

KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) – 139.27	0.4%	-16.3%	USD Mn – 19,796 KES Bn – 2,138
	NSE 20 Share Index – 1,885.04	5.1%	-29.0%	USD Mn – 17,345 KES Bn – 1,873.449
	NSE 25 Share Index – 3,224.43	1.2%	-21.4%	USD Mn – 18,433 KES Bn – 1,990.95

Source:NSE

KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-W	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –108.3224	(0.1%)	(6.9%)	4.4% (08/2020)	4.9% (1Q2020)
NGN/USD -379.50*	-	(23.8%)	12.8% (07/2020)	2.3% (2019)
ZAR/USD – 16.8420	1.1%	(18.6%)	3.2% (07/2020)	-2.0%(1Q2020)

Source: CBK, KNBS, NBS, CBN, SIS, STATS SA, SARB: Negative () – Depreciation, Positive – Appreciation *9/3/2020

Inflation Maintained at 4.4% in August 2020

- Kenya's annual headline inflation remained relatively unchanged at 4.4% in August 2020 (July: 4.4%).
- The food and non-alcoholic drinks index declined by 1.0% m/m as the price decreases of some food items outweighed the increases in others. Some of the notable price decreases included onions (-16.4% m/m), tomatoes (-12.1% m/m) and spinach (-7.5% m/m).
- The housing, water, electricity, gas and other fuels' index rose by 1.2% m/m owing to an increase in the cost of electricity and kerosene by 0.5% m/m and 27.4% m/m respectively.
- The transport index edged up by 2.1% m/m mainly due to an increase in the pump prices of diesel and petrol by 3.0% m/m and 3.4% m/m respectively.

Commentary

- With inflation remaining within the CBK's lower target band, it's unlikely we see a higher CBR rate. Although this does present some head room for a cut, we expect the CBK to allow for early measures to be transmitted more into the economy given the easing of restrictions. A cut in CBR in our view would signal that the economy is not responsive to earlier measures or has deteriorated further.

Market Commentary

The All Share Index and NSE 20 Indices extended their upward trend gaining 0.4% and 5.1% w-o-w to close the week at 139.27 and 1,885.04 respectively. We attribute this to price gains across the bourse during the week, particularly earlier on in the week, with profit taking activity (as anticipated) towards the end. Total equity turnover increased by 8.8% w-o-w to KES 2.9 billion while the number of shares traded increased by 6.3% w-o-w to 122.9 million. Safaricom witnessed demand for majority of the week, touching KES 30.05, with profit taking activity in today's trading session (-1.5%) to close the week at 29.60. Within the banking sector, notable movements were posted on Stanbic (+9.6% w-o-w to KES 85.50), Stanchart (+8.0% to KES 162.25), KCB (+1.0% to KES 36.75), Co-op (+0.9% to KES 11.60) and Equity (-2.2% to KES 35.65). Kengen declined by -4.4% w-o-w to KES 5.66 despite announcing a dividend payment of KES 0.25 per share (37.5% below the previous year's). The Insurance sector saw gains across majority of the counters: Britam (+5.6% w-o-w to KES 7.58), CIC (+5.5% w-o-w to KES 2.10) and Sanlam (+5.4% w-o-w to KES 12.75). EABL gained 7.7% w-o-w to close at KES 170.50 on the back of foreign investor demand. We expect stability in the upcoming week with minimal price movements.

