Weekly Report

Week 4

Week Ending Friday, January 29, 2021

CONTACTS:

Email: research@fib.co.ke

Website: www.fib.co.ke

HEAD OFFICE:

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

Global Markets

Index	Last Price*	Weekly Change	YTD Change
DJI	30,252.80	(2.40%)	(0.46%)
S&P 500	3,766.37	(1.95%)	0.85%
NASDAQ 100	13,012.58	(2.57%)	1.23%
DAX	13,552.73	(2.32%)	(1.21%)
FTSE 100	6,448.37	(3.67%)	(0.19%)
EURO STOXX 50	3,511.53	(2.77%)	(1.16%)
Shanghai Composite	3,483.07	(3.43%)	0.29%
NIKKEI 225	27,663.39	(3.21%)	0.81%
Commodities			
Brent Oil (USD/bbl.)	55.96	0.99%	9.47%
Gold (USD/Oz)	1,858.06	0.13%	(2.10%)

Source: Bloomberg, NSE; *As at 6.23PM EAT

Most of the equity market indices eased during the week. The FTSE 100 declined during the week to a three-week low owing to increasing COVID-19 infections, new variants of the virus and lockdown extension, which dimmed expectations on economic recovery. Gold prices were mostly flat with investor focus on the US economic stimulus negotiations.

Equities Market

Equity Market Commentary

The All Share Index edged up by 0.5% w/w while the NSE 20 Share Index eased by 0.3% w/w to close the week at 155.59 and 1,881.91 respectively. Market turnover declined by 5.0% w/w to KES 2.5 billion while volume of shares traded increased by 10.6% to 88.3 million shares.

We attribute the gain in the All Share Index to a 0.8% w/w gain on Safaricom to close at KES 35.85. EABL eased only marginally (0.2% w/w) to close at KES 149.75 despite a 47.2% y/y decline in profitability to KES 3.8 billion for 1H2021. The decline in profitability was mainly due to higher tax related provisions (c. KES 1.9 billion) and lower net sales (-3.0% to KES 44.5 billion). Net sales, however, recovered (+53.0%) compared to 2H2020. We opine that investors are optimistic about the company's performance going forward (We will issue our recommendation in the coming week). The banking sector saw increased selling pressure on NCBA (-2.6% to KES 24.75), Equity (-1.9% to KES 36.50), ABSA Kenya (-1.5% to KES 9.32) and HF (-0.8% to KES 3.86). In the coming week, we expect continued focus on banking stocks, Safaricom and EABL.

Market Indices Performance

Index	Value	Weekly Change %	YTD Change %
NASI	155.59	0.5%	2.3%
NSE 20	1,881.91	(0.3%)	0.7%
NSE 25	3,434.52	0.1%	0.6%

Source: NSE

Market Statistics

	This Week	Previous Week	Change %
Market Capitalization (KES Bn)	2,390.285	2,387.760	0.5%
Number of Shares Traded (Mn)	88.28	79.8	10.6%
Equity Turnover (KES Mn)	2,519.33	2,652.12	(5.0%)

Source: NSE

Recommendations

Counter	Recommendation	Price (KES)	Weekly Change %	YTD Change %
Kenya Re	Hold	2.47	(1.6%)	6.5%

Source: NSE and Faida Investment Bank Analysis

For more detailed information on the recommendations, please click **here:**

Equities Performance

	Top Gainers	Price (KES)	Weekly Change %	YTD Change
1.	NBV	5.58	18.0%	30.4%
2.	KenGen	5.18	11.6%	10.0%
3.	Unga Group	32.00	8.3%	0.6%
4.	Crown Paints	40.00	5.3%	5.3%
5.	Sasini	17.85	4.7%	(8.5%)

	Top Losers	Price (KES)	Weekly Change	YTD Change %
1.	Kenya Power	1.50	(10.2%)	(12.3%)
2.	Home Afrika	0.36	(10.0%)	(14.3%)
3.	E.A. Portland	10.20	(9.3%)	(7.3%)
4.	Standard Group	20.50	(8.9%)	(8.9%)
5.	Bamburi	42.05	(8.7%)	11.1%

	Movers	Price (KES)	Turnover (KES Mn)
1.	Safaricom	35.85	1,256.0
2.	Equity Group	36.50	690.8
3.	KCB Group	35.85	208.8
4.	EABL	149.75	121.0
5.	Bamburi	42.05	39.6

Source: NSE and Faida Investment Bank Analysis

News Highlights

MPC Retains CBR at 7.0%

The Monetary Policy Committee (MPC) retained the Central Bank Rate (CBR) at 7.0%. According to the Committee, policy measures implemented from March 2020 have had the intended effect on the economy and are being augmented by the implementation of the announced fiscal measures in the FY2020/21 budget. The following highlights regarding the state of the economy formed the backdrop to the MPC's decision to retain the CBR.

