

## Stock Recommendation

Company	*Fair Value (KES)	Closing Price (KES)	Upside/downside (%)	Current Rating
Safaricom	33.27	17.95	85.3%	BUY
Equity bank	54.37	48.70	11.6%	HOLD
KCB bank	74.22	44.95	65.1%	BUY
Co-op bank	18.33	16.85	8.8%	HOLD
ABSA bank	11.52	19.00	-39.4%	SELL
StanChart bank	245.66	300.25	-18.2%	SELL
NCBA bank	40.63	50.25	-19.1%	SELL
I&M bank	38.37	35.95	6.7%	HOLD
Stanbic bank	118.55	152.25	-22.1%	SELL
DTB bank	109.36	78.00	40.2%	BUY
EABL	341.24	185.00	84.5%	BUY
BAT Kenya	411.34	380.00	8.2%	HOLD

## Kenya Market Summary

### Equity market commentary and outlook

- During the week, Safaricom touched a six-day low on reduced foreign demand as Stanchart Bank touched a seven-week high on improved local demand. Trading of Bamburi Cement shares was suspended from 28-Feb-2025 to 9-May-2025, or any other date as directed by the NSE. The NSE 20 sustained a five-day gaining streak. Local investors led trading for the week at 80.7%, and foreign investors turned net sellers at USD 2.1m (KES 265.1m). BAT Kenya had the highest net foreign outflows at USD 1.0m (KES 124.2m) while EABL registered the highest net foreign inflows for the week at USD 0.3m (KES 41.5m).

### Debt market commentary and outlook

- Overall subscription rates improved to 152.3% from 137.3% the week prior. Investors were skewed towards the 91-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-second week, the 182-Day T-Bill maintaining a six-week decline and the 364-Day T-Bill falling repeatedly for the fourth week.

## Key Market Indicators

Index	Level	1w	1m	3m	6m	12m	ytd (%)
Kenya NSE 20 Index	2,300.2	38.6%	36.2%	51.9%	59.4%	49.9%	14.4%
Kenya NASI	132.1	26.2%	23.9%	42.4%	54.1%	28.2%	7.0%

Source: NSE, Kestrel Research

### NSE versus other markets

Index Returns (USD)	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
Nairobi All Share Index	-0.3%	3.4%	15.3%	6.7%	26.2%	-34.7%
Johannesburg Index	-5.1%	5.1%	-1.5%	-0.1%	23.2%	-15.5%
Nigeria Stock Exchange	-0.5%	3.7%	20.3%	-4.6%	-2.3%	-7.3%
Ghana Stock Exchange	1.9%	5.2%	11.1%	10.1%	8.0%	-22.5%
Egyptian Stock Exchange	-1.1%	2.3%	-2.0%	-3.7%	-32.5%	58.4%
MSCI EFM ex SA Index	-0.2%	1.9%	3.1%	-1.3%	4.9%	-4.6%

