

KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) – 139.18	-0.3%	-16.4%	USD Mn – 20,052 KES Bn – 2,127
	NSE 20 Share Index – 1,939.59	0.4%	-26.9%	USD Mn – 17,643 KES Bn – 1,871.688
	NSE 25 Share Index – 3,200.71	-0.6%	-21.9%	USD Mn – 18,775 KES Bn – 1,991.835

Source:NSE

KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-w (%)	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –106.0871	0.8%	(4.7%)	5.5% (05/2020)	5.4% (2019)
NGN/USD -360.50	-	(17.6%)	12.3% (04/2020)	2.3% (2019)
ZAR/USD – 16.8481	4.0%	(20.0%)	4.1% (03/2020)	-0.5%(4Q2019)

Source: CBK, SARB, KNBS, NBS, STATS SA, CBN

Stanbic Bank Kenya's PMI Reveals Deteriorating Business Conditions in May 2020

- The headline PMI recorded in May rose to 36.7 from 34.8 in April. The improvement mainly reflects lower input costs. Owing to the reduced output, employment levels, salaries and input purchases significantly declined in May (employment levels declined at the steepest rate according to the Stanbic Bank Kenya's PMI records), resulting in lower input costs. The lower input costs were also aided by lower energy costs. The report notes that the decline in input costs was the first since January 2015.
- However, according to the report, business conditions within Kenya's private sector economy deteriorated further in May (figures above 50.0 indicate an improvement in business conditions on the previous month while those below 50.0 point to a deterioration). Output levels declined at a high rate owing to reduced activity by firms spurred by contractions in consumer demand and low export sales due to lockdowns abroad.
- Subdued consumer demand continued to be affected by:
 - travel restrictions around Nairobi and Mombasa (imposed by the National government to curb the spread of COVID-19)
 - consumer's reluctance to move about as a measure to reduce their chances of contracting covid-19
 - reduced disposal incomes as a result of pay cuts, job losses.
- In a bid to prop up sales, firms reacted to the aforementioned factors by reducing output prices.

Commentary

- We believe that improvements in business conditions are largely dependent on the relaxation/removal of government restrictions (notably cessation of movements within key cities & towns and the dusk-dawn curfew).

- The government has already hinted at the possible re-opening of the economy (but with strict guidelines) and is expected to convey its stance on re-opening in the next couple of days.
- Thus, if the aforementioned restrictions are lifted/modified/relaxed, we expect enhanced movement to revive consumer demand – albeit to a limited extent due to continued low levels of disposable income. This may lead to a moderate improvement in economic activity in June as firms position themselves for a resurgence in consumer demand.
- Past June and 2Q2020, we are cautiously optimistic on the improvement in business conditions on the back of:
 - Expected recovery in consumer demand (contingent on relaxation of restrictions on movement)
 - Continued re-opening of export markets
 - Economic stimulus support to SMEs

Market Commentary

The All Share Index gained 1.5% w-o-w to close the week at 139.18. This was mainly attributed to gains in Safaricom (+3.3%), EABL (+3.1%) and Co-op (+2.4%). The NSE 20 Share Index retreated marginally at 0.4% as majority of the constituent counters posted declines in prices. During the week, foreign investor activity was biased towards the sell side.

The coming week's activity and overall direction of the market will likely be influenced by the president's statements on how the country will handle a re-opening of the economy. Statements coming from various government officials during the week suggest relaxation of some measures rather than complete removal.

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	34.90	-35.4%	-1.6%	4,252,500	45.9%	4.33	10.0%	0.84	20.7%
Equity Bank	33.15	-38.0%	-6.0%	5,273,600	51.5%	5.54	0.0%	1.12	21.8%
NCBA	27.80	-24.6%	3.0%	20,700	41.9%	3.20	0.0%	0.62	15.3%
Stanbic	78.50	-28.1%	-7.6%	2,200.00	56.2%	4.86	9.0%	0.63	13.6%
Absa Bank Kenya Plc	10.05	-24.7%	-6.9%	47,900	51.2%	7.32	10.9%	1.21	16.7%
Housing Finance	3.91	-39.5%	-2.0%	9,100	93.8%	N/M	0.0%	0.13	-1.1%
Co-operative Bank	12.65	-22.6%	2.4%	77,500	52.1%	5.19	7.9%	0.94	19.2%
Diamond Trust Bank	69.75	-36.0%	-2.1%	5,000	48.6%	2.87	3.9%	0.33	12.1%
Standard Chartered	173.00	-14.6%	4.2%	300	55.6%	7.21	11.6%	1.24	17.5%
I&M	46.00	-14.8%	-2.9%	0	39.0%	1.77	5.5%	0.33	20.4%
Sector Average					53.6%	4.70	5.9%	0.74	15.6%

