

KEY MARKET INDICATORS

| COUNTRY | INDEX | W-o-w (%) | YTD | MARKET CAPITALIZATION |
|---------|--------------------------------|-----------|--------|---------------------------------------|
| KENYA | All Share Index(NASI) – 140.37 | 0.1% | -15.6% | USD Mn – 19,864 KES Bn – 2,153 |
| | NSE 20 Share Index – 1,847.63 | - | -30.4% | USD Mn – 17,437 KES Bn – 1,895.237 |
| | NSE 25 Share Index – 3,242.38 | 0.1% | -20.9% | USD Mn – 18,475 KES Bn – 2,008.09 |

Source:NSE

KEY ECONOMIC INDICATORS

| EXCHANGE RATE | W-o-W | YTD | INFLATION(MM/YY) | GDP GROWTH |
|-------------------|--------|---------|------------------|----------------|
| KES/USD –108.4691 | (0.1%) | (7.0%) | 4.4% (08/2020) | 4.9% (1Q2020) |
| NGN/USD -379.50* | - | (23.8%) | 13.2% (08/2020) | -6.1% (2Q2020) |
| ZAR/USD – 16.8591 | (4.5%) | (20.1%) | 3.2% (07/2020) | -51.0%(2Q2020) |

Source: CBK, KNBS, NBS, CBN, SIS, STATS SA, SARB: Negative () – Depreciation, Positive – Appreciation *9/24/2020

General Electric to Exit Lamu Coal Power Plant Project

- General Electric (GE) announced plans to exit the Lamu 1,050 megawatt coal power plant project (Amu Power) as it shifts to renewable energy.
- The Amu Power project, a joint venture with Centum investment (51.0% stake), was estimated to cost KES 216.0 billion. GE had signed the agreement with Amu Power in May 2018 to design, construct and maintain the plant.
- Moreover, GE had set to acquire an undisclosed stake in the project at a later stage, subject to approvals from regulators, lenders and the board of Amu Power.
- The project has been facing challenges including; environmental concerns and difficulty raising funds, with the environmental approvals getting revoked by the National Environment Tribunal (the company appealed this decision before the High Court).
- Increasing focus on climate change has seen investors divest from non-renewable sources of energy.

Commentary

- We note that at the end of FY2019/20, Centum had fully written down (to nil) the investment in Amu Power.
- We therefore do not expect this to have a major impact on the Centum's performance going forward.

Market Commentary

The All Share and NSE 20 Share Indices gained by 0.1% and 0.01% w-o-w to close the week at 140.37 and 1,847.43 respectively. Market turnover declined by 33.1% w-o-w to KES 3.4 billion as the number of shares traded declined by 30.6% w-o-w to 122.1 million shares. Safaricom gained 0.2% w-o-w to close the week at KES 30.05 (41.8% of week's traded value). The banking sector traded 50.8% of the week's traded value with Equity trading 35.6m shares (-0.1% w-o-w to KES 36.10). Other notable movements were posted on KCB (+2.6% to KES 38.90), Co-op (-0.8% to KES 11.90) with HF emerging the top loser of the sector (-8.2% to KES 4.01%). 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 | 38.90 | -28.0% | 2.6% | 1,468,600 | 45.9% | 4.83 | 9.0% | 0.94 | 20.7% |
| Equity Bank | 36.10 | -32.5% | -0.1% | 691,500 | 51.5% | 6.04 | 0.0% | 1.22 | 21.8% |
| NCBA | 23.05 | -37.4% | 3.8% | 165,800 | 41.9% | 2.65 | 0.0% | 0.51 | 15.3% |
| Stanbic | 76.00 | -30.4% | 1.3% | 46,200 | 56.2% | 4.71 | 9.3% | 0.61 | 13.6% |
| Absa Bank Kenya Plc | 10.00 | -25.1% | 1.6% | 1,305,600 | 51.2% | 7.28 | 11.0% | 1.20 | 16.7% |
| Housing Finance | 4.01 | -37.9% | -8.2% | 314,600 | 93.8% | N/M | 0.0% | 0.14 | -1.1% |
| Co-operative Bank | 11.90 | -27.2% | -0.8% | 157,900 | 52.1% | 4.88 | 8.4% | 0.88 | 19.2% |
| Diamond Trust Bank | 60.00 | -45.0% | -4.0% | 90,900 | 48.6% | 2.47 | 4.5% | 0.29 | 12.1% |
| Standard Chartered | 159.75 | -21.1% | -2.9% | 3,500 | 55.6% | 6.66 | 4.7% | 1.15 | 17.5% |
| I&M | 44.40 | -17.8% | -1.3% | 33,600.00 | 39.0% | 1.70 | 5.7% | 0.32 | 20.4% |
| Sector Average | | | | | 53.6% | 4.58 | 5.3% | 0.73 | 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 | 17.35 | -56.4% | 10.2% | 3,900 | 3.86 | 8.6% | 4.5 | 10.9% |
| WPP Scangroup | 7.26 | -57.8% | -3.7% | 30,800 | 6.48 | 6.9% | 1.12 | 6.0% |
| Uchumi Supermarket | 0.30 | 3.4% | 0.0% | 15,800 | N/M | 0.0% | -4.6 | N/M |
| Longhorn Publishers | 4.77 | -29.4% | 0.4% | 10,400 | 7.01 | 10.9% | 0.68 | 17.3% |
| Eveready | 0.99 | -10.0% | 0.0% | 700 | N/M | 0.0% | -1.45 | -10.8% |
| Sector Average | | | | | 5.78 | 5.3% | | 5.8% |

