



## Weekly Equities Note

Week Ending: 8<sup>th</sup> July 2022

### Key Highlights:

Weekly Statistics	This Week	Previous Week	w/w % chg
Turnover (KES M)	2,708.01	2,288.38	18.34
Volume (M)	80.41	68.54	17.32
Foreign Participation (%)	63.98	67.81	(5.65)
Foreign Buying Volume (KES M)	1,051.53	1,165.63	(9.79)
Foreign Selling Volume (KESM)	1,907.04	1,937.96	(1.60)
NASI	135.39	124.94	8.36
NSE-20	1,691.93	1,622.85	4.26
NSE-25	3,165.46	3,043.40	4.01

Top Gainers	This Week	w/w % chg	Volume	Foreign Acvt (%)
Home Africa	0.41	24.24	472,500.00	0.00
Williamson Tea	130.75	13.41	139,000.00	0.23
Fahari I-REIT	3.73	12.69	291,000.00	0.00
Safaricom	28.20	12.57	30,243,000.00	69.51

Top Losers	This Week	w/w % chg	Volume	Foreign Acvt (%)
Kakuzi	390.00	-11.61	429,200.00	0.00
Trans-Century	1.03	-10.43	24,700.00	0.00
Sanlam	11.00	-8.33	17,500.00	0.00
Carbacid	11.05	-3.91	11,800.00	0.86

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July Stock Picks

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## Week That Was

**Benchmark Indices** - The NSE benchmark indices recorded upward trends with the NASI gaining **8.36%** to close the week at **KES 135.39** from **KES 124.94**, while the NSE-20 gained **4.26%** to close the week at **KES 1,691.93** from **KES 1,622.85**.

**Market Performance** - Equity turnover increased **18.04%** to **KES 2.31Bn** from **KES 2.29Bn**. Home Africa was the highest gainer (**+24.24%**) closing at KES 0.41 from KES 0.33. Other top gainers included: Williamson Tea (**+15.49%**) at KES 151.00, Fahari I-REIT (**+12.69%**) at KES 3.73 and Safaricom (**+12.57%**) at KES 28.20, which were mainly driven by foreign trading. The top losers were Kakuzi (**-11.61%**) closing at KES 390.00, Trans-Century (**-10.43%**) closing at KES 1.03, Sanlam (**-8.33%**) closing at KES 11.00 and Carbacid (**-3.91%**) closing at KES 11.05.

**Foreign Participation** - Foreign trades drove the most active counters which were SCOM, SASN, COOP and EQTY. We continued to see foreigners' exit with net foreign activity increasing to outflows of KES 855.51Mn.

## Weekly Highlight

**Limuru Tea (LIMT)** - Ekaterra Kenya (formerly Unilever Tea Kenya) submitted a cash offer to acquire up to a 100% Limuru Tea ordinary shares. As at FY'21, Ekaterra Kenya owned 52% of the issued shares of Limuru Tea. The offer has been extended to the remaining Shareholders who would like to sell their stake. The counter is currently trading at KES 320, having lost 9.86% in June'22. Some Shareholders have already moved to court and registered complaints with the CMA trying to stop the takeover.

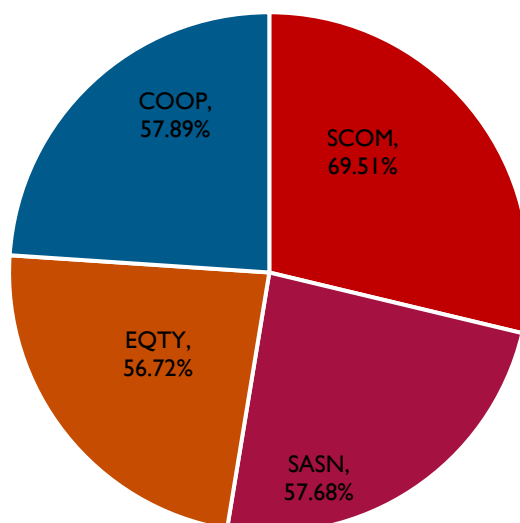
**We view this as likely to delay the completion of the take over given the CMA dispute tribunal is yet to achieve quorum. As we await the details of the cash offer and resolution of the shareholder dispute, investors are advised to exercise caution when dealing with the counter.**

