

## Stock Recommendation

Company	*Fair Value (KES)	Closing Price (KES)	Upside/downside (%)	Current Rating
Safaricom	33.27	18.10	83.8%	BUY
Equity bank	54.37	47.65	14.1%	HOLD
KCB bank	74.22	45.20	64.2%	BUY
Co-op bank	18.33	16.50	11.1%	HOLD
ABSA bank	11.52	18.50	-37.7%	SELL
StanChart bank	245.66	290.00	-15.3%	SELL
NCBA bank	40.63	49.80	-18.4%	SELL
I&M bank	38.37	36.05	6.4%	HOLD
Stanbic bank	118.55	150.00	-21.0%	SELL
DTB bank	109.36	74.75	46.3%	BUY
EABL	341.24	187.25	82.2%	BUY
BAT Kenya	411.34	361.25	13.9%	HOLD

## Kenya Market Summary

### Equity market commentary and outlook

- During the week, HF Group touched a 12-day high on increased local demand as Safaricom touched a five-day high on increased foreign demand. Safaricom announced an interim dividend of KES 0.55, payable on or before 31st March 2025. Foreign investors led trading for the week at 59.5%, and remained net sellers at USD 1.1m (KES 148.6m). Equity Bank registered the highest net foreign outflows at USD 0.8m (KES 109.6m), while Safaricom marked the highest net foreign inflows at USD 0.2m (KES 27.4m).

### Debt market commentary and outlook

- Total subscription rates declined to 184.4% from 296.6 the previous week. Investors remained skewed on the 364-Day T-Bill and activity declined for all three T-Bills. The yield on all three T-Bills fell, with that of the 91-Day T-Bill declining for the thirtieth consecutive week, the 182-Day T-Bill maintained a four-week decline and the 364-Day T-Bill sustained a two-week decline.

## Key Market Indicators

Index	Level	1w	1m	3m	6m	12m	ytd (%)
Kenya NSE 20 Index	2,222.7	33.9%	31.6%	46.8%	54.0%	44.9%	10.5%
Kenya NASI	131.1	25.2%	22.9%	41.2%	52.8%	27.2%	6.1%

Source: NSE, Kestrel Research

## NSE versus other markets

Index Returns (USD)	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
Nairobi All Share Index	1.0%	-0.6%	13.7%	11.8%	26.4%	-35.7%
Johannesburg Index	1.8%	5.0%	-1.8%	-0.5%	18.6%	-13.5%
Nigeria Stock Exchange	1.3%	7.2%	12.3%	-3.9%	-13.0%	4.6%
Ghana Stock Exchange	2.0%	0.4%	15.8%	2.7%	11.3%	-23.2%
Egyptian Stock Exchange	-0.7%	1.6%	-7.7%	5.1%	-35.3%	58.1%
MSCI EFM ex SA Index	1.7%	1.5%	1.1%	0.4%	3.6%	-4.7%

