

HISANET AFRICA INVESTMENT SERVICES

WEEKLY MARKET REPORT

WEEK 10(3rd to 7th March 2008)

Issue No. 9



STOCK MARKET PERFORMANCE REPORT

The market over the past week continued reacting positively to the power sharing deal, with renewed confidence from investors and anticipation of good end year results for a few of the counters pushing share prices even further up. The shilling has gained marginally against the dollar, rising from 70.63 to 67.95/68.05 at the close of the week. Meanwhile, the association of East African Stock Brokers is set to meet this month to discuss details on the establishment of a regional stock market that will see the creation of a common equity market for Kenya, Uganda and Tanzania. The creation of the joint stock market is expected to facilitate cross border listing of securities and enhance liquidity in the three exchange markets.

The NSE 20 share index has continued rallying even higher to hit a high of 5405 points over the week before settling at 5354.68 points as at the close of the week. The new NSE all share index closed the week at 102.19 points, 3% higher than the previous week's 98.60 close. The number of shares changing hands increased from 56mn to 71mn, largely driven by positive sentiments from investors following the agreement. Equity turnover stood at Kshs3.1bn, up from Kshs2.2bn while market capitalization was Kshs860bn.

32 of the 45 active counters captured appreciations, 11 edged down while 2 remained constant.

Access Kenya and KCB were the most active counters, moving over 7mn shares each, CMC and Mumias moved 6mn shares each while KenGen traded 4mn shares.

WEEK'S MOVERS

Top 5 Gainers	Stock Price Kshs	%Δ
Kenya Airways	61	25.77%
Sameer	13.60	20.89%
Eaagads	37	18.40%
TPS	77.50	17.42%
Eveready	9.05	13.84%

Top 5 Losers	Stock Price Kshs	%Δ
Limuru Tea	338	-9.87%
Car & Gen	54	-4.42%
Equity Bank	151	-3.82%
Crown Berger	45.75	-3.68%
Express	22.25	-3.26%



WEEKLY HIGHLIGHTS

EABL

The company has posted a 22% increase in first half pre-tax profits to Kshs6.45bn compared to Kshs5.3bn posted in the first

half in 2006. The group proposed an interim dividend of Kshs2.40, up from Kshs2.15 in the previous period.

EABL runs six companies, among them Kenya Breweries, Uganda Breweries, International Distillers Uganda, East African Maltings, Central Glass Industries and UDV Kenya. The management pointed out that the Kenyan market contributed to 66% of the groups Kshs16bn revenue for the half year ending 31st December.

Its share closed the week at Kshs163, up 5% from the previous weeks Kshs153 close.

Directors proposed an interim dividend of Kshs2.40.

DTB

The Bank has announced a 54% increase in pre-tax profits from Kshs658mn to Kshs1.06bn. The impressive results are mainly attributed to the rapid expansion programme being implemented throughout the East African region and the sustained expansion of its customer base. All financial indicators pointed towards an improvement in performance for the Bank that now operates in Kenya, Tanzania, and Uganda and is already setting its sights on Burundi and Rwanda this year.

Operating income increased by over 30% to stand at Kshs2.05bn from a similar period in 2006, while customer deposits grew by 46% to Kshs24.4bn.

Between November 2006 and December 2007, the Bank has undertaken two successful rights issue that saw it raise Kshs2.4bn in additional capital.

Directors have recommended a dividend of Kshs1.40 per share, a 40% increase compared the previous year.

Centum Investment

Centum Investment reported a 20% increase in pre-tax profits for the six month period to December 2007. Pre-tax profits increased to Kshs606mn up from Kshs504mn recorded over six months to December 2006.

The good performance is mainly attributed to good performance the associated companies and increase in investment income.

Its investment income increased by 18% to Kshs452mn, while contribution from associated companies rose by 16% to Kshs213mn.

The investment company recently marked 40 years of operation, changing its name from ICDC to Centum Investment.



OUTLOOK

The turnaround experienced over the past week is expected to prevail over the coming week.

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