



ABIS LIMITED

Apposite Business & Investment Services

July 2014

See Details Of
The Nairobi
Securities
Exchange (NSE)
IPO Below

Markets Newsletter July 2014

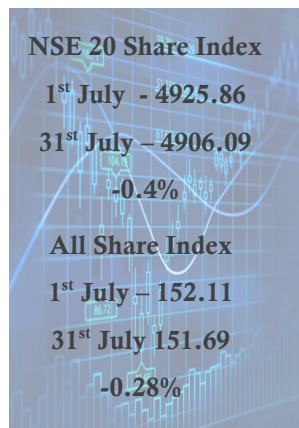
Nairobi Securities Exchange

ABIS Limited is an
Agent of Sterling
Capital Limited

Month's Biggest Price GAINS

Kakuzi Ltd	1 st July – Kshs.125.00	31 st July –Kshs.173.00	+38%
Car & General	1 st July – Kshs.38.00	31 st July Kshs.45.00	+18%
Centum Investments	1 st July – Kshs.40.00	31 st July– Kshs.47.00	+18%
Diamond Trust Kenya	1 st July – Kshs.219.00	31 st July– Kshs.246.00	+12%
Standard Group	1 st July – Kshs.32.25	31 st July – Kshs.35.25	+9%

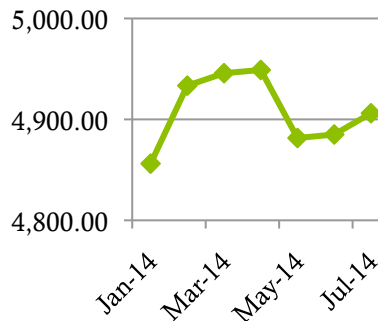
NSE INDEX



Month's Biggest Price DROPS

Home Afrika	1 st July – Kshs.4.45	31 st July – Kshs.3.35	-25%
Mumias Sugar	1 st July – Kshs.2.95	31 st July – Kshs.2.40	-19%
CIC Insurance	1 st July – Kshs.9.85cbxd	31 st July –Kshs.8.30xd	-16%
KenGen Co.	1 st July – Kshs.10.65	31 st July–Kshs.9.20	-14%
TranCentury	1 st July – Kshs.25.50	31 st July–Kshs.23.00	-10%

NSE 20 Share Index EOM Movements 2014



No. of Deals 41,434 ↑ 2.55%
 Total share volumes (MN) 625 ↓ 21%

Equity turnover. (Kshs. MN) 15,309 ↓ 22%
 Mkt Cap. (Kshs. BN) 2125.31 ↑ 0.88%
 Bonds Turnover (Kshs.MN) 48,678 ↑ 75%

With mid year announcements coming out, prices are beginning to rise

Source: Sterling Capital Limited Disclaimer: Whereas the information contained herein is deemed to be from a reliable source, ABIS Limited takes no responsibility for any decisions made on the basis of this information, as well as any inaccuracies.

**CONTACT ABIS
TO MAKE
YOUR
INVESTMENT**

Corporate Announcements (Extracts)

NAIROBI SECURITIES EXCHANGE LTD – IPO

Table 1: Key Statistics

Report Date	31-Jul-14
Par Value	4.00
Offer Price	9.50
Authorized Shares 212,500,000	212,500,000
Authorized Share Capital, KES	850,000,000
Issued and Fully Paid up Shares	128,625,000
Issued and Fully Paid up Shares, KES	514,500,000
Offer Shares	66,000,000
Gross Proceeds of Offer, KES	627,000,000
Immediate Dilution	34%
TTM PER	4.66X
Minimum Success Rate	68.80%

Source: Sterling Capital Ltd

The Nairobi Securities Exchange (NSE) intends to list in the main Investment Segment of the Exchange reflecting full demutualization. The Company plans to issue 66 Million shares at an offer price of KES 9.50. The funds will be utilized to settle the KES 300 Million loan extended in 2012 implying increased savings going forward. **The minimum size allocation is 500 shares with applications in multiples of 100 shares thereafter.** The offered shares have been split into 2 pools; 2.5Mn are reserved for employees of the NSE while the balance of 63.5Mn shares are offered to the public.

