

KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) – 134.59	1.8%	-19.1%	USD Mn – 19,043 KES Bn – 2,057
	NSE 20 Share Index – 1,886.84	-1.2%	-28.9%	USD Mn – 16,633 KES Bn – 1,796.738
	NSE 25 Share Index – 3,121.55	0.5%	-23.9%	USD Mn – 17,702 KES Bn – 1,912.148

Source:NSE

KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-w (%)	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –108.0200	(0.5%)	(6.6%)	4.6% (06/2020)	4.9% (1Q2020)
NGN/USD -360.50	-	(17.6%)	12.6% (06/2020)	2.3% (2019)
ZAR/USD – 16.6877*	0.2%	(18.8%)	2.1% (05/2020)	-2.0%(1Q2020)

Source: CBK, KNBS, NBS, CBN, SIS, STATS SA, SARB: Negative () – Depreciation, Positive – Appreciation *Bloomberg

TPS Issues Profit Warning for FY2020

- TPS Eastern Africa PLC has issued a profit warning for FY2020 owing to the effects of COVID-19 pandemic.
- According to the company, health protocols implemented by the East African governments such as cessation of movement across national boundaries and within some countries, temporary suspension of local and international flights and the temporary closure of hotels and restaurants have had a devastating effect on the tourism sector in East Africa.
- The company has been negatively affected by disruption of confirmed bookings. This is expected to weaken financial performance for FY2020 and beyond. The company anticipates FY2020 earnings to be weaker than last years by at least 25.0%. In FY2019, after tax profits grew by 1.5% y/y to KES 181.7 million.
- In 1H2020, the after-tax loss grew to KES 641.0 million from an after-tax loss of KES 160.7 million reported in 1H2019. The dismal bottom line was primarily due to a 59.3% y/y decline in revenue from contracts with customers to KES 1.1 billion (1H2019: KES 2.7 billion). The company had expected revenue growth in the corporate and conference segments from the refurbishments to city hotels in Nairobi, Kampala and Dar es Salaam prior to the onset of the pandemic.
- The company stated that it would continue with ongoing interventions to minimize the overall impact of the pandemic on results for FY2020 while accelerating the implementation of its strategic initiatives to safeguard shareholder value, maintain market share, enhance efficiency and ensure long-term success.

Commentary

- The easing of restrictions-particularly on cessation of movement-is a shot in the arm for the tourism sector.
- However, the economy remains fragile and income streams remain under pressure. We also note that some restrictions such as those on

gatherings still remain in place. As such businesses may adopt new ways to conduct meetings/conferences while individuals may cut back on luxury spending (like holiday tours). International arrivals are likely to be low due to restrictions in some of the countries,

- Players in the hospitality sector may result to promotional activities to entice visitors.

Market Commentary

The All Share Index gained by 1.8% w-o-w to close the week at 134.59. We attribute this mainly to Safaricom gaining 4.1% w-o-w to KES 28.10-on account of foreign buy side activity. The NSE 20 share Index however eased by 1.2% w-o-w to close the week at 1,886.84. Market turnover declined by 3.7% to KES 3.3 billion. The banking sector witnessed sell-side activity for majority of the week. Equity and KCB saw w-o-w declines of 4.4% and 2.6% respectively. However, in today's trading session, demand picked up as investors took advantage of the price declines and lower trading multiples. EABL rose by 4.8% to close the week at KES 167.75. The group is scheduled to release its FY2020 results on Thursday 30th July 2020. The group issued a profit warning in May expecting a decline in after tax profits of at least 25.0% for the FY2020. We therefore expect increased activity on the counter in the upcoming week. We also expect increased activity on Safaricom ahead of the book closure for the FY2019/20 dividend (31st July 2020).

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	34.35	-36.4%	-2.6%	1,996,700	45.9%	4.26	10.2%	0.83	20.7%
Equity Bank	32.50	-39.3%	-4.4%	764,100	51.5%	5.44	0.0%	1.10	21.8%
NCBA	25.50	-30.8%	1.2%	56,000	41.9%	2.93	0.0%	0.57	15.3%
Stanbic	79.00	-27.7%	0.6%	1,000	56.2%	4.89	8.9%	0.64	13.6%
Absa Bank Kenya Plc	9.06	-32.1%	-1.3%	68,200	51.2%	6.60	12.1%	1.09	16.7%
Housing Finance	3.76	-41.8%	-6.0%	107,500	93.8%	N/M	0.0%	0.13	-1.1%
Co-operative Bank	11.15	-31.8%	-5.9%	233,800	52.1%	4.57	9.0%	0.82	19.2%
Diamond Trust Bank	69.25	-36.5%	0.4%	3,800	48.6%	2.85	3.9%	0.33	12.1%
Standard Chartered	155.00	-23.5%	-3.1%	5,700	55.6%	6.46	4.8%	1.11	17.5%
I&M	49.00	-9.3%	-1.7%	6,100.00	39.0%	1.88	5.2%	0.35	20.4%
Sector Average					53.6%	4.43	5.4%	0.70	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	3.83	86.8%	0.0%	-	N/M	0.0%	-1.3	N/M
Nation Media Group	11.05	-72.2%	-12.6%	239,700	2.46	13.6%	4.5	10.9%
WPP Scangroup	19.55	13.7%	-0.8%	484,200	17.46	2.6%	1.12	6.0%
Uchumi Supermarket	0.36	24.1%	0.0%	7,800	N/M	0.0%	-4.6	N/M
Longhorn Publishers	4.89	-27.7%	2.9%	3,600	7.19	10.6%	0.68	17.3%
Eveready	1.07	-2.7%	3.9%	11,500	N/M	0.0%	-1.45	-10.8%
Sector Average					9.03	5.4%		5.8%