**Safaricom Plc (SCOM)**- Safaricom Ethiopia announces commercial launch of operations set for August 2022. Safaricom Telecommunications Ethiopia on 7th July 2022, announced a phased commercial launch in Ethiopia will commence from August 2022. With a target of April 2023, the Telco looks to reach 25 cities. Currently, the company has already obtained a Telco license, invested in network and set up core infrastructure, built data centres and hired key personnel. The counter closed the week at **KES 28.20** being a 12.57% w/w gain.

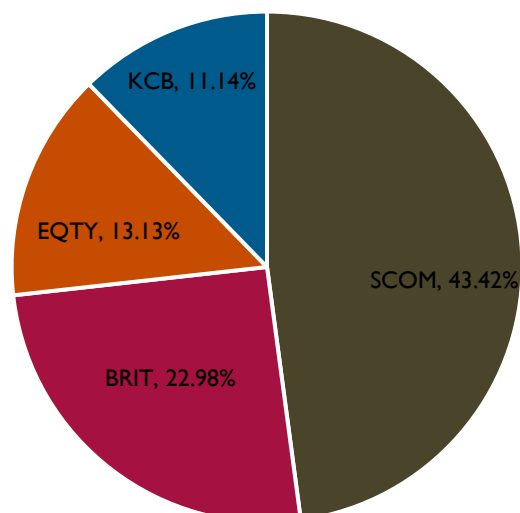
**We view the start of operations as a positive to the share price given the impact the Ethiopian entry news had in the share price in 2021.**

(Source: Company Filings )

