

# ABIS LIMITED

Apposite Business & Investment Services

## Markets Newsletter November 2015

### Nairobi Securities Exchange

ABIS Limited is an  
Agent of Sterling  
Capital Limited

#### Month's Biggest Price GAINS

ARM Cement Ltd	2 <sup>nd</sup> Nov– Kshs.36.75	30 <sup>th</sup> Nov –Kshs.46.75	+27%
Jubilee Holdings Ltd	2 <sup>nd</sup> Nov– Kshs.420.00	30 <sup>th</sup> Nov - Kshs.515.00	+23%
WPP Scangroup Ltd	2 <sup>nd</sup> Nov– Kshs.25.50	30 <sup>th</sup> Nov – Kshs.29.75	+17%
Nation Media Ltd	2 <sup>nd</sup> Nov– Kshs.135.00	30 <sup>th</sup> Nov - Kshs.155.00	+15%
Eveready E. A. Ltd	2 <sup>nd</sup> Nov– Kshs.2.55	30 <sup>th</sup> Nov Kshs.2.90	+14%

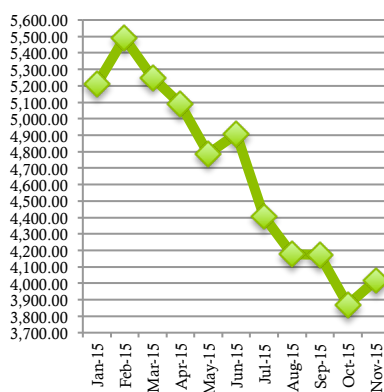
#### NSE INDEX



#### Month's Biggest Price DROPS

Trans-century Ltd (AIMS)	2 <sup>nd</sup> Nov– Kshs.12.10	30 <sup>th</sup> Nov – Kshs.9.90	-19%
Uchumi Supermarkets Ltd)	2 <sup>nd</sup> Nov– Kshs.8.90xd	30 <sup>th</sup> Nov –Kshs.7.90cd	-11%
Kenya Airways Ltd	2 <sup>nd</sup> Nov– Kshs.5.30	30 <sup>th</sup> Nov –Kshs.4.80	-9%
Kengen Co. Ltd	2 <sup>nd</sup> Nov– Kshs.8.55	30 <sup>th</sup> Nov –Kshs.7.75	-9%
Crown Paints Ltd	2 <sup>nd</sup> Nov– Kshs.64.00xa	30 <sup>th</sup> Nov – Ksh.58.50	-9%

#### NSE 20 Share Index EOM Movements 2015



No. of Deals 30,507 ↑ 9%

Total share volumes (MN) 440.53 ↓ 19%

Equity turnover. (Kshs. MN) 12,457.63 ↓ 31%

Mkt Cap. (Kshs. BN) 2018.13 ↑ 5%

Bonds Turnover (Kshs.MN) 20,216.2 ↓ 32%

*Both equity & bond turnover declined, but the Index & market capitalisation were marginally up*



## Corporate Announcements & News

### Cooperative Bank of Kenya Limited

#### UN-AUDITED FINANCIALS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Sep-15		Sep-14 INC/DEC
	Kshs.000'		
Customer Deposits	253,532,436	200,439,305	26%
Loans and Advances to Customers	212,360,028	175,970,122	21%
Total Comprehensive Income	8,607,797	6,944,206	24%
EPS (Basic & Dilute)	1.76	1.29	36%

Cooperative bank attributed its healthy earnings growth to the success of its transformation agenda dubbed 'Soaring Eagle'. The agenda is delivering the promised efficiencies with staff costs falling substantially and staff productivity increasing by 40% in its reorganized branches. The bank reported a drop in its cost to income ratio to 49%, from a high of 59% in December, 2014. Whilst earnings received an additional boost from the South Sudan subsidiary which reported a profit before tax of Kes246.8Mn. The group expects positive growth with the increased momentum, revamped ICT infrastructure, profitable operations in S.Sudan and other new frontiers.

