

Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	107.8941	(0.1%)	(6.5%)
STG Pound	140.5203	(0.1%)	(5.7%)
EURO	126.8079	(0.4%)	(11.9%)

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

Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	127.01	(0.9%)	(23.7%)
NSE 20	1,762.28	(1.8%)	(33.6%)
NSE 25	2,955.77	(0.6%)	(27.9%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	1,945.88	1,963.50	(0.9%)
Number of Shares Traded (Q)	38,557,900	32,172,600	19.8%
Equity Turnover (KES)	676,175,944	818,172,085	(17.4%)
Foreign Buys (%)	N/A	90.8%	
Foreign Sells (%)	N/A	95.7%	
Foreign Participation (%)	N/A	93.2%	

Source: NSE

Equities Performance

Top Gainers	Price (KES)	Daily Change %	YTD Change	Volume Traded
1. I&M Holdings	46.75	3.9%	(13.4%)	4,100
2. New Gold	2040.00	2.8%	38.8%	5,000
3. EABL	155.00	2.0%	(21.9%)	3,200
4. Britam	7.22	1.7%	(19.8%)	1,000
5. Total	23.00	1.3%	(16.4%)	300

Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. Bamburi	25.55	(8.8%)	(68.1%)	30,200
2. Trans-Century	1.94	(8.5%)	(22.4%)	16,600
3. NBV	0.60	(7.7%)	(14.3%)	5,300
4. DTB	64.75	(6.2%)	(40.6%)	34,700
5. HF Group	3.65	(5.9%)	(43.5%)	191,200

Movers	Turnover (KES)	Volume (KES)	Price (KES)
1. Safaricom	592,339,340	22,651,600	26.15
2. Co-op	12,635,010	1,226,700	10.30
3. CIC	11,065,780	5,029,900	2.20
4. Equity Group	11,050,875	352,500	31.35
5. KCB Group	10,971,480	324,600	33.80

Source: NSE

Market Commentary

The All Share Index and NSE 20 Index eased by 0.9% and 1.8% to close the day at 127.01 and 1,762.28 respectively as selling pressure persisted across the bourse. Market turnover declined by 17.4% to KES 676.1 million. Safaricom (-0.9% to KES 26.15) was the top traded counter, accounting for 86.3% of the day's traded value. I&M Holdings emerged the top gainer (+3.9) to close at KES 46.75 while Bamburi was the top loser, shedding 8.8% to close at KES 25.55.

Barclays New Gold ETF (Exchange Traded Fund) closed at an all-time high of KES 2,040 (YTD +38.8%). This comes as globally, spot gold rose to a record above \$2,000 an ounce, amid economic and geopolitical risks. Demand for the ETF has been driven by the need to hedge against risky portfolios within the NSE (especially as the equities market faces a bear run), with gold considered globally a safe haven. ETFs have enabled retail and institutional investors to trade in gold without needing to take physical delivery of the metal.

Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	33.80	(0.7%)	(37.4%)
Equity Group	Long-term Buy	31.35	(1.9%)	(41.4%)
Absa Kenya	Long-term Buy	9.00	(0.2%)	(32.6%)
Stanbic Holdings	Long-term Buy	79.00	0.0%	(27.7%)
NCBA	Long-term Buy	23.50	(0.8%)	(36.2%)
StanChart	Sell	151.75	(2.1%)	(25.1%)
Safaricom	Hold	26.15	(0.9%)	(17.0%)
HF	Sell	3.65	(5.9%)	(43.5%)
Bamburi	Sell	25.55	(8.8%)	(68.1%)

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

Bonds Performance

	Today	Previous	Daily Change %
Total Deals	94	108	(13.0%)
Bond Turnover	1,527,512,487	2,134,747,839	(28.4%)

Actively Traded Bonds

GOK Bonds	Coupon Rate %	Traded Yield %	Value Traded (Mn)	DTM
FXD1/2019/5Yr	11.3040	9.7905	300.0	1,293
FXD1/2009/15Yr	12.5000	10.1000	300.0	1,524
FXD1/2019/5Yr	11.3040	10.1000	200.0	1,293

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

News Highlights

Telkom Kenya Calls off Merger with Airtel Kenya limited

- Telkom Kenya has called off its merger with Airtel Networks Kenya Limited in a mutual agreement.
- The company cited challenges experienced in getting approvals required to complete the transaction.
- Telkom Kenya will now focus on further accelerating its digital transformation to capture emerging shifts brought about by the pandemic.

Commentary

- The failure of both companies to merge will deny both companies economies of scale. We are therefore unlikely to see any meaningful change in the competitive landscape from the legacy players.
- Although a weaker competitive landscape favours Safaricom in terms of retaining its market leadership position, we may see a resurgence of calls for the regulator to address the company's dominant position in the market.



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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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