

Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	107.2850	(0.1%)	(5.9%)
STG Pound	134.3471	0.6%	(1.1%)
EURO	121.8574	(0.4%)	(7.5%)

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

Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	131.90	0.3%	(20.7%)
NSE 20	1,913.57	1.1%	(27.9%)
NSE 25	3,109.51	0.4%	(24.2%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	2,015.72	2,010.12	0.3%
Number of Shares Traded (Q)	34,833,900	27,049,000	28.8%
Equity Turnover (KES)	883,571,645	620,184,786	42.5%
Foreign Buys (%)	31.6%	26.6%	
Foreign Sells (%)	93.7%	81.7%	
Foreign Participation (%)	62.6%	54.2%	

Source: NSE

Equities Performance

Top Gainers	Price (KES)	Daily Change %	YTD Change	Volume Traded
1. Sameer	4.26	9.5%	23.5%	7,900
2. Trans-Century	2.45	9.4%	(2.0%)	3,800
3. E.A.Cables	2.29	9.0%	(8.4%)	27,300
4. Sanlam	14.00	8.5%	(18.6%)	100
5. CIC	2.38	7.2%	(11.2%)	13,000

Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. TPS EA	12.55	(9.4%)	(28.5%)	1,100
2. HF Group	4.01	(8.9%)	(37.9%)	78,500
3. Flame Tree	1.44	(5.3%)	(41.7%)	54,400
4. Longhorn	4.75	(3.3%)	(29.7%)	8,300
5. Uchumi	0.37	(2.6%)	27.59%	674,600

Movers	Turnover (KES)	Volume (KES)	Price (KES)
1. Safaricom	659,067,640	24,455,200	26.95
2. Equity Group	175,126,960	5,090,900	34.40
3. EABL	15,728,250	100,500	156.50
4. KenGen	6,733,768	1,256,300	5.36
5. Scangroup	4,049,850	203,000	19.95

Source: NSE

Market Commentary

The All Share Index and NSE 20 share Index broke their losing streak to record a 0.3% and 1.1% gain, closing at 131.90 and 1,913.57 respectively. We attribute this partly to price gains on Equity (+1.2% to KES 34.40), KCB (+1.9% to KES 35.40), Bamburi (+1.9% to KES 26.50) and Britam (+5.9% to KES 7.48). Market turnover increased by 42.5% to KES 883.6 million as the number of shares traded increased by 28.8% to 34.8 million. Safaricom emerged the top mover of the day (price unchanged at KES 26.95), trading 24.4 million shares (74.5% of the traded value). Overall, foreign investors maintained a net selling position, accounting for 93.7% of the day's sales against 31.5% of purchases. Local participation declined to 37.4% from 45.9% in the previous trading session.

Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	35.40	1.9%	(34.4%)
Equity Group	Long-term Buy	34.40	1.2%	(35.7%)
Absa Kenya	Long-term Buy	9.18	(0.4%)	(31.2%)
Stanbic Holdings	Long-term Buy	78.00	(1.3%)	(28.6%)
NCBA	Long-term Buy	25.95	(0.4%)	(29.6%)
StanChart	Sell	161.75	0.3%	(20.1%)
Safaricom	Hold	26.95	0.0%	(14.4%)
HF	Sell	4.01	(8.9%)	(37.9%)
Bamburi	Sell	26.50	1.9%	(66.9%)

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

Bonds Performance

	Today	Previous	Daily Change %
Total Deals	133	59	125.4%
Bond Turnover	2,005,014,249	2,169,924,289	(7.6%)

Actively Traded Bonds

GOK Bonds	Fixed Rate %	Traded Yield %	Value Traded (Mn)	DTM
FXD1/2019/10	12.4380	11.7500	600.0	3,134
IFB1/2018/15	12.5000	10.6000	300.0	4,562
FXD1/2019/10	12.4380	11.7000	200.0	3,134

Source: NSE; DTM = Days to Maturity

News Highlights

The Energy and Petroleum Regulatory Authority Increases Fuel Prices

- The Energy and Petroleum Regulatory Authority (EPRA) has increased the prices of diesel, petrol and kerosene in Nairobi in its June fuel review by KES 17.30, KES 11.38 and KES 2.98 to KES 91.87, KES 100.48 and KES 65.45 respectively.
- The price changes on diesel and petrol were attributed to a rise in the average landed cost of imported diesel growing by 32.2% to \$228.62 per cubic metre and petrol edging up by 12.6% to \$248.21 per cubic metre.
- According to EPRA, during the period reviewed, kerosene was not discharged at the port of Mombasa. The prevailing price was maintained and adjusted for under recovery of Value Added Tax by Oil Marketing Companies that occurred in the previous pricing cycle.

Commentary

- This is likely to cause some inflationary pressure if such costs are passed to consumers. Businesses might be caught between a rock and a hard place as to whether to pass the costs and risk seeing demand fall or absorb the costs and risk margins deteriorating (particularly if they had lowered prices to make up for lower demand as a result of the containment measures).
- We note that the Organization of the Petroleum Exporting Countries and allies (OPEC+) is meeting for talks this week on the oil output policy that will apply from August. The Covid-19 pandemic had caused a decline in oil demand which necessitated OPEC+ to reduce output by 9.7 million barrels per day up until end of July.
- According to the organization's secretary general, the oil market is edging closer to balance.



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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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