### Other market statistics

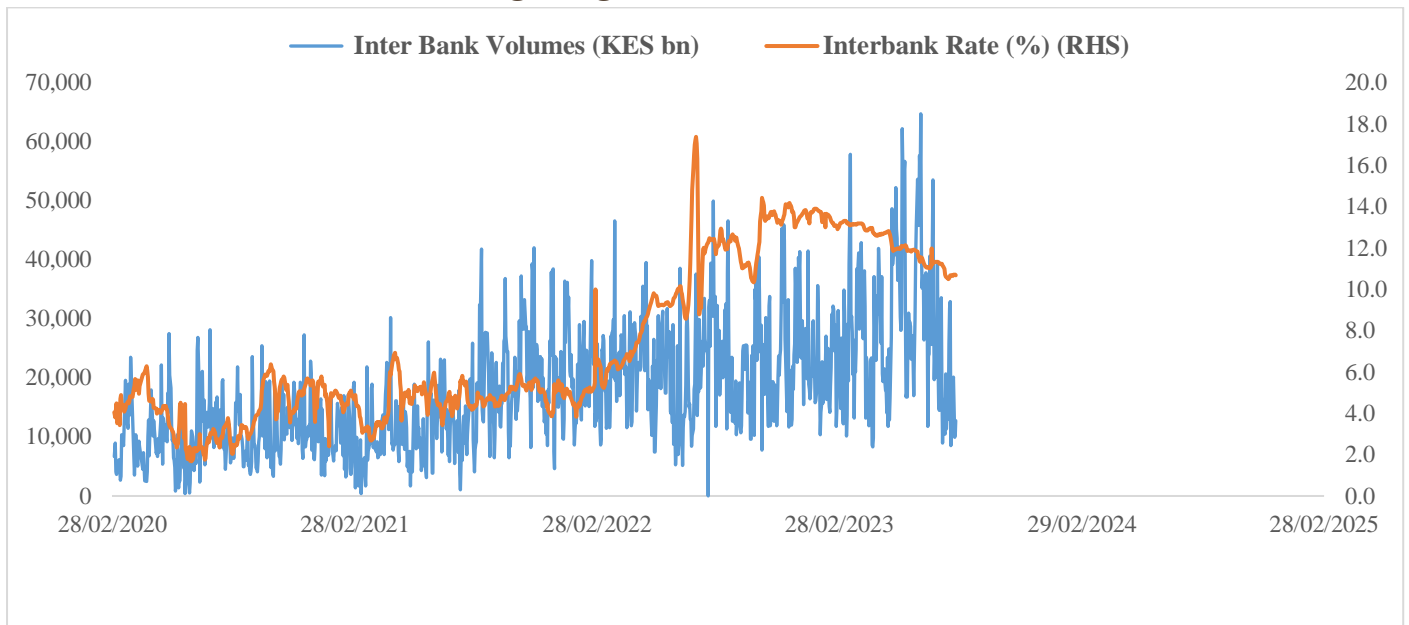
Currencies	Level	1w (%)	1m (%)	3m (%)	6m (%)	12m (%)	ytd (%)
USD/KES	129.25	0.1%	-0.1%	0.4%	-0.3%	11.6%	0.0%
USD/ZAR	18.69	-1.7%	-0.1%	-3.5%	-4.9%	2.2%	0.2%
USD/EGP	50.65	-0.2%	-0.8%	-2.1%	-4.2%	-64.0%	0.3%
USD/NGN	1499.30	0.2%	0.0%	10.9%	5.8%	5.1%	2.9%
USD/GHS	15.50	0.2%	-1.0%	-1.3%	0.9%	-22.0%	-5.4%

### 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	631.4	-11.9	5.5%	2.3%	8.1%	-1.9%	119.3%
Safaricom	266.0	-85.9	41.5%	-4.5%	5.3%	-7.0%	35.5%
BAT Kenya	151.8	-124.2	40.9%	4.1%	1.1%	-8.8%	14.5%
EABL	124.3	41.5	22.0%	0.7%	5.4%	-7.4%	76.2%
Stanchart Bank	89.5	31.3	28.2%	2.5%	7.3%	-1.6%	86.2%