*N/M - Not Meaningful

| Construction & Allied | Price (KES) | YTD Change | % w-o-w Change | Volume Traded | P/E(X) | Dividend Yield | NPM* | ROE |
|----------------------------------|--------------------|-------------------|-----------------------|----------------------|---------------|-----------------------|-------------|-------------|
| Bamburi Cement | 24.00 | -70.0% | -4.0% | 6,800 | 9.80 | 0.0% | 1.6% | 2.1% |
| E.A. Portland Cement | 14.85 | 2.4% | 0.0% | 0 | N/M | 0.0% | 0.0% | 0.0% |
| Sector Average | | | | | 9.80 | 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 | 5.06 | -11.5% | -4.2% | 649,100 | 4.22 | 7.9% | 1.20 | 4.2% |
| Kenya Power | 1.80 | -35.9% | -0.6% | 1,855,100 | 13.85 | 0.0% | 0.13 | 0.4% |
| Total Kenya | 23.75 | -13.6% | 1.1% | 1,000 | 5.89 | 5.5% | 4.03 | 10.8% |
| Sector Average | | | | | 7.99 | 4.0% | | 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 | 2.07 | -22.8% | -3.7% | 39,700 | 0.26 | 17.25 | 69.8% | 34.4% |
| Britam | 7.24 | -19.6% | -1.6% | 100,900 | 0.25 | 5.13 | 65.3% | 37.2% |
| Jubilee | 220.00 | -37.3% | 0.0% | 3,900 | 7.84 | 4.19 | 91.9% | 46.2% |
| Kenya Re | 2.33 | -23.1% | 4.5% | 230,700 | 0.08 | 0.91 | 71.2% | 13.1% |
| Sanlam Kenya | 13.10 | -23.8% | 6.5% | - | 9.10 | 16.58 | 85.8% | 35.5% |
| Liberty | 7.78 | -24.8% | -2.5% | - | 0.97 | 5.94 | 119.6% | 48.7% |
| Sector Average | | | | | 3.08 | 8.34 | 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 | 20.60 | -1.4% | -1.4% | 135,000 | 2.96 | 0.43 | 6.95 | 9.3% |
| Home Afrika Ltd | 1.66 | -26.7% | 4.8% | 65,000 | N/M | N/M | N/M | 2.6% |
| Trans-Century | 1.66 | -33.6% | 0.0% | 6,600.00 | N/M | N/M | N/M | 4.7% |
| Sector Average | | | | | N/M | 0.43 | | 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 | 8.36 | -32.3% | -3.5% | 18,800 | 27.87 | 3.3% | 0.3 | 3.9% |
| Sector Average | | | | | 27.87 | 3.3% | | |

| 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 | 164.25 | -17.3% | -2.2% | 64,900 | 31.77 | 1.8% | 5.17 | 46.6% |
| FTG Holdings | 1.40 | -43.3% | 1.4% | 2,300 | 5.38 | 0.0% | 0.26 | 4.8% |
| Carbacid | 8.04 | 0.5% | -4.7% | 118,500 | 7.73 | 8.7% | 1.04 | 8.6% |
| BAT | 355.00 | -29.0% | 6.4% | 1,400 | 9.14 | 9.4% | 38.85 | 40.8% |
| Sector Average | | | | | 13.51 | 4.0% | | |

| Telecommunication & Technology Sector | Price (KES) | YTD Change | % w-o-w Change | Volume Traded | P/E(X) | Dividend Yield | EPS (KES) | ROE |
|--|--------------------|-------------------|-----------------------|----------------------|---------------|-----------------------|------------------|------------|
| Safaricom | 30.05 | -4.6% | 0.2% | 12,093,900 | 16.16 | 4.7% | 1.86 | 51.8% |
| Sector Average | | | | | 16.16 | 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 | 5.04 | -46.5% | 0.4% | 279,700 | 20.80 | 14.88% | 0.83 |
| Sector Average | | | | | | NA | |

