

## KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) - 149.61	1.5%	6.5%	USD Mn – 22,032 KES Bn – 2,254
	NSE 20 Share Index - 2,633.32	-0.5%	-7.1%	USD Mn – 19,219 KES Bn – 1,966.084
	NSE 25 Share Index - 3,586.58	0.8%	1.0%	USD Mn – 20,623 KES Bn – 2,109.654
NIGERIA	ASI- 29,966.87	0.4%	-4.7%	USD Mn – 43,029 NGN Bn – 13,206
EGYPT	EGX100*- 1,538.68	0.1%	-10.9%	USD Mn – 45.268 EGP Bn – 756.108
SOUTH AFRICA	All share – 58,066.65	-1.5%	10.1%	USD Mn – 964.047 ZAR Bn – 13,640

Source: NSE, JSE, NSE (Nigeria), \*EGX100 as at 27/06/2019

## KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-w (%)	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –102.30	-0.4%	-0.4%	5.7%(06/2019)	6.3%(FY2018)
NGN/USD-306.90	-0.1%	-0.1%	14.1%(05/2019)	2.4%(3Q2018)
EGP/USD* –16.70	0.0%	6.8%	14.4%(02/2019)	5.3%(3Q2018)
ZAR/USD – 14.15	1.8%	-4.3%	4.5%(03/2019)	0.8%(FY2018)

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

\*EGP/USD as at 27/06/2019

## Safaricom Launches Voice and Video over LTE (VoLTE & ViLTE)

Safaricom has launched Voice and Video over Long Term Evolution (VoLTE) technology that enables customers with VoLTE supporting devices to make voice and video calls over its 4G network. The benefits of this technology compared to existing telco technologies include ability to deliver better voice quality more efficiently (by default VoLTE will offer high definition call quality) and richer communication features (video calls and ability to switch between voice and video). The LTE network, being a much more efficient network, will be able to handle more voice calls (three times as much as 3G and six times as much as 2G), will have less call drops while in motion and greater signal reach (The 800MHz is one of the frequency bands that Safaricom uses in its LTE network. The 800 MHz has better propagation characteristics compared to other higher frequencies). Research by Nokia Networks Smart Labs also shows that these carrier grade technologies consume less smartphone battery, require less bandwidth and fewer connections compared to Over the Top alternatives.

We expect a slow uptake of this technology since not all smartphones support the requisite features (chicken and egg problem). Although the company is not levying additional charges for this service, we opine that the service would see better uptake (at the same time accelerating 4G/LTE uptake) if the service was offered at subsidized rates compared to existing voice packages.

## Jubilee Set to Implement Product and Regional Diversification Strategy

Jubilee Holdings will begin offering Fund management services in October 2019 after obtaining a license from the Capital Markets Authority (CMA) while eyeing regional expansion.

According to company management, Jubilee intends to leverage the experience and information it has acquired operating in the insurance sector to offer various services, which could include pension funds, unit trusts and wealth management services.

The company expects to target high net worth individuals as well as those in the middle and low income segments of the market.

The company is also considering partnerships with other financial institutions to enhance the uptake of its products.

Jubilee also plans to expand the regional footprint of its insurance business into the Ethiopian and DRC markets, with the company having begun talks with the relevant authorities in the two markets. Furthermore, the company is also in talks with a number of Kenyan and Tanzanian insurance companies on possible takeovers (which it expects to finance through internally generated funds).

We expect the eventual commercialization of the new financial services offering and the regional diversification strategy to enhance the company's top-line.

### **Stock Market Performance and Outlook**

The overall market edged up by 1.5% w/w to close the week at 149.61 (NASI) characterized by a decline in volumes and an increase in turnover (trading activities were mainly concentrated on large cap counters; Safaricom, KCB and Equity). We attribute the rise in the market to heightened demand on Safaricom during the week owing to the confirmation of its book closure date (30<sup>th</sup> August 2019). Consequently, the price rose by 3.1% w/w to KES 28.10. Foreign investors emerged net sellers during the week, while local trading activity remained subdued as investors channeled capital to the fixed income market (treasury bonds). We expect foreign investors to continue dominating the market as local institutional participation declines (most fund managers focusing on second quarter reporting). Investors are currently taking a 'wait and see' approach to the G20 meeting and the resultant tariff implications, thus we expect the market to continue remaining responsive to global macroeconomic conditions. Furthermore, we expect investors' focus to be skewed towards counters that are set to release their FY2019 results (EABL, KenGen).

