

Weekly Stock Recommendations

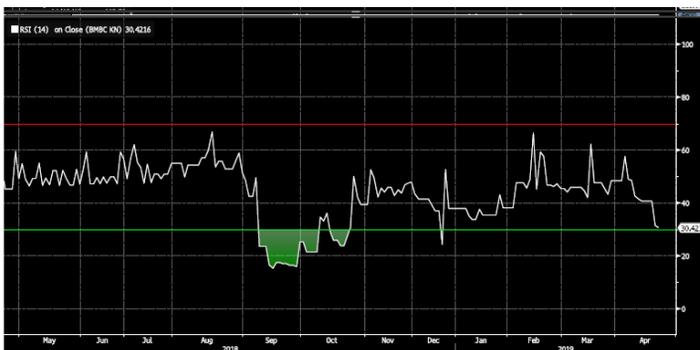
Are you a high risk investor who would like to benefit from movement in share prices?

Our recommendations are based on technical analysis and are suitable for investors who want to benefit from market movements.

We use technical analysis to determine the short term as well as the long term trends of the market and the exit and entry points for particular stocks. We use relative strength index (RSI) to find out if the stock is either overbought (an opportunity to sell) or oversold (an opportunity to buy).

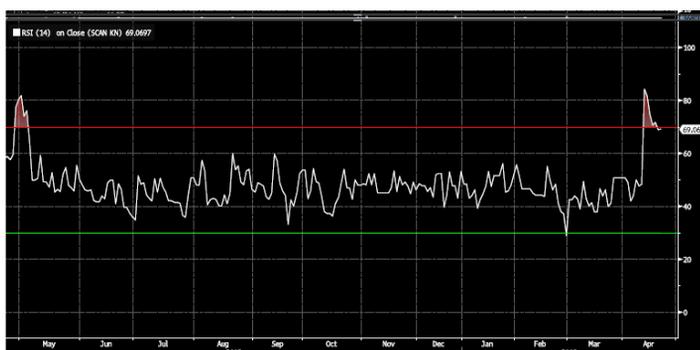
BUY OPPORTUNITIES

- **Bamburi Cement:** The company reported a disappointing set of results which led to a sell-off. RSI indicates that the counter is currently oversold as investors have over-reacted to the earnings announcement and the stock could soon rebound.



SELL OPPORTUNITIES

- **Scan Group:** Relative Strength index indicates that Scan Group has rallied enough and its now time for those who own it to exit.



Are you a value investor who is patient enough to wait to realize your returns?

In this category, our recommendations are based on fair value estimate and returns the investor is likely to get as a result of holding the stock. The return is likely to be in the form of stock price appreciation and/or dividend returns.

We look at the growth prospects of the company which informs the expected return an investor could receive from holding the counter.

BUY OPPORTUNITIES

- **Coop Bank:** We issue a BUY recommendation on COOP Bank with a target price of KES 16.64. Earnings growth is likely to be driven by a pick-up in non-interest income. We are, however, concerned that there has been a reversal of some the achievements it had made while implementing its transformation strategy.
- **Barclays Bank:** We issue a BUY recommendation on Barclays Bank with a target price of KES 12.51. We believe that the bank's new strategy is likely to unlock value. Following a reduction of Barclays PLC's stake in Barclays Africa to 14.9% from 62.3%, Barclays Kenya focused on increasing growth, transforming the business, higher returns and acquiring market share. We expect non-interest revenue to increase.
- **Standard Chartered Bank:** We issue a BUY recommendation on Standard Chartered Bank with a target price of KES 234. We expect an increase in 2019 EPS mainly driven by higher interest and non-interest income. We also expect a rise in efficiency which is likely to lead to a lower cost to income ratio. The increasing level of NPLs remains a source of concern.

SELL OPPORTUNITIES

- **NMG:** Nation Media Group announced their Full Year 2018 results, registering a 16.4% decline in FY18 PBT to KES 1.6Bn from KES 2.0Bn in FY17. Management also slashed FY18 dividend by 50% to KES 3.50 from KES 7.00 in FY17.

CONTACTS:

Research Desk

Sarah Wang

wangas@aibcapital.com

(+254) 711047105

Victor Koech

koechv@aibcapital.com

(+254) 711047133

Equities Dealing

Bernard Kung'u

kungub@aibcapital.com

(+254) 711047108

Benard Gichuru

gichurub@aibcapital.com

(+254) 711047111

Brian Tanui

tanuib@aibcapital.com

(+254) 711047124

Bond Dealing

Crispus Otieno

otienoc@aibcapital.com

(+254) 711047113

Titus Marenye

marenyet@aibcapital.com

(+254) 711047118

Disclaimer:

Though utmost care has been taken in the preparation of this report, we do not guarantee the accuracy or completeness of the information contained herein nor will AIB Capital Ltd be held liable for the information contained herein. The views expressed in this report are solely those of the Research Department and are subject to change without notice.

LXM USA LLP assumes responsibility for the research report's content in regards to Research distributed in the US. US recipients of this research who wish to effect transactions in any security covered by this report must do so with or through LXM USA LLP. Transactions in such securities by recipients of the report are to be effected only through LXM US

LLP in accordance with Rule 15a-6.1. The research analysts preparing the research report are resident outside the United States and are not associated persons of any US regulated broker-dealer and that therefore the analyst(s) is/are not subject to supervision by a US broker-dealer, and are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with US rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.