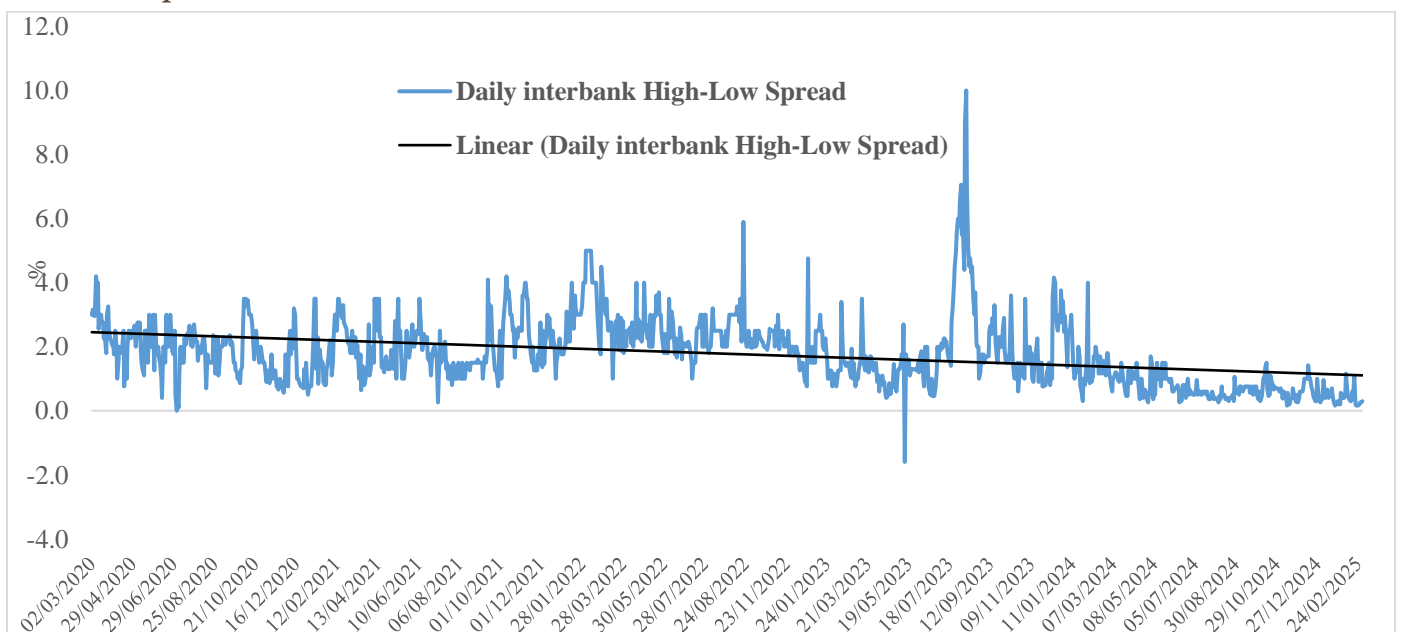
### Key Rates and Spreads

Inter-bank Rates sustain a two-week gaining streak.



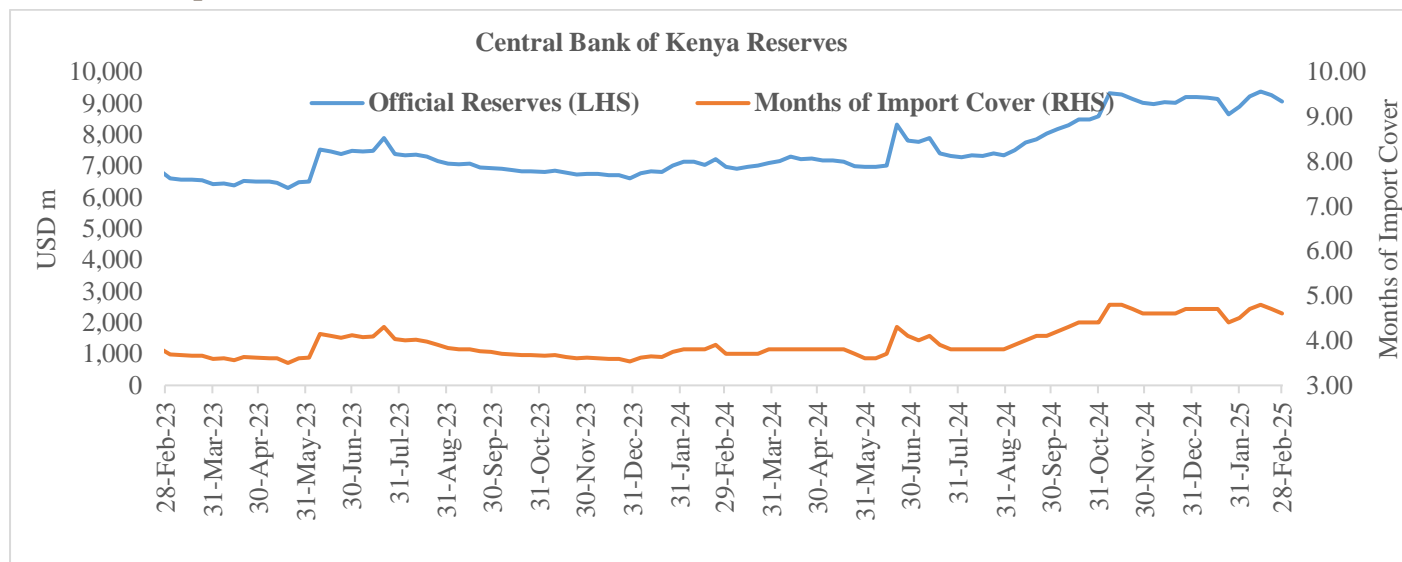
Source: CBK

Interbank spreads widen week-on-week.