*NAVPS - Net Asset Value Per Share

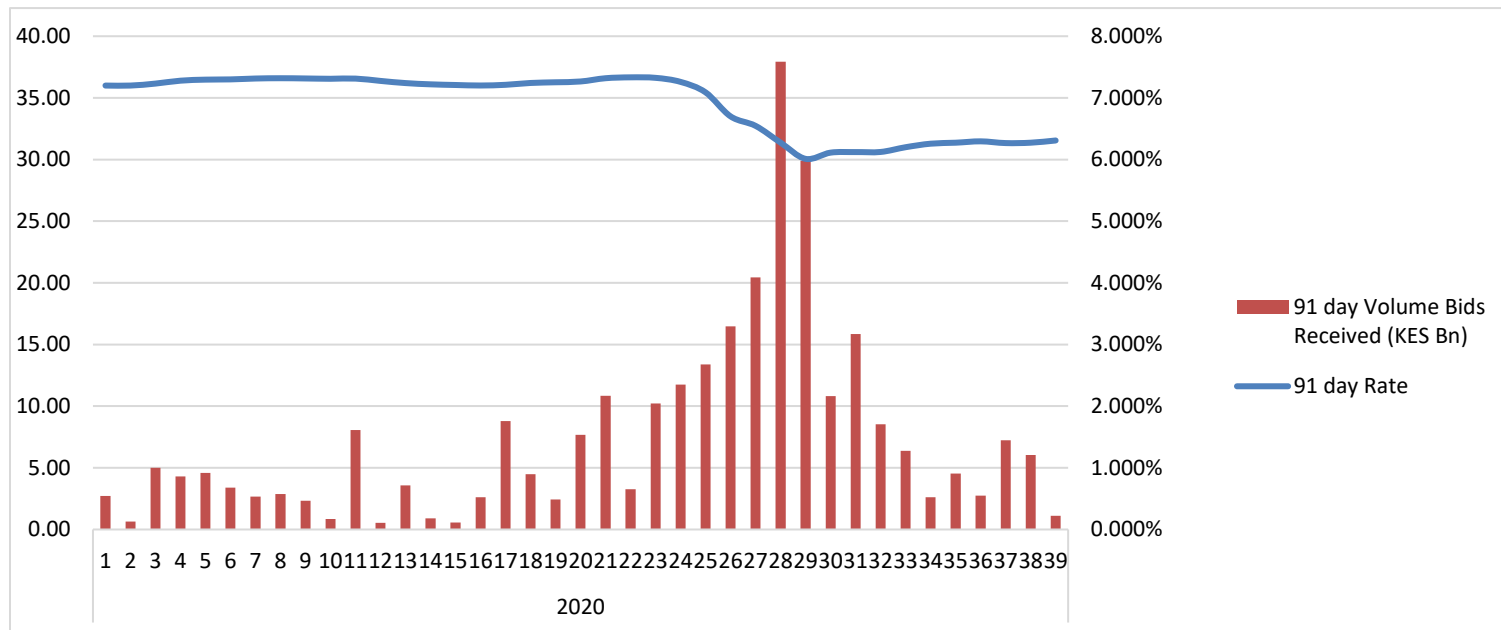
| Market Statistics | This Week | Last Week | % Change |
|--------------------------|------------------|------------------|-----------------|
| Total Volumes | 122,141,200 | 176,089,200 | -30.6% |
| Total Turnover (KES) | 3,437,796,160 | 5,141,163,518 | -33.1% |

Fixed Income Market Summary

| | Bids Received (KES) | Subscription | Bids Accepted (KES) | Rate | Previous Rate | % Change |
|----------------|------------------------|--------------|------------------------|--------|------------------|----------|
| 91 day T-bill | 1.12 Bn | 28.04% | 1.10 Bn | 6.309% | 6.273% | 0.036 |
| 182 day T-bill | 1.27 Bn | 12.72% | 1.13 Bn | 6.773% | 6.720% | 0.053 |
| 364 day T-bill | 4.73 Bn | 47.31% | 4.42 Bn | 7.690% | 7.571% | 0.119 |

Graph showing 91 day T-bill rate and volume

Week No. 39



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 |
| 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

Summary

| Counter | Recommendation | YTD Change | Price as at 25th September 2020 |
|---------|----------------|------------|---------------------------------|
| Equity | Long-term Buy | -32.52% | 36.10 |
| BAT | Buy | -29.00% | 355.00 |

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