# 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	38.25	2.1%	-2.2%	12,743,500	48.7%	4.89	9.2%	1.03	21.9%
Equity Bank	38.95	11.8%	-1.3%	11,356,100	52.2%	7.41	5.1%	1.55	21.1%
NIC Bank	30.60	10.1%	-0.3%	254,800	46.3%	4.63	4.1%	0.55	12.1%
Stanbic	99.00	9.1%	-1.0%	6,100	50.2%	6.23	5.9%	0.88	14.3%
National Bank	4.14	-22.2%	3.2%	30,500	92.0%	200.14	0.0%	0.20	0.1%
Barclays Bank	10.45	-4.6%	0.5%	4,188,100	54.2%	7.65	10.5%	1.28	17.1%
Housing Finance	4.01	-27.6%	-6.5%	124,000	107.7%	N/M	0.0%	0.14	-5.5%
Co-operative Bank	12.00	-16.1%	-0.8%	2,534,900	54.6%	5.53	8.3%	1.01	18.2%
Diamond Trust Bank	117.75	-24.8%	1.5%	146,800	45.2%	4.65	2.2%	0.61	13.9%
Standard Chartered	194.50	0.0%	1.0%	94,900	51.8%	8.25	9.8%	1.43	17.5%
I&M*	55.00	-35.3%	1.9%	58,600	36.6%	2.67	7.1%	0.47	17.9%
<b>Sector Average</b>					<b>58.1%</b>	<b>25.21</b>	<b>5.7%</b>	<b>0.83</b>	<b>13.5%</b>

## P/B (X) - FY2018

Commercial and Services	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E (X)	Dividend Yield	EPS(KES)	ROE
Kenya Airways	3.97	-55.4%	3.4%	131,600	N/M	0.0%	-1.3	N/M
Nation Media Group	49.00	-28.5%	-1.3%	61,800	7.10	20.4%	6.9	13.2%
WPP Scangroup	11.05	-21.1%	-5.6%	63,900	9.87	4.5%	1.12	7.1%
Uchumi Supermarket	0.51	-36.3%	-17.7%	387,000	N/M	0.0%	-4.6	N/M
Longhorn Publishers	7.80	69.2%	4.0%	46,300	15.92	4.9%	0.49	13.1%
Eveready	1.03	3.0%	7.3%	4,300	0.81	97.1%	1.27	-35.3%
<b>Sector Average</b>					<b>8.42</b>	<b>6.0%</b>		<b>-0.5%</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>
ARM Cement	5.55	0.0%	0.0%	0	N/M	0.0%	-21.9%	-12.5%
Bamburi Cement	113.25	-14.5%	-1.7%	3,500	46.22	4.5%	1.6%	0.5%
E.A. Portland Cement	16.00	0.0%	0.0%	200	N/M	0.0%	19.3%	25.0%
<b>Sector Average</b>					<b>46.22</b>	<b>1.5%</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	5.94	-15.4%	0.0%	436,500	4.95	6.7%	1.20	4.2%
Kenya Power	3.89	-4.4%	-2.3%	819,300	3.97	0.0%	0.98	3.0%
Total Kenya	28.20	2.5%	-2.8%	59,100	7.68	4.6%	3.67	10.5%
<b>Sector Average</b>					<b>5.53</b>	<b>3.4%</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	3.55	-8.0%	1.4%	548,700	1.18	19.72	64.9%	49.0%
Britam	8.20	-18.0%	-1.0%	150,800	0.74	34.17	67.6%	134.8%
Jubilee	399.75	-1.2%	0.0%	100	1.11	7.61	92.0%	138.2%
Kenya Re	3.76	-73.0%	-1.8%	1,264,100	0.09	0.74	62.2%	106.7%
Sanlam Kenya	20.50	-6.8%	-8.7%	11,100	2.22	97.62	95.4%	149.7%
Liberty	10.45	-19.0%	2.5%	41,000	0.76	6.61	66.5%	66.5%
<b>Sector Average</b>					<b>0.88</b>	<b>9.57</b>	<b>74.7%</b>	<b>107.5%</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.

