

## KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) – 140.39	-3.7%	-15.6%	USD Mn – 20,060 KES Bn – 2,146
	NSE 20 Share Index – 2,014.88	2.0%	-24.1%	USD Mn – 17,588 KES Bn – 1,881.403
	NSE 25 Share Index – 3,279.67	3.1%	-20.0%	USD Mn – 18,751 KES Bn – 2,005.804

Source:NSE

## KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-w (%)	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –106.97	(0.1%)	(5.6%)	5.6% (04/2020)	5.4% (2019)
NGN/USD -360.50*	-	(17.6%)	12.3% (04/2020)	2.3% (2019)
EGP/USD –15.76*	(0.7%)	1.1%	5.9% (04/2020)	4.8%(4Q2019)
ZAR/USD – 17.8172	3.8%	(26.9%)	4.1% (03/2020)	-0.5%(4Q2019)

Source: CBK, SARB, KNBS, NBS, SIS, STATS SA, CBN and CBE

## Jubilee Holdings Posts a 9.6% y/y Increase in After Tax Profit for FY2019

Jubilee Holdings registered a 9.6% y/y decline in after tax profits for FY2019 to KES 3.9 billion. The decline was primarily on the back of a higher loss ratio and lower share of profit from associates (these are businesses which the company holds an ownership stake which can give it some level of influence)

Total income grew by 17.5% y/y to KES 32.8 billion primarily owing to a 24.8% y/y increase in other revenue to KES 13.3 billion and a 13.0% y/y rise in net insurance premium revenue to KES 19.5 billion. The increase in net insurance premium revenue was supported by a 9.4% y/y growth in gross earned premium revenue to KES 29.1 billion.

Total expenses and commission edged up by 13.4% y/y to KES 9.1 billion.

Net insurance benefits and claims rose by 23.8% y/y to KES 19.7 billion.

Consequently, the loss ratio (net claims/ net premiums) grew to 101.2% from 92.3% in FY2018 and the expense ratio rose marginally to 46.6% from 46.4% in FY2018.

The share of profit from associates declined by 26.2% to KES 988.5 million.

With the adverse economic outlook, the company may be faced with weaker underwriting (income losses may force policyholders either to stall payments or not renew or take up policies), lower investment income (including profit from associates) and higher loss ratios (if it resolves to honour COVID-19 related medical claims). Jubilee is particularly susceptible to higher medical claims since it has the highest market share in the medical insurance segment (2019: 18.8%).

## Market Commentary

The NSE All share index gained 1.25% to close the week at 140.39 basis points from the previous session. Week on week, the index gained 3.74%. Weekly turnover declined by 51.1% w-o-w to close the week at KES 2.4 billion. Foreign investors continue to dominate the market, emerging net sellers (79.1%). The banking Sector had shares worth Kes.1.3Bn transacted, representing 54.95% of the week's traded value, attributed to the release of their 1Q2020 results. As more banks continue to release their results next week, we expect increased activity in the sector.

## Equity Market Summary

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	36.30	-32.8%	1.8%	8,639,400	45.9%	4.51	9.6%	0.87	20.7%
Equity Bank	36.15	-32.4%	7.3%	2,620,700	51.5%	6.05	6.9%	1.22	21.8%
NCBA	27.15	-26.3%	-0.2%	15,000	41.9%	3.12	0.0%	0.60	15.3%
Stanbic	85.75	-21.5%	-2.6%	-	56.2%	5.31	8.2%	0.69	13.6%
Absa Bank Kenya Plc	10.35	-22.5%	-1.4%	1,433,900	51.2%	7.54	10.6%	1.24	16.7%
Housing Finance	4.05	-37.3%	1.5%	14,400	93.8%	N/M	0.0%	0.14	-1.1%
Co-operative Bank	12.55	-23.2%	-2.7%	170,100	52.1%	5.15	8.0%	0.93	19.2%
Diamond Trust Bank	74.00	-32.1%	-3.9%	3,500	48.6%	3.05	3.6%	0.35	12.1%
Standard Chartered	173.25	-14.4%	-1.6%	400	55.6%	7.23	11.5%	1.25	17.5%
I&M	49.40	-8.5%	0.2%	3,000	39.0%	1.90	5.2%	0.35	20.4%
<b>Sector Average</b>					<b>53.6%</b>	<b>4.87</b>	<b>6.4%</b>	<b>0.77</b>	<b>15.6%</b>