### Kenya Airways Limited

#### UN-AUDITED FINANCIALS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Sep-15		Sep-14 INC/DEC
	Kshs.000'		
Revenue	56,720,000	56,788,000	-0.12%
Operating Loss	(2,176,000)	(10,450,000)	-79%
Total Comprehensive Loss	(27,898,000)	(13,212,000)	111%
Loss Per Share	(7.99)	(6.99)	14%

Kenya Airways continued to report losses, reporting a loss per share of Kes7.99 compared to Kes6.99 in 2014. The widened loss continued to be attributed to higher finance costs as well as a Kes1.3Bn loss on its fuel derivatives compared to a Kes681Mn gain previously recorded. In addition, the company made foreign exchange losses of Kes4.91Bn from Kes1.2Billion related to revaluation of loans. The airline's total equity was in negative territory at kes33.9Bn due to a revaluation of its dollar denominated long term loans and cumulative losses. Going forward, the airline plans to stop hedging and embark on a turnaround plan that will involve converting half of the short-term debt (Kes25Bn) to long-term debt among other initiatives.

### I&M Holdings Limited

#### UN-AUDITED FINANCIALS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Sep-15		Sep-14 INC/DEC
	Kshs.000'		
Customer Deposits	117,388,619	94,626,426	24%
Loans and Advances to Customers	116,241,583	98,561,399	18%
Total Comprehensive Income	3,548,877	3,908,176	-9%
EPS (Basic)	10.90	9.60	14%

I&M Holdings reported a 13% rise in its profit after tax but a 9% decrease in its comprehensive income due to revaluations in its assets. The results excluded earnings from Bank One Ltd, which has been held under I&M Holdings Ltd as from August 2014. Net Interest Income rose 19.7%. Interest expense rose by 27%, springing from the 24% increase in customer deposits. Operating expenses grew 22% largely from a 26%, 21% and 27% increase in other expenses, staff expenses and rental costs respectively

### Barclays Bank Kenya Limited

#### UN-AUDITED FINANCIALS FOR THE PERIOD ENDED

GROUP ACCOUNTS	Sep-15		Sep-14 INC/DEC
	Kshs.000'		
Customer Deposits	159,448,264	152,830,560	4%
Loans and Advances to Customers	138,997,894	126,257,900	10%
Total Comprehensive Income	5,183,572	6,388,197	-19%
EPS (Basic)	1.18	1.15	3%

Barclays Bank Kenya announced a Kes6.4Bn profit after tax from Kes6.2Bn in 2014. It attributed the slight growth to a 10% rise in its loans largely coming its retail and SME segment. Barclays reviewed its unsecured lending cap upwards to Kes6Mn for the SME sector. The bank's total interest income grew by 9% to Kes18.5Bn, on the back of increased lending. The lender's total non-performing loans to net loans stood at 4.1%, below the 5.7% seen in the overall banking industry.

### New Import Cargo Rules WEF 1<sup>st</sup> December 2015

All cargo imported into the country will undergo mandatory inspection at the point of origin starting 1<sup>st</sup> December, 2015 as the government moves to enforce a mechanism aimed at curbing tax evasion and entry of substandard goods. Upon the completion of pre-shipment verification procedures, importers and exporters are usually handed a Certificate of Compliance (CoC). Consignments shipped before 30<sup>th</sup> November, 2015 will be exempt from the provision of Pre-export Verification of Conformity (PVoV) scheme. Only a handful of goods will be exempt from this requirement. These are raw materials for processing into finished products, spare parts for own use by manufacturers and customized machinery not meant for sale. Any regulated goods coming at the port of entry without a CoC will be subjected to a destination inspection process at a fee equivalent to 15% of the cost of insurance and freight value of the same.



