

## Stock Recommendation

Company	Fair Value (KES)	Closing Price (KES)	Upside/downside (%)	Current Rating
Safaricom	35.20	24.65	42.8%	BUY
Equity bank	70.69	45.95	53.8%	BUY
KCB bank	68.17	37.60	81.3%	BUY
Co-op bank	19.83	12.45	59.3%	BUY
ABSA bank	14.44	11.65	23.9%	BUY
StanChart bank	122.25	143.00	-14.5%	HOLD
NCBA bank	43.98	32.85	33.9%	BUY
I&M bank	32.61	17.00	91.8%	BUY
Stanbic bank	109.98	95.00	15.8%	BUY
DTB bank	130.90	47.00	178.5%	BUY
EABL	223.42	165.75	34.8%	BUY
Bamburi Cement	60.07	33.40	79.9%	BUY
BAT Kenya	549.38	428.00	28.4%	BUY

## Kenya Weekly Commentary

### Kenya Market Summary

#### Equity market commentary and outlook

- During the week, Equity bank, StanChart bank, DTB bank and NCBA bank released their 3Q22 results. On account of local demand, StanChart hit an 11-month high. Similarly, driven by local buying, Co-op bank touched a 53-day high. On the other hand, on the back of local selling, Carbacid Investments marked a 20-day low. On corporate news, ABSA bank is expected to announce its 3Q22 results tomorrow. We expect EPS to decline a modest 0.9% y/y, largely driven by increased net interest income (+13.0% y/y) but weighed by operating costs (+15.8% y/y).

#### Debt market commentary and outlook

- For the second consecutive week, overall subscription rates reduced to 113.4%, down from 170.8% marked the previous week. The yield on 91-day T-Bill edged upwards for the twenty-sixth straight week. Further, the yield on the 182-day T-Bill notched up for the seventeenth successive week. Eurobond yields halt a 4-weeks declining streak.

#### Key Market Indicators

Index Returns	Level	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
Kenya NSE 20 Index Return	1,652.1	-0.8%	-1.7%	-7.1%	-2.1%	-12.4%	-13.2%
Kenya NASI Return	127.3	-1.3%	-0.9%	-13.0%	-2.0%	-22.8%	-23.5%
FTSE NSE Kenya 15 Return	170.1	0.0%	0.0%	0.0%	-2.0%	-16.7%	-18.8%
FTSE NSE Kenya 25 Return	170.3	0.0%	0.0%	0.0%	-3.0%	-22.9%	-22.7%
FTSE Kenya Bond Index Return	94.7	0.0%	0.0%	0.0%	-0.1%	-2.0%	-1.4%

Source: NSE, Kestrel Research

#### NSE versus other markets

Index Returns (USD)	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
Nairobi All Share Index	-1.3%	-1.5%	-9.3%	-6.3%	-28.8%	-29.3%
Johannesburg Index	1.4%	16.3%	2.6%	-4.7%	-0.1%	-7.5%
Nigeria Stock Exchange	6.6%	7.7%	-8.7%	-17.5%	2.8%	6.2%
Ghana Stock Exchange	0.0%	-3.3%	-31.6%	-48.2%	-63.5%	-62.5%
Egyptian Stock Exchange	1.9%	8.7%	-1.9%	-5.1%	-28.5%	-31.6%
MSCI EFM ex SA Index	0.5%	2.5%	-6.9%	-12.8%	-26.5%	-26.7%

### Other market statistics

Currencies	Level	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
USD/KES	122.1	-0.2%	-0.7%	-1.9%	-4.6%	-8.0%	-7.3%
USD/ZAR	17.3	-0.3%	6.7%	-1.7%	-8.4%	-9.1%	-7.8%
USD/EGP	24.5	-0.5%	-19.9%	-21.9%	-25.4%	-35.9%	-35.9%
USD/NGN	443.4	0.0%	-0.6%	-3.5%	-6.2%	-6.7%	-4.3%
USD/GHS	14.5	-0.3%	-6.0%	-32.2%	-46.8%	-57.9%	-57.3%

### 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	564.4	-290.5	68.8%	-1.8%	-12.9%	-14.1%	17.8%
Safaricom	314.3	-68.6	59.3%	-2.4%	-35.0%	-38.4%	6.7%
EABL	195.5	22.9	71.6%	0.3%	0.5%	-2.9%	50.7%
BAT Kenya	114.7	-112.4	49.4%	0.0%	-3.1%	-15.9%	5.9%
Co-op bank	100.0	-4.2	2.1%	3.8%	-3.9%	-6.4%	16.4%

### Notable Events

#### Equity bank 3Q22 EPS increases 26.6% y/y – In Line with Expectations

Equity bank announced its 3Q22 results. Reported EPS – KES 8.84, +26.6% y/y, largely buoyed by non-funded income (+32.0% y/y) and net interest income (+23.4% y/y). Earnings came in line with expectations, a marginal 3.6% above estimates. Net interest income was below estimates (-16.8%) and provisions were lower-than-expected (-46.6%).

### Summary Performance Table

	Reported	Forecast	Variance
NIM	6.9%	7.9%	-1.0%
NIR growth	23.4%	48.3%	-24.9%
NFI mix	41.4%	34.8%	6.6%
NFI growth	32.0%	20.0%	12.0%
CoR	1.7%	3.3%	-1.6%
CTI	47.1%	41.9%	5.2%
OpEx Growth	24.3%	19.4%	4.9%
EPS	8.84	8.53	3.6%
DPS	0.00	0.00	0.0%
Net Loan growth	20.6%	27.2%	-6.6%
Deposit growth	15.1%	17.0%	-1.9%
NPL Ratio	9.2%	9.1%	0.1%
NPL Coverage*	53.3%	80.9%	-27.6%
ROE	28.9%	22.8%	6.1%

\*CBK Coverage

### What stood out for us?

- **Higher-than-expected non-funded income:** non-funded income growth beat our estimates largely on account of higher-than-expected FX income (+57.5% y/y) and fee income (+28.6% y/y). In addition, the growth was accelerated by income from the trade finance business – trade finance lending went up by 84% y/y and trade finance income from off-balance sheet facilities grew 39% y/y.
- **Lower-than-expected net interest income growth:** net interest income growth was lower than projections on the back of lower NIMs and slower loan growth. We had modeled for higher loan yields from the expected implementation of risk-

based loan pricing, which has not taken full effect, in our view. Going forward, management expects a change of asset mix in favor of higher yielding assets (loan growth) to expand margins.

