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MediaCorp[®]

Weekly-Analytics

		Price Movement This Week						Price Change This Week [kshs]	Price Change This Week [%]	Shares Traded This Week	Total Shares Issued
		8th June	11th June	12th June	13th June	14th June	15th June				
Agricultural	Code										
Unilever Tea	UNLV	75.00	75.00	80.00	76.00		79.50	4.50	6.00%	600	48,875,000
Kakuzi	KAKZ	32.75	33.00				33.00	0.25	0.76%	4,700	19,599,999
Rea Vipingo	RVPL	18.30	19.40	19.20	19.95	19.65	20.00	1.70	9.29%	46,800	60,000,000
Sasini	STCL	19.15	18.45	19.35	19.85	19.50	19.75	0.60	3.13%	1,009,532	190,046,250
Commercial & Services											
Access Kenya Group	AKGL	12.55	12.65	12.70	12.95	13.00	13.00	0.45	3.59%	5,063,960	
Car & Gen	CAGR	50.00	50.00			50.00	53.00	3.00	6.00%	2,900	22,279,616
CMC	CMCH	14.15	14.30	14.30	14.75	14.95	15.00	0.85	6.01%	1,370,220	485,591,200
Hutchings Biemer	HUBM	20.25					20.25			-	360,000
Kenya Airways Ltd	KAIR	76.50	76.50	74.50	76.00	74.00	74.00	-2.50	-3.27%	1,372,114	461,615,483
Marshalls	MSHL	42.00	43.00		42.00	42.00	42.00	0.00	0.00%	7,300	14,393,106
Nation Media Group.	NATN	250.00	259.00	256.00	254.00	253.00	256.00	6.00	2.40%	52,500	71,305,260
Scangroup Ltd	SCGP	26.00	26.00	25.75	26.00	25.25	25.75	-0.25	-0.96%	656,623	159,000,000
Standard Group Ltd	STDG	54.00	54.50	56.50	55.50	56.50	56.50	2.50	4.63%	41,888	73,275,029
TPS Eastern Africa (Serena) Ltd	TPEA	86.50	75.00	74.50	73.50	73.50	73.00	-13.50	-15.61%	94,140	107,838,705
Uchumi Supermarkets	UCHM	14.50					14.50			-	180,000,000
Financial											
Barclays Bank	BARC	68.50	68.50	67.50	69.00	68.50	68.50	0.00	0.00%	1,219,812	1,357,884,000
CFC Bank	CFCB	114.00	114.00	113.00	112.00	112.00	112.00	-2.00	-1.75%	17,408	156,000,000
Diamond Trust	DTBK	78.50	78.50	78.50	80.00	87.00	89.50	11.00	14.01%	448,331	139,746,093
Equity Bank Ltd	EQTY	133.00	134.00	128.00	132.00	133.00	134.00	1.00	0.75%	2,050,845	271,693,650
Housing Finance	HFCK	28.00	28.00	30.00	32.75	34.25	34.25	6.25	22.32%	1,885,738	115,000,000
ICDCI	ICDC	25.00	25.25	25.25	25.75	26.25	28.00	3.00	12.00%	2,511,680	549,951,880
Jubilee Holdings Ltd	JBLH	249.00	250.00	257.00	270.00	275.00	274.00	25.00	10.04%	19,688	36,000,000
K.C.B Bank	KCBL	23.25	23.25	23.50	24.00	24.00	24.00	0.75	3.23%	2,556,889	1,996,000,000
National Bank	NBKL	59.00	57.00	56.00	56.00	56.50	55.50	-3.50	-5.93%	1,170,656	200,000,000
National Industrial Credit	NICB	98.00	102.00	100.00	104.00	105.00	108.00	10.00	10.20%	160,181	82,414,551
Pan Africa Insurance Holdings	PAIH	89.50	87.50		86.00	86.50	89.00	-0.50	-0.56%	52,000	48,000,000

