

KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) - 147.35	-1.8%	4.9%	USD Mn – 21.787 KES Bn – 2,219
	NSE 20 Share Index - 2,647.28	-2.2%	-6.6%	USD Mn – 18,998 KES Bn – 1,935.369
	NSE 25 Share Index - 3,559.54	-2.2%	0.2%	USD Mn – 20,398 KES Bn – 2,077.969
NIGERIA	ASI- 29,851.29	0.7%	-5.0%	USD Mn – 42.926 NGN Bn – 13,155
EGYPT	EGX100*- 1,536.89	-0.6%	-11.0%	USD Mn – 92.043 EGP Bn – 750.256
SOUTH AFRICA	All share – 58,973.62	0.5%	11.8%	USD Mn – 970.051 ZAR Bn – 13,970

*EGX100 as at 20/06/2019

Source: NSE, JSE, NSE (Nigeria), EGX100

KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-w (%)	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –101.87	-0.3%	0.0%	5.5%(05/2019)	6.3%(FY2018)
NGN/USD*-306.45	-	-	14.1%(05/2019)	2.4%(3Q2018)
EGP/USD* –16.70	0.3%	6.8%	14.4%(02/2019)	5.3%(3Q2018)
ZAR/USD – 14.40	3.0%	-6.1%	4.5%(03/2019)	0.8%(FY2018)

*NGN/USD, EGP/USD as at 20/06/2019

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

Safaricom Partners with Equity on Financing Deal

Safaricom has partnered with Equity Bank to offer its business partners (1,164 suppliers, 440 dealers and 156,000 MPESA agents) financing solutions to manage their cash flow positions. Through the partnership, Safaricom business partners will be able to access credit from Equity before or after they deliver on their contracts with Safaricom. According to management, the loans will be processed using purchase orders and invoices.

Business partners using unpaid accounts (for goods and services already delivered) as collateral will qualify for a maximum of KES 200.0 million (unsecured loan), while those that provide information on purchase orders, bid bonds, performance guarantees and letters of credit before supplying, will access a maximum of KES 100,000.0 (unsecured loans). Furthermore, the size and terms of the loans to be accessed by Safaricom's business partners will depend on the individual firm's credit grading.

We expect the partnership to enhance Safaricom's liquidity position as the company will be able to have more leeway in terms of the timing of its payments to its business partners.

Safaricom Introduces Reverse Call Feature

Safaricom has introduced a new voice call feature which enables users to make reverse calls (meaning callers can transfer the cost of a call to the receiver) by adding # before the number they are calling. The receiver has the option to accept or reject the reverse call by keying in "1" or "2" respectively. The feature is only available for Safaricom to Safaricom calls and is charged at normal call rates. The company's messaging feature 'Please call me' also allows subscribers to request calls using a maximum of five free messages. We opine that the new feature will enhance voice revenues.

Stock Market Performance and Outlook

The overall market eased by 1.8% w/w to close the week at KES 147.35 (NASI), characterized by a decrease in trading activity.

Total turnover plummeted by 55.9% w/w while the volume of shares traded during the week declined by -9.9% w/w (occasioned by considerable declines across notable large-cap counters - KCB: -63.0% w/w, EABL:-40.1% w/w and Equity: -22.2% w/w).

We attribute the decline in the overall market index to price declines made on EABL (-3.6% w/w), Equity (-1.4% w/w), KCB (-1.4% w/w) and KenGen (-3.6% w/w), on the back of relatively high sell side activities from foreign investors which exceeded buy side activities.

We opine that this is due to the contagion effect of the ongoing trade wars between US and China, which has prompted foreign investors to reduce their exposure in emerging and frontier markets until a middle ground is reached between the two countries.

We expect the market to remain responsive to global macroeconomic conditions.