Source: CBK

### Months of import cover and CBK FX decline week-on-week



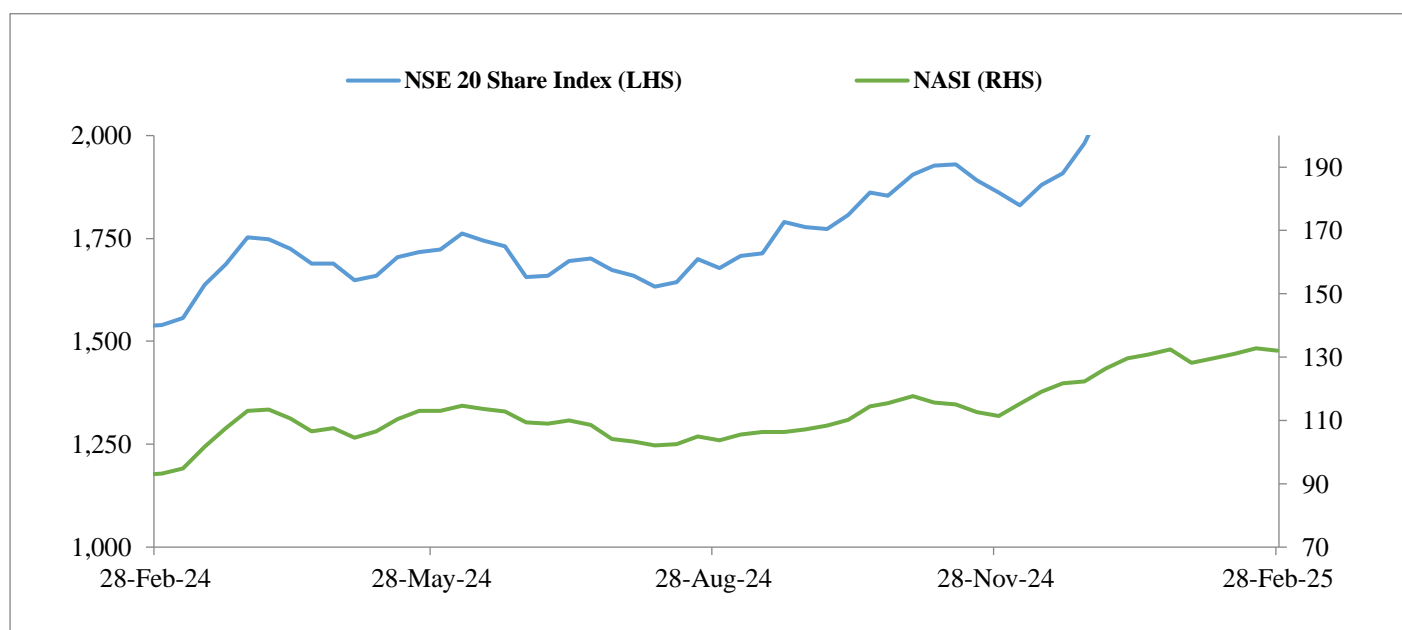
Source: CBK

### Equity market trading commentary

Total market turnover declined by 12.9% to close at USD 14.0m (KES 1.8bn). The NASI retreated by 0.5% to end at 132.13, breaking a three-week gain while the NSE-20 closed the week at 2300.17, sustaining a four-week gaining streak. Local investors led trading for the week at 80.7%, and foreign investors turned net sellers at USD 2.1m (KES 265.1m). BAT Kenya had the highest net foreign outflows at USD 1.0m (KES 124.2m) while EABL registered the highest net foreign inflows for the week at USD 0.3m (KES 41.5m).

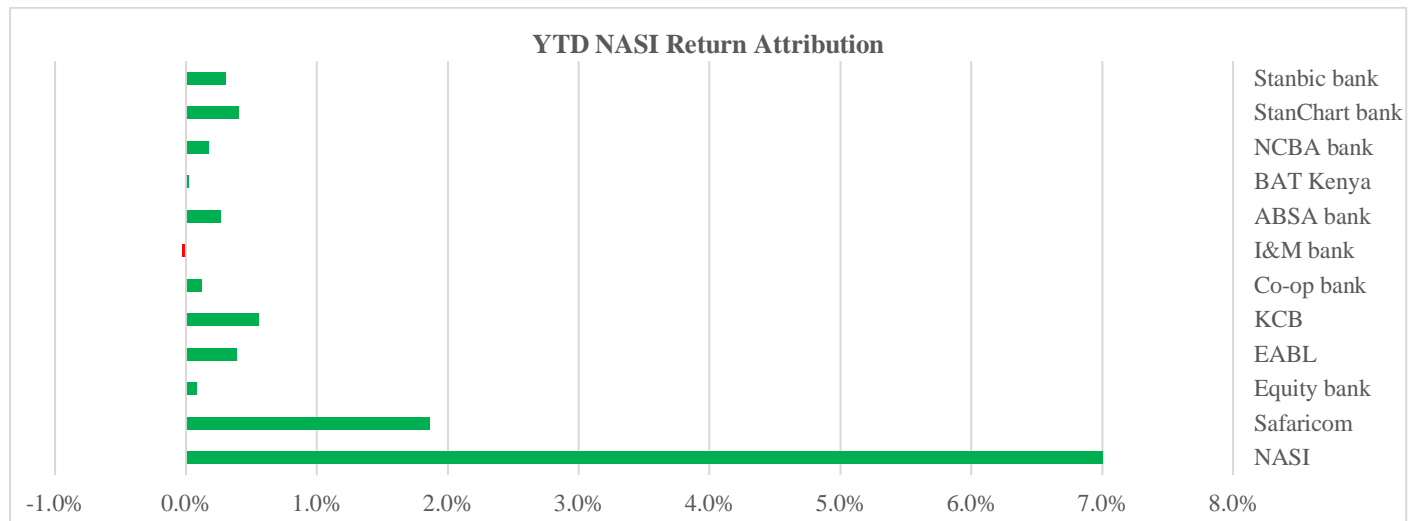
Trading of Bamburi Cement shares was suspended from 28-Feb-2025 to 9-May-2025, or such other period as directed by the NSE after the acquisition of 96.54% of the company’s issued ordinary shares. The suspension is to facilitate the settlement of remaining shareholders in compliance with regulatory requirements. During the week, Safaricom touched a six-day low on reduced foreign demand as Stanchart Bank touched a seven-week high on improved local demand. The NSE 20 sustained a five-day gaining streak.