- In 4Q2020, there was an improvement in economic activity supported mainly by growth in sectors such as agriculture and construction, exports and continued recovery in manufacturing and services. MPC noted that 97.0% of hotels were open in December (96.0% in November) with continued re-engagement of employees particularly during the festive season. Average bed occupancy was reported at 26.0% in December 2020 (11.0% in April 2020).
- The MPC noted further that orders for flower exports over the next 4 months are expected to remain strong, but with a risk of potential disruptions from a tightening of COVID-19 containment measures in key markets.
- Export of goods improved by 3.3% y/y in 2020 predominantly driven by tea and horticulture. Tea exports grew by 10.1% due to increased output. Horticulture exports rose by 27.7% having benefited from the resumption of demand in the international market and the availability of adequate cargo space. Imports however fell by 12.5% predominantly as a result of lower imports of oil given relatively low international oil prices. Receipts from services remained subdued owing to minimal international travel and transport. Remittances grew by 10.7% to USD 299.6 million in December. The MPC projected the current account deficit at about 4.8% of GDP in 2020 but is projected to rise to 5.1% in 2021 partly due to expected increase in imports (we note that international oil prices have been rising).
- Inflation is expected to remain within the target range (2.5% -7.5%) in the short term.

- Private sector credit growth rose by 8.4%y/y in December 2020 as demand recovered with improved economic activity. Strong credit growth was observed in manufacturing (+12.0%), transport and communications (+13.6%), agriculture (+15.3%), real estate (+8.7%) and consumer durables (+18.1%). The operationalization of the Credit Guarantee Scheme for the vulnerable Micro Small and Medium sized Enterprises (MSMEs), is expected to de-risk lending by commercial banks and is considered to be critical to increasing credit to this sector.
- The banking sector's non-performing loans (NPL) ratio (gross NPLs/gross loan book) deteriorated to 14.1% in December (October: 13.6%). The rise in NPLs was primarily attributed to the transport and communications, real estate and agriculture sectors as a result of the subdued business environment.
- Loans worth KES 1.6 trillion (54.2% of the total banking sector loan book of KES 3.0 trillion) had been restructured by December. Of this, KES 333.0 billion (20.6%) were personal loans and KES 1.3 trillion was split among trade (21.3%), manufacturing (20.4%), real estate (15.4%) and agriculture (12.4%).

Commentary

- The retention of the CBR at 7.0% is in line with our expectations given here: We anticipated that, given the economy remains vulnerable, the CBK would not raise the CBR in the near term. In addition, given the higher imported inflation partly due to the depreciating Kenya shilling against major currencies like the US Dollar, CBK would employ other tools to mop up excess liquidity in the market rather than raise the CBR.
- We note that Kenya's GDP projections for 2021 are largely positive; World Bank (6.9%), Kenyan government (6.4%) and IMF (4.7%). However, the country's projected economic recovery could be undermined by delays in the availability of vaccines and extension of the COVID-19 containment measures. We note that globally, uncertainty still remains owing to mutations of the virus and the re-introduction of containment measures - for instance in the UK. We expect that Kenya's economic recovery will be to an extent influenced by the rate of improvement in the global economy.