## Other market statistics

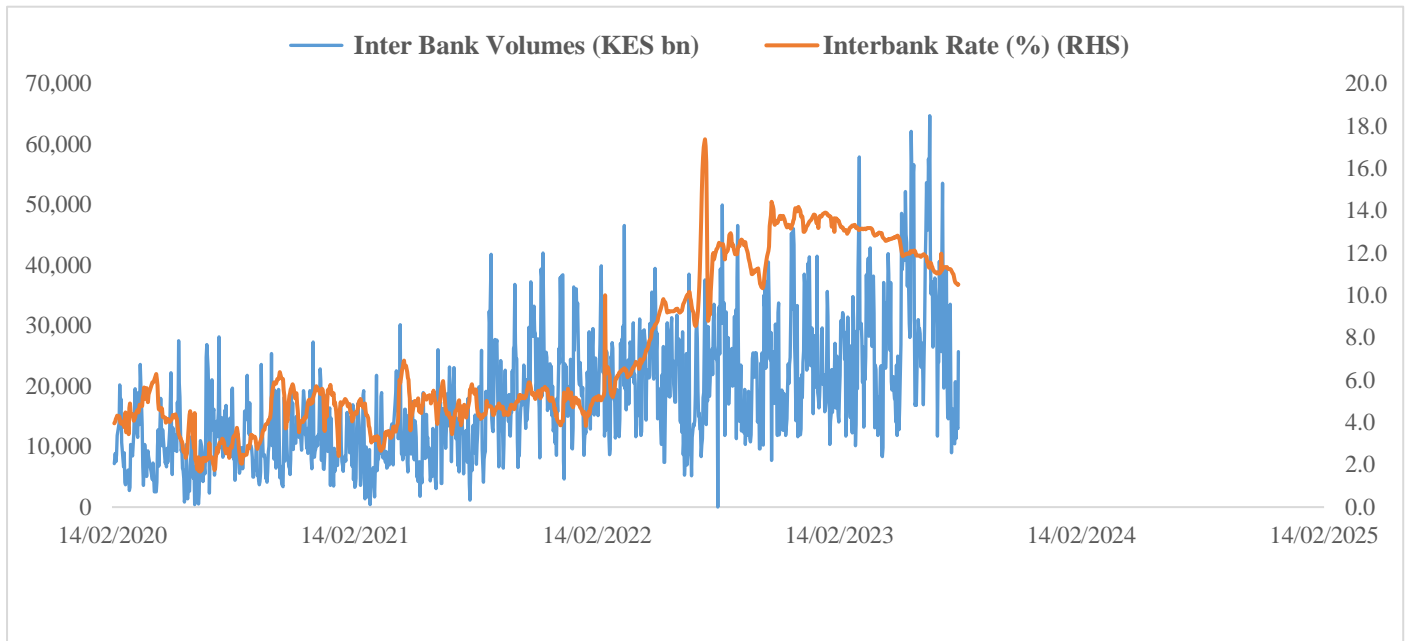
Currencies	Level	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
USD/KES	129.15	0.0%	0.2%	0.1%	0.0%	11.1%	0.1%
USD/ZAR	18.39	0.1%	1.9%	-1.1%	-2.9%	2.6%	1.8%
USD/EGP	50.63	-0.6%	-0.5%	-2.6%	-3.5%	-63.9%	0.3%
USD/NGN	1510.00	-0.8%	3.0%	9.4%	5.0%	-1.0%	2.3%
USD/GHS	15.45	0.0%	-3.3%	3.1%	1.1%	-23.9%	-5.1%

**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
Safaricom	1007.5	27.4	85.5%	4.4%	5.3%	-7.0%	38.1%
Equity Bank	203.8	-109.6	50.8%	1.7%	-0.6%	-4.0%	27.7%
KCB Bank	201.0	-40.4	34.8%	5.4%	8.3%	-1.6%	137.1%
HF Group	106.9	0.2	0.1%	19.4%	77.4%	-15.1%	118.0%
Jubilee Insurance	104.1	8.7	87.6%	0.0%	15.3%	-2.4%	33.3%