#### Impact to our investment thesis

- We expect to raise our growth estimates for non-funded income but lower our loan growth estimates and reduce our loan yields increments. Equity bank is currently trading at a P/B of 1.1x. At current levels, our fair value estimate of KES 70.69 implies 54.9% upside potential. We therefore maintain our **BUY** recommendation.

#### StanChart bank 3Q22 EPS grows 37.1% y/y – Ahead of Expectations

StanChart bank announced its 3Q22 results. Reported EPS – KES 22.61, +37.1% y/y, largely driven by non-funded income (+16.1% y/y) and net interest income (+7.3% y/y). Earnings came in 7.5% above our expectations on the back of higher-than-expected net interest income (+11.7%) and lower-than-expected loan loss provisions (-19.2%). The Board of Directors recommended an interim dividend of KES 6.00 per share (+20.0% y/y).

#### Summary Performance Table

	Reported	Forecast	Variance
NIM	6.3%	6.2%	0.1%
NIR growth	7.3%	-3.9%	11.2%
NFI mix	35.7%	36.5%	-0.8%
NFI growth	16.1%	7.5%	8.6%
CoR	0.5%	0.7%	-0.2%
CTI	47.4%	49.8%	-2.4%
OpEx Growth	8.9%	3.6%	5.3%
EPS	22.41	20.84	7.5%
DPS	6.00	0.00	>100.0%
Net Loan growth	3.3%	9.4%	-6.1%
Deposit growth	10.7%	2.5%	8.2%
NPL Ratio	15.0%	16.6%	-1.5%
NPL Coverage*	71.0%	40.3%	30.7%
ROE	20.9%	18.1%	2.8%

\*CBK Coverage

#### What stood out for us?

- Lower-than-expected loan loss provisions:** cost of risk settled in 20bps lower than our estimates. We had expected the NPL ratio to remain elevated on account of large corporate exposures and would necessitate higher provisions.

#### Impact to our investment thesis

- We expect to raise our growth estimates for non-funded income but maintain our cost of risk outlook. StanChart bank is currently trading at a P/B of 1.0x. At current levels, our fair value estimate of KES 122.25 implies 13.6% upside potential. We therefore retain our **HOLD** rating.

## Stanbic bank 3Q22 EPS rises 36.8% y/y – Above Estimates

Stanbic bank published its 3Q22 results. Reported EPS – KES 41.00, +36.8% y/y, mainly driven by increased total income (+31.4% y/y). Earnings came in 93.2% above estimates on the back of higher-than-expected total income (+9.2%) and lower-than-expected loan loss provisions (-48.0%).

### Summary Performance Table

	Reported	Forecast	Variance
NIM	5.1%	5.0%	0.1%
NIR growth	26.8%	18.0%	8.8%
NFI mix	44.6%	43.8%	0.8%
NFI growth	37.5%	23.6%	13.9%
CoR	1.5%	3.3%	-1.8%
CTI	45.4%	49.3%	-3.9%
OpEx Growth	16.7%	16.1%	0.6%
EPS	41.00	21.22	93.2%
DPS	0.00	0.00	0.0%
Net Loan growth	34.1%	20.4%	13.7%
Deposit growth	25.6%	9.0%	16.6%
NPL Ratio	9.8%	10.9%	-1.1%
NPL Coverage*	54.3%	73.1%	-18.8%
ROE	18.5%	10.1%	8.4%

\*CBK Coverage

### What stood out for us?

- **Lower-than-expected loan loss provisions:** we had assumed a higher cost of risk to enhance the NPL coverage owing to elevated NPL ratio. Notably, the NPL ratio came in 110bps lower than our estimates. We attribute the decline to improved repayments and recoveries as noted across the banking industry.
- **Higher-than-expected non-funded income:** we note non-funded income exceeded our projections – 32.3% ahead of estimates - largely on account of better FX income which grew 69.3% y/y. With a larger proportion of corporates, we would expect Stanbic bank to benefit from FX increased demand and wider spreads.

### Impact to our investment thesis

- We expect to lower our cost of risk outlook and increase our growth estimates for non-funded income. Stanbic bank is currently trading at a P/B of 0.8x. At current levels, our fair value estimate of KES 109.98 implies 15.8% upside potential. We therefore recommend a **BUY**.

## DTB bank 3Q22 EPS increases 21.1% y/y – Above Expectations

DTB bank announced its 3Q22 results. Reported EPS – KES 20.57, +19.0% y/y, mainly buoyed higher total income (+21.3% y/y). Earnings came in 29.6% ahead of estimates on the back of higher-than-expected non-funded income (+23.9%) and lower-than-expected loan loss provisions (-11.7%).

