Mn – 23,644 KES Bn – 2,394
	NSE 20 Share Index - 2,799.22	-0.6%	-1.2%	USD Mn – 20,465 KES Bn – 2,072
	NSE 25 Share Index - 3,938.55	-0.1%	10.9%	USD Mn – 22,180 KES Bn – 2,245
NIGERIA	ASI- 29,212.00	-1.8%	-7.1%	USD Mn – 35.83 NGN Bn – 10,979
*EGYPT	EGX100- 1,658.00	0.0%	-4.0%	USD Mn – 38.59 EGP Bn – 663.6
SOUTH AFRICA	All share – 58,774.00	-0.1%	11.4%	USD Mn – 982.59 ZAR Bn – 14,060

Source: NSE, JSE, NSE (Nigeria), *EGX100- figures used are as at 2nd May 2019

KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-w (%)	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –101.51	0.0%	0.3%	6.6%(04/2019)	6.3%(FY2018)
NGN/USD-306.40	-	-	11.3%(03/2019)	2.4%(3Q2018)
EGP/USD –17.17	0.0%	4.1%	14.4%(02/2019)	5.3%(3Q2018)
ZAR/USD – 14.38	-1.2%	-7.2%	4.5%(03/2019)	0.8%(FY2018)

Source: CBK, ZAR, CBN, EGP, KNBS, NBS

Safaricom PLC Posts a 14.7% y/y increase in After Tax Profits for FY2019

Safaricom's after tax profits grew by 14.7% y/y in FY2019 to KES 63.4 billion from KES 55.3 billion registered in FY2018. Total service revenues edged up by 7.0% y/y to KES 240.3 billion (FY2018: KES 224.5 billion) mainly driven by MPESA and data. MPESA revenues grew by 19.2% y/y to KES 75.0 billion on the back of a bigger MPESA ecosystem (products, agents, customers). The number of MPESA chargeable transactions grew from approximately 11.0 in FY2018 to 12.0 (30 day usage) while active customers (30 day active) increased by 10.2% y/y to 22.6 million. Mobile data revenues rose by 6.4% y/y to KES 38.7 billion (FY2018: KES 36.4 billion). The company's initiatives to increase affordability of mobile data bundles saw the rate per megabyte reduce by 41.9% y/y to KES 0.24. While this increased consumer usage (+72.8% y/y to 727.6 MBs per Active User per Month), it had a slow-down effect on mobile data revenue growth. Additionally, mobile data revenue was impacted by mobile tax on data bundles (The company did not increase its in-bundle data prices after the excise tax increase). Fixed service revenues surged by 22.7% y/y to KES 8.2 billion as the number of homes connected more than doubled to 107,800. Voice revenue grew marginally by 0.3% y/y to KES 95.9 billion while messaging revenues declined by 1.3% y/y to KES 17.5 billion. The slowdown in growth in these two segments reflects the effects of commoditization which negated the rise in customer numbers (7.4% y/y to 31.8 million). Direct costs grew by 1.8% y/y to KES 71.8 billion. Direct cost intensity (direct costs/total revenues) declined from 30.2% to 28.6% due to a faster growth in revenues (+7.1% y/y to KES 251.0 billion). OPEX intensity (operating expenses/total revenues) also declined from 21.7% to 21.4% due to the faster growth in revenues (+7.1% y/y to KES 251.0 billion) compared to operating expenses (+5.8% y/y to KES 53.4 billion). We expect the innovation and partnerships to continue delivering growth for the company. Although MPESA revenues seem resilient, the uncertain regulatory environment is a key risk.

Inflation Rises to 6.6% in April

Kenya's annual headline inflation picked up further in April 2019 to 6.6% after rising to 4.4% in March 2019 (February 2019: 4.1%). The sharp rise in inflation was attributed to an increase in food prices owing to drought conditions which prevailed in the better part of April 2019. The food and non-alcoholic index grew by 6.9% m/m. Some of the notable price increases were for sifted maize flour (+29.8% m/m), kales (+25.3% m/m), potatoes (+19.3% m/m) and tomatoes (+15.3% m/m). Housing, water, electricity, gas and other fuels index climbed by 1.0% m/m on account of increased costs of house rent and electricity. The transport index rose by 0.9 % m/m as a result of increase in the prices of petrol and diesel. Given that the Kenya Meteorological Department expects depressed rainfall over the long rain season, which is also forecasted to be shortened, we expect food prices to remain elevated due to low supply levels of produce. Fuel prices are also expected to continue rising owing to the persistent rise in international crude oil prices as a result of OPEC+ production cuts and US Sanctions against Iran and Venezuela. Thus, we expect inflationary pressures to remain high in the short-term.

