

## Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	107.8174	(0.1%)	(6.4%)
STG Pound	140.4224	(0.2%)	(5.6%)
EURO	126.3406	0.3%	(11.4%)

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

## Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	128.16	(1.1%)	(23.0%)
NSE 20	1,794.60	(0.2%)	(32.4%)
NSE 25	2,973.63	(1.0%)	(27.5%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	1,963.50	1,985.82	(1.1%)
Number of Shares Traded (Q)	32,172,600	39,661,400	(18.9%)
Equity Turnover (KES)	818,172,085	991,285,692	(17.5%)
Foreign Buys (%)	90.8%	87.8%	
Foreign Sells (%)	95.7%	94.8%	
Foreign Participation (%)	93.2%	91.3%	

Source: NSE

## Equities Performance

Top Gainers	Price (KES)	Daily Change %	YTD Change	Volume Traded
1. Trans-Century	2.12	9.3%	(15.2%)	700
2. Sanlam	13.95	7.3%	(18.9%)	9,900
3. Bamburi	28.00	6.7%	(65.0%)	4,200
4. DTB	69.00	6.2%	(36.7%)	1,700
5. Standard Group	24.00	4.3%	(12.9%)	1,000

Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. CIC Insurance	2.28	(8.4%)	(14.9%)	211,700
2. Kapchorua Tea	82.50	(8.1%)	3.13%	200
3. NMG	10.10	(5.6%)	(74.6%)	674,600
4. Eveready	1.00	(4.8%)	(9.1%)	10,700
5. Kenya Power	1.92	(4.0%)	(31.7%)	4,825,200

Movers	Turnover (KES)	Volume (KES)	Price (KES)
1. Safaricom	630,838,560	23,895,400	26.40
2. EABL	148,534,400	977,200	152.00
3. New Gold	20,445,500	10,300	1985.00
4. Kenya Power	9,264,384	4,825,200	1.92
5. KCB Group	7,041,540	206,800	34.05

Source: NSE

## Market Commentary

The All Share Index and NSE 20 Index shed 1.1% and 0.2% to close the day at 128.16 and 1,794.60 respectively. Market turnover declined by 17.5% to KES 818.1 million as shares traded declined by 18.9% to 32.1 million. Safaricom was the top traded counter, accounting for 75.3% of the day's traded value (-1.7% to KES 26.40). EABL declined by 2.6% (to KES 152.00) on the back of foreign sell side activity. The banking sector had shares worth KES 18.6 million transacted (2.2% of the day's traded value) with notable price movements on Equity (-1.4% to KES 31.95), DTB (+6.2% to KES 69.00), KCB (-0.7% to KES 34.05) and Co-op (-0.5% to KES 10.50). Trading activity continues to be dominated by foreign investors (participation at 93.2%).

## Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	34.05	(0.7%)	(36.9%)
Equity Group	Long-term Buy	31.95	(1.4%)	(40.3%)
Absa Kenya	Long-term Buy	9.02	0.4%	(32.4%)
Stanbic Holdings	Long-term Buy	79.00	(0.3%)	(27.7%)
NCBA	Long-term Buy	23.70	(1.0%)	(35.7%)
StanChart	Sell	155.00	0.2%	(23.5%)
Safaricom	Hold	26.40	(1.7%)	(16.2%)
HF	Sell	3.88	(4.0%)	(39.9%)
Bamburi	Sell	28.00	6.7%	(65.0%)

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

## Bonds Performance

	Today	Previous	Daily Change %
Total Deals	108	102	5.9%
Bond Turnover	2,134,747,839	4,963,692,187	(57.0%)

## Actively Traded Bonds

GOK Bonds	Coupon Rate %	Traded Yield %	Value Traded (Mn)	DTM
FXD1/2019/5Yr	11.3040	10.1000	300.0	1,294
FXD1/2009/15Yr	12.5000	10.2000	300.0	1,525
FXD1/2008/25Yr	13.4000	12.5045	300.0	8,329

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

## News Highlights

### Kenya's 1H2020 Tea Earnings Decline by KES 5.0 billion

- According to the Tea directorate, earnings from tea have dipped by 8.3% y/y to KES 55.0 billion from KES 60.0 billion registered last year due to the negative impact of Covid-19.
- The decline was primarily attributed to low demand, which lowered the price per kilo to KES 221.00 from KES 239.00 in 1H2019.
- According to the directorate, the volume of tea exported fell by 1.0% y/y to 2.0 million kilos in 1H2020 with access to most markets being a challenge owing to the impact of the pandemic on commodity distribution and trading across the globe.
- Moreover, apart from supply disruption, the pandemic has also created global economic shocks which have reduced consumer purchasing power.
- Exports to both Pakistan and Egypt, Kenya's major markets, decreased by 5.0%.
- Pakistan accounted for 32.0% of total volumes exported.

## Commentary

- We expect this to negatively impact earnings of tea producing companies which could mean lower dividend payouts.



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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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