

AFRICAN MARKET WATCH

INDEX	COUNTRY	CLOSE	Weekly Chg	YTD
NSE-20 Index	Kenya	4,288.84	0.3%	32.1%
NASI All Share	Kenya	91.13	-0.1%	27.2%
PBI-27 Index	Kenya	526.99	-0.4%	22.1%
ALSI	Uganda	963.05	-0.9%	31.5%
DSEI	Tanzania	1,170.63	0.3%	-1.8%
LUSE All Share	Zambia	N/A	N/A	N/A
MASI	Malawi	4,847.68	0.0%	-6.0%
ZSE Industrial	Zimbabwe	139.09	0.1%	-8.4%

Source: Respective Exchange Websites; YTD = Year to Date (i.e., 31st December 2009)

WEEKLY STATISTICS

	07-05-10	14-05-10	Change
Market Cap (Ksh bn)	1,062	1,602	0.1%
Traded Volume (mn)	182	219	20.0%
Weekly Turnover (Ksh mn)			
Equity	2,106	2,156	2.4%
Bonds	9,385	8,019	-14.6%
Weekly Deals			
Equity	11,595	11,465	-1.1%
Bonds	169	124	-26.6%

Source: NSE

MARKET MOVERS

Weekly Price Gainers		
CFC Stanbic Bank	59.50	21.4%
Car & General	56.00	14.3%
East African Portland Cement	120.00	10.1%
Weekly Price Losers		
Kenya Commercial Bank	20.25	-9.0%
Crown Berger	32.50	-7.1%
Housing Finance	21.00	-6.7%
Weekly Volume Movers		
Safaricom Limited	173,302,400	27.6%
Kenya Commercial Bank	8,625,900	162.8%
Mumias Sugar	8,462,600	-31.0%

Source: NSE

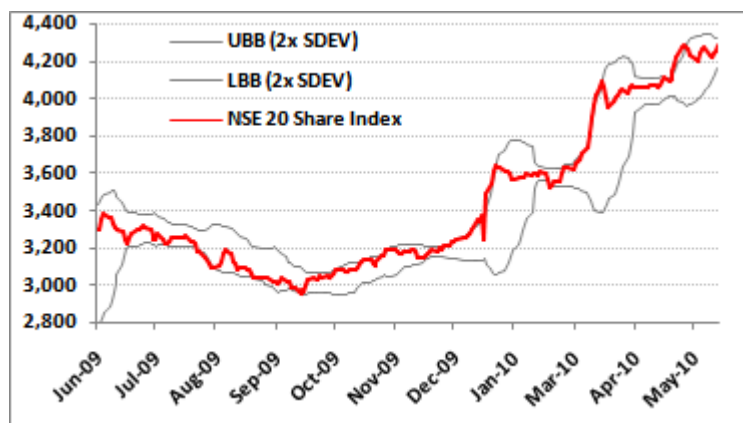
RECOMMENDED BUYS

Company	Duration	Price	PE	Div Yld
Diamond Trust Bank	Long Term	85.50	11.1x	1.81%
KPLC	Long Term	198.00	4.9x	4.04%
Centum Investments	Long Term	19.60	34.4x	0.00%
Mumias Sugar	Short Term	13.25	12.6x	3.02%
National Bank	Short Term	42.75	7.6x	0.00%

