

ABIS LIMITED

Apposite Business & Investment Services

We are in a Bear's (buyer's) market, now is the time to add to your portfolio

See ABIS additional Admin / HR BPO services (Page 5)

Markets Newsletter July 2015

Nairobi Securities Exchange

ABIS Limited is an Agent of Sterling Capital Limited

Month's Biggest Price GAINS

Kapchorua Tea Ltd	1 st Jul- Kshs.145.00cbxd	
	31 st Jul-Kshs.218.00cb xd	+50%
Kakuzi Ltd	1 st Jul- Kshs.301.00	
	31 st Jul Kshs.355.00	+18%
Trans-Century Ltd	1 st Jul- Kshs.13.00	
	31 st Jul - Kshs.15.20	+17%
Williamson Tea Ltd	1 st Jul- Kshs.366.00cbxd	
	31 st Jul Kshs.397.00cbxd	+8.5%
Marshalls Ltd	1 st Jul- Kshs.12.40	
	31 st Jul - Kshs.13.10	+6%

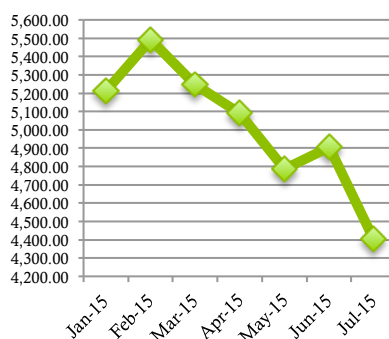
NSE INDEX



Month's Biggest Price DROPS

Kenya Airways Ltd	1 st Jul- Kshs.7.30	
	31 st Jul - Kshs.5.70	-22%
Centum Investment Co	1 st Jul- Kshs.65.00	
	31 st Jul -Kshs.52.00	-20%
Crown Paints K Ltd	1 st Jul- Kshs.77.50xa	
	31 st Jul -Kshs.62.50xa	-19%
Uchumi Supermarket	1 st Jul- Kshs.8.85xd	
	31 st Jul -Kshs.7.25xd	-18%
Mumias Sugar	1 st Jul- Kshs.2.30	
	31 st Jul - Kshs.1.90	-17%

NSE 20 Share Index EOM Movements 2015



No. of Deals 31,968 ↑ 21%

Total share volumes (MN) 678.84 ↑ 18%

Equity turnover. (Kshs. MN) 20,648 ↓ 5.30%

Mkt Cap. (Kshs. BN) 2077.77 ↓ 9.74%

Bonds Turnover (Kshs.MN) 10,730 ↑ 53%

Increased activity from foreign buyers taking advantage of the Bear market

Corporate Announcements & News

Equity Group Holdings Ltd

UN-AUDITED FINANCIALS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Jun-15	Jun-14	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	299,696,865	214,534,750	40%
Loans and Advances to Customers	236,815,137	186,513,517	27%
Total Comprehensive Income	7,290,441	7,321,694	-0.43%
EPS (Basic)	2.07	2.31	-10%

Equity bank recorded a 12% growth in PAT, which was attributed increased interest income (up by 13.5%). Whilst there was growth in subsidiaries and improvement in quality of lending, comprehensive income declined due to translation losses from its foreign operations as well as fair value changes in its available for sale financial assets. Equity's lending capacity got a boost after global institutional investors, including US development finance institution OPIC, committed to provide it with Kes52.5Bn for onward lending to youth, green energy investors and other groups.

National Bank of Kenya Ltd

UN-AUDITED FINANCIALS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Jun-15	Jun-14	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	97,151,395	91,271,433	6%
Loans and Advances to Customers	71,435,361	54,717,166	31%
Total Comprehensive Income	1,691,457	776,366	118%
EPS (Basic & Dilute)	5.62	2.77	103%

National Bank of Kenya registered significant growth in earnings, supported by both funded and non-funded income. The sale of property largely contributed to non-funded income appreciations (up by 227%), whilst net Interest Income (NII) grew by 19%. Its improved loan book together with deposits saw and improvement in the loan to deposit ratio at 74%, from 60% same time last year. Net Interest Margin (NIM) came in at 5% while operating expenses grew by 4%.