KenGen Posts a 133.1% Growth in After Tax Profits for FY2020

- KenGen recorded a 133.1% y/y growth in after tax profits for FY2020 to KES 18.4 bn (FY2019: KES 7.9 bn).
- The surge in profitability was predominantly attributable to a tax credit of KES 4.6 bn. According to the Company, the tax credit was largely as a result of the impact of the temporary reduction of the corporate tax rate to 25.0% from 30.0% (this was part of the COVID-19 relief measures).
- KenGen's bottom line was also supported by an 11.3% y/y growth in net revenues to KES 39.8 bn buoyed by (i) a 13.4% y/y rise in electricity revenues to KES 33.8 bn (largely due to the full operationalization of 165 MW Olkaria V) and (ii) a 59.0% y/y decrease in fuel costs to KES 4.1 bn reflecting reduced dispatch from thermal power plants – due to increased geothermal capacity.
- Other net gains recorded a 100.8% y/y growth to KES 6.4 bn mainly driven by a gains realized on the fair value of financial assets due to the depreciation of the Kenya Shilling.
- Despite the operationalization of 165 MW Olkaria V KenGen's operating expenses (excluding depreciation & amortization) grew marginally by 0.8% y/y to KES 14.0 bn indicating improved efficiency.
- Depreciation and amortization costs however increased by 16.1% y/y to KES 12.0 bn occasioned by the capitalization of 165 MW, Kamburu rehabilitation and the recognition of right of use assets.
- According to the company, finance costs rose by 63.1% y/y to KES 8.2 bn largely due to (i) a foreign exchange loss of KES 6.0 bn (FY2019: loss of KES 2.5 bn) associated with foreign currency borrowings and (ii) a KES 102.0 million lease payment following the adoption of IFRS 16.
- Net cash generated from operations eased by 41.6% y/y to KES 17.9 bn – we partly attribute this to net working capital changes; trade receivables rose by 24.1% y/y to KES 23.4 bn while trade payables declined by 41.3% y/y to KES 5.4 bn.
- Net cash used in investing activities declined by 39.2% y/y to KES 17.5 bn while net cash used in financing activities stood at KES 4.4 bn, lower than KES 4.1 bn generated in FY2019 – largely reflecting the impact lower proceeds from borrowings (dropped by 57.7% y/y to KES 7.0 bn).
- Cash and bank balances eased by 42.1% y/y to KES 5.3 bn.
- The company declared a dividend of KES 0.30 (FY2019: KES 0.25); we opine that the reduced cash position may have partly influenced the low dividend payout of 10.8% (FY2019: 20.9%).

Commentary

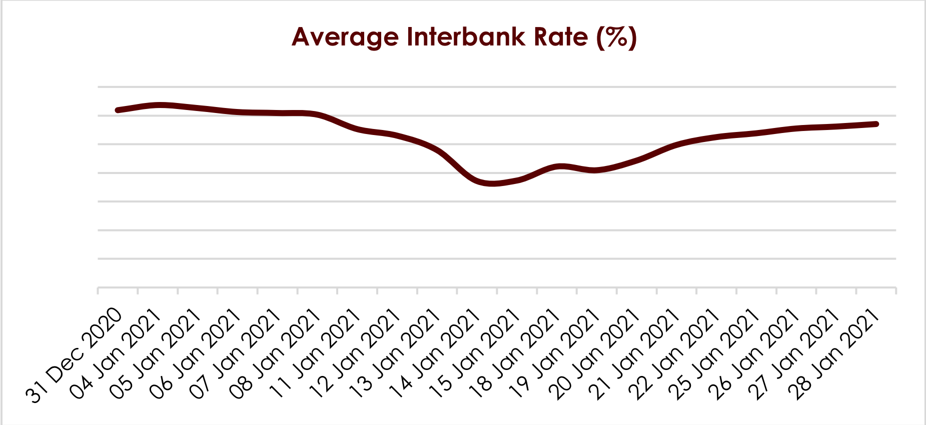
- With the lifting of COVID-19 restrictions and the gradual reopening of the economy, we continue to expect increasing electricity demand to support electricity revenues.
- Furthermore, KenGen is on course to commission the 83.3MW Olkaria 1 unit 6 plant in 2021 – this should also boost electricity revenues (capacity and energy). However owing to the review of tax allowances from a maximum of 150.0% to 50.0% of capital investment, going forward KenGen may not benefit as much from tax credits when commissioning plants as it did in the past. We note that the tax reliefs which the Company benefited from have been reversed (corporate tax rate is back to 30.0%) and thus going forward, KenGen's performance will likely depend more on its initiatives (commissioning of new plants, revenue diversification) and power demand in the economy.
- We also note that with increasing trade receivables (from Kenya Power) KenGen's cash flow position continues to remain constrained limiting its dividend pay-out ratio. We have withdrawn our recommendation as we are currently reviewing it.