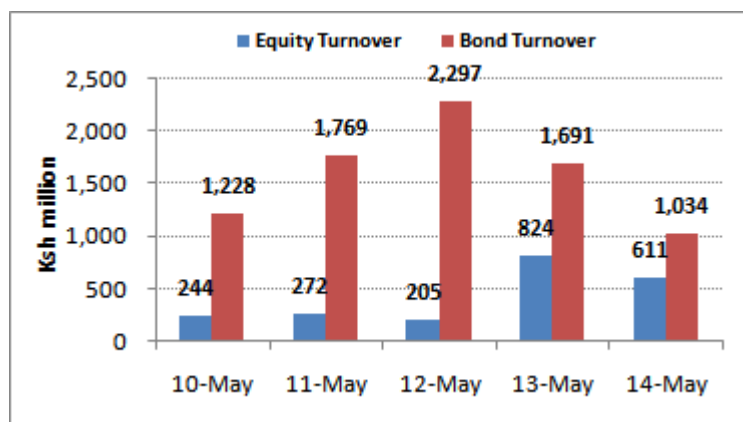
IN THE NEWS

Last week the NSE blue chips and overall market closed the week up. The regional performance was mixed with selected indices rising but the aggregate market index dipped 0.1%. We expect the NSE Index to trade sideways & volatility to drop (i.e., make marginal gains/losses) in the coming week. Since the beginning of May the best performing sector has been the industrial & allied sector; but, we anticipate future short term gains will come from the finance & investment sector. The NSE Index PE remained unchanged at 16.6x.

The CBK released in banking supervision report indicating that profitability of the banking sector is expected to gain momentum in 2010. The sectors assets and profits were up 14% and 13% respectively. On a tangible PBV basis the most viable banks for investment are National Bank (1.5x), KCB (2.0x) and Diamond Trust Bank (1.7x), but on a ROA basis the best banks to buy are Barclays Bank (3.7%), Standard Chartered Bank Kenya (4.1%) and Equity Bank (4.7%).



Source: NSE



Source: NSE

MONEY MARKET WATCH

Monetary Policy Operations

The money market was very tight during the week ending 13th May, 2010. The CBK was active in the repo market injecting Ksh 25.4 bn (Ksh 15.7 bn on 10th May) but didn't add liquidity through the overnight window. We expect less tightness in the following week due to T-bill redemptions & the improvement in reserve money currently Ksh8.0 bn above CBK targets. Last week the reverse repo rate climbed 4 bp from 2.60% to 2.64%. The reverse repo rate & interbank rate have been virtually the same over the past month and we expect they'll dip next week. We expect future T-bill auctions to be oversubscribed, though, the average spread between the reverse repo & 91day T-bill has dropped by 226 bp from 4.12% six months ago to 1.86% today.

Exchange Rate Movements

Last week the dollar/shilling exchange rate saw high volatility, but it was the euro/shilling rate that recorded a new one year highs. We expect volatility to continue over the next week.

	07-05-10	14-05-10	
Ksh to US Dollar	78.09	78.05	0.06%
Ksh to Sterling Pound	114.83	113.95	0.77%
Ksh to Euro	99.09	97.99	1.12%
Ksh to Rand	10.09	10.41	-3.18%
Ugx to Ksh	27.47	27.55	0.29%
Tsh to Ksh	17.83	18.04	1.17%
Ksh to Dirham	21.26	21.25	0.06%
Yen to Ksh	84.82	84.01	0.95%

Source: Central Bank of Kenya

Treasury Bill Auction Results

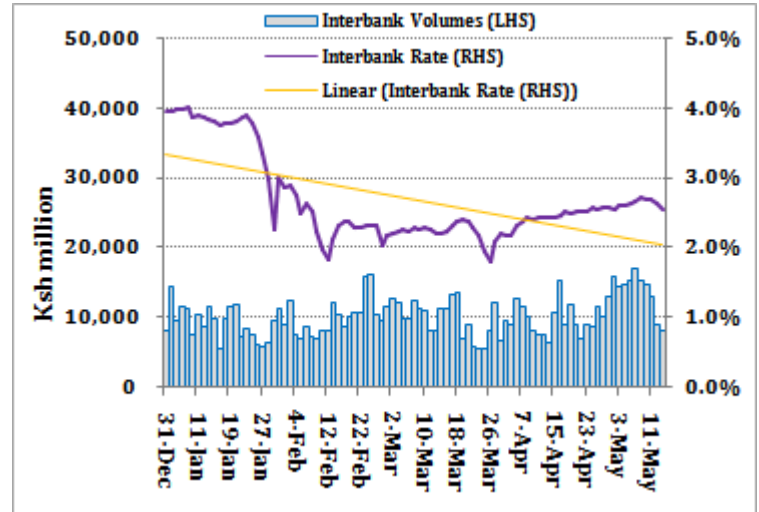
Last week's 182D T-bill was oversubscribed recording a 128.5% subscription while the average interest rates also dropped 35bp to 4.60% from 4.95% previously; Over the last ten auctions (start of 2010) the rate of the 91D T-bill and 182D T-bill has fallen by 22bp and 26bp respectively every week. Kenya's gross domestic debt is now up 32.9% annually to Ksh650 bn and this week Treasury is expected to net Ksh3.0 bn in new borrowing.