### P/B (X) - FY2019

Commercial and Services	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E (X)	Dividend Yield	EPS(KES)	ROE
Kenya Airways	3.15	53.7%	56.7%	831,500	N/M	0.0%	-1.3	N/M
Nation Media Group	18.85	-52.6%	-3.3%	44,600	4.19	8.0%	4.5	10.9%
WPP Scangroup	17.35	0.9%	-0.9%	2,900	15.49	2.9%	1.12	6.0%
Uchumi Supermarket	0.31	6.9%	-3.1%	34,400	N/M	0.0%	-4.6	N/M
Longhorn Publishers	4.99	-26.2%	9.0%	1,800	7.34	10.4%	0.68	17.3%
Eveready	0.96	-12.7%	7.9%	16,100	N/M	0.0%	-1.45	-10.8%
<b>Sector Average</b>					<b>9.01</b>	<b>4.3%</b>		<b>5.8%</b>

\*N/M - Not Meaningful

<b>Construction &amp; Allied</b>	<b>Price (KES)</b>	<b>YTD Change</b>	<b>% w-o-w Change</b>	<b>Volume Traded</b>	<b>P/E(X)</b>	<b>Dividend Yield</b>	<b>NPM*</b>	<b>ROE</b>
Bamburi Cement	45.00	-43.8%	1.6%	200	18.37	0.0%	1.6%	2.1%
E.A. Portland Cement	14.25	-1.7%	0.0%	0	<b>N/M</b>	0.0%	0.0%	0.0%
<b>Sector Average</b>					<b>18.37</b>	<b>0.0%</b>	<b>0.8%</b>	<b>1.0%</b>

\*NPM - Net Profit Margin

<b>Energy &amp; Petroleum Sector</b>	<b>Price (KES)</b>	<b>YTD Change</b>	<b>% w-o-w Change</b>	<b>Volume Traded</b>	<b>P/E(X)</b>	<b>Dividend Yield</b>	<b>EPS (KES)</b>	<b>ROE</b>
KenGen	4.78	-16.4%	-2.2%	13,700	3.98	8.4%	1.20	4.2%
Kenya Power	1.88	-33.1%	-4.1%	1,120,800	14.46	0.0%	0.13	0.4%
Total Kenya	23.00	-16.4%	-6.3%	6,000	5.71	5.7%	4.03	10.8%
<b>Sector Average</b>					<b>8.05</b>	<b>4.2%</b>		<b>2.3%</b>

<b>Insurance Sector</b>	<b>Price (KES)</b>	<b>YTD Change</b>	<b>% w-o-w Change</b>	<b>Volume Traded</b>	<b>P/B(X)</b>	<b>P/E(X)</b>	<b>Loss Ratio</b>	<b>Expense Ratio</b>
CIC Insurance	2.34	-12.7%	7.8%	12,900	0.30	19.50	69.8%	34.4%
Britam	6.62	-26.4%	10.0%	1,600	0.23	4.70	65.3%	37.2%
Jubilee	250.00	-28.8%	0.2%	2,200	8.91	4.76	91.9%	46.2%
Kenya Re	2.35	-22.4%	0.0%	99,300	0.08	0.92	71.2%	13.1%
Sanlam Kenya	16.05	-6.7%	4.2%	5,700	11.15	20.32	85.8%	35.5%
Liberty	8.30	-19.8%	10.7%	0	1.03	6.34	119.6%	48.7%
<b>Sector Average</b>					<b>0.88</b>	<b>9.57</b>	<b>83.9%</b>	<b>35.8%</b>

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<b>Investment Sector</b>	<b>Price (KES)</b>	<b>YTD Change</b>	<b>% w-o-w Change</b>	<b>Volume Traded</b>	<b>P/E(X)</b>	<b>P/B(X)</b>	<b>EPS (KES)</b>	<b>ROE</b>
Centum Investment	24.60	-1.4%	-1.4%	132,900	3.68	0.48	6.68	8.0%
Home Afrika Ltd	1.69	-26.7%	7.3%	18,000	N/M	N/M	N/M	2.6%
Trans-Century	0.00	-32.4%	9.0%	0	N/M	N/M	N/M	4.7%
<b>Sector Average</b>					<b>N/M</b>	<b>0.48</b>		<b>5.1%</b>

