

**24th December 2021**

## **Equity Recommendations**

### **Overall Overview**

In 2020, the COVID-19 pandemic saw prices on most counters decline significantly into bear market territory. The NASI, NSE20 and NSE25 declined by 8.6%, 29.6%, 16.7% to 152.11, 1,868.39 and 3,415.24 respectively at 31st December 2020.

The gradual easing of restrictions in the second half of year created expectations of economic recovery in 2021. This created some optimism in the NSE. As at 26<sup>th</sup> March 2021 (the day of the announcement of the new containment measures), the NASI, NSE 20 Share NSE 25 Share were up by 9.4%, 1.9% and 4.2% to 166.48, 1,903.06 and 3,666.29 YTD respectively.

The third wave of the pandemic saw resumption in movement restrictions and limitations on business activities. These measures were relaxed on 1<sup>st</sup> May 2020 owing to a decline in the number of positive cases. This has seen the market extend its upward momentum. The NASI and NSE 25 were up by 12.5% and 9.1% while the NSE 20 was down by (0.3%) to 171.09, 3,725.72 and 1,862.50 YTD respectively as at 7th May 2021.

We expect the relaxation of the measures to boost economic recovery though at a gradual pace.

**We are currently updating our recommendations**

For Online Share Trading (OST) via browser, please click [here](#):

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#### **Recommendation Guide:**

**LONG-TERM BUY:** The company has strong fundamentals (strong financial performance, clear/reasonable strategy, competent management team etc.). However, there are certain investments or strategies that would require an investor to have a long-term view of the company to allow for capital appreciation. Also, the company may be facing headwinds which we view as short term.

**BUY:** Strong fundamentals. Minimal risks to the catalysts/growth drivers

**NEUTRAL:** This is where the positives and negatives in a company almost balance out. You can accumulate for the long term.

**SELL:** Deteriorating fundamentals. Risks outweigh the catalyst/growth drivers.

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