

## Stock Recommendation

Company	*Fair Value (KES)	Closing Price (KES)	Upside/downside (%)	Current Rating
Safaricom	33.13	16.25	103.9%	BUY
Equity bank	47.71	45.40	5.1%	HOLD
KCB bank	66.26	37.95	74.6%	BUY
Co-op bank	20.33	14.20	43.2%	BUY
ABSA bank	11.97	15.10	-20.7%	SELL
StanChart bank	262.64	250.25	5.0%	HOLD
NCBA bank	36.1	44.60	-19.1%	SELL
I&M bank	35.09	30.75	14.1%	HOLD
Stanbic bank	84.7	130.00	-34.8%	SELL
DTB bank	92.65	60.25	53.8%	BUY
EABL	151.28	172.00	-12.0%	HOLD
Bamburi Cement	44.37	56.50	-21.5%	SELL
BAT Kenya	460.00	350.00	31.4%	BUY

## Kenya Market Summary

### Equity market commentary and outlook

- During the week, DTB Bank reached a thirty-three-week high on increased local demand. Kenya Re touched an eight-day low on reduced local participation. Centum Investments released their 1H25 results. Foreign investors dominated trading for the week at 54.6% of trading activity. Foreign investors remained net sellers repeatedly for the ninth week at USD 7.9m (KES 1.0bn). Equity Bank registered the highest net foreign outflows at USD 3.4m (KES 438.6m), while Kenya Power marked the highest net foreign inflows at USD 38.9k (KES 5.0m).

### Debt market commentary and outlook

- Total subscription rates fell to 176.3% from 211.1% the previous week, declining for the fourth week straight. Investors remained skewed on the 91-Day T-Bill. Activity increased for the 91-Day T-Bill but declined for the 182-Day and the 364-Day T-Bill. The yield on all three T-Bills fell, with the 91-Day T-Bill declining consecutively for the twentieth week, and the 182-Day T-Bill and the 364-Day T-Bill declining for the nineteenth week straight.

## Key Market Indicators

Index	Level	1w	1m	3m	6m	12m	ytd (%)
Kenya NSE 20 Index	1,831.0	10.3%	8.4%	20.9%	26.9%	19.3%	22.0%
Kenya NASI	115.2	10.1%	8.1%	24.1%	34.4%	11.8%	25.1%

Source: NSE, Kestrel Research

## NSE versus other markets

Index Returns (USD)	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
Nairobi All Share Index	3.7%	-4.1%	9.4%	-7.4%	44.5%	3.8%
Johannesburg Index	2.8%	-3.0%	6.2%	11.5%	5.0%	-7.6%
Nigeria Stock Exchange	8.3%	-0.2%	-3.2%	-11.0%	-24.5%	8.8%
Ghana Stock Exchange	4.0%	8.7%	2.0%	9.3%	-2.8%	-0.6%
Egyptian Stock Exchange	1.2%	-3.9%	-0.9%	15.1%	-30.4%	0.1%
MSCI EFM ex SA Index	1.4%	-1.3%	0.3%	1.3%	6.8%	41.7%

## Other market statistics

Currencies	Level	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
USD/KES	129.25	0.4%	-0.6%	0.1%	0.2%	18.5%	2.3%
USD/ZAR	18.03	0.2%	-2.5%	1.4%	5.9%	0.3%	-3.1%
USD/EGP	49.98	-0.8%	-0.6%	-1.7%	-1.9%	-35.0%	0.1%
USD/NGN	1577.93	6.7%	-0.9%	-3.6%	-8.4%	-45.6%	13.7%
USD/GHS	14.85	3.0%	6.9%	-4.2%	-4.9%	-19.4%	-0.5%

