



# Weekly Report

## Week 17

Week Ending Friday, April 30, 2021

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## Global Markets

| Index                | Last Price* | Weekly Change | YTD Change |
|----------------------|-------------|---------------|------------|
| DJI                  | 33,914.62   | 0.1%          | 11.6%      |
| S&P 500              | 4,188.75    | 1.1%          | 12.2%      |
| NASDAQ 100           | 13,945.46   | 0.7%          | 8.5%       |
| DAX                  | 15,218.15   | 0.3%          | 10.9%      |
| FTSE 100             | 6,989.65    | 1.3%          | 8.2%       |
| EURO STOXX 50        | 4,188.75    | 1.1%          | 17.9%      |
| Shanghai Composite   | 3,446.86    | (0.8%)        | (0.8%)     |
| NIKKEI 225           | 28,812.63   | (0.7%)        | 5.0%       |
| Commodities          |             |               |            |
| Brent Oil (USD/bbl.) | 67.29       | 2.8%          | 31.6%      |
| Gold (USD/Oz)        | 1,769.74    | (0.5%)        | (6.8%)     |

Source: Bloomberg, NSE; \*As at 5:00 PM EAT

Majority of the international equity indices rose during the week amidst strong data on the vaccination progress in the developed world, further renewing optimism around global recovery. The FTSE rose by 1.3% w/w on the back of positive corporate earnings. The S&P 500 and the NASDAQ 100 edged up by 1.1% and 0.7% w/w respectively supported by a rally in technology stocks (which posted strong 1Q2021 earnings) and positive investor sentiment which was bolstered by robust 1Q2021 U.S. GDP figures (annualized growth of 6.4%), President Joe Biden's newly unveiled USD 1.8 trillion spending plan and the Fed's commitment to maintain an accommodative monetary policy stance. Brent Oil rose by 2.8% w/w as OPEC+ conveyed confidence in the global demand outlook even as India's growing COVID-19 burden is causing short-term pressure on demand.

## Equities Market

### Equity Market Commentary

The All Share Index (NASI) rose by 2.1% w/w while the NSE 20 Share Index eased by 1.1% w/w to close the week at 169.15 and 1,866.58 respectively, characterized by an increase in market turnover (1.5% to KES 2.4 billion) and a decrease in volume of shares traded (-0.4% to 74.6 million shares).

Notable gains on medium and large cap counters included; Safaricom (4.0% to KES 40.35 – an all-time high), BAT (4.6% to KES 453.75), Co-op (2.5% to KES 12.20) and HF (2.3% to KES 3.97). Safaricom's gains were underpinned by reports that the company is one of only two bidders (along with MTN) that will participate in an auction for a mobile telecommunication license in Ethiopia.

Britam eased by 3.7% w/w to close at KES 6.74 following the announcement of a KES 9.1 billion loss for FY2020. In the coming week, we expect price stability.

### Market Indices Performance

| Index  | Value    | Weekly Change % | YTD Change % |
|--------|----------|-----------------|--------------|
| NASI   | 169.15   | 2.1%            | 11.2%        |
| NSE 20 | 1,866.58 | (1.1%)          | (0.1%)       |
| NSE 25 | 3,674.77 | 1.1%            | 7.6%         |

Source: NSE

### Market Statistics

|                                | This Week | Previous Week | Change % |
|--------------------------------|-----------|---------------|----------|
| Market Capitalization (KES Bn) | 2,599.05  | 2,544.59      | 2.1%     |
| Number of Shares Traded        | 74.55     | 74.87         | (0.4%)   |
| Equity Turnover (KES)          | 2,448.78  | 2,412.54      | 1.5%     |

Source: NSE

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## Equities Performance

| Top Gainers    | Price (KES) | Weekly Change % | YTD Change |
|----------------|-------------|-----------------|------------|
| 1. Home Afrika | 0.41        | 10.8%           | (2.4%)     |
| 2. Longhorn    | 4.55        | 6.6%            | (6.8%)     |
| 3. TPS Serena  | 16.30       | 5.8%            | 1.9%       |
| 4. BAT         | 453.75      | 4.6%            | 25.7%      |
| 5. BK Group    | 26.15       | 4.6%            | 27.6%      |

| Top Losers         | Price (KES) | Weekly Change | YTD Change % |
|--------------------|-------------|---------------|--------------|
| 1. Olympia Capital | 1.97        | (14.0%)       | (10.5%)      |
| 2. Umeme           | 5.76        | (8.9%)        | (20.9%)      |
| 3. B.O.C Kenya     | 61.25       | (8.6%)        | (2.8%)       |
| 4. Liberty Kenya   | 7.38        | (7.8%)        | (4.2%)       |
| 5. Carbacid        | 10.95       | (7.6%)        | (9.5%)       |

| Movers          | Price (KES) | Turnover (KES Mn) |
|-----------------|-------------|-------------------|
| 1. Safaricom    | 40.35       | 1,935.4           |
| 2. Equity Group | 39.15       | 132.4             |
| 3. KCB Group    | 40.25       | 103.1             |
| 4. I&M Holdings | 44.05       | 66.0              |
| 5. Co-op        | 12.20       | 42.1              |