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	39.10	4.4%	-1.4%	4,167,900	48.7%	5.00	9.0%	1.05	21.9%
Equity Bank	39.45	13.2%	-1.4%	11,699,000	52.2%	7.51	5.1%	1.57	21.1%
NIC Bank	30.70	10.4%	-2.8%	328,000	46.3%	4.65	4.1%	0.55	12.1%
Stanbic	100.00	10.2%	-0.7%	169,200	50.2%	6.30	5.8%	0.89	14.3%
National Bank	4.01	-24.6%	-8.4%	40,400	92.0%	193.86	0.0%	0.19	0.1%
Barclays Bank	10.40	-5.0%	0.5%	4,019,300	54.2%	7.62	10.6%	1.28	17.1%
Housing Finance	4.29	-22.6%	-2.5%	577,200	107.7%	N/M	0.0%	0.15	-5.5%
Co-operative Bank	12.10	-15.4%	-2.4%	1,447,500	54.6%	5.58	8.3%	1.02	18.2%
Diamond Trust Bank	116.00	-25.9%	3.3%	613,900	45.2%	4.58	2.2%	0.60	13.9%
Standard Chartered	192.50	-1.0%	-1.2%	10,500	51.8%	8.16	9.9%	1.42	17.5%
I&M*	54.00	-36.5%	-1.8%	241,100	36.6%	2.63	7.2%	0.47	17.9%
Sector Average					58.1%	24.59	5.6%	0.84	13.5%

Commercial and Services	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E (X)	Dividend Yield	EPS(KES)	ROE
Kenya Airways	3.84	-56.9%	-0.5%	277,600	N/M	0.0%	-1.3	N/M
Nation Media Group	49.65	-27.5%	-2.6%	38,800	7.20	20.1%	6.9	13.2%
WPP Scangroup	11.70	-16.4%	5.4%	539,100	10.45	4.3%	1.12	7.1%
Uchumi Supermarket	0.62	-22.5%	1.6%	84,800	N/M	0.0%	-4.6	N/M
Longhorn Publishers	7.50	62.7%	-0.5%	310,500	15.31	5.1%	0.49	13.1%
Eveready	0.96	-4.0%	1.1%	54,700	0.76	104.2%	1.27	-35.3%
Sector Average					8.43	5.9%		-0.5%

*N/M - Not Meaningful

Construction & Allied	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	NPM*	ROE
ARM Cement	5.55	0.0%	0.0%	0	N/M	0.0%	-21.9%	-12.5%
Bamburi Cement	115.25	-13.0%	-2.3%	16,300	47.04	4.4%	1.6%	0.5%
E.A. Portland Cement	16.00	0.0%	-0.9%	200	N/M	0.0%	19.3%	25.0%
Sector Average					47.04	1.5%		4.3%

*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	5.94	-15.4%	-3.6%	931,100	4.95	6.7%	1.20	4.2%
Kenya Power	3.98	-2.2%	2.1%	1,262,100	4.06	0.0%	0.98	3.0%
Total Kenya	29.00	5.5%	8.6%	49,000	7.90	4.5%	3.67	10.5%
Sector Average					5.64	3.4%		3.6%

Insurance Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/B(X)	P/E(X)	Loss Ratio	Expense Ratio
CIC Insurance	3.50	-9.3%	-4.4%	611,700	1.16	19.44	64.9%	49.0%
Britam	8.28	-17.2%	-0.5%	156,600	0.75	34.50	67.6%	134.8%
Jubilee	399.75	-1.2%	-2.5%	3,900	1.11	7.61	92.0%	138.2%
Kenya Re	3.83	-72.5%	-74.0%	527,800	0.09	0.75	62.2%	106.7%
Sanlam Kenya	22.45	2.0%	-2.0%	4,700	2.43	106.90	95.4%	149.7%
Liberty	10.20	-20.9%	-7.3%	70,200	0.74	6.46	66.5%	66.5%
Sector Average					0.88	9.57	74.7%	107.5%

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Investment Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	P/B(X)	NAVPS**	EPS (KES)	ROE
Centum Investment	32.45	10.9%	-4.6%	2,299,200	7.73	0.42	73.2	4.20	5.6%
Home Afrika Ltd	0.68	-2.9%	-2.9%	185,600	N/M	N/M	0.85	-0.39	2.6%
Trans-Century	3.78	440.0%	-8.7%	11,100	N/M	0.30	40.96	-1.56	4.7%
Sector Average					N/M	0.36			4.3%

*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	12.20	-16.2%	-2.4%	136,300	16.71	4.0%	0.73	9.3%
Sector Average					16.71	4.0%		