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	36.75	-31.9%	1.0%	213,300	45.9%	4.56	9.5%	0.88	20.7%
Equity Bank	35.65	-33.4%	-2.2%	264,800	51.5%	5.96	0.0%	1.20	21.8%
NCBA	23.20	-37.0%	-1.1%	57,100	41.9%	2.67	0.0%	0.52	15.3%
Stanbic	85.50	-21.7%	9.6%	800	56.2%	5.30	8.2%	0.69	13.6%
Absa Bank Kenya Plc	9.70	-27.3%	1.7%	148,400	51.2%	7.07	11.3%	1.17	16.7%
Housing Finance	3.81	-41.0%	-5.0%	19,300	93.8%	N/M	0.0%	0.13	-1.1%
Co-operative Bank	11.60	-29.1%	0.9%	293,400	52.1%	4.76	8.6%	0.86	19.2%
Diamond Trust Bank	64.75	-40.6%	-1.5%	46,600	48.6%	2.67	4.2%	0.31	12.1%
Standard Chartered	162.25	-19.9%	8.0%	82,600	55.6%	6.77	4.6%	1.17	17.5%
I&M	44.00	-18.5%	1.5%	200.00	39.0%	1.69	5.8%	0.32	20.4%
Sector Average					53.6%	4.60	5.2%	0.72	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	16.95	-57.4%	23.3%	183,800	3.77	8.8%	4.5	10.9%
WPP Scangroup	8.42	-51.0%	29.1%	673,300	7.52	5.9%	1.12	6.0%
Uchumi Supermarket	0.28	-3.4%	-6.7%	77,300	N/M	0.0%	-4.6	N/M
Longhorn Publishers	4.53	-33.0%	-4.2%	16,900	6.66	11.5%	0.68	17.3%
Eveready	0.97	-11.8%	-3.0%	2,600	N/M	0.0%	-1.45	-10.8%
Sector Average					5.98	5.3%		5.8%

*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
Bamburi Cement	20.00	-75.0%	-2.9%	150,200	8.16	0.0%	1.6%	2.1%
E.A. Portland Cement	14.00	-3.4%	1.1%	100	N/M	0.0%	0.0%	0.0%
Sector Average					8.16	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	5.66	-1.0%	-4.4%	41,600	4.72	7.1%	1.20	4.2%
Kenya Power	1.90	-32.4%	0.0%	1,036,000	14.62	0.0%	0.13	0.4%
Total Kenya	23.00	-16.4%	0.0%	200	5.71	5.7%	4.03	10.8%
Sector Average					8.35	3.5%		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	2.10	-21.6%	5.5%	73,700	0.27	17.50	69.8%	34.4%
Britam	7.58	-15.8%	5.6%	15,000	0.26	5.38	65.3%	37.2%
Jubilee	220.50	-37.2%	0.3%	5,100	7.86	4.20	91.9%	46.2%
Kenya Re	2.10	-30.7%	-7.9%	7,121,400	0.07	0.82	71.2%	13.1%
Sanlam Kenya	12.75	-25.9%	5.4%	100.00	8.85	16.14	85.8%	35.5%
Liberty	8.00	-22.7%	3.9%	2,500.00	1.00	6.11	119.6%	48.7%
Sector Average					3.05	8.36	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	21.40	-0.2%	-0.2%	14,600	3.08	0.45	6.95	9.3%
Home Afrika Ltd	1.55	-31.7%	-2.4%	269,300	N/M	N/M	N/M	2.6%
Trans-Century	1.55	-38.0%	-8.8%	-	N/M	N/M	N/M	4.7%
Sector Average					N/M	0.45		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	8.00	-35.2%	7.5%	896,200	26.67	3.5%	0.3	3.9%
Sector Average					26.67	3.5%		

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	170.50	-14.1%	7.7%	52,100	32.98	1.8%	5.17	46.6%
FTG Holdings	1.33	-46.2%	-7.0%	7,000	5.12	0.0%	0.26	4.8%
Carbacid	8.00	0.0%	0.3%	17,100	7.69	8.8%	1.04	8.6%
BAT	328.50	-34.3%	1.8%	9,000	8.46	10.2%	38.85	40.8%
Sector Average					13.56	4.1%		

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	29.60	-6.0%	-0.8%	3,278,800	15.91	4.7%	1.86	51.8%
Sector Average					15.91	4.7%		

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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	5.08	-46.1%	-1.2%	883,700	20.80	14.76%	0.83
Sector Average						NA	

