



INVESTMENT RECOMMENDATIONS REPORT

26th March 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 easing of restrictions towards the close of the year created expectations of economic recovery in 2021. This created some optimism in the NSE. The NASI, NSE20 and NSE25 rising by 9.5%, 1.9% and 7.4% to 166.48, 1,903.60 and 3,666.29 respectively as at 26th March 2021 (YTD).

However, the third wave of the pandemic has seen resumption in movement restrictions and limitations on business activities. We expect the new measures to derail the economic recovery if maintained for an extended period of time (an unknown at the period).

Consequently, we expect some selling pressure as investors reallocate to safe havens. With this, we also expect opportunities to emerge for investors with a long term outlook and those who do not have liquidity constraints.

For now, all of our recommendations have been withdrawn and are under review. We shall be communicating about these opportunities in the coming days.

For Online Share Trading (OST) via browser, please click [here](#):
For the Faida M-Trader Application, 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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