

## KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) – 140.87	1.1%	-15.3%	USD Mn – 19,966 KES Bn – 2,162
	NSE 20 Share Index – 1,875.69	-0.5%	-29.3%	USD Mn – 17,516 KES Bn – 1,897.373
	NSE 25 Share Index – 3,260.66	1.1%	-20.5%	USD Mn – 18,604 KES Bn – 2,015.23

Source:NSE

## KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-W	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –108.4488	(0.1%)	(7.0%)	4.4% (08/2020)	4.9% (1Q2020)
NGN/USD -379.50*	-	(23.8%)	12.8% (07/2020)	-6.1% (2Q2020)
ZAR/USD – 16.7538	(0.6%)	(19.3%)	3.2% (07/2020)	-51.0%(2Q2020)

Source: CBK, KNBS, NBS, CBN, SIS, STATS SA, SARB: Negative ( ) – Depreciation, Positive – Appreciation \*9/11/2020

## CBK Invites Bids for Re-opened FXD2/2010/15, FXD1/2010/15 and FXD1/2011/20 Treasury Bonds

- The Central Bank of Kenya (CBK), acting in its capacity as fiscal agent for the Republic of Kenya, has invited bids for re-opened FXD2/2010/15, FXD1/2010/15 and FXD1/2011/20 with the intention of raising KES 50.0 billion for budgetary support.
- The features of the bonds are shown in the table below:

	FXD2/2010/15	FXD1/2010/15	FXD1/2011/20
Amount	KES 50.0 billion		
Tenor	15 years (5.3 years)	15 years (14.5 years)	20 years (10.7 years)
Coupon rate	9.000%	12.756%	10.000%
Taxation	10.0%	10.0%	10.0%
Period of sale	31/08/2020 to 15/09/2020		
Redemption date	08/12/2025	05/02/2035	05/05/2031

Source: CBK

- Recent bond auctions (FXD2/2018/20 and FXD1/2019/15) resulted in a subscription rate of 100.50% and 101.58% respectively.
- Although there is relatively lower liquidity in the market following the last two issues that mopped up liquidity, we expect the bond to be fully subscribed.
- We recommend bidding as follows:
  - FXD2/2010/15:** between 10.40% to 10.60%
  - FXD1/2020/15:** between 12.40% to 12.50%
  - FXD1/2011/20:** between 11.90% to 12.10%

## Market Commentary

The All Share Index gained by 1.1% w-o-w to close at 140.87. This was mainly attributed to activity on Safaricom (63.1% of the week's traded value), gaining 1.5% w-o-w to close at KES 30.05. The NSE 20 Index however retreated by 0.5% w-o-w to close at 1,875.69. Total equity turnover declined by 18.2% w-o-w to KES 2.4 billion as the number of shares traded declined by 24.7% to 92.4 million. Within the banking sector, notable movements were posted on Equity (+3.8% to KES 37.00), KCB (+3.1% to KES 37.90), Co-op (-0.9% to KES 11.50) and Stanbic (-5.3% to KES 81.00). The Insurance sector saw gains across majority of the counters: Kenya Re (+7.6% to KES 2.26), Britam (+5.3% to KES 7.98) and CIC (+1.9% to KES 2.14). We expect minimal price movements in the coming week. We could see some profit taking activity on Safaricom and banks (in particular KCB and Equity). We also expect some funds to shift to fixed income securities due to the aforementioned re-openings potentially leading to lower market activity.

## 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%
<b>Sector Average</b>					<b>53.6%</b>	<b>4.60</b>	<b>5.2%</b>	<b>0.72</b>	<b>15.6%</b>

### 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%
<b>Sector Average</b>					<b>5.98</b>	<b>5.3%</b>		<b>5.8%</b>

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\*N/M - Not Meaningful

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<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>
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%
<b>Sector Average</b>					<b>8.16</b>	<b>0.0%</b>	<b>0.8%</b>	<b>1.0%</b>

\*NPM - Net Profit Margin

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<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	5.66	-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%
<b>Sector Average</b>					<b>8.35</b>	<b>3.5%</b>		<b>2.3%</b>

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<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	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%
<b>Sector Average</b>					<b>3.05</b>	<b>8.36</b>	<b>83.9%</b>	<b>35.8%</b>

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<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>EPS (KES)</b>	<b>ROE</b>
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%
<b>Sector Average</b>					<b>N/M</b>	<b>0.45</b>		<b>5.5%</b>

\*P/B based on company Net Asset Value

<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	8.00	-35.2%	7.5%	896,200	26.67	3.5%	0.3	3.9%
<b>Sector Average</b>					<b>26.67</b>	<b>3.5%</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	0.27	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%
<b>Sector Average</b>					<b>13.56</b>	<b>4.1%</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	29.60	-6.0%	-0.8%	3,278,800	15.91	4.7%	1.86	51.8%

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**Sector Average**

15.91 4.7%

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<b>Real Estate Investment Trust</b>	<b>Price (KES)</b>	<b>YTD Change</b>	<b>% w-o-w Change</b>	<b>Volume Traded</b>	<b>NAVPS*</b>	<b>Dividend Yield</b>	<b>EPS (KES)</b>
STANLIB FAHARI I-REIT	5.08	-46.1%	-1.2%	883,700	20.80	14.76%	0.83
<b>Sector Average</b>						<b>NA</b>	

