

## KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) – 150.47	0.4%	7.1%	USD Mn – 22,333 KES Bn – 2,262
	NSE 20 Share Index – 2,700.46	0.9%	-4.7%	USD Mn – 19,521 KES Bn – 1,977
	NSE 25 Share Index – 3,649.06	0.9%	2.7%	USD Mn – 20,954 KES Bn – 2,123
*NIGERIA	ASI– 30,432.13	-2.1%	-3.2%	USD Mn –43,735 NGN Bn – 13,402
*EGYPT	EGX100– 1,521.41	0.0%	-11.9%	USD Mn – 44,455 EGP Bn – 745.124
SOUTH AFRICA	All share – 57,090.53	2.5%	8.3%	USD Mn – 905.633 ZAR Bn – 13,690

Source: NSE, JSE, NSE (Nigeria), \*EGX100- as at 3/06/2019, ASI-as at 6/06/2019

## KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-w (%)	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –101.13	0.1%	0.5%	5.5%(05/2019)	6.3%(FY2018)
NGN/USD-306.45	-	-	11.3%(03/2019)	2.4%(3Q2018)
*EGP/USD –16.76	0.1%	6.4%	13.0%(04/2019)	5.3%(3Q2018)
ZAR/USD – 15.12	-2.4%	11.4%	4.4%(04/2019)	0.8%(FY2018)

Source: CBK, ZAR, KNBS, NBS, EGP, CBN

## Inflation for the Month of May Eases to 5.5%

Kenya's annual headline inflation declined to 5.5% in May from 6.6% in April 2019. This was principally attributed to lower food prices owing to increased rainfall during the month. The food and non-alcoholic drinks' index dropped by 0.4% m/m due to substantial declines in the prices of spinach (-10.7% m/m), kale (-9.4% m/m), and tomatoes (-6.8% m/m). Higher costs of house rent, electricity and cooking fuel lifted the housing, water, electricity, gas and other fuels by 0.6% m/m. The transport index rose by 0.3% m/m due to an increase in the pump prices of petrol (+4.9% m/m) and diesel (+2.1% m/m), following fuel price increases by the Energy Regulatory Commission (ERC) in May (attributed to increased landing costs of petroleum products and the depreciation of the Kenya Shilling). We expect lower food prices to moderate the impact of the fuel price surge.

## Kenya Airways Suspends flights to Sudan

KQ suspended flights to Sudan amid political instability in the country. This is the second time within the year KQ has suspended flights to Sudan due to political tensions. Kenya airways operates 5 flights to Sudan a week. The suspension of flights signals tougher times for the airline as this will lead to a decrease in revenue as Kenya Airways is one of the major carriers that operate that route. The suspension compounded with the sub-lease renewal of three Boeing 777-300 aircrafts to Turkish airlines at a lower rate will lead to an increase in losses incurred by the company.

## May Gainers and Losers

### GAINERS

Counter	30-Apr	31-May	M-o-M Change
Home Afrika Ltd Ord 1.00GEMS	KES 0.51	KES 0.73	30.1%
Sameer Africa Plc Ord 5.00	KES 2.1	KES 3.00	30.0%
Kenya Re Insurance Corporation Ltd Ord 2.50	KES 10.85	KES 14.35	24.4%
Trans-Century Plc Ord 0.50AIMS	KES 3.55	KES 4.25	16.5%
E.A.Cables Ltd Ord 0.50	KES 2.48	KES 2.86	13.3%

### LOSERS

Counter	30-Apr	31-May	M-o-M Change
I&M Holdings Plc Ord 1.00*	KES 116.25	KES 56.25	-106.7%
WPP Scangroup Plc Ord 1.00	KES 18.15	KES 12.00	-51.3%
Kenya Airways Ltd Ord 1.00	KES 4.71	KES 3.55	-32.7%
National Bank of Kenya Ltd Ord 5.00	KES 4.96	KES 4.10	-20.9%
TPS Eastern Africa Ltd Ord 1.00	KES 22.9	KES 19.25	-18.9%