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Standard Chartered Bank	SCBL	181.00	181.00	182.00	183.00	182.00	183.00	2.00	1.10%	124,605	271,967,810
Industrial & Allied											
Athi River Mining Ltd	ARML	69.00	71.50	70.00	75.50	71.00	72.00	3.00	4.35%	125,600	
BOC (K)	BOCK	160.00					160.00			-	19,525,446
Bamburi	BMBR	196.00	200.00	199.00	200.00	199.00	200.00	4.00	2.04%	190,210	362,959,275
British American Tobacco	BATK	179.00	180.00	180.00	180.00	180.00	180.00	1.00	0.56%	196,540	100,000,000
Carbacid	CARB	137.00					137.00			-	11,326,755
Crown Berger	CRBG	44.00	44.00	45.00	43.50	42.00	43.75	-0.25	-0.57%	49,000	23,727,000
E.A.Cables	EACL	45.25	45.00	44.75	44.75	43.25	44.75	-0.50	-1.10%	670,200	202,500,000
E.A.Portland	EAPC	110.00			110.00		110.00	0.00	0.00%	12,900	90,000,000
E.A.Breweries	EABL	144.00	146.00	144.00	145.00	146.00	145.00	1.00	0.69%	422,449	658,978,630
Eveready East Africa Ltd	EEAL	7.95	7.95	7.80	8.00	7.90	7.95	0.00	0.00%	600,000	210,000,000
Kenol	KOCL	94.00	99.00	99.00	99.50	99.00	99.00	5.00	5.32%	136,990	101,696,120
K.Pow.& L.	KPLC	210.00	209.00	208.00	207.00	206.00	206.00	-4.00	-1.90%	214,382	79,128,000
KenGen	KEGN	27.75	27.25	27.50	27.00	27.00	26.25	-1.50	-5.41%	3,806,888	2,198,361,456
Mumias	MSCL	26.50	26.75	26.50	27.00	26.75	27.50	1.00	3.77%	2,127,843	510,000,000
Olympia Capital Holdings	OCHL	18.50	18.00	18.00	18.00	18.00	18.00	-0.50	-2.70%	14,700	10,000,000
Sameer Africa Ltd	SAMR	13.10	13.95	14.00	13.40	13.40	13.45	0.35	2.67%	347,906	278,342,393
Total	TOTL	29.75	29.25	29.50	30.00	30.00	31.00	1.25	4.20%	188,750	175,064,706
Unga	UNGA	14.60	14.60	14.90	14.90	14.50	14.00	-0.60	-4.11%	49,737	63,090,728
Alternative Investment Market Sector (AIMS)											
A.Baumann	ABCL	27.00				27.00	27.00	0.00	0.00%	10,000	3,840,066
City Trust	CITL	146.00	137.00	136.00			136.00	-10.00	-6.85%	4,100	4,166,046
Eaagads	EAGD	50.00				50.00	50.00	0.00	0.00%	200	8,039,250
Express	EXPK	22.25	22.00	22.50	23.75	24.00	24.50	2.25	10.11%	224,220	35,403,790
Williamson Tea	WTKL	130.00					130.00	0.00	0.00%	-	8,756,320
Kapchorua	KTCL	112.00	110.00				110.00	-2.00	-1.79%	1,800	3,912,000
K.Orchads	KEOL	5.00					5.00	0.00	0.00%	-	12,868,124
Limuru Tea	LTCL	400.00					400.00	0.00	0.00%	-	600,000

THE INTELLIGENT INVESTORS' BUDGET ANALYSIS BRIEF - 15th JUNE 2007

Budget opens a Sh79 billion Investment opportunities to the Public.

Government commits to sell shares valued at Sh45 billion and borrow over Sh34 billion in the domestic market to plug a budget deficit.

Government expects to raise an ambitious Sh44.9 billion from sale of its assets to the public presenting great investment opportunity to the public- if it keeps its word.

New domestic borrowings are expected to hit a new high of Sh34 billion in 2007/08 presenting great opportunities for the public to invest in buying shares, through Initial Public Offering (IPO) or secondary offerings, and Government credit papers- Treasury Bills and Bonds.

The speech also did set the stage for mergers and acquisitions in the banking sector with the increase in minimum capital requirement by up to four times. All banks and financial institutions will in the next three years have to raise their share capital from the current Sh250 million to Sh1 billion.

"This will prepare our banking industry players to consolidate their services and ensure efficiency in order to take advantage of the emerging regional opportunities," Mr Kimunya said.

Market analysts are putting the figure of the banks that will be affected to about ten, either to merge or go to the capital market for additional capital.

And what will be good news to local investors, the minister has proposed to amend the Capital Market Act (CMA) pushing minimum share allocation of any new listing at the Nairobi Stock Exchange (NSE) from 25 per cent to 40 per cent. That means that local investors will effectively own at least 40 per cent of new share that are to be brought into the market.

Bigger portion of the share sale, more than double last year's projected Sh18.2 billion, is expected to be raised from sale of government shares at the Nairobi Stock Exchange (NSE).

The other expected avenue is the sale of Second National Operator (SNO) licence, which stalled earlier in the year, denying the Government over Sh12 billion from Vtel Communication who had won the bid.

However, if KenGen secondary offering, where the Government was expected to offload 19 per cent to the market, is anything to go by Treasury may not be as benevolent as it was in sale of first tranche (30 per cent) of power generating company.

After testing and realizing the market high appetite for investment opportunities, Treasury look more inclined to reap as much as possible rather than the previous posturing of distributing wealth the public.

The money will be raised from the sale of much-awaited government shares in Safaricom - currently the most profitable company in East Africa region with latest pretax profit figure standing at Sh12.2 billion.