### Summary Performance Table

	Reported	Forecast	Variance
NIM	6.3%	4.9%	1.4%
NIR growth	14.1%	8.7%	5.4%
NFI mix	35.7%	25.7%	10.0%
NFI growth	43.5%	15.8%	27.7%
CoR	1.9%	2.5%	-0.6%
CTI	47.4%	45.9%	1.5%
OpEx Growth	18.4%	9.4%	9.0%
EPS	20.57	15.87	29.6%
DPS	0.00	0.00	0.0%
Net Loan growth	18.5%	6.6%	11.9%
Deposit growth	11.1%	4.7%	6.4%
NPL Ratio	11.9%	11.5%	0.4%
NPL Coverage*	41.9%	49.8%	-7.9%
ROE	10.9%	8.6%	2.3%

\*CBK Coverage

### What stood out for us?

- **Higher-than-expected non-funded income:** on account of better FX income (+80.6% y/y), non-funded income exceeded our expectations by 23.9%. We also note that DTB bank could have gained from its relatively high exposure to manufacturing and trade sectors, boosting the demand for FX. Fee income also grew 24.5% y/y which we attribute to loan growth of 18.5% y/y and increased transaction volumes.

### Impact to our investment thesis

- We expect to revise upwards our growth estimates on non-funded income and lower our cost of risk projections. DTB bank is currently trading at a P/B of 0.2x. At current levels, our fair value estimate of KES 130.90 implies 178.5% upside potential. We therefore retain our **BUY** rating.

## NCBA bank 3Q22 EPS increases 21.1% y/y – Above Expectations

NCBA bank released its 3Q22 results. Reported EPS – KES 7.77, +96.2% y/y, mainly driven by higher total income (+26.2% y/y) and lower loan loss provisions (-9.2% y/y). Earnings came in 37.5% ahead of estimates on the back of higher-than-expected total income (+15.7%).

### Summary Performance Table

	Reported	Forecast	Variance
NIM	5.7%	5.8%	-0.1%
NIR growth	15.1%	4.9%	10.2%
NFI mix	49.2%	46.4%	2.8%
NFI growth	40.1%	14.3%	25.8%
CoR	3.7%	4.0%	-0.3%
CTI	40.5%	45.4%	-4.9%
OpEx Growth	19.5%	15.9%	3.6%
EPS	7.77	4.69	65.7%
DPS	0.00	0.00	0.0%
Net Loan growth	11.7%	5.3%	6.4%
Deposit growth	3.2%	3.5%	-0.3%
NPL Ratio	12.0%	12.5%	-0.5%
NPL Coverage*	57.0%	73.9%	-16.9%
ROE	21.1%	15.2%	5.9%

\*CBK Coverage

### What stood out for us?

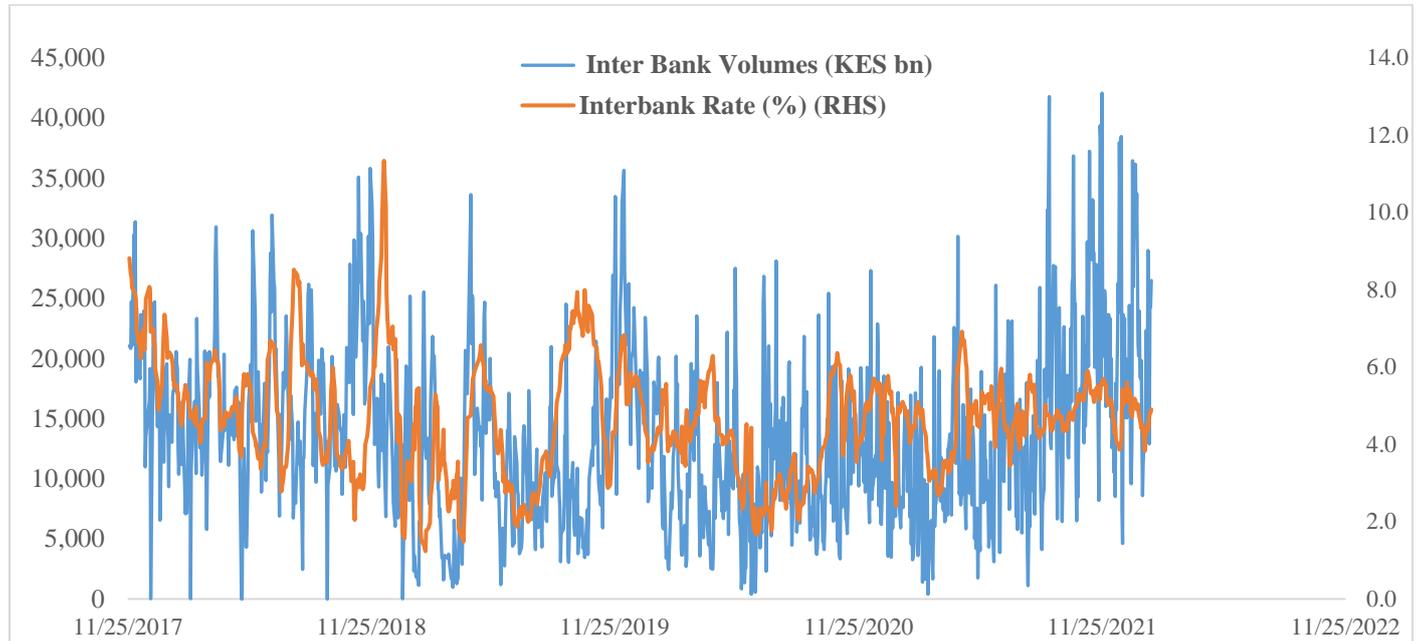
- **Higher-than-expected non-funded income:** non-funded income ran ahead of estimates by 22.6% primarily on the back of FX income that surged 162.9% y/y, a trend seen across the banking industry. As noted earlier, FX income growth was driven by increased FX demand and wider spreads due to the volatility of the KES.

### Impact to our investment thesis

- We expect to raise our growth estimates for non-funded income. NCBA bank is currently trading at a P/B of 0.7x. At current levels, our fair value estimate of KES 43.98 implies 33.3% upside potential. We therefore retain our **BUY** recommendation.

