

## Kenya Shilling Performance

KES	Value	Daily Change %	YTD Change %
US Dollar	106.5224	(0.1%)	(5.1%)
STG Pound	131.1706	0.5%	1.3%
EURO	120.1400	(0.6%)	(6.0%)

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

## Market Summary

Index	Value	Daily Change %	YTD Change %
NASI	137.68	(0.8%)	(17.3%)
NSE 20	1,942.12	(0.5%)	(26.8%)
NSE 25	3,217.11	(0.9%)	(21.5%)

	Today	Previous	Daily Change %
Market Capitalization (KES Bn)	2,104.33	2,121.26	(0.8%)
Number of Shares Traded (Q)	15,530,400	8,534,200	82.0%
Equity Turnover (KES)	359,046,155	253,297,616	41.7%
Foreign Buys (%)	31.7%	71.8%	
Foreign Sells (%)	84.4%	84.3%	
Foreign Participation (%)	58.1%	78.1%	

Source: NSE

## Equities Performance

	Top Gainers	Price (KES)	Daily Change %	YTD Change	Volume Traded
1	Kenya Airways	3.28	9.7%	60.0%	1,326,200
2	Liberty Kenya	8.02	6.9%	(22.5%)	100
3	Eveready	1.09	4.8%	(0.9%)	100
4	Flame Tree	1.57	4.7%	(36.4%)	2,900
5	Uchumi	0.31	3.3%	6.9%	15,300

	Top Losers	Price (KES)	Daily Change	YTD Change %	Volume Traded
1.	E.A.Cables	2.08	(5.5%)	(16.8%)	26,600
2.	Home Afrika	0.41	(4.7%)	(31.7%)	209,300
3.	EABL	162.50	(4.6%)	(18.1%)	263,500
4.	Kenya Re	2.14	(3.6%)	(29.4%)	615,900
5.	Carbacid	8.56	(3.2%)	7.0%	18,300

	Movers	Turnover (KES)	Volume (KES)	Price (KES)
1.	Safaricom	238,333,620	8,318,800	28.65
2.	KCB Group	45,742,840	1,258,400	36.35
3.	EABL	42,818,750	263,500	162.50
4.	Equity Group	8,168,380	235,400	34.70
5.	Kenya Airways	4,349,936	1,326,200	3.28

Source: NSE

## Market Commentary

The All Share Index retreated by 0.8% to close at 137.68. We attribute this to price declines in large cap counters, notably EABL (-4.6% to KES 162.50), Equity (-1.1% to KES 34.70) and Safaricom (-0.9% to KES 28.65). This was on the back of foreign sell-side activity. Overall, foreign investors were net sellers with 84.4% of the day's sales against 31.7% of the day's purchases. NSE 20 also marginally eased by 0.5% as majority of the counters recorded prices declines. Equity turnover increased by 41.7% to KES 359.0 million as the number of shares traded increased by 82.0% to 15.5 million. Top mover of the day was Safaricom with 8.3 million shares traded (66.4% of the day's traded value).

## Recommendations

Counter	Recommendation	Price (KES)	Daily Change %	YTD Change %
KCB Group	Long-term Buy	36.35	(0.1%)	(32.7%)
Equity Group	Long-term Buy	34.70	(1.1%)	(35.1%)
Absa Kenya	Long-term Buy	10.00	(1.0%)	(25.1%)
Stanbic Holdings	Long-term Buy	84.25	1.2%	(22.9%)
NCBA	Long-term Buy	26.55	(1.3%)	(28.0%)
StanChart	Sell	169.75	2.0%	(16.2%)
Safaricom	Hold	28.65	(0.9%)	(9.0%)
HF	Sell	4.41	(2.0%)	(31.7%)
Bamburi	Sell	28.00	0.0%	(65.0%)

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

## Bonds Performance

	Today	Previous	Daily Change %
Total Deals	99	105	(5.7%)
Bond Turnover	2,430,710,858	1,174,539,679	107.0%

## Actively Traded Bonds

GOK Bonds	Fixed Rate %	Traded Yield %	Value Traded (Mn)	DTM
FXD1/2018/5	12.6500	12.1000	350.0	5,277
FXD1/2019/15	12.8570	12.3250	300.0	4,941
FXD1/2013/5	11.2500	11.6000	300.0	2,778

Source: NSE; DTM = Days to Maturity

## News Highlights

### Britam Targets Retail Clients in Asset Management Growth

- Britam Group is targeting the retail sector with an aim to grow its asset management business under its subsidiary Britam Asset Managers.
- According to management, the retail sector offers higher margins and will complement revenues from its institutional clients where margins are low.
- The group's asset management subsidiary offers clients investment advisory and fund management services. The subsidiary invests clients' savings and pensions over time at a commission.
- Assets under the subsidiary are stated to have been growing; primarily driven by pensions and collective investments, however margins remain thin.

### Commentary

- We note that with reduced institutional margins it is important that asset management firms are innovative and we opine that this is a positive step for Britam towards boosting margins.
- We however recognize that increasing the contribution of assets under management from the retail segment could be a daunting task just like micro-insurance. However, with technology (particularly the mobile technology), Britam could see some success.



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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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