

## Stock Recommendation

Company	*Fair Value (KES)	Closing Price (KES)	Upside/downside (%)	Current Rating
Safaricom	33.27	18.80	77.0%	BUY
Equity bank	54.37	47.00	15.7%	BUY
KCB bank	74.22	43.95	68.9%	BUY
Co-op bank	18.33	17.00	7.8%	HOLD
ABSA bank	11.52	18.95	-39.2%	SELL
StanChart bank	245.66	293.00	-16.2%	SELL
NCBA bank	40.63	49.25	-17.5%	SELL
I&M bank	38.37	35.35	8.5%	HOLD
Stanbic bank	118.55	148.00	-19.9%	SELL
DTB bank	109.36	77.75	40.7%	BUY
EABL	341.24	183.75	85.7%	BUY
BAT Kenya	411.34	365.00	12.7%	HOLD

## Kenya Market Summary

### Equity market commentary and outlook

- During the week, Absa Bank touched a six-week high on increased local demand. The NASI sustained a five-day climbing streak and the NSE-20 maintained a four-day gaining streak. BAT Kenya released their full-year 2024 results and announced a final dividend of KES 45.00 payable on or before 25 June 2025. Local investors led trading for the week at 70.3%, and foreign investors emerged as net buyers at USD 0.7m (KES 86.6m). KCB Bank marked the highest net foreign inflows for the week at USD 1.1m (KES 142.6m) while Equity Bank registered the highest net foreign outflows at USD 1.3m (KES 167.3 m).

### Debt market commentary and outlook

- Overall subscription rates fell to 137.3% from 184.4% the previous week. Investors remained skewed on the 364-Day T-Bill and activity declined for the 182-Day and the 364-Day T-Bills. The yield on all three T-Bills fell, with that of the 91-Day T-Bill declining for the thirty-first week, the 182-Day T-Bill maintained a five-week decline and the 364-Day T-Bill sustained a three-week decline.

## Key Market Indicators

Index	Level	1w	1m	3m	6m	12m	ytd (%)
Kenya NSE 20 Index	2,241.1	35.0%	32.7%	48.0%	55.3%	46.1%	11.5%
Kenya NASI	132.8	26.9%	24.6%	43.1%	54.9%	28.9%	7.6%

Source: NSE, Kestrel Research

## NSE versus other markets

Index Returns (USD)	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
Nairobi All Share Index	1.1%	-0.9%	17.6%	7.0%	27.5%	-34.8%
Johannesburg Index	0.4%	5.6%	-3.1%	-0.8%	23.5%	-14.6%
Nigeria Stock Exchange	1.0%	7.1%	15.6%	-5.2%	-4.2%	-5.2%
Ghana Stock Exchange	3.5%	3.7%	13.1%	6.0%	9.7%	-23.7%
Egyptian Stock Exchange	3.2%	-0.7%	-3.3%	-0.2%	-34.8%	60.2%
MSCI EFM ex SA Index	0.2%	1.5%	4.0%	-2.5%	4.5%	-3.8%

## Other market statistics

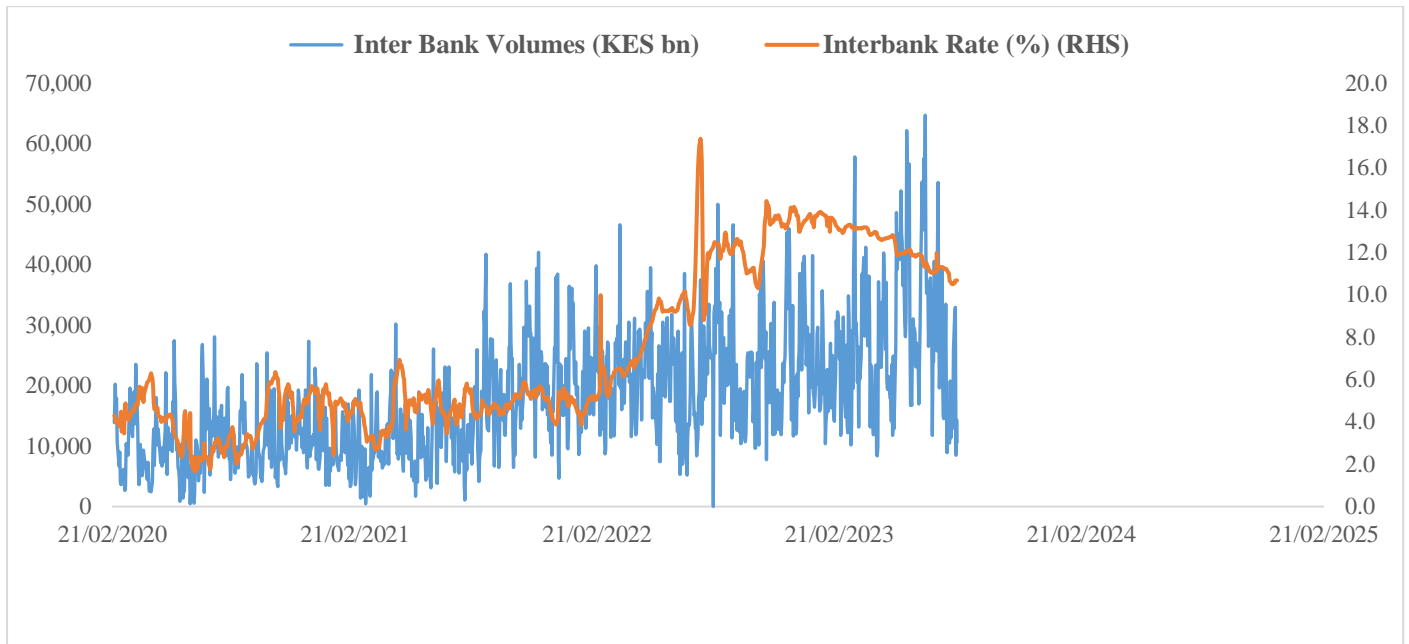
Currencies	Level	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
USD/KES	129.43	-0.2%	-0.1%	0.1%	-0.3%	11.0%	-0.1%
USD/ZAR	18.38	0.0%	0.1%	-1.5%	-3.8%	4.8%	1.8%
USD/EGP	50.57	0.1%	-0.5%	-1.8%	-3.7%	-63.7%	0.4%
USD/NGN	1502.23	0.5%	3.5%	11.5%	4.7%	4.1%	2.8%
USD/GHS	15.53	-0.5%	-2.1%	1.7%	0.7%	-23.7%	-5.6%

