



Faida Weekly Report (Week 13)

Week ending April 5, 2013

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International Highlights

Europe

ECB Key Rate Left Unchanged

ECB maintains rate at 0.75%

The European Central Bank (ECB) left its key rate unchanged at 0.75%. The ECB's President, Mario Draghi said the central bank believes that the economy will turn around later this year, but also admitted that economic weakness is spreading to the stronger countries in the Euro zone. Mr. Draghi also indicated that ECB will continue to assess the conditions while standing ready to act when necessary.

Asia

BOJ to Pump USD 1.4 Trillion into Economy in Unprecedented Stimulus

BOJ set to inject USD 1.4 trillion into economy

The Bank of Japan (BOJ) revealed an intense monetary stimulus targeted at injecting USD 1.4 trillion into the economy in less than 2 years. The new Governor, Haruhiko Kuroda, committed BOJ to open-ended asset buying and said that the monetary base would nearly double to USD 2.9 trillion by the end of 2014. The policy is viewed as a radical gamble to boost growth and lift inflation expectations.

U.S

158,000 Jobs Added in March 2013

Private employers added 158,000 jobs in March 2013

According to a survey by payroll processor ADP, private employers added 158,000 jobs in March 2013, compared to 237,000 jobs in February and 177,000 jobs in January 2013. The drop was not considered as significant and the underlying trend in monthly hiring remains roughly 175,000. Construction companies didn't add any jobs in March after average monthly gains of 29,000 in the previous 3 months.

Africa

South Sudan Seeks Guarantees for Sudan Oil Flow

South Sudan seeking safeguards to mitigate against oil pumping risks

According to a senior official, South Sudan is seeking safeguards to ensure that her oil does not end up in the wrong hands or stolen once it begins flowing through Sudan. Most of the facilities are ready for the resumption of oil flow. The 2 countries are still working on security, monitoring of flow and keeping of data about the oil flow before pumping starts.

Economic Highlights

Currency Highlights

	Previous Week Close	Week High	Week Low	Current Week Close
USD/KES	85.64	84.99	84.85	84.86
EURO/KES	109.56	109.61	108.85	109.61
GBP/KES	129.61	129.21	128.04	129.21

Kenya Shilling strengthened against the USD and GBP

Last week, the Kenya Shilling strengthened against the USD and GBP while weakening slightly against the Euro to close the week at a mean of KES 84.86, KES 129.21 and KES 109.61 respectively.

The strengthening of the Kenya Shilling against the USD was attributed to increased dollar inflows to the Nairobi Securities Exchange propelled by the peaceful elections.

Equity market Summary

Top Gainers

	Price	%ch	EPS	DPS	PE
Eveready E. A.	2.75	27.9%	-0.59	0.00	-4.66
Standard Group	37.00	19.4%	2.96	0.00	12.50
Total Kenya	15.40	17.6%	-0.32	0.00	-48.13
Unga Group	16.40	17.1%	2.81	0.75	5.84
Crown Paints	54.50	13.5%	5.44	1.25	10.02

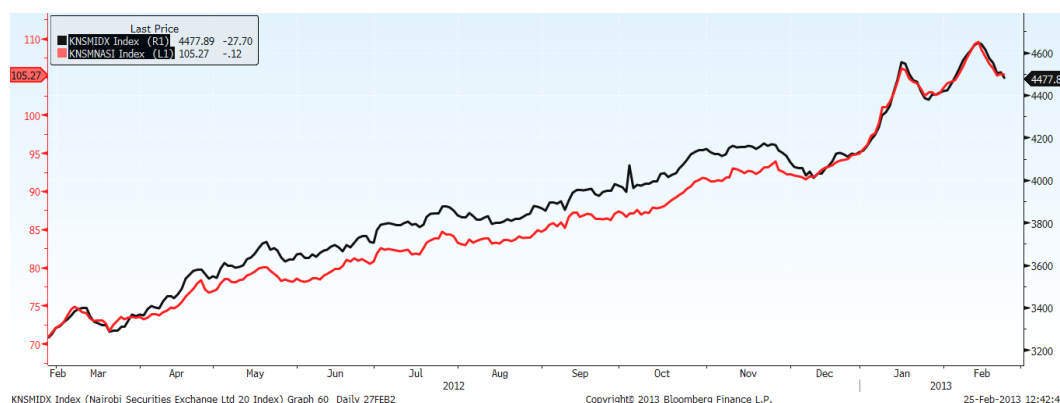
Top Losers

	Price	%ch	EPS	DPS	PE
Bamburi Cement	205.00	-5.5%	12.17	10.50	16.84
Jubilee Holdings	250.00	-3.1%	33.00	4.50	7.58
NIC Bank	52.50	-1.9%	6.03	1.00	8.71
East African Breweries	307.00	-1.3%	13.46	8.75	22.81
Uchumi Supermarket	21.75	-1.1%	1.03	0.30	21.12