Manufacturing & Allied Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Mumias Sugar	0.35	-39.7%	-10.3%	478,000	N/M	0.0%	-4.43	-69.4%
EABL	195.00	11.6%	-4.9%	493,500	27.12	3.8%	7.19	61.4%
FTG Holdings	2.78	11.2%	-2.1%	10,100	3.27	0.0%	0.85	22.3%
Carbacid	8.62	-13.8%	7.7%	406,500	6.25	8.1%	1.38	14.6%
BAT	505.00	-30.3%	0.2%	194,000	15.14	5.1%	33.36	48.0%
Sector Average					12.94	3.4%		

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	27.25	22.7%	0.2%	59,367,600	17.25	6.9%	1.58	44.1%
Sector Average					17.25	6.9%		

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%	-0.2%	64,300	12.68	8.33%	0.71
Sector Average						NA	

Market Statistics	This Week	Last Week	% Change
Total Volumes	92,352,500	102,491,200	-9.9%
Total Turnover (KES)	2,134,104,219	4,837,444,741	-55.9%

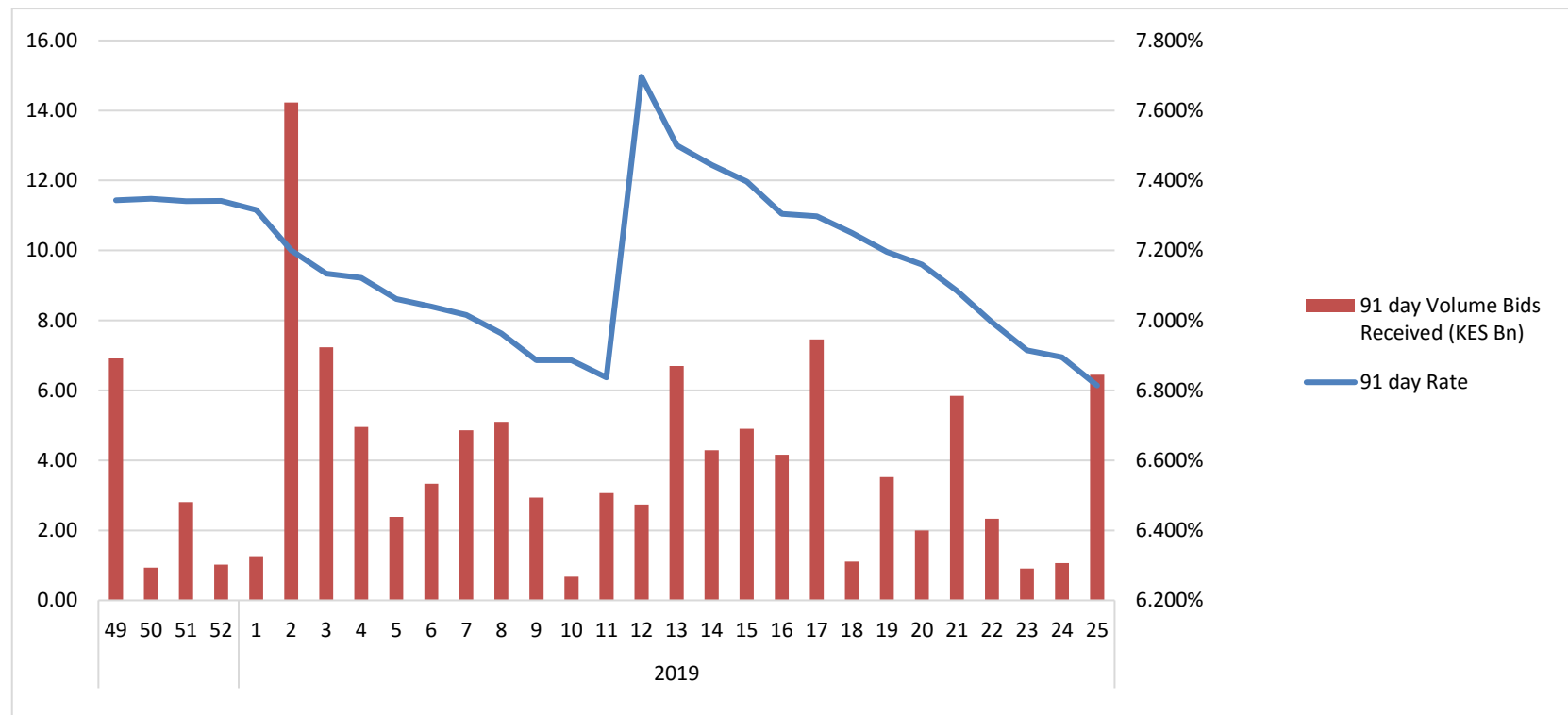
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Fixed Income Market Summary