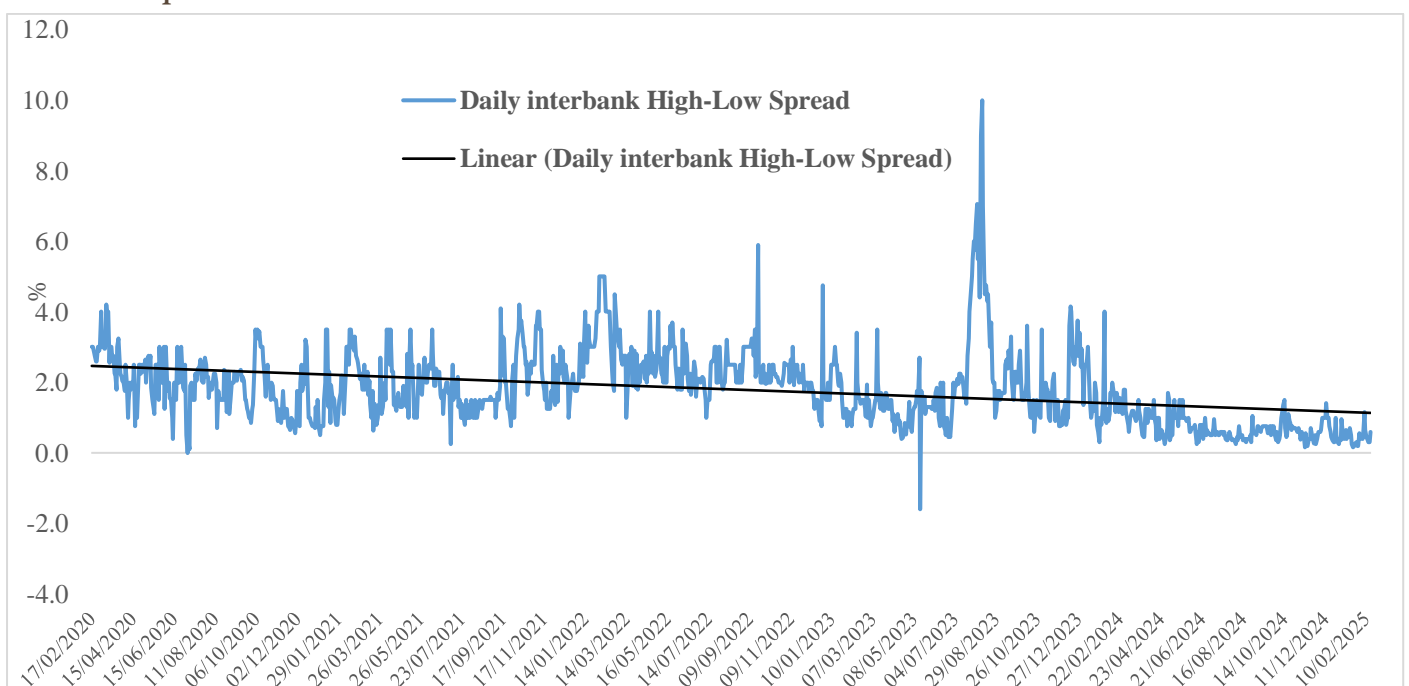
**Key Rates and Spreads**

Inter-bank Rates decline for the fourth week straight.



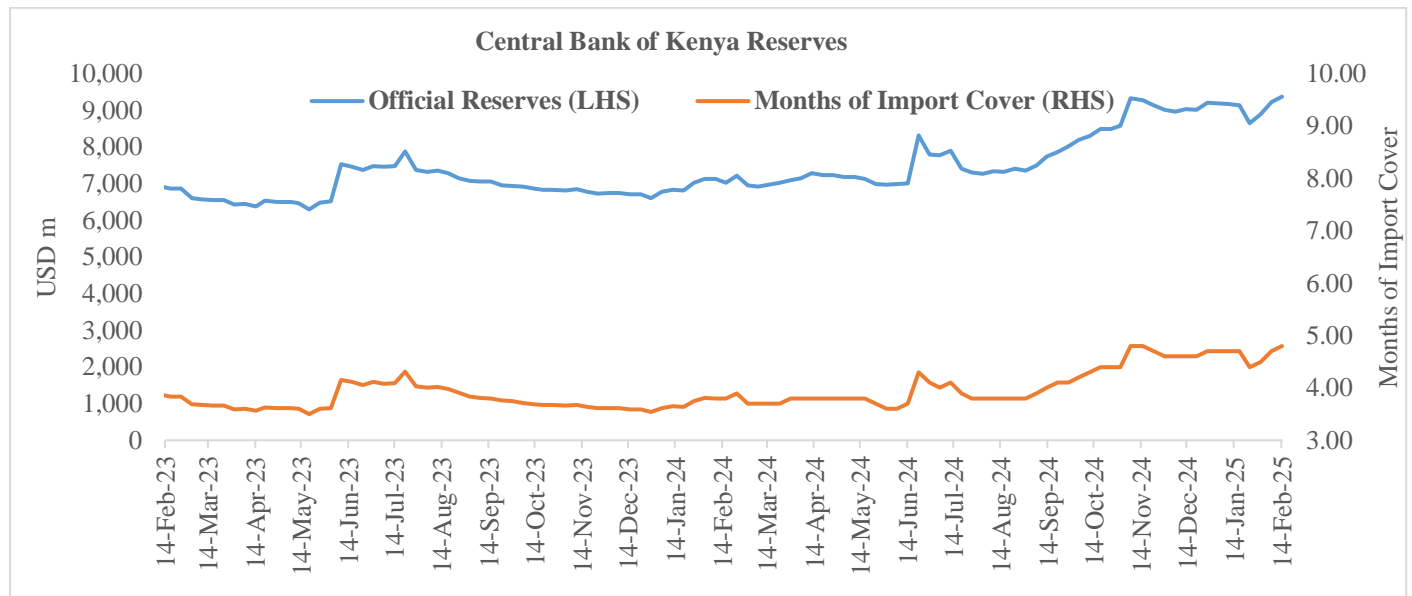
Source: CBK

Interbank spreads widen for the third consecutive week.