\*NPM - Net Profit Margin, \*\*NAVPS - Net Asset Value Per Share

<b>Investment Services</b>	<b>Price (KES)</b>	<b>YTD Change</b>	<b>%w-o-w change</b>	<b>Volume Traded</b>	<b>P/E(X)</b>	<b>Dividend Yield</b>	<b>EPS (KES)</b>	<b>ROE</b>
NSE	8.80	-100.0%	-8.9%	0	26.73	#DIV/0!	0.3	3.9%
<b>Sector Average</b>					<b>26.73</b>	<b>#DIV/0!</b>		

<b>Manufacturing &amp; Allied Sector</b>	<b>Price (KES)</b>	<b>YTD Change</b>	<b>% w-o-w Change</b>	<b>Volume Traded</b>	<b>P/E(X)</b>	<b>Dividend Yield</b>	<b>EPS (KES)</b>	<b>ROE</b>
Mumias Sugar	0.27	0.0%	0.0%	0	N/M	0.0%	-4.43	-69.4%
EABL	165.00	-18.0%	-1.4%	119,800	14.49	5.2%	11.23	83.0%
FTG Holdings	0.85	-64.4%	3.5%	791,800	3.38	0.0%	0.26	4.8%
Carbacid	9.18	14.5%	-0.2%	200	8.81	7.6%	1.04	8.6%
BAT	315.00	-36.0%	1.6%	300	8.24	10.5%	38.85	40.8%
<b>Sector Average</b>					<b>8.73</b>	<b>4.7%</b>		

<b>Telecommunication &amp; Technology Sector</b>	<b>Price (KES)</b>	<b>YTD Change</b>	<b>% w-o-w Change</b>	<b>Volume Traded</b>	<b>P/E(X)</b>	<b>Dividend Yield</b>	<b>EPS (KES)</b>	<b>ROE</b>
Safaricom	29.35	-6.8%	6.1%	6,058,400	15.78	4.8%	1.86	51.8%
<b>Sector Average</b>					<b>15.78</b>	<b>4.8%</b>		

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<b>Real Estate Investment Trust</b>	<b>Price (KES)</b>	<b>YTD Change</b>	<b>% w-o-w Change</b>	<b>Volume Traded</b>	<b>NAVPS*</b>	<b>Dividend Yield</b>	<b>EPS (KES)</b>
STANLIB FAHARI I-REIT	6.60	-29.9%	-12.0%	200	20.80	11.36%	0.83
<b>Sector Average</b>						<b>NA</b>	

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\*NAVPS - Net Asset Value Per Share

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<b>Market Statistics</b>	<b>This Week</b>	<b>Last Week</b>	<b>% Change</b>
Total Volumes	80,918,400	145,196,700	-44.27%
Total Turnover (KES)	2,408,713,354	4,927,930,594	-51.12%