<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	31.40	7.4%	-3.2%	1,347,900	7.48	0.41	73.2	4.20	5.6%
Home Afrika Ltd	0.62	-11.4%	-8.8%	567,200	N/M	N/M	0.85	-0.39	2.6%
Trans-Century	4.05	478.6%	7.1%	2,900	N/M	0.32	40.96	-1.56	4.7%
<b>Sector Average</b>					<b>N/M</b>	<b>0.37</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	12.25	-15.8%	0.4%	218,900	16.78	4.0%	0.73	9.3%
<b>Sector Average</b>					<b>16.78</b>	<b>4.0%</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	0.34	-41.4%	-2.9%	1,405,900	N/M	0.0%	-4.43	-69.4%
EABL	199.75	14.3%	2.4%	1,450,100	27.78	3.8%	7.19	61.4%
FTG Holdings	2.60	4.0%	-6.5%	1,700	3.06	0.0%	0.85	22.3%
Carbacid	8.72	-12.8%	1.2%	101,600	6.32	8.0%	1.38	14.6%
BAT	500.00	-31.0%	-1.0%	94,000	14.99	5.2%	33.36	48.0%
<b>Sector Average</b>					<b>13.04</b>	<b>3.4%</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	27.55	24.1%	1.1%	45,959,500	17.44	6.8%	1.58	44.1%
<b>Sector Average</b>					<b>17.44</b>	<b>6.8%</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)
STANLIB FAHARI I-REIT	8.80	-19.6%	-2.2%	39,900	12.39	8.52%	0.71
<b>Sector Average</b>						<b>NA</b>	

\*NAVPS - Net Asset Value Per Share

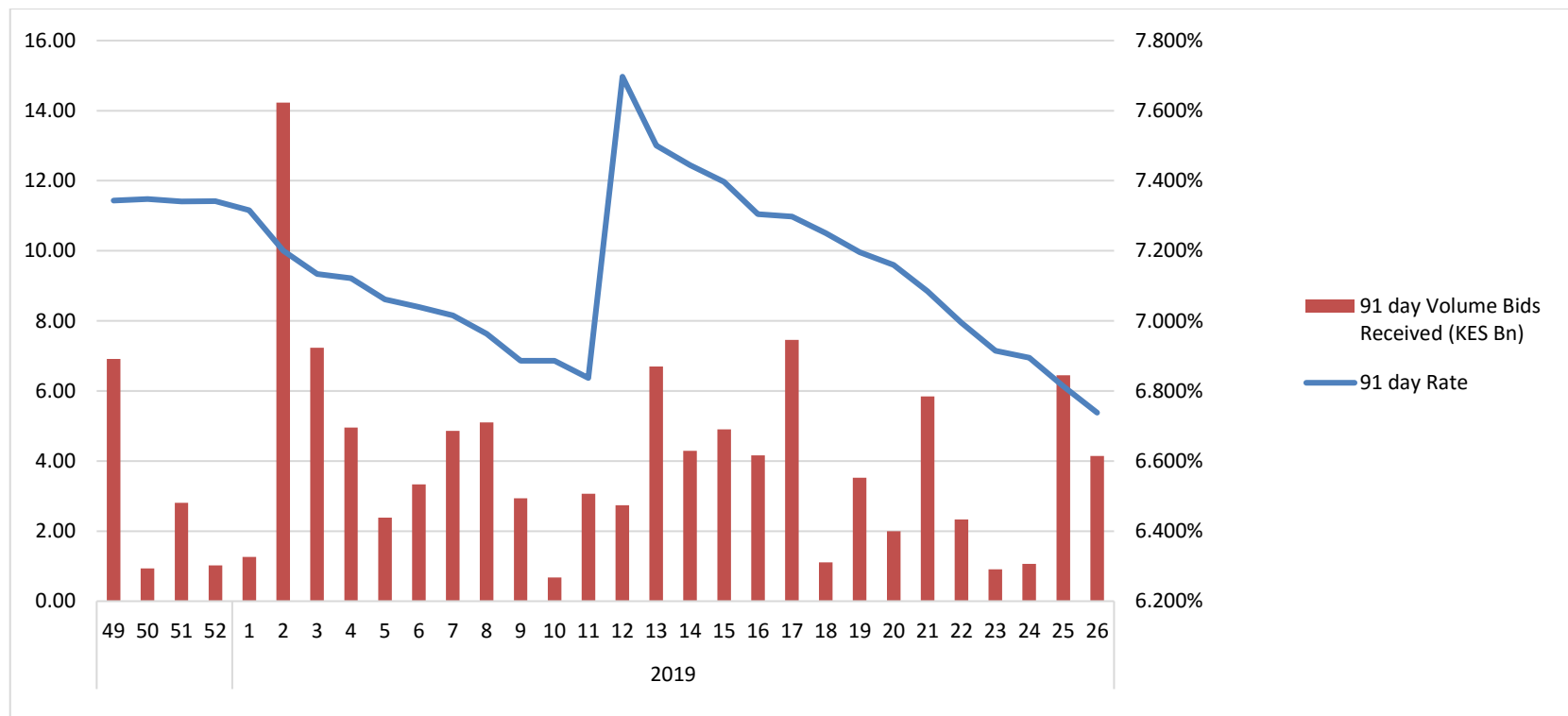
Market Statistics	This Week	Last Week	% Change
Total Volumes	87,113,000	92,352,500	-5.7%
Total Turnover (KES)	2,746,620,372	2,134,104,219	28.7%