Treasury Bond Market

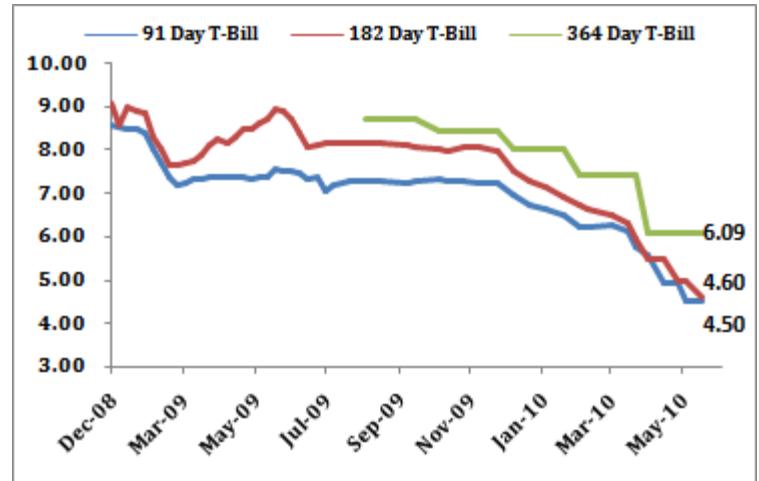
The yield curve remained the same. The 5 year bonds traded high during the week turning over about Ksh2.5 bn (\$31 m) from 31 deals vs Ksh3.0 bn (\$39 m) last week. Treasury (GOK) advertised the issue of a discounted treasury bond with a five year coupon dated May 24th, 2010. GOK intends to raise Ksh12 bn (\$154 m) for budgetary support and the coupon rate will be based on the market outcome. GOK favours the dutch auction method for lower yields now going at 7.1% for five year notes.

Interbank Activity

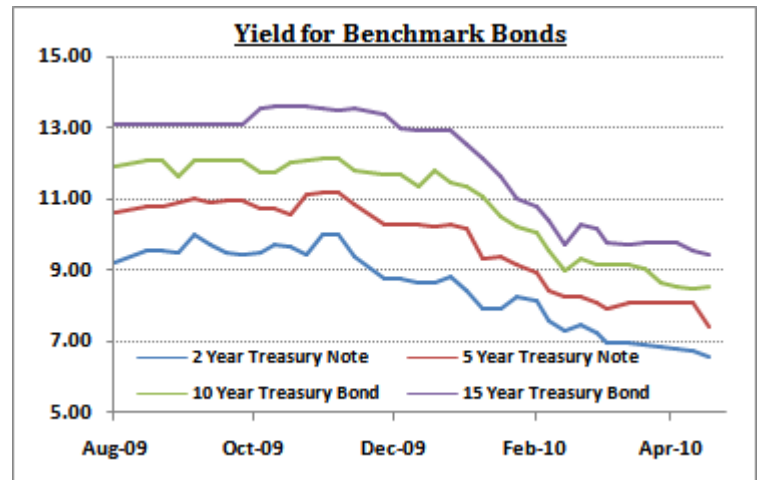
The average interbank rate rose by 6 bp from 2.61% to 2.65% in the week ended May 13, 2010. Interbank volumes dipped 11.2% from Ksh77.2 bn to Ksh59.7 bn. Commercial bank clearing accounts averaged Ksh9.2 bn, which is close to March '10 levels suggesting that interbank rates will trend downwards in the coming week as liquidity improves.