Timetable of Events

Offer Opens	24-Jul-14
Offer Closes (Closure Date)	12-Aug-14
Public Announcement of Results	3-Sep-14
Electronic Crediting of CDS Accounts	4-Sep-14
Self-Listing and Trading	9-Sep-14

<https://www.nse.co.ke/nseipo/index.html#p=1>

HOUSING FINANCE COMPANY

HALF YEAR UN-AUDITED FINANCIAL REPORTS

GROUP ACCOUNTS	Jun-14	Jun-13	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	27,664,743	25,847,515	7%
Loans & Customer Advances	38,806,743	32,478,823	19%
Total Comprehensive Income	474,442	417,121	14%
EPS (Diluted)	4.11	3.44	19%

Loans and Advances to Customers increased by 19% over a similar period in 2013. The mortgage financier received a license to operate as a Real Estate Investment Trust (REIT) Trustee from the Capital Markets Authority. It further plans to leverage on its partnership with Britam to explore the possibility of issuing a joint REITs. Britam recently announced plans to acquire Equity Bank's 24.76% shareholding in Housing Finance to bring its direct and indirect control to approximately 46.08% of the issued share capital of the company. The transaction is subject to approval by the CMA.

NIC BANK LTD

HALF YEAR UN-AUDITED FINANCIAL REPORTS

GROUP ACCOUNTS	Jun-14	Jun-13	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	93,481,606	91,565,005	2%
Loans and Advances to Customers	91,517,322	83,493,313	10%
Profit For the Year	2,041,436	1,866,727	9%
EPS (Diluted)	3.42	3.44	-1%

NIC Bank Group's rise in earnings was mainly due to an improved interest income which in the first half of the year grew 19.7% to Ksh6.67 Billion. The mid-sized lender, which also has presence in Uganda and Tanzania, saw its customer loans book grow to Ksh91.5bn (10%). The group MD, attributed its growth in profitability to "improved lending to key sectors of the economy" in the region, The Group however is cautious on its exposure to security risks.

Source: Nairobi Securities Exchange / Sterling Capital Limited / Daily Nation & Business Daily

Corporate Announcements Cont'd (Extracts)

KCB GROUP

HALF YEAR UN-AUDITED FINANCIAL REPORTS

GROUP ACCOUNTS	Jun-14	Jun-13	INC/DEC
	Kshs.000'	Kshs.000'	
Customer Deposits	351,602,752	287,721,186	22%
Loans & Customer Advances	244,014,013	214,084,969	14%
Total Comprehensive Income	7,713,469	7,796,170	-1%
EPS (Diluted)	5.48	4.82	14%

Kenya's largest bank by asset base & geographical spread, weathered the political storm in S. Sudan with the business contribution of 7.1% to total group earnings. KCB group, currently controls nearly half of the S. Sudan banking market plans to open two more branches in Juba in the month of August.

TPS EASTERN AFRICA

HALF YEAR UN-AUDITED FINANCIAL REPORTS

GROUP ACCOUNTS	Jun-14	Jun-13	INC/DEC
	Kshs.000'	Kshs.000'	
Total Turnover	2,711,993	2,921,193	-7%
Profit After Tax	41,475	141,077	-71%
Total Comprehensive Income	(29,062)	106,078	-127%
EPS (Diluted)	0.13	0.69	-81%

The Group faced a challenging business landscape in Kenya during the first half year 2014, as foreign leisure and to a lesser extent, corporate business segments took a cautious approach due to the elevated travel advisories and other forms of security alerts issued by governments of main source markets. Kenya's coastal region is currently experiencing a harsh business climate. However, Serena Tanzania and Serena Uganda recorded good performances during the period under review.

EAST AFRICAN CABLES

HALF YEAR UN-AUDITED FINANCIAL REPORTS

GROUP ACCOUNTS	Jun-14	Jun-13	INC/DEC
	Kshs.000'	Kshs.000'	
Total Turnover	2,607,223	2,232,734	17%
EPS (Basic & diluted)	0.82	0.81	1%
Total Comprehensive Income	231,822	228,077	2%

The Group's revenue grew by 17% attributable to increased volumes driven by new markets. Though London Metal Exchange prices declined by 12% in the same period, the company's earnings remained stable due to growth in volumes its change in business mix. The Group is in the process of completing the modernization of its Kitui Road Factory, costing Ksh600Mn, in line with its strategy to venture into new markets. The project is due for completion in November 2014.