KenGen Income Statement	**FY2020**	**FY2019**	**Change**
	KES '000	KES '000	%
Total revenue	44,110,491	45,965,646	(4.0%)
Total reimbursable expenses	4,288,290	10,191,562	(57.9%)
Net revenue	**39,822,201**	**35,774,084**	**11.3%**
Total other income	6,855,496	3,798,007	80.5%
Operating income	**46,677,697**	**39,572,091**	**18.0%**
Depreciation and amortization	12,029,561	10,360,330	16.1%
Operating expenses	14,045,286	13,927,182	0.8%
Expenses	**26,074,847**	**24,287,512**	**7.4%**
Operating profit	**20,602,850**	**15,284,579**	**34.8%**
Net finance costs	6,813,063	3,630,862	87.6%
Profit before income tax	**13,789,787**	**11,653,717**	**18.3%**
Income tax credit (expenses)	4,587,306	(3,769,382)	
Profit for the year	**18,377,093**	**7,884,335**	**133.1%**
Basic and diluted EPS (KES)	2.79	1.20	132.5%
DPS (KES)	0.30	0.25	20.0%
Dividend pay-out rate	10.8%	20.9%	

Source: Company Report and Faida Investment Bank Analysis

Fixed Income Market

Interbank Rate



Source: CBK

Treasury Bill Auction Results

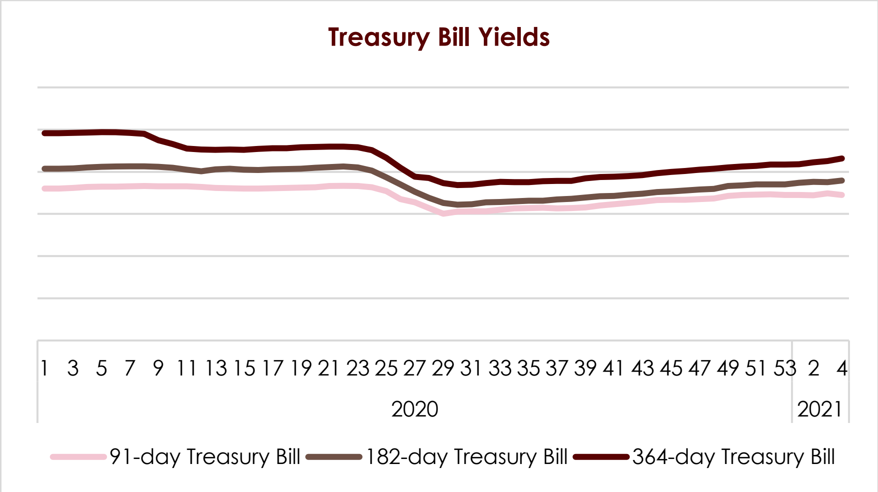
	Amount Offered	Bids Received	Subscription Rate	Bids Accepted	Yield	Change*
91 day	4.00	0.51	12.72%	0.51	6.897%	(8.6)
182 day	10.00	1.97	19.70%	1.97	7.578%	7.0
364 day	10.00	13.42	134.17%	13.41	8.623%	11.5
Total	24.00	15.90	66.23%	15.89		

*Change = Current Rate – Previous Rate; 1.0% = 100 bps
Amount Offered, Bids Received and Bids Accepted are in KES Billions

Source: CBK

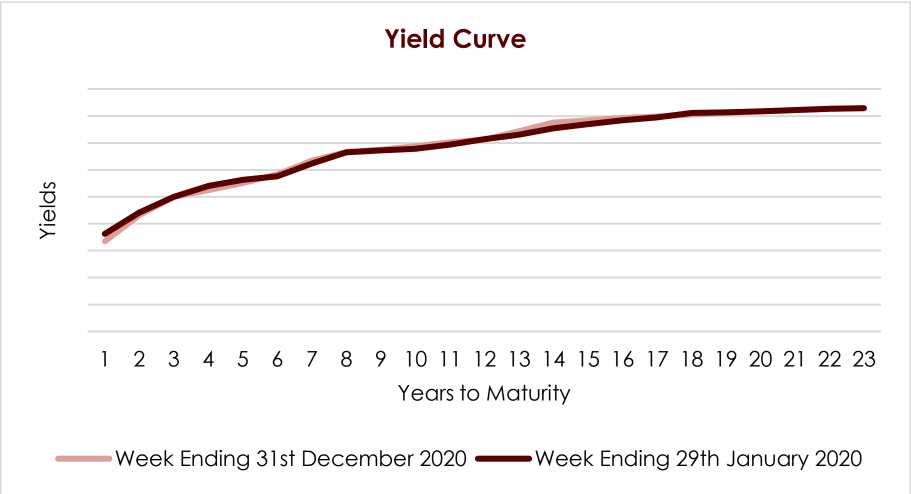
Treasury bills were undersubscribed during the week's auction – the total subscription rate was 66.23%, down from last week's 84.52%. The 364 day paper had the highest subscription rate this week, at 134.17%.