Source: NSE and Faida Investment Bank Analysis

## News Highlights

### Britam Posts an After Tax Loss of KES 9.1 bn for FY2020

- Against a backdrop of a challenging operating environment, Britam realized an after tax loss of KES 9.1 bn for FY2020, reflecting a considerable decline from an after tax profit of KES 3.5 bn reported in FY2019.
- The group's bottom-line was principally weighed down by:
  - i. net unrealised fair value losses on financial assets of KES 2.4 bn (FY2019: gain of KES 4.3 bn) which the group attributed to poor equities performance,
  - ii. higher operating & other expenses, which edged up by 53.0% y/y to KES 13.5 bn (which included a one-off KES 5.2 bn provision to support its Wealth Management Fund against the poor performance of the underlying assets),
  - iii. a 20.8% y/y rise in net insurance benefits and claims to KES 18.6 bn
  - iv. a larger share of loss related to its associate (HF Group) amounting to KES 823.0 million (FY2019: a loss of KES 53.1 million) – which was adversely affected by the unfavorable operating environment and
  - v. KES 1.5 bn net loss from investment property and this was 96.8% y/y higher from a loss of KES 747.0 million posted in FY2019; this was on the back of a depressed property market in 2020.
- Britam reported a 3.9% y/y rise in gross earned premiums to KES 28.2 bn mainly supported by 50.0% y/y rise in gross earned premiums from regional general insurance to KES 7.9 bn (which benefitted from higher retention & new business), as gross earned premiums from the life business and Kenyan general insurance fell by 10.6% y/y and 1.0% y/y to KES 12.4 bn and KES 8.0 bn respectively.
- Net earned premiums, however, recorded marginal growth of 0.2% y/y to KES 23.1 bn as the growth recorded in gross earned premiums was offset by a 25.7% y/y increase in reinsurance premium ceded to KES 5.1 bn.
- On a positive note, interest & dividend income climbed by 21.8% y/y to KES 9.4 bn while fund management fees rose by 16.1% y/y to KES 621.5 million.
- Operating expenses (excluding the one-off provision) improved, easing by 6.1% y/y to KES 8.3 billion. Consequently, the group recorded a lower opex ratio (excluding the one-off expense) of 37.0% lower than the 39.0% reported in FY2019.
- Despite a 14.6% y/y dip in net cash generated from operations to KES 7.7 bn, the company pointed out that this cash level is higher than that generated by Britam's listed peers.
- The Group did not recommend the payment of a dividend (FY2019: KES 0.25)

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## Commentary

- We note that the biggest impact on Britam's financial performance was mostly from non-cash items and one-off expenses (mostly influenced by the adverse pandemic led economic conditions) as cash generation levels remain adequate.
- We, however, have some concerns about the performance of the life business which was the only unit to report a loss before tax of KES 2.9 bn (FY2019: profit of KES 3.7bn) compared to the regional general insurance unit (profit before tax of KES 0.8 bn, up from KES 0.04 bn in FY2019) and the Kenyan general insurance unit (profit before tax of KES 0.4 bn up from a loss of KES 0.3 bn in FY2019).
- On the flipside, we are optimistic about the growth witnessed in the regional general insurance business as this has the potential to drive growth for Britam going forward. According to company management, this growth has been underpinned by excellent customer service, claims settlement, intermediary support, strong staff capabilities, strategic partnerships and the selection of customers strongly aligned with their underwriting philosophy.
- Going forward, we expect to see Britam adopt a more data driven technological approach in managing its general business especially in pricing risks and managing claims.
- We note that the Group is working on finalizing the 2021 - 2025 strategy. Key areas of focus are expected to include investment strategy, regional expansion and the cost structure.
- The recommendation is under review.

## CBK Invites Bids for FXD2/2019/15 (Re-open) and FXD1/2021/25 Treasury Bonds

- The Central Bank of Kenya (CBK), acting in its capacity as fiscal agent for the Republic of Kenya, has invited bids for the FXD2/2019/15 (re-open) and the FXD1/2021/25 with the intention of raising KES 30.0 billion for budgetary support.
- The features of the bonds are shown in the table below:

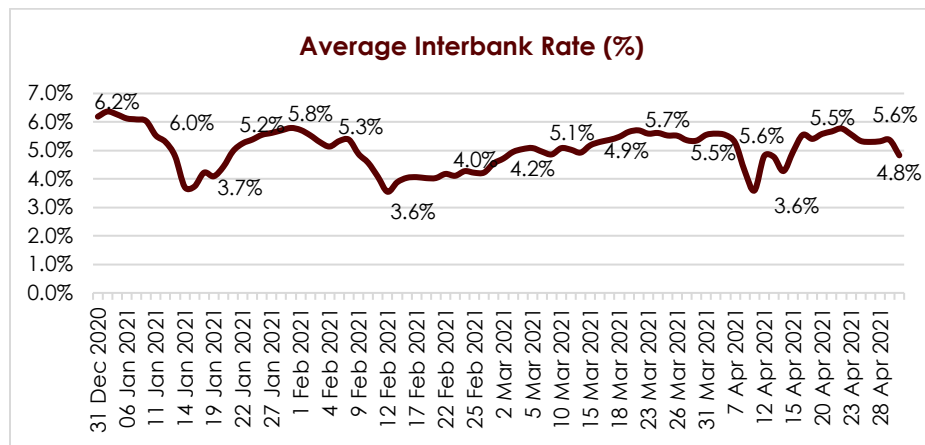
|                        | FXD2/2019/15             | FXD1/2021/25      |
|------------------------|--------------------------|-------------------|
| <b>Amount</b>          | KES 30.0 billion         |                   |
| <b>Tenor</b>           | 13.0 years               | 25.0 years        |
| <b>Coupon rate</b>     | 12.734%                  | Market Determined |
| <b>Taxation</b>        | 10.0%                    | 10.0%             |
| <b>Period of sale</b>  | 23/04/2021 to 04/05/2021 |                   |
| <b>Redemption date</b> | 24/04/2034               | 09/04/2046        |

