



# Faida Weekly Report (Week 12)

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## International Highlights

### Europe

#### S&P Downgrades Cyprus Credit Rating

Cyprus credit rating cut to CCC

Standard & Poor (S&P) cut Cyprus' sovereign long-term foreign currency credit rating deeper into junk status (from CCC-plus to CCC), as the country continues to struggle with a banking crisis. In its statement the rating agency was of the view that in the absence of a credible alternative source of capital and fiscal financing, the risk of a disorderly credit event was rising. An earlier bailout brokered between the nation's president and the European Union (EU) was unanimously rejected by parliament. The deal would have imposed a tax on Cypriot's deposit accounts to raise USD 7.5 billion that the EU required in return for a USD 13 billion bailout. To mitigate the situation, the Cypriot's government proposed to parliament the creation of a "solidarity fund", based on revenues from hydrocarbon exploitation, bonds and other assets to raise funds to qualify for the EU bailout.

### Asia

#### China Predicts Energy Talks Breakthrough in Russia

China anticipates breakthrough in energy talks with Russia

China's Vice Foreign Minister Cheng Guoping anticipated a breakthrough in energy talks during President Xi Jinping's visit to Moscow. China plans to sign an agreement on a natural gas pipeline among other agreements. These achievements are expected to boost relations as Russia and China seek stronger alliances to counter what they see as U.S efforts to exert more influence in the Asia-Pacific and the Middle East.

### U.S

#### Congress Clears Legislation to Avoid Government Shut Down

Congress passed legislation to avert a partial government shutdown

The Congress passed a legislation to avert a partial government shutdown, extending the bill that would fund federal agencies up to September 2013. Although it doesn't attempt to fix the USD 85 billion in automatic budget cuts, also called sequestration, it does provide special accommodation for some programs. For instance, an additional USD 10 billion for Defense Department's operations and maintenance accounts and an additional USD 250 million for the Women, Infants and Children program.

### Africa

#### South Sudan Currency Strengthens After Oil Deal

South Sudan currency rises after signing new deal

South Sudan's currency strengthened a week after the signing of a new deal that paves way for the resumption of oil flow, hitting its highest since the shutdown of oil production in January 2012. Resumption of oil exports via Port Sudan is expected in the next 2 weeks.

## Economic Highlights

### Currency Highlights

	Previous Week Close	Week High	Week Low	Current Week Close
USD/KES	85.64	85.81	85.60	85.76
EURO/KES	111.53	111.13	110.37	110.73
GBP/KES	129.19	130.16	129.22	130.16

Kenya Shilling weakened against the USD and GBP

Last week, the Kenya Shilling weakened slightly against the USD and GBP while strengthening slightly against the Euro to close at a mean of KES 85.76, KES130.16 and KES 110.73 respectively.

The weakening of the Kenya Shilling can be attributed to growing demand for dollars by businesses as they prepared to settle their end month bills.

## Equity market Summary

### Top Gainers

	Price	%ch	EPS	DPS	PE
Access Kenya	8.45	20.7%	0.69	0.30	12.25
Liberty Kenya Holdings	9.80	14.6%	1.72	0.40	5.70
Nation Media Group	321.00	13.8%	15.90	10.00	20.19
National Bank of Kenya	22.50	11.1%	3.19	0.40	7.05
CIC Insurance	5.50	11.1%	0.27	0.09	20.37