### Market performance over the past 12 months



Source: NSE

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



Source: Kestrel Research

### Debt market trading commentary

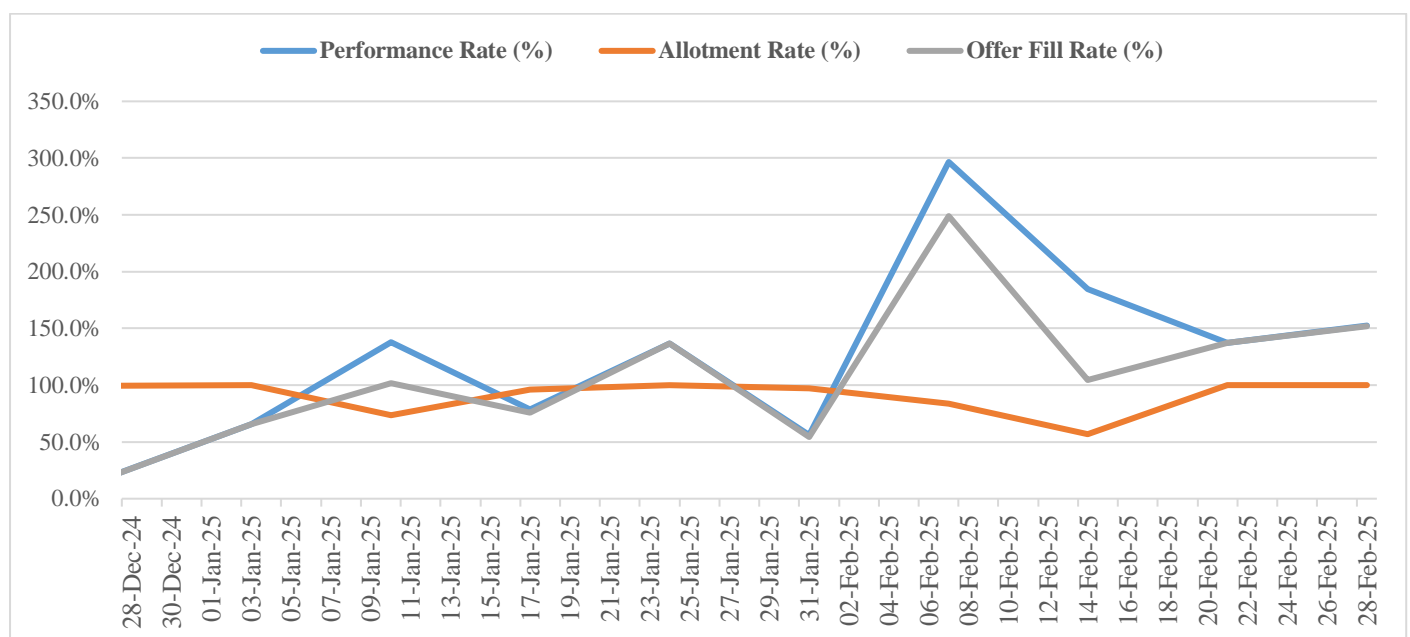
Overall subscription rates improved to 152.3% from 137.3% the week prior. Investors were skewed towards the 91-Day T-Bill and activity declined for the 182-Day and the 364-Day T-Bills. The yield on all three T-Bills fell, with that of the 91-Day T-Bill declining for the thirty-second week, the 182-Day T-Bill maintained a six-week decline and the 364-Day T-Bill fell repeatedly for the fourth week.

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 18.0bn for the 91-Day T-Bill, implying a subscription rate of 448.91%. It accepted bids worth KES 18.0bn at an average yield of 8.937% (-1.08 bps w/w).

The 182-Day T-Bill received bids worth KES 6.9bn, implying a performance rate of 68.96%. It accepted bids worth KES 6.9bn at an average yield of 9.240% (-7.20 bps w/w).