**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
KCB Bank	802.0	142.6	22.8%	-2.8%	5.6%	-1.6%	124.7%
Safaricom	441.8	114.3	67.5%	3.9%	10.3%	-7.0%	35.5%
Equity Bank	248.4	-167.3	36.8%	-1.4%	-2.7%	-4.0%	24.7%
Absa Bank	210.9	0.5	0.2%	2.4%	5.0%	-4.5%	52.7%
EABL	50.0	31.6	35.5%	-1.9%	4.7%	-8.0%	75.0%

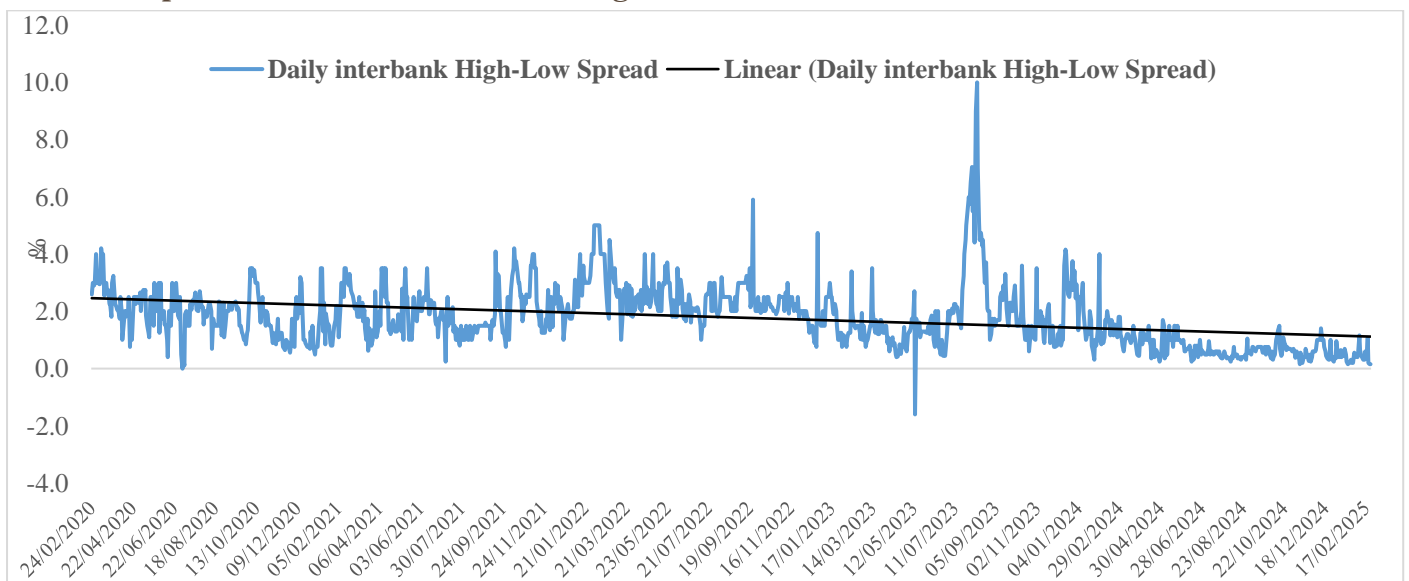
**Key Rates and Spreads**

Inter-bank Rates improve, breaking a four-week losing streak.