\*The decline in price of I&M Holdings was due to the issuance of a bonus issue (1:1)

	30-Apr	31-May	M-o-M Change
NSE ALL SHARE INDEX (NASI)	KES 157.31	KES 149.92	-4.9%
NSE 20-SHARE INDEX	KES 2796.84	KES 2676.92	-4.5%
NSE 25-SHARE INDEX	KES 3908.71	KES 3616.38	-8.1%
Market Capitalization in Kes. Billion	KES 2353.769	KES 2268.32	-3.8%
Number of Shares Traded	21,930,200	16,631,500	-31.9%

## Stock Market Performance and Outlook

The overall market edged up by 0.4% to close the week at 150.47. We attribute this mainly to price gains on Equity group (+2.8% w/w), Standard Chartered (+1.2% w/w) and Safaricom (+0.9% w/w) mostly on the back of renewed investor interest as foreigners emerged net buyers. Trading volumes however declined mainly due to subdued activity by local fund managers. Trading activity continues to be skewed towards the banking counters. We expect muted trading activity in the coming week with investors shifting their interest towards the issuance of the 14 year (KES 13.94 billion) and 8 year (KES 8.42 billion) primary bonds on Tuesday, of which we expect maximum uptake, mopping up liquidity in the banking 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	39.55	5.6%	0.1%	691,100	48.7%	5.05	8.8%	1.07	21.9%
Equity Bank	39.95	14.6%	2.8%	97,900	52.2%	7.60	5.0%	1.59	21.1%
NIC Bank	31.45	13.1%	6.1%	28,000	46.3%	4.76	4.0%	0.57	12.1%
Stanbic	98.25	8.3%	0.3%	8,100	50.2%	6.19	5.9%	0.87	14.3%
National Bank	4.44	-16.5%	8.3%	12,900	92.0%	214.65	0.0%	0.22	0.1%
Barclays Bank	10.40	-5.0%	1.5%	117,900	54.2%	7.62	10.6%	1.28	17.1%
Housing Finance	4.22	-23.8%	-3.4%	2,800	107.7%	<b>N/M</b>	0.0%	0.14	-5.5%
Co-operative Bank	12.30	-14.0%	-1.2%	986,400	54.6%	5.67	8.1%	1.03	18.2%
Diamond Trust Bank	119.75	-23.5%	-0.2%	215,200	45.2%	4.73	2.2%	0.62	13.9%
Standard Chartered	194.25	-0.1%	1.2%	7,300	51.8%	8.24	9.8%	1.43	17.5%
I&M*	57.75	-32.1%	2.7%	9,900	36.6%	2.81	6.8%	0.50	17.9%
<b>Sector Average</b>					<b>58.1%</b>	<b>26.73</b>	<b>5.6%</b>	<b>0.85</b>	<b>13.5%</b>

\*Bonus issue (1:1) issued which caused a drastic change in price

Commercial and Services	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E (X)	Dividend Yield	EPS(KES)	ROE
Kenya Airways	3.60	-59.6%	1.4%	66,800	<b>N/M</b>	0.0%	-1.3	<b>N/M</b>
Nation Media Group	54.25	-20.8%	-0.9%	13,200	7.86	18.4%	6.9	13.2%
WPP Scangroup	12.05	-13.9%	0.4%	2,200	10.76	4.1%	1.12	7.1%
Uchumi Supermarket	0.52	-35.0%	26.8%	9,000	<b>N/M</b>	0.0%	-4.6	<b>N/M</b>
Longhorn Publishers	6.86	48.8%	5.9%	11,400	14.00	5.5%	0.49	13.1%
Eveready	0.95	-5.0%	0.0%	4,300	0.75	105.3%	1.27	-35.3%
<b>Sector Average</b>					<b>8.34</b>	<b>5.6%</b>		<b>-0.5%</b>