Treasury Bill Yields



Source: CBK

Government Securities Yield Curve



Source: NSE

CBK Invites Bids for Re-opened FXD1/2013/15 and FXD1/2012/20 Treasury Bonds

- The Central Bank of Kenya (CBK), acting in its capacity as fiscal agent for the Republic of Kenya, has invited bids for the re-opened FXD1/2013/15 and FXD1/2012/20 with the intention of raising KES 50.0 billion for budgetary support.
- The features of the bonds are shown in the table below:

	FXD1/2013/15	FXD1/2012/20
Amount	KES 50.0 billion	
Tenor	7.1 years	11.8 years
Coupon rate	11.250%	12.000%
Taxation	10.0%	10.0%
Period of sale	26/01/2021 to 02/02/2021	
Redemption date	07/02/2028	01/11/2032

Source: CBK

- The recent FXD1/2021/002 bond issue recorded an oversubscription of 244.60% with the government accepting KES 55.9 billion worth of bids (original amount offered: KES 25.0 billion).
- We note that the government's appetite for borrowing may be lower, hence the 5-day period of sale on the current issue (recent IFB1/2021/16 and FXD1/2021/002 sale periods were 22 and 12 days respectively). We attribute this to the fact that the government accepted KES 81.1 billion worth of bids this month from the issue of the most recent infrastructure bond (IFB1/2021/16) which had a significant oversubscription of 250.95%.
- We recommend bidding as follows:
  - **i. FXD1/2013/15**
    - Aggressive bids – 11.60% - 11.90%
    - Non-aggressive bids – 11.30% - 11.50%
  - **ii. FXD1/2012/20**
    - Aggressive bids – 12.50% - 12.80%
    - Non-aggressive bids – 12.10% - 12.40%

Macroeconomic Indicators

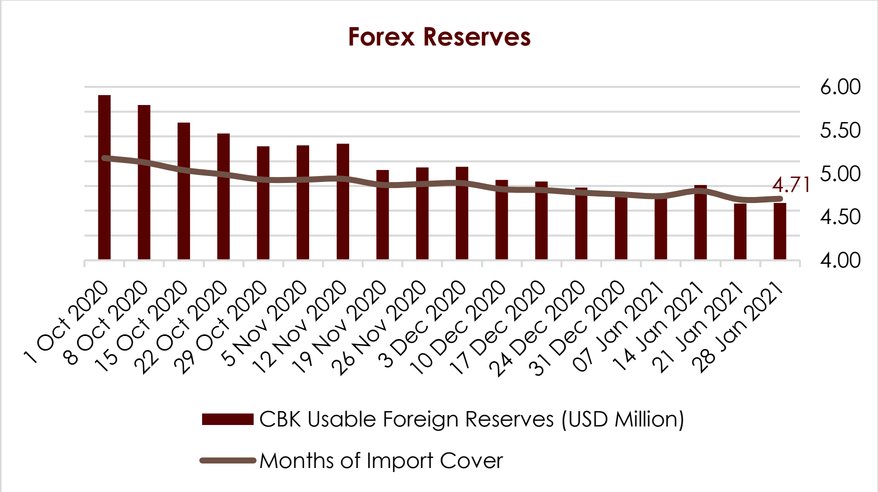
Exchange Rates

	Value	Weekly Change %	YTD Change %
US Dollar	110.1441	(0.3%)	(0.9%)
STG Pound	150.5468	0.1%	(1.5%)
EURO	133.1600	0.1%	0.5%

Source: CBK; Negative () = Depreciation, Positive = Appreciation

The Kenya Shilling remained relatively stable against major international currencies during the week.