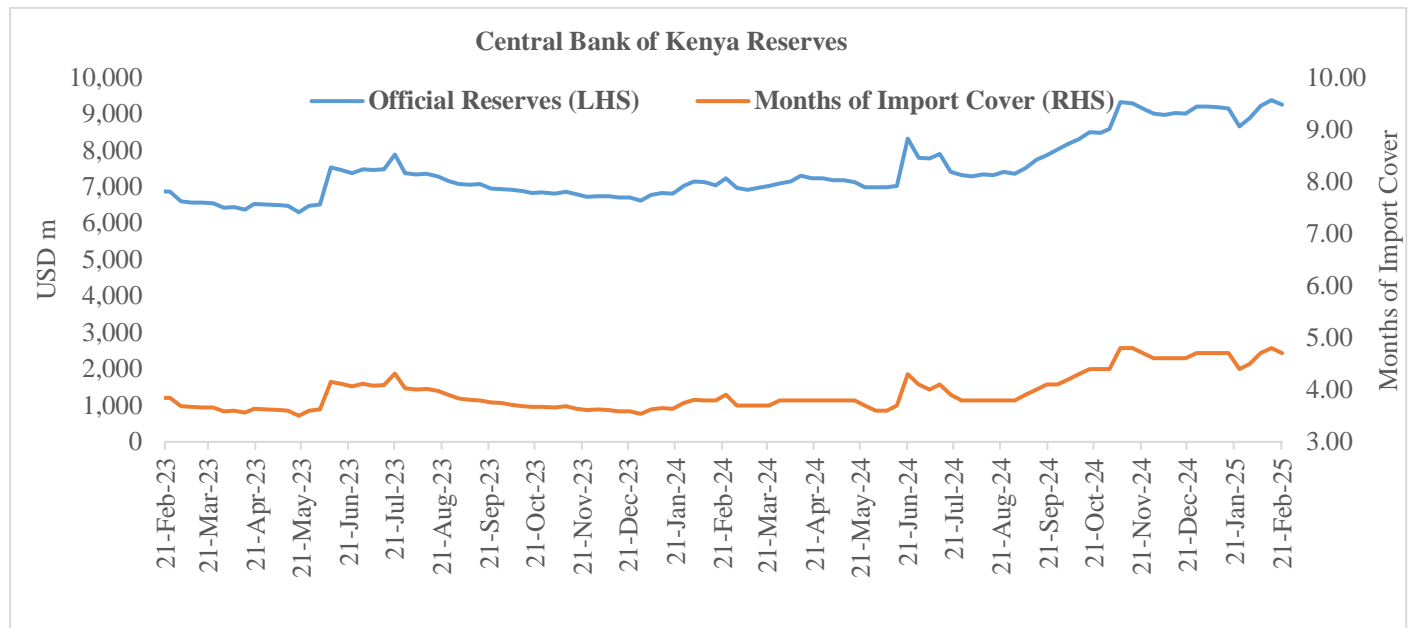
Source: CBK

Interbank spreads narrow after a three-week gain.