Source: CBK

- We recommend bidding as follows:
  - i. **FXD2/2019/15**
    - Non-aggressive bids – 12.40% to 12.70%
    - Aggressive bids – 12.80% to 13.00%
  - ii. **FXD1/2021/25**
    - Non-aggressive – 13.30% to 13.60%
    - Aggressive bids – 13.70% to 14.00%

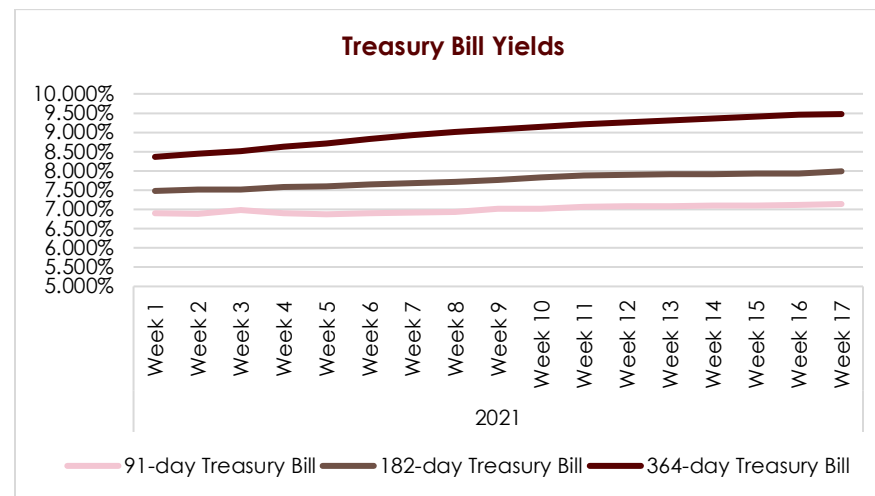
## Fixed Income Market

### Interbank Rate



Source: CBK

## Treasury Bill Yields



Source: CBK

## Treasury Bill Auction Results

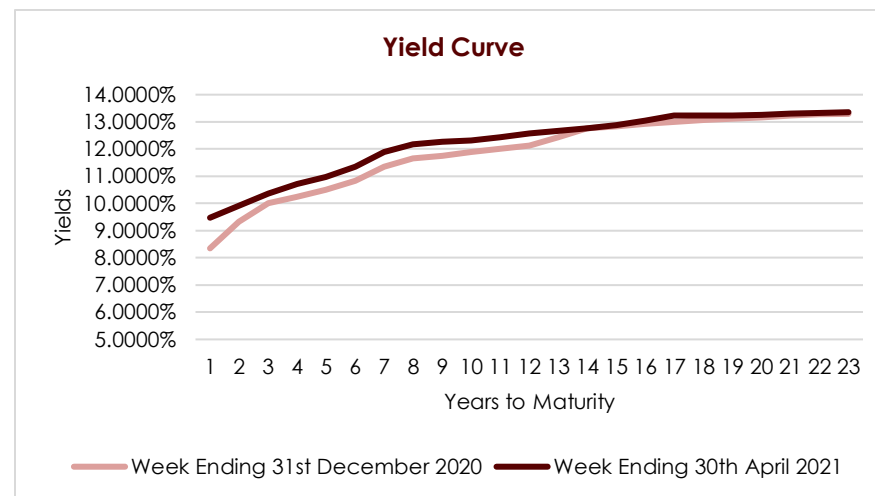
|         | Amount Offered | Bids Received | Subscription Rate | Bids Accepted | Yield  | Change* |
|---------|----------------|---------------|-------------------|---------------|--------|---------|
| 91 day  | 4.0            | 1.71          | 42.72%            | 1.71          | 7.139% | 2.4     |
| 182 day | 10.0           | 3.75          | 37.52%            | 2.79          | 7.989% | 6.4     |
| 364 day | 10.0           | 24.53         | 245.35%           | 15.84         | 9.474% | 1.4     |
| Total   | 24.0           | 30.00         | 124.98%           | 20.34         |        |         |

\*Change = Current Rate – Previous Rate; 1.0% = 100 bps  
Amount Offered, Bids Received and Bids Accepted are in KES Billions

Source: CBK

Treasury bills were oversubscribed during the week's auction; the total subscription rate was 124.98%, up from last week's 59.79%. The 364 day paper had the highest subscription rate this week, at 245.35%.