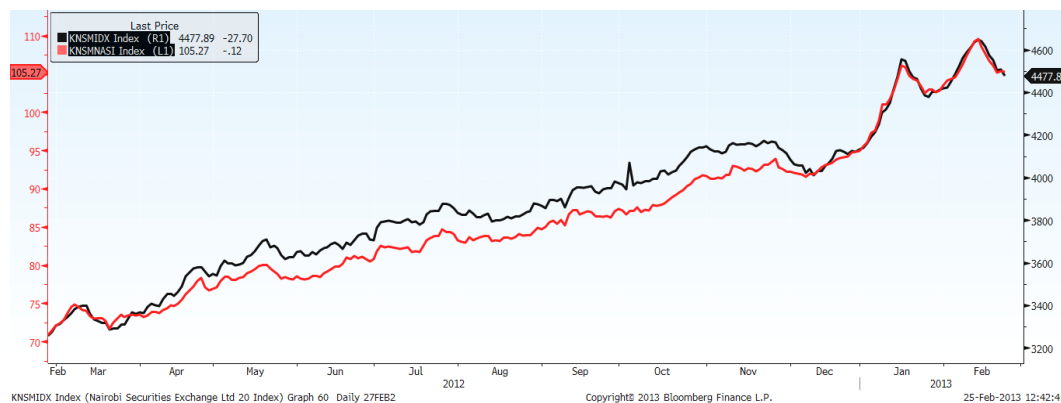
### Top Losers

	Price	%ch	EPS	DPS	PE
Kakuzi	76.00	-14.6%	28.06	3.75	2.71
Express Kenya	3.50	-10.3%	-6.47	0.00	-0.54
KenolKobil	10.50	-9.1%	2.21	1.00	4.75
Sasini	11.85	-8.14%	1.72	1.00	6.89
Total Kenya	14.55	-6.43%	3.05	0.00	4.77

### Top Traders

	Price	Volume Traded	% Price ch	EPS	PE
Safaricom	5.80	41,795,300	-5.7%	0.32	18.13
Equity Bank	30.00	17,060,400	0.0%	3.26	9.20
CIC Insurance	5.50	6,804,400	11.1%	0.27	20.37
Co-operative Bank	15.00	6,328,000	0.7%	1.84	8.15
Barclays Bank	16.60	5,873,400	1.8%	1.61	10.31

The NSE 20 share index dropped by 60.52 points while the NASI gained by 0.22 points to close the week at 4713.60 points and 113.45 points respectively.



Source: Bloomberg

### Agricultural sector

The Agricultural sector closed the week at a PE of 3.91x.

Kakuzi dropped by 14.6% w-o-w

Kakuzi dropped by 14.6% w-o-w to close at KES 76.00 as the top loser of the week, trading a total of 900 shares during the week.

Sasini dropped by 8.1% w-o-w to close at KES 11.85 as the fourth top loser of the week, trading a total of 58,100 shares during the week.

Williamson Tea dropped by 5.4% w-o-w to close at KES 226.00, trading a total of 3,400 shares during the week.

### Banking Sector

The banking sector closed the week at a PE of 9.09.

Barclays Kenya gained by 1.8% w-o-w to close at KES 16.60 as the fifth top trader of the week trading a total of 5.9 million shares.

Equity Bank remained unchanged w-o-w to close at KES 30.00 as the second top trader of the week, trading a total of 17.1 million shares during the week

National Bank gained by 11.1%.  
Announced a 53% drop in Profit before Tax

National Bank of Kenya gained by 11.1% to close the week at KES 22.50 as the fourth top gainer of the week, trading a total of 494,900 shares during the week. The price appreciation can be attributed to investor speculation before the bank announces its FY2012 financial results. We are likely to see a fall in the price in the coming week after the company announced a 53% drop in profit before tax.

The Co-operative Bank gained by 0.7% to close the week at KES 15.00 as the fourth top trader of the week, trading a total of 6.3 million shares.

### Commercials and Services Sector

The Commercial and Services sector closed the week at a PE of 10.97x.

Express Kenya dropped by 10.3% w-o-w to close at KES 3.50 as the second top loser of the week, trading a total of 11,600 shares during the week.

Kenya Airways dropped by 3.5% w-o-w to close at KES 11.00

Kenya Airways dropped by 3.5% w-o-w to close at KES 11.00, trading a total of 783,900 shares during the week.

Nation Media Group gained by 13.8% w-o-w after announcing a 24.7% rise in profit after tax

Nation Media Group gained by 13.8% w-o-w to close at KES 321.00 as the third top gainer of the week, trading a total of 426,800 shares during the week. The group posted a 24.7% rise in profit before tax and a 25% growth in dividends.

Scangroup remained unchanged w-o-w to close at KES 72.00, trading a total of 902,900 shares during the week.

Uchumi Supermarket remained unchanged w-o-w to close at KES 21.50, trading 512,300 shares during the week.