# Fixed Income Market Summary

	Bids Received (KES)	Subscription	Bids Accepted (KES)	Rate	Previous Rate	% Change
91 day T-bill	4.14Bn	103.59%	4.14Bn	6.738%	6.814%	-0.076
182 day T-bill	3.52Bn	35.19%	3.52Bn	7.487%	7.723%	-0.091
364 day T-bill	52.16Bn	521.56%	23.43Bn	8.759%	9.263%	-0.291

Graph showing 91 day T-bill rate and volume

Week No. 26



**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.

# 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
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
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
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
Standard Group Plc	First & Final dividend	Kes.0.60	18-Mar-19	<b>21-Jun-19</b>	23-Aug-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)
Kapchorua Tea (K) PLC	Final Dividend	Kes 10.00	28-Jun-19	<b>30-Jul-19</b>	(Subject to Approval)
Williamson Tea (K) PLC	Final Dividend	Kes. 20.00	28-Jun-19	<b>31-Jul-19</b>	(Subject to Approval)
Safaricom Plc	Special dividend	Kes.0.62	03-May-19	<b>30-Aug-19</b>	01-Dec-19
Safaricom Plc	First & Final dividend	Kes.1.25	03-May-19	<b>30-Aug-19</b>	01-Dec-19
Centum PLC	First & Final dividend	Kes 1.20	12-Jun-19	<b>(Subject to Approval)</b>	(Subject to Approval)



# Market Recommendations

Counter	Recommendation	52-Week High	52-Week Low	YTD Change	Price as at 28 <sup>th</sup> June 2019
KCB Group	Long-term Buy	52.00	34.00	2.10%	38.25
Equity Group Holdings	Long-term Buy	53.50	32.50	11.80%	39.95
Cooperative Bank	Long-term Buy	18.70	11.00	-16.10%	12.00
I&M	Hold	115.25	40.50	-35.30%	55.00
Barclays Bank of Kenya	Hold	12.75	9.50	-4.60%	10.45
Diamond Trust Bank	Hold	200.00	104.00	-24.80%	117.25
NBK	Hold	6.70	3.60	-22.20%	4.14
Jubilee Holdings	Long-term Buy	530.00	355.25	-1.20%	399.75
Bamburi Cement	Hold	190.00	110.00	-14.50%	113.25
Safaricom	Hold	30.50	21.00	26.60%	28.10
EABL	Hold	240.00	160.00	14.30%	199.75
KenGen	Trading	7.80	5.10	-15.40%	5.94
Mumias	Sell	0.90	0.27	-41.40%	0.34

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

For Online Share Trading (OST) via browser, please click [here](#):

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

To join our Telegram channel, please click [here](#):

**ANALYSTS:**

**Samuel Njihia**

E-mail: [samuel.njihia@fib.co.ke](mailto:samuel.njihia@fib.co.ke)

**Ivy Barongo**

E-mail: [ivy.barongo@fib.co.ke](mailto:ivy.barongo@fib.co.ke)

**John Jumwa**

Email: [john.jumwa@fib.co.ke](mailto:john.jumwa@fib.co.ke)



**HEAD OFFICE:**

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