## Government Securities Yield Curve



Source: NSE

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## Macroeconomic Indicators

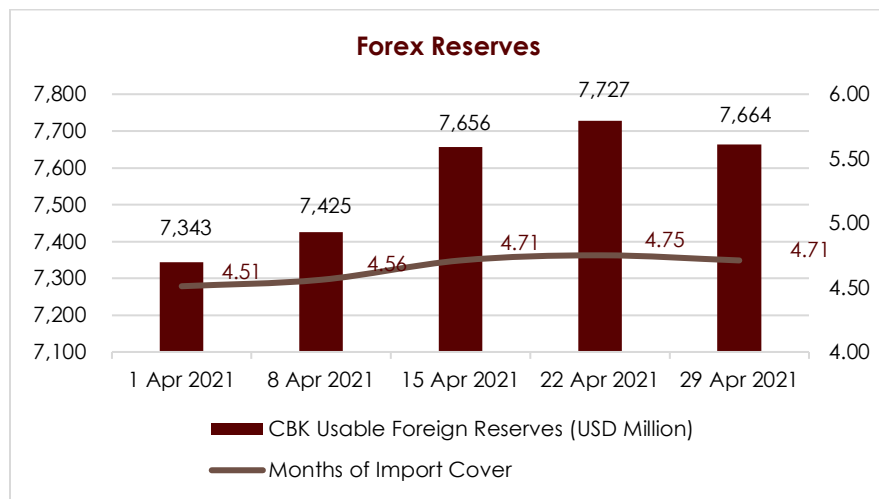
### Exchange Rates

|           | Value    | Weekly Change % | YTD Change % |
|-----------|----------|-----------------|--------------|
| US Dollar | 107.8441 | 0.6%            | 1.2%         |
| STG Pound | 150.2724 | 0.3%            | (1.3%)       |
| EURO      | 130.6282 | 0.1%            | 2.4%         |

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

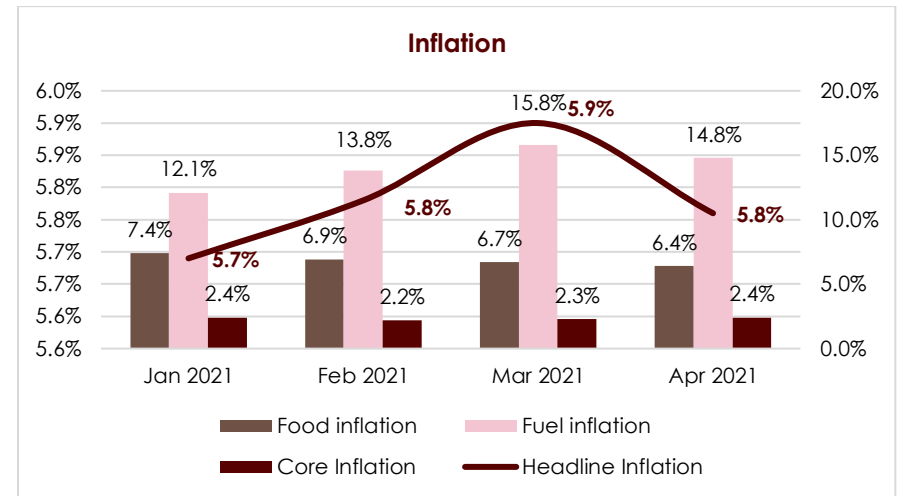
During the week, the Kenya Shilling appreciated against the US Dollar, the Euro, and the Sterling Pound.

### Forex Reserves



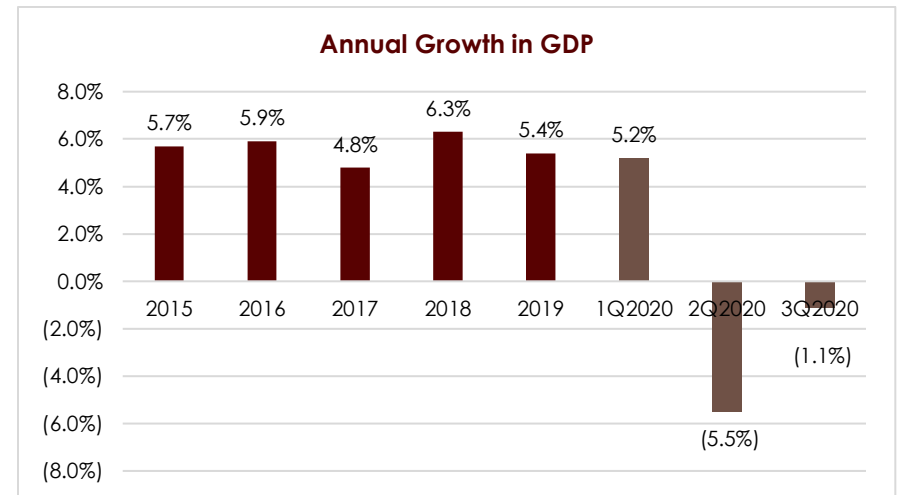
Source: CBK

## Inflation



Source: KNBS

## Gross Domestic Product (GDP)



Source: KNBS

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Kenya's economy slid into a recession in the 3Q2020 as GDP contracted for the second consecutive quarter. Kenya's Real GDP is estimated to have contracted by 1.1% in the 3Q2020, showing some improvement from the contraction of 5.5% witnessed in 2Q2020, but markedly different from the growth of 5.8% realized in 3Q2019. The improvement from the previous quarter was supported by the partial easing of COVID-19 restrictions that enhanced economic activities.