\*N/M - Not Meaningful

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<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>
ARM Cement	5.55	0.0%	0.0%	0	N/M	0.0%	-21.9%	-12.5%
Bamburi Cement	122.50	-7.5%	9.4%	0	50.00	4.2%	1.6%	0.5%
E.A. Portland Cement	16.70	4.4%	0.0%	0	N/M	0.0%	19.3%	25.0%
<b>Sector Average</b>					<b>50.00</b>	<b>1.4%</b>		<b>4.3%</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	5.98	-14.8%	0.3%	3,582,800	4.98	6.7%	1.20	4.2%
Kenya Power	3.46	-15.0%	-0.9%	712,100	3.53	0.0%	0.98	3.0%
Total Kenya	27.45	-0.2%	-5.5%	7,000	7.48	4.7%	3.67	10.5%
<b>Sector Average</b>					<b>5.33</b>	<b>3.3%</b>		<b>3.6%</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	3.70	-4.1%	5.1%	32,900	1.23	20.56	64.9%	49.0%
Britam	8.32	-16.8%	-2.1%	9,600	0.75	34.67	67.6%	134.8%
Jubilee	395.00	-2.4%	-0.2%	0	1.09	7.52	92.0%	138.2%
Kenya Re	14.35	2.9%	0.0%	126,800	0.35	2.81	62.2%	106.7%
Sanlam Kenya	21.00	-4.5%	6.9%	100	2.28	100.00	95.4%	149.7%
Liberty	11.30	-12.4%	-0.4%	7,000	0.82	7.15	66.5%	66.5%
<b>Sector Average</b>					<b>0.88</b>	<b>9.57</b>	<b>74.7%</b>	<b>107.5%</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>NAVPS**</b>	<b>EPS (KES)</b>	<b>ROE</b>
Centum Investment	33.25	13.7%	3.1%	7,900	7.92	0.43	73.2	4.20	5.6%
Home Afrika Ltd	0.70	0.0%	-4.1%	34,000	N/M	N/M	0.85	-0.39	2.6%
Trans-Century	4.19	498.6%	-1.4%	300	N/M	0.33	40.96	-1.56	4.7%
<b>Sector Average</b>					<b>N/M</b>	<b>0.38</b>			<b>4.3%</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	12.50	-14.1%	-1.2%	38,900	17.12	3.9%	0.73	9.3%
<b>Sector Average</b>					<b>17.12</b>	<b>3.9%</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	0.37	-36.2%	15.6%	137,500	N/M	0.0%	-4.43	-69.4%
EABL	205.25	17.5%	1.2%	300	28.55	3.7%	7.19	61.4%
FTG Holdings	2.80	12.0%	12.0%	65,800	3.29	0.0%	0.85	22.3%
Carbacid	8.36	-16.4%	-1.6%	17,400	6.06	8.4%	1.38	14.6%
BAT	495.00	-31.7%	-2.6%	1,700	14.84	5.3%	33.36	48.0%
<b>Sector Average</b>					<b>13.18</b>	<b>3.5%</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	27.70	24.8%	0.9%	1,781,200	17.53	6.8%	1.58	44.1%
<b>Sector Average</b>					<b>17.53</b>	<b>6.8%</b>		

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Real Estate Investment Trust	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	NAVPS*	Dividend Yield	EPS (KES)
STANLIB FAHARI I-REIT	9.00	-17.8%	0.0%	1,400	12.68	8.33%	0.71
<b>Sector Average</b>						<b>NA</b>	

