

KEY MARKET INDICATORS

COUNTRY	INDEX	W-o-w (%)	YTD	MARKET CAPITALIZATION
KENYA	All Share Index(NASI) – 140.04	-0.8%	-15.8%	USD Mn – 19,758 KES Bn – 2,150.06
	NSE 20 Share Index – 1,783.68	-0.9%	-32.8%	USD Mn – 17,359 KES Bn – 1,889.019
	NSE 25 Share Index – 3,170.87	-1.4%	-22.7%	USD Mn – 18,397 KES Bn – 2,001.95

Source:NSE

KEY ECONOMIC INDICATORS

EXCHANGE RATE	W-o-W	YTD	INFLATION(MM/YY)	GDP GROWTH
KES/USD –108.8188	(0.04%)	(7.4%)	4.8% (10/2020)	-5.7% (2Q2020)
NGN/USD -379.50*	-	(23.8%)	13.7% (09/2020)	-6.1% (2Q2020)
ZAR/USD – 16.3246	(0.8%)	(16.3%)	3.0% (09/2020)	-51.0%(2Q2020)

Source: CBK, KNBS, NBS, CBN, SIS, STATS SA, SARB: Negative () – Depreciation, Positive – Appreciation *10/28/2020

Safaricom Launches New MPESA Feature

- Safaricom has launched a new MPESA feature – Pochi la Biashara – which allows informal business owners who lack paybills or till numbers to accept payments using their personal M-PESA lines. This feature works by separating the business funds (pochi la biashara) and personal funds.
- This feature also adds some security since the payments cannot be reversed without approval from the business owner receiving the funds.
- The targeted business owners include boda boda operators and food vendors. Business owners will be able to access account statements and can easily opt in and out of the service from their phones.
- Customers making payments will also need to select the Pochi la Biashara function for business owners to receive the funds via Pochi la Biashara (this might require the company to increase awareness of the feature to both business owners and customers).
- According to management, funds from the Pochi la Biashara will not be used to settle overdraft facilities (Fuliza). The company may need to implement measures to prevent misuse.

Commentary

- Overall, we see this a good move in improving acceptance of M-PESA as a preferred means of mobile payments.