### NSE most active counters

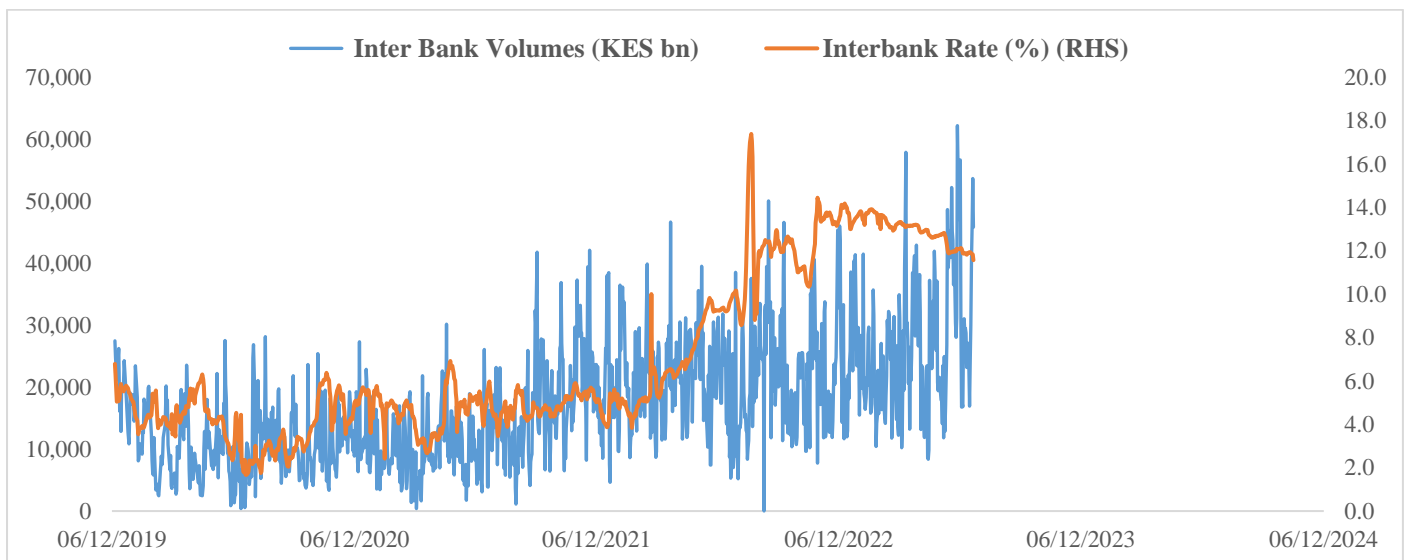
Counter	Value Traded (KES m)	Foreign Investor Net Buying/(Selling) (KES m)	Foreign Investor Activity as % of total	Weekly Price Change (%)	YTD (%)	% Below 12-month high	% Above 12-month low
Equity Bank	595.9	-438.6	59.1%	0.9%	34.9%	-9.2%	34.9%
Safaricom	489.4	-50.8	79.7%	8.3%	16.9%	-15.8%	25.0%
EABL	370.0	-347.5	49.2%	3.8%	50.9%	-13.9%	72.0%
KCB Bank	119.7	-75.8	31.8%	-1.2%	73.3%	-4.0%	99.7%
Kenya Re	78.7	-69.4	49.8%	-7.0%	-43.6%	-63.1%	1.9%

### Centum Investments announced its 1H25 financial results.

- Group Loss per share of KES 0.22 vs. EPS of KES 0.09
- Loss from trading businesses: Loss of KES 306.0m vs. loss of KES 359.4m
- Profit from financial services: Profit of KES 80.2m vs. profit of KES 201.7m
- Loss from Centum Real Estate Loss of KES 165.3m vs. profit of KES 518.8m
- Loss from Two Rivers Development Group Loss of KES 67.7m vs loss of KES 777.3m
- Loss from Two Rivers Special Economic Zone: Loss of KES 288.0m
- Investment income: KES 939.4m, +101.5% y/y
- Operating costs: KES 253.8m, -19.6% y/y
- Finance costs: KES 123.8m, -12.9% y/y
- Group PBT: Loss of KES 185.1m vs. loss of KES 407.7m
- At company level, Centum posted PAT of KES 430.7m, -70.0% y/y.