ATHI RIVER MINING

HALF YEAR UN-AUDITED FINANCIAL REPORTS

GROUP ACCOUNTS	Jun-14	Jun-13	INC/DEC
	Kshs.000'	Kshs.000'	
Total Turnover	7,566,879	6,499,126	16%
EPS (Basic)	3.4	2.8	21%
Comp. Income	847,223	702,692	21%

The Group's cement sales increased in Kenya by 10% and in Tanzania by 38% as the Rhino Cement Brand continued to increase distribution throughout the country. The Cement Maker's Mavuno Fertilizer business recorded significant growth following its recommendations for the use of Mavuno in the 'Soil Suitability Evaluation Report' by Kenya's Ministry of Agriculture. ARM Cement is set to build Kenya's 'biggest plant' in Kitui County, setting it up to take on the big players in the market, which will include Africa's richest man, Aliko Dangote who plans to open a Kes34.8 Billion plant in Kenya.

EQUITY BANK – Sells its Housing Finance Stake to Britam

Financial services firm Britam is set to buy the entire Equity Bank stake in mortgage firm Housing Finance in a deal valued at Ksh2.2 Billion. Britam hold a 10.1% stake in Equity and already has a 21.46% stake in Housing Finance, meaning the impending deal could push its ownership of the mortgage firm to 46%. The deal is in line with Britam's new found deal making ways that have recently seen it spend more than Ksh1.6 Billion in two acquisitions. Equity's disposal of its 24.76% stake in Housing Finance is seen as driven by the new stringent banking rules that effectively curtailed the lender's ambitious plan for the mortgage firm. The sale will see Equity end its seven-year investment in the mortgage financier with a return of more than 500%, including dividends that the lender has been receiving from HF over the years.

Corporate Announcements Cont'd (Extracts)

BRITISH AMERICAN TOBACCO KENYA (BAT)

HALF YEAR UN-AUDITED FINANCIAL REPORTS

GROUP ACCOUNTS	Jun-14	Jun-13	INC/DEC
	Kshs.000'	Kshs.000'	
Total Turnover	10,308,000	9,039,000	14%
EPS (Basic & diluted)	17.93	15.66	14%
Comp. Income	1,793,000	1,566,000	14%

The Group's revenue increased by 14% driven by incremental contract manufacturing volumes, the benefit of foreign exchange movements arising from export sales as well as an improved performance on the domestic market. Contribution to Government revenues, increased by 8% over the prior period to Ksh7.6 Billion.

TULLOW OIL - Announces fresh oil & gas finds

British exploration firm Tullow Oil announced a fresh discovery of oil & gas deposits, as its Canadian partner Africa Oil also announced a gas discovery at another site in Northern Kenya. Tullow discovered 39 metres of net oil pay and 11 metres of net gas, in Ngamia-2 well, some 1.7KM from the Ngamia-1, the country's maiden site find in early 2012. Whilst Africa Oil discovered its gas deposits in a 100 metre range of the Sala-1 site, adding that it will commence tests to ascertain the exact deposit amount and its viability. The two discoveries, which came just after Australia's Pan-continental Oil and Gas NL discovered oil in the Lamu Basin, collectively inch Kenya close to commercial production of both oil and gas. Tullow oil has committed to meet the Government's target of commercialising oil by 2017, describing the resources already discovered as highly marketable internationally.