Market Commentary

The All Share Index retreated by 0.8% w-o-w to close the week at 140.04 characterized by higher trading activity (Market turnover increased by 27.4% to KES 1.7 billion while the number of shares traded rose by 34.9% to KES 58.0 million). Market activity was predominantly foreign (foreign participation rate of 62.4%) with foreigner investors emerging net sellers in the week. Investor activity was primarily focused on Safaricom (-0.3% w/w to KES 30.85), KCB (-2.7% w/w to KES 36.05), Equity (-1.3% w/w to KES 33.90) and EABL (-4.3% w/w to KES 150.25) during the week. There has been increased selling pressure in the market as uncertainty looms over whether the government will revert back to more stringent containment measures (the number of COVID-19 cases has been on the rise). An extraordinary session of the National and County government coordinating summit will be convened on 4th November 2020 in light of the rise in COVID-19 infections. We expect selling pressure to persist 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	36.05	-33.2%	-2.7%	7,073,500	45.9%	4.47	9.7%	0.87	20.7%
Equity Bank	33.90	-36.6%	-1.3%	6,546,300	51.5%	5.67	0.0%	1.14	21.8%
NCBA	22.65	-38.5%	-0.4%	430,200	41.9%	2.61	0.0%	0.50	15.3%
Stanbic	77.00	-29.5%	-5.2%	716,000	56.2%	4.77	9.2%	0.62	13.6%
Absa Bank Kenya Plc	9.44	-29.3%	-0.6%	3,364,200	51.2%	6.88	11.7%	1.13	16.7%
Housing Finance	3.73	-42.3%	-5.8%	81,100	93.8%	N/M	0.0%	0.13	-1.1%
Co-operative Bank	11.30	-30.9%	-0.9%	618,000	52.1%	4.63	8.8%	0.84	19.2%
Diamond Trust Bank	61.25	-43.8%	0.4%	13,600	48.6%	2.52	4.4%	0.29	12.1%
Standard Chartered	158.25	-21.9%	3.6%	19,000	55.6%	6.60	4.7%	1.14	17.5%
I&M	44.00	-18.5%	-2.2%	8,300.00	39.0%	1.69	5.8%	0.32	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	16.20	-59.3%	5.2%	31,600	3.60	9.3%	4.5	10.9%
WPP Scangroup	6.44	-62.6%	-3.9%	985,500	5.75	7.8%	1.12	6.0%
Uchumi Supermarket	0.28	-3.4%	-6.7%	450,000	N/M	0.0%	-4.6	N/M
Longhorn Publishers	4.61	-31.8%	0.4%	9,800	6.78	11.3%	0.68	17.3%
Eveready	0.98	-10.9%	6.5%	24,800	N/M	0.0%	-1.45	-10.8%
Sector Average					5.38	5.7%		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	24.00	-70.0%	1.1%	1,478,400	9.80	0.0%	1.6%	2.1%
E.A. Portland Cement	16.00	10.3%	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%	-1.2%	3,684,300	4.22	7.9%	1.20	4.2%
Kenya Power	1.75	-37.7%	-3.8%	1,129,600	13.46	0.0%	0.13	0.4%
Total Kenya	24.05	-12.5%	3.0%	9,500	5.97	5.4%	4.03	10.8%
Sector Average					7.88	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	2.25	-16.0%	2.7%	208,700	0.29	18.75	69.8%	34.4%
Britam	7.38	-18.0%	-2.6%	1,690,700	0.25	5.23	65.3%	37.2%
Jubilee	269.50	-23.2%	-2.0%	7,700	9.60	5.13	91.9%	46.2%
Kenya Re	2.25	-25.7%	1.8%	403,300	0.08	0.88	71.2%	13.1%
Sanlam Kenya	12.30	-28.5%	2.1%	11,500.00	8.54	15.57	85.8%	35.5%
Liberty	7.58	-26.8%	-2.8%	6,600.00	0.94	5.79	119.6%	48.7%
Sector Average					3.28	8.56	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	18.30	-0.8%	-0.8%	241,400	2.63	0.39	6.95	9.3%
Home Afrika Ltd	1.60	-28.3%	-2.3%	228,800	N/M	N/M	N/M	2.6%
Trans-Century	1.60	-36.0%	-3.6%	78,400.00	N/M	N/M	N/M	4.7%
Sector Average					N/M	0.39		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	8.26	-33.1%	1.5%	45,000	27.53	3.4%	0.3	3.9%
Sector Average					27.53	3.4%		

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	150.25	-24.3%	-4.3%	1,484,100	29.06	2.0%	5.17	46.6%
FTG Holdings	1.40	-43.3%	-6.0%	10,100	5.38	0.0%	0.26	4.8%
Carbacid	8.50	6.3%	-4.7%	25,600	8.17	8.2%	1.04	8.6%
BAT	342.00	-31.6%	-2.1%	68,700	8.80	9.8%	38.85	40.8%
Sector Average					12.86	4.0%		

Telecommunication & Technology Sector	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	P/E(X)	Dividend Yield	EPS (KES)	ROE
Safaricom	30.85	-2.1%	-0.3%	23,225,000	16.59	4.5%	1.86	51.8%
Sector Average					16.59	4.5%		

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Real Estate Investment Trust	Price (KES)	YTD Change	% w-o-w Change	Volume Traded	NAVPS*	Dividend Yield	EPS (KES)
ILAM FAHARI I-REIT	5.50	-41.6%	0.4%	292,700	20.80	13.64%	0.83
Sector Average						NA	

*NAVPS - Net Asset Value Per Share

Market Statistics	This Week	Last Week	% Change
Total Volumes	58,010,000	43,040,00	34.8%
Total Turnover (KES)	1,682,150,000	1,320,670,000	27.4%

