

HISANET AFRICA INVESTMENT SERVICES

WEEKLY MARKET REPORT

WEEK 13(25th to 29th March 2008)

Issue No. 12



STOCK MARKET PERFORMANCE REPORT

It was another slow week at the bourse, with low performance being witnessed in almost all the counters. All eyes now are on the Safaricom IPO, which started at the close of last week and is set to continue till 23rd April. Floating of the shares at the bourse in June is expected to boost market capitalization levels to over Kshs1 trillion.

The shilling has continued strengthening against the dollar, with proceeds from selling foreign currency, the tourism sector and the horticultural sector bringing the local currency to Kshs63.60/70 against the dollar. Dealers expect the shilling to touch the 60.00 soon as demand for the local currency continues mounting.

The downward momentum was reflected in all key market indicators, with the NSE 20 Share index edging downwards for the better part of the week, starting off at 4905.77 points, losing few points with each trading day to close the week at 4855.36 points. Turnover for the week declined to below the 1billion mark to stand at 882million. The number of shares traded declined from 25million to 30 million. Market Capitalization at the close of the week stood at Kshs798bn against Kshs804bn recorded in the previous week.

Prices at the bourse were still on a downward trend. This is in line with expectations, with the market experiencing very low demand for most of the counters. The decline in performance has welcomed some investors seeking to maximize on the attractive prices, explaining large movements in some counters. For instance KCB moved the largest volume, trading 6million shares. Mumias Sugar, Access Kenya and EAC moved 4million, 2.1million shares each.

WEEK'S MOVERS

Top 5 Gainers	Stock Price Kshs	%Δ
Car& Gen	55	4.76%
Pan Africa	79	5.33%
TPS Serena	70	2.19%
Olympia	13.40	10.74%

Top 5 Losers	Stock Price Kshs	%Δ
Diamond Trust	82	-5.20%
Crown Berger	40.25	-5.29%
Mumias	11.30	-4.24%
Rea Vipingo	18.05	-4.05%
CFC Bank	111	-3.48%



WEEKLY HIGHLIGHTS

NBK

The Bank posted very impressive results for the year end, recording over 70% increase in profits before tax from Kshs934mn to Kshs1.6bn. In 2006, the Government swapped the Bank's debt of Kshs20bn into four bonds, ranging from periods of three to six years.

The Banks liquidity ratio is currently stands at 27%, well above the statutory 20% minimum required by CBK.

The coming year sets out a steady growth path for the Bank and performance is set out to increase even further.

In spite the improved earnings, the Directors did not recommend payment of a dividend.

The counter is currently trading at an average of Kshs42.

Jubilee Holdings

The company declared Kshs809million in profits over the past year, with gross revenue up 28% from Kshs3bn to Kshs4bn. Its balance sheet also grew relatively stronger, with total assets for the period well over 17million.

The firm, which is cross listed in Kenya, Uganda and Tanzania, has announced plans of spreading its wings further in the region, with plans to acquire companies in Central and West Africa. Plans are also underway for a strategic drive in the life insurance segment which will include development of new products and innovation in distribution.

Directors recommended payment of a final dividend of Kshs3.25 per share, to be paid around 11th June2008, after a book closure date of 19th May 2008. This brings the total dividend for the year to Kshs4.25.

The company has had a significant performance appreciation with every financial year, with recorded earnings per share for this financial period being Kshs13.71, compared to Kshs11.73 recorded in the previous period.



OUTLOOK

To avoid the last minute rush, investors getting into Safaricom should apply early enough. Please ensure that all details in the form are entered correctly to avoid rejections.

Market performance is expected to remain low over the next week with lack of information to drive demand. We expect the market to stabilize at the current low level during the offer period for the Safaricom.

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