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	2.33	13.7%	5.4%	51,200	N/M	0.0%	-1.3	N/M
Nation Media Group	16.45	-58.7%	-11.6%	192,500	3.66	9.1%	4.5	10.9%
WPP Scangroup	16.95	-1.5%	-1.7%	21,200	15.13	2.9%	1.12	6.0%
Uchumi Supermarket	0.32	10.3%	6.7%	12,500	N/M	0.0%	-4.6	N/M
Longhorn Publishers	4.76	-29.6%	-1.4%	3,600	7.00	10.9%	0.68	17.3%
Eveready	1.16	5.5%	16.0%	1,600	N/M	0.0%	-1.45	-10.8%
Sector Average					8.60	4.6%		5.8%

*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	41.95	-47.6%	-4.7%	1,500	17.12	0.0%	1.6%	2.1%
E.A. Portland Cement	14.25	-1.7%	0.0%	0	N/M	0.0%	0.0%	0.0%
Sector Average					17.12	0.0%	0.8%	1.0%

*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	4.87	-14.9%	0.8%	14,600	4.06	8.2%	1.20	4.2%
Kenya Power	2.05	-27.0%	17.1%	1,647,500	15.77	0.0%	0.13	0.4%
Total Kenya	24.40	-11.3%	1.7%	5,200	6.05	5.3%	4.03	10.8%
Sector Average					8.63	4.1%		2.3%

Insurance Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/B(X)	P/E(X)	Loss Ratio	Expense Ratio
CIC Insurance	2.40	-10.4%	-2.0%	256,300	0.31	20.00	69.8%	34.4%
Britam	6.50	-27.8%	-1.8%	15,053,700	0.22	4.61	65.3%	37.2%
Jubilee	252.00	-28.2%	0.8%	100	8.98	4.80	91.9%	46.2%
Kenya Re	2.29	-24.4%	-3.4%	268,600	0.08	0.90	71.2%	13.1%
Sanlam Kenya	16.00	-7.0%	0.0%	0	11.11	20.25	85.8%	35.5%
Liberty	8.20	-20.8%	0.0%	100	1.02	6.26	119.6%	48.7%
Sector Average					0.88	9.57	83.9%	35.8%

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Investment Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	P/B(X)	EPS (KES)	ROE
Centum Investment	23.35	1.3%	1.3%	17,700	3.50	0.45	6.68	8.0%
Home Afrika Ltd	1.63	-21.7%	-6.0%	29,200	N/M	N/M	N/M	2.6%
Trans-Century	0.00	-34.8%	6.5%	0	N/M	N/M	N/M	4.7%
Sector Average					N/M	0.45		5.1%

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

Investment Services	Price (KES)	YTD Change	%w-o-w change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
NSE	7.90	-100.0%	-6.8%	0	24.53	#DIV/0!	0.3	3.9%
Sector Average					24.53	#DIV/0!		

Manufacturing & Allied Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Mumias Sugar	0.70	0.0%	-61.4%	0	N/M	0.0%	-4.43	-69.4%
EABL	162.00	-15.9%	3.1%	18,000	14.87	5.1%	11.23	83.0%
FTG Holdings	1.17	-40.9%	24.8%	79,600	5.62	0.0%	0.26	4.8%
Carbacid	9.00	9.3%	-2.9%	2,200	8.40	8.0%	1.04	8.6%
BAT	319.50	-36.0%	0.2%	86,600	8.24	10.5%	38.85	40.8%
Sector Average					9.28	4.7%		

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Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	29.50	-6.3%	3.3%	8,197,400	15.86	4.7%	1.86	51.8%
Sector Average					15.86	4.7%		

Real Estate Investment Trust	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	NAVPS*	Dividend Yield	EPS (KES)
STANLIB FAHARI I-REIT	6.04	-35.9%	-4.1%	31,100	20.80	12.42%	0.83
Sector Average						NA	