Source: CBK

**Months of import cover and CBK FX improved for the third week straight.**

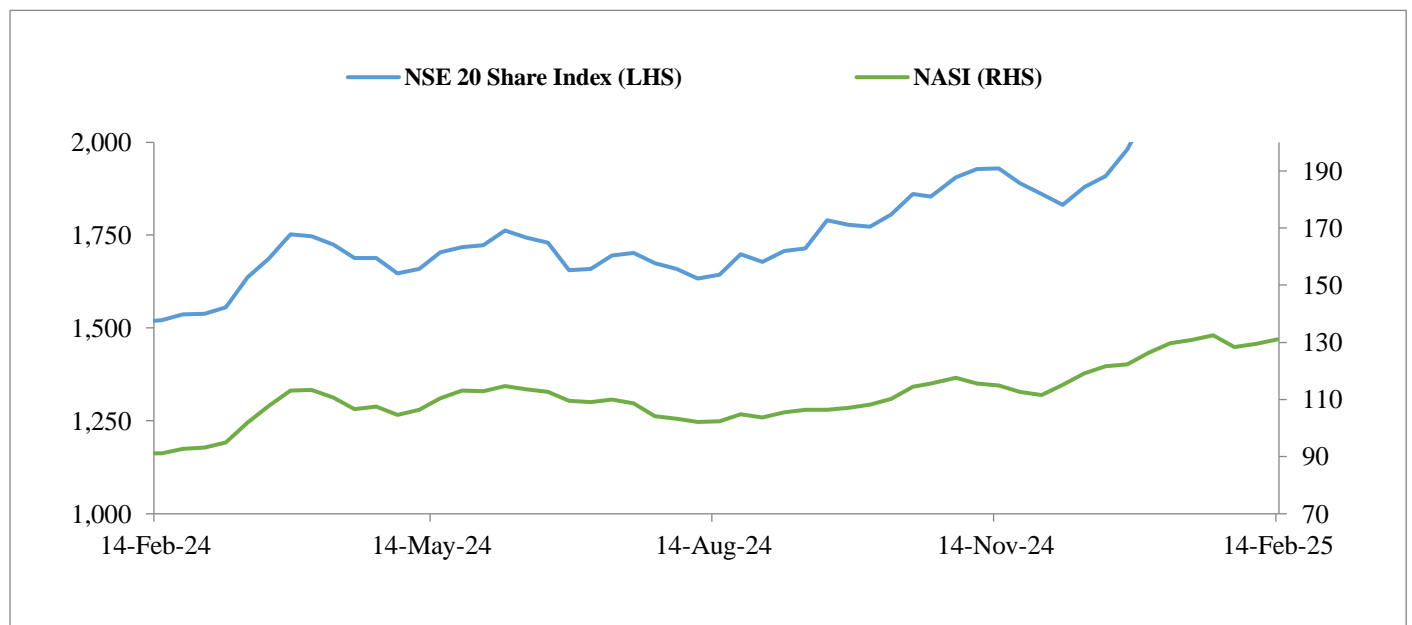


Source: CBK

**Equity market trading commentary**

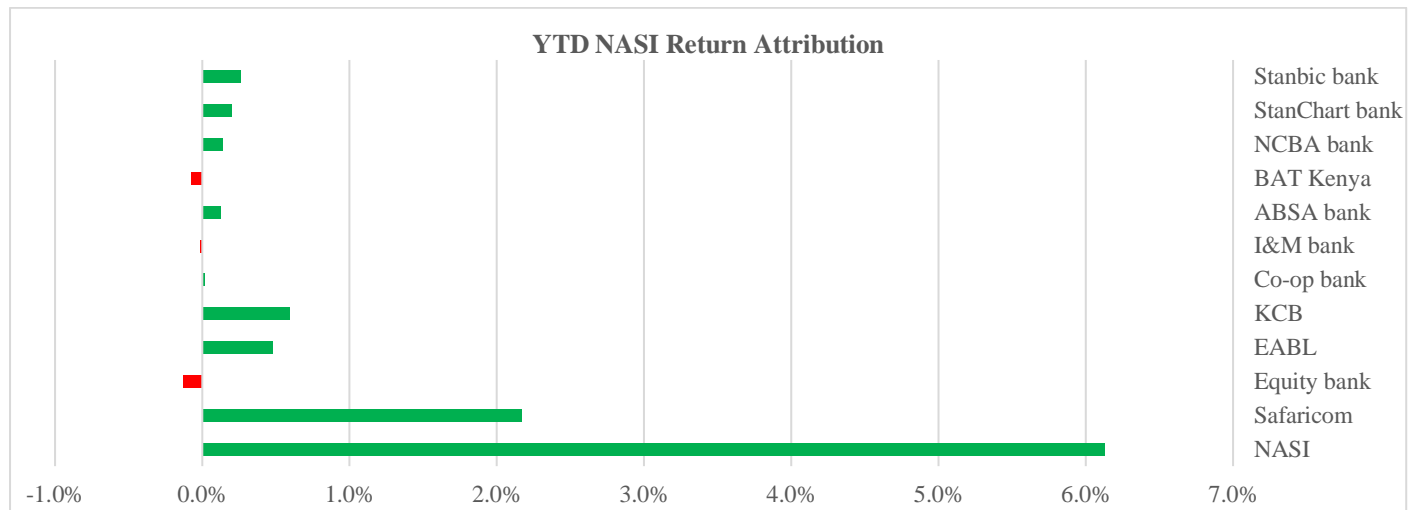
Total market turnover notched down by 27.4% to close at USD 15.2m (KES 2.0bn). The NASI edged up by 1.1% to conclude at 131.05, sustaining a two-week climb as the NSE 20 went up by 1.3% to end at 2,222.68. Foreign investors led trading for the week at 59.5%, and remained net sellers at USD 1.1m (KES 148.6m). Equity Bank registered the highest net foreign outflows at USD 0.8m (KES 109.6m), while Safaricom marked the highest net foreign inflows at USD 0.2m (KES 27.4m). The Central Bank of Kenya lowered the Central Bank Rate by 50 bps to 10.75%.