*N/M - Not Meaningful

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.

Construction & Allied	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	NPM*	ROE
Bamburi Cement	26.00	-67.5%	-0.8%	17,800	10.61	0.0%	1.6%	2.1%
E.A. Portland Cement	13.85	-4.5%	0.0%	0	N/M	0.0%	0.0%	0.0%
Sector Average					10.61	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	5.96	4.2%	0.3%	121,300	4.97	6.7%	1.20	4.2%
Kenya Power	1.89	-32.7%	-1.6%	366,400	14.54	0.0%	0.13	0.4%
Total Kenya	23.15	-15.8%	-3.5%	2,900	5.74	5.6%	4.03	10.8%
Sector Average					8.42	3.4%		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	2.44	-9.0%	3.8%	15,200	0.31	20.33	69.8%	34.4%
Britam	7.06	-21.6%	-5.9%	3,900	0.24	5.01	65.3%	37.2%
Jubilee	240.00	-31.6%	-4.0%	100	8.55	4.57	91.9%	46.2%
Kenya Re	2.40	-20.8%	0.0%	328,200	0.08	0.94	71.2%	13.1%
Sanlam Kenya	14.00	-18.6%	0.0%	3,000.00	9.72	17.72	85.8%	35.5%
Liberty	8.02	-22.5%	1.5%	1,000.00	1.00	6.12	119.6%	48.7%
Sector Average					0.88	9.57	83.9%	35.8%

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.

Investment Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	P/B(X)	EPS (KES)	ROE
Centum Investment	23.85	3.5%	3.5%	26,700	3.43	0.50	6.95	9.3%
Home Afrika Ltd	2.03	-21.7%	-2.1%	112,400	N/M	N/M	N/M	2.6%
Trans-Century	2.03	-18.8%	-13.6%	13,900.00	N/M	N/M	N/M	4.7%
Sector Average					N/M	0.50		5.5%

*P/B based on company Net Asset Value

Investment Services	Price (KES)	YTD Change	%w-o-w change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
NSE	6.90	-44.1%	0.3%	1,900	23.00	4.1%	0.3	3.9%
Sector Average					23.00	4.1%		

Manufacturing & Allied Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Mumias Sugar	0.27	0.0%	0.0%	0	N/M	0.0%	-4.43	-69.4%
EABL	167.75	-15.5%	4.8%	2,300	14.94	5.1%	11.23	83.0%
FTG Holdings	1.47	-40.5%	2.8%	2,500	5.65	0.0%	0.26	4.8%
Carbacid	8.28	3.5%	-8.0%	69,300	7.96	8.5%	1.04	8.6%
BAT	317.25	-36.6%	2.3%	4,600	8.17	10.6%	38.85	40.8%
Sector Average					9.18	4.8%		

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	28.10	-10.8%	4.1%	2,485,900	15.11	5.0%	1.86	51.8%
Sector Average					15.11	5.0%		

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	5.54	-41.2%	-4.5%	6,100	20.80	13.54%	0.83
Sector Average						NA	