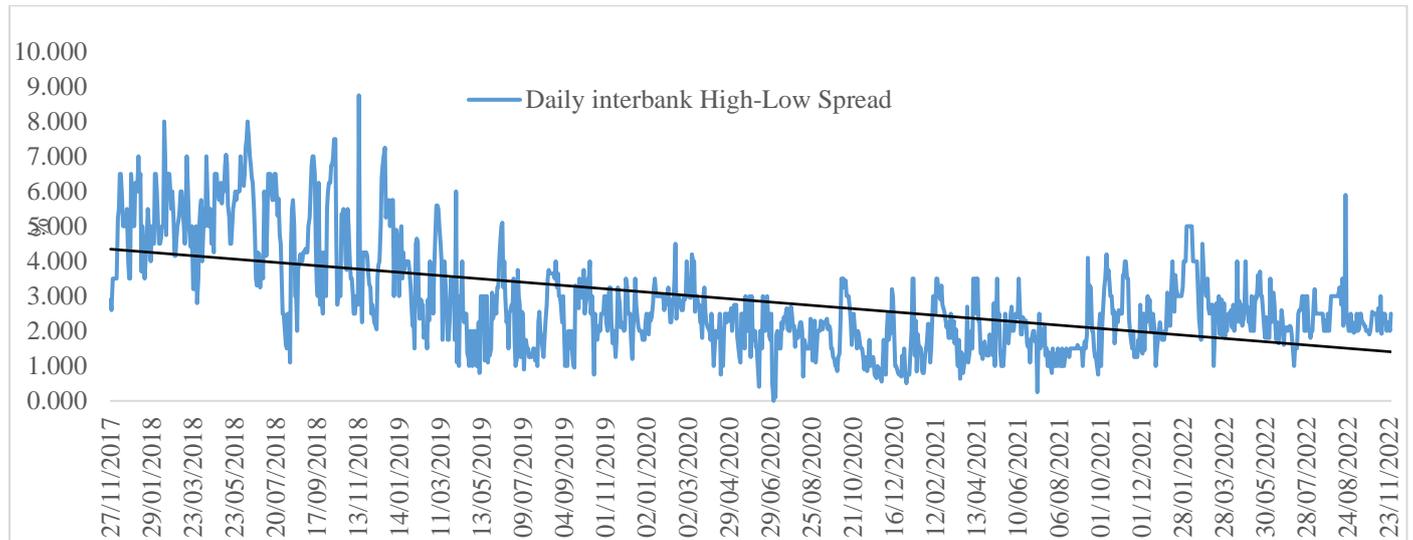
### Key Rates and Spreads

Inter-bank rate increase week-on-week for the second week in a row



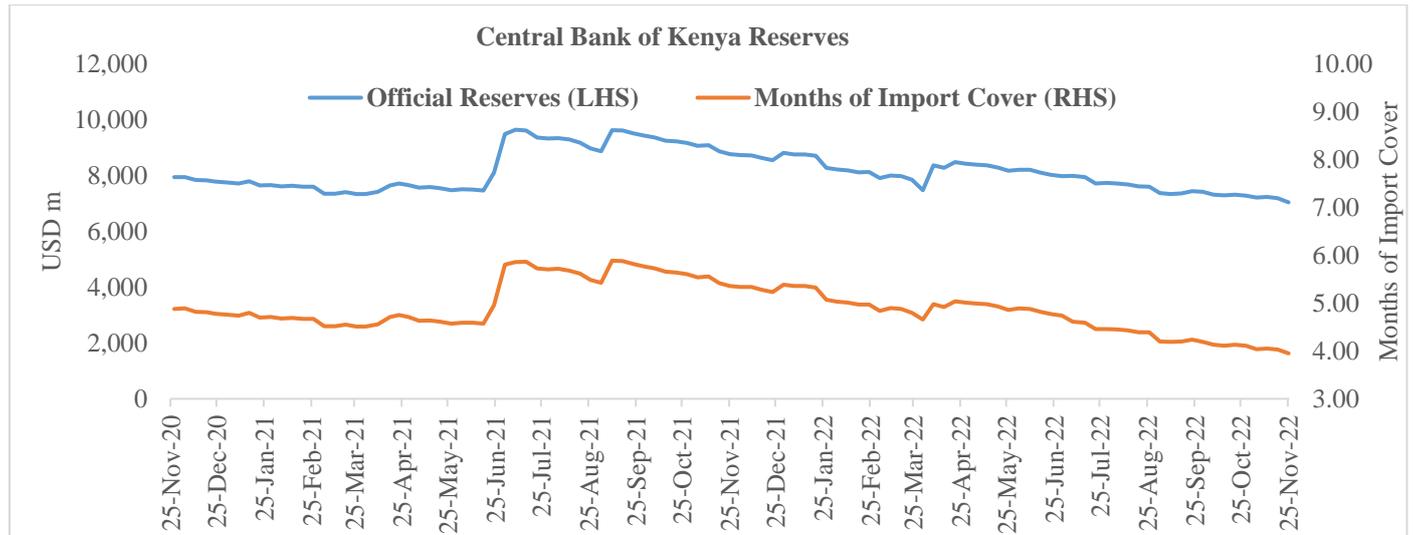
Source: CBK

Inter-bank spreads widen week-on-week



Source: CBK

Months of import cover fall for the second straight week to retreat to a 7-year low