**Market performance over the past 12 months**



Source: NSE

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



Source: Kestrel Research

### Debt market trading commentary

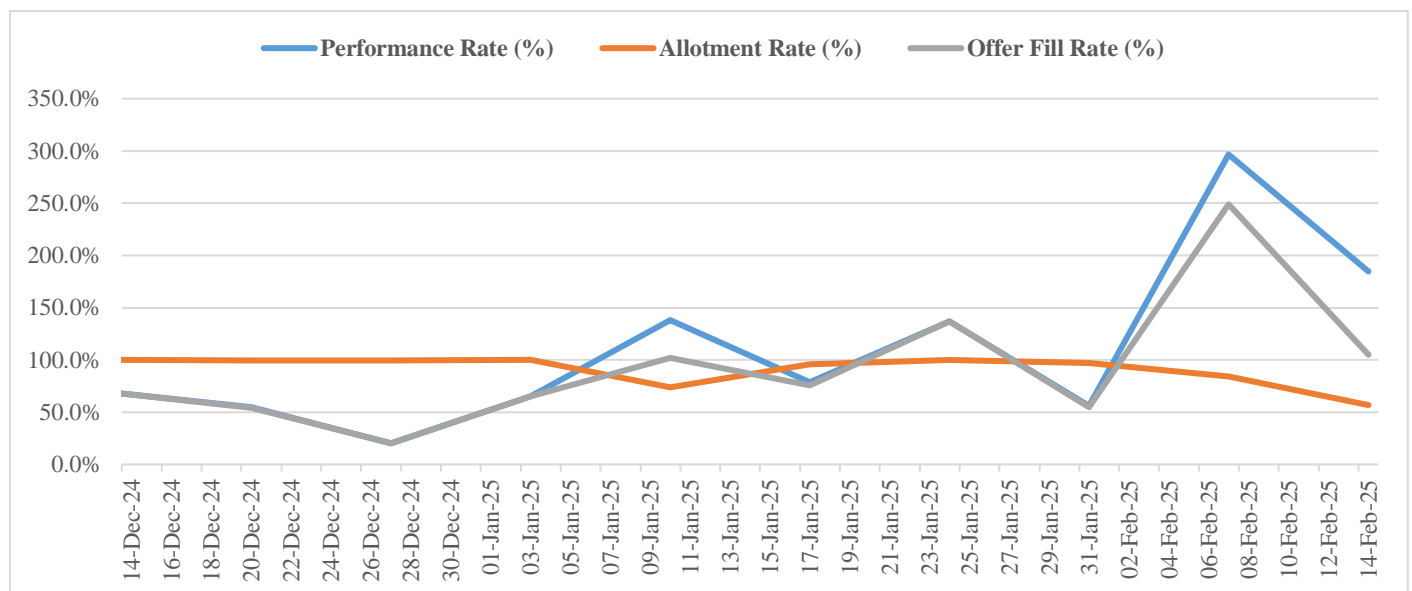
Total subscription rates declined to 184.4% from 296.6 the previous week. Investors remained skewed on the 364-Day T-Bill and activity declined for all three T-Bills. The yield on all three T-Bills fell, with that of the 91-Day T-Bill declining for the thirtieth consecutive week, the 182-Day T-Bill maintained a four-week decline and the 364-Day T-Bill sustained a two-week's 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 2.5bn for the 91-Day T-Bill, implying a subscription rate of 63.16%. It accepted bids worth KES 2.5bn at an average yield of 8.970% (-14.59 bps w/w).