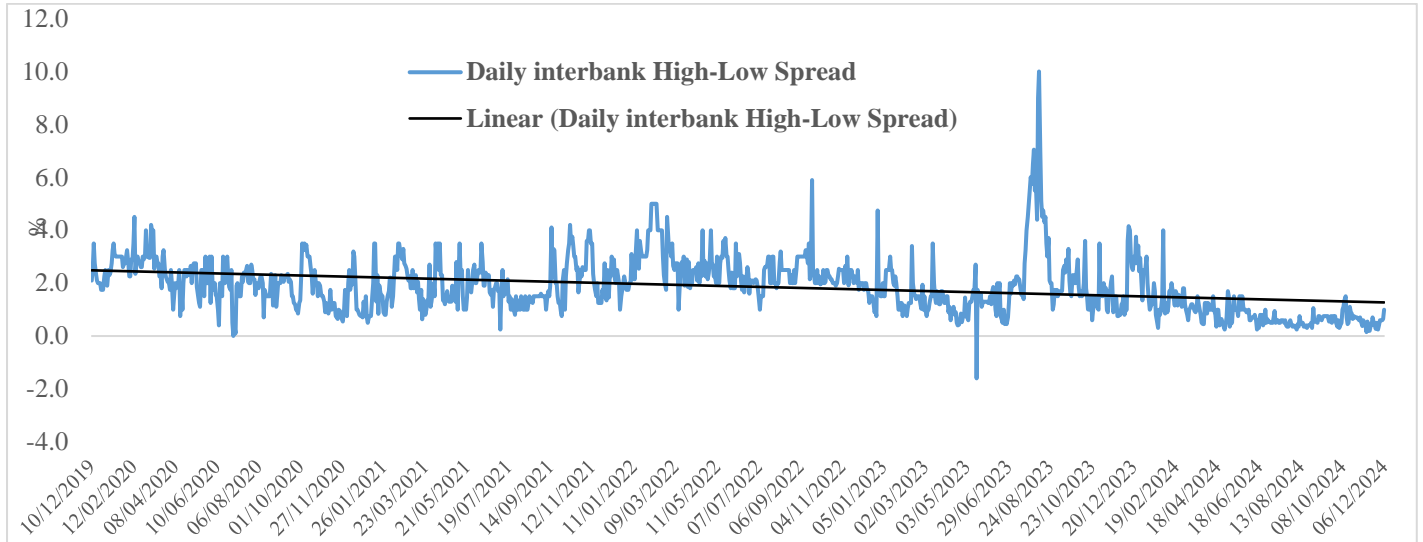
### Key Rates and Spreads

Inter-bank Rates decline week-on-week.



