

Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	108.3329	(0.2%)	(6.9%)
STG Pound	141.9809	(0.5%)	(6.8%)
EURO	127.7044	(0.4%)	(12.6%)

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

Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	130.76	1.2%	(21.4%)
NSE 20	1,751.39	1.1%	(34.0%)
NSE 25	2,972.90	0.9%	(27.5%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	2,007.23	1,983.85	1.2%
Number of Shares Traded (Q)	11,849,200	14,075,700	(15.8%)
Equity Turnover (KES)	266,538,577	355,141,227	(24.9%)
Foreign Buys (%)	45.9%	49.5%	
Foreign Sells (%)	45.1%	48.6%	
Foreign Participation (%)	45.5%	49.0%	

Source: NSE

Equities Performance

Top Gainers	Price (KES)	Daily Change %	YTD Change	Volume Traded
1. TPS Eastern Africa	14.40	9.9%	(17.9%)	600
2. Umeme	7.56	9.9%	(8.7%)	100
3. Sameer	3.24	9.8%	(6.1%)	1,600
4. Bamburi	27.55	8.7%	(65.6%)	1,000
5. NMG	10.10	8.6%	(74.6%)	76,400

Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. Eveready	1.00	(8.3%)	(9.1%)	4,600
2. E.A. Cables	1.71	(7.6%)	(31.6%)	8,000
3. FAHARI I-REIT	5.66	(5.4%)	(39.9%)	34,800
4. Standard Group	21.90	(4.8%)	(20.5%)	300
5. Longhorn	4.55	(4.0%)	(32.7%)	3,400

Movers	Turnover (KES)	Volume (KES)	Price (KES)
1. Safaricom	125,973,445	4,507,100	27.95
2. Equity Group	90,207,225	3,073,500	29.35
3. New Gold	26,989,000	13,700	1970.00
4. BK Group	26,966,700	1,624,500	16.60
5. EABL	6,885,600	45,300	152.00

Source: NSE

Market Commentary

The All Share and NSE 20 share indices edged up by 1.2% and 1.1% to close the day at 130.76 and 1,751.39 respectively. We attribute this to price gains across the bourse. Notable gains were posted on Bamburi (+8.7% to KES 27.55), NMG (+8.6% to KES 10.10), Absa Kenya (+5.1% to KES 9.06), Safaricom (+1.6% to KES 27.95) and EABL (+1.3% to KES 152.00). Safaricom and the banking sector represented 42.9% (KES 125.9 million) and 43.0% (KES 126.0 million) of the day's traded value respectively. Today's trading activity remained relatively balanced with foreign and local investor participation at 45.5% and 54.5% respectively.

Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	32.55	(0.5%)	(39.7%)
Equity Group	Long-term Buy	29.35	(1.8%)	(45.1%)
Absa Kenya	Long-term Buy	9.06	5.1%	(32.1%)
Stanbic Holdings	Long-term Buy	75.00	0.0%	(31.4%)
NCBA	Long-term Buy	23.45	0.9%	(36.4%)
StanChart	Sell	150.50	(0.2%)	(25.7%)
Safaricom	Hold	27.95	1.6%	(11.3%)
HF	Sell	3.84	4.3%	(40.6%)
Bamburi	Sell	27.55	8.7%	(65.6%)

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

Bonds Performance

	Today	Previous	Daily Change %
Total Deals	124	121	2.5%
Bond Turnover	2,074,964,123	3,201,828,998	(35.2%)

Actively Traded Bonds

GOK Bonds	Coupon Rate %	Traded Yield %	Value Traded (Mn)	DTM
FXD1/2019/5Yr	11.3040	10.1000	500.0	1,286
FXD4/2019/10Yr	12.2800	11.5300	400.0	3,379
FXD2/2018/20Yr	13.2000	12.8000	250.0	6,536

Source: NSE; DTM = Days to Maturity, FXD = Fixed Rate Bond, IFB = Infrastructure Bond

News Highlights

DTB Kenya Receives USD 50.0 million Loan for Onward Lending

- Diamond Trust Bank Kenya (DTB) has received a USD 50.0 million (c. KES 5.4 billion) loan from the International Finance Corporation (IFC).
- The proceeds will be used for onward lending to small and medium sized enterprises (SMEs) which have been negatively impacted by the COVID-19 pandemic and therefore considered a risky segment.
- According to DTB management, the loan will enable the group to support SMEs to address their cash flow challenges which is a key concern as businesses need easy access to short-term liquidity.
- The loan is from IFC'S KES 864.9 billion (\$8.0 billion) COVID-19 facility that was launched in March to support businesses.

Commentary

- We expect DTB to benefit from more lenient terms (lower interest rates and longer maturity) that come with such facilities. We also note that generally, the interest environment is favourable for debt uptake.
- However, as noted previously, lending to SMEs does come at a higher cost of risk especially if the effects of the pandemic drag out into the medium term.



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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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