

Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	107.7888	0.2%	(6.4%)
STG Pound	137.4712	(0.0%)	(3.4%)
EURO	125.0841	0.1%	(10.3%)

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

Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	137.37	2.1%	(17.5%)
NSE 20	1,874.33	(0.7%)	(29.4%)
NSE 25	3,142.23	0.7%	(23.4%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	2,099.59	2,056.98	2.1%
Number of Shares Traded (Q)	16,482,100	9,598,200	71.7%
Equity Turnover (KES)	524,177,295	221,699,922	136.4%
Foreign Buys (%)	80.3%	49.9%	
Foreign Sells (%)	55.5%	74.9%	
Foreign Participation (%)	67.9%	62.4%	

Source: NSE

Equities Performance

Top Gainers	Price (KES)	Daily Change %	YTD Change	Volume Traded
1. NBV	0.60	9.1%	(14.3%)	1,000
2. New Gold	1980.00	6.5%	34.7%	500
3. E.A. Cables	2.20	4.8%	(12.0%)	36,300
4. Safaricom	29.35	4.4%	(6.8%)	6,186,700
5. Total	23.90	3.2%	(13.1%)	500

Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. Sameer	3.49	(9.8%)	1.2%	200
2. Home Afrika	0.44	(6.4%)	(26.7%)	22,300
3. I&M Holdings	46.30	(5.5%)	(14.3%)	82,200
4. Trans-Century	1.92	(5.4%)	(23.2%)	2,100
5. Flame Tree	1.41	(4.1%)	(42.9%)	38,700

Movers	Turnover (KES)	Volume (KES)	Price (KES)
1. Safaricom	181,579,645	6,186,700	29.35
2. Equity Group	117,429,000	3,613,200	32.50
3. Jubilee Holdings	81,768,000	340,700	240.00
4. EABL	50,725,600	311,200	163.00
5. KCB Group	31,859,870	914,200	34.85

Source: NSE

Market Commentary

The All Share Index gained by 2.1% to close the day at 137.37. We attribute this mainly to Safaricom gaining 4.4% to close the day (VWAP) at KES 29.35. Activity on the counter accounted for 34.6% of the day's traded value. The NSE 20 Share Index however eased by 0.7% to close the day at 1,874.33 as majority of the constituent counters posted price declines. Equity turnover increased by 136.4% to KES 524.2 million as number of shares traded increased by 71.7% to 16.5 million. Foreign investors emerged net buyers in today's trading session with 80.3% of the total purchases against 55.5% of the total sales. There was notable buy side activity on Safaricom and Jubilee.

Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	1.5%	(35.5%)	1.5%
Equity Group	Long-term Buy	0.0%	(39.3%)	0.0%
Absa Kenya	Long-term Buy	(0.4%)	(32.4%)	(0.4%)
Stanbic Holdings	Long-term Buy	1.3%	(26.8%)	1.3%
NCBA	Long-term Buy	0.4%	(30.5%)	0.4%
StanChart	Sell	(0.6%)	(24.0%)	(0.6%)
Safaricom	Hold	4.4%	(6.8%)	4.4%
HF	Sell	0.3%	(41.6%)	0.3%
Bamburi	Sell	0.0%	(67.5%)	0.0%

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

Bonds Performance

	Today	Previous	Daily Change %
Total Deals	74	56	32.1%
Bond Turnover	1,420,149,633	3,229,039,205	(56.0%)

Actively Traded Bonds

GOK Bonds	Fixed Rate %	Traded Yield %	Value Traded (Mn)	DTM
FXD1/2019/20	12.8730	12.5000	500.0	6,811
FXD2/2007/15	13.5000	8.5000	300.0	679
FXD3/2019/5	11.4920	9.9000	200.0	1,596

Source: NSE; DTM = Days to Maturity

News Highlights

Safaricom Smartphone Financing Plan

- Safaricom has partnered with Google to increase the number of subscribers owning 4G devices. The campaign is targeting increasing 4G device ownership by facilitating acquisition of about 1.0 million 4G devices.
- This will be achieved through a financing plan dubbed "Lipa Mdogo" which is expected to begin from 28th July 2020.
- Customers will acquire the handsets on credit and make a daily payment of as little as KES 20 for up to a year. All phones are covered by the offer with daily repayments being higher for high value smartphones.
- The company is looking to boost mobile data growth to cushion the decline in the voice segment by converting about 4 million 2G and 3G enabled phones to 4G. During the last investor briefing, management stated that mobile data revenue up until June experienced continued growth in volumes/usage (30-40% growth in volumes).
- The company is keen on growing 4G coverage across the country from the current 77% and sees the pandemic as an opportunity to leverage on digitization. Increasing 4G device ownership will increase utilization of its 4G network.

Commentary

- This is a positive step towards increasing 4G device ownership. There were 6.1 million active 4G devices on Safaricom's network at end of FY2020 (which translates to about 21.6% of active customers and 27.7% of active mobile data customers). Higher 4G device ownership coupled with the right pricing can translate into higher mobile data usage and mobile data revenues.



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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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