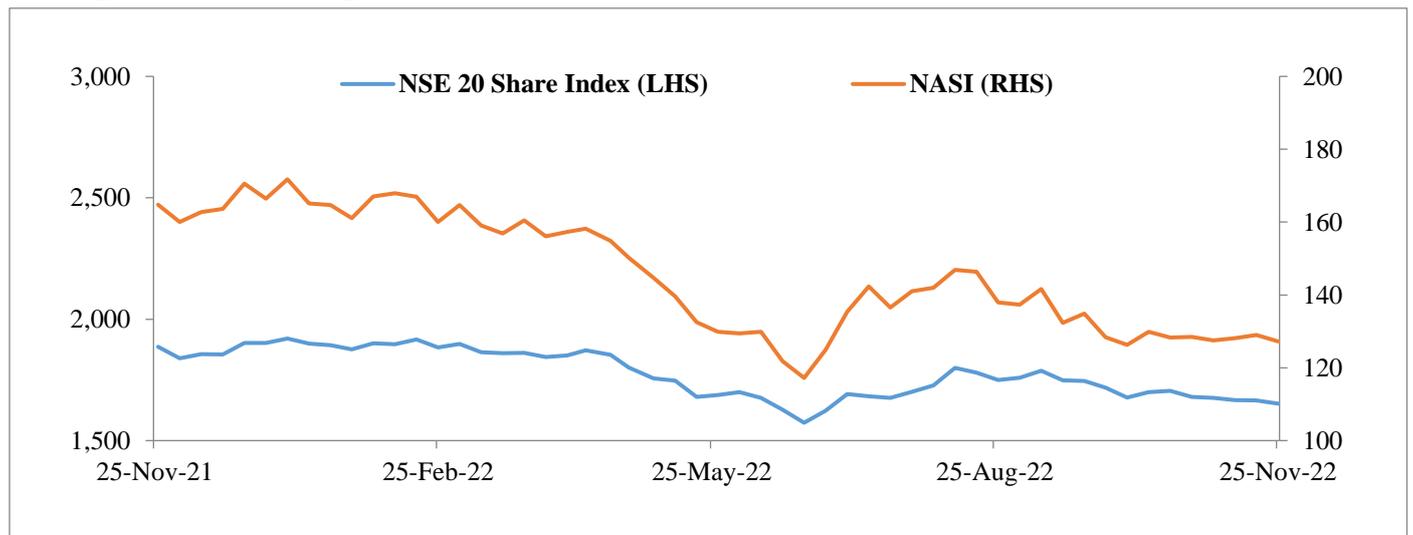
Source: CBK

Equity market trading commentary

Equity turnover fell by 28.1% w/w to settle at USD 11.5m (KES 1.4bn). Erasing the prior gains, the NASI shed 1.3% w/w to 127.28 – an 8-weeks low. Sustaining a 5-weeks losing streak, the NSE 20 edged down 0.8% w/w to 1,652.06. Foreign investors emerged as net sellers at USD 3.9m (KES 470.8m) for the sixth straight week. Foreign investors drove trading at 58.2% of total turnover, down from 60.9% registered last week. Equity bank (USD 2.4m, KES 290.5m), BAT Kenya (USD 0.9m, KES 112.4m) and Safaricom (USD 0.6m, KES 68.6m) registered the largest net foreign outflows. On the other hand, EABL recorded the highest net foreign inflows at USD 0.2m (KES 22.9m).

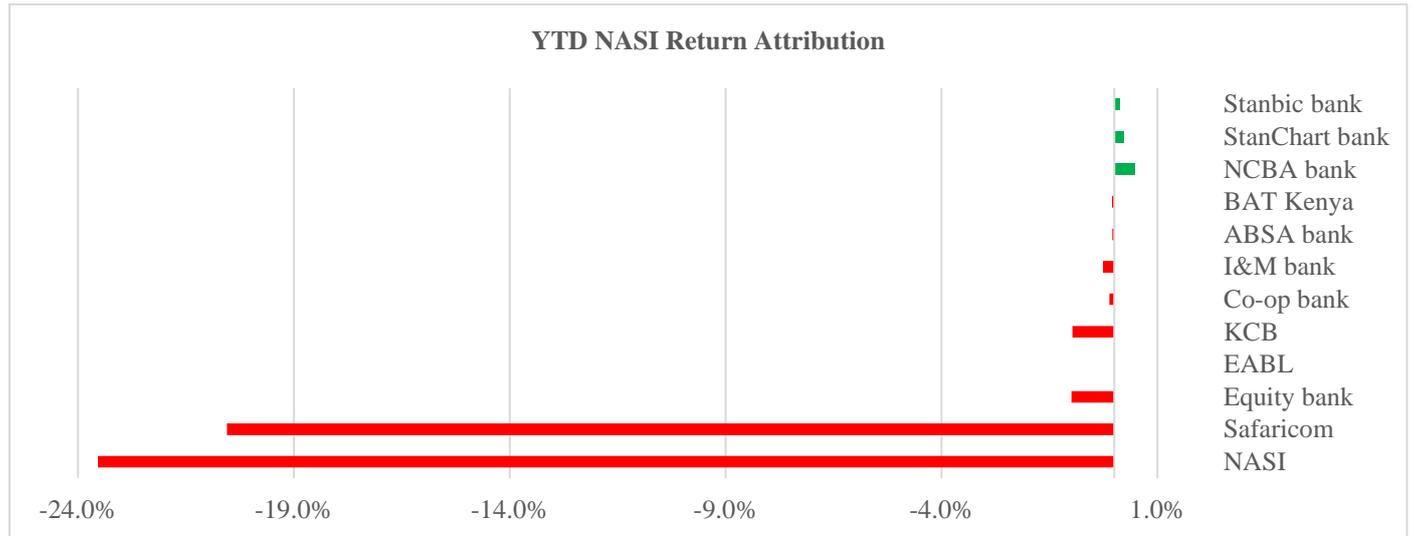
During the week, Equity bank, StanChart bank, DTB bank and NCBA bank released their 3Q22 results. On account of local demand, StanChart hit an 11-month high. Similarly, driven by local buying, Co-op bank touched a 53-day high. On the other hand, on the back of local selling, Carbacid Investments marked a 20-day low. On corporate news, ABSA bank is expected to announce its 3Q22 results tomorrow. We expect EPS to decline a modest 0.9% y/y, largely driven by increased net interest income (+13.0% y/y) but weighed by operating costs (+15.8% y/y).