Statistics from Consumer Insight, an independent market research company, shows that by end of the first quarter of the year, Safaricom dominance in the market was put at 77 per cent in

market share while its competition, Celtel, had the remainder 23 per cent. On usage level, the research shows that, Safaricom command a larger share at 86 per cent while Celtel bags 28 per cent- resulting to total usage of 114 per cent. Showing a subscribers population have no specific royalty but switch between the networks.

The other is sale of restructured Telkom Kenya- currently the company is carrying out Sh6 billion staff restructuring programme and expect to retain over Sh20 billion from sale of Safaricom shares for its restructuring.

A move expected to raise competition in the telecommunication sector given Telkom entry to mobile service provision through its wireless devices and also participation on the Internet service provision especially lying of cable network.

A revamped National Bank of Kenya (NBK) is also up for grab. The bank sale has been delayed as the Government looked for ways to address the over Sh20 billion it owed the bank in debt, either as borrower or through guaranteeing its corporations.

Its high stock of nonperforming loan has been cited as the biggest that was depressing its profitability. During last year NBK reported a modest 9 per cent rise in pretax profit to Sh934 million up from Sh859 million attributed to growth in business, increase in marketing activities and introduction of new products. It will be paying no dividend.

Others shares on sale are the Government's 19 per cent holding in KenGen.

The National Social Security Fund (NSSF) is also expected to offload its shares in NBK.

"The immediate focus will be to obtain Cabinet approval of a privatisation strategy aimed at expanding private sector participation in the development process, including developing a legal and institutional framework for public-private partnerships," the Treasury notes in the paper.

If approved Government will be setting up a privatisation commission to take charge of disposing of government assets. The commission will replace the Investment Secretariat currently headed by Investment Secretary Esther Koimett. Most of it will be raised through sale of long-term bonds, which has become a cheaper financing avenue for the Government.

High liquidity in the market, coupled with a growing appetite by pension funds to match their funds to long-term investment, has boosted Government to switch from borrowing using short-term papers to long term papers of up to 15 years.

Last month the Government borrowed an additional Sh5 billion using a 12 year Treasury bond, priced 180 basis points lower in interest rate, than it paid for bond of similar tenor issued in September last year- less than 9 months ago. This month the Government expects to build on the growing long-term bond appetite offering to sell a 15-year Treasury bond to raise additional Sh7.5 billion.

And if this year experience is to act as precedent then domestic borrowing is expected to go up. During the 2006/07 budget, the minister capped additional domestic borrowing at Sh29.5 billion but has ended up borrowing more than Sh33.4 billion, not factoring the new 15-year bond borrowing to be concluded by month end.

Bond trading will also soon be incorporated into Central Depository System like shares after the proposed amendment to Internal Loans Act.

STOCK REPORT

1) EQUITIES

Week on week, turnover rose to KSh.1.3bn from KSh.1.1bn posted the previous week, the number of shares traded stood at 31M against 40M the previous week.

The NSE 20 share index gained a total of 68.77 points during the week to settle at 5137.45.

MAIN INVESTMENT MARKET SEGMENT (MIMS)

Agricultural Sector

This sector traded 1M shares, which accounted for 3.39% of the week's traded volume. Sasini was the most heavily traded counter in this sector, with 1M shares dealt at between shs.17.45 and shs.20.50. Rea-vipingo up 9.29% to shs.20.00 moved 46,000 shares.

Commercial and Services Sector

Commercials had 8.6M shares traded, which accounted for 27.64% of the week's traded volume. AccessKenya was the week's biggest mover with 5M shares changing hands at between shs.12.30 and shs.13.90. Kenya Airways actively moved 1.3M shares during the week and closed at shs.74.00. CMC Holdings up 6% to shs.15.00 moved 1.3M shares.

Financial Sector

Financials had 10.5M shares traded and represented 33.61% of the weeks traded volume. KCB was busy with 2.5M shares transacted at between shs.21.25 and shs.25.00. ICDC Investments up 12.00% to shs.28.00 moved 2.5M shares. HFCK soared to shs.34.25 with 1.8M

shares realized, up from shs.28.00 posted the previous week.

Industrial and Allied Sector

This sector had 7.9M shares, which accounted for 25.24% of the week's traded volume. KenGen actively moved 3.8M shares at between shs.24.50 and shs.28.75. Mumias Sugar moved 2.1M shares during the week and closed at an improved price of shs.27.50.

ALTERNATIVE INVESTMENT MARKET SEGMENT (AIMS).

This market segment had 240,000 shares, which accounted for 0.77% of the week's volume. Express Ltd moved 224,000 shares during the week and closed at shs.24.50.

FIXED INCOME SECURITIES MARKET SEGMENT (FISMS).

2) BONDS

The Bond Market registered reduced activity, with bonds totaling to KSh.2bn transacted compared to KSh.3.2bn posted the previous week.

Source - NSE

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