*NAVPS - Net Asset Value Per Share

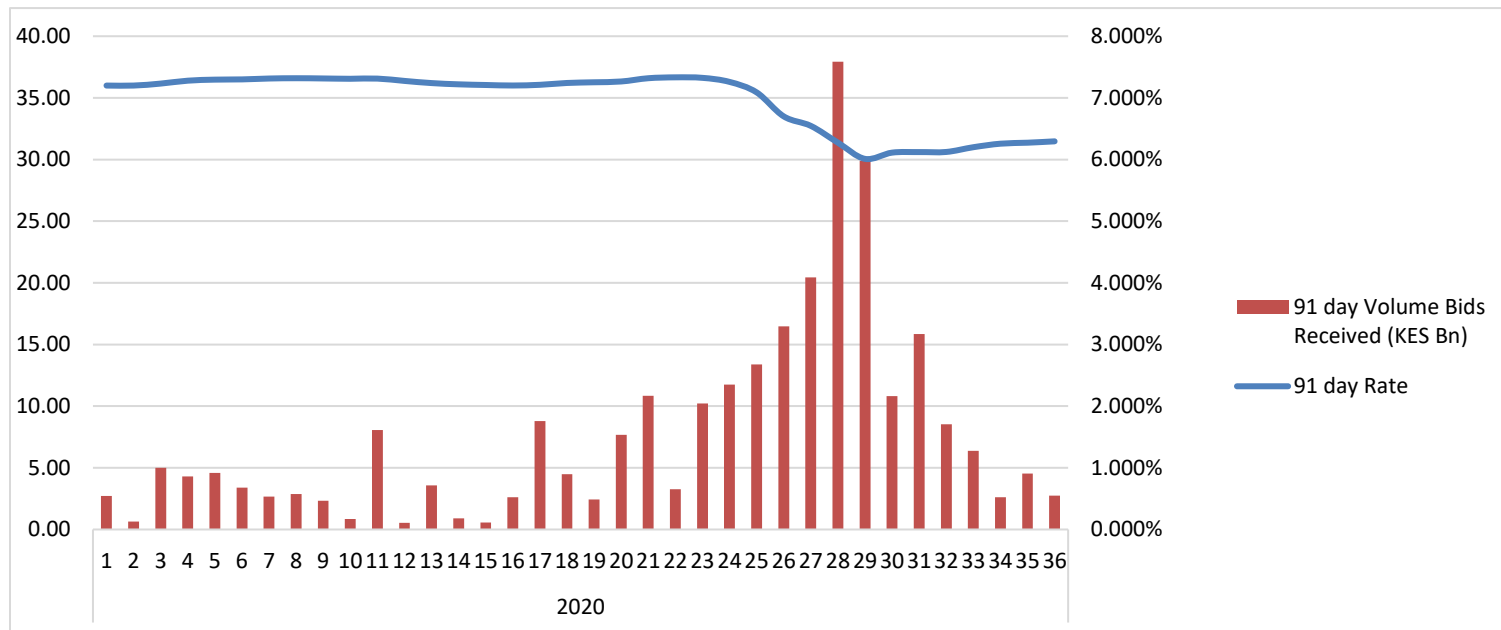
Market Statistics	This Week	Last Week	% Change
Total Volumes	122,889,600	115,582,600	6.3%
Total Turnover (KES)	2,960,696,309	2,721,529,054	8.8%

Fixed Income Market Summary

	Bids Received (KES)	Subscription	Bids Accepted (KES)	Rate	Previous Rate	% Change
91 day T-bill	2.74 Bn	68.47%	2.25 Bn	6.295%	6.273%	0.022
182 day T-bill	3.16 Bn	31.62%	2.68 Bn	6.627%	6.625%	0.002
364 day T-bill	6.00 Bn	59.95%	6.00 Bn	7.554%	7.507%	0.047

Graph showing 91 day T-bill rate and volume

Week No. 36



Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Nation Media Group Ltd	Bonus Issue	1:10	20-Apr-20	12-Jun-20	Subject to Approval
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
Jubilee Holdings Ltd	Interim dividend	Kes. 1.00	28-Aug-20	11-Sep-20	09-Oct-20
Kenya-Re Insurance Ltd	First & Final dividend	Kes. 0.10	02-Sep-20	09-Oct-20	20-Nov-20
Kengen Plc	Final dividend	Kes. 0.25	01-Sep-20	22-Oct-20	17-Dec-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

***All Companies are under review**

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