HISANET AFRICA INVESTMENT SERVICES

WEEKLY MARKET REPORT

WEEK 14(31st March to 04th April 2008)

Issue No. 13

STOCK MARKET PERFORMANCE REPORT

The market was generally stronger over the week to 4th of April as a number of counters closed higher. The bourse closed the week on a high beat, unlike the previous weeks most of which have captured weak performance.

Meanwhile, reports from the Central Bureau of Statistics over the past week reported increased levels of inflation in the country, with the cost of living up to an all time high of 21.8%.

Analysts have also predicted a slow down in economic growth to a rate of between 4 to 6 percent, owing largely to the slow down in production in the first half of the year caused by post election violence.

Demand for the local currency maintained high levels over the week in review, with the local unit closing the week at Kshs61.80/90 against the dollar.

The 20 Share index closed the week 96 points higher at 4951.73 points. The market captured a turnover of kshs1.07bn, while market capitalization at the close of the week was at Kshs813bn, slightly above the previous week's Kshs798bn.

Out of the 45 active counters, an impressive 29 counters advanced, 9 declined and 7 remained unchanged. Crown Berger was the week's highest climber, up 9.32% to close the week at Kshs44, up from the previous week's Kshs40.25 close. Equity Bank, which was closing its books over the past week, was up 4.55%, closing the week at Kshs161 compared to the previous week's Kshs154 close. Car & General was the week's largest decliner, down 9% to close at Kshs50, down from the previous week's Kshs55 while E.A Portland shed 8% to close at Kshs115.

WEEK'S MOVERS

Top 5 Gainers	Stock Price Kshs	%Δ
Crown Berger	44.00	9.32%
DTB	88.50	7.93%
Olympia	14.45	7.84%
Kakuzi	31.50	6.78%

Top 5 Losers	Stock Price Kshs	%Δ
Car & Gen	50.00	-9.02%
E.A Portland	115.00	-8.00%
Bamburi Cement	184.00	-1.60%
Pan Africa Ins	78.00	-1.27%
KPLC	200.00	-0.99%

WEEKLY HIGHLIGHTS

ARM

The cement manufacturer posted 60% growth in pre tax profits from Kshs387mn to Kshs620mn. With projections of increase in cement in East Africa, the company has announced plans to double its cement production capacity.

The past year marked the company's 10th year as a listed company at the NSE, a period during which its turnover has grown from Kshs35million to Kshs3.8billion.

The Directors proposed payment for a final dividend of Kshs1.25 per share, a 25% increase from Kshs1.00 per share that was paid last year.

ARM is currently the lowest priced cement producing company, making it the most attainable cement counter for the average investor willing to buy into the cement industry. With annual demand for cement growing at a rate of 16%, the company expects steady growth over the coming year.

Company Stand

The current price of the counter may not offer a chance for quick gains. Any investor looking at picking the share should have a long term view.

TPS East African Serena

Tourism promotions services had a results release and reflected a 24% growth in pre tax profits from the previous years Kshs498mn to Kshs617mn.

The directors recommended payment of a final dividend of Kshs1.25 per share to be paid on 1st July after a book closure date of 30th May.

The company's shares have been on the decline for most part of the year, owing largely to the losses incurred in the tourism sector in the beginning of the year.

The counter is positioned in one of the country's highest foreign exchange earners.

OUTLOOK

The past week experienced high prices due to demand from institutional investors. We are however expecting the price hike to slow down once this demand is met. We are still advising investors to look into Access Kenya, NIC, BBK, EAC and Kengen. These are solid counters that are bound to give you good capital gains.