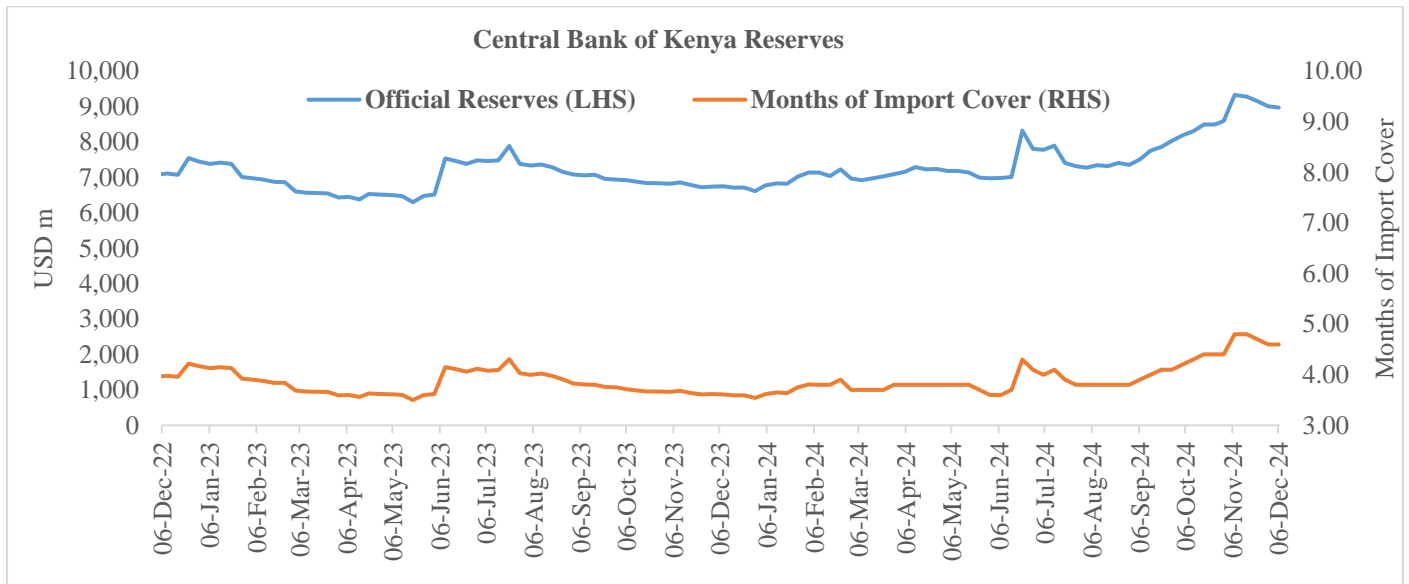
Source: CBK

**Interbank spreads widen week on week.**



Source: CBK

**Months of import cover and CBK FX reserves decline for the fourth week straight.**

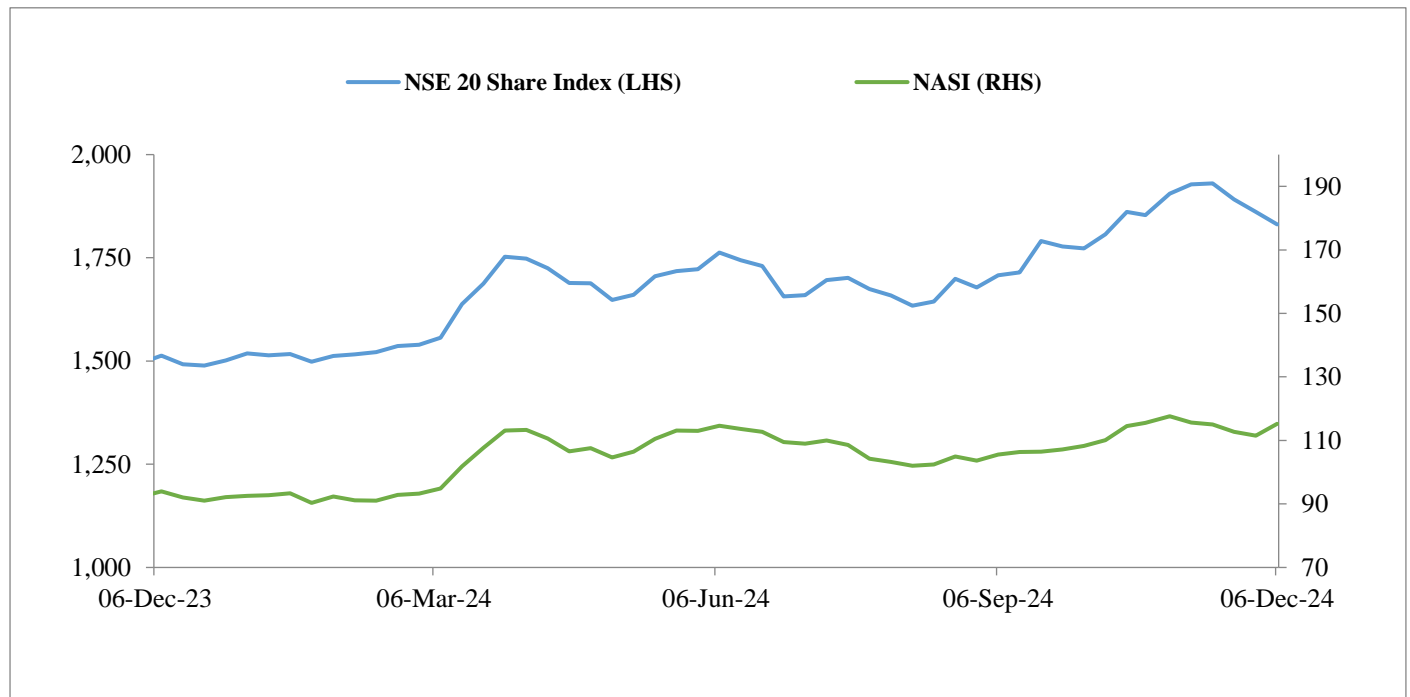


Source: CBK

**Equity market trading commentary**

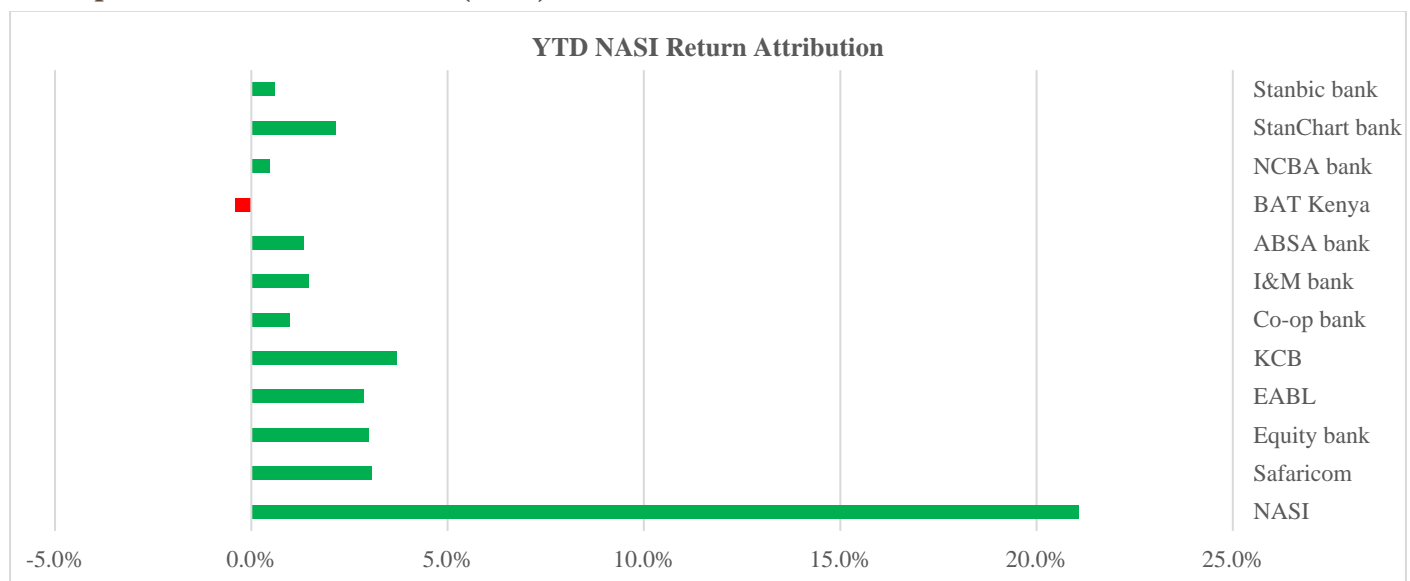
During the week, DTB Bank reached a thirty-three-week high on increased local demand. Kenya Re touched an eight-day low on reduced local participation. Centum Investments and BK Group released their 1H25 results. Foreign investors dominated trading for the week at 54.6% of trading activity. Foreign investors remained net sellers repeatedly for the ninth week at USD 7.9m (KES 1.0bn). Equity Bank registered the highest net foreign outflows at USD 3.4m (KES 438.6m), while Kenya Power marked the highest net foreign inflows at USD 38.9k (KES 5.0m).