Source: Central Bank of Kenya



Source: Central Bank of Kenya



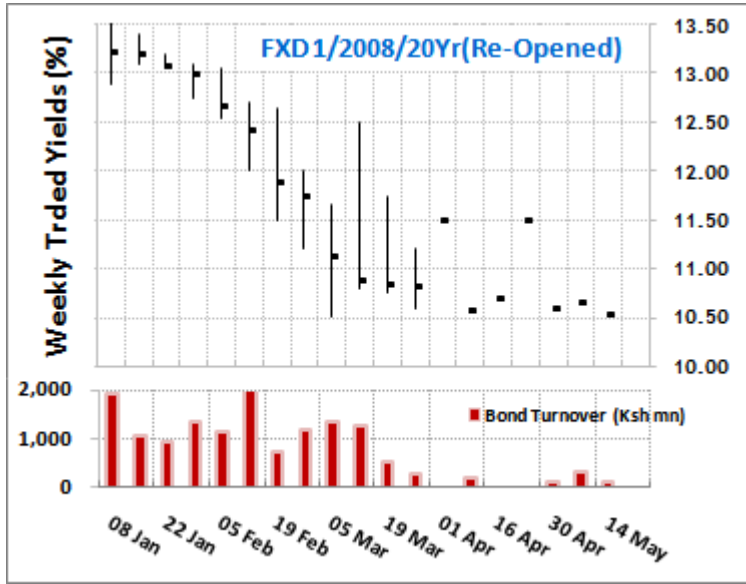
Source: NSE

BOND MARKET WATCH

Outlook and Strategy

We expect bonds with shorter maturities (2 and 5) to continue to attract buyers. As part of CBK's strategy to deepen the bond market they began reopening/reoffering certain bonds in 2009. Bonds highlighted below have been reopened and have record some of the highest turnover within their respective maturities

20 Year Treasury Bond | Weekly Highs-Lows Versus Average Yield



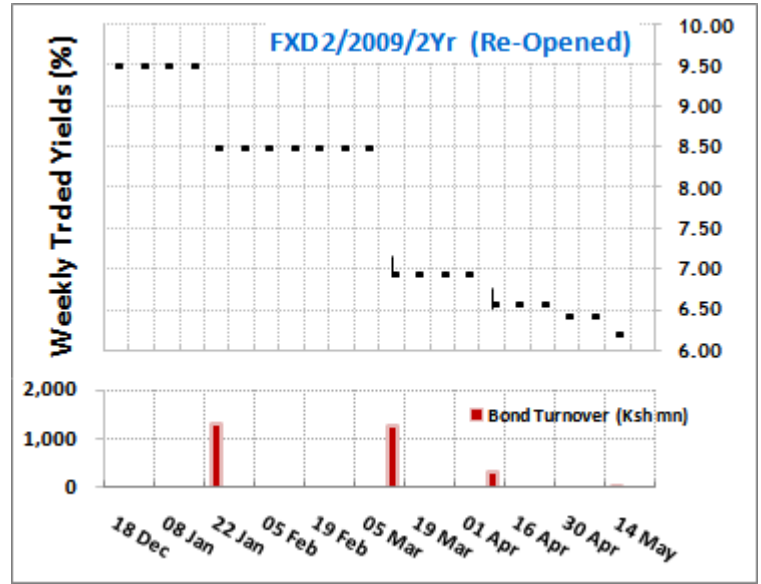
Source: Nairobi Stock Exchange

Top Three NSE Weekly Bond Trades by Turnover

Bond Name	Turnover	Yield
FXD 1/2009/5Yr	Ksh 1,618 mn	7.1005%
IFB 1/2009/12Yr	Ksh 1,200 mn	8.5584%
FXD 2/2008/10Yr(Re-Opened)	Ksh 791 mn	8.4540%