Mutual Funds Performance

BRITAM PROPERTY INVESTMENTS

Type of Fund	Benefits	Typical investors
Property Partnership Funds e.g. Langata House	Stable returns i.e. rental income	High net worth Individuals
	Capital appreciation	Institutions e.g. pension schemes, investment groups, SACCOs
	Liquidity	
	High yields target of 6-12% and additional, about 5%, capital appreciation	
	Hedge against inflation and market volatility	
	Exposure to prime property investments	
Real Estate Investment Trusts (REITs) (Our REIT is still in the formation process)	Stable returns i.e. rental income	Retail investors
	Capital appreciation	Institutions
	Liquidity	
	High yields	
	High yields target of 6-12% and additional about 5% capital appreciation	
	Hedge against inflation and market volatility	
BAAM Real Estate Fund (BREF)	Exposure to prime property development	High net worth individuals
	Superior risk adjusted returns	Institutions
Structured Solutions e.g. BOTs and Sale and Lease Back	Flexibility	Institution such as Schools, hospitals
	Liquidity e.g. an investor is able to access funds for immediate use while still enjoy use of a property through sale and lease back	Individuals
	BOTs give investors a chance to own developed properties with minimum cash investments	



ABIS Limited
is an Agent of BAAM

Source: Nairobi Securities Exchange – Company announcements / Daily Nation, Business Daily. BRITAM – Mutual funds – Property Educator Newsletter July 14

Nairobi Securities Exchange Price List Extracts – 1st July – 31st July 2014 Comparison