Source: CBK

**Months of import cover and CBK FX remain steady.**

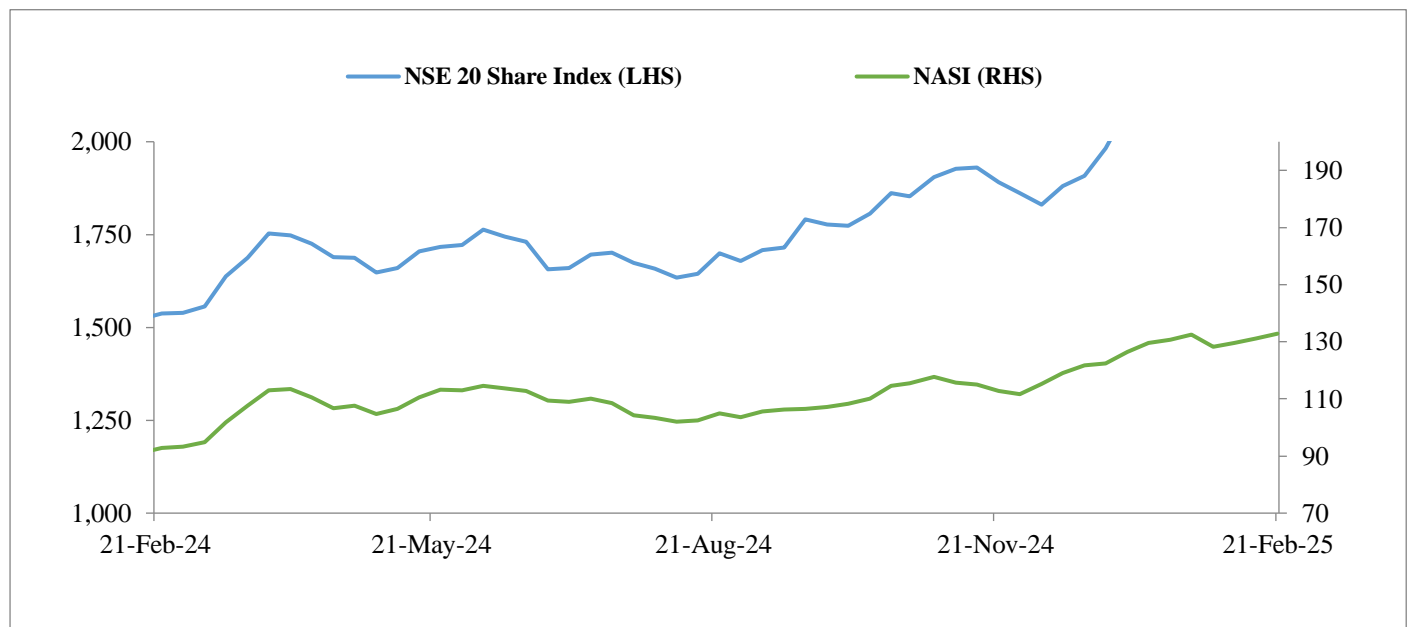


Source: CBK

**Equity market trading commentary**

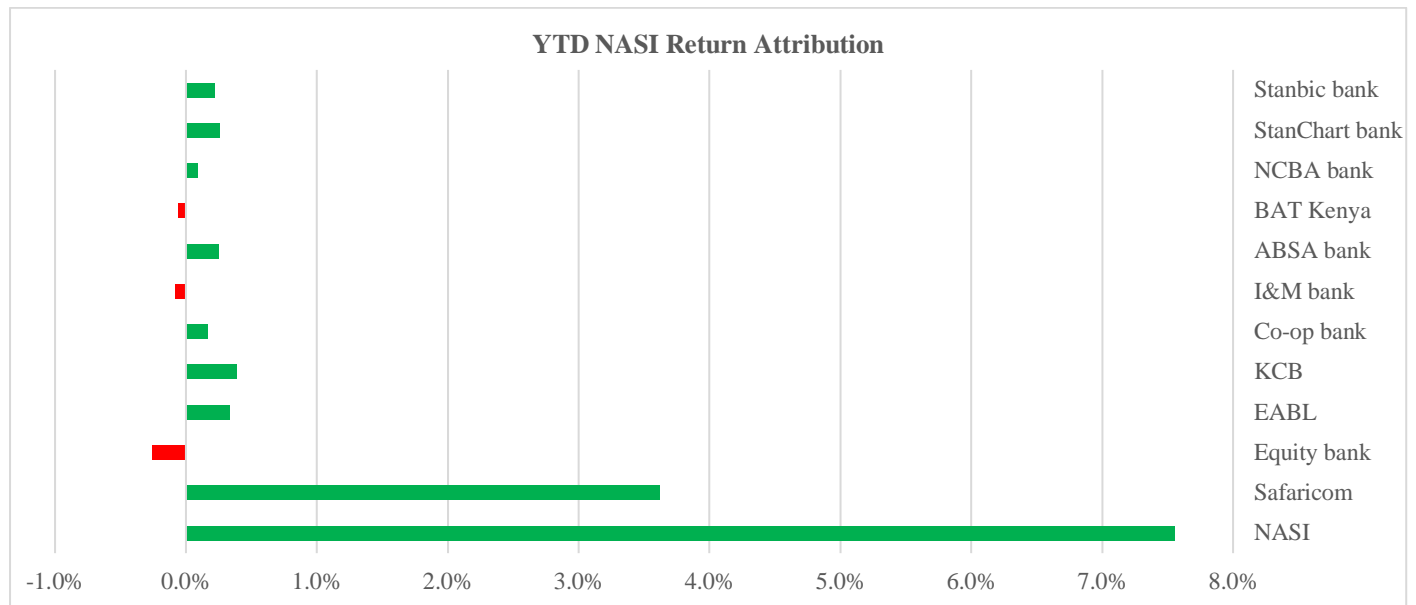
Total market turnover improved by 5.5%, settling at USD 16.0m (KES 2.1bn). The NASI increased by 1.3% to conclude at 131.05, sustaining a three-week climb as the NSE 20 went up by 0.8% to end at 2,241.11. Local investors led trading for the week at 70.3%, and foreign investors emerged as net buyers at USD 0.7m (KES 86.6m). KCB Bank marked the highest net foreign inflows for the week at USD 1.1m (KES 142.6m) while Equity Bank registered the highest net foreign outflows at USD 1.3m (KES 167.3 m).

