

HISANET AFRICA INVESTMENT SERVICES

WEEKLY MARKET REPORT

WEEK 2(7th to 11th January 2008)

Issue No. 1



STOCK MARKET PERFORMANCE REPORT

Hisanet weekly report is back after the Christmas and election break. This being the first issue this year, we would like to wish all our esteemed clients a wonderful peaceful 2008. We are hopeful that an amicable way forward will be found for Kenya.

The bourse opened the year on a low key, losing up to Kshs65bn in value on the first week of trading, but exhibited a much stronger performance over the week in review, with 5.3mn shares valued at Kshs181mn changing hands on the first day of trading, compared 1.7mn shares posted on the last day of trading in the previous week. The market maintained the upward trend through most of the week, edging slightly lower only towards the close of the week.

The 20 share index closed the week at 5335.23 points, 6 % higher than the previous week's close. 57mn shares valued at Kshs2.03bn changed hands while market capitalization stood at 855.25bn.

The past week saw most of the counters at the bourse capturing appreciations. 30 edged up, 11 lost ground while 4 remained constant. The Financials and Investment segment captured a lot of attention over the past week with KCB moving 15mn shares; KenyaRe moved 4.5mn shares while ICDC moved 1.8mn. In the commercial and services sector, Access Kenya and CMC were the biggest movers, trading 6mn and 5.9mn shares respectively. KenyaRe and Mumias we're the most active in the Industrial and Allied Sector, each moving 2.1mn and 1.53 shares.

WEEK'S MOVERS

Top 5 Gainers	Stock Price Kshs	%Δ
Rea Vipingo	22	20.22%
Access	25	21.95%
ARM	99	17.86%
Eveready	7.95	17.78%
Jubilee	210	16.02%

Top 5 Losers	Stock Price Kshs	%Δ
Kakuzi	33	-8.97%
Car & Gen	53	-7.02%
TPS Serena	71	-5.96%
Unga	14.40	-4%
Kenol	102	-4.67%



WEEKLY HIGHLIGHTS

REA VIPINGO

The company, which is a leading producer of sisal in the region, released its results for the year ended 31st December 2007.

Turnover for the year ended edged up slightly with profits for the year increasing by 2% to stand at Kshs115mn.

The company recorded a slight improvement in its earnings per share from Kshs1.88 to Kshs1.92.

The directors of the company recommended payment of a first and final dividend of Kshs0.80 per share.

The agricultural sector is considered a risky one, with performance based highly on climatic conditions which are highly variable.

CMC

The leading vehicle manufacturer and distributor in the region announced its year end results in the past week, recording a 64% increase in profits.

The counter realized the highest appreciation it has witnessed in the last couple of months, hitting a high of Kshs22 and closing the week at an average of Kshs18.05.

The firm recommended a bonus of 1 for every five held. In addition, directors declared an interim dividend of Kshs0.35 per share.

In the past week the group expressed its fears over the possibility of a decline in its earnings due to post election violence in the country.

The firm posted an impressive 42% increase in net profit to Kshs618mn.

The share is expected to maintain an upward trend in the coming weeks given the proposed bonus issue that is bound to increase the level of demand and consequently push the share price up.



OUTLOOK

The coming week is one to definitely watch with the opening of Parliament as the country tries to arrive at a solution to the current crisis.

We anticipate financial results from the financial sector, investors looking at the market in the long term may seek to invest in fundamentally strong counters whose prices have been affected by the political situation in the country.

It may however be a good time to take a back seat and watch how prices will be in the coming week.

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