

KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) - 149.80	0.1%	6.7%	USD Mn – 22,257 KES Bn – 2,255
	NSE 20 Share Index - 2,665.15	1.2%	-6.0%	USD Mn – 19,387 KES Bn – 1,963,908
	NSE 25 Share Index - 3,618.86	0.9%	1.9%	USD Mn – 20,823 KES Bn – 2,109,414
NIGERIA	ASI- 29,207.95	-2.5%	-7.1%	USD Mn – 42,032 NGN Bn – 12,902
EGYPT	EGX100*- 1,524.14	-0.9%	-11.8%	USD Mn – 45,282 EGP Bn – 750,079
SOUTH AFRICA	All share – 57,829.47	-0.4%	9.7%	USD Mn – 957,573 ZAR Bn – 13,490

Source: NSE, JSE, NSE (Nigeria), *EGX100- as at 04/07/2019

KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-w (%)	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –102.63	-1.1%	-0.8%	5.7%(06/2019)	6.3%(1Q2019)
NGN/USD-306.95	-	-0.1%	14.1%(05/2019)	2.4%(3Q2018)
EGP/USD* –16.56	1.1%	7.5%	14.4%(02/2019)	5.3%(3Q2018)
ZAR/USD – 14.09	5.1%	-3.8%	4.5%(03/2019)	0.8%(FY2018)

Source: CBK, CBN, SARB, KNBS, NBS, SIS, STATS SA, *EGP- as at 04/07/2019

Inflation Rises Marginally to 5.7% in June

Kenya's annual headline inflation edged up marginally to 5.7% in June 2019 after easing to 5.5% in May 2019 (April 2019: 6.6 %). The marginal rise in inflation was prompted by a 7.0% y/y rise in the food and non-alcoholic drinks' index (between June 2018 and June 2019) in comparison to a 6.3% y/y rise in the previous month (between May 2018 and May 2019). On a month-on-month basis, the food and non-alcoholic drinks' index eased by 1.6% m/m (compared to a decline of 0.4% m/m in May 2019) due to the reduction of food prices on some commodities (kale, spinach and tomatoes) outweighing increases in other commodities (maize grain, beans, green grams and sifted maize flour). The transport index rose by 0.3% m/m and 11.0% y/y as a result of increase in the prices of both petrol (2.7% m/m and 5.6% y/y) and diesel (0.3% m/m and 1.0% y/y). The housing, water, electricity, gas and other fuels index climbed by 0.1% m/m on account of increased costs of house rent (0.3% m/m) despite notable declines in kerosene (0.4% m/m) and electricity costs (0.6% m/m for 200 Kwh and 1.0% m/m for 50 Kwh). As the shelf prices maize flour continue to be affected by the uncertainty surrounding the availability of maize in the country, we expect this to contribute towards raising inflationary pressures at least in the month of July - before the maize importation window opens (end of July until the end of October). Furthermore, with the OPEC+ agreeing to extend oil production cuts until March 2020, we remain concerned about the impact of this decision on global crude oil prices and consequently fuel prices which could raise inflationary pressures in the short-term.

Stock Market Performance and Outlook

The overall market edged up marginally by 0.1% w/w to close the week at 149.80, characterized by a decrease in trading volumes and turnover. We attribute the uplift in the market mainly to price gains made on KCB (+4.6% w/w), Equity (+2.7% w/w) and KQ (+7.3%). We opine that the price gains on the aforementioned banking counters was mainly due to positive investor expectations of the 1H2019 results. Foreign activity was skewed towards the supply side especially on EABL (-2.7% w/w). We opine that this was due to concerns on the impact of the higher excise duty proposed in the 2019/2020 Budget which should take effect from October 2019. Overall, we expect price stability in the coming week.

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	40.00	6.8%	4.6%	2,933,700	48.7%	5.11	8.8%	1.08	21.9%
Equity Bank	40.00	14.8%	2.7%	6,357,200	52.2%	7.61	5.0%	1.59	21.1%
NIC Bank	30.45	9.5%	-0.5%	158,400	46.3%	4.61	4.1%	0.55	12.1%
Stanbic	100.00	10.2%	1.0%	22,630	50.2%	6.30	5.8%	0.89	14.3%
National Bank	4.14	-22.2%	0.0%	18,200	92.0%	200.14	0.0%	0.20	0.1%
Barclays Bank	10.30	-5.9%	-1.4%	10,728,400	54.2%	7.54	10.7%	1.27	17.1%
Housing Finance	4.01	-27.6%	0.0%	137,900	107.7%	N/M	0.0%	0.14	-5.5%
Co-operative Bank	12.25	-14.3%	2.1%	1,943,800	54.6%	5.64	8.2%	1.03	18.2%
Diamond Trust Bank	116.00	-25.9%	-1.5%	302,000	45.2%	4.58	2.2%	0.60	13.9%
Standard Chartered	194.50	0.0%	0.0%	27,500	51.8%	8.25	9.8%	1.43	17.5%
I&M*	59.50	-30.0%	8.2%	649,600	36.6%	2.89	6.6%	0.51	17.9%
Sector Average					58.1%	25.27	5.6%	0.84	13.5%