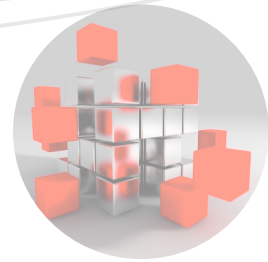
	1st JULY, 2014				31st JULY, 2014						
	TRADING STATUS	HIGH	LOW	VWAP	HIGH	LOW	TRADING STATUS	HIGH	LOW	VWAP	VWAP % INC/DEC
AGRICULTURAL											
Eaagads Ltd Ord 1.25 AIMS		33.50	33.50	33.50	36.75	21.00		34.50	34.50	34.50	2.99
Kakuzi Ltd Ord 5.00				125.00	174.00	80.00		174.00	160.00	173.00	38.40
Kapchorua Tea Co. Ltd Ord Ord 5.00 AIMS	xd			153.00	167.00	110.00	xd			135.00	-11.76
The Limuru Tea Co. Ltd Ord 20.00 AIMS				670.00	670.00	450.00				670.00	0.00
Rea Vipingo Plantations Ltd Ord 5.00	S			27.50	30.00	16.20	S			27.50	0.00
Sasini Ltd Ord 1.00		16.40	15.70	16.00	19.95	11.25		16.00	15.95	15.95	-0.31
Williamson Tea Kenya Ltd Ord 5.00 AIMS	xd			281.00	350.00	210.00	xd	289.00	285.00	288.00	2.49
AUTOMOBILES & ACCESSORIES											
Car & General (K) Ltd Ord 5.00		38.00	38.00	38.00	50.00	21.00		48.00	44.00	45.00	18.42
CMC Holdings Ltd Ord 0.50	S			13.50	-	-	S			13.50	0.00
Marshalls (E.A.) Ltd Ord 5.00		9.00	9.00	9.00	13.50	8.00		9.00	9.00	9.00	0.00
Sameer Africa Ltd Ord 5.00	xd	7.70	7.50	7.50	9.40	4.50		8.00	7.75	7.80	4.00
BANKING											
Barclays Bank of Kenya Ltd Ord 0.50		17.20	16.50	16.95	19.15	15.00		17.20	16.60	16.95	0.00
CFC Stanbic of Kenya Holdings Ltd ord. 5.00	xd	130.00	129.00	129.00	155.00	62.50	xd	130.00	127.00	128.00	-0.78
Diamond Trust Bank Kenya Ltd Ord 4.00		222.00	219.00	219.00	250.00	141.00		248.00	245.00	246.00	12.33
Equity Bank Ltd Ord 0.50		48.00	46.25	47.00	50.00	29.50		46.00	44.00	45.25	-3.72
Housing Finance Co. Kenya Ltd Ord 5.00		48.00	45.00	46.75	51.00	22.00	cd	45.75	44.25	45.25	-3.21
I&M Holdings Ltd Ord 1.00		140.00	140.00	140.00	147.00	85.00		140.00	140.00	140.00	0.00
Kenya Commercial Bank Ltd Ord 1.00		53.00	50.50	52.00	55.50	35.50		55.50	53.00	54.50	4.81
National Bank of Kenya Ltd Ord 5.00		30.00	29.75	29.75	39.25	18.50		29.00	28.75	28.75	-3.36
NIC Bank Ltd Ord 5.00		59.50	57.50	58.50	68.00	48.50		62.00	61.00	61.00	4.27
Standard Chartered Bank Kenya Ltd Ord 5.00		310.00	310.00	310.00	340.00	271.00		310.00	308.00	309.00	-0.32
The Co-operative Bank of Kenya Ltd Ord 1.00		19.30	18.55	19.00	25.00	14.50		19.15	19.00	19.05	0.26
COMMERCIAL AND SERVICES											
Express Kenya Ltd Ord 5.00 AIMS		7.00	7.00	7.00	8.00	3.40				7.00	0.00
Hutchings Biemer Ltd Ord 5.00	S			20.25	-	-	S			20.25	0.00
Kenya Airways Ltd Ord 5.00		10.50	10.20	10.40	14.70	8.30		10.30	10.10	10.25	-1.44
Longhorn Kenya Ltd Ord 1.00 AIMS	xd	17.00	16.50	16.90	18.00	5.00	xd	16.20	15.95	16.00	-5.33
Nation Media Group Ltd Ord. 2.50	xd	315.00	307.00	311.00	400.00	271.00		310.00	307.00	308.00	-0.96
Scangroup Ltd Ord 1.00		46.00	45.00	46.00	247.00	42.50		47.00	45.00	46.00	0.00
Standard Group Ltd Ord 5.00	xd	32.25	32.25	32.25	39.00	24.50		35.50	35.00	35.25	9.30
TPS Eastern Africa Ltd Ord 1.00		37.00	35.00	35.50	56.50	32.00		37.00	36.50	36.75	3.52
Uchumi Supermarket Ltd Ord 5.00		12.50	12.25	12.30	24.00	11.00		12.40	12.10	12.10	-1.63
CONSTRUCTION & ALLIED											
ARM Cement Ltd Ord 1.00	cd	80.00	79.00	79.50	98.50	60.00	xd	81.00	79.00	79.00	-0.63
Bamburi Cement Ltd Ord 5.00	cd	175.00	173.00	173.00	225.00	170.00		175.00	175.00	175.00	1.16
Crown Paints Kenya Ltd Ord 5.00	xd	97.00	96.00	96.50	100.00	75.00	xd	100.00	100.00	100.00	3.63
E.A.Cables Ltd Ord 0.50		16.15	15.30	15.80	18.00	13.50		16.50	16.40	16.45	4.11
E.A.Portland Cement Co. Ltd Ord 5.00		84.00	80.00	83.00	110.00	56.50				78.00	-6.02
ENERGY & PETROLEUM											
KenGen Co. Ltd Ord. 2.50		10.90	10.25	10.65	17.90	8.70		9.30	9.00	9.20	-13.62
KenolKobil Ltd Ord 0.05		8.75	8.70	8.70	11.80	7.90		8.35	8.10	8.25	-5.17
Kenya Power & Lighting Co Ltd Ord 2.50		13.45	13.30	13.35	20.75	12.85		13.10	12.90	13.00	-2.62
Kenya Power & Lighting Ltd 4% Pref 20.00				8.00	-	-				8.00	0.00
Kenya Power & Lighting Ltd 7% Pref 20.00				5.50	5.50	5.50				5.50	0.00
Total Kenya Ltd Ord 5.00	xd	25.50	25.00	25.25	28.75	12.65	xd	24.50	23.00	23.50	-6.93
Umeme Ltd Ord 0.50			19.00		25.00	13.00		19.00	19.00	19.00	0.00
INSURANCE											
British-American Investments Co.(Kenya) Ltd Ord 0.10		24.00	20.25	21.75	24.00	7.30		24.00	23.25	23.50	8.05
CIC Insurance Group Ltd Ord.1.00	cb xd	10.00	9.50	9.85	12.20	4.20	xd	9.00	8.00	8.30	-15.74
Jubilee Holdings Ltd Ord 5.00	xd			392.00	424.00	217.00		381.00	381.00	381.00	-2.81
Kenya Re Insurance Corporation Ltd Ord 2.50	xd	19.70	19.25	19.70	21.00	13.10		18.50	17.60	18.05	-8.38
Liberty Kenya Holdings Ltd Ord.1.00	xd	18.50	18.30	18.35	23.00	9.20	xd	17.95	17.70	17.80	-3.00
Pan Africa Insurance Holdings Ltd Ord 5.00	xd	136.00	126.00	132.00	145.00	51.50		129.00	125.00	126.00	-4.55
INVESTMENT											
Centum Investment Co Ltd Ord 0.50		41.25	39.50	40.00	49.00	17.05		47.75	46.00	47.00	17.50
Olympia Capital Holdings Ltd Ord 5.00		5.70	5.20	5.25	6.40	3.50		5.30	4.80	4.90	-6.67
Trans-Century Ltd Ord 0.50 AIMS		25.50	25.50	25.50	37.75	20.00		24.00	23.00	23.00	-9.80
MANUFACTURING & ALLIED											
A.Baumann & Co Ltd Ord 5.00 AIMS	S			11.10	-	-	S			11.10	0.00
B.O.C Kenya Ltd Ord 5.00		150.00	148.00	149.00	190.00	100.00		148.00	148.00	148.00	-0.67
British American Tobacco Kenya Ltd Ord 10.00		680.00	670.00	678.00	699.00	521.00	cd	650.00	650.00	650.00	-4.13
Carbacid Investments Ltd Ord 1.00		28.00	27.50	27.50	67.50	27.50		28.00	27.75	27.75	0.91
East African Breweries Ltd Ord 2.00		293.00	284.00	290.00	426.00	212.00		297.00	290.00	292.00	0.69
Eveready East Africa Ltd Ord.1.00		3.85	3.40	3.65	4.00	1.90		3.70	3.40	3.45	-5.48
Kenya Orchards Ltd Ord 5.00 AIMS				9.45	9.45	4.40				10.25	8.47
Mumias Sugar Co. Ltd Ord 2.00		3.00	2.85	2.95	5.05	2.25		2.50	2.40	2.40	-18.64
Unga Group Ltd Ord 5.00		34.00	32.50	32.75	38.50	14.00		32.25	32.00	32.25	-1.53
TELECOMMUNICATION & TECHNOLOGY											
Safaricom Ltd Ord 0.05	cd	13.00	12.50	12.65	13.40	6.15	cd	12.40	12.05	12.20	-3.56
GROWTH ENTERPRISE MARKET SEGMENT (GEMS)											
Home Afrika Ltd Ord 1.00		4.70	4.40	4.45	25.00	3.30		3.70	3.30	3.35	-24.72