### Market performance over the past 12 months



Source: NSE

### NASI performance: Year-to-date (YTD) Return Attribution



Source: Kestrel Research

### Debt market trading commentary

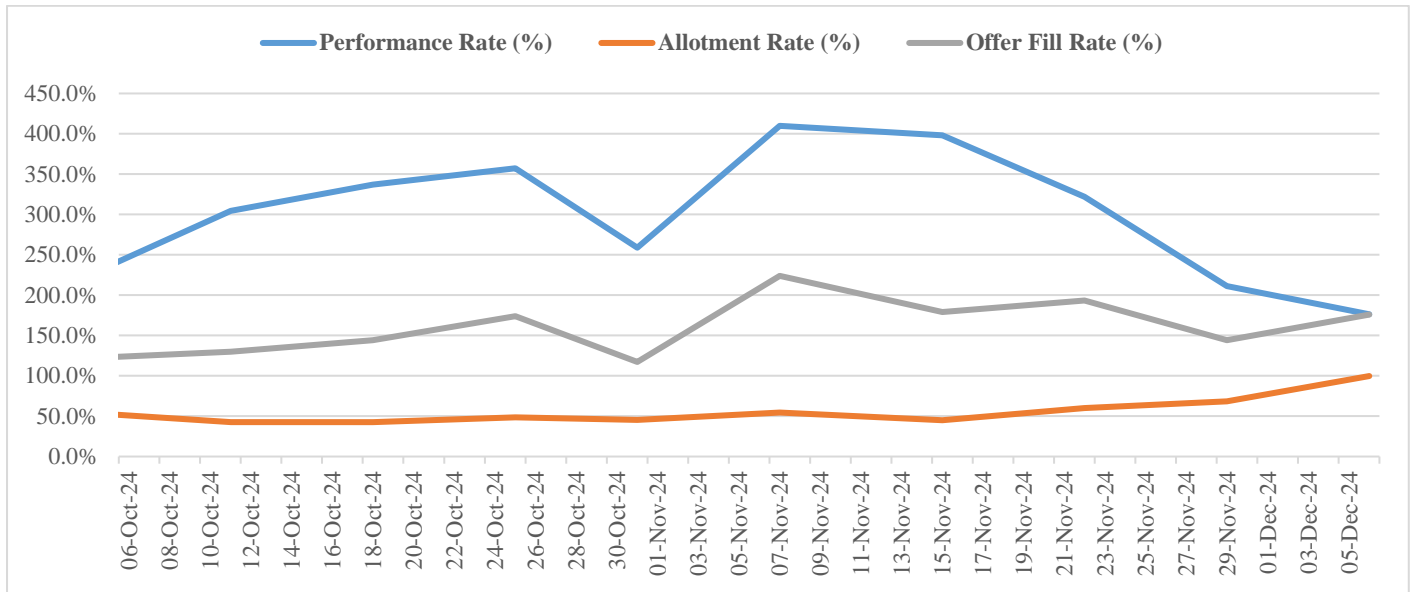
Total subscription rates fell to 211.1% from 321.8% the previous week, declining for the fourth week straight. Investors remained skewed on the 91-Day T-Bill. Activity increased for the 91-Day T-Bill but declined for the 182-Day and the 364-Day T-Bill. The yield on all three T-Bills fell, with the 91-Day T-Bill declining consecutively for the twentieth week, and the 182-Day T-Bill and the 364-Day T-Bill declining for the nineteenth week straight.

The CBK also offered KES 4.0bn for the 91-Day T-Bill and KES 10.0bn each for the 182-Day T-Bill and the 364-Day T-Bill. It received bids worth KES 18.9 bn for the 91-Day T-Bill, implying a subscription rate of 473.20%. It accepted bids worth KES 18.9bn at an average yield of 10.456 % (-79.4 bps w/w).

The 182-Day T-Bill received bids worth KES 6.8 bn, implying a performance rate of 67.64%. It accepted bids worth KES 6.7bn at an average yield of 10.549 % (-78.9 bps w/w).