The 182-Day T-Bill received bids worth KES 23.6bn, implying a performance rate of 236.24%. It accepted bids worth KES 10.9bn at an average yield of 9.410% (-10.90 bps w/w).

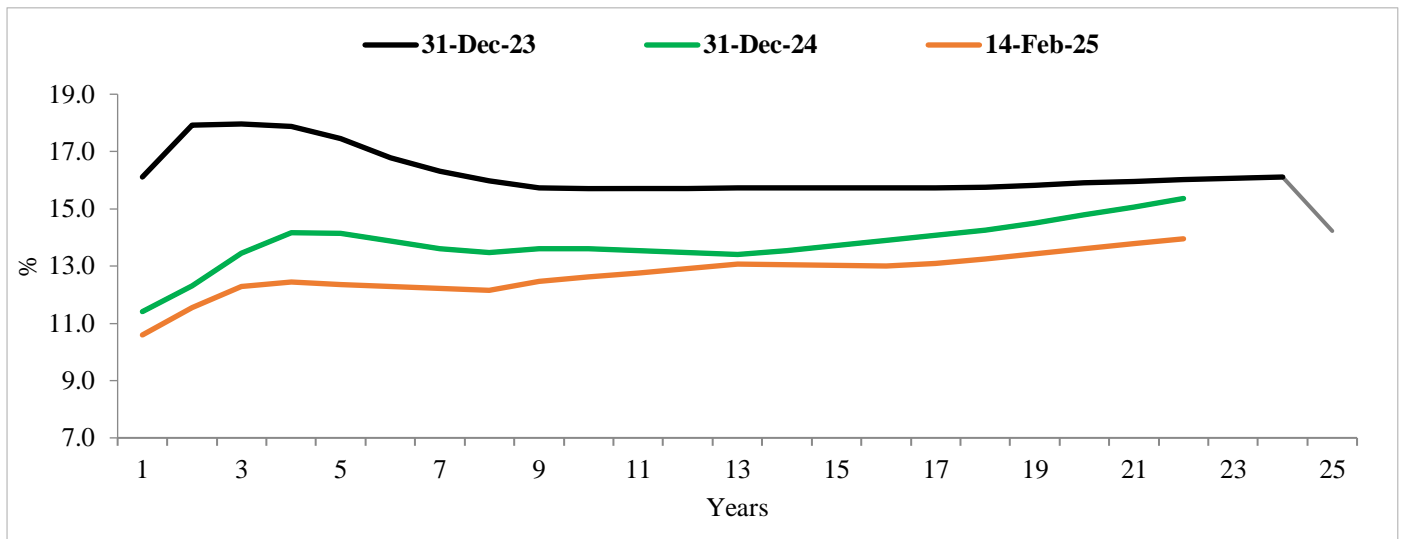
The 364-Day T-Bill received bids worth KES 18.1bn, implying a performance rate of 181.05%. It accepted bids worth KES 11.7bn at an average yield of 10.594% (-16.4 bps w/w).

