

## Kenya Shilling Performance

| KES       | Value    | Daily Change % | YTD Change % |
|-----------|----------|----------------|--------------|
| US Dollar | 106.4300 | (0.1%)         | (5.0%)       |
| STG Pound | 134.6794 | 0.0%           | (1.3%)       |
| EURO      | 120.1482 | (0.0%)         | (6.0%)       |

Source: CBK; Negative ( ) = Depreciation, Positive = Appreciation

## Market Summary

| Index  | Value    | Daily Change % | YTD Change % |
|--------|----------|----------------|--------------|
| NASI   | 141.04   | 0.7%           | (15.2%)      |
| NSE 20 | 1,986.48 | 0.2%           | (25.2%)      |
| NSE 25 | 3,252.09 | 0.5%           | (20.7%)      |

|                                | Today       | Previous    | Daily Change % |
|--------------------------------|-------------|-------------|----------------|
| Market Capitalization (KES Bn) | 2,155.81    | 2,141.02    | 0.7%           |
| Number of Shares Traded (Q)    | 33,213,800  | 23,596,700  | 40.8%          |
| Equity Turnover (KES)          | 716,789,112 | 487,426,336 | 47.1%          |
| Foreign Buys (%)               | 85.5%       | 71.1%       |                |
| Foreign Sells (%)              | 47.5%       | 83.9%       |                |
| Foreign Participation (%)      | 66.5%       | 77.5%       |                |

Source: NSE

## Equities Performance

| Top Gainers      | Price (KES) | Daily Change | YTD Change % | Volume Traded |
|------------------|-------------|--------------|--------------|---------------|
| 1. Flame Tree    | 1.84        | 9.5%         | (25.5%)      | 106,800       |
| 2. Britam        | 8.10        | 9.5%         | (10.0%)      | 3,365,600     |
| 3. Stanbic       | 83.00       | 6.8%         | (24.0%)      | 1,700         |
| 4. Trans-Century | 1.70        | 6.3%         | (32.0%)      | 33,300        |
| 5. BK Group      | 18.75       | 4.2%         | (33.0%)      | 200           |

| Top Losers     | Price (KES) | Daily Change | YTD Change % | Volume Traded |
|----------------|-------------|--------------|--------------|---------------|
| 1. Eveready    | 1.05        | (8.7%)       | (4.5%)       | 20,600        |
| 2. Olympia     | 2.17        | (5.7%)       | 8.0%         | 11,200        |
| 3. Kenya Power | 2.30        | (4.2%)       | (18.1%)      | 2,675,900     |
| 4. NSE         | 7.66        | (2.8%)       | (38.0%)      | 19,700        |
| 5. Sasini      | 16.50       | (2.7%)       | (2.4%)       | 400           |

| Movers             | Turnover (KES) | Volume (KES) | Price (KES) |
|--------------------|----------------|--------------|-------------|
| 1. Safaricom       | 531,507,675    | 17,746,500   | 29.95       |
| 2. KCB Group       | 83,877,500     | 2,396,500    | 35.00       |
| 3. Britam Holdings | 27,261,360     | 3,365,600    | 8.10        |
| 4. Equity Group    | 23,180,280     | 666,100      | 34.80       |
| 5. EABL            | 11,404,200     | 68,700       | 166.00      |

Source: NSE

## Market Commentary

The All Share and NSE 20 Indices gained by 0.7% and 0.2% to close the day at 141.04 and 1,986.48 respectively. Equity turnover increased by 47.1% to KES 716.7million. Notable gainers for the day were Britam (+9.5% driven by foreign demand) and Stanbic (+6.8%). Safaricom gained 1.0%, accounting for 74.0% of the day's traded value. Foreign investors emerged net buyers with foreign buys at 85.4% against foreign sales at 47.5%. We expect the pickup in activity to sustain for the rest of the week.

## Recommendations

| Counter          | Recommendation | Price (KES) | Daily Change % | YTD Change % |
|------------------|----------------|-------------|----------------|--------------|
| KCB Group        | Long-term Buy  | 35.00       | (0.4%)         | (35.2%)      |
| Equity Group     | Long-term Buy  | 34.80       | 0.1%           | (35.0%)      |
| Absa Kenya       | Long-term Buy  | 9.92        | (0.2%)         | (25.7%)      |
| Stanbic Holdings | Long-term Buy  | 83.00       | 6.8%           | (24.0%)      |
| NCBA             | Long-term Buy  | 26.80       | (2.0%)         | (27.3%)      |
| StanChart        | Sell           | 169.75      | 0.0%           | (16.2%)      |
| Safaricom        | Hold           | 29.95       | 1.0%           | (4.9%)       |
| HF               | Sell           | 3.88        | 1.8%           | (39.9%)      |
| Bamburi          | Sell           | 38.25       | 0.0%           | (52.2%)      |

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

## Bonds Performance

|               | Today         | Previous      | Daily Change % |
|---------------|---------------|---------------|----------------|
| Total Deals   | 149           | 128           | 16.4%          |
| Bond Turnover | 2,195,228,606 | 2,971,257,699 | (26.1%)        |

## Actively Traded Bonds

| GOK Bonds    | Fixed Rate % | Traded Yield % | Value Traded (Mn) | DTM   |
|--------------|--------------|----------------|-------------------|-------|
| FXD1/2018/20 | 13.2000      | 12.8400        | 300.0             | 6,473 |
| IFB1/2019/16 | 11.7500      | 12.1500        | 300.0             | 5,598 |
| FXD1/2020/5  | 11.6670      | 11.5500        | 200.0             | 1,790 |

Source: NSE; DTM = Days to Maturity

## News Highlights

### Kenya Airways Banks on Cargo with UAE Route

- According to the Business Daily, Kenya Airways (KQ) has started cargo flights to the United Arab Emirates (UAE) in a bid to grow revenues via freight, as passenger flights remain restricted owing to the Covid-19 pandemic.
- KQ will run two weekly flights but may increase if demand grows
- The cargo flights will primarily transport meat products such as tropical fish, fresh fruit, flowers and general cargo to Sharjah International Airport and import general cargo and high-tech goods.
- The airline has been employing strategies aimed at business turnaround and gaining competitive advantage.
- According to management, the airline was mainly moving personal protective equipment (PPE) in April. However, with time, demand has declined owing to increased local production.

## Commentary

- As noted previously, the airline continues to face the challenge of increased competition and high operating and financial leverage.
- Without a clear long-term turnaround strategy, we recommend investors to keep away from the stock.



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### Recommendations Guide

**LONG-TERM BUY:** The Company has strong fundamentals. 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 driver

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