

## Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	106.3206	0.2%	(4.9%)
STG Pound	133.4697	0.9%	(0.4%)
EURO	119.5276	0.7%	(5.4%)

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

## Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	144.92	0.0%	(12.9%)
NSE 20	1,971.93	(1.6%)	(25.7%)
NSE 25	3,344.27	0.1%	(18.4%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	2,215.22	2,214.97	0.0%
Number of Shares Traded (Q)	15,483,500	16,928,800	(8.5%)
Equity Turnover (KES)	510,875,407	414,709,269	23.2%
Foreign Buys (%)	62.8%	73.0%	
Foreign Sells (%)	29.9%	49.6%	
Foreign Participation (%)	46.4%	61.3%	

Source: NSE

## Equities Performance

	Top Gainers	Price (KES)	Daily Change %	YTD Change	Volume Traded
1	Longhorn	5.06	5.0%	(25.1%)	600
2	Kakuzi	332.00	3.2%	(2.4%)	100
3	Trans-Century	1.68	3.1%	(32.8%)	10,200
4	BK Group	19.60	2.9%	(30.0%)	600
5	Flame Tree	1.53	2.7%	(38.1%)	16,800

	Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1.	Bamburi	33.80	(9.4%)	(57.8%)	3,900
2.	Britam	7.96	(8.5%)	(11.6%)	267,700
3.	Home Afrika	0.46	(6.1%)	(23.3%)	274,800
4.	STANLIB I-REIT	5.64	(6.0%)	(40.1%)	203,900
5.	Centum	25.55	(5.5%)	(13.4%)	74,900

	Movers	Turnover (KES)	Volume (KES)	Price (KES)
1.	Safaricom	292,282,515	9,443,700	30.95
2.	StanChart	107,056,000	669,100	160.00
3.	KCB Group	37,409,085	1,037,700	36.05
4.	Equity Group	23,885,760	667,200	35.80
5.	EABL	9,611,250	55,000	174.75

Source: NSE

## Market Commentary

The All Share Index remained relatively flat to close the day at 144.92. However the NSE 20 closed the day at 1,971.9. Equity turnover at the NSE was 23.6% higher, closing at KES 510.88 Million from KES 414.7 Million. The top traders today were Safaricom, Standard Chartered Bank and KCB Group Plc. Foreign investors were net-buyers, accounting for 62.8% of the day's purchases and 29.94% of the day's net sales. In terms of company specific foreign activity, foreigners maintained net-buying positions on Safaricom.

## Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	36.05	0.1%	(33.2%)
Equity Group	Long-term Buy	35.80	1.6%	(33.1%)
Absa Kenya	Long-term Buy	9.86	(0.2%)	(26.1%)
Stanbic Holdings	Long-term Buy	82.75	1.8%	(24.3%)
NCBA	Long-term Buy	27.50	(1.8%)	(25.4%)
StanChart	Sell	160.00	(4.8%)	(21.0%)
Safaricom	Hold	30.95	0.0%	(1.7%)
HF	Sell	4.00	1.8%	(38.1%)
Bamburi	Sell	33.80	(9.4%)	(57.8%)

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

## Bonds Performance

	Today	Previous	Daily Change %
Total Deals	85	106	(19.8%)
Bond Turnover	1,459,833,886	1,293,177,207	12.9%

## Actively Traded Bonds

GOK Bonds	Fixed Rate %	Traded Yield %	Value Traded (Mn)	DTM
IFB1/2020/6	10.2000	11.5000	450.0	2,167
FXD1/2018/5	12.2990	10.4000	300.0	1,005
FXD1/2019/15	12.8570	12.5000	200.0	4,953

Source: NSE; DTM = Days to Maturity

## News Highlights

### KCB Partners with Laikipia County Government to Provide Loans

- KCB Group has entered into a partnership with the Laikipia County Government to provide credit worth KES 2.0 bn to SMEs and cooperative societies.
- The credit program is targeting around 5,000 SMEs and 180 cooperative societies in the county in order to stimulate business growth and catalyze economic recovery.
- The partnership, which is an interest-sharing and guarantee model, will see SMEs and cooperative societies access credit at an interest rate of 7.5% and 6.0% respectively -- significantly lower than prevailing lending rates (the average lending rate was 11.9% as at April 2020).
- The lower interest rates will be achieved through grants offered by the Laikipia County Government which are expected to reduce interest rates by between 5.0% and 6.5%.

### Commentary

- We opine that this is a win-win situation; KCB will be able to advance its loan book at market interest rates (interest costs are shared between the County and client) while SMEs and cooperative societies will be able to access affordable credit.
- Owing to the economic challenges brought on by the COVID-19 pandemic, we expect to see similar models (risk-sharing/interest subsidizing models) being adopted by other banks as they are beneficial in growing loan books as well as helping reduce default rates due to the low interests offered.



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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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