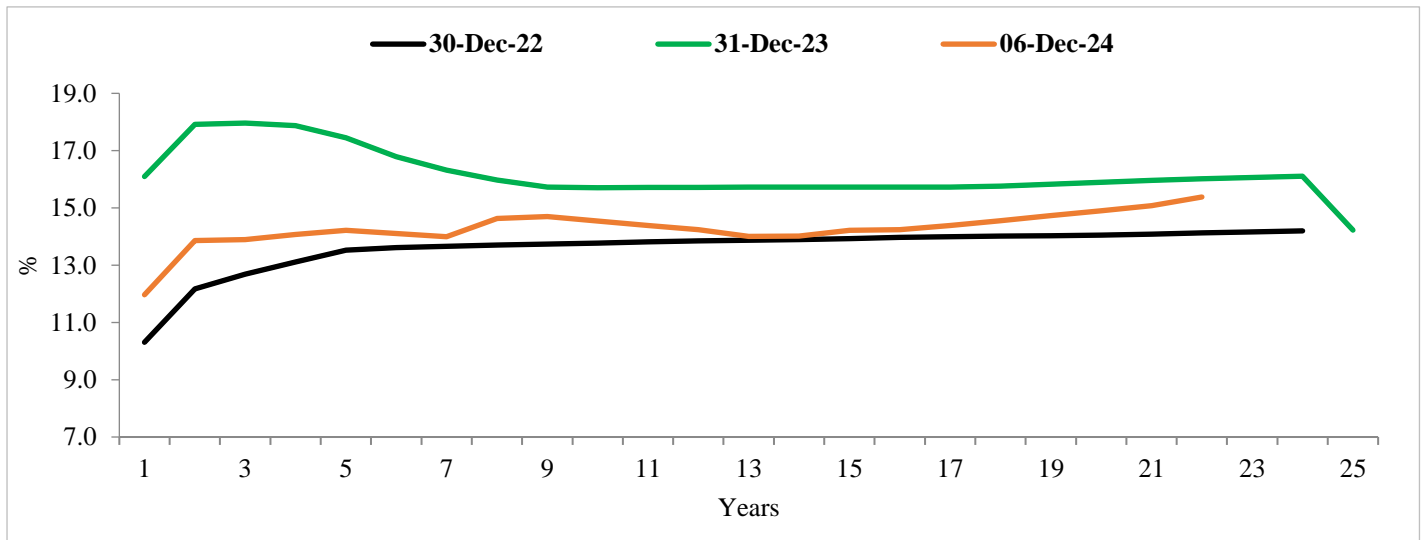
The 364-Day T-Bill received bids worth KES 16.6 bn, implying a performance rate of 166.22%. It accepted bids worth KES 16.6bn at an average yield of 11.967% (-52.3 bps w/w).