The economic performance was largely weighed down by the accommodation and food services (contracted by 57.9% compared to a growth of 9.9% in 3Q2019) and the education (contracted 41.9% compared to a growth of 6.0% in 3Q2019) sectors. These were the hardest hit sectors due to the closure of learning institutions and the implementation of travel restrictions in order to contain the spread of the virus.

Growth was however largely supported by the agricultural, construction and real estate sectors which grew by 6.3%, 16.2% and 5.3% respectively. Growth in the agricultural sector was supported by increases in tea production, fruit exports and sugarcane production. In the construction sector, cement consumption rose by 23.5% y/y to 1,952.2 thousand metrics reflecting increased construction activity which also buoyed growth in the real estate sector.

| Real GDP Growth by Sector              | 3Q2019 | 3Q2020  |
|--|--------|---------|
| Agriculture                            | 5.0%   | 6.3%    |
| Mining & Quarrying                     | 3.4%   | 18.2%   |
| Manufacturing                          | 3.9%   | (3.2%)  |
| Electricity and Water Supply           | 6.4%   | 4.7%    |
| Construction                           | 6.6%   | 16.2%   |
| Wholesale & Retail Trade               | 6.1%   | (2.5%)  |
| Accommodation & Food Services          | 9.9%   | (57.9%) |
| Transport & Storage                    | 7.6%   | 2.9%    |
| Information & Communication            | 8.0%   | 7.3%    |
| Financial & Insurance                  | 8.1%   | 5.3%    |
| Public Administration                  | 8.4%   | 9.6%    |
| Professional, Admin & Support Services | 4.8%   | (12.3%) |
| Real Estate                            | 5.5%   | 5.3%    |
| Education                              | 6.0%   | (41.9%) |
| Health                                 | 5.5%   | 5.6%    |
| Other Services                         | 5.3%   | (4.5%)  |

Source: KNBS

## Labour Statistics

| Indicator                       | 3Q2019 | 1Q2020 | 2Q2020 | 3Q2020 |
|---------------------------------|--------|--------|--------|--------|
| Unemployment Rate               | 5.3%   | 5.2%   | 10.4%  | 7.2%   |
| Labour Force Participation Rate | 69.8%  | 69.7%  | 64.4%  | 68.8%  |

Source: KNBS

## Derivatives Market

### Weekly Statistics

|                     | This Week  | Previous Week |
|---------------------|------------|---------------|
| Total Volumes       | 272        | 210           |
| Total Value         | 10,642,470 | 8,208,835     |
| Total Open Interest | 344        | 287           |

Source: NSE

## Corporate Finance

### Mayflower Completes Acquisition of the Kilimapesa Gold Mining and Processing Operations

Papillion Holdings plc, the London listed investment company, in agreement with Mayflower Capital Investments Pty Limited ('Mayflower') recently completed the acquisition of Kilimapesa Gold Pty ('Kilimapesa') Limited from Gold Mineral Resources (GMR), the AIM listed subsidiary of Goldplat plc. The Acquisition was completed through Mayflower's wholly owned and UK incorporated subsidiary Mayflower Gold Limited ('Mayflower Gold') and has been brought forward ahead of completion of the planned Reverse Take-Over (RTO) between Papillion and Mayflower.

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Kilimapesa Gold Mine is an established, permitted, and operating gold mine based in Narok, Kenya .Operations recommenced in 2020 after a period of 18 months of on care and maintenance following the remedy of several operational issues. The plant continues to operate and gold sales are continuing under existing gold refining agreements in Europe. Additionally, underground mine operations have commenced, which have resulted in higher grade ore now feeding the plant.

The Acquisition allows Mayflower to proceed with planned capital investment activities and operational changes at Kilimapesa ahead of completing the RTO, which will further benefit Papillion shareholders through accelerated development and production timelines. The Acquisition follows Mayflower completing a capital raising in early April 2021 of approx. USD 2.0m from European investors introduced through DGWA, the German Institute for Asset and Equity Allocation and Valuation, a mining and resource focused European investment banking boutique, which, upon completion of the RTO and dual listing on the Frankfurt Stock Exchange will operate as Papillion's Investor and Corporate Relations advisor in Europe

These funds are to be applied by Mayflower to the planned capital and working capital costs at Kilimapesa. As part of the RTO and Papillion's reinstatement, a further GBP2.5 m is to be advanced from investors in the UK and Europe. Additionally, Mayflower has repaid the USD150,000 advance made by GMR to Kilimapesa in September 2020, which was used along with an initial USD 350,000 of funding from Mayflower to recommence gold mining and processing operations at the mine.