\*NAVPS - Net Asset Value Per Share

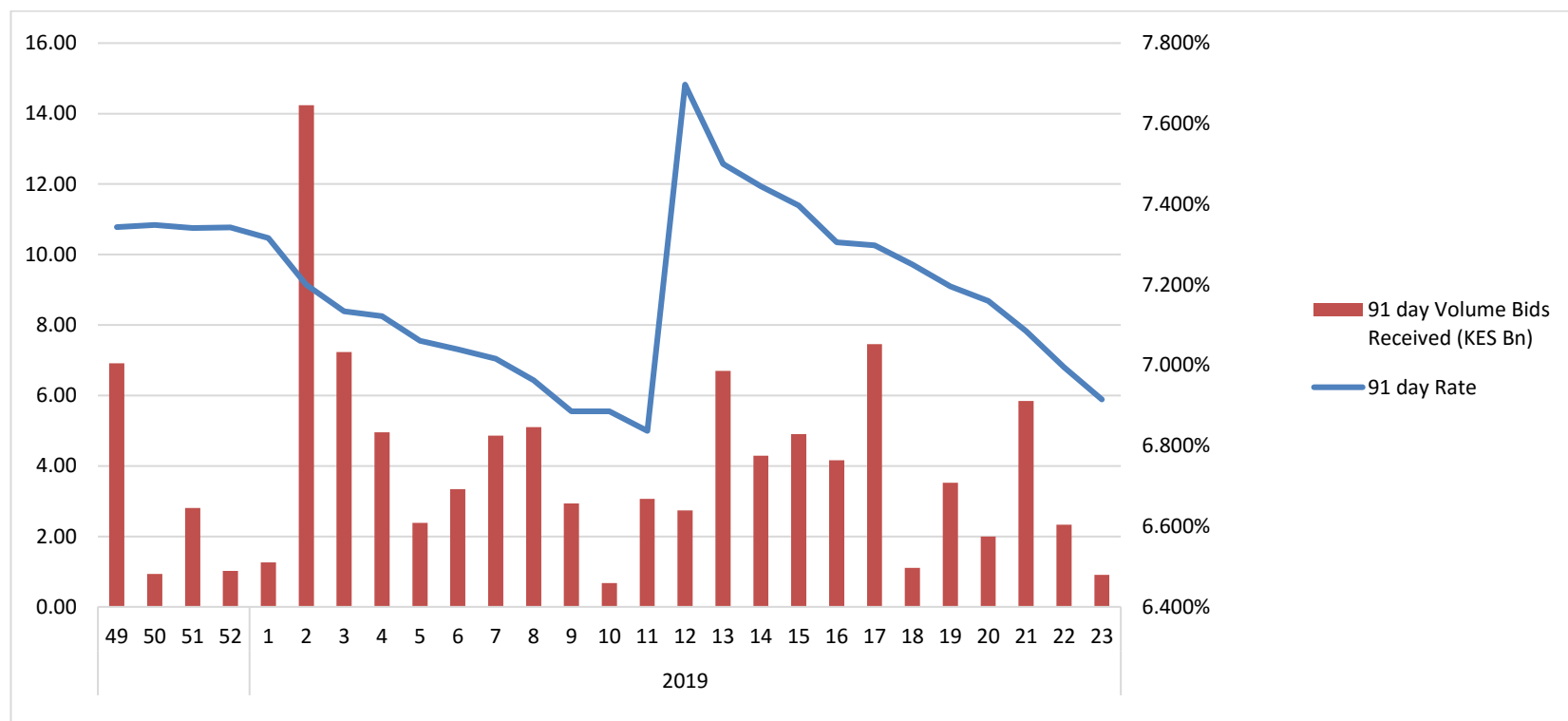
Market Statistics	This Week	Last Week	% Change
Total Volumes	51,877,000	135,573,200	-61.7%
Total Turnover (KES)	1,306,776,566	3,813,662,448	-65.7%

# Fixed Income Market Summary

	Bids Received (KES)	Subscription	Bids Accepted (KES)	Rate	Previous Rate	% Change
91 day T-bill	0.91Bn	22.63%	0.91Bn	6.915%	6.995%	-0.080
182 day T-bill	0.81Bn	8.10%	0.81Bn	7.651%	7.897%	-0.045
364 day T-bill	26.11Bn	261.13%	15.58Bn	9.299%	9.311%	-0.012

