

## Weekly Stock Recommendations

### What strategy should you adopt in the current environment?

The spread of the COVID-19 virus has led governments to adopt measures that are expected to lower global economic growth. Over the past few weeks, global equity markets have plummeted on the back of increased investor risk aversion. Meanwhile, a few markets have recovered on news of government stimulus packages. Volatility is the order of the day as investors constantly react to new information.

### Value Stocks and Fundamental outlook.

The recent downturn in the market has led to a decline in prices and now presents a BUY opportunity for a number of value stocks that were previously relatively expensive. Investors should take advantage of this opportunity.

### BUY RECOMMENDATIONS

#### Absa Bank PLC.(ABSA)

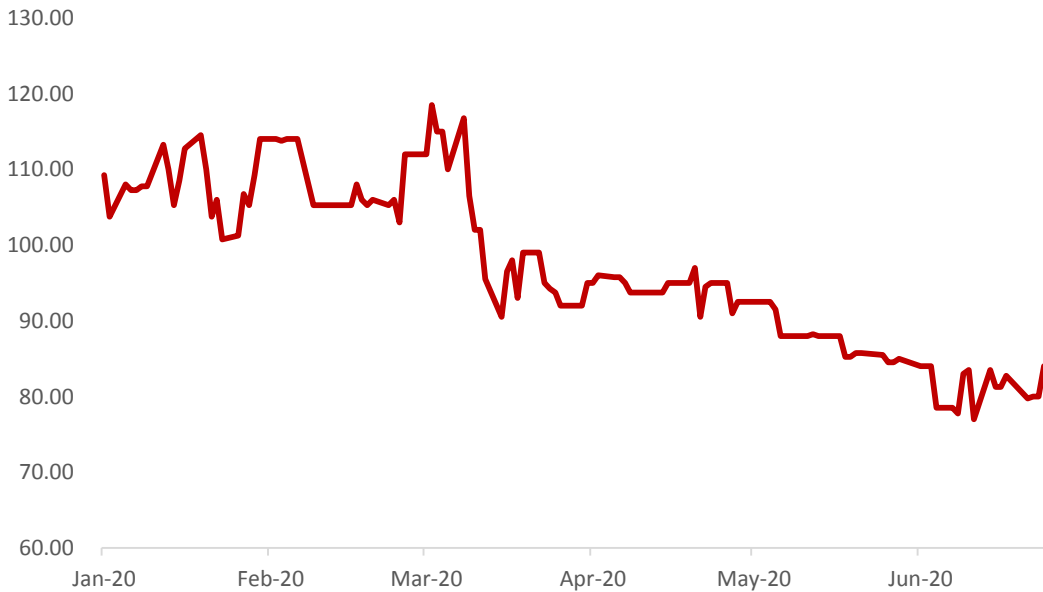
ABSA's price had been on a downward trend, falling by 25.7% from its highest point this year of KES 13.60 recorded on 15<sup>th</sup> January to KES 10.05. At the current price, the stock seems attractive.



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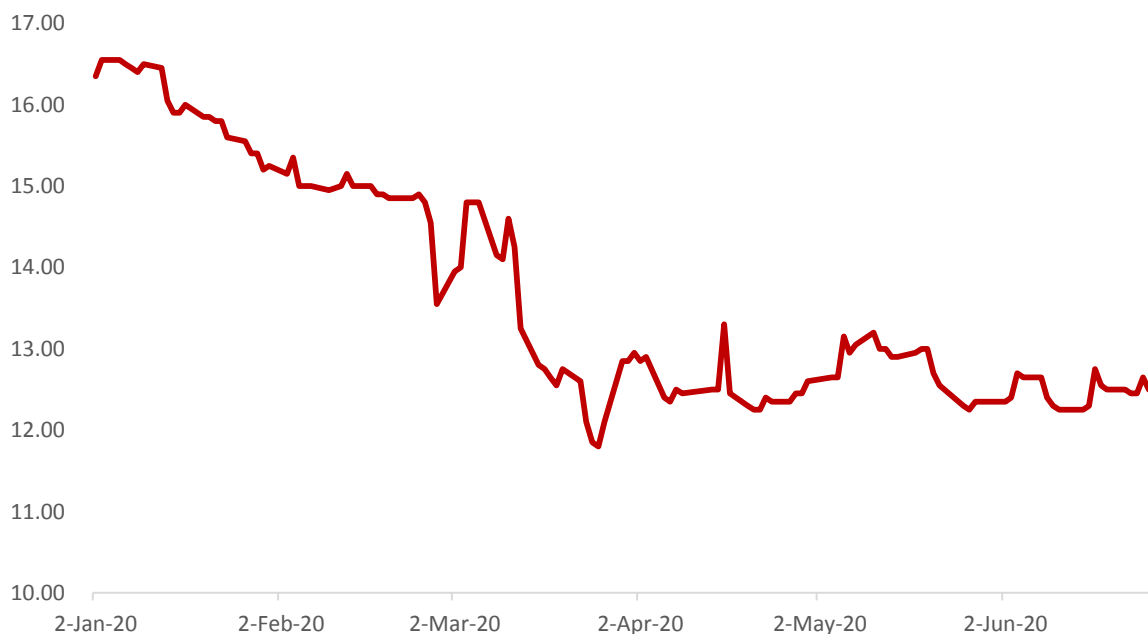
### Stanbic Bank. (SBIC)