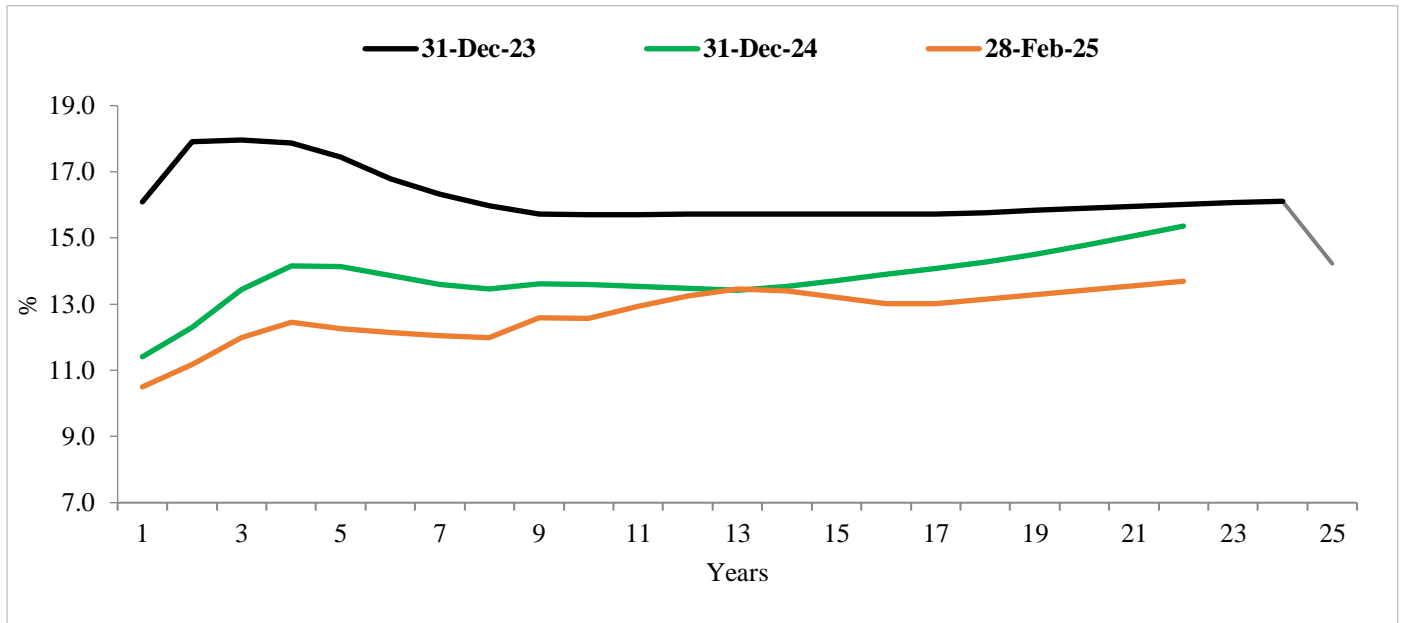
The 364-Day T-Bill received bids worth KES 11.7bn, implying a performance rate of 116.96%. It accepted bids worth KES 11.7bn at an average yield of 10.500% (-2.60 bps w/w).