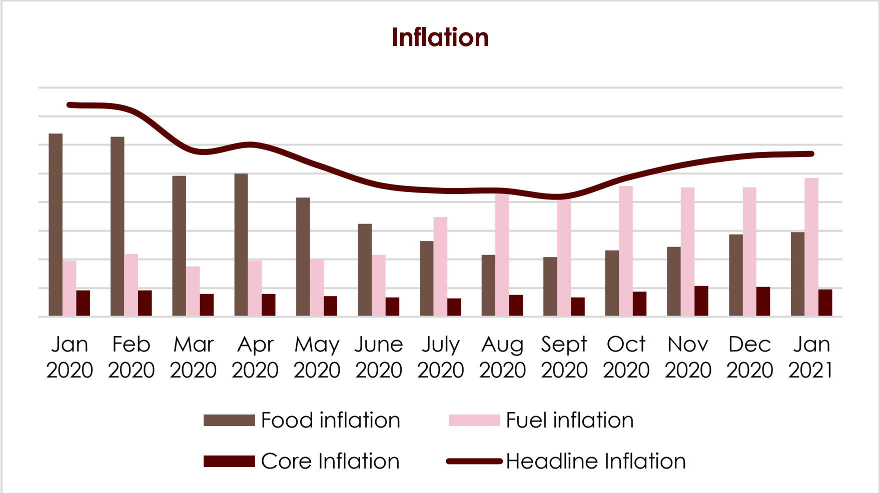
Forex Reserves



Source: CBK

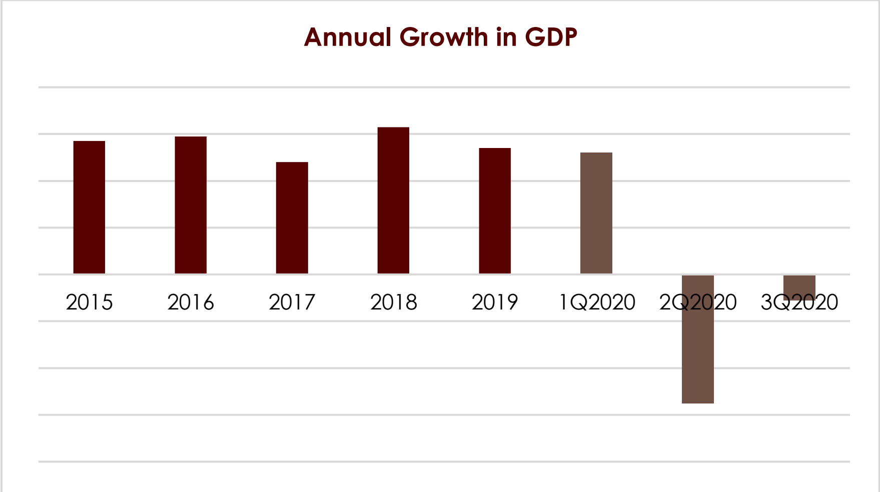
Inflation

The average interbank rate rose during the week from 6.4% to 6.6%.



Source: KNBS

Gross Domestic Product (GDP)



Source: KNBS

Kenya's economy slid into a recession in the 3Q2020 as GDP contracted for the second consecutive quarter. Kenya's Real GDP is estimated to have contracted by 1.1% in the 3Q2020, showing some improvement from the contraction of 5.5% witnessed in 2Q2020, but markedly different from the growth of 5.8% realized in 3Q2019. The improvement from the previous quarter was supported by the partial easing of COVID-19 restrictions that enhanced economic activities.

The economic performance was largely weighed down by the accommodation and food services (contracted by 57.9% compared to a growth of 9.9% in 3Q2019) and the education (contracted 41.9% compared to a growth of 6.0% in 3Q2019) sectors. These were the hardest hit sectors due to the closure of learning institutions and the implementation of travel restrictions in order to contain the spread of the virus.

Growth was however largely supported by the agricultural, construction and real estate sectors which grew by 6.3%, 16.2% and 5.3% respectively. Growth in the agricultural sector was supported by increases in tea production, fruit exports and sugarcane production. In the construction sector, cement consumption rose by 23.5% y/y to 1,952.2 thousand metrics reflecting increased construction activity which also buoyed growth in the real estate sector.

Real GDP Growth by Sector	3Q2019	3Q2020
Agriculture	5.0%	6.3%
Mining & Quarrying	3.4%	18.2%
Manufacturing	3.9%	(3.2%)
Electricity and Water Supply	6.4%	4.7%
Construction	6.6%	16.2%
Wholesale & Retail Trade	6.1%	(2.5%)
Accommodation & Food Services	9.9%	(57.9%)
Transport & Storage	7.6%	2.9%
Information & Communication	8.0%	7.3%
Financial & Insurance	8.1%	5.3%
Public Administration	8.4%	9.6%
Professional, Admin & Support Services	4.8%	(12.3%)
Real Estate	5.5%	5.3%
Education	6.0%	(41.9%)
Health	5.5%	5.6%
Other Services	5.3%	(4.5%)

Source: KNBS

Labour Statistics

Indicator	3Q2019	1Q2020	2Q2020	3Q2020
Unemployment Rate	5.3%	5.2%	10.4%	7.2%
Labour Force Participation Rate	69.8%	69.7%	64.4%	68.8%

Source: KNBS

Derivatives Market

Weekly Statistics

	This Week	Previous Week
Total Volumes	67	58
Total Value	6,522,440	2,695,000
Total Open Interest	210	201

Source: NSE

Corporate Finance

Pula raises $6.0 million in Seed A Funding Round

Pula, a Kenyan insurtech startup has raised $6.0 million in a seed-funding round from Pan-African early-stage venture capital firm, TLcom Capital, with participation from non-profit Women's World Banking. The startup was founded in 2015 and specializes in digital and agricultural insurance to de-risk smallholder farms across Africa by helping them navigate climate risks, improve farming practices and bolster incomes over time. The product – Area Yield Index – uses technology and data through machine learning, crop cuts experiments and data points concerning weather patterns and farm losses to create products that cater to various risks.