Top Traders

	Price	Volume Traded	% Price ch	EPS	PE
Safaricom	6.30	77,504,500	5.0%	0.32	19.69
Mumias Sugar	4.70	13,332,400	4.4%	1.32	3.56
Britam Investments	9.15	9,269,000	5.2%	1.40	6.54
CIC Insurance	5.70	8,921,400	4.6%	0.64	8.91
KCB	42.50	7,397,200	2.4%	4.11	10.34

The NSE 20 share index and NASI gained by 124.85 points and 2.74 points to close the week at 4985.68 points and 120.65 points respectively.



Source: Bloomberg

Agricultural sector

The Agricultural sector closed the week at a PE of 4.56x.

Kakuzi gained by 6.3% w-o-w

Kakuzi gained by 6.3% w-o-w to close at KES 85.00, trading a total of 106,800 shares during the week. The counter gained 5.3% w-o-w the previous week.

Kapchorua Tea Company gained by 4.2% w-o-w to close at KES 125.00, trading a total of 12,200 shares during the week.

Rea Vipingo gained by 6.0% w-o-w

Rea Vipingo gained by 6.0% w-o-w to close at KES 22.00, trading a total of 61,800 shares during the week.

Sasini and Williamson gained by 9.2% and 9.7% to close the week at KES 13.05 and KES 250.00 respectively. Sasini traded 156,900 shares during the week while Williamson Tea traded 5,700 shares.

Banking Sector

The Banking sector closed the week at a PE of 10.06x.

DTB gained 6.2% as the top gainer in the banking sector

Diamond Trust Bank gained by 6.2% w-o-w to close at KES 154.00 as the top gainer in the banking category, trading a total of 156,300 shares during the week.

CFC Stanbic gained by 5.8% w-o-w to close at KES 62.50, trading a total of 240,700 shares during the week.

Equity Bank gained by 4.5% w-o-w

Equity Bank gained by 4.5% w-o-w to close at KES 34.75, trading a total of 4.9 million shares during the week. The counter gained by 10.8% w-o-w the previous week.

Kenya Commercial Bank gained by 2.4% w-o-w to close at KES 42.50 as the fifth top trader of the week, trading 7.4 million shares during the week. The counter gained by 7.8% w-o-w the previous week.

NIC bank dropped by 1.9% w-o-w to close at KES 52.50, trading a total of 588,400 shares during the week. The counter gained by 8.6% w-o-w the previous week, a rally fuelled by speculators ahead of the results announcement. The bank recorded a 25.3% increase in Profit before Tax to KES 4.5 billion in FY2012.

Commercials and Services Sector

The Commercial and Services Sector closed the week at a PE of 12.11x.

Kenya Airways dropped by 0.5% w-o-w to close at KES 10.90, trading a total of 1.8 million shares during the week. The counter also dropped by 0.5% w-o-w the previous week.

Nation Media Group gained by 6.8% w-o-w

Nation Media Group gained by 6.8% w-o-w to close at KES 379.00, trading a total of 129,400 shares during the week. The counter rallied by 10.6% w-o-w the previous week.

Scangroup gained by 2.1% w-o-w to close at KES 73.00, trading a total of 83,500 shares during the week.

Standard group gained by 19.4% w-o-w

Standard Group gained by 19.4% w-o-w to close at KES 37.00 as the second top gainer of the week, trading a total of 54,600 shares during the week. The counter gained by 25.3% w-o-w the previous week. Price appreciation may be linked to investor speculation before the group's results announcement.

Uchumi supermarket dropped by 1.1% w-o-w to close at KES 21.75 as the fifth top loser of the week, trading a total of 416,800 shares during the week.

Construction & Allied Sector

The Construction and Allied sector closed the week at a PE of 21.94x.

Bamburi Cement dropped by 5.5% w-o-w to close at KES 205.00 as the top loser of the week, trading a total of 5,200 shares during the week. The counter dropped by 0.9% w-o-w the previous week.

E.A. Portland Cement gained by 7.6% w-o-w

E.A. Portland Cement gained by 7.6% w-o-w to close at KES 57.00, trading a total of 60,600 shares during the week. The counter gained by 1.9% w-o-w the previous week.

Crown Paints gained by 13.5% w-o-w

Crown Paints gained by 13.5% w-o-w to close at KES 54.50 as the fifth top gainer of the week, trading a total of 75,700 shares during the week.

Energy and Petroleum Sector

The Energy and Petroleum sector closed the week at a PE of 8.24x.