Kenya Airways Ltd

FULL YEAR RESULTS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Jun-15	Jun-14	INC/DEC
	Kshs.000'	Kshs.000'	
Net Revenue	110,161,000	106,009,000	4%
Gross Profit	8,170,000	18,251,000	-55%
Net Loss	(25,743,000)	(3,382,000)	661%
EPS (Basic & Dilute)	5.56	5.53	1%

Kenya airways recorded a loss of Kes25.7Bn, significantly larger than the previous year's loss of Kes3.4Bn. The carrier's project "Mawingu", a 10 year transformational strategy, seems not to have yielded the required turnaround it was looking for. Fleet ownership costs edged up 107% to Kes26Bn, from Kes12.5Bn in the previous year, and emanating from growth plans prior to its change in business fortunes. The firm's finance costs were up 95% as the firm took on more loans to sustain its short-term commitments, as well as the purchasing of new aircrafts. KQ attributed its losses to a drop in international oil prices that resulted in a Kes5.8Bn loss in their hedging agreement. Whilst the impact from an 11% decline in tourism arrivals and heavy investment in new aircrafts, on the back of travel advisories due to insecurity in Kenya and Ebola outbreak in West Africa, saw KQ report the largest company loss in its history.

East African Breweries Ltd

UN-AUDITED RESULTS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Jun-15	Jun-14	INC/DEC
	Kshs.000'	Kshs.000'	
Net Revenue	64,420,458	60,748,887	6%
Gross Profit	32,031,417	30,162,239	6%
Profit for the Year	9,574,905	6,858,608	40%
EPS (Dilute)	11.31	8.21	38%

A major contributor to the Brewer's 40% rise in profits was a Kes.1.8Bn profit from the sale of land. It's Kenya sales were weaker than expected growing only marginally by 3%. This was attributed to weaker sales in 'mainstream and emerging beers', management attributing this to 'consumer trade-up'. Further, some of its regional markets were hampered with political instability (S. Sudan, Burundi).

Uganda's revenue however grew 4% with its premium beers being major contributors. Performance was also boosted by a lower tax rate for the year; debt restructuring giving cheaper long-term loans and growth in the export market despite the currency weakness. EABL management stated that it plans to focus on more innovations, strengthening mainstream beers and improving the distributor program in Uganda and Kenya.

Source: NSE Announcements / Business Daily / Company corporate announcements

Corporate Announcements & News Cont'd

NIC Bank Partners With Cash Transfer Corporates

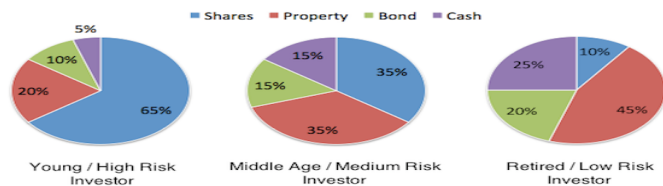
NIC Bank has partnered with three cash transfer service firms – MoneyGram, Western Union and Safaricom's M-Pesa. The partnerships will enable the Bank to process diaspora remittances and offer related transaction services to its customers. The partnerships will aid NIC Bank in boosting its non-funded income, which as a percentage of total operating income shrunk to 30% in 2014 from 35% in 2011. These measures are in line with the bank's strategy to grow its retail and SME customer base through a wider product offering. With the intention of better reaching these retail customers, NIC Bank is also planning to expand its branch network as well as upgrade its mobile banking platform. The Bank further seeks to attract cheaper deposits from the retail market, which will enable it to protect its Net Interest Margin Securities (NIMS).

Helios Exits Equity Group with Sale of shareholding to NSSF

The National Social Security Fund (NSSF) bought a 5.58% stake in Equity Group from private equity firm Helios Investment Partners in a deal that saw the latter complete its exit from the bank. This social Fund increased its investments in the local banking sector, having significant investments in National Bank (48.1%), KCB (6.17%) and Housing Finance (2.25%).