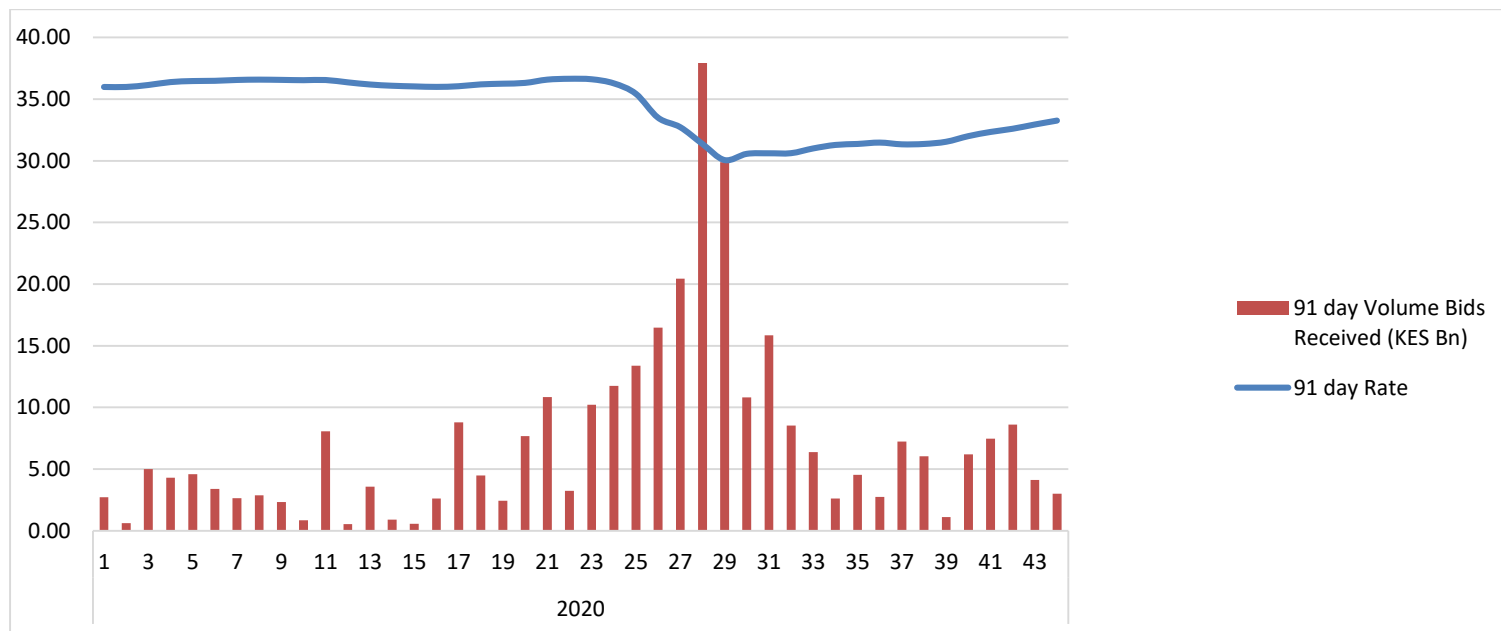
Fixed Income Market Summary

	Bids Received (KES)	Subscription	Bids Accepted (KES)	Rate	Previous Rate	Change*
91 day T-bill	3.00 Bn	74.92%	2.51 Bn	6.653%	6.589%	0.064%
182 day T-bill	3.31 Bn	33.07%	3.31 Bn	7.038%	6.967%	0.071%
364 day T-bill	11.01 Bn	110.10%	10.72 Bn	7.933%	7.840%	0.093%

*Current Rate-Previous Rate

Graph showing 91 day T-bill rate and volume

Week No. 44



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Corporate Actions

Counter	Corporate Action	Declared	Date Announced	Books Closure Date	Payment Date
Nation Media Group Ltd	Bonus Issue	01:10	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
Williamson Tea Kenya	Final dividend	Kes. 20.00	17-Jul-20	18-Aug-20	Subject to Approval
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	03-Nov-20	17-Dec-20
Nairobi Securities Exchange	First & Final dividend	Kes. 0.08	27-Mar-20	09-Jul-20	Subject to Approval

Market Recommendations

Summary

Counter	Recommendation	YTD Change	Price as at 30th October 2020
Equity	Long-term Buy	-36.64%	33.90
HF	Sell	-42.26%	3.73

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