Mayflower and Goldplat have specifically agreed to waive completion of the RTO as a condition to complete the Acquisition with the cash and share based consideration due, to be made on the earlier of completion of the RTO and Papillion's reinstatement to trading on the London Stock Exchange under the proposed new name of Caracal Gold plc. Mayflower is now firmly positioned as Africa's newest gold producer and well advanced with the reverse takeover the establishment of Caracal Gold plc on the London Stock Exchange.

## Profit Warnings Issued

|   | <b>Company</b>            | <b>Sector</b>            |
|---|---------------------------|--------------------------|
| 1 | East African Cables       | Construction and Allied  |
| 2 | Kenya Orchards            | Manufacturing and Allied |
| 3 | Longhorn Publishers       | Commercial and Services  |
| 4 | Nairobi Business Ventures | Commercial and Services  |
| 5 | Unga Group                | Manufacturing and Allied |
| 6 | TPS Eastern Africa        | Commercial and Services  |
| 7 | Centum Investment Company | Investment               |

Source: NSE



## Counter Statistics

| Banking Sector        | Price (KES) | YTD change | % w-o-w Change | Volume Traded | C/I Ratio    | P/E (X)     | Dividend Yield | P/B (X)     | ROE         |
|-----------------------|-------------|------------|----------------|---------------|--------------|-------------|----------------|-------------|-------------|
| KCB                   | 40.25       | 5.6%       | -3.2%          | 2,534,300     | 44.8%        | 6.60        | 2.5%           | 0.91        | 14.4%       |
| Equity Bank           | 39.15       | 7.1%       | 0.1%           | 3,387,400     | 51.5%        | 7.47        | 0.0%           | 1.07        | 15.8%       |
| NCBA                  | 24.95       | -6.7%      | 0.4%           | 118,100       | 41.9%        | 2.87        | 7.0%           | 0.56        | 15.3%       |
| Stanbic               | 83.00       | -2.4%      | 0.0%           | 24,900        | 52.2%        | 6.32        | 4.6%           | 0.63        | 10.3%       |
| Absa Bank Kenya Plc   | 8.78        | -9.1%      | 0.7%           | 816,900       | 48.2%        | 11.46       | 0.0%           | 1.03        | 8.9%        |
| Housing Finance       | 3.97        | 19.6%      | 2.3%           | 185,900       | 93.8%        | <b>N/M</b>  | 0.0%           | 0.16        | -18.2%      |
| Co-operative Bank     | 12.20       | -2.4%      | 2.5%           | 3,524,100     | 58.1%        | 6.62        | 8.2%           | 0.79        | 11.9%       |
| Diamond Trust Bank    | 65.25       | -13.0%     | -3.0%          | 8,200         | 48.6%        | 5.62        | 4.1%           | 0.29        | 5.4%        |
| Standard Chartered    | 134.00      | -7.1%      | -5.0%          | 224,700       | 58.8%        | 12.76       | 7.8%           | 0.92        | 11.2%       |
| I&M                   | 44.05       | -2.1%      | -2.1%          | 1,479,000     | 39.0%        | 3.38        | 5.8%           | 0.63        | 20.4%       |
| <b>Sector Average</b> |             |            |                |               | <b>53.7%</b> | <b>7.01</b> | <b>4.0%</b>    | <b>0.70</b> | <b>9.5%</b> |

### P/B (X) - FY2020

| Commercial and Services | Price (KES) | YTD Change | % w-o-w Change | Volume Traded | P/E (X)     | Dividend Yield | EPS(KES) | ROE         |
|-------------------------|-------------|------------|----------------|---------------|-------------|----------------|----------|-------------|
| Kenya Airways           | 3.83        | 0.0%       | 0.0%           | -             | <b>N/M</b>  | 0.0%           | -6.22    | <b>N/M</b>  |
| Nation Media Group      | 16.55       | 7.1%       | -2.6%          | 189,200       | 3.68        | 9.1%           | 4.5      | 10.9%       |
| WPP Scangroup           | 5.98        | -0.3%      | -4.2%          | 1,566,800     | 5.34        | 8.4%           | 1.12     | 6.0%        |
| Uchumi Supermarket      | 0.25        | -10.7%     | 4.2%           | 798,400       | <b>N/M</b>  | 0.0%           | -4.6     | <b>N/M</b>  |
| Longhorn Publishers     | 4.55        | -6.8%      | 6.6%           | 5,800         | 6.69        | 11.4%          | 0.68     | 17.3%       |
| Eveready                | 1.08        | -10.0%     | -1.8%          | 78,700        | <b>N/M</b>  | 0.0%           | -1.45    | -10.8%      |
| <b>Sector Average</b>   |             |            |                |               | <b>5.24</b> | <b>5.8%</b>    |          | <b>5.8%</b> |