Stock Market Performance and Outlook

The overall market edged up by 1.8% w/w to close the week at 160.19 (NASI) characterized by an increase in trading volumes and turnover. As anticipated Safaricom rallied ahead of its FY2019 results but eased afterwards as a result of profit taking activities. Some of the counters with notable price gains include; KenGen (+2.7% w/w), Equity (+1.1% w/w), EABL (+1.9% w/w) and Safaricom (+5.7% w/w). We expect market focus to shift towards banks ahead of the 1Q2019 results.

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	41.30	10.3%	-8.6%	10,271,900	48.7%	5.28	8.5%	1.11	21.9%
Equity Bank	41.95	20.4%	1.1%	16,823,200	52.2%	7.99	4.8%	1.67	21.1%
NIC Bank	32.70	17.6%	4.5%	277,500	46.3%	4.95	3.8%	0.59	12.1%
Stanbic	101.75	12.1%	5.7%	96,000	50.2%	6.41	5.7%	0.90	14.3%
National Bank	4.81	-9.6%	-4.2%	39,200	92.0%	232.53	0.0%	0.23	0.1%
Barclays Bank	10.55	-3.7%	-11.7%	2,867,600	54.2%	7.73	10.4%	1.30	17.1%
Housing Finance	4.00	-27.8%	-6.8%	3,809,200	107.7%	N/M	0.0%	0.14	-5.5%
Co-operative Bank	12.55	-12.2%	-7.4%	5,915,100	54.6%	5.78	8.0%	1.05	18.2%
Diamond Trust Bank	121.50	-22.4%	0.2%	186,700	45.2%	4.80	2.1%	0.63	13.9%
Standard Chartered	199.00	2.3%	-6.4%	24,900	51.8%	8.44	9.5%	1.47	17.5%
I&M	123.25	45.0%	7.2%	48,100	36.6%	5.99	3.2%	1.06	17.9%
Sector Average					58.1%	28.99	5.1%	0.92	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	4.50	-49.4%	-10.0%	159,500	N/M	0.0%	-1.3	N/M
Nation Media Group	57.50	-16.1%	3.6%	57,900	8.33	17.4%	6.9	13.2%
WPP Scangroup	18.25	30.4%	7.4%	460,700	16.29	2.7%	1.12	7.1%
Uchumi Supermarket	0.38	-52.5%	-7.3%	275,600	N/M	0.0%	-4.6	N/M
Longhorn Publishers	6.52	41.4%	5.2%	35,300	13.31	5.8%	0.49	13.1%
Eveready	0.98	-2.0%	4.3%	66,000	0.77	102.0%	1.27	-35.3%
Sector Average					9.68	5.2%		-0.5%

*N/M - Not Meaningful

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	N/M	0.0%	-21.9%	-12.5%
Bamburi Cement	118.00	-10.9%	0.0%	76,600	48.16	4.3%	1.6%	0.5%
E.A. Portland Cement	16.80	5.0%	0.0%	200	N/M	0.0%	19.3%	25.0%
Sector Average					48.16	1.4%		4.3%

*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	6.24	-11.1%	4.0%	1,875,900	5.20	6.4%	1.20	4.2%
Kenya Power	4.03	-1.0%	-0.2%	709,500	4.11	0.0%	0.98	3.0%
Total Kenya	29.00	5.5%	4.1%	7,800	7.90	4.5%	3.67	10.5%
Sector Average					5.74	3.2%		3.6%

Insurance Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/B(X)	P/E(X)	Loss Ratio	Expense Ratio
CIC Insurance	3.36	-13.0%	-5.1%	356,900	1.11	18.67	64.9%	49.0%
Britam	8.88	-11.2%	3.0%	97,700	0.80	37.00	67.6%	134.8%
Jubilee	405.00	0.1%	-2.4%	300	1.12	7.71	92.0%	138.2%
Kenya Re	10.85	-22.2%	0.9%	5,888,400	0.27	2.12	62.2%	106.7%
Sanlam Kenya	19.00	-13.6%	-1.8%	34,200	2.06	90.48	95.4%	149.7%
Liberty	9.90	-23.3%	-1.0%	27,200	0.72	6.27	66.5%	66.5%
Sector Average					0.88	9.57	74.7%	107.5%

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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	31.50	7.7%	-1.3%	255,100	7.51	0.41	73.2	4.20	5.6%
Home Afrika Ltd	0.57	-18.6%	18.8%	532,700	N/M	N/M	0.85	-0.39	2.6%
Trans-Century	3.63	418.6%	18.2%	15,300	N/M	0.29	40.96	-1.56	4.7%
Sector Average					N/M	0.35			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	12.55	-13.7%	-3.5%	63,200	17.19	3.9%	0.73	9.3%
Sector Average					17.19	3.9%		

