

Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	106.5947	(0.1%)	(5.2%)
STG Pound	131.4182	0.2%	1.1%
EURO	115.8512	(0.3%)	(2.2%)

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

Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	134.19	(2.3%)	(19.4%)
NSE 20	1,970.02	(1.3%)	(25.8%)
NSE 25	3,168.62	(2.5%)	(22.7%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	2,050.73	2,099.54	(2.3%)
Number of Shares Traded (Q)	22,444,600	24,973,200	(10.1%)
Equity Turnover (KES)	439,434,347	630,810,898	(30.3%)
Foreign Buys (%)	28.3%	31.6%	
Foreign Sells (%)	86.4%	68.8%	
Foreign Participation (%)	57.4%	50.2%	

Source: NSE

Equities Performance

Top Gainers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. Kapchorua	79.00	9.7%	(1.3%)	200
2. Kenya Airways	1.83	9.6%	(10.7%)	473,000
3. Umeme	7.36	5.7%	(11.1%)	500
4. STANLIB FAHARI	7.94	4.7%	(15.7%)	6,300
5. Uchumi	0.34	3.0%	17.2%	68,200

Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. Sasini	14.85	(8.3%)	(12.1%)	5,100
2. Longhorn	4.61	(7.8%)	(31.8%)	30,600
3. Equity Group	33.70	(6.1%)	(37.0%)	1,671,800
4. KCB Group	35.90	(5.5%)	(33.5%)	1,009,400
5. CIC	2.12	(5.4%)	(20.9%)	55,700

Movers	Turnover (KES)	Volume (KES)	Price (KES)
1. Safaricom	128,659,960	4,747,600	27.10
2. Absa	115,878,000	11,036,000	10.50
3. Equity Group	56,339,660	1,671,800	33.70
4. BAT	51,975,000	165,000	315.00
5. KCB Group	36,237,460	1,009,400	35.90

Source: NSE

Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	35.90	(5.5%)	(33.5%)
Equity Group	Long-term Buy	33.70	(6.1%)	(37.0%)
Absa Kenya	Long-term Buy	10.50	(1.9%)	(21.3%)
Stanbic Holdings	Long-term Buy	88.00	(0.3%)	(19.5%)
NCBA	Long-term Buy	28.30	(1.7%)	(23.2%)
StanChart	Sell	176.75	(1.0%)	(12.7%)
Safaricom	Hold	27.10	(2.5%)	(14.0%)
Bamburi	Sell	44.95	(0.2%)	(43.8%)

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

Bonds Performance

	Today	Previous	Daily Change %
Total Deals	80	97	(17.5%)
Bond Turnover	1,860,463,492	1,803,825,217	3.1%

Actively Traded Bonds

GOK Bonds	Fixed Rate %	Traded Yield %	Value Traded (Mn)	DTM
IFB1/2013/12	11.0000	10.6100	700.0	1,950
IFB1/2020/9	10.8500	11.7500	300.0	3,245
FXD1/2015/5	13.1930	7.3000	197.1	39

Source: NSE; DTM = Days to Maturity

News Highlights

Moody's Outlook Downgrade on Kenya Hits Other Entities

- Moody's outlook downgrade on Kenya from stable to negative has led to similar downgrades on a number of Kenyan entities.
- Moody's affirmed the ratings (B2 for local currency deposits for all three) for KCB, Equity and Co-op, but downgraded the outlook for all three from stable to negative.
- For all three banks the outlook change was due to significant holdings of government securities (2.0, 1.5 and 1.3 times the total shareholders' equity in FY2019 for Equity, Co-op and KCB respectively) and to a lesser extent economic impacts of the COVID-19 pandemic on the banks' profitability.
- Moody's also changed its outlook on Acorn's Green Bond to negative reflecting increased country risk and the challenging business environment as a result of the pandemic. It however affirmed the local currency rating of B1.

Commentary

- The probability that the government will default on its local currency obligations is low. However, as noted in our initial reaction to the outlook downgrade, we expect the government to face higher borrowing costs (higher yields).
- The rise might be mitigated by demand from investors looking for safe havens. As a result of the higher yields, banks are likely to see lower valuations for their holdings of government securities (alternatively they could just hold until maturity to avoid realizing the losses).



E-mail:

research@fib.co.ke

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

HEAD OFFICE:

Crawford Business Park,
Ground Floor,
State House Road
Tel: 0207606026-37
P.O Box 45236-00100
Nairobi