### Construction & Allied Sector

The Construction and Allied sector closed the week at a PE of 22.66.

Athi River Mining dropped by 2.2% w-o-w to close at KES 67.50, trading a total of 603,900 shares during the week.

Bamburi Cement gained by 3.8% w-o-w to close at KES 219.00 trading a total of 37,300 shares during the week.

E.A. Portland Cement dropped by 5.5% w-o-w

E.A. Portland Cement dropped by 5.5% w-o-w to close at KES 52.00, trading a total of 22,500 shares during the week.

### Energy and Petroleum Sector

The Energy and Petroleum sector closed the week at a PE of 7.77x.

KenGen gained by 2.7% w-o-w to close at KES 13.45

KenGen gained by 2.7% w-o-w to close at KES 13.45, trading a total of 1.9 million shares during the week.

KenolKobil dropped by 9.1% w-o-w to close at KES 10.50

KenolKobil dropped by 9.1% w-o-w to close at KES 10.50 as the third top loser of the week, trading a total of 2.7 million shares during the week.

Total Kenya dropped by 6.4% w-o-w to close at KES 14.55 as the fifth top loser of the week, trading a total of 66,000 shares during the week.

### Insurance Sector

The Insurance Sector closed the week at a PE of 6.85x.

Britam Investments gained by 3.7% w-o-w to close at KES 8.45, trading a total of 5.1 million shares during the week.

CIC Insurance gained by 11.1% w-o-w to close at KES 5.50

CIC Insurance gained by 11.1% w-o-w to close at KES 5.50 as the fifth top gainer of the week, trading a total of 6.8 million shares during the week. The price appreciation could be as a result of speculative investors speculating on the FY2012 financial results ahead of the announcement this week.

Liberty Kenya Holdings gained by 14.6% w-o-w

Liberty Kenya Holdings gained by 14.6% w-o-w to close at KES 9.80 as the second top gainer of the week, trading a total of 440,700 shares.

### Investment Sector

The Investment sector closed the week at a PE of 14.73x.

Centum Investments gained by 8.4% w-o-w

Centum Investments gained by 8.4% w-o-w to close at KES 17.35, trading a total of 1.3 million shares during the week. The counter gained by 4.9% w-o-w the previous week.

Trans-Century dropped by 2.9% w-o-w to close at KES 33.50, trading a total of 3.9 million shares during the week.

### Manufacturing & Allied Sector

East African Breweries gained by 2.3% w-o-w to close at KES 310.00, trading a total of 1.1 million shares during the week.

Mumias Sugar dropped by 3.2% w-o-w

Mumias Sugar dropped by 3.2% w-o-w to close at KES 4.50, trading a total of 3.0 million shares during the week.

Eveready dropped by 2.4% w-o-w to close at KES 2.00, trading a total of 314,200 shares during the week.

## Telecommunication & Technology Sector

Access Kenya gained by 20.7% w-o-w

Access Kenya gained by 20.7% w-o-w to close at KES 8.45 as the top gainer of the week, trading a total of 5.6 million shares during the week. The company recently announced a 62% rise in profit before tax.

Safaricom dropped by 5.7% w-o-w to close at KES 5.80, trading a total of 41.8 million shares during the week.

## Bond market

### Primary Market

The week saw the government put up the 91 day, 182 day and 364 day T- bills for auction and managed to raise KES 16.8 billion out of a target of KES 11.0 billion.

Bids accepted in the 91 day T-bill auction amounted to KES 3.12 billion

Bids received in the 91 day T-bill auction amounted to KES 5.01 billion (167% subscription). The bids that were accepted amounted to KES 3.12 billion and were accepted at a weighted average rate of 10.318% which was up 0.221% compared to a rate of 10.097% recorded in the previous auction.

Bids received in the 182 day T-bill auction amounted to KES 4.6 billion (154.74% subscription). The bids that were accepted amounted to KES 2.8 billion and were accepted at a weighted average rate of 10.602%.

Bids received in the 364 day T-bill auction amounted to KES 16.5 billion (329.4% subscription). The bids that were accepted amounted to KES 10.9 billion and were accepted at a weighted average rate of 12.674%.