\*N/M - Not Meaningful

| Construction & Allied | Price (KES) | YTD Change | % w-o-w Change | Volume Traded | P/E(X)       | Dividend Yield | NPM*        | ROE         |
|-----------------------|-------------|------------|----------------|---------------|--------------|----------------|-------------|-------------|
| Bamburi Cement        | 40.05       | 5.8%       | -1.4%          | 175,800       | 16.35        | 7.5%           | 3.2%        | 3.8%        |
| E.A. Portland Cement  | 7.98        | -27.5%     | -0.2%          | 4,100         | N/M          | 0.0%           | 0.0%        | 0.0%        |
| <b>Sector Average</b> |             |            |                |               | <b>16.35</b> | <b>3.7%</b>    | <b>1.6%</b> | <b>1.9%</b> |

\*NPM - Net Profit Margin

| Energy & Petroleum Sector | Price (KES) | YTD Change | % w-o-w Change | Volume Traded | P/E(X)      | Dividend Yield | EPS (KES) | ROE         |
|---------------------------|-------------|------------|----------------|---------------|-------------|----------------|-----------|-------------|
| KenGen                    | 4.25        | -9.8%      | -2.3%          | 2,309,400     | 1.52        | 7.1%           | 2.79      | 9.0%        |
| Kenya Power               | 1.38        | -19.3%     | -5.5%          | 1,574,800     | N/M         | 0.0%           | N/M       | N/M         |
| Total Kenya               | 24.00       | 0.0%       | 0.0%           | 28,500        | 5.96        | 5.4%           | 4.03      | 10.8%       |
| <b>Sector Average</b>     |             |            |                |               | <b>3.74</b> | <b>3.5%</b>    |           | <b>9.0%</b> |

| Insurance Sector      | Price (KES) | YTD Change | % w-o-w Change | Volume Traded | P/B(X)      | P/E(X)      | Loss Ratio   | Expense Ratio |
|-----------------------|-------------|------------|----------------|---------------|-------------|-------------|--------------|---------------|
| CIC Insurance         | 2.18        | 2.3%       | -5.2%          | 507,200       | 0.29        | -19.82      | 71.4%        | 34.6%         |
| Britam                | 6.74        | -7.2%      | -3.7%          | 3,265,700     | 0.23        | 4.78        | 80.6%        | 58.1%         |
| Jubilee               | 281.75      | -0.8%      | -2.8%          | 3,800         | 8.62        | 5.37        | 101.3%       | 44.2%         |
| Kenya Re              | 2.47        | 6.5%       | -3.5%          | 595,900       | 0.09        | 0.97        | 71.2%        | 13.1%         |
| Sanlam Kenya          | 11.50       | -11.2%     | 0.4%           | 1,600.00      | 7.99        | 14.56       | 85.8%        | 35.5%         |
| Liberty               | 7.38        | -4.2%      | -7.8%          | 11,100.00     | 0.92        | 5.63        | 119.6%       | 48.7%         |
| <b>Sector Average</b> |             |            |                |               | <b>3.02</b> | <b>1.91</b> | <b>88.3%</b> | <b>39.0%</b>  |

| Investment Sector     | Price (KES) | YTD Change | % w-o-w Change | Volume Traded | P/E(X)     | P/B(X)      | EPS (KES) | ROE         |
|-----------------------|-------------|------------|----------------|---------------|------------|-------------|-----------|-------------|
| Centum Investment     | 15.40       | -1.9%      | -1.9%          | 291,300       | 2.22       | 0.32        | 6.95      | 9.3%        |
| Home Afrika Ltd       | 1.19        | -2.4%      | 10.8%          | 171,300       | N/M        | N/M         | N/M       | 2.6%        |
| Trans-Century         | 1.19        | -17.9%     | -5.6%          | 39,700.00     | N/M        | N/M         | N/M       | 4.7%        |
| <b>Sector Average</b> |             |            |                |               | <b>N/M</b> | <b>0.32</b> |           | <b>5.5%</b> |

\*P/B based on company Net Aset Value

| Investment Services   | Price (KES) | YTD Change | %w-o-w change | Volume Traded | P/E(X)       | Dividend Yield | EPS (KES) | ROE  |
|-----------------------|-------------|------------|---------------|---------------|--------------|----------------|-----------|------|
| NSE                   | 8.52        | 4.4%       | 1.9%          | 98,900        | 28.40        | 3.3%           | 0.3       | 3.9% |
| <b>Sector Average</b> |             |            |               |               | <b>28.40</b> | <b>3.3%</b>    |           |      |

| Manufacturing & Allied Sector | Price (KES) | YTD Change | % w-o-w Change | Volume Traded | P/E(X)       | Dividend Yield | EPS (KES) | ROE    |
|-------------------------------|-------------|------------|----------------|---------------|--------------|----------------|-----------|--------|
| Mumias Sugar                  | 0.27        | 0.0%       | 0.0%           | -             | N/M          | 0.0%           | -4.43     | -69.4% |
| EABL                          | 169.75      | 10.0%      | -0.1%          | 114,300       | 32.83        | 1.8%           | 5.17      | 46.6%  |
| FTG Holdings                  | 1.34        | 8.9%       | 0.0%           | 252,900       | 5.15         | 0.0%           | 0.26      | 4.8%   |
| Carbacid                      | 10.95       | -9.5%      | -7.6%          | 275,300       | 8.62         | 6.4%           | 1.27      | 10.0%  |
| BAT                           | 453.75      | 25.7%      | 4.6%           | 47,700        | 8.22         | 9.9%           | 55.18     | 51.2%  |
| <b>Sector Average</b>         |             |            |                |               | <b>13.71</b> | <b>3.6%</b>    |           |        |

