

# HISANET AFRICA INVESTMENT SERVICES

## WEEKLY MARKET REPORT

WEEK 50(10<sup>th</sup> to 14<sup>th</sup> December 2007)

Issue No. 37



### STOCK MARKET PERFORMANCE REPORT

The NSE marked a mile stone at the close of the week with the introduction of Wide Area Network, marking an end to sealing of deals at the floor. Dealers can now operate from their stock brokerage offices. The trading hours have also been increased to 6 hours from 9am to 3pm. Trading volumes are expected to increase at the bourse with the availability of more terminals.

The bourse was generally strong over the week to 14<sup>th</sup> December 2007 as a number of counters closed higher. The 20 share index was steadily up for the large part of the week, save for a slight end week slide. The index closed the week 74.65 points higher at 5339.80 points. Turnover for the week was 1.97bn compared to 1.98bn realized in the previous week. The number of shares traded declined slightly to 39mn from 45mn. Market Capitalization stood at 811bn.

KCB still maintained its position as the highest trading counter in the past week, with approximately 9.6mn shares changing hands. Mumias was another high mover, trading 4.2mn shares while East African Breweries moved 3.4mn shares. Access Kenya has continued drawing a lot of attention over the past week, capturing the largest appreciation to close the week at Kshs23.75, 17% higher than the previous weeks close. the company is evolving to be a force to reckon with in the region and is definitely a good counter to hold.

Out of the 45 active counters, 26 closed higher, 16 declined and 3 remained unchanged.

### WEEK'S MOVERS

Top 5 Gainers	Stock Price Kshs	%Δ
Access	23.75	17.28%
Pan Africa Ins.	99.50	10.56%
Eveready	7.50	9.49%
CMC	18.10	8.71%
Crown Berger	49.50	8.20%

Top 5 Losers	Stock Price Kshs	%Δ
Marshalls	39.50	-5.95%
A. Baumann	20	-5.88%
E.A Portland	130	-4.41%
E.A Cables	44.75	-3.76%
NIC	65.50	-2.24%



### WEEKLY HIGHLIGHTS

### MUMIAS

The leading producer of sugar in the country is well on its way to launching its multi billion Tana sugar project. This project is expected to cost approximately Kshs21.2 billion and will go a long way in reducing the existing sugar deficit and ensuring the product will maintain its competitive edge 4 years down the line when COMESA opens the import barriers on duty free imports. On completion, the project will provide cheaper sugar for the local market.

The company recently issued a bonus of 2 shares for every one held. We hold the counter as a good buy at the moment. The company's profitability will definitely increase over time and with the 4 year extension of duty free imports from COMESA, the share is bound to appreciate.

### KENOL

The NSE board has in the past week approved of listing of the company's 45,480,000 ordinary shares. This approval will pave way for Kenol to fully acquire Kobil Petroleum Ltd, placing it way ahead of other players in the market with a market share of approximately 25%. The acquisition is now awaiting approval by share holders at an extra ordinary meeting to be held on 19<sup>th</sup> December.

Kenol is seeking to acquire 100% of the issued shares of Kobil Petroleum Ltd. The deal is however subject to approval by CMA.

### DTB

The Bank additional shares from the recent rights issue started trading at the bourse in the past week. The issue raised the Kshs1.63bn, boosting the Bank's core capital to Kshs3.9bn. The Bank intends to add 20 more branches as it continues to expand its network across the region. In the coming year, it is set to open branched in Burundi and Rwanda.

A similar rights issue by DTB in 2006 raised Kshs776mn. The rights of the Bank's principal share holder, the Aga Khan Fund for Economic Development, we're taken up by its subsidiary, Habib Bank Ltd, which has invested in DTB and operates in 25 countries.



### OUTLOOK

The market may see reduced activity in the next few weeks as investors take a holiday break and prepare for the general election.

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