

Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	107.0353	(0.2%)	(5.6%)
STG Pound	130.3538	(0.0%)	1.9%
EURO	115.6629	(0.3%)	(2.0%)

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

Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	139.28	2.9%	(16.3%)
NSE 20	1,993.90	0.9%	(24.9%)
NSE 25	3,252.26	2.3%	(20.7%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	2,128.80	2,068.30	2.9%
Number of Shares Traded (Q)	11,835,100	37,385,700	(68%)
Equity Turnover (KES)	337,819,049	1,681,058,135	(80%)
Foreign Buys (%)	50.2%	50.1%	
Foreign Sells (%)	87.5%	95.1%	
Foreign Participation (%)	68.9%	72.6%	

Source: NSE

Equities Performance

Top Gainers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. Trans-Century	1.69	9.0%	(32.4%)	3,100
2. Car & General	23.50	8.8%	(9.6%)	300
3. Kenya Airways	2.18	8.5%	6.34%	638,800
4. Sasini Plc	16.00	7.7%	(5.3%)	9,500
5. Umeme	7.30	7.7%	(12%)	3,000

Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. NBV	0.49	(9.3%)	(30.0%)	8,000
2. NCBA Group	26.55	(2.4%)	(28.0%)	119,100
3. FTGH	0.83	(2.4%)	(66.4%)	132,000
4. HF Group	3.91	(2.0%)	(39.5%)	57,300
5. NMG	19.15	(1.8%)	(51.9%)	26,900

Movers	Turnover (KES)	Volume (KES)	Price (KES)
1. Equity Group	209,013,350	5,887,700	35.50
2. Safaricom	59,311,470	2,052,300	28.90
3. EABL	18,678,000	113,200	165.00
4. KCB Group	12,949,160	359,200	36.05
5. Co-op	10,490,795	810,100	12.95

Source: NSE

Market Commentary

The All Share Index was up by 2.9% to close the day at 139.28 driven by price gains in large cap counters; Equity (+5.3%), KCB (+1.1%) and Safaricom (+4.5%) of which Equity and Safaricom also emerged top movers of the day. Overall, foreigners remained net sellers with foreign sales at 87.5% with foreign buys at 50.1%. EABL was unchanged despite issuing a profit warning this past weekend.

Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	36.05	1.12%	(33.2%)
Equity Group	Long-term Buy	35.50	5.34%	(33.6%)
Absa Kenya	Long-term Buy	10.50	0.00%	(21.3%)
Stanbic Holdings	Long-term Buy	88.00	0.00%	(19.5%)
NCBA	Long-term Buy	26.55	(2.4%)	(28.0%)
StanChart	Sell	174.50	(0.9%)	(13.8%)
Safaricom	Hold	28.90	4.52%	(8.3%)
Bamburi	Sell	44.55	0.56%	(44.3%)

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

Bonds Performance

	Today	Previous	Daily Change %
Total Deals	96	70	37.1%
Bond Turnover	1,953,140,215	2,966,568,676	(34.2%)

Actively Traded Bonds

GOK Bonds	Fixed Rate %	Traded Yield %	Value Traded (Mn)	DTM
FXD1/2014/10	12.1800	11.2000	400.0	1,337
IFB1/2013/12	11.0000	10.4000	400.0	1,946
IFB1/2020/9	10.8500	11.7500	400.0	3,241

Source: NSE; DTM = Days to Maturity

News Highlights

KCB to Inject More Capital into NBK

- KCB could end up injecting up to KES 3.0 billion more into NBK to meet statutory capital requirements.
- At the end of the FY2019 NBK's unadjusted (i.e. without adding back expected credit provisions) core capital to total deposit liabilities, core capital to total risk weighted assets and total capital to total risk weighted assets stood at 7.2%, 9.8% and 11.5% respectively, an improvement from the previous year (after KCB injected KES 5.0 billion), but still below the statutory minimum (8.0%, 10.5% and 14.5% respectively).
- According to KCB management, the amount initially planned was between KES 7.5 and KES 8.0 billion.
- Management added that the actual amount will depend on a number of factors including recoveries made on impaired loans (more recoveries will likely mean less capital has to be injected by KCB).

Commentary

- In our view, in the short term, recoveries are likely to be low due to the distressed economic environment.
- However, we are cautiously optimistic on the recovery efforts and we expect a pick up in recoveries once the economy stabilizes.
- In the meantime, we may see more measures around improving efficiencies (IT integration improvements, staff costs rationalization within permissible limits) and income enhancements (more products).



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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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