

Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	107.7074	(0.0%)	(6.3%)
STG Pound	139.6253	(0.4%)	(5.4%)
EURO	126.3894	(0.2%)	(11.7%)

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

Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	129.61	(2.7%)	(22.1%)
NSE 20	1,797.67	(0.4%)	(32.3%)
NSE 25	3,002.59	(1.9%)	(26.8%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	1,985.82	2,036.04	(2.5%)
Number of Shares Traded (Q)	39,661,400	14,964,100	165.0%
Equity Turnover (KES)	991,285,692	426,873,342	132.2%
Foreign Buys (%)	87.8%	55.5%	
Foreign Sells (%)	94.8%	65.7%	
Foreign Participation (%)	91.3%	60.6%	

Source: NSE

Equities Performance

Top Gainers	Price (KES)	Daily Change %	YTD Change	Volume Traded
1. NBV	0.65	8.3%	(7.1%)	800
2. Carbacid	8.50	7.6%	6.3%	7,800
3. Trans-Century	1.94	6.0%	(22.4%)	6,000
4. HF Group	4.04	4.1%	(37.5%)	6,800
5. Bamburi	26.25	2.9%	(67.2%)	26,600

Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. E.A.Cables	2.23	(5.5%)	(10.8%)	5,300
2. Stanbic	79.25	(4.8%)	(27.5%)	3,400
3. Safaricom	26.85	(4.6%)	(14.8%)	30,994,800
4. Centum	22.20	(3.9%)	(24.7%)	28,700
5. Sanlam	13.00	(3.7%)	(24.4%)	300

Movers	Turnover (KES)	Volume (KES)	Price (KES)
1. Safaricom	832,210,380	30,994,800	26.85
2. Equity Group	73,327,680	2,263,200	32.40
3. KCB Group	29,251,040	852,800	34.30
4. Absa Bank	28,975,766	3,226,700	8.98
5. I&M Holdings	13,279,500	295,100	45.00

Source: NSE

Market Commentary

The All Share Index and NSE 20 Index eased by 2.7% and 0.4% from the previous trading session to close the day at 129.61 and 1,797.67 respectively. This was characterized by price declines across majority of the counters as selling pressure persisted. Notably, Safaricom declined by 4.6% (to KES 26.85), as the counter went "ex-dividend" after the books closed for the FY2019/20 dividend. Activity on the counter accounted for 84.0% of the day's traded value. Activity in the banking sector was largely sell-side, with price declines across majority of the counters. Overall, foreign investors dominated trading activity on both the sell side (94.7%) and buy side (87.8%).

Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	34.30	(0.3%)	(36.5%)
Equity Group	Long-term Buy	32.40	(0.5%)	(39.4%)
Absa Kenya	Long-term Buy	8.98	(0.4%)	(32.7%)
Stanbic Holdings	Long-term Buy	79.25	(4.8%)	(27.5%)
NCBA	Long-term Buy	23.95	(0.8%)	(35.0%)
StanChart	Sell	154.75	0.7%	(23.6%)
Safaricom	Hold	26.85	(4.6%)	(14.8%)
HF	Sell	4.04	4.1%	(37.5%)
Bamburi	Sell	26.25	2.9%	(67.2%)

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

Bonds Performance

	Today	Previous	Daily Change %
Total Deals	102	114	(10.5%)
Bond Turnover	4,963,692,187	8,728,307,294	(43.1%)

Actively Traded Bonds

GOK Bonds	Coupon Rate %	Traded Yield %	Value Traded (Mn)	DTM
FXD1/2019/5Yr	11.3040	10.1800	1,500.0	1,295
FXD2/2020/10Yr	9.3070	6.4500	1,000.0	77
FXD1/2019/5Yr	11.3040	10.1500	500.0	1,295

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

News Highlights

Inflation Declines to 4.4% in July 2020

- Kenya's annual headline inflation eased further to 4.4% in July from 4.6% in June 2020.
- The food and non-alcoholic drinks index declined by 0.8% m/m as the price decreases of some food items outweighed the increases in others. Some of the notable price declines include: tomatoes (-5.5% m/m), Irish potatoes (-4.1% m/m), spinach (-3.2% m/m), onions (-3.1% m/m) and kale (-2.6% m/m). Price increases on the other hand included sugar (+3.7% m/m) and meat (+0.6% m/m).
- The housing, water, electricity, gas and other fuels' index decreased by 0.4% m/m owing to lower costs of water vendor services, house maintenance and some house rents. The cost of electricity and kerosene however rose by 0.5% m/m and 4.1% m/m respectively.
- The transport index grew by 4.0% m/m predominantly due to an increase in the pump prices of diesel and petrol by 22.3% m/m and 12.2% m/m respectively.

Commentary

- Although we expect some inflationary pressures from higher oil prices, we expect inflationary pressures to remain within the CBK's band 5% (+/- 2.5%).



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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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