*NAVPS - Net Asset Value Per Share

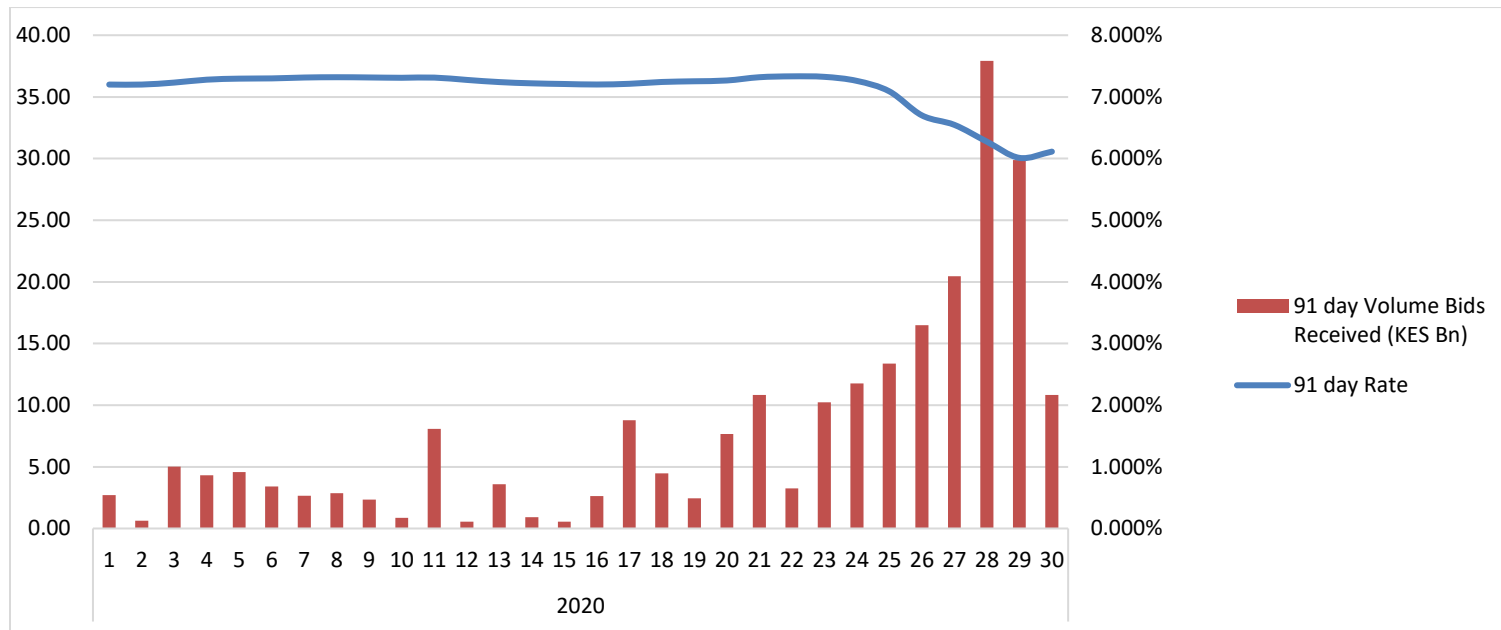
Market Statistics	This Week	Last Week	% Change
Total Volumes	115,857,500	138,790,900	-16.5%
Total Turnover (KES)	3,303,997,982	3,430,074,790	-3.7%

Fixed Income Market Summary

	Bids Received (KES)	Subscription	Bids Accepted (KES)	Rate	Previous Rate	% Change
91 day T-bill	10.82 Bn	270.44%	10.82 Bn	6.112%	6.011%	0.101
182 day T-bill	1.39 Bn	13.88%	1.39 Bn	6.440%	6.524%	(0.084)
364 day T-bill	23.69 Bn	236.90%	23.63 Bn	7.370%	7.464%	(0.094)

Graph showing 91 day T-bill rate and volume

Week No. 30



Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Standard Chartered Bank Kenya	Final dividend	Kes. 7.50	19-Jun-20	27-Apr-20	Subject to Approval
Standard Chartered Bank Kenya	Bonus Issue	1:10	19-Jun-20	27-Apr-20	Subject to Approval
NCBA Group PLC	Bonus Issue	1:10	22-Apr-20	12-May-20	Subject to Approval
Nation Media Group Ltd	Bonus Issue	1:10	20-Apr-20	12-Jun-20	Subject to Approval
Total Kenya Plc	First&Final dividend	Kes 1.30	02-Jun-20	26-Jun-20	31-Jul-20
WPP Scangroup	Special dividend	Kes. 8.00	07-Jul-20	28-Jul-20	27-Aug-20
Umeme Ltd	Final dividend	Ushs. 41.30	23-Mar-20	28-Jul-20	17-Aug-20
Kapchorua Tea Kenya	Final dividend	Kes. 10.00	17-Jul-20	30-Jul-20	Subject to Approval
Safaricom Plc	First & Final dividend	Kes.1.40	29-Apr-20	31-Jul-20	01-Nov-20
Williamson Tea Kenya	Final dividend	Kes. 20.00	17-Jul-20	18-Aug-20	Subject to Approval
BAT Kenya Plc	Interim dividend	Kes. 3.50	16-Jul-20	21-Aug-20	18-Sep-20
Centum Investment Co.	First & Final dividend	Kes. 1.30	02-Jun-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 24th July 2020
Equity Group Holdings	Long-term Buy	-39.25%	32.50
KCB	Long-term Buy	-36.39%	34.35
ABSA Bank Kenya Plc	Long-term Buy	-32.13%	9.06
NCBA	Long-term Buy	-30.80%	25.50
Stanbic	Long-term Buy	-27.69%	79.00
Standard Chartered	Sell	-23.46%	155.00
HF	Sell	-41.80%	3.76
Safaricom	Hold	-10.79%	28.10
Bamburi	Sell	-67.50%	26.00

There's a new way to get the latest research and analysis from Faida Investment Bank: We're now on WhatsApp! Here's how: Save our WhatsApp number [+254743552341](tel:+254743552341) on your contacts or address book and you will receive Investment Opportunities and the Latest Market Recommendations.

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](#):



E-mail:

research@fib.co.ke

HEAD OFFICE:

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