

# HISANET AFRICA INVESTMENT SERVICES

## WEEKLY MARKET REPORT

WEEK 7(11<sup>th</sup> to 15<sup>th</sup> February 2008)

Issue No. 6



### STOCK MARKET PERFORMANCE REPORT

As concern continues mounting on whether the Kenyan Economy will be able to shake off pressure from effects of post election violence, all eyes over the past week we're on the negotiating team, with investors showing some signs increased levels of confidence in the market compared to the last couple of weeks.

Market performance over the week in review generally improved, with the 20share index on an upward trend for most of the week, edging closer to the 5000 point mark to close the week at 4986.06 points, 300 points above the previous week's close. The number of shares that changed hands also increased marginally, with 53mn shares worth Kshs2.1bn changing hands, compared to 36mn shares that we're traded over the previous week. Market Capitalization stood at Kshs818.66bn.

More gains were captured over the week in review as 41 out of the 45 active counters closed the week higher, 3 recorded declines and 1 remained unchanged. Among the counters that captured attention over the past week were BAT, which saw its price rally to a high of Kshs159 and settle at an average of Kshs158 at the close of the week; NIC Bank shrugged of the previous week's bearish performance, edging up by over 10% to close the week at Kshs56.

KCB, Mumias and Access Kenya we're the biggest movers of the week, trading 17mn, 6.2mn and 3.7mn shares respectively.

### WEEK'S MOVERS

Top 5 Gainers	Stock Price Kshs	%Δ
Standard Group	54	20%
Kakuzi	30.25	18.63%
BAT	158	14.49%
NBK	45.75	12.96%
NIC	56	10.89%

Top 5 Losers	Stock Price Kshs	%Δ
Unilever	53	-1.85%
Bamburi	185	-1.60%
A. Baumann	12.90	-0.39%



### WEEKLY HIGHLIGHTS

#### East African Cables

The leading cable manufacturer in East and Central Africa released its end year results over the past week, posting very impressive results.

The company, whose principal shareholder is Transcentury Limited, recorded a 69% increase in turnover, with the profit after tax going up by 41% compared to the levels achieved in the previous year.

The directors recommended a dividend of Kshs0.90 to be paid to shareholders, with the books closing on 21<sup>st</sup> March 2008.

This period looks even more promising for the Group, which has recently embarked on diversification strategies that have seen it spread its wings to Tanzania, Uganda, Rwanda and Mozambique.

The counter is currently trading at around Kshs39. We however expect the price to rally up as we approach the 21<sup>st</sup> March book closure date.

The counter is a good long term buy.

#### KCB

The counter continued dominating the trading market, trading over 17mn shares as investors rushed in to take positions ahead of the proposed rights issue.

The Bank has announced its intention to raise additional funds from shareholders in a bid to finance its expansion strategy as it moves to become a regional bank. It recently expanded to Uganda, opening a branch in Kampala in January and is said to be eyeing Rwanda and Burundi this year.

It is also looking to strengthen its balance sheet to be able to take more deposits and increase its lending capacity.

Share demand for the counter saw the price close 10.2% higher, up from Kshs24.50 recorded in the previous week to Kshs27 recorded at the close of the week in review.

The counter is definitely a good buy at the moment.



### OUTLOOK

As the peace talks gear up in the coming week, we expect prices to rally higher than they did over the week in review. Financial results for a number of counters due by end-month will also contribute to the upward movement

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