*NAVPS - Net Asset Value Per Share

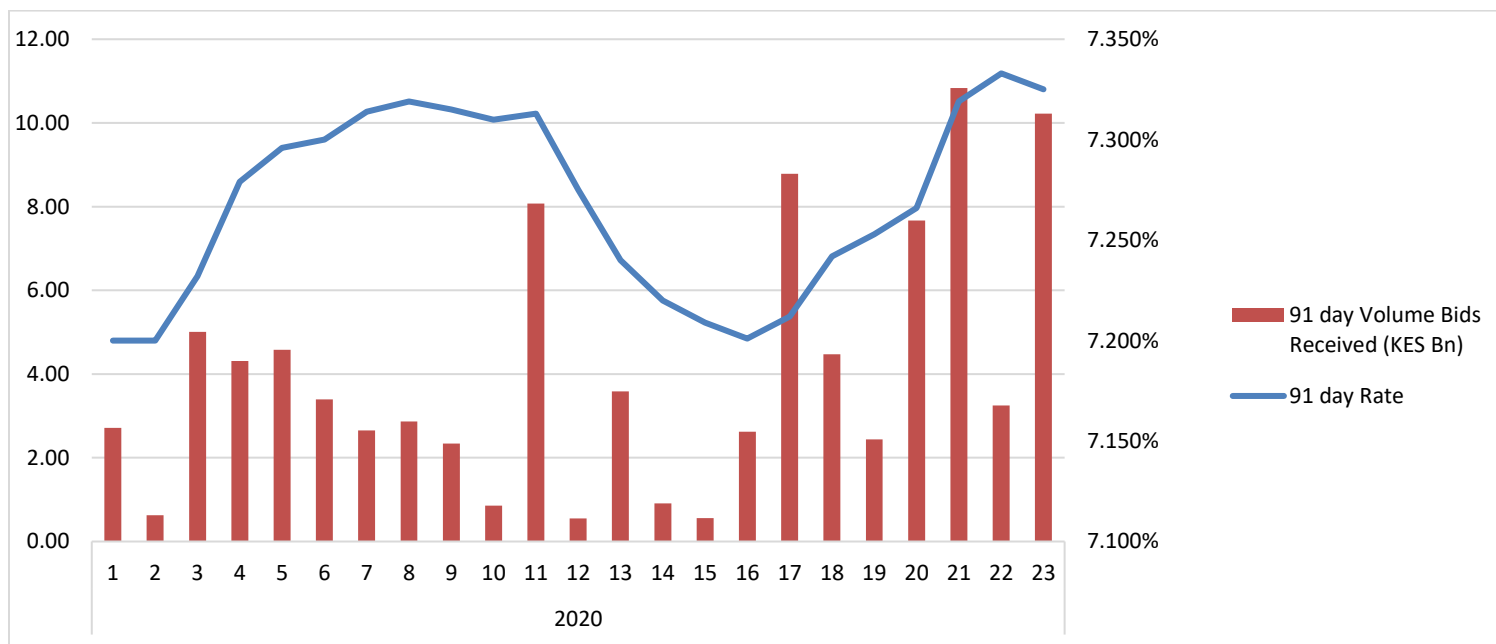
Market Statistics	This Week	Last Week	% Change
Total Volumes	98,901,600	84,834,000	16.58%
Total Turnover (KES)	2,302,014,802	2,370,451,395	-2.89%