### T-Bills Performance rates



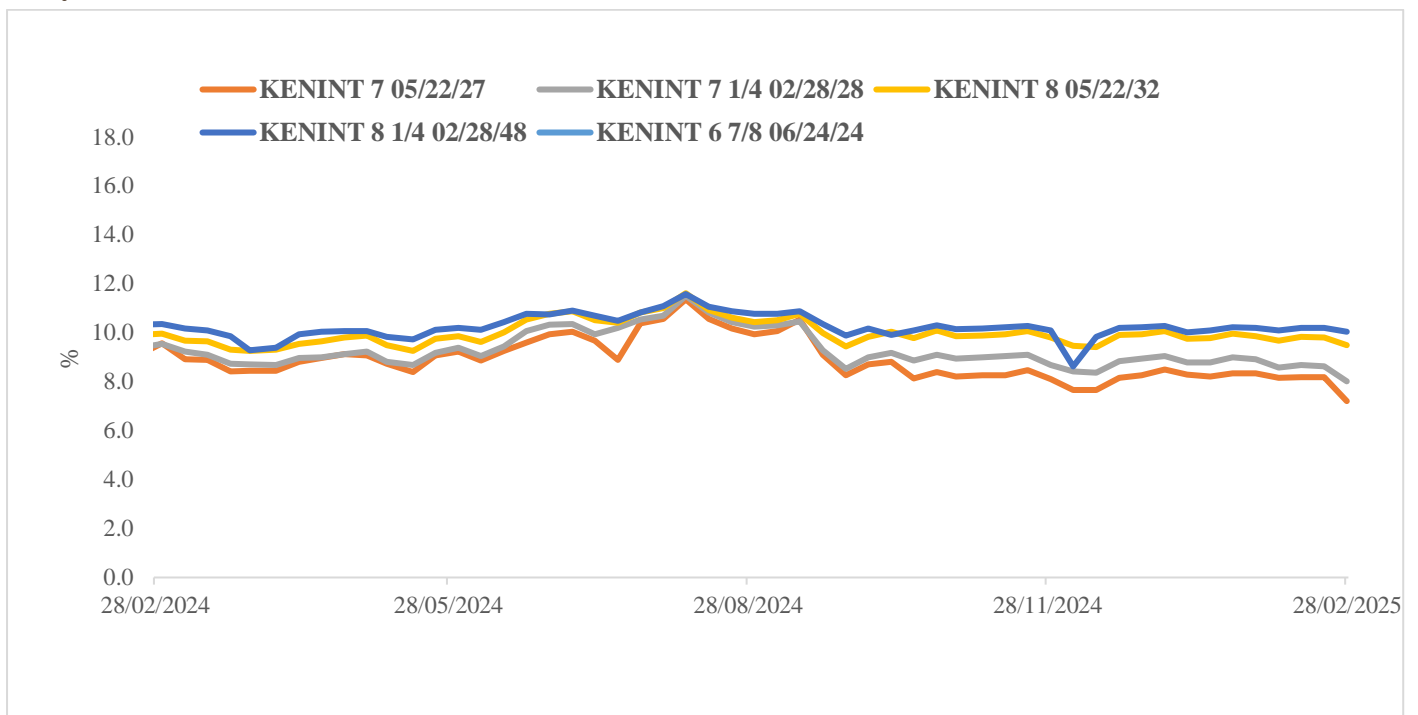
Source: CBK

### 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	17.95	5.3	5,565	34.5%	1.06	1.20	4.7	16.9	6.7	3.8	22.7	1,106,247
Equity Bank	Banking	Dec	50.00	38.50	48.70	0.8	1,422	8.8%	20.58	4.00	48.7	2.4	8.2	1.0	42.2	349,965
EA Breweries	Breweries	Jun	199.75	105.00	185.00	5.4	1,132	7.0%	15.46	7.50	27.1	12.0	4.1	6.8	57.1	208,177
Co-op Bank	Banking	Dec	17.80	12.00	16.85	2.4	765	4.7%	6.91	1.50	18.4	2.4	8.9	0.9	37.5	60,991
NCBA Bank	Banking	Dec	51.00	37.55	50.25	4.3	641	4.0%	13.30	3.00	53.7	3.8	6.0	0.9	24.8	28,647
Absa Bank	Banking	Dec	19.10	11.95	19.00	5.3	799	4.9%	3.46	1.55	12.0	5.5	8.2	1.6	28.8	99,027
KCB Bank	Banking	Dec	45.80	20.50	44.95	8.1	1,118	6.9%	15.79	1.50	68.1	2.8	3.3	0.7	23.2	512,183
StanChart Bank	Banking	Dec	305.25	161.25	300.25	7.3	878	5.4%	38.05	37.00	158.0	7.9	12.3	1.9	24.1	68,303
Stanbic Bank	Banking	Dec	157.00	108.25	152.25	10.9	466	2.9%	31.16	15.00	140.8	4.9	9.8	1.1	22.1	74,197
BAT Kenya	Tobacco	Dec	416.75	331.75	380.00	1.1	294	1.8%	44.83	54.02	163.8	8.5	14.2	2.3	27.4	49,797
BK Group	Banking	Dec	36.70	30.15	35.95	10.4	249	1.5%	10.26	3.28	46.8	3.5	9.1	0.8	21.9	12,937
I&M Holdings	Banking	Dec	36.55	17.15	35.95	-0.8	484	3.0%	8.06	3.85	45.5	4.5	10.7	0.8	17.7	37,051
Umeme Ltd.	Power	Dec	17.45	13.35	16.00	-4.5	201	1.2%	0.26	0.92	22.0	61.2	5.8	0.7	1.2	5,457
Kenya Airways	Airlines	Dec	8.50	3.83	5.50	43.6	242	1.5%	2.63	-	(14.7)	2.1	-	-	-	17,188
Bamburi Cement	Cement	Dec	82.00	41.00	56.50	2.7	159	1.0%	(0.28)	5.47	82.1	-	98.6	0.1	(0.3)	2,304,508
KenGen	Power	Jun	4.96	1.99	4.96	36.3	253	1.6%	1.03	0.65	41.6	4.8	13.1	0.1	2.5	55,220
Jubilee Insurance	Insurance	Dec	210.00	150.00	205.25	18.3	115	0.7%	67.32	12.00	613.8	3.0	5.8	0.3	11.0	28,630
DTB Bank	Banking	Dec	82.25	43.25	78.00	13.0	169	1.0%	29.76	6.00	256.8	2.6	7.7	0.3	11.6	37,696
Britam	Insurance	Dec	8.54	4.48	7.78	34.1	152	0.9%	1.45	-	9.2	5.4	-	0.8	15.6	27,699
Total Oil	Oil	Dec	24.00	16.90	23.95	19.8	117	0.7%	5.12	1.92	48.0	4.7	8.0	0.5	10.7	1,682
Kakuzi	Agric	Dec	440.00	353.50	410.00	6.5	62	0.4%	34.98	24.00	303.5	11.7	5.9	1.4	11.5	278