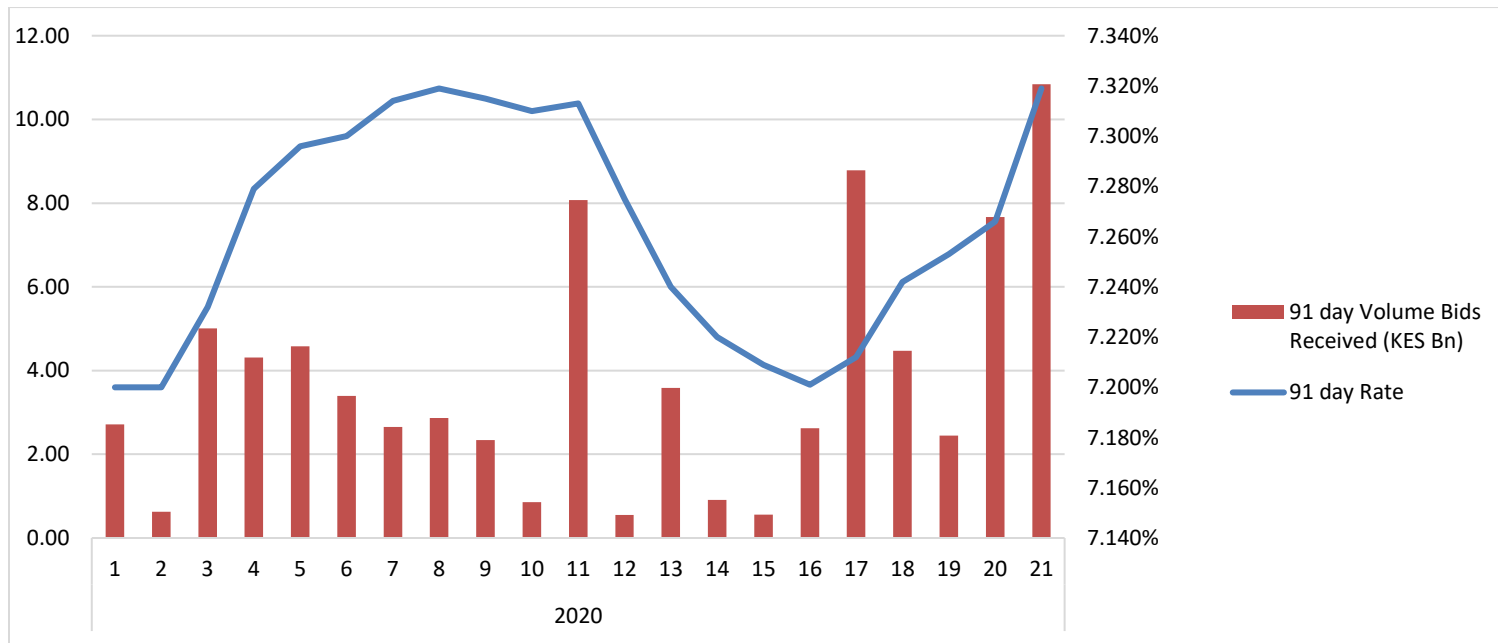
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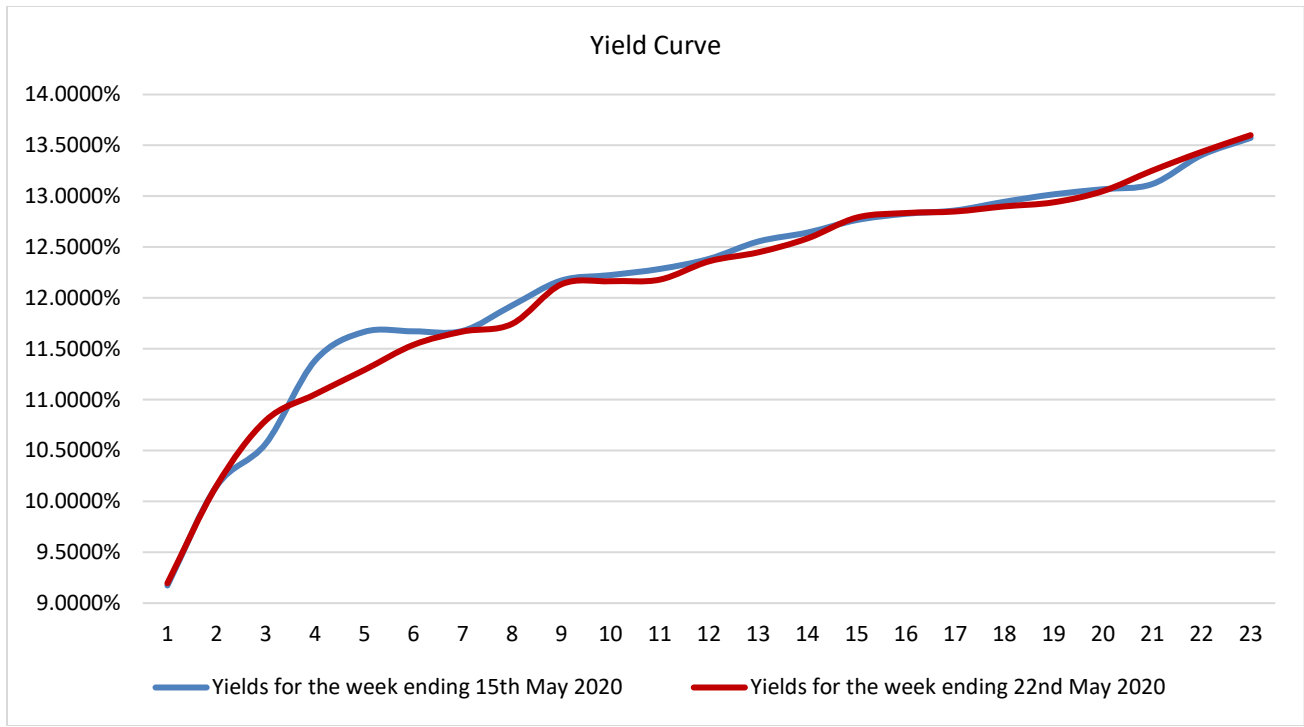
# Fixed Income Market Summary