Market performance over the past 12 months



Source: NSE

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



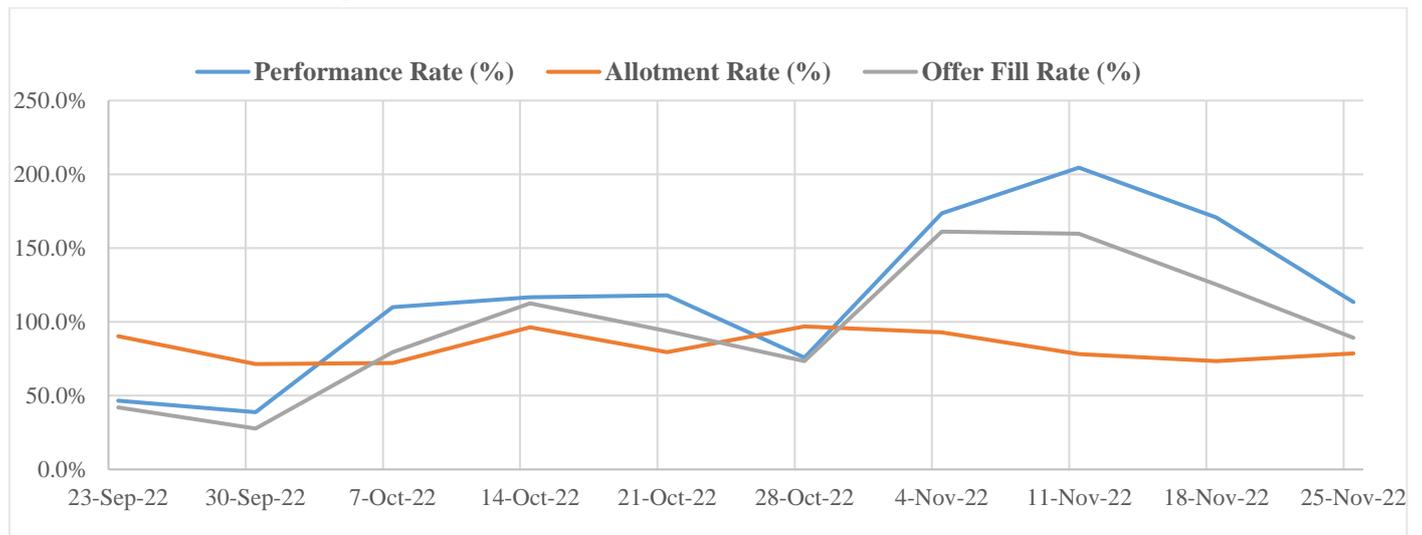
Source: Kestrel Research

**Debt market trading commentary**

For the second consecutive week, overall subscription rates reduced to 113.4%, down from 170.8% marked the previous week. The yield on 91-day T-Bill edged upwards for the twenty-sixth straight week. Further, the yield on the 182-day T-Bill notched up for the seventeenth successive week.

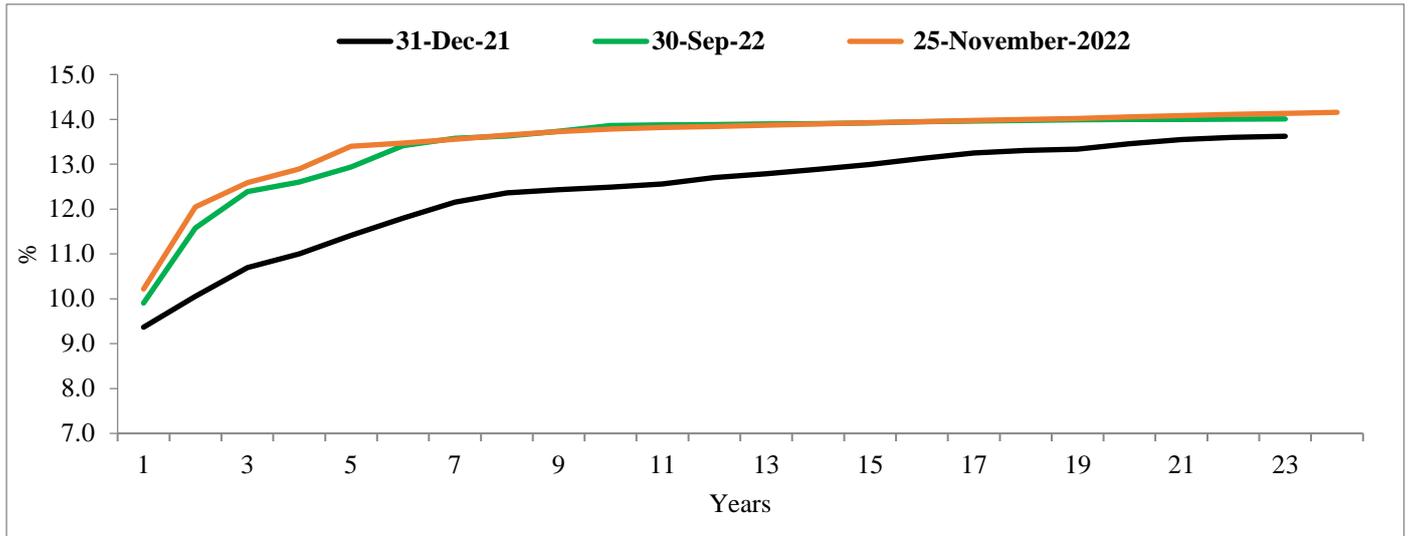
The Central Bank of Kenya offered KES 4.0bn for the 91-Day T-Bill and KES 10.0bn each for the 182-Day T-Bill and the 364-Day T-Bill. It received bids worth KES 12.7bn for the 91-Day T-Bill, implying a subscription rate of 316.83%. It accepted bids worth KES 11.2bn at an average yield of 9.237% (+4.6bps w/w). The 182-Day T-Bill received bids worth KES 6.8bn, implying a performance rate of 68.47%. It accepted bids worth KES 4.5bn at an average yield of 9.733% (+1.2bps w/w). The 364-Day T-Bill received bids worth KES 7.7bn, implying a performance rate of 76.88%. It accepted bids worth KES 5.7bn at an average yield of 10.219% (+3.8w/w).