**T-Bills Performance rates**



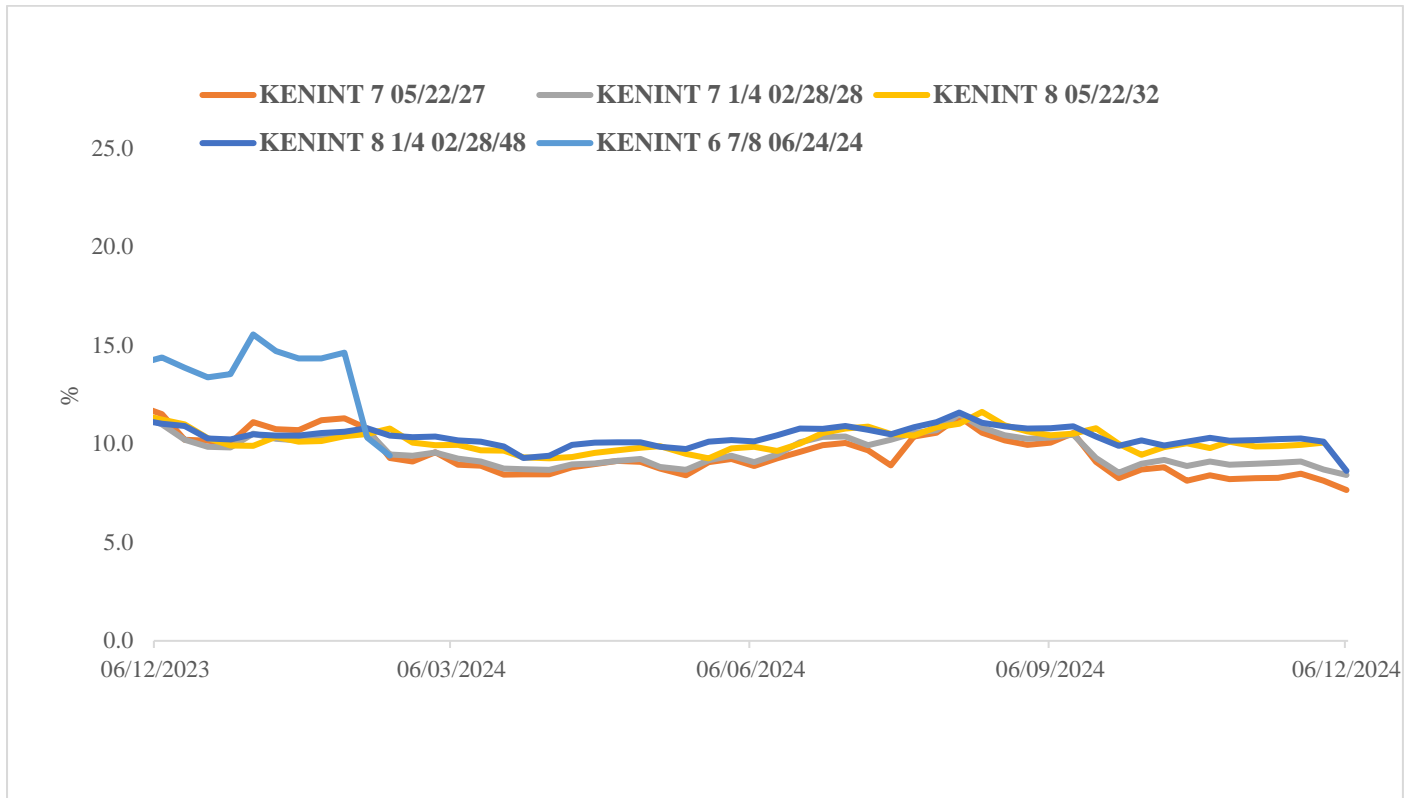
Source: CBK

**Kenya Domestic Yield Curve**



Source: CBK

Kenya Eurobond Yields decline consecutively for the third week across all tenors.