According to management, selling insurance directly to farmers has been a challenge. Instead, the firm partners with banks which provide loans to the farmers and make it compulsory for them to have insurance. The banks pay insurance on the farmers' behalf from the loans at the start of the farming season and at the end of the season, the farmers repay the loan with interest. Further, the startup is working with government subsidy programs. Currently, Pula has 50 insurance partners and 6 reinsurance partners.
Pula's clients include World Food Programme, Central Bank of Nigeria, Zambian and Kenyan governments, One Acre Fund, startups like Apollo Agriculture and agribusiness firms such as Flour Mills and Export Trading Group.
The funding will be used to scale up operations in its 13 markets across Africa where it insures over 4.3 million farmers. These markets include Kenya, Tanzania, Rwanda, Uganda, Ethiopia, Mali, Ghana, Nigeria, Senegal, Madagascar, Zambia, Malawi and Mozambique. Moreover, the firm would like to expand into Asia and Latin America. The startup had raised a $1.0 million seed round in 2018 from Rocher Participations with support from Accion Venure Lab, Omidyar Network and other angel investors.

Other African agriculture tech startups that have raised funding recently include; Aerobotics a South African startup that raised $17.0 million Series B, SunCulture a Kenyan startup that raised $14.0 million and Apollo Agriculture a Kenyan startup which raised $6.0 million Series A.

We opine that Pula has potential for growth given the low uptake of agricultural insurance and its model within the continent despite agriculture being a significant contributor to African economies.

Profit Warnings Issued

	Company	Sector
1.	Britam Holdings	Insurance
2.	Absa Bank	Banking
3.	East African Breweries	Manufacturing and Allied
4.	Kenya Power	Energy
5.	East African Cables	Construction and Allied
6.	Kenya Orchards	Manufacturing and Allied
7.	Longhorn Publishers	Commercial and Services
8.	Nairobi Business Ventures	Commercial and Services
9.	Nation Media Group	Commercial and Services
10.	Unga Group	Manufacturing and Allied
11.	NCBA Group	Banking
12.	TPS Eastern Africa	Commercial and Services
13.	I&M Holdings	Banking
14.	Standard Chartered Bank	Banking
15.	Diamond Trust Bank	Banking
16.	Cooperative Bank of Kenya	Banking
17.	CIC Insurance Group	Insurance

Source: NSE

Counter Statistics

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	35.85	-5.9%	-0.4%	5,816,400	45.9%	4.45	9.8%	0.86	20.7%
Equity Bank	36.50	-0.1%	-1.9%	18,857,700	51.5%	6.11	0.0%	1.23	21.8%
NCBA	24.75	-7.5%	-2.6%	63,100	41.9%	2.85	0.0%	0.55	15.3%
Stanbic	80.00	-5.9%	2.9%	133,800	56.2%	4.96	8.8%	0.64	13.6%
Absa Bank Kenya Plc	9.32	-3.5%	-1.5%	629,000	51.2%	6.79	11.8%	1.12	16.7%
Housing Finance	3.86	16.3%	-0.8%	274,500	93.8%	**N/M**	0.0%	0.13	-1.1%
Co-operative Bank	12.60	0.8%	0.0%	287,200	52.1%	5.17	7.9%	0.93	19.2%
Diamond Trust Bank	76.00	1.3%	4.1%	462,000	48.6%	3.13	3.6%	0.36	12.1%
Standard Chartered	138.50	-4.0%	-0.2%	61,600	55.6%	5.78	5.4%	1.00	17.5%
I&M	47.00	4.4%	2.2%	653,700	39.0%	1.80	5.4%	0.34	20.4%
Sector Average					**53.6%**	**4.56**	**5.3%**	**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	0.0%	0.0%	-	**N/M**	0.0%	-1.3	**N/M**
Nation Media Group	14.90	-3.6%	-1.0%	240,600	3.31	10.1%	4.5	10.9%
WPP Scangroup	6.30	5.0%	0.0%	119,900	5.63	7.9%	1.12	6.0%
Uchumi Supermarket	0.28	0.0%	3.7%	86,700	**N/M**	0.0%	-4.6	**N/M**
Longhorn Publishers	4.71	-3.5%	1.5%	13,000	6.93	11.0%	0.68	17.3%
Eveready	1.04	-13.3%	1.0%	19,200	**N/M**	0.0%	-1.45	-10.8%
Sector Average					**5.29**	**5.8%**		**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	42.05	11.1%	-8.7%	890,700	17.16	0.0%	1.6%	2.1%
E.A. Portland Cement	10.20	-7.3%	-9.3%	1,200	**N/M**	0.0%	0.0%	0.0%
Sector Average					**17.16**	**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	5.18	10.0%	11.6%	1,906,100	1.86	5.8%	2.79	9.0%
Kenya Power	1.50	-12.3%	-10.2%	10,333,300	11.54	0.0%	0.13	0.4%
Total Kenya	23.80	-0.8%	1.3%	6,600	5.91	5.5%	4.03	10.8%
Sector Average					**6.43**	**2.9%**		**4.7%**