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\*NAVPS - Net Asset Value Per Share

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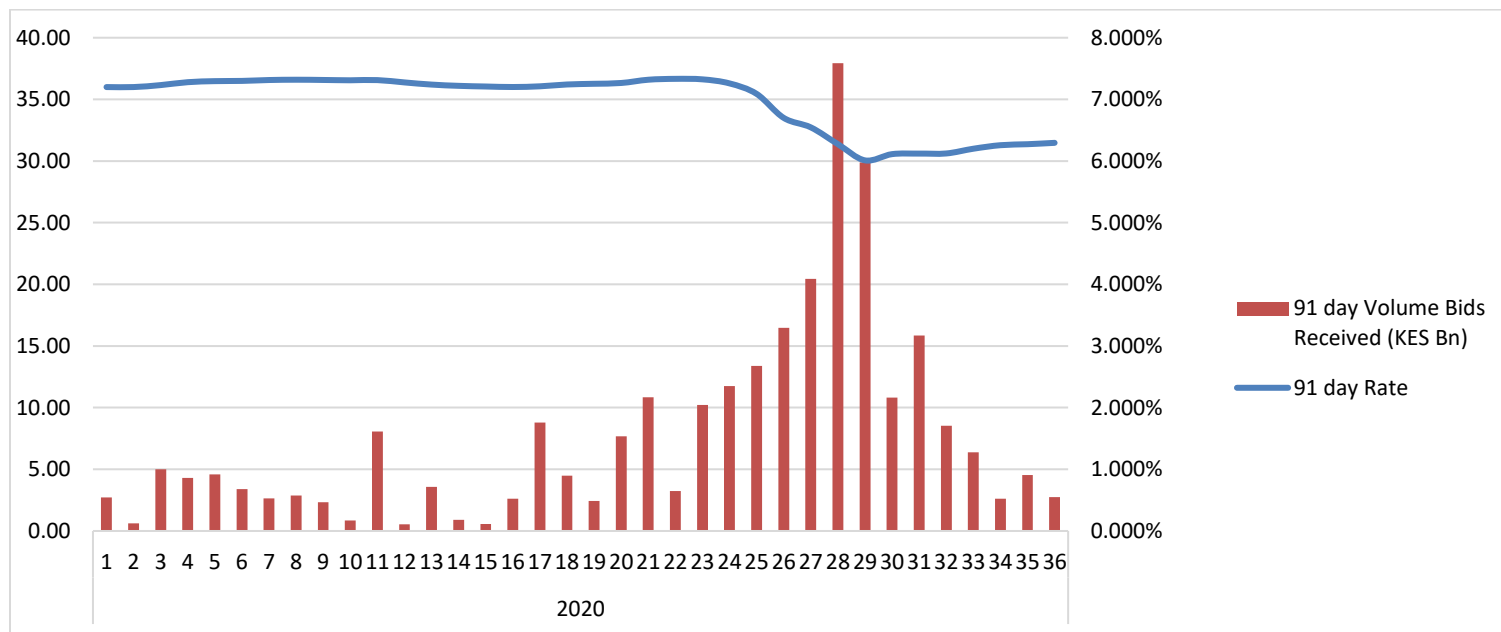
<b>Market Statistics</b>	<b>This Week</b>	<b>Last Week</b>	<b>% Change</b>
Total Volumes	122,889,600	115,582,600	6.3%
Total Turnover (KES)	2,960,696,309	2,721,529,054	8.8%

# 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. 37



## Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Nation Media Group Ltd	Bonus Issue	1:10	20-Apr-20	<b>12-Jun-20</b>	Subject to Approval
Kapchorua Tea Kenya	Final dividend	Kes. 10.00	17-Jul-20	<b>30-Jul-20</b>	Subject to Approval
Safaricom Plc	First & Final dividend	Kes.1.40	29-Apr-20	<b>31-Jul-20</b>	01-Nov-20
Williamson Tea Kenya	Final dividend	Kes. 20.00	17-Jul-20	<b>18-Aug-20</b>	Subject to Approval
BAT Kenya Plc	Interim dividend	Kes. 3.50	16-Jul-20	<b>21-Aug-20</b>	18-Sep-20
Jubilee Holdings Ltd	Interim dividend	Kes. 1.00	28-Aug-20	<b>11-Sep-20</b>	09-Oct-20
Kenya-Re Insurance Ltd	First & Final dividend	Kes. 0.10	02-Sep-20	<b>09-Oct-20</b>	20-Nov-20
Kengen Plc	Final dividend	Kes. 0.25	01-Sep-20	<b>22-Oct-20</b>	17-Dec-20
Centum Investment Co.	First & Final dividend	Kes. 1.30	02-Jun-20	<b>Subject to Approval</b>	Subject to Approval
Nairobi Securities Exchange	First & Final dividend	Kes.0.08	27-Mar-20	<b>Subject to Approval</b>	Subject to Approval



# Market Recommendations

**\*All Companies are under review**

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E-mail:

[research@fib.co.ke](mailto:research@fib.co.ke)

**HEAD OFFICE:**

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