	Bids Received (KES)	Subscription	Bids Accepted (KES)	Rate	Previous Rate	% Change
91 day T-bill	10.84Bn	270.95%	7.86Bn	7.319%	7.266%	0.053
182 day T-bill	10.49Bn	104.90%	5.52Bn	8.227%	8.192%	0.035
364 day T-bill	14.50Bn	144.96%	13.18Bn	9.195%	9.173%	0.022

Graph showing 91 day T-bill rate and volume

Week No. 21







# Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Limuru Tea Company Plc	First & Final dividend	Kes.0.70	23-Mar-20	<b>10-Apr-20</b>	26-Jun-20
Standard Chartered Bank Kenya	Final dividend	Kes.15.00	19-Mar-2020	<b>27-Apr-20</b>	28-May-20
KCB Group PLC	Final dividend	Kes.2.50	12-Mar-20	<b>27-Apr-20</b>	Subject to Approval
Stanlib Fahari I-Reit	First & Final dividend	Kes.0.75	29-Apr-20	<b>30-Apr-20</b>	31-May-20
NCBA Group PLC	Bonus Issue	1:10	22-Apr-20	<b>12-May-20</b>	Subject to Approval
Stanbic Holdings PLC	Final dividend	Kes.5.8	02-Mar-20	<b>18-May-20</b>	Subject to Approval
BK Group PLC	Final dividend	Frw.14.40	27-Mar-20	<b>12-Jun-20</b>	01-Jul-20
Equity Group Holdings Plc	First & Final dividend	Kes.2.50	20-Mar-20	<b>12-Jun-20</b>	24-Jul-20
Nation Media Group Ltd	Bonus Issue	1:10	20-Apr-20	<b>12-Jun-20</b>	Subject to Approval
Kenya Reinsurance Ltd	First & Final dividend	Kes.0.10	27-Mar-20	<b>12-Jun-20</b>	24-Jul-20
Umeme Ltd	Final dividend	Ushs.41.30	23-Mar-20	<b>22-Jun-20</b>	17-Jul-20
Diamond Trust Bank Ltd	First & Final dividend	Kes.2.70	20-Mar-20	<b>25-Jun-20</b>	24-Jul-20
Safaricom Plc	First & Final dividend	Kes.1.40	29-Apr-20	<b>31-Jul-20</b>	01-Nov-20
ABSA Bank Kenya PLC	Final dividend	Kes.0.90	24-Mar-20	<b>Subject to Approval</b>	Subject to Approval
Britam Holdings PLC	First & Final dividend	Kes.0.25	03-Apr-20	<b>Subject to Approval</b>	Subject to Approval
I&M Holdings Plc	First & Final dividend	Kes.2.55	26-Mar-20	<b>Subject to Approval</b>	Subject to Approval
Nairobi Securities Exchange	First & Final dividend	Kes.0.08	27-Mar-20	<b>Subject to Approval</b>	Subject to Approval

# Market Recommendations

Counter	Recommendation	YTD Change	Price as at 22nd May 2020
Equity Group Holdings	Long-term Buy	-32.43%	36.15
ABSA Bank Kenya Plc	Long-term Buy	-22.47%	10.35
Stanbic	Long-term Buy	-21.51%	85.75
Co-operative Bank	Neutral	-23.24%	12.55
Standard Chartered	Sell	-14.44%	173.25
Safaricom	Hold	-6.83%	29.35
Bamburi	Sell	-43.75%	45.00

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E-mail:

[research@fib.co.ke](mailto:research@fib.co.ke)

**HEAD OFFICE:**

Crawford Business Park,  
Ground Floor,  
State House Road  
Tel: 0207606026-37  
P.O Box 45236-00100  
Nairobi