## Corporate Announcements & News Cont'd

### STANLIB Investments IPO results

After extending its IPO by one week STANLIB Investments announced that it raised Kes.3.6Bn of its targeted funds of Kes.12.5Bn. The disappointing uptake of the new instrument was attributed to strong competing funds from treasury bills, which during the period were being auctioned at rates above 22%, as well as investors unfamiliarity with the concept. The collapse of Imperial Bank resulting in bank jitters also dampened the investment environment. Nevertheless the company considered the outcome to be successful as it was beyond the threshold of Kes.2.6Bn.



### Atlas Development closes operations in Kenya

Oil and Logistics firm, Atlas Development & Support Services, announced the closing down of its Kenyan operations but the holding firm will remain listed on the Nairobi Securities Exchange. The firm cited several reasons for the closure including; the downturn in the Oil and Gas industry, increasing creditor pressure, market adjustments and the failure of certain key clients to settle debts. The oil and gas logistics firm's operations mainly centred on two large contracts with oil exploration firm Tullow and the Geothermal Development Corporation (GDC), which accounted for more than 90% of its outstanding debt. The closed Kenyan subsidiaries include; Ardan Logistics, Ardan Medical Services and Ardan Civil Engineering. Atlas recently entered into partnership with Ethiopian infrastructure company, Orchid Group and acquired a stake in East Africa Packaging Holdings Ltd, also of Ethiopia, in an effort to diversify its business from just oil and gas logistics into industrial operations. The firm's Kenyan shareholders will continue to hold their stake but will rely on the Ethiopian businesses for returns.



### UK property firm St Pauls Properties PLC, pushes NSE listing to 2016

A second real estate firm was due to have been listed on the NSE this year, however the UK's St Paul's Property Trust PLC has pushed its listing to early next year (2016), due to 'the current atmosphere of unsteady equity markets and volatile interest rates..' However the company will enter the market through a full Initial Public Offer (IPO) rather than the originally planned, limited placement on the GEMs board. The company invests in triple A government and quasi government properties outside of London, and at the helm are directors who have been in the properties market both in the UK and Kenya.



## Mutual Funds Performance

### Cash Management Solution

Minimum investment Kshs.1.0Mn

Term	Rate Per Annum %
1 month	13.00
3 months	16.00
6 months	12.00
1 yr	12.00

US Dollar Minimum investment US\$100,000

Term	Rate Per Annum %
1 month	1.00
3 months	1.50
6 months	2.00
1 yr	2.50



ABIS Limited  
is an Agent of BAAM



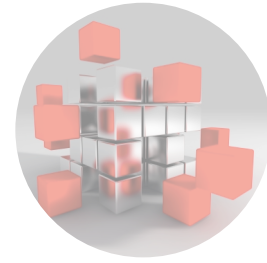
*Seasons Greetings  
We thank you for your support in 2015 and wish you best in 2016*

# ABIS Limited

*Other Services offered by ABIS Limited*

## Administrative Services – Tips for running a smoother office

- Keep things organised
- Respond to and answer phones
- Take messages / notes, communicate & act upon what needs to be done
- Deal with customer requests/complaints/changes until above satisfactory conclusion
- Use formal documentation: contracts, transmittals, orders, invoices, letters, emails (formal) etc
- File documents & have file contents, location etc
- Schedule & monitor other peoples time & use of
- Make & keep appointments
- Plan individual tasks (work)
- Use check lists & group tasks
- Record miscellaneous items “to do”
- Communicate what needs to be communicated promptly & clearly



*All this work requires juggling, managing, and keeping track of details (information).  
Better information management lets you be more proactive, less reactive, and gives you peace of mind that important details are covered.*

*Better information management results in a smoother running office for you. Better managed Jobs, more reliable estimates, increased productivity, in better customer relations, more consistency and lower costs. Better information management also means happier customers, happier co-workers, and more profitable Jobs, resulting in a more profitable business - and that should be music to everyone's ears.*

*To succeed in business in the formative years:*

*Personal involvement  
Continuous monitoring*

## 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 Limited*



**Apposite Business & Investment Services**

*Member of Kenya Association of Stock Broker & Investment Banks*

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