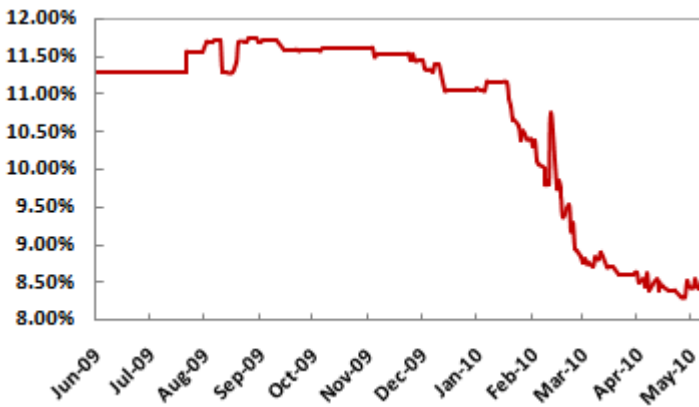
Source: Nairobi Stock Exchange

2 Year Treasury Note | Weekly Highs-Lows Versus Average Yield



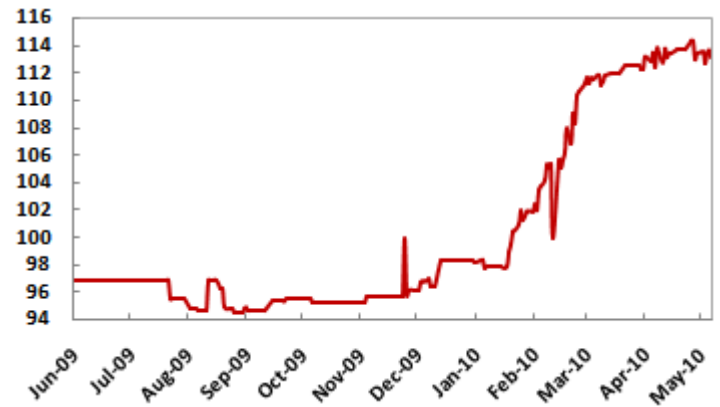
Source: Nairobi Stock Exchange

10 Year T-Bond | Traded Yields % | FXD 2/2008/10Yr (Re-Opened)



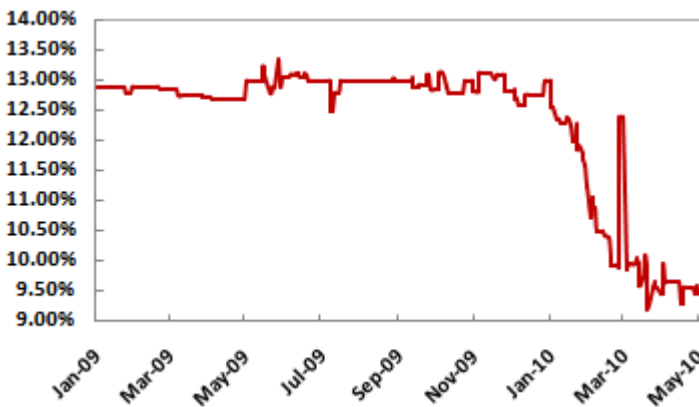
Source: Nairobi Stock Exchange

10 Year T-Bond | Clean Price % | FXD 2/2008/10Yr (Re-Opened)



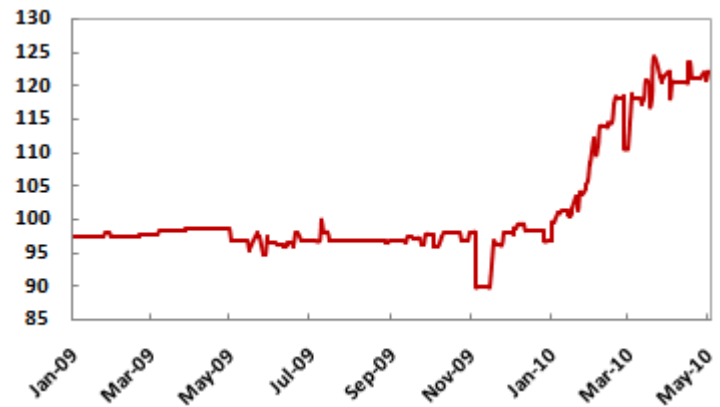
Source: Nairobi Stock Exchange

15 Year T-Bond | Traded Yields % | FXD 3/2007/15Yr (Re-Opened)



Source: Nairobi Stock Exchange

15 Year T-Bond | Clean Price % | FXD 3/2007/15Yr (Re-Opened)



Source: Nairobi Stock Exchange



COMPANY PROFILE: CENTUM INVESTMENTS LIMITED

Ksh'millions	Year Ended 31-Mar-08	Year Ended 31-Mar-09	Change	5 Year CAGR	6 months to 30-Sep-09	Change
Investment Income	582	392	-33%	10%	63	-78%
Operating Costs	(89)	(123)	38%	7%	(77)	71%
Finance Costs	(18)	(13)	-29%	-9%	(26)	117%
Pre-Tax Profit	985	476	-52%	5%	114	-72%
Profit After Tax	868	313	-64%	1%	73	-79%
Earnings Per Share	1.58	0.57	-64%		0.13	
Dividend Per Share	0.45	0.45	0%		0.00	
NAV Per Share	14.69	11.48	-22%		12.06	
Return on Equity	10.6%	4.4%				
Return on Assets	10.5%	4.3%				
Gearing Ratio	Nil	2.5%				
Current Ratio	4.6x	0.4x				

Source: Company data

Centum's price has recovered greatly since early '09 & volumes are up 109% to 173k per day. Valuations are very high but we expect portfolio NAV and EPS growth to justify current pricing. Principal activities remain that of engagement in investment activities.

Expected Notices

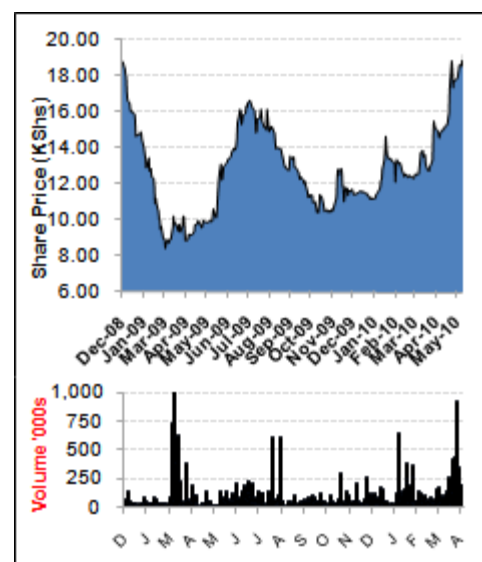