Manufacturing & Allied Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Mumias Sugar	0.32	-44.8%	-13.5%	364,400	N/M	0.0%	-4.43	-69.4%
EABL	221.25	26.6%	0.6%	1,131,800	30.77	3.4%	7.19	61.4%
FTG Holdings	2.60	4.0%	1.2%	14,400	3.06	0.0%	0.85	22.3%
Carbacid	9.20	-8.0%	0.4%	11,200	6.67	7.6%	1.38	14.6%
BAT	510.00	-29.7%	-1.4%	96,000	15.29	5.1%	33.36	48.0%
Sector Average					13.95	3.2%		

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	29.25	31.8%	4.7%	18,811,700	18.51	6.4%	1.58	44.1%
Sector Average					18.51	6.4%		

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Real Estate Investment Trust	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	NAVPS*	Dividend Yield	EPS (KES)
STANLIB FAHARI I-REIT	8.98	-18.0%	-4.1%	30,600	12.65	8.35%	0.71
Sector Average						NA	

*NAVPS - Net Asset Value Per Share

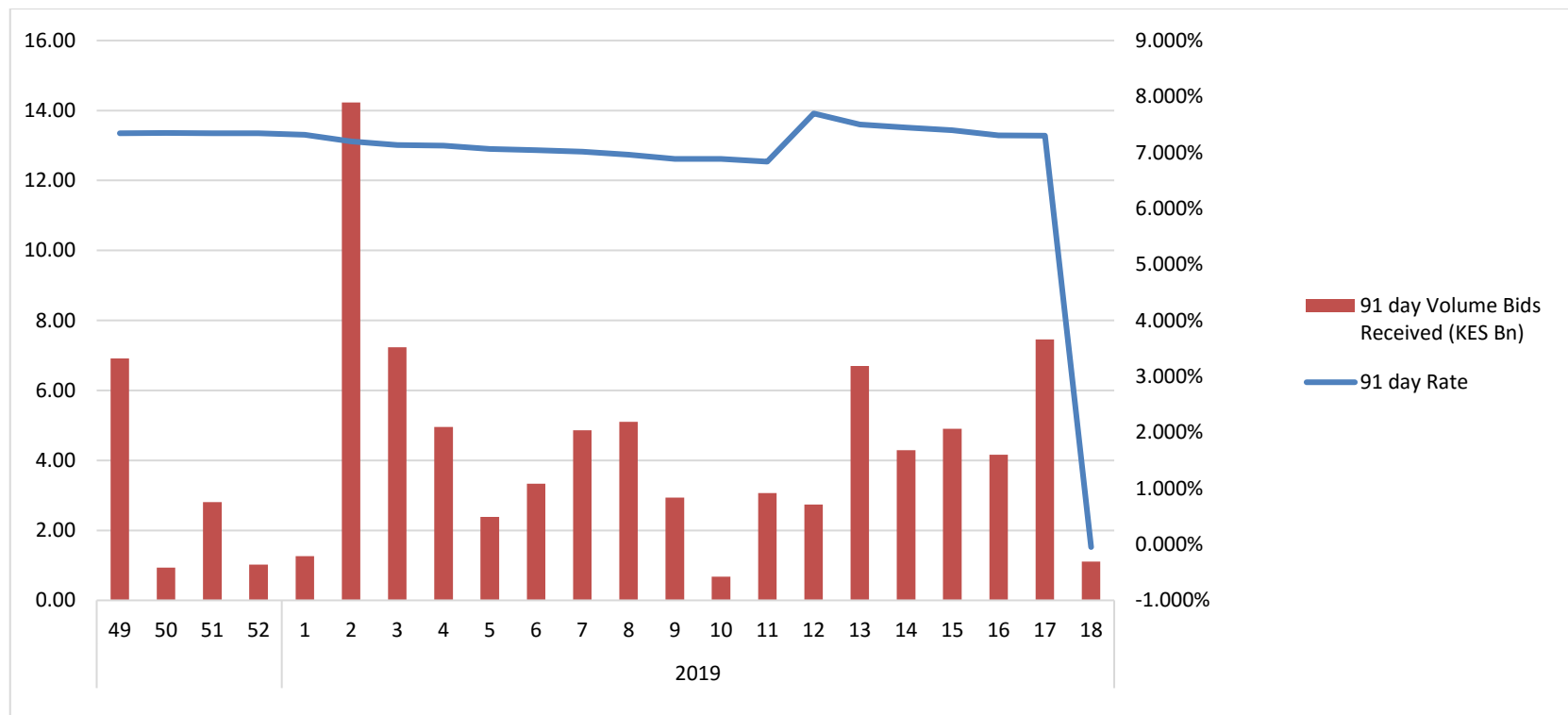
Market Statistics	This Week	Last Week	% Change
Total Volumes	67,473,600	80,248,400	-15.9%
Total Turnover (KES)	1,903,347,015	2,337,664,750	-18.6%