### T-Bills Performance rates



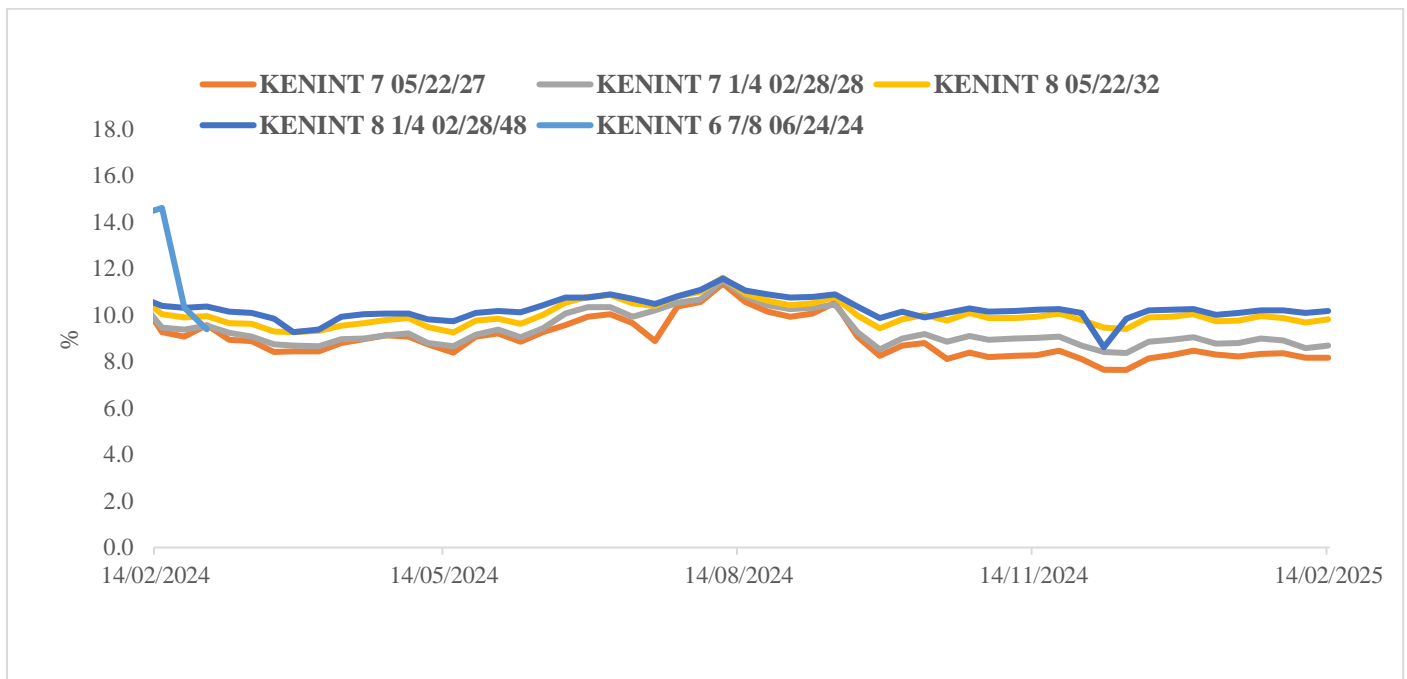
Source: CBK

### 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	13.00	18.10	6.2	5,612	35.1%	1.06	1.20	4.7	17.0	6.6	3.9	22.7	1,254,146
Equity Bank	Banking	Dec	50.00	37.60	47.65	-1.3	1,392	8.7%	20.58	4.00	48.7	2.3	8.4	1.0	42.2	415,372
EA Breweries	Breweries	Jun	199.75	105.00	187.25	6.7	1,146	7.2%	15.46	7.50	27.1	12.1	4.0	6.9	57.1	197,141
Co-op Bank	Banking	Dec	17.80	12.00	16.50	0.3	749	4.7%	6.91	1.50	18.4	2.4	9.1	0.9	37.5	59,437
NCBA Bank	Banking	Dec	51.00	36.30	49.80	3.3	635	4.0%	13.30	3.00	53.7	3.7	6.0	0.9	24.8	26,901
Absa Bank	Banking	Dec	19.10	11.95	18.50	2.5	778	4.9%	3.46	1.55	12.0	5.3	8.4	1.5	28.8	69,791
KCB Bank	Banking	Dec	45.80	19.00	45.20	8.7	1,124	7.0%	15.79	1.50	68.1	2.9	3.3	0.7	23.2	364,575
StanChart Bank	Banking	Dec	302.50	161.25	290.00	3.7	848	5.3%	38.05	37.00	158.0	7.6	12.8	1.8	24.1	58,602
Stanbic Bank	Banking	Dec	157.00	108.25	150.00	9.3	459	2.9%	31.16	15.00	140.8	4.8	10.0	1.1	22.1	71,027
BAT Kenya	Tobacco	Dec	423.00	331.75	361.25	-3.9	280	1.7%	48.82	54.02	163.8	7.4	15.0	2.2	29.8	28,241
BK Group	Banking	Dec	37.00	30.15	36.20	11.2	251	1.6%	10.26	3.28	46.8	3.5	9.1	0.8	21.9	12,725
I&M Holdings	Banking	Dec	36.55	17.15	36.05	-0.6	485	3.0%	8.06	3.85	45.5	4.5	10.7	0.8	17.7	36,574
Umeme Ltd.	Power	Dec	17.45	13.35	16.70	-0.3	210	1.3%	0.26	0.92	22.0	63.8	5.5	0.8	1.2	2,937
Kenya Airways	Airlines	Dec	8.50	3.83	5.32	38.9	234	1.5%	2.63	-	(14.7)	2.0	-	-	-	14,271
Bamburi Cement	Cement	Dec	82.00	39.15	57.00	3.6	160	1.0%	(0.28)	5.47	82.1	-	98.6	0.1	(0.3)	2,342,524
KenGen	Power	Jun	4.73	1.99	4.59	26.1	234	1.5%	1.03	0.65	41.6	4.5	14.2	0.1	2.5	57,663
Jubilee Insurance	Insurance	Dec	205.00	150.00	200.00	15.3	112	0.7%	67.32	12.00	613.8	3.0	6.0	0.3	11.0	28,169
DTB Bank	Banking	Dec	74.75	43.25	74.75	8.3	162	1.0%	29.76	6.00	256.8	2.5	8.0	0.3	11.6	34,619
Britam	Insurance	Dec	8.54	4.48	7.12	22.8	139	0.9%	1.45	-	9.2	4.9	-	0.8	15.6	26,832
Total Oil	Oil	Dec	23.75	16.50	23.50	17.5	114	0.7%	5.12	1.92	48.0	4.6	8.2	0.5	10.7	1,547
Kakuzi	Agric	Dec	440.00	353.50	396.00	2.9	60	0.4%	34.98	24.00	303.5	11.3	6.1	1.3	11.5	382