FY 2010	17-May-10
Ex Div	07-Aug-10
AGM	17-Jul-10
HY 2011	19-Nov-10

Performance Highlights

- We anticipate that '10 will be a recovery year in terms of investment income growth due to portfolio restructuring in its quoted investment portfolio. Centum is focused on developing its quoted/unquoted private equity strategy with little emphasis on real estate or money markets.
- Their portfolio faces price risks, but, price fluctuations have no effect on their profits as fair value changes in their quoted portfolio are dealt with in equity. To raise cashflow they'll dispose equity investments and rely on proceeds from the sale of RVR. The private equity focus leaves them vulnerable to market risks; but, 2010 GDP projections are better.
- We expect investment income to improve considerably due to gains from disposals of investments plus marginal gains in dividend income. We don't anticipate operating/financing cost increases being a threat to profits as gains from its' associate companies thicken the profit margin.
- We see Centum as a buy due to higher expected EPS, cashflow & NAV.

Year Ended 31st March	2006	2007	2008	2009	2010F
Investment Income Growth	68%	99%	-28%	-33%	109%
Earnings Growth	105%	84%	-22%	-64%	176%
NAV Growth	32%	35%	-3%	-22%	17%
Return on Equity	11%	15%	11%	4%	13%
Dividend Payout	36%	22%	29%	79%	35%
Earnings Per Share (Ksh)	1.10	2.03	1.58	0.57	1.57
Final Div Per Share (Ksh)	0.40	0.45	0.45	0.45	0.55

TRADING HIGHLIGHTS



Source: NSE Pricelists

Top Four Shareholders

Shareholder	Holdings
ICDC	23.51%
Christopher J. Kirubi	16.60%
Stanbic N. A/C R48701	5.34%
Kiruma International	5.15%