Fixed Income Market Summary

	Bids Received (KES)	Subscription	Bids Accepted (KES)	Rate	Previous Rate	% Change
91 day T-bill	1.11Bn	27.68%	1.11Bn	7.250%	7.298%	-0.048
182 day T-bill	1.19Bn	11.93%	1.19Bn	7.958%	8.006%	-0.048
364 day T-bill	9.45Bn	9.45%	9.45Bn	9.320%	9.315%	-0.005

Graph showing 91 day T-bill rate and volume

Week No. 18



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Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
I&M Holdings Plc	Interim dividend	Kes.3.90	31-Dec-18	28-Feb-19	23-May-19
BAT Kenya PL	Final dividend	Kes.31.50	14-Feb-19	14-Mar-19	10-May-19
Limuru Tea Company Plc	First & Final dividend	Kes.1.00	25-Mar-19	12-Apr-19	03-Jun-19
NIC Group Plc	First & Final dividend	Kes.1.25	21-Mar-19	18-Apr-19	06-May-2019
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
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
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
Kakuzi Plc	First & Final dividend	Kes.9.00	29-Mar-19	01-May-19	30-Jun-19
WPP Scangroup Plc	Final dividend	Kes.1.00	11-Apr-19	10-May-19	10-Jun-19
WPP Scangroup Plc	Special dividend	Kes.3.00	11-Apr-19	10-May-19	10-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
Bamburi Cement Ltd	Final dividend	Kes.4.10	15-Apr-19	17-May-19	12-Jul-19
Diamond Trust Bank Ltd	First & Final dividend	Kes.2.60	01-Mar-19	24-May-19	26-Jun-19
Nairobi Securities Exchange	First & Final dividend	Kes.0.49	22-Mar-19	30-May-19	30-Jul-19
Nation Media Group Ltd	Final dividend	Kes.3.50	18-Apr-2019	14-Jun-19	30-Jul-19
Kenya Reinsurance Corporation Ltd	First & Final dividend	Kes.0.45	29-Mar-19	17-Jun-19	26-Jul-19
Jubilee Holdings Ltd	Final dividend	Kes.8.00	26-Apr-19	25-Jun-19	25-Jul-19
TPS Eastern Africa Ltd	Final dividend	Kes.0.35	26-Apr-2019	25-Jun-19	25-Jul-19
Umeme Ltd	Final dividend	Ushs.28.20	25-Mar-19	25-Jun-19	15-Jul-19
Total Kenya Plc	First & Final dividend	Kes.1.30	28-Mar-19	26-Jun-19	22-Jul-19
Standard Group Plc	First & Final dividend	Kes.0.60	18-Mar-19	Subject to Approval	Subject to Approval
Safaricom Plc	Special dividend	Kes.0.62	03-May-19	(Subject to Approval)	(Subject to Approval)
Safaricom Plc	First & Final dividend	Kes.1.25	03-May-19	(Subject to Approval)	(Subject to Approval)

Market Recommendations

Counter	Recommendation	52-Week High	52-Week Low	YTD Change	Price as at 3rd May 2019
KCB Group	Long-term Buy	52.00	34.00	10.30%	41.30
Equity Group Holdings	Long-term Buy	53.50	33.40	20.40%	41.95
Cooperative Bank	Long-term Buy	20.00	12.65	-12.20%	12.55
I&M	Hold	128.00	81.00	45.00%	123.25
Barclays Bank of Kenya	Hold	13.50	9.50	-3.70%	10.55
Diamond Trust Bank	Hold	212.00	110.00	-22.40%	121.50
NBK	Hold	8.00	4.05	-9.60%	4.81
Jubilee Holdings	Buy	540.00	355.25	0.10%	405.00
Bamburi Cement	Hold	190.00	112.50	-10.90%	118.00
Safaricom	Under Review	30.50	21.00	31.80%	29.25
EABL	Hold	270.00	160.00	26.60%	221.25
KenGen	Trading	8.50	5.10	-11.10%	6.24
Mumias	Sell	0.90	0.36	-44.80%	0.32
Centum	Long-term Buy	42.00	22.50	7.70%	31.5

For more detailed information on the following recommendations, please click [here](#):

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