

Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	106.4500	0.1%	(5.0%)
STG Pound	134.4394	0.4%	(1.1%)
EURO	120.5300	0.4%	(6.3%)

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

Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	143.25	0.3%	(13.9%)
NSE 20	2,022.95	0.6%	(23.8%)
NSE 25	3,300.18	0.4%	(19.5%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	2,189.56	2,183.92	0.3%
Number of Shares Traded (Q)	42,580,900	47,755,400	(10.8%)
Equity Turnover (KES)	887,827,266	1,114,496,138	(20.3%)
Foreign Buys (%)	48.1%	76.1%	
Foreign Sells (%)	45.7%	74.7%	
Foreign Participation (%)	46.9%	75.4%	

Source: NSE

Equities Performance

Top Gainers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. Britam	10.65	9.6%	18.3%	21,184,100
2. Stanbic	83.50	8.4%	(23.6%)	100
3. Eveready	1.09	7.9%	(0.9%)	700
4. Centum	26.90	5.5%	(8.8%)	112,000
5. Kenya Re	2.30	4.5%	(24.1%)	173,400

Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1. Standard Group	20.80	(8.8%)	(24.5%)	1,000
2. Flame Tree	1.68	(8.2%)	(32.0%)	42,700
3. Kenya Airways	2.64	(7.7%)	28.8%	228,300
4. Sameer	3.05	(4.7%)	(11.6%)	4,900
5. Home Afrika	0.44	(4.3%)	(26.7%)	35,000

Movers	Turnover (KES)	Volume (KES)	Price (KES)
1. Safaricom	409,394,160	13,444,800	30.45
2. Britam	225,610,665	21,184,100	10.65
3. EABL	75,622,800	448,800	168.50
4. Equity Group	59,217,120	1,699,200	34.85
5. KCB Group	53,388,450	1,503,900	35.50

Source: NSE

Market Commentary

The All share index and NSE 20 share index maintained their upward momentum, gaining 0.3% and 0.6% to close the day at 143.25 and 2,022.95 respectively. Turnover declined by 20.3% from Friday's trading session to KES 887.8 million. Notable gainers for the day were Britam (+9.6% to KES 10.65) and Stanbic (+8.4% to KES 83.50). Foreign investors emerged as buyers at 48.1% against the day's sales at 45.7%. We still expect some profit taking activity on Britam and Safaricom during the week.

Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	35.50	1.4%	(34.3%)
Equity Group	Long-term Buy	34.85	0.0%	(34.9%)
Absa Kenya	Long-term Buy	9.90	(0.2%)	(25.8%)
Stanbic Holdings	Long-term Buy	83.50	8.4%	(23.6%)
NCBA	Long-term Buy	27.00	(0.2%)	(26.7%)
StanChart	Sell	169.00	(0.6%)	(16.5%)
Safaricom	Hold	30.45	0.0%	(3.3%)
HF	Sell	4.01	2.6%	(37.9%)
Bamburi	Sell	38.20	0.0%	(52.3%)

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

Bonds Performance

	Today	Previous	Daily Change %
Total Deals	123	94	30.9%
Bond Turnover	3,901,218,527	2,938,588,525	32.8%

Actively Traded Bonds

GOK Bonds	Fixed Rate %	Traded Yield %	Value Traded (Mn)	DTM
IFB1/2020/6	10.2000	10.9800	700.0	2,170
FXD1/2008/15	12.5000	10.5000	500.0	1,001
FXD4/2019/10	12.2800	12.2750	300.0	3,437

Source: NSE; DTM = Days to Maturity

News Highlights

Petrol Prices Increase by KES 5.77 as Diesel and Kerosene Prices Decline

- The Energy and Petroleum Regulatory Authority (EPRA) in its latest pump price review increased the maximum pump price of petrol in Nairobi by KES 5.77 per litre to KES 89.10 but lowered diesel and kerosene prices by KES 3.80 and KES 17.31 to KES 74.57 and KES 62.46 respectively. The prices will in force for the period between June 15th 2020 and July 14th 2020.
- The changes are attributed to an increase in landed costs with super petrol increasing by 31.5% to US\$188.87 per cubic meter while diesel and kerosene declined by 5.8% and 51.8% respectively to US\$242.13 and US\$262.4.
- This also comes in the wake of the recovery in international crude oil prices by an average of 33.3% as Murban Crude Oil averaged at US\$23.52 per barrel by the close of May from US\$17.64 per barrel in April.
- As at April 2020, local suppliers and marketers had recorded a 40.0% decline in demand for petrol and diesel citing COVID-19 travel restrictions leading to accumulation of older priced cargoes.

Commentary

- We still expect demand to remain relatively muted due to the restrictions - although we could see a slight improvement as a result of the new curfew hours.
- For the month of June, we expect inflation to remain relatively stable as the decline in cost of kerosene and diesel (used for power generation, cooking and lighting) is expected to offer reprieve to households.

- However from July 1, we expect continued upward revision of fuel prices putting upward pressure on inflation, attributed to:
 - Decision by Organization of Petroleum Exporting Countries (OPEC) to extend their current crude production cut (9.7 million barrels per day) by a month beyond the expiry on June 30th to July 31st. We also expect improvement in demand as countries continue to gradually ease restrictions.
 - Upward adjustment in excise duty in line with inflation. We also note that taxes and other levies are now part of the variable amounts for petroleum products.
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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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