**T-Bills Performance: Overall performance rate declined for the second successive week**



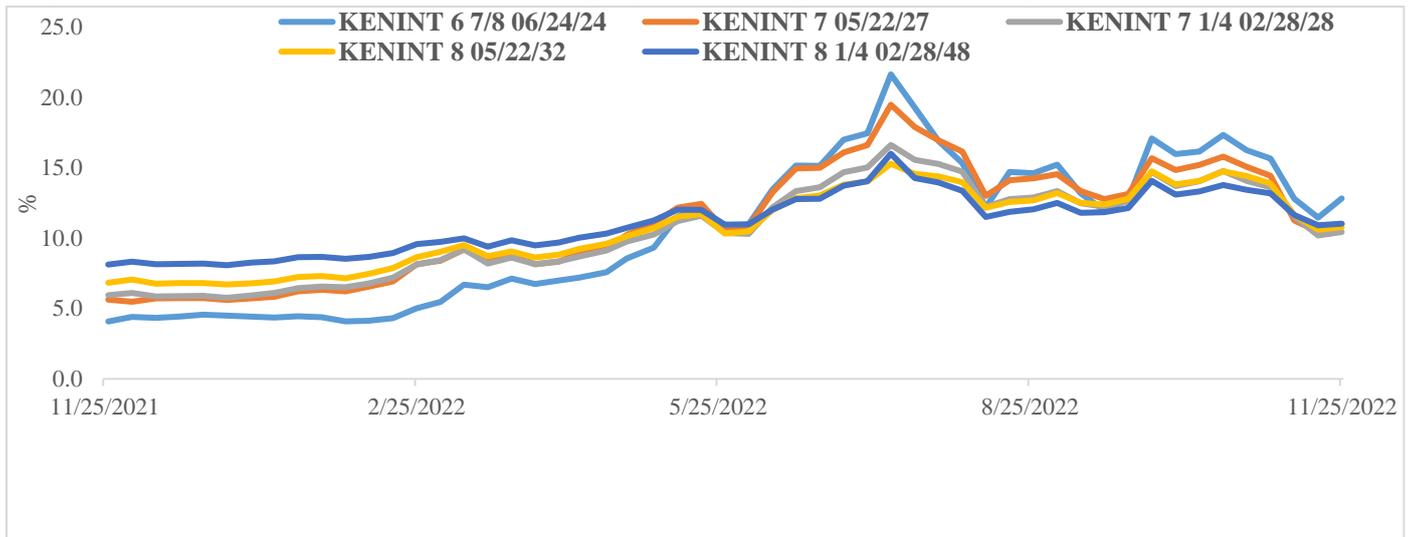
Source: CBK

Kenya Domestic Yield Curve



Source: CBK

Kenya Eurobond Yields: Yields across all tenors edge upwards, halting a 4-weeks declining streak