| Telecommunication & Technology Sector | Price (KES) | YTD Change | % w-o-w Change | Volume Traded | P/E(X)       | Dividend Yield | EPS (KES) | ROE   |
|---------------------------------------|-------------|------------|----------------|---------------|--------------|----------------|-----------|-------|
| Safaricom                             | 40.35       | 17.8%      | 4.0%           | 48,566,600    | 21.69        | 3.5%           | 1.86      | 51.8% |
| <b>Sector Average</b>                 |             |            |                |               | <b>21.69</b> | <b>3.5%</b>    |           |       |

DISCLAIMER: The information contained herein is obtained from sources, which to the best of our knowledge are deemed reliable. As such, we are not responsible or liable for any factual errors arising thereof. Any opinions expressed herein are ours and are bound to change anytime at no notice.

| Real Estate Investment Trust | Price (KES) | YTD Change | % w-o-w Change | Volume Traded | NAVPS* | Dividend Yield | EPS (KES) |
|------------------------------|-------------|------------|----------------|---------------|--------|----------------|-----------|
| ILAM FAHARI I-REIT           | 5.82        | 4.7%       | 0.3%           | 62,300        | 20.86  | 12.71%         | 0.82      |
| <b>Sector Average</b>        |             |            |                |               |        | <b>NA</b>      |           |

\*NAVPS - Net Asset Value Per Share

Source: NSE and Faida Investment Bank Analysis

## Recommendations

| Counter      | Recommendation | 52-Week High | 52-Week Low | Price      | Target Price | Upside/(Downside) | Expected DPS | YTD Change |
|--------------|----------------|--------------|-------------|------------|--------------|-------------------|--------------|------------|
| Equity Group | Hold           | KES 43.00    | KES 28.00   | KES 39.15  | KES 41.07    | 4.90%             | KES 2.21     | 7.1%       |
| KCB          | Neutral        | KES 42.50    | KES 30.00   | KES 40.25  | KES 44.59    | 10.80%            | KES 1.10     | 5.6%       |
| EABL         | Long-term Buy  | KES 185.00   | KES 148.00  | KES 169.75 | N/A          | N/A               | N/A          | 10.0%      |

Source: NSE and Faida Investment Bank Analysis

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

## Corporate Actions

| Counter                 | Corporate Action       | Declared  | Date Announced | Books Closure Date         | Payment Date        |
|-------------------------|------------------------|-----------|----------------|----------------------------|---------------------|
| I&M Holdings Plc        | Final dividend         | KES 2.25  | 1-Apr-21       | <b>15-Apr-21</b>           | 20-May-21           |
| BAT Kenya Plc           | Final dividend         | KES 41.50 | 19-Feb-21      | <b>16-Apr-21</b>           | 12-May-21           |
| NCBA Group              | Final dividend         | KES 1.50  | 29-Mar-21      | <b>20-Apr-21</b>           | Subject to approval |
| KCB Group               | First & Final dividend | KES 1.00  | 18-Mar-21      | <b>26-Apr-21</b>           | Subject to approval |
| Standard Chartered Bank | First & Final dividend | KES 10.50 | 25-Mar-21      | <b>27-Apr-21</b>           | 27-May-21           |
| Bamburi Cement Ltd      | First & Final dividend | KES 3.00  | 20-Apr-21      | <b>16-May-21</b>           | 15-Jul-21           |
| B.O.C Kenya             | Final dividend         | KES 4.15  | 21-Apr-21      | <b>25-May-21</b>           | 19-Jul-21           |
| KenGen Co. Plc          | First & Final dividend | KES 0.30  | 28-Jan-21      | <b>29-Apr-21</b>           | 22-Jul-21           |
| I&M Holdings Plc        | Bonus Issue            | 1.1       | 31-Mar-21      | <b>10-May-21</b>           | 21-May-21           |
| Stanbic Holdings Plc    | Final dividend         | KES 3.80  | 5-Mar-21       | <b>21-May-21</b>           | Subject to approval |
| Jubilee Holdings        | Final dividend         | KES 8.00  | 16-Apr-21      | <b>26-May-21</b>           | 26-Jul-21           |
| Kakuzi Plc              | First & Final dividend | KES 18.00 | 19-Mar-21      | <b>31-May-21</b>           | 30-Jun-21           |
| NSE Plc                 | First & Final dividend | KES 0.53  | 26-Mar-21      | <b>4-Jun-21</b>            | 30-Aug-21           |
| Umeme Ltd               | Final dividend         | UGX 12.20 | 23-Mar-21      | <b>25-Jun-21</b>           | 19-Jul-21           |
| Total Kenya             | First & Final dividend | KES 1.57  | 6-Apr-21       | <b>26-Jun-21</b>           | 30-Jul-21           |
| ILAM Fahari I-REIT      | First & Final dividend | KES 0.60  | 19-Mar-21      | <b>Subject to approval</b> | 30-Apr-21           |

Source: NSE

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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 drivers