

HISANET AFRICA INVESTMENT SERVICES

WEEKLY MARKET REPORT

WEEK 8(18th to 22nd February 2008)

Issue No. 7



STOCK MARKET PERFORMANCE REPORT

Subdued activity over the week, with low demand for most counters in spite expected results from most of the financial counters. Most investors have taken a wait and see approach while a few of them are taking advantage of the low prices to build positions in the Blue Chip firms at the bourse.

The NSE 20share index closed the week only 1% lower than the previous week's close at 4986.06points. The number of shares that traded declined to 44mn from 53mn traded in the previous week. Turnover stood at Shs2.1bn, driven up by the sale of part of the shareholding of Kenol by Petroholdings to a foreign investor. Market Capitalization declined to Shs807bn from Shs818bn.

23 of the active counters captured declines, 18 edged up and 4 remained constant. Unlike the expected rally of prices upwards ahead of end year results for financials, most of them edged down, with most investors over the past week choosing to taking a wait and see approach

The most active counter was Kenol, moving 9mn shares, KCB, Kengen and Mumias moved 7mn, 5mn and 3.3mn shares respectively.

WEEK'S MOVERS

Top 5 Gainers	Stock Price Kshs	%Δ
Kapchorua	90	8.43%
Williamson	90.50	6.47%
Kakuzi	31.75	4.96%
Unilever	55	3.77%
Equity	147	3.52%

Top 5 Losers	Stock Price Kshs	%Δ
Car& Gen	48	-11.11%
Unga	13.50	-8.70%
BAT	148	-6.33%
Kenol	87.50	-5.91%
Crown Berger	40	-4.76%



WEEKLY HIGHLIGHTS

Barclays

Financial results released over the past week indicated a jump in profits by 9% from Shs6.4bn to Shs7bn for the period ended 31st December 2007. The Bank over the past year engaged in an aggressive expansion programme that has seen it increase its branches from 67 to 108 and also increase its direct sales staff from 1000 to 4358.

The Bank's liquidity ratio is however below the statutory minimum, standing at 18.8% compared to the required 20%. This has been caused by the aggressive lending that the Bank embarked on over the past year.

In the past year, its balance sheet grew from Shs117bn to Shs157bn, placing it far ahead of its closest competitors. Customer deposits have grown by 16% from Shs93.8bn to Shs109bn.

The Bank's board approved a final dividend of Shs1.15 per share, bringing the total dividend payout to Shs1.65 per share.

Kenol

Oil Marketer, Kenol Oil Company saw its main shareholder, Petroholdings Limited, sell of part of its holding to a foreign investor. After approval by shareholders in December last year for Kenol to acquire trading partner Kobil, common shareholder Petroholdings had its shareholding rise to 75.09%, which is above CMA's cap of 75% for a major shareholder.

The shares dropped by 10% on Tuesday to Kshs80.50 before bouncing back to Shs88.30 on Wednesday. The counter moved most shares over the past week, with 9mn shares changing hands. The average price as at the close of the week stood at Shs87.50, a 5.9% drop from the previous weeks close.

Access

Only six months after listing at the bourse, Kenya's leading ISP delivered impressive results, posting Shs150mn in profit after tax and a turnover of Shs1bn. Good returns we're mainly due to additional revenue from acquisition of Openview business systems in 2007.

As part of its expansion strategy, the firm is now geared towards acquisition of four other firms, with a view of increasing its market share.

Total assets increased from Shs132mn to Shs833mn, while net assets rose to Shs575mn from Shs65mn.

The board recommended a total dividend of Shs0.30 per share.



OUTLOOK

Prices are expected to remain on the same levels as they were over the past week, though demand may slowly build up as attention shifts towards company's that are expected to post good end year results.

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