Source: Bloomberg

Top counters by market capitalization

Company	Sector	Year	12 M	12 M	Price	YTD	Market <sup>1</sup>	Weighting	EPS	DPS	NAV	P/E	Div	P/B	ROE %	Daily Trading <sup>1</sup>
Safaricom	Telecom	Mar	40.00	23.10	24.65	-35.0	8,077	49.5%	1.74	1.39	3.5	14.2	5.6	7.1	49.9	1,153,822
Equity Bank	Banking	Dec	53.50	39.00	45.95	-12.9	1,418	8.7%	12.24	3.00	40.8	3.8	6.5	1.1	30.0	504,355
EA Breweries	Breweries	Jun	170.75	110.00	165.75	0.5	1,072	6.6%	15.00	11.00	20.5	11.1	6.6	8.1	73.2	181,063
KCB Bank	Banking	Dec	47.00	35.00	37.60	-17.3	988	6.1%	12.25	3.00	58.4	3.1	8.0	0.6	21.0	231,450
Co-op Bank	Banking	Dec	13.30	10.70	12.45	-3.9	597	3.7%	3.75	1.00	17.2	3.3	8.0	0.7	21.8	55,393
Absa Bank	Banking	Dec	12.70	9.70	11.65	-1.7	517	3.2%	2.15	1.10	10.9	5.4	9.4	1.1	19.7	30,435
NCBA Bank	Banking	Dec	33.20	23.00	32.85	30.4	443	2.7%	10.02	4.25	49.1	3.3	12.9	0.7	20.4	100,941
StanChart Bank	Banking	Dec	146.25	123.75	143.00	11.5	442	2.7%	30.18	13.00	146.8	4.7	9.1	1.0	20.6	24,499
BAT Kenya	Tobacco	Dec	509.00	404.00	428.00	-3.1	350	2.1%	67.10	55.00	129.1	6.4	12.9	3.3	52.0	80,728
Stanbic Bank	Banking	Dec	108.00	86.75	95.00	8.9	307	1.9%	22.99	7.30	127.4	4.1	7.7	0.7	18.0	6,382
I&M Holdings	Banking	Dec	21.50	16.50	17.00	-19.4	230	1.4%	5.74	1.50	41.4	3.0	8.8	0.4	13.9	19,731
Bank of Kigali	Banking	Dec	32.75	24.30	27.00	-6.9	198	1.2%	7.95	3.28	41.8	3.4	12.2	0.6	19.0	1,380
Kenya Airways	Airlines	Dec	3.83	3.83	3.83	0.0	178	1.1%	(2.79)	-	(14.7)	-	-	-	-	-
KenGen	Power	Jun	4.55	3.26	3.27	-22.0	176	1.1%	0.16	0.18	32.4	20.6	5.5	0.1	0.5	12,177
Total Oil	Oil	Dec	25.85	21.75	25.00	0.0	129	0.8%	4.35	1.31	45.4	5.7	5.2	0.6	9.6	1,062
Jubilee Insurance	Insurance	Dec	349.00	187.75	200.00	-36.9	119	0.7%	94.22	14.00	544.4	2.1	7.0	0.4	17.3	8,090
Britam	Insurance	Dec	7.68	5.44	5.52	-26.4	114	0.7%	0.03	-	7.5	193.1	-	0.7	0.4	3,453
DTB Bank	Banking	Dec	60.00	46.00	47.00	-21.0	107	0.7%	17.27	3.00	250.7	2.7	6.4	0.2	6.9	9,943
Bamburi Cement	Cement	Dec	39.00	32.10	33.40	-12.1	99	0.6%	2.15	3.58	0.1	15.5	10.7	406.8	2,618.6	6,260
Umeme Ltd.	Power	Dec	8.30	5.50	6.70	-0.6	89	0.5%	2.74	1.73	17.6	2.4	25.9	0.4	15.6	1,497
Kakuzi	Agric	Dec	441.25	367.50	380.00	-1.3	61	0.4%	39.24	18.00	278.0	9.7	4.7	1.4	14.1	14,828
Crown Paints	Manufac.	Dec	44.00	30.50	39.15	28.4	46	0.3%	5.13	4.00	24.1	7.6	10.2	1.6	21.3	359
ARM Cement	Cement	Dec	5.55	5.55	5.55	0.0	44	0.3%	(7.77)	-	19.8	-	-	0.3	(39.2)	-
Centum Investment	Finance	Mar	15.45	7.96	7.98	-43.4	43	0.3%	(2.01)	0.59	65.1	-	7.4	0.1	(3.1)	9,429
Kenya Re	Insurance	Dec	2.37	1.80	1.87	-18.7	43	0.3%	1.17	0.10	13.4	1.6	5.3	0.1	8.7	1,825
Sasini Tea & Coffee	Agric	Sept	129.00	17.90	22.35	19.5	42	0.3%	(1.48)	0.50	56.5	-	2.2	0.4	(2.6)	913
CIC Insurance	Insurance	Dec	2.30	1.83	1.91	-13.6	41	0.3%	0.30	-	3.0	6.4	-	0.6	9.9	1,820
Carbacid	Gases	July	14.15	10.35	13.60	23.6	28	0.2%	2.22	0.70	13.5	6.1	5.1	1.0	16.4	8,956
Nation Media	Media	Dec	23.20	15.70	16.20	-12.2	25	0.2%	2.59	1.49	42.1	6.3	9.2	0.4	6.2	3,139
Kenya Power	Power	Jun	2.08	1.31	1.52	-13.1	24	0.1%	1.80	-	30.8	0.8	-	0.0	5.8	13,490
Liberty K. Holdings	Insurance	Dec	7.48	4.80	4.81	-31.3	21	0.1%	0.15	-	15.9	31.5	-	0.3	1.0	141
Unga Ltd	Food	Jun	36.25	27.00	31.80	15.0	20	0.1%	2.48	-	58.3	12.8	-	0.5	4.2	245
TPSEA Serena	Tourism	Dec	17.50	11.50	12.75	-16.4	19	0.1%	(3.47)	-	33.3	-	-	0.4	(10.4)	639
NSE	Finance	Dec	8.70	6.60	6.94	-13.3	15	0.1%	0.51	1.40	8.0	13.6	20.2	0.9	6.4	2,202
Car & Gen	Motors	Sept	76.00	30.00	40.00	17.8	13	0.1%	26.33	3.20	135.8	1.5	8.0	0.3	19.4	304
BOC Kenya	Gases	Dec	93.25	67.25	70.00	0.0	11	0.1%	4.78	6.70	84.3	14.7	9.6	0.8	5.7	691
WPP Scangroup	Media	Dec	4.41	2.86	2.97	-28.3	10	0.1%	(0.30)	-	11.9	-	-	0.3	(2.5)	593
Sanlam Kenya	Insurance	Dec	15.00	8.50	8.76	-24.2	10	0.1%	(3.77)	-	3.9	-	-	2.3	(97.1)	141
Housing Finance	Banking	Dec	4.33	2.86	3.15	-19.2	10	0.1%	(1.45)	-	20.5	-	-	0.2	(7.1)	1,204
Limuru Tea	Agric	Dec	510.00	300.00	420.00	31.3	8	0.1%	(0.50)	0.70	75.9	-	0.2	5.5	(0.7)	1,639
Longhorn	Publishing	Jun	4.4	2.74	3.40	-15.0	8	0.0%	0.62	-	2.8	5.5	-	1.2	22.2	951
Standard Newspapers	Media	Dec	16.15	-	9.90	-26.9	7	0.0%	(0.90)	-	10.5	-	-	0.9	(8.5)	71
EA Portland	Cement	Jun	8.80	6.06	7.98	19.8	6	0.0%	6.02	-	239.8	1.3	-	0.0	2.5	48
TransCentury	Finance	Dec	1.47	0.98	1.00	-14.5	3	0.0%	(6.72)	-	(9.5)	-	-	-	-	114
Safaricom	Telecom	Mar	40.00	23.10	24.65	-35.0	8,077	49.5%	1.74	1.39	3.5	14.2	5.6	7.1	49.9	1,153,822
											<b>Average</b>	<b>15.7</b>	<b>6.7</b>	<b>6.9</b>	<b>54.1</b>	<b>2,506,544</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**  
ephanusm@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