**Market performance over the past 12 months**



Source: NSE

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



Source: Kestrel Research

### Debt market trading commentary

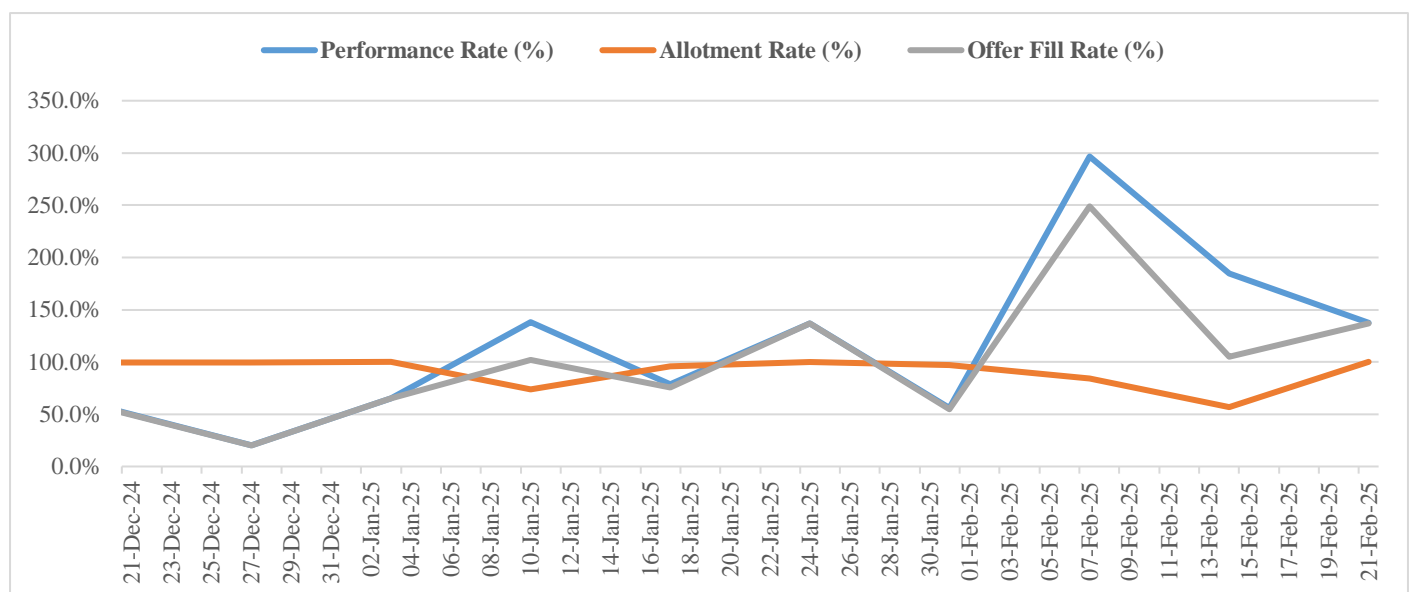
Overall subscription rates fell to 137.3% from 184.4% the previous week. Investors remained skewed on the 364-Day T-Bill and declined for the 182-Day and the 364-Day T-Bills. The yield on all three T-Bills fell, with that of the 91-Day T-Bill declining for the thirty-first week, the 182-Day T-Bill maintained a five-week decline and the 364-Day T-Bill sustained a three-week decline.

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 4.5bn for the 91-Day T-Bill, implying a subscription rate of 113.10%. It accepted bids worth KES 4.5bn at an average yield of 8.948% (-2.20 bps w/w).

The 182-Day T-Bill received bids worth KES 12.4bn, implying a performance rate of 123.58%. It accepted bids worth KES 12.3bn at an average yield of 9.311% (-9.84 bps w/w).

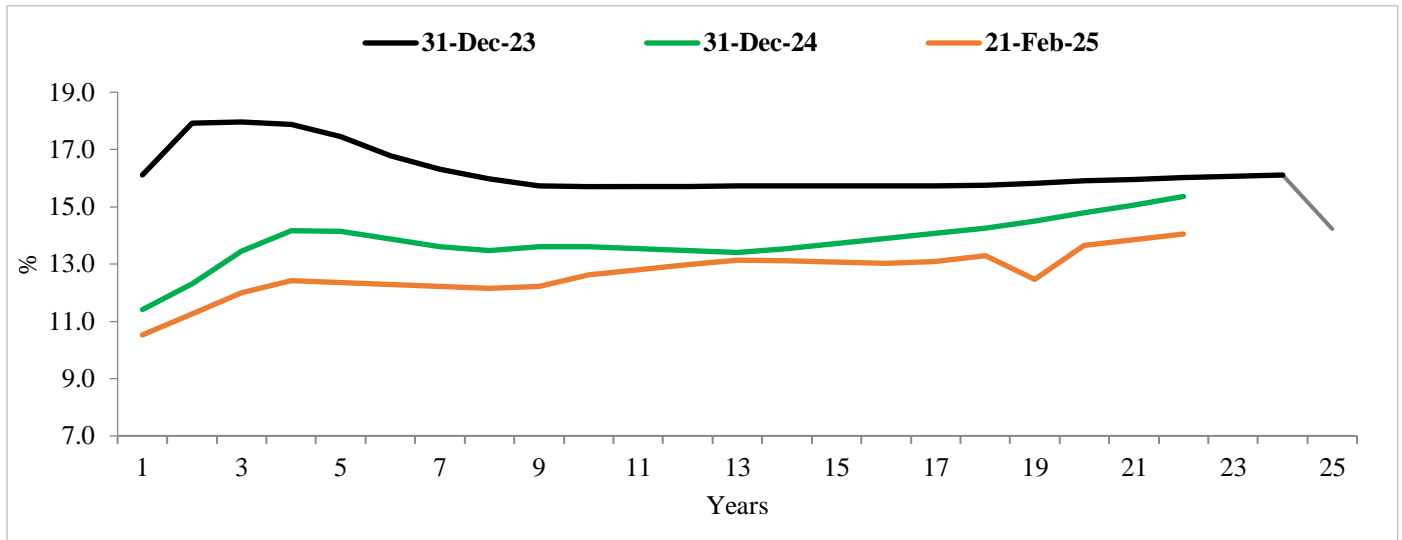
The 364-Day T-Bill received bids worth KES 16.1bn, implying a performance rate of 160.63%. It accepted bids worth KES 16.0bn at an average yield of 10.526% (-6.8 bps w/w).