Helios also off loaded its stocks in the bank, prior, with 2.44% of its stake to NSSF Uganda for Kes4.5Bn, and 4.21% to UK-based fund, Genesis Investment Management LLP. for Kes7.3Bn. Helios, having seen its investment in the bank appreciate three fold, the new institutional investors are further betting on Equity maintaining its strong performance that has seen it emerge as the second-largest bank in the country in terms of assets and profitability. The Bank, current has over 10 million customers and Kes.400Bn in assets.

Investment Portfolios - ABIS Equity picks



SECTOR	12 MNTH HIGH	12 MNTH LOW	Portfolio monitoring commencement date 2-Jan-2015		HIGH	LOW	2-Jan-15	CMM	GAIN/LOSS	TYPE OF INV
			COMPANY	STATUS						
AGRICULTURAL										
	435.00	240.00	Williamson Tea Kenya Ltd Ord 5.00AIMS	cb xd	398.00	397.00	248.00	397.00	60	SPECULATIVE
AUTOMOBILES & ACCESSORIES										
	62.00	31.00	Car & General (K) Ltd Ord 5.00	xd	0.00	0.00	54.00	44.75	(17)	SLOW/STABLE
BANKING										
	18.45	14.00	Barclays Bank of Kenya Ltd Ord 0.50	0.00	14.35	14.00	16.75	14.05	(16)	STRONG/STABLE
	280.00	193.00	Diamond Trust Bank Kenya Ltd Ord 4.00	0.00	205.00	205.00	237.00	205.00	(14)	STABLE
	63.00	31.00	Equity Group Holdings Ltd Ord 0.50	0.00	43.00	37.00	50.50	39.25	(22)	STRONG/STABLE
	65.50	42.25	Kenya Commercial Bank Ltd Ord 1.00	0.00	51.00	45.50	57.00	50.00	(12)	STRONG/STABLE
	34.00	16.00	National Bank of Kenya Ltd Ord 5.00	0.00	20.50	18.10	24.75	18.90	(24)	SPECULATIVE
	85.00	47.00	NIC Bank Ltd Ord 5.00	0.00	53.00	49.00	57.50	49.50	(14)	STABLE
	357.00	261.00	Standard Chartered Bank Kenya Ltd Ord 5.00	0.00	280.00	261.00	334.00	270.00	(19)	STRONG/STABLE
	25.00	17.10	The Co-operative Bank of Kenya Ltd Ord 1.00	0.00	20.25	19.20	19.50	19.75	1	SPECULATIVE

COMMERCIAL & SERVICES										
	13.50	5.70	Kenya Airways Ltd Ord 5.00	0.00	5.75	5.70	8.70	5.70	(34)	LT/SPECULATIVE
	325.00	178.00	Nation Media Group Ltd Ord. 2.50	0.00	188.00	187.00	285.00	187.00	(34)	STRONG
	49.50	32.00	TPS Eastern Africa Ltd Ord 1.00	0.00	36.00	32.75	37.00	35.00	(5)	LT/SPECULATIVE
CONSTRUCTION & ALLIED										
	206.00	135.00	Bamburi Cement Ltd Ord 5.00	0.00	155.00	154.00	139.00	154.00	11	STRONG/STABLE

ENERGY & PETROLEUM										
	18.50	12.85	Kenya Power & Lighting Co Ltd Ord 2.50	0.00	16.10	15.90	14.25	16.00	12	STABLE
INSURANCE										
	40.00	14.00	British-American Investments Co.(Kenya) Ltd Ord 0.10	0.00	17.90	16.60	29.75	17.45	(41)	LT/SPECULATIVE
	12.40	6.00	CIC Insurance Group Ltd Ord.1.00	0.00	7.50	6.90	10.00	7.00	(30)	LT/SPECULATIVE
INVESTMENT										
	5.80	2.30	Home Afrika Ltd Ord 1.00GEMS	0.00	2.50	2.45	4.15	2.45	(41)	LT/SPECULATIVE
MANUFACTURING & ALLIED										
	355.00	250.00	East African Breweries Ltd Ord 2.00	cd	297.00	285.00	302.00	294.00	(3)	STRONG
	14.00	7.15	Flame Tree Group Holdings Ltd Ord 0.825GEMS	0.00	7.80	7.80	8.25	7.80	(5)	SPECULATIVE
TELECOMMUNICATION & TECHNOLOGY										
	17.90	11.75	Safaricom Ltd Ord 0.05	cd	15.00	14.05	14.15	14.40	2	LT/STRONG