The counter's security has been declining, with prices currently deviating negatively by 31% from its highest point this year of KES 118.50 to KES 80.25.



### Co-operative Bank.(CO-OP)

The price decline from recent weeks presents a good entry point as the price has declined 25% from its highest point of KES 16.55 earlier this year. At current levels, this is a good entry point.



### Equity Group PLC.(EQTY)

As one of the blue chip stocks on the exchange, Equity has had peaks and troughs over this volatile period. The counter has been affected by foreign investor outflows and at current levels of KES 35.05, the security has dropped from its highest point of KES 55.00 on 3<sup>rd</sup> January.



### I&M Holdings.(IMH)

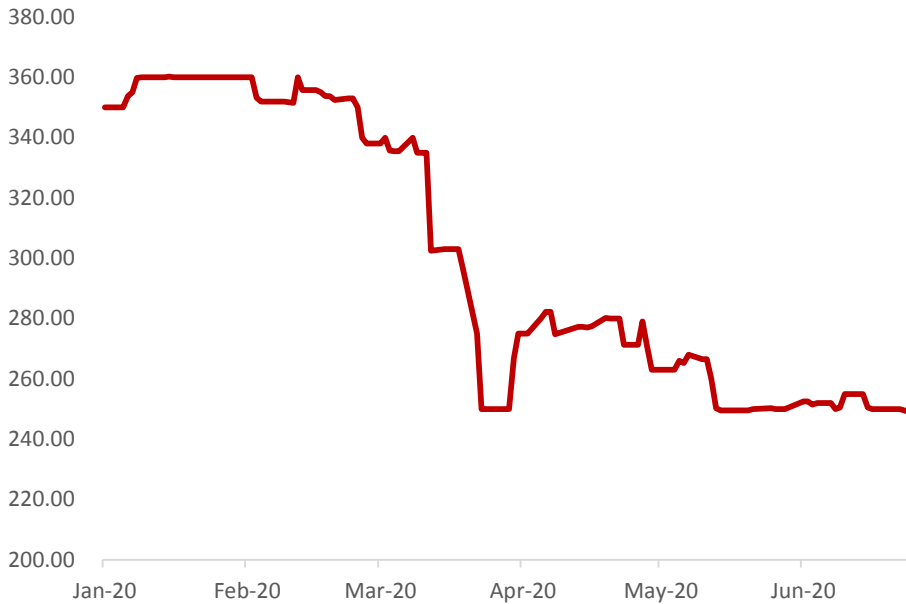
Like other banking stocks I&M has been affected by volatility in the market. The counter has been on a downward trend, falling by 14.2% from KES 58.25, the highest price this year, to KES 50.00. The counter's price is below historical average and would present a good opportunity for entry.



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### Jubilee Insurance.(EQTY)

Jubilee's price has retreated 30.6% from its highest level of KES 360.25 this year to a price of KES 250.00 which represents a good entry point.



### KCB Group PLC.(KCB)

Another counter popular with foreign investors. KCB's price has been affected by the exiting investors. The price has declined 33.8% from the highs of KES 55.00 reached in January to KES 36.40.



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### NCBA Group PLC.(NCBA)

NCBA had been set to gain new ground following its merger late last year but the volatility imposed by the outbreak of the Covid-19 pandemic has led to prices declining 27.5% from KES 37.30 to KES 27.05.



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