## Weekly Trading Activity by Foreign Participation



## Weekly Trading Activity by Trading Volume



Stock	Price	Δ YTD	Δ WoW	M.Cap	M.Cap	P/E	P/B	Div Y	ROE	ROA
	08-Jul	%		USD M	%	x	x	%	%	%
▲ Safaricom	28.20	-17.7	12.6	9,569.2	56.9	18.1	7.8	4.4	46.6	34.7
▲ ABSA Group	11.20	15.9	5.7	515.2	3.1	8.2	1.3	9.8	16.7	2.1
▲ Diamond Trust Bank	50.50	-32.7	1.6	113.9	0.7	2.1	0.2	5.3	12.1	1.8
▲ Equity Group	46.00	25.9	7.0	1,470.2	8.7	7.8	1.6	4.3	21.9	3.6
▲ H. Finance Group	3.73	12.3	12.7	11.1	0.1	-12.9	0.1	0.0	-1.1	-0.2
— I&M Holdings	17.00	-62.2	0.0	56.5	0.3	1.4	0.2	15.0	19.5	3.4
▲ KCB Group	42.40	11.3	8.7	1,101.0	6.5	5.4	1.1	8.3	20.7	3.1
▲ NCBA Group	24.00	-10.3	1.3	130.1	0.8	3.0	0.3	0.9	15.3	2.2
— Stanbic Holdings	99.00	16.5	0.0	331.5	2.0	6.1	0.8	7.1	13.6	2.1
▲ Standard Chartered	133.50	-7.5	7.7	388.4	2.3	6.1	1.1	13.6	17.5	0.0
▲ Co-operative Bank	11.50	-8.0	4.5	476.2	2.8	4.6	0.9	8.7	19.6	3.3
— Kenya Airways	3.83	0.0	0.0	48.5	0.3	-1.7	-1.2	0.0	0.0	-7.8
▼ Longhorn Publishers	3.06	-37.3	-0.6	9.6	0.1	-3.7	1.2	17.0	-24.6	-9.4
▲ Nation Media Group	19.35	25.2	13.5	30.9	0.2	4.7	0.5	7.0	10.9	7.3
▲ Standard Group	13.25	-41.1	2.3	9.2	0.1	-2.5	0.9	0.0	-30.2	-9.7
— TPS Eastern Africa	13.80	-13.8	0.0	21.3	0.1	17.0	0.3	0.0	1.8	0.8
▼ WPP Scangroup	3.22	-46.3	-0.3	10.3	0.1	3.2	0.2	0.0	-5.2	-3.0
▲ KenGen	3.50	-25.7	2.9	185.1	1.1	2.9	0.1	7.1	4.1	2.0
▼ Kenya Power & Light.	1.45	-15.2	-1.4	24.0	0.1	11.2	0.1	0.0	0.4	0.1
▲ Total Kenya	24.50	2.1	8.9	36.3	0.2	6.1	0.2	5.3	10.8	6.6
▲ Britam Holdings	6.00	-17.4	5.3	98.5	0.6	4.3	0.5	4.2	13.3	3.1
▲ CIC Insurance Group	2.08	-2.3	4.0	46.1	0.3	17.3	0.7	0.0	4.1	0.9
▼ Jubilee Holdings	250.00	-12.0	-2.0	139.5	0.8	5.1	0.6	3.6	13.2	2.9
▲ Kenya Re Insurance	2.06	-11.2	1.0	12.2	0.1	0.8	0.2	21.8	13.2	8.4
▲ Liberty Kenya Hold.	5.66	-26.5	4.8	25.7	0.2	4.3	0.4	8.8	9.3	1.9
▼ Sanlam Kenya	11.00	-15.1	-8.3	13.4	0.1	13.9	1.1	0.0	8.2	0.4
▲ BOC Kenya	82.50	31.0	10.0	13.6	0.1	28.8	1.1	6.3	3.8	2.7
▼ British. A. Tobacco	414.50	14.8	-0.1	351.1	2.1	10.7	4.3	8.1	40.8	19.4
▼ Carbacid Invest.	11.05	-8.7	-3.9	23.9	0.1	10.6	0.9	6.3	8.6	7.7
▲ East Afr. Breweries	140.00	-9.2	0.7	937.6	5.6	12.5	12.8	6.1	123.9	11.2
▲ Eveaready E.A	0.72	-28.0	2.9	1.3	0.0	-0.5	1.4	0.0	-110.8	-73.8
▲ Centum Investment	9.88	-38.4	9.5	55.7	0.3	1.3	0.2	12.1	13.1	5.2
▲ Nairobi Sec. Exch.	7.48	-8.3	3.3	16.4	0.1	24.9	1.0	1.1	3.9	3.6
▲ Bamburi Cement	35.55	-6.1	3.3	109.3	0.6	20.4	0.4	0.0	2.2	1.3
— E.A Portland Cement	8.40	-23.6	0.0	6.4	0.0	-0.2	0.0	0.0	-14.5	-9.0
▼ Crown Paints Kenya	40.30	6.1	-2.9	24.3	0.1	9.0	2.2	0.0	27.2	5.8
▼ Kakuzi	390.00	6.8	-11.6	7.2	0.0	10.7	1.5	3.6	14.4	11.5
▼ Kapchorua Tea	108.00	38.5	-0.2	4.9	0.0	-6.7	0.6	9.3	1.2	1.0
▲ Sasini	20.80	6.7	9.5	22.4	0.1	-15.0	0.4	4.8	-2.7	-2.3
▲ Williamson Tea	151.00	15.9	15.5	0.0	0.0	19.9	0.4	13.2	2.2	1.6
— Ilam Fahari I-REIT	6.00	6.4	0.0	9.2	0.1	7.1	1.3	12.5	0.0	0.0

#### Top Picks

Stock	Price KES	Target Val. KES	Upside	
SCOM	28.20	37.53	33.08%	<a href="#">Report</a>
COOP	11.50	13.99	21.65%	<a href="#">Report</a>
SBC	99.00	105.00	6.06%	<a href="#">Report</a>

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