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	-2.8%	-3.7%	373,500	0.26	17.25	69.8%	34.4%
Britam	7.46	2.8%	-0.8%	199,100	0.25	5.29	65.3%	37.2%
Jubilee	280.00	-1.4%	0.0%	14,800	9.98	5.33	91.9%	46.2%
Kenya Re	2.47	6.5%	-1.6%	9,614,700	0.09	0.97	71.2%	13.1%
Sanlam Kenya	13.00	0.4%	-7.1%	14,400.00	9.03	16.46	85.8%	35.5%
Liberty	7.50	-2.6%	1.1%	24,900.00	0.93	5.73	119.6%	48.7%
Sector Average					**3.42**	**8.50**	**83.9%**	**35.8%**

Investment Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	P/B(X)	EPS (KES)	ROE
Centum Investment	17.05	4.3%	4.3%	274,500	2.45	0.36	6.95	9.3%
Home Afrika Ltd	1.39	-14.3%	-10.0%	574,100	**N/M**	**N/M**	**N/M**	2.6%
Trans-Century	1.39	-4.1%	-3.5%	26,700.00	**N/M**	**N/M**	**N/M**	4.7%
Sector Average					**N/M**	0.36		**5.5%**

***P/B based on company Net Aset Value**

Investment Services	Price (KES)	YTD Change	%w-o-w change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
NSE	8.44	3.4%	-0.7%	27,200	28.13	3.3%	0.3	3.9%
Sector Average					**28.13**	**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	149.75	-2.9%	-0.2%	809,700	28.97	2.0%	5.17	46.6%
FTG Holdings	1.28	4.1%	-6.6%	12,500	4.92	0.0%	0.26	4.8%
Carbacid	12.00	-0.8%	0.8%	91,500	9.45	5.8%	1.27	10.0%
BAT	406.25	12.5%	2.1%	80,900	10.46	8.2%	38.85	40.8%
Sector Average					**13.45**	**3.2%**		

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	35.85	4.7%	0.8%	34,573,000	19.27	3.9%	1.86	51.8%
Sector Average					**19.27**	**3.9%**		

Real Estate Investment Trust	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	NAVPS*	Dividend Yield	EPS (KES)
ILAM FAHARI I-REIT	6.20	11.5%	-1.6%	52,100	20.80	12.10%	0.83
Sector Average						**NA**	

***NAVPS - Net Asset Value Per Share**

Source: NSE and Faida Investment Bank Analysis

Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Carbacid Investments Plc	Final dividend	KES 0.70	23-Nov-20	**09-Jan-21**	29-Jan-21
Car & General	Final dividend	KES 0.80	28-Jan-21	**22-Feb-21**	25-Mar-21
KenGen	Final dividend	KES 0.30	28-Jan-21	**29-Apr-21**	22-Jul-21

Source: NSE

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Recommendations Guide

LONG-TERM BUY: The Company has strong fundamentals. However, there are certain investments or strategies that would require an investor to have a long-term view of the company to allow for capital appreciation. Also, the company may be facing head wings which we view as short term

BUY: Strong fundamentals. Minimal risks to the catalysts/growth drivers

NEUTRAL: This is where the positives and negatives in a company almost balance out. You can accumulate for the long term

SELL: Deteriorating fundamentals. Risks outweigh the catalyst/growth drivers