Key Share Information

Sector	Investment
Latest Share Price	Ksh 19.60
52 Week Low – High	10.00-19.60
Market Capitalization	Ksh 10.8 bn
Shares Issued	550.0 mn
Foreign Shareholding	N/A
Book Value/Share	Ksh 12.06
Market (P/E)	16.6x
Financial (P/E)	-
Company (P/E)	34.4x
Price/Book	1.6x
Free Float	50.37%
Earnings Yield	2.91%
Div. Yield	0.00%
Div. Yield 5 yr Avg.	3.28%
Div. Growth 5 yr Avg.	N/A
Div. Payout 5 yr Avg.	44.4%
Consecutive Div. Rise	0 Years
Total Return-12 Mnth	-40.0%
Total Return-3 Years	-61.4%
Total Return-5 Years	120.8%
Avg. Return-5 Years	13.4%

COMPANY PROFILE: SASINI LIMITED

Ksh'millions	Year Ended 30-Sep-08	Year Ended 30-Sep-09	Change	4 Year CAGR	6 months to 31-Mar-10	Change
Turnover	1,442	2,182	51%	15%	1,319	29%
Gross Profit	1,697	1,280	-25%	23%	-	-
Operating Profit	1,324	803	-39%	23%	495	91%
Pre-Tax Profit	1,266	760	-40%	21%	473	101%
Profit After Tax	876	526	-40%	22%	304	95%
Earnings Per Share	3.84	2.31	-40%		1.33	
Dividend Per Share	0.00	0.40			0.20	
Bk Value per Share	20.68	24.83			26.08	
Return on Equity	23.5%	10.4%				
Return on Assets	16.5%	7.1%				
Gearing Ratio	4.9%	1.0%				
Interest Coverage	17.7x	11.2x				

Source: Company data

Sasini is trading at pre May '08 prices & volumes are up 77% to 244k per day. It's involved in the growing and processing of tea and coffee. It has diversified functions in forestry, horticulture, dairy, coffee mill, bulk trading of tea/coffee & a coffee house franchise.

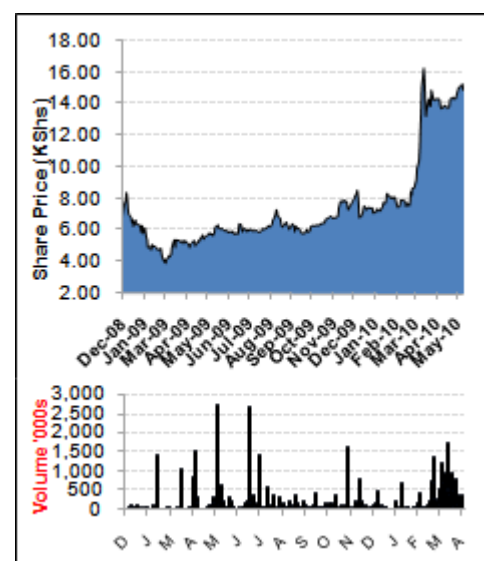
Expected Notices	
FY 2010	06-Dec-10
Ex Div	18-Feb-11
AGM	25-Feb-11
HY 2011	05-May-11

Performance Highlights

- The growers' half year performance was superb growing operating profit 91% from a 29% growth in revenue. The performance attributed to an increase in prices for both tea and coffee as well as the favorable exchange rates that mitigated the effects of bad weather on production.
- The most impressive aspect of H1 performance was the 212% growth in profit from operating activities versus the contribution from bio asset revaluations. Sasini intends to grow coffee milling capacity by 2x and open new coffee lounge outlets to further diversify its operations.
- Sasini's cashflow position has improved considerably enabling the board to pay regular dividends. The first (10%) installment payment on its Ksh600 m corporate bond is due in June 2010. The bond traded Ksh164 m in '09 and not traded since May '09 when it yielded 11.40%.
- We recommend Sasini as a speculate buy whose performance would be pegged on the weakening shilling and the recovery of global tea output whose production levels have improved from the drought ravaged '09.