### T-Bills Performance rates



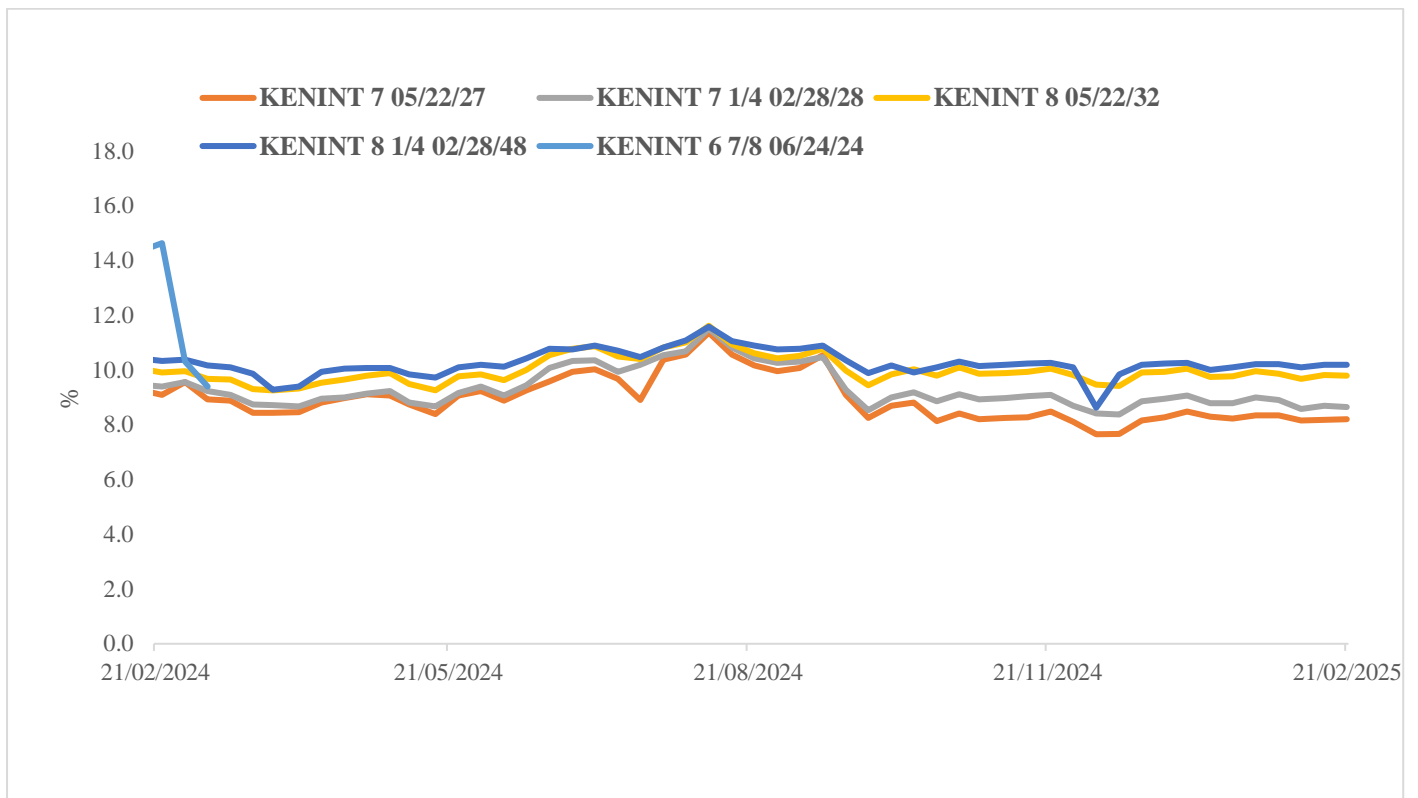
Source: CBK

### Kenya Domestic Yield Curve



Source: CBK

### Kenya Eurobond Yields



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	13.25	18.80	10.3	5,813	35.9%	1.06	1.20	4.7	17.7	6.4	4.0	22.7	1,251,125
Equity Bank	Banking	Dec	50.00	38.50	47.00	-2.7	1,369	8.5%	20.58	4.00	48.7	2.3	8.5	1.0	42.2	422,468
EA Breweries	Breweries	Jun	199.75	105.00	183.75	4.7	1,121	6.9%	15.46	7.50	27.1	11.9	4.1	6.8	57.1	199,238
Co-op Bank	Banking	Dec	17.80	12.00	17.00	3.3	770	4.8%	6.91	1.50	18.4	2.5	8.8	0.9	37.5	56,547
NCBA Bank	Banking	Dec	51.00	37.30	49.25	2.2	626	3.9%	13.30	3.00	53.7	3.7	6.1	0.9	24.8	26,802
Absa Bank	Banking	Dec	19.10	11.95	18.95	5.0	794	4.9%	3.46	1.55	12.0	5.5	8.2	1.6	28.8	93,154
KCB Bank	Banking	Dec	45.80	20.05	43.95	5.6	1,090	6.7%	15.79	1.50	68.1	2.8	3.4	0.6	23.2	438,363
StanChart Bank	Banking	Dec	302.50	161.25	293.00	4.7	854	5.3%	38.05	37.00	158.0	7.7	12.6	1.9	24.1	57,986
Stanbic Bank	Banking	Dec	157.00	108.25	148.00	7.8	452	2.8%	31.16	15.00	140.8	4.7	10.1	1.1	22.1	72,669
BAT Kenya	Tobacco	Dec	416.75	331.75	365.00	-2.9	282	1.7%	44.83	54.02	163.8	8.1	14.8	2.2	27.4	31,394
BK Group	Banking	Dec	36.20	30.15	35.00	7.5	242	1.5%	10.26	3.28	46.8	3.4	9.4	0.7	21.9	12,737
I&M Holdings	Banking	Dec	36.55	17.15	35.35	-2.5	475	2.9%	8.06	3.85	45.5	4.4	10.9	0.8	17.7	34,855
Umeme Ltd.	Power	Dec	17.45	13.35	16.65	-0.6	209	1.3%	0.26	0.92	22.0	63.7	5.5	0.8	1.2	3,279
Kenya Airways	Airlines	Dec	8.50	3.83	5.42	41.5	238	1.5%	2.63	-	(14.7)	2.1	-	-	-	15,248
Bamburi Cement	Cement	Dec	82.00	39.75	56.50	2.7	158	1.0%	(0.28)	5.47	82.1	-	98.6	0.1	(0.3)	2,298,228
KenGen	Power	Jun	4.91	1.99	4.91	34.9	250	1.5%	1.03	0.65	41.6	4.8	13.2	0.1	2.5	57,407
Jubilee Insurance	Insurance	Dec	205.00	150.00	204.25	17.7	114	0.7%	67.32	12.00	613.8	3.0	5.9	0.3	11.0	28,672
DTB Bank	Banking	Dec	82.25	43.25	77.75	12.7	168	1.0%	29.76	6.00	256.8	2.6	7.7	0.3	11.6	34,975
Britam	Insurance	Dec	8.54	4.48	7.32	26.2	143	0.9%	1.45	-	9.2	5.1	-	0.8	15.6	27,017
Total Oil	Oil	Dec	24.00	16.60	24.00	20.0	117	0.7%	5.12	1.92	48.0	4.7	8.0	0.5	10.7	1,564