KenGen gained by 5.1% w-o-w

KenGen gained by 5.1% w-o-w to close at KES 15.35, trading a total of 3.6 million shares during the week. The counter gained by 8.6% w-o-w the previous week.

KenolKobil gained by 6.0% w-o-w to close at KES 10.60, trading a total of 5.1 million shares during the week. The counter dropped by 4.8% w-o-w the previous week.

Total Kenya gained by 17.6% w-o-w

Total Kenya gained by 17.6% w-o-w to close at KES 15.40 as the third top gainer of the week, trading a total of 170,000 shares during the week. The counter dropped by 10.0% w-o-w the previous week after the company announced a loss before tax of KES 64.3 million for FY2012.

Insurance Sector

The Insurance sector closed the week at a PE of 6.88x.

Britam Investments gained by 5.2% w-o-w

Britam Investments gained by 5.2% w-o-w to close at KES 9.15, trading a total of 9.3 million shares during the week. The counter gained by 3.0% w-o-w the previous week.

CIC Insurance edged up by 4.6% w-o-w to close at KES 5.70, trading a total of 8.9 million shares during the week.

Kenya Re gained by 3.9% w-o-w

Kenya Re gained by 3.9% w-o-w to close at KES 16.20, trading a total of 2.5 million shares during the week. The counter gained by 8.0% w-o-w the previous week.

Liberty Kenya Holdings gained by 11.9% w-o-w to close at KES 11.25, trading a total of 686,600 shares during the week.

Investment Sector

The Investment sector closed the week at a PE of 16.44x.

Centum Investments gained by 3.0% w-o-w to close at KES 20.50, trading a total of 1.6 million shares during the week. The counter gained by 14.7% w-o-w the previous week.

Trans-Century gained by 10.0% w-o-w

Trans-Century gained by 10.0% w-o-w to close at KES 35.75, trading a total of 218,700 shares during the week. The counter dropped by 3.0% w-o-w the previous week.

Manufacturing & Allied Sector

The Manufacturing and Allied sector closed the week at a PE of 18.84x.

East African Breweries dropped by 1.3% w-o-w to close at KES 307.00 as the fourth top loser of the week, trading a total of 1.7 million shares during the week.

Mumias Sugar gained by 4.4% w-o-w to close at KES 4.70 as the second top trader of the week, trading a total of 13.3 million shares during the week.

Eveready gained by 27.9% w-o-w

Eveready gained by 27.9% w-o-w to close at KES 2.75 as the top gainer of the week, trading a total of 823,300 shares.

Unga Group gained by 17.1% w-o-w to close at KES 16.40 as the fourth top gainer of the week, trading a total of 29,200 shares during the week. The counter dropped by 5.4% w-o-w the previous week.

Telecommunication & Technology Sector

The Telecommunication and Technology sector closed the week at a PE of 19.62x.

Access Kenya gained by 5.1% w-o-w

Access Kenya gained by 5.1% w-o-w to close at KES 9.30, trading a total of 1.8 million shares during the week.

Safaricom gained by 5.0% w-o-w to close at KES 6.30 as the top trader of the week, trading a total of 77.5 million shares during the week. The counter gained by 3.4% w-o-w the previous 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 19.22 billion out of a target of KES 11.0 billion.

Bids accepted in the 91 day T-bill auction amounted to KES 2.24 billion

Bids received in the 91 day T-bill auction amounted to KES 2.24 billion (75% subscription). The bids that were accepted amounted to KES 2.24 billion and were accepted at a weighted average rate of 10.541% which was up 0.074% compared to a rate of 10.467% recorded in the previous auction.

Bids received in the 182 day T-bill auction amounted to KES 2.08 billion (76% subscription). The bids that were accepted amounted to KES 2.08 billion and were accepted at a weighted average rate of 10.892%.

Bids received in the 364 day T-bill auction amounted to KES 21.89 billion (438% subscription). The bids that were accepted amounted to KES 14.90 billion and were accepted at a weighted average rate of 12.618%.

The Secondary Market

Secondary bond turnover closed the week at KES 7.43 billion

The secondary bond market turnover closed the week at KES 7.43 billion, a 14.9% increase from KES 6.47 billion recorded the previous week. A total of 120 deals were transacted during the week compared to 70 deals transacted during the previous week.

During the week under review, the average traded yield on the five year paper stood at 12.15% while the average traded yield on long term papers such as the fifteen year paper stood at 13.3796%.

Market Outlook

The market is likely to gain with renewed investor confidence after the inauguration of President-elect Uhuru Kenyatta.

Counter	Recommendation	Comment
Centum	SPECULATIVE BUY	Due to the expected positive results announcement, the stock's current demand outstrips supply. We could see a sustained surge in price as the NAV (Net Asset Value) is expected to rise from the current level after release of results for the year ending March 2013.