ABIS Limited

Other Services offered by ABIS Limited

NSSF Act Implementation – New Rates

- Whilst the matter still continues to be argued in the courts, the 1st of June implementation took place and it is apparent that if an employer chose to pay at the old rates, their payments were rejected by NSSF.
- The Fund is expected to generate Kshs.118Bn (US\$1.35Bn) over a five year period from the current total annual level of Kshs.8.bn, according to the CEO. These funds will be invested in public & private equity and off shore investments. The CEO justified the increase with the aim of ‘..making Kenyans save for their future...’ and boost savings in Kenya.
- Compared to our East African neighbours, Tanzania has the highest average pension saving of 20%, Kenya & Burundi have 10%, and Rwanda has the lowest at 8%. Uganda’s pension contribution is 15% (5% employee, 10% employer). All East African countries have in recent times focused on boosting contributions and savings as well as harmonising operations of public pension funds. The aim being to ‘..reduce the burden on tax payers..’
- The region is also being driven by the need to increase coverage generally, and particularly to incorporate workers falling into the informal sector.
- The respective governments are looking to ‘boost private sector participation, while at the same time having a good social pensions scheme...’
- NSSF is also looking to invest in some of the government’s ‘mega-infrastructure’ projects such as the Lamu port, and rail networks.



Your Will – Will preparation services

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



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 focusing on providing the missing services for businesses and individuals in East Africa