Kakuzi	Agric	Dec	440.00	353.50	399.75	3.8	60	0.4%	34.98	24.00	303.5	11.4	6.0	1.3	11.5	450
CIC Insurance	Insurance	Dec	3.01	1.98	2.87	33.5	58	0.4%	0.55	-	3.3	5.2	-	0.9	16.9	4,293
Centum Investment	Finance	Mar	12.40	7.88	12.20	23.5	63	0.4%	(8.95)	0.32	55.8	-	2.6	0.2	(16.1)	10,804
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	33.00	0.3	36	0.2%	(0.47)	4.00	24.1	-	7.1	2.3	(2.0)	312
Kenya Re	Insurance	Dec	2.87	1.04	1.81	41.4	39	0.2%	1.78	0.30	13.4	1.0	16.6	0.1	13.2	51,536
Sasini Tea & Coffee	Agric	Sept	21.50	14.40	15.45	3.0	27	0.2%	3.11	0.50	61.7	5.0	3.2	0.3	5.0	2,192
Carbacid	Gases	July	24.10	15.50	21.70	3.6	43	0.3%	4.01	1.70	13.6	5.4	7.8	1.6	29.4	8,988
Nation Media	Media	Dec	22.00	11.75	14.10	-2.1	21	0.1%	(5.09)	-	43.1	-	-	0.3	(11.8)	2,586
Kenya Power	Power	Jun	7.56	1.50	6.98	45.1	105	0.6%	20.36	0.90	29.1	0.3	12.9	0.2	69.9	75,616
TPSEA Serena	Tourism	Dec	20.05	11.75	15.70	5.4	22	0.1%	8.08	-	33.3	1.9	-	0.5	24.3	540
Liberty K. Holdings	Insurance	Dec	8.00	4.81	7.50	12.3	31	0.2%	2.04	0.37	15.9	3.7	4.9	0.5	12.8	3,589
BOC Kenya	Gases	Dec	95.00	67.00	81.00	-8.7	12	0.1%	10.73	8.55	85.1	7.5	10.6	1.0	12.6	11,214
NSE	Finance	Dec	6.84	5.44	6.60	10.0	13	0.1%	0.21	0.16	7.1	31.3	2.4	0.9	3.0	9,164
Housing Finance	Banking	Dec	9.42	3.67	7.84	73.8	114	0.7%	0.25	-	4.2	31.3	-	1.9	6.0	82,292
Unga Ltd	Food	Jun	23.00	11.45	21.45	43.0	13	0.1%	(18.92)	-	58.3	-	-	0.4	(32.4)	307
Sanlam Kenya	Insurance	Dec	7.60	3.90	7.38	49.1	8	0.1%	2.27	-	3.9	3.2	-	1.9	58.6	390
Car & Gen	Motors	Sept	30.40	18.85	22.90	0.7	7	0.0%	(7.68)	-	135.8	-	-	0.2	(5.7)	487
Limuru Tea	Agric	Dec	380.00	299.00	309.50	-11.6	6	0.0%	0.11	1.00	80.9	-	0.3	3.8	0.1	280
WPP Scangroup	Media	Dec	3.87	1.90	3.31	33.5	11	0.1%	0.06	-	11.9	52.1	-	0.3	0.5	1,251
EA Portland	Cement	Jun	50.75	4.46	34.05	11.3	24	0.1%	(14.13)	-	239.8	-	-	0.0	(5.9)	1,362
Standard Newspapers	Media	Dec	7.18	4.51	6.56	30.7	4	0.0%	(10.05)	-	0.4	-	-	14.9	(2,284)	186
Longhorn	Publishing	Jun	3.46	2.02	3.12	35.7	7	0.0%	(2.45)	-	2.8	-	-	1.1	(88.1)	160
TransCentury	Finance	Dec	1.62	0.32	1.41	261.5	4	0.0%	(6.72)	-	(9.5)	-	-	-	-	4,830
<b>Average</b>												<b>13.1</b>	<b>7.9</b>	<b>2.5</b>	<b>25.0</b>	<b>5,452,574</b>

