

Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	106.5488	(0.0%)	(5.1%)
STG Pound	131.1782	(0.0%)	1.3%
EURO	119.6515	0.4%	(5.5%)

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

Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	137.73	0.0%	(17.2%)
NSE 20	1,947.64	0.3%	(26.6%)
NSE 25	3,215.67	(0.0%)	(21.6%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	2,105.03	2,104.33	0.0%
Number of Shares Traded (Q)	19,566,200	15,530,400	26.0%
Equity Turnover (KES)	480,461,506	359,046,155	33.8%
Foreign Buys (%)	36.0%	31.7%	
Foreign Sells (%)	61.5%	84.4%	
Foreign Participation (%)	48.7%	58.1%	

Source: NSE

Equities Performance

	Top Gainers	Price (KES)	Daily Change %	YTD Change	Volume Traded
1	Kenya Airways	3.60	9.8%	75.6%	159,400
2	Liberty Kenya	8.78	9.5%	(15.2%)	6,500
3	Carbacid	9.20	7.5%	15.0%	700
4	Home Afrika	0.44	7.3%	(26.7%)	4,700
5	NSE	8.00	3.4%	(35.2%)	100

	Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1.	Sameer Africa	3.16	(9.7%)	(8.4%)	10,400
2.	Flame Tree	1.48	(5.7%)	(40.1%)	134,700
3.	NMG	14.85	(3.6%)	(62.7%)	258,400
4.	Total Kenya	23.55	(3.5%)	(14.4%)	33,800
5.	Trans-Century	1.49	(3.2%)	(40.4%)	22,500

	Movers	Turnover (KES)	Volume (KES)	Price (KES)
1.	Safaricom	332,856,860	11,597,800	28.70
2.	Equity Group	77,837,100	2,266,000	34.35
3.	Co-op	17,947,980	1,477,200	12.15
4.	KCB Group	14,304,505	397,900	35.95
5.	NCBA Group	11,753,685	442,700	26.55

Source: NSE

Market Commentary

The All Share Index and NSE 20 share index gained by 0.04% and 0.3% to close the day at 137.73 and 1,947.64 respectively. We note that majority of the counters recorded minimal price movements. Turnover increased by 33.8% to KES 480.5 million as the number of shares traded increased by 26.0% to 19.5 million. Kenya Airways (KQ) emerged the top gainer for the 3rd consecutive day this week (+32.4% week to date) to close the day at KES 3.60. This was on the back of speculative buy-side activity underpinned by some recent positive news about possibility of resumption of domestic and international passenger and plans on nationalization of the airline (speculation that minority shareholders may be bought out at a premium). Foreign investors remained net sellers accounting for 61.5% of the day's sales against 35.9% of purchases.

Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	35.95	(1.1%)	(33.4%)
Equity Group	Long-term Buy	34.35	(1.0%)	(35.8%)
Absa Kenya	Long-term Buy	10.00	0.0%	(25.1%)
Stanbic Holdings	Long-term Buy	84.25	0.0%	(22.9%)
NCBA	Long-term Buy	26.55	0.0%	(28.0%)
StanChart	Sell	169.00	(0.4%)	(16.5%)
Safaricom	Hold	28.70	0.2%	(8.9%)
HF	Sell	4.51	2.3%	(30.2%)
Bamburi	Sell	27.15	(3.0%)	(66.1%)

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

Bonds Performance

	Today	Previous	Daily Change %
Total Deals	119	99	20.2%
Bond Turnover	2,346,306,601	2,430,710,858	(3.5%)

Actively Traded Bonds

GOK Bonds	Fixed Rate %	Traded Yield %	Value Traded (Mn)	DTM
FXD1/2019/15	12.8570	12.3250	300.0	4,940
FXD1/2019/15	12.8570	12.2947	300.0	4,940
FXD4/2019/10	12.2800	12.1000	246.4	3,421

Source: NSE; DTM = Days to Maturity

News Highlights

Inflation Declines to 4.6% in June 2020

- Kenya's annual headline inflation declined to 4.6% in June from 5.3% in May 2020. The food and non-alcoholic drinks index fell by 1.3% m/m. This was owing to price decreases of food items that outweighed the increases in others. Some of the notable price declines include: tomatoes (-12.2% m/m), Irish potatoes (-5.1% m/m), cabbages (-4.8% m/m) and oranges (-4.0% m/m). Annual food inflation however rose by 8.2% y/y.
- The transport index grew by 2.1% m/m due to a 6.8% m/m rise in the price of petrol prices which offset a 4.8% m/m dip in the price of diesel.
- The housing, water, electricity, gas and other fuels' index fell by 0.8% predominantly due to a 21.3% m/m decline in the price of kerosene.

Commentary

- As some countries lift COVID-19 restrictions, we expect this to improve demand for oil and support oil prices. However, COVID-19 cases are still increasing and some users (such as international airlines) could still be restricted. We therefore do not expect demand to go back to pre-COVID-19 levels any time soon. We also note that Libya may increase production from the Eastern part of Libya (talks are ongoing. Some oil fields in Libya had already re-started production but not for export) and possibly resume exporting oil. This could increase global oil supply. We expect oil prices to be relatively stable. We expect inflationary pressures to remain muted and 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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