CIC Insurance	Insurance	Dec	2.85	1.98	2.85	32.6	58	0.4%	0.55	-	3.3	5.2	-	0.9	16.9	3,811
Centum Investment	Finance	Mar	12.20	7.88	12.10	22.5	62	0.4%	(8.95)	0.32	55.8	-	2.6	0.2	(16.1)	10,768
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	31.85	-3.2	35	0.2%	(0.47)	4.00	24.1	-	7.0	2.4	(2.0)	314
Kenya Re	Insurance	Dec	2.87	1.04	1.67	30.5	36	0.2%	1.78	0.30	13.4	0.9	18.0	0.1	13.2	52,348
Sasini Tea & Coffee	Agric	Sept	21.55	14.40	14.95	-0.3	26	0.2%	3.11	0.50	61.7	4.8	3.3	0.2	5.0	2,181
Carbacid	Gases	July	24.10	15.00	21.25	1.4	42	0.3%	4.01	1.70	13.6	5.3	8.0	1.6	29.4	8,776
Nation Media	Media	Dec	22.00	11.75	14.30	-0.7	21	0.1%	(5.09)	-	43.1	-	-	0.3	(11.8)	2,558
Kenya Power	Power	Jun	7.56	1.43	6.82	41.8	103	0.6%	20.36	0.90	29.1	0.3	13.2	0.2	69.9	73,477
TPSEA Serena	Tourism	Dec	20.05	11.75	14.10	-5.4	20	0.1%	8.08	-	33.3	1.7	-	0.4	24.3	453
Liberty K. Holdings	Insurance	Dec	8.00	4.81	7.60	13.8	32	0.2%	2.04	0.37	15.9	3.7	4.9	0.5	12.8	3,572
BOC Kenya	Gases	Dec	95.00	67.00	80.00	-9.9	12	0.1%	10.73	8.55	85.1	7.5	10.7	0.9	12.6	11,247
NSE	Finance	Dec	6.84	5.44	6.44	7.3	13	0.1%	0.21	0.16	7.1	30.5	2.5	0.9	3.0	9,025
Housing Finance	Banking	Dec	9.42	3.67	7.98	76.9	116	0.7%	0.25	-	4.2	31.8	-	1.9	6.0	83,763
Unga Ltd	Food	Jun	23.00	11.45	21.40	42.7	13	0.1%	(18.92)	-	58.3	-	-	0.4	(32.4)	304
Sanlam Kenya	Insurance	Dec	7.20	3.90	7.00	41.4	8	0.0%	2.27	-	3.9	3.1	-	1.8	58.6	447
Car & Gen	Motors	Sept	30.40	18.85	24.00	5.5	7	0.0%	(7.68)	-	135.8	-	-	0.2	(5.7)	476
Limuru Tea	Agric	Dec	380.00	299.00	299.00	-14.6	6	0.0%	0.11	1.00	80.9	-	0.3	3.7	0.1	241
WPP Scangroup	Media	Dec	3.87	1.90	3.50	41.1	12	0.1%	0.06	-	11.9	55.1	-	0.3	0.5	1,253
EA Portland	Cement	Jun	50.75	4.46	35.90	17.3	25	0.2%	(14.13)	-	239.8	-	-	0.0	(5.9)	1,500
Standard Newspapers	Media	Dec	7.60	4.51	6.58	31.1	4	0.0%	(10.05)	-	0.4	-	-	15.0	(2,284)	191
Longhorn	Publishing	Jun	3.25	2.02	3.06	33.0	6	0.0%	(2.45)	-	2.8	-	-	1.1	(88.1)	166
TransCentury	Finance	Dec	1.62	0.32	1.19	205.1	3	0.0%	(6.72)	-	(9.5)	-	-	-	-	4,464
<b>Average</b>												<b>12.7</b>	<b>8.0</b>	<b>2.4</b>	<b>25.2</b>	<b>5,389,752</b>

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