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	4.26	-52.1%	7.3%	187,300	N/M	0.0%	-1.3	N/M
Nation Media Group	49.00	-28.5%	0.0%	65,700	7.10	20.4%	6.9	13.2%
WPP Scangroup	11.25	-19.6%	1.8%	443,700	10.04	4.4%	1.12	7.1%
Uchumi Supermarket	0.54	-32.5%	5.9%	242,000	N/M	0.0%	-4.6	N/M
Longhorn Publishers	8.00	73.5%	2.6%	64,800	16.33	4.8%	0.49	13.1%
Eveready	1.05	5.0%	1.9%	5,000	0.83	95.2%	1.27	-35.3%
Sector Average					8.57	5.9%		-0.5%

*N/M - Not Meaningful

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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	114.00	-14.0%	0.7%	6,000	46.53	4.5%	1.6%	0.5%
E.A. Portland Cement	13.05	-18.4%	-18.4%	1,900	N/M	0.0%	19.3%	25.0%
Sector Average					46.53	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	5.98	-14.8%	0.7%	6,843,700	4.98	6.7%	1.20	4.2%
Kenya Power	3.99	-2.0%	2.6%	439,100	4.07	0.0%	0.98	3.0%
Total Kenya	29.00	5.5%	2.8%	22,200	7.90	4.5%	3.67	10.5%
Sector Average					5.65	3.3%		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	3.48	-9.8%	-2.0%	366,500	1.15	19.33	64.9%	49.0%
Britam	8.16	-18.4%	-0.5%	15,058,600	0.74	34.00	67.6%	134.8%
Jubilee	391.00	-3.4%	-2.2%	11,800	1.08	7.45	92.0%	138.2%
Kenya Re	3.94	-71.8%	4.8%	332,100	0.10	0.77	62.2%	106.7%
Sanlam Kenya	19.50	-11.4%	-4.9%	3,600	2.11	92.86	95.4%	149.7%
Liberty	10.20	-20.9%	-2.4%	83,800	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	32.40	10.8%	-0.2%	1,787,500	28.93	0.41	79	1.12	1.5%
Home Afrika Ltd	0.57	-18.6%	-8.1%	738,600	N/M	N/M	0.85	-0.39	2.6%
Trans-Century	4.00	471.4%	-1.2%	1,300	N/M	0.32	40.96	-1.56	4.7%
Sector Average					N/M	0.36			2.9%

*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	12.30	-15.5%	0.4%	23,000	16.85	4.0%	0.73	9.3%
Sector Average					16.85	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	0.38	-34.5%	11.8%	1,947,700	N/M	0.0%	-4.43	-69.4%
EABL	195.25	11.7%	-2.3%	855,900	27.16	3.8%	7.19	61.4%
FTG Holdings	2.47	-1.2%	-5.0%	7,800	2.91	0.0%	0.85	22.3%
Carbacid	8.96	-10.4%	2.8%	54,700	6.49	7.8%	1.38	14.6%
BAT	505.00	-30.3%	1.0%	113,700	15.14	5.1%	33.36	48.0%
Sector Average					12.92	3.4%		

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	27.85	25.5%	1.1%	36,885,400	17.63	6.7%	1.58	44.1%
Sector Average					17.63	6.7%		

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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	8.80	-19.6%	0.0%	75,900	12.39	8.52%	0.71
Sector Average						NA	