Mutual Funds Performance

Cash Management Solution

Minimum investment Kshs.1.0Mn

Term	Rate Per Annum %
1 month	14.00
3 months	14.00
6 months	14.00
1 yr	13.00

US Dollar Minimum investment US\$100,000

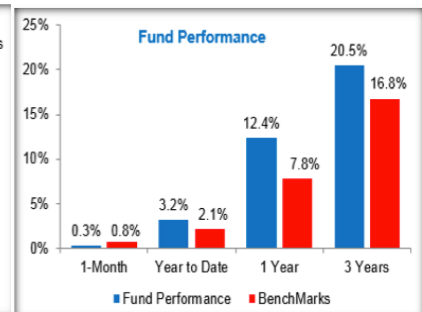
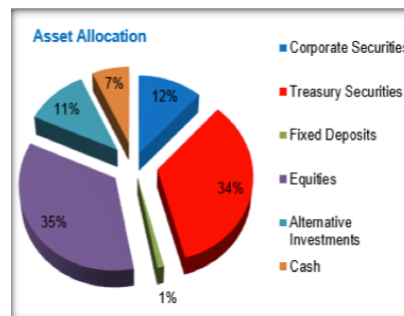
Term	Rate Per Annum %
1 month	3.00
3 months	3.00
6 months	3.00
1 yr	3.00



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British American Balanced Fund

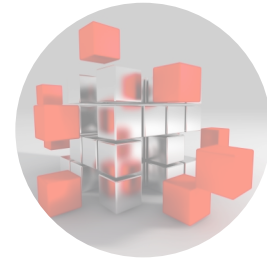
Fund Manager	Britam Asset Managers Kenya Ltd
Launch Date	4 th April 2006
Fund Size	KES.1.85Bn
Minimum Investment	KES.10,000
Annual Management Fee	2%
Custodian	Standard Chartered Bank Kenya
Trustees	Kenya Commercial Bank



Source: BRITAM – BRITAM Disclaimer: Unit Trusts are generally medium to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. In certain specified circumstances, the right to redeem the units may be suspended. Unit trust values are calculated on a net asset value basis, which is the total of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Unit Trusts are traded at ruling prices.

ABIS Limited

Other Services offered by ABIS Limited



Administrative Services – Additional Services being offered

ABIS views our Admin/HR BPO service as one that allows its clients to focus on their core activities, whilst reducing back office costs as well as flexibility in work patterns. With this in mind we are now adding to our BPO services. Our new value added services include the following:

Virtual Assistants – Though this may sound ‘too tech’ for some of you, but with today’s technology, nothing needs to be foregone when people are working away from the office. Our Virtual Assistants will provide you with dedicated and tailored administrative support needs. Services falling under this include:

- Creation of presentations & reports, Document formatting
- Content creation for newsletters, invitations etc.
- Calendar & meeting scheduling
- General correspondence
- Online research
- Database management & cleaning & updating (eg. Mailing lists)
-

Financial Services - Whilst out there servicing your clients & looking for business, you still need an eagle eye on your finances. ABIS now offers support in the following areas:

- General Book Keeping
- Accounts Payable
- Accounts Receivable
- Credit Control
- Payroll
-

Whether you have a constant or one off need for these or other services, ABIS will tailor our support to fit your requirements. So get in touch with us today.

Your Will

A will allows you to clearly set out and communicate to your family and friends, who you may wish to look after minor children, and who you wish to oversee your affairs.

Make the decision today to look after your affairs and loved ones. Talk to ABIS



Apposite Business & Investment Services

Member of Kenya Association of Stock Broker & Investment Banks

Apposite Business & Investment Services (ABIS)
focusing on providing the missing services for businesses and individuals in East Africa

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