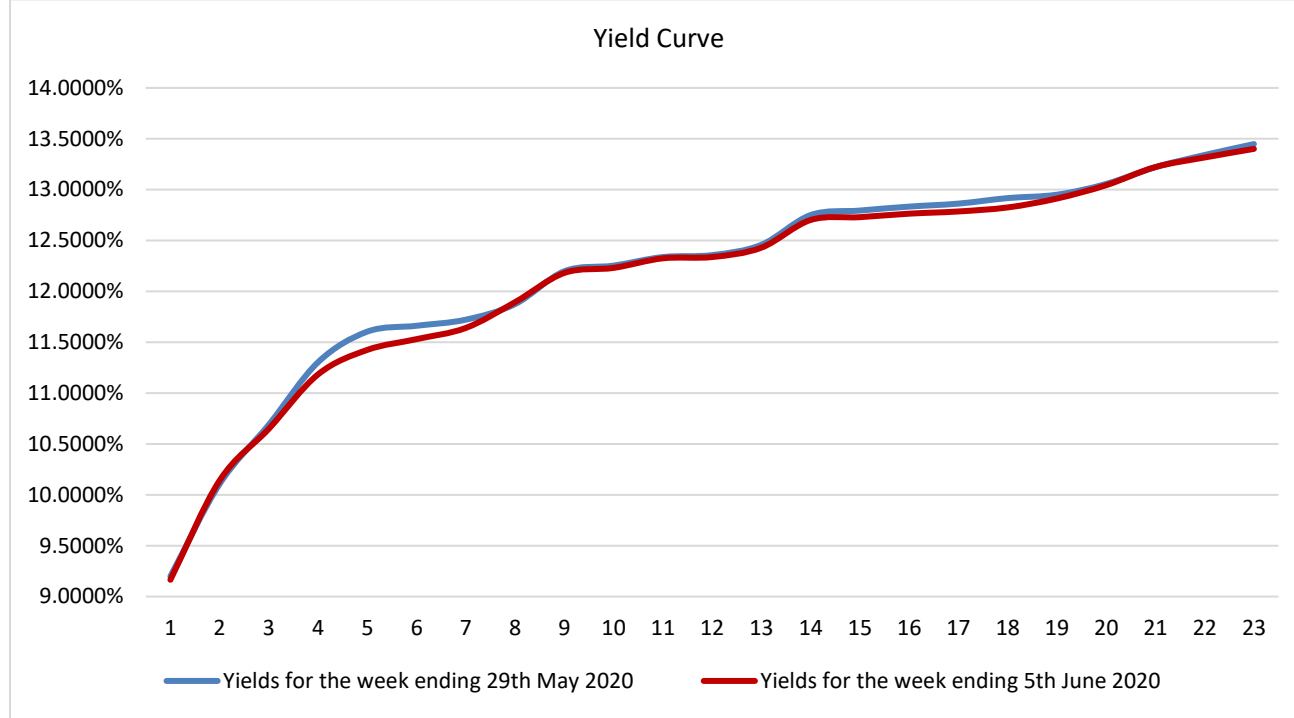
Fixed Income Market Summary

	Bids Received (KES)	Subscription	Bids Accepted (KES)	Rate	Previous Rate	% Change
91 day T-bill	10.22Bn	255.55%	4.25Bn	7.325%	7.333%	(0.008)
182 day T-bill	21.30Bn	213.04%	8.86Bn	8.200%	8.248%	(0.048)
364 day T-bill	18.65Bn	186.50%	4.67Bn	9.165%	9.198%	(0.033)

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
Limuru Tea Company Plc	First & Final dividend	Kes.0.70	23-Mar-20	10-Apr-20	26-Jun-20
KCB Group PLC	Final dividend	Kes.2.50	12-Mar-20	27-Apr-20	Subject to Approval
Stanlib Fahari I-Reit	First & Final dividend	Kes.0.75	29-Apr-20	30-Apr-20	31-May-20
NCBA Group PLC	Bonus Issue	1:10	22-Apr-20	12-May-20	Subject to Approval
Stanbic Holdings PLC	Final dividend	Kes.5.8	02-Mar-20	18-May-20	Subject to Approval
BK Group PLC	Final dividend	Frw.14.40	27-Mar-20	12-Jun-20	01-Jul-20
Equity Group Holdings Plc	First & Final dividend	Kes.2.50	20-Mar-20	12-Jun-20	24-Jul-20
Nation Media Group Ltd	Bonus Issue	1:10	20-Apr-20	12-Jun-20	Subject to Approval
Kenya Reinsurance Ltd	First & Final dividend	Kes.0.10	27-Mar-20	12-Jun-20	24-Jul-20
Umeme Ltd	Final dividend	Ushs.41.30	23-Mar-20	22-Jun-20	17-Jul-20
Diamond Trust Bank Ltd	First & Final dividend	Kes.2.70	20-Mar-20	25-Jun-20	24-Jul-20
Total Kenya Plc	First&Final dividend	Kes 1.30	02-Jun-20	26-Jun-20	31-Jul-20
Jubilee Holdings	Final dividend	Kes.8.00	21-May-20	30-Jun-20	24-Jul-20
Safaricom Plc	First & Final dividend	Kes.1.40	29-Apr-20	31-Jul-20	01-Nov-20
ABSA Bank Kenya PLC	Final dividend	Kes.0.90	24-Mar-20	Subject to Approval	Subject to Approval
Britam Holdings PLC	First & Final dividend	Kes.0.25	03-Apr-20	Subject to Approval	Subject to Approval
I&M Holdings Plc	First & Final dividend	Kes.2.55	26-Mar-20	Subject to Approval	Subject to Approval
Nairobi Securities Exchange	First & Final dividend	Kes.0.08	27-Mar-20	Subject to Approval	Subject to Approval

Market Recommendations

Counter	Recommendation	YTD Change	Price as at 5th June 2020
Equity Group Holdings	Long-term Buy	-38.04%	33.15
KCB	Long-term Buy	-35.37%	34.90
ABSA Bank Kenya Plc	Long-term Buy	-24.72%	10.05
NCBA	Long-term Buy	-24.56%	27.80
Stanbic	Long-term Buy	-28.15%	78.50
Standard Chartered	Sell	-14.57%	173.00
HF	Sell	-39.47%	3.91
Safaricom	Hold	-6.35%	29.50
Bamburi	Sell	-47.56%	41.95

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