CIC Insurance	Insurance	Dec	3.01	1.98	3.00	39.5	61	0.4%	0.55	-	3.3	5.4	-	0.9	16.9	4,595
Centum Investment	Finance	Mar	15.15	7.88	14.95	51.3	77	0.5%	(8.95)	0.32	55.8	-	2.1	0.3	(16.1)	10,892
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	31.00	-5.8	34	0.2%	(0.47)	4.00	24.1	-	7.1	2.3	(2.0)	321
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	52,036
Sasini Tea & Coffee	Agric	Sept	21.50	14.40	15.55	3.7	27	0.2%	3.11	0.50	61.7	5.0	3.2	0.3	5.0	2,150
Carbacid	Gases	July	24.10	15.85	20.25	-3.3	40	0.2%	4.01	1.70	13.6	5.1	8.4	1.5	29.4	8,490
Nation Media	Media	Dec	22.00	11.75	14.65	1.7	22	0.1%	(5.09)	-	43.1	-	-	0.3	(11.8)	2,354
Kenya Power	Power	Jun	7.56	1.50	6.94	44.3	105	0.6%	20.36	0.90	29.1	0.3	13.0	0.2	69.9	76,196
TPSEA Serena	Tourism	Dec	20.05	11.75	17.00	14.1	24	0.1%	8.08	-	33.3	2.1	-	0.5	24.3	580
Liberty K. Holdings	Insurance	Dec	8.00	4.81	7.78	16.5	32	0.2%	2.04	0.37	15.9	3.8	4.8	0.5	12.8	3,663
BOC Kenya	Gases	Dec	95.00	67.00	84.00	-5.4	13	0.1%	10.73	8.55	85.1	7.8	10.2	1.0	12.6	11,295
NSE	Finance	Dec	6.84	5.44	6.82	13.7	14	0.1%	0.21	0.16	7.1	32.3	2.3	1.0	3.0	8,454
Housing Finance	Banking	Dec	9.42	3.67	8.04	78.3	117	0.7%	0.25	-	4.2	32.1	-	1.9	6.0	82,388
Unga Ltd	Food	Jun	24.55	11.45	23.70	58.0	14	0.1%	(18.92)	-	58.3	-	-	0.4	(32.4)	277
Sanlam Kenya	Insurance	Dec	7.60	3.90	7.42	49.9	8	0.1%	2.27	-	3.9	3.3	-	1.9	58.6	400
Car & Gen	Motors	Sept	30.40	18.85	24.80	9.0	8	0.0%	(7.68)	-	135.8	-	-	0.2	(5.7)	500
Limuru Tea	Agric	Dec	380.00	299.00	300.00	-14.3	6	0.0%	0.11	1.00	80.9	-	0.3	3.7	0.1	284
WPP Scangroup	Media	Dec	3.87	1.90	3.27	31.9	11	0.1%	0.06	-	11.9	51.5	-	0.3	0.5	1,300
EA Portland	Cement	Jun	50.75	4.46	33.50	9.5	23	0.1%	(14.13)	-	239.8	-	-	0.0	(5.9)	1,184
Standard Newspapers	Media	Dec	7.00	4.51	6.52	29.9	4	0.0%	(10.05)	-	0.4	-	-	14.8	(2,284)	183
Longhorn	Publishing	Jun	3.46	2.02	3.16	37.4	7	0.0%	(2.45)	-	2.8	-	-	1.1	(88.1)	253
TransCentury	Finance	Dec	1.62	0.32	1.33	241.0	4	0.0%	(6.72)	-	(9.5)	-	-	-	-	4,995
<b>Average</b>												<b>12.7</b>	<b>7.9</b>	<b>2.4</b>	<b>25.1</b>	<b>5,375,605</b>

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