Source: Bloomberg

## Top counters by market capitalization

Company	Sector	Year end	12 M High	12 M Low	Price	YTD %	Market <sup>1</sup> cap (USD m)	Weighting	EPS	DPS	NAV	P/E ratio x	Div yld %	P/B ratio x	ROE %	Daily Trading <sup>1</sup> vol (USD)
Safaricom	Telecom	Mar	19.30	13.00	16.25	16.9	5,035	35.9%	1.06	1.20	4.7	15.3	7.4	3.5	22.7	764,268
Equity Bank	Banking	Dec	50.00	33.65	45.40	34.9	1,325	9.5%	20.58	4.00	48.7	2.2	8.8	0.9	42.2	347,782
EA Breweries	Breweries	Jun	199.75	100.00	172.00	50.9	1,052	7.5%	11.38	6.00	27.1	15.1	3.5	6.4	42.0	196,764
Co-op Bank	Banking	Dec	15.05	10.95	14.20	24.6	644	4.6%	6.91	1.50	18.4	2.1	10.6	0.8	37.5	40,122
NCBA Bank	Banking	Dec	45.20	36.30	44.60	14.5	568	4.1%	13.30	3.00	53.7	3.4	6.7	0.8	24.8	27,513
Absa Bank	Banking	Dec	15.55	11.05	15.10	31.9	634	4.5%	3.46	1.55	12.0	4.4	10.3	1.3	28.8	24,492
KCB Bank	Banking	Dec	39.55	19.00	37.95	73.3	943	6.7%	15.79	1.50	68.1	2.4	4.0	0.6	23.2	270,040
StanChart Bank	Banking	Dec	250.25	154.25	250.25	54.5	731	5.2%	38.05	37.00	158.0	6.6	14.8	1.6	24.1	32,472
Stanbic Bank	Banking	Dec	135.75	101.75	130.00	19.5	397	2.8%	31.16	15.00	140.8	4.2	11.5	0.9	22.1	32,925
BAT Kenya	Tobacco	Dec	436.75	331.75	350.00	-14.1	271	1.9%	48.82	54.02	163.8	7.2	15.4	2.1	29.8	40,006
BK Group	Banking	Dec	37.00	30.15	30.25	-15.5	210	1.5%	10.26	3.28	46.8	2.9	10.9	0.6	21.9	51,209
I&M Holdings	Banking	Dec	34.24	17.15	30.75	75.7	393	2.8%	8.48	3.85	47.8	3.6	12.5	0.6	17.7	30,499
Umeme Ltd.	Power	Dec	17.20	13.35	16.05	0.3	202	1.4%	0.26	0.92	22.0	61.4	5.7	0.7	1.2	3,601
Kenya Airways	Airlines	Dec	3.83	3.83	3.83	0.0	168	1.2%	2.63	-	(14.7)	1.5	-	-	-	-
Bamburi Cement	Cement	Dec	82.00	33.95	56.50	57.6	159	1.1%	(0.28)	5.47	82.1	-	98.6	0.1	(0.3)	26,728
KenGen	Power	Jun	4.13	1.96	3.48	73.1	177	1.3%	1.03	0.65	41.6	3.4	18.7	0.1	2.5	50,124
Jubilee Insurance	Insurance	Dec	200.00	150.00	172.50	-6.8	97	0.7%	67.32	12.00	613.8	2.6	7.0	0.3	11.0	8,015
DTB Bank	Banking	Dec	60.25	43.25	60.25	33.7	130	0.9%	29.76	6.00	256.8	2.0	10.0	0.2	11.6	25,197
Britam	Insurance	Dec	6.38	4.48	5.98	24.8	117	0.8%	1.45	-	9.2	4.1	-	0.6	15.6	2,191
Total Oil	Oil	Dec	23.75	16.00	20.85	15.8	102	0.7%	5.12	1.92	48.0	4.1	9.2	0.4	10.7	800
Kakuzi	Agric	Dec	440.00	353.50	400.00	3.9	61	0.4%	34.98	24.00	303.5	11.4	6.0	1.3	11.5	2,208
CIC Insurance	Insurance	Dec	2.47	1.98	2.04	-8.9	41	0.3%	0.55	-	3.3	3.7	-	0.6	16.9	1,457
Centum Investment	Finance	Mar	10.05	7.88	9.56	13.8	49	0.4%	(8.95)	0.32	55.8	-	3.3	0.2	(16.1)	15,718
ARM Cement	Cement	Dec	5.55	5.55	5.55	0.0	41	0.3%	(7.77)	-	19.8	-	-	0.3	(39.2)	-
Crown Paints	Manufac.	Dec	40.05	29.50	32.45	-9.0	36	0.3%	(0.47)	4.00	24.1	-	7.1	2.3	(2.0)	26,728
Kenya Re	Insurance	Dec	2.87	1.04	1.06	-43.6	23	0.2%	1.78	0.30	13.4	0.6	28.3	0.1	13.2	41,816
Sasini Tea & Coffee	Agric	Sept	22.00	14.40	14.95	-25.3	26	0.2%	3.11	0.50	61.7	4.8	3.3	0.2	5.0	1,063
Carbacid	Gases	July	24.10	14.65	18.00	20.0	35	0.3%	4.01	1.70	13.6	4.5	9.4	1.3	12.6	6,949
Nation Media	Media	Dec	22.00	11.75	11.75	-41.4	17	0.1%	(5.09)	-	43.1	-	-	0.3	(11.8)	1,575
Kenya Power	Power	Jun	5.24	1.35	3.54	149.3	53	0.4%	15.41	0.70	29.1	0.2	19.8	0.1	52.9	58,039
TPSEA Serena	Tourism	Dec	20.05	11.75	14.00	-14.9	20	0.1%	8.08	-	33.3	1.7	-	0.4	24.3	229
Liberty K. Holdings	Insurance	Dec	8.00	3.60	6.90	87.0	29	0.2%	2.04	0.37	15.9	3.4	5.4	0.4	12.8	241
BOC Kenya	Gases	Dec	95.00	67.00	90.00	9.8	14	0.1%	10.73	8.55	85.1	8.4	9.5	1.1	12.6	2,722
NSE	Finance	Dec	6.62	5.44	5.86	-2.7	12	0.1%	0.21	0.16	7.1	27.8	2.7	0.8	3.0	5,173
Housing Finance	Banking	Dec	4.79	3.25	4.04	16.1	12	0.1%	1.23	-	20.5	3.3	-	0.2	6.0	402
Unga Ltd	Food	Jun	17.70	11.45	16.15	-4.2	9	0.1%	(18.92)	-	58.3	-	-	0.3	(32.4)	426
Sanlam Kenya	Insurance	Dec	7.60	4.00	4.00	-33.3	4	0.0%	2.27	-	3.9	1.8	-	1.0	58.6	1,457
Car & Gen	Motors	Sept	30.40	18.85	20.35	-18.6	6	0.0%	(7.68)	-	135.8	-	-	0.1	(5.7)	162
Limuru Tea	Agric	Dec	380.00	350.00	350.00	-7.9	6	0.0%	0.11	1.00	80.9	-	0.3	4.3	0.1	4
WPP Scangroup	Media	Dec	2.80	1.90	2.20	0.9	7	0.1%	0.06	-	11.9	34.6	-	0.2	0.5	824
EA Portland	Cement	Jun	50.75	4.46	33.90	323.8	24	0.2%	(14.13)	-	239.8	-	-	0.0	(5.9)	1,694
Standard Newspapers	Media	Dec	7.86	4.70	5.04	-34.9	3	0.0%	(10.05)	-	0.4	-	-	11.5	(2,284)	52
Longhorn	Publishing	Jun	2.6	2.02	2.33	-3.3	5	0.0%	(2.45)	-	2.8	-	-	0.8	(88.1)	36
TransCentury	Finance	Dec	0.71	0.32	0.40	-23.1	1	0.0%	(6.72)	-	(9.5)	-	-	-	-	453
<b>Average</b>												<b>13.3</b>	<b>9.0</b>	<b>2.2</b>	<b>24.3</b>	<b>2,157,978</b>

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