*NAVPS - Net Asset Value Per Share

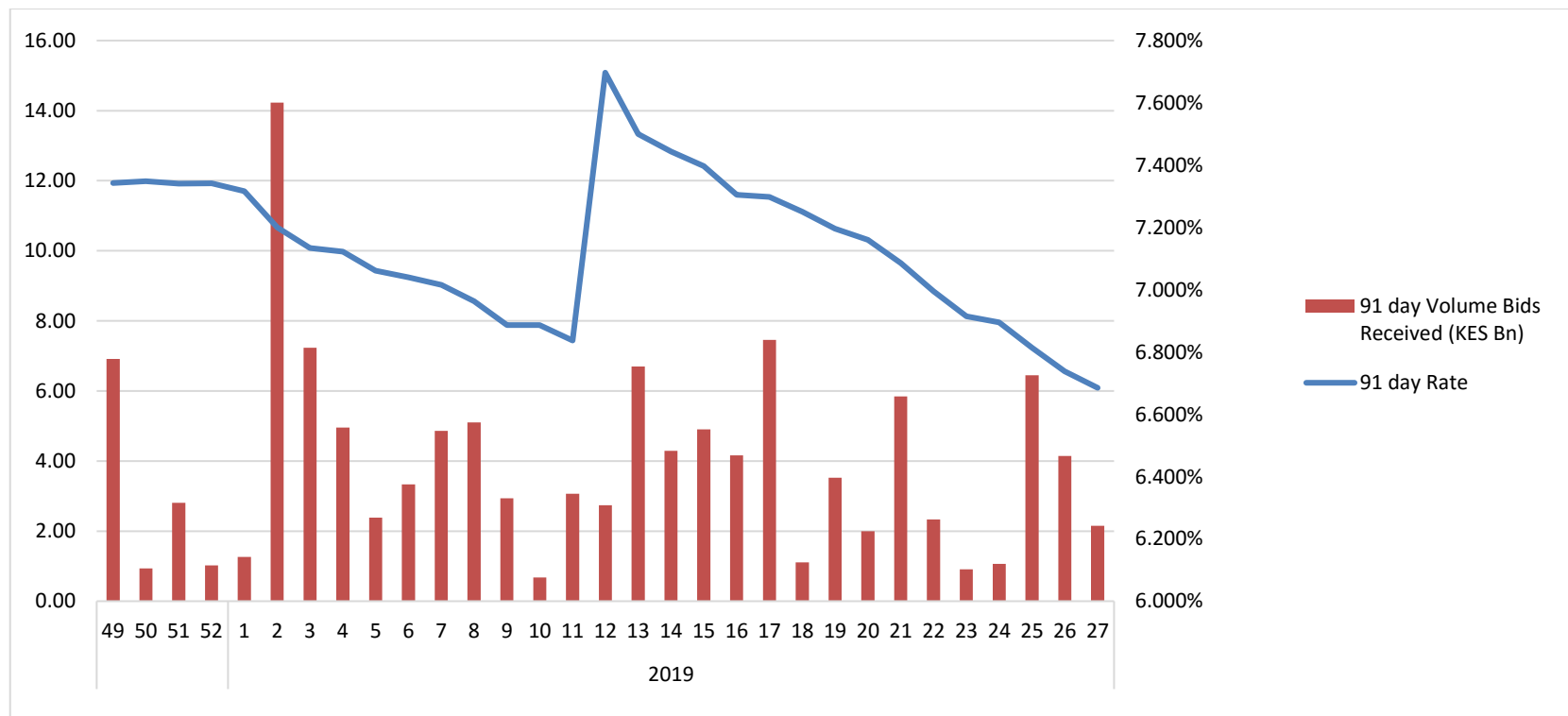
Market Statistics	This Week	Last Week	% Change
Total Volumes	90,304,300	87,113,000	3.7%
Total Turnover (KES)	2,138,515,103	2,746,620,372	-22.1%

Fixed Income Market Summary

	Bids Received (KES)	Subscription	Bids Accepted (KES)	Rate	Previous Rate	% Change
91 day T-bill	2.15Bn	53.79%	2.15Bn	6.685%	6.738%	-0.053
182 day T-bill	4.82Bn	48.17%	4.82Bn	7.397%	7.487%	-0.090
364 day T-bill	25.02Bn	250.23%	23.17Bn	8.610%	8.759%	-0.149

Graph showing 91 day T-bill rate and volume

Week No. 27



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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	30-Jul-19
Bamburi Cement Ltd	Final dividend	Kes.4.10	15-Apr-19	17-May-19	12-Jul-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
Standard Group Plc	First & Final dividend	Kes.0.60	18-Mar-19	21-Jun-19	23-Aug-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)
Kapchorua Tea (K) PLC	Final Dividend	Kes 10.00	28-Jun-19	30-Jul-19	(Subject to Approval)
Williamson Tea (K) PLC	Final Dividend	Kes. 20.00	28-Jun-19	31-Jul-19	(Subject to Approval)
Safaricom Plc	Special dividend	Kes.0.62	03-May-19	30-Aug-19	01-Dec-19
Safaricom Plc	First & Final dividend	Kes.1.25	03-May-19	30-Aug-19	01-Dec-19
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 5th July 2019
KCB Group	Long-term Buy	52.00	34.00	6.80%	40.00
Equity Group Holdings	Long-term Buy	53.50	32.50	14.80%	40.00
Cooperative Bank	Long-term Buy	18.70	11.00	-14.30%	12.25
I&M	Hold	115.25	40.50	-30.00%	59.50
Barclays Bank of Kenya	Hold	12.75	9.50	-5.90%	10.30
Diamond Trust Bank	Hold	200.00	104.00	-25.90%	116.00
NBK	Hold	6.70	3.60	-22.20%	4.14
Jubilee Holdings	Long-term Buy	530.00	355.25	-3.40%	391.00
Bamburi Cement	Hold	190.00	110.00	-14.00%	114.00
Safaricom	Hold	30.50	21.00	25.50%	27.85
EABL	Hold	240.00	160.00	11.70%	195.25
KenGen	Trading	7.80	5.10	-14.80%	5.98
Mumias	Sell	0.90	0.27	-34.50%	0.38

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

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