	Bids Received (KES)	Subscription	Bids Accepted (KES)	Rate	Previous Rate	% Change
91 day T-bill	6.45Bn	161.21%	2.38Bn	6.814%	6.895%	-0.081
182 day T-bill	6.40Bn	63.99%	1.18Bn	7.578%	7.723%	-0.145
364 day T-bill	4.40Bn	439.70%	6.34Bn	9.050%	9.263%	-0.213

Graph showing 91 day T-bill rate and volume

Week No. 25



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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	29-Apr-19	26-Jul-19
KCB Group PLC	Final dividend	Kes.2.50	06-Mar-19	29-Apr-19	(Subject to Approval)
Kakuzi Plc	First & Final dividend	Kes.9.00	29-Mar-19	01-May-19	30-Jun-19
Stanbic Holdings PLC	Final dividend	Kes.3.55	01-Mar-19	10-May-19	(Subject to Approval)
Bamburi Cement Ltd	Final dividend	Kes.4.10	15-Apr-19	17-May-19	12-Jul-19
Diamond Trust Bank Ltd	First & Final dividend	Kes.2.60	01-Mar-19	24-May-19	26-Jun-19
Nairobi Securities Exchange	First & Final dividend	Kes.0.49	22-Mar-19	30-May-19	30-Jul-19
Liberty Kenya Holdings PLC	First & Final dividend	Kes. 0.50	17-May-19	07-Jun-19	(Subject to Approval)
Nation Media Group Ltd	Final dividend	Kes.3.50	18-Apr-2019	14-Jun-19	30-Jul-19
Kenya Reinsurance Corporation Ltd	Bonus Issue	Bonus Issue of 3:1	13-May-19	14-Jun-19	(Subject to Approval)
Kenya Reinsurance Corporation Ltd	First & Final dividend	Kes.0.45	29-Mar-19	17-Jun-19	26-Jul-19
Jubilee Holdings Ltd	Final dividend	Kes.8.00	26-Apr-19	25-Jun-19	25-Jul-19
TPS Eastern Africa Ltd	Final dividend	Kes.0.35	26-Apr-2019	25-Jun-19	25-Jul-19
Umeme Ltd	Final dividend	Ushs.28.20	25-Mar-19	25-Jun-19	15-Jul-19
Total Kenya Plc	First & Final dividend	Kes.1.30	28-Mar-19	26-Jun-19	22-Jul-19
Crown Paints Kenya PLC	Final Dividend	Kes. 0.60	13-May-19	28-Jun-19	(Subject to Approval)
Standard Group Plc	First & Final dividend	Kes.0.60	18-Mar-19	(Subject to Approval)	(Subject to Approval)
Safaricom Plc	Special dividend	Kes.0.62	03-May-19	(Subject to Approval)	(Subject to Approval)
Safaricom Plc	First & Final dividend	Kes.1.25	03-May-19	(Subject to Approval)	(Subject to Approval)
Centum PLC	First & Final dividend	Kes 1.20	12-Jun-19	(Subject to Approval)	(Subject to Approval)

Market Recommendations

Counter	Recommendation	52-Week High	52-Week Low	YTD Change	Price as at 21st June 2019
KCB Group	Long-term Buy	52.00	34.00	4.40%	39.10
Equity Group Holdings	Long-term Buy	53.50	32.50	13.20%	39.45
Cooperative Bank	Long-term Buy	18.70	11.00	-15.40%	12.10
I&M	Hold	115.25	40.50	-36.50%	54.00
Barclays Bank of Kenya	Hold	12.75	9.50	-5.00%	10.40
Diamond Trust Bank	Hold	200.00	104.00	-25.90%	116.00
NBK	Hold	6.80	3.60	-24.60%	4.01
Jubilee Holdings	Long-term Buy	530.00	355.25	1.20%	399.75
Bamburi Cement	Hold	190.00	110.00	-13.00%	115.25
Safaricom	Hold	30.50	21.00	22.70%	27.25
EABL	Hold	240.00	160.00	11.60%	195
KenGen	Trading	7.80	5.10	-15.40%	5.94
Mumias	Sell	0.90	0.27	-39.70%	0.35

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

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