## Disclaimer

**Note:** Readers should be aware that Kestrel Capital (EA) Ltd does and seeks to do business with companies covered in its research reports. Consequently, a conflict of interest may arise that could affect the objectivity of this report. This document should only be considered a single factor used by investors in making their investment decisions. The reader should independently evaluate the investment risks and is solely responsible for their investment decisions.

The opinions and information portrayed in this report may change without prior notice to investors. This publication may not be distributed to the public media or quoted or used by the public media without prior and express written consent of Kestrel Capital (EA) Ltd.

Directors, staff of Kestrel Capital (EA) Ltd and their family members, may from time to time hold shares in the company it recommends to either buy or sell and as such the investor should determine for themselves the applicability of this recommendation.

This document does not constitute an offer, or the solicitation of an offer, for the sale or purchase of any security. Whilst every care has been taken in preparing this document, no representation, warranty or undertaking (express or implied) is given and no responsibility or liability is accepted by Kestrel Capital or any employee of Kestrel Capital as to the accuracy of the information contained and opinions expressed herein.

---

**Kestrel Capital E.A. Ltd.**

Orbit Place, 1st Floor  
Westlands Road

Tel: +254 20 2251758

research@kestrelcapital.com  
www.kestrelcapital.com

**Bloomberg: KEST <GO>**

---

**Equity Sales & Trading**

**Sally Kotut**  
sallyk@kestrelcapital.com

**Chris Miriti**  
chrism@kestrelcapital.com

**Amanda Onyango**  
amandao@kestrelcapital.com

---

**Research**

**Ephantus Maina**  
ephantusm@kestrelcapital.com

**Millicent Nyuguto**  
millicentn@kestrelcapital.com

---

**Fixed Income Sales & Trading**

**Alexander Muiruri**  
alexanderm@kestrelcapital.com

**Edwin Muthaura**  
edwinm@kestrelcapital.com

---

**CEO & Executive Director**

**Francis Mwangi, CFA**  
francism@kestrelcapital.com