Graph showing 91 day T-bill rate and volume

Week No. 23



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## Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
BOC Kenya Plc	Final dividend	Kes.2.85	09-Mar-19	<b>29-Apr-19</b>	26-Jul-19
Co-operative Bank of Kenya	First & Final dividend	Kes.1.00	21-Mar-19	<b>29-Apr-19</b>	07-Jun-19
KCB Group PLC	Final dividend	Kes.2.50	06-Mar-19	<b>29-Apr-19</b>	Subject to Approval
Kakuzi Plc	First & Final dividend	Kes.9.00	29-Mar-19	<b>01-May-19</b>	30-Jun-19
WPP Scangroup Plc	Final dividend	Kes.1.00	11-Apr-19	<b>10-May-19</b>	10-Jun-19
WPP Scangroup Plc	Special dividend	Kes.3.00	11-Apr-19	<b>10-May-19</b>	10-Jun-19
Stanbic Holdings PLC	Final dividend	Kes.3.55	01-Mar-19	<b>10-May-19</b>	Subject to Approval
Bamburi Cement Ltd	Final dividend	Kes.4.10	15-Apr-19	<b>17-May-19</b>	12-Jul-19
Diamond Trust Bank Ltd	First & Final dividend	Kes.2.60	01-Mar-19	<b>24-May-19</b>	26-Jun-19
Nairobi Securities Exchange	First & Final dividend	Kes.0.49	22-Mar-19	<b>30-May-19</b>	30-Jul-19
Liberty Kenya Holdings PLC	First & Final dividend	Kes. 0.50	17-May-19	<b>07-Jun-19</b>	Subject to Approval
Nation Media Group Ltd	Final dividend	Kes.3.50	18-Apr-2019	<b>14-Jun-19</b>	30-Jul-19
Kenya Reinsurance Corporation Ltd	Bonus Issue	Bonus Issue of 3:1	13-May-19	<b>14-Jun-19</b>	Subject to Approval
Kenya Reinsurance Corporation Ltd	First & Final dividend	Kes.0.45	29-Mar-19	<b>17-Jun-19</b>	26-Jul-19
Jubilee Holdings Ltd	Final dividend	Kes.8.00	26-Apr-19	<b>25-Jun-19</b>	25-Jul-19
TPS Eastern Africa Ltd	Final dividend	Kes.0.35	26-Apr-2019	<b>25-Jun-19</b>	25-Jul-19
Umeme Ltd	Final dividend	Ushs.28.20	25-Mar-19	<b>25-Jun-19</b>	15-Jul-19
Total Kenya Plc	First & Final dividend	Kes.1.30	28-Mar-19	<b>26-Jun-19</b>	22-Jul-19
Crown Paints Kenya PLC	Final Dividend	Kes. 0.60	13-May-19	<b>28-Jun-19</b>	Subject to Approval
Standard Group Plc	First & Final dividend	Kes.0.60	18-Mar-19	<b>Subject to Approval</b>	Subject to Approval
Safaricom Plc	Special dividend	Kes.0.62	03-May-19	<b>(Subject to Approval)</b>	(Subject to Approval)
Safaricom Plc	First & Final dividend	Kes.1.25	03-May-19	<b>(Subject to Approval)</b>	(Subject to Approval)



# Market Recommendations

Counter	Recommendation	52-Week High	52-Week Low	YTD Change	Price as at 7th June 2019
KCB Group	Long-term Buy	52.00	34.00	5.61%	39.55
Equity Group Holdings	Long-term Buy	53.50	32.50	14.63%	39.95
Cooperative Bank	Long-term Buy	18.70	11.00	-13.99%	12.30
I&M	Hold	115.25	40.50	-32.06%	57.75
Barclays Bank of Kenya	Hold	12.75	9.50	-5.02%	10.40
Diamond Trust Bank	Hold	205.00	109.00	-23.48%	119.75
NBK	Hold	7.00	3.60	-16.54%	4.44
Jubilee Holdings	Long-term Buy	530.00	355.25	-2.41%	395.00
Bamburi Cement	Hold	190.00	110.00	-7.55%	122.50
Safaricom	Hold	30.50	21.00	24.77%	27.70
EABL	Hold	240.00	160.00	17.45%	205.25
KenGen	Trading	7.95	5.10	-14.81%	5.98
Mumias	Sell	0.90	0.27	-36.21%	0.37
Centum	Long-term Buy	39.25	22.50	13.68%	33.25

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

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For the Faida M-Trader Application, please click [here](#):

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