Year Ended 31st March	2005	2006	2007	2008	2009
Turnover Growth	-10%	36%	4%	9%	51%
Price to Sales (x)	1.3	1.6	3.0	1.1	0.6
Cashflow to Sales	1%	7%	-5%	6%	19%
Return on Equity	-13%	8%	-1%	23%	10%
Dividend Payout	0%	16%	0%	0%	17%
Earnings Per Share (Ksh)	-1.70	1.04	-0.13	3.84	2.31
<i>Final Div Per Share (Ksh)</i>	<i>0.00</i>	<i>0.17</i>	<i>0.00</i>	<i>0.00</i>	<i>0.40</i>

TRADING HIGHLIGHTS



Source: NSE Pricelists

Top Four Shareholders

Shareholder	Holdings
Legend Investments	41.84%
Yana Towers	12.13%
East African Batteries	7.05%
Karim Jamal	2.93%

Key Share Information

Sector	Tea
Latest Share Price	Ksh 15.00
52 Week Low – High	5.75-16.40
Market Capitalization	Ksh 3.4 bn
Shares Issued	228.1 mn
Foreign Shareholding	N/A
Book Value/Share	Ksh 26.08
Market (P/E)	16.6x
Agricultural (P/E)	6.2x
Company (P/E)	6.5x
Price/Book	0.6x
Free Float	46.03%
Earnings Yield	15.33%
Div. Yield	2.67%
Div. Yield 5 yr Avg.	1.69%
Div. Growth 5 yr Avg.	N/A
Div. Payout 5 yr Avg.	6.7%
Consecutive Div. Rise	0 Years
Total Return-12 Mnths	8.6%
Total Return-3 Years	-67.7%
Total Return-5 Years	83.2%
Avg. Return-5 Years	10.1%

NSE STOCK MARKET WATCH – 14th MAY 2010

LARGE TO MEDIUM CAP STOCKS

Ordinary Shares	Price Gain YTD	Average prices Last Fri	Average prices This Fri	Weekly Price Change	Weekly Traded Shares	Shares Issued (mn)	Market Capitalization KSh mn	Market Capitalization USD mn	Weekly Turnover Ksh mn	12m EPS Ksh	2010 12m P / E	2010 3m EPS	2010 6m EPS	2010 9m EPS	DPS Ksh	12m Div Yld	Div Cover (times)
Safaricom Limited	25%	5.90	5.70	-3.4%	173,302,400	40,000	228,000.0	2,921.3	983.7	0.27	21.5	-	0.17	-	0.10	1.75%	2.7
E. A. Breweries	18%	170.00	171.00	0.6%	846,100	791	135,222.4	1,732.6	144.6	9.09	18.8	-	4.67	-	8.05	4.71%	1.1
Barclays Bank Kenya	34%	58.00	60.50	4.3%	1,029,600	1,358	82,152.0	1,052.6	60.9	4.49	13.5	-	-	-	2.50	4.13%	1.8
Bamburi Cement	25%	188.00	195.00	3.7%	72,400	363	70,777.1	906.9	14.0	18.32	10.6	-	-	-	11.00	5.64%	1.7
Standard Chartered Bank Kenya	27%	204.00	204.00	0.0%	74,200	272	55,481.4	710.9	15.1	16.78	12.2	-	-	-	12.00	5.88%	1.4
Equity Bank	32%	19.05	19.00	-0.3%	5,752,300	3,703	70,352.8	901.4	109.3	1.14	16.7	0.34	-	-	0.40	2.11%	2.9
K.C.B.	-1%	22.25	20.25	-9.0%	8,625,900	2,218	44,910.0	575.4	170.0	1.84	11.0	0.60	-	-	1.00	4.94%	1.8
Co-Operative Bank	35%	12.00	12.10	0.8%	4,258,500	3,636	44,000.8	563.8	51.2	0.85	14.2	0.29	-	-	0.20	1.65%	4.3
KenGen	34%	17.00	17.30	1.8%	4,484,600	2,198	38,031.7	487.3	76.4	0.94	18.4	-	0.39	-	0.50	2.89%	1.9
Kenya Airways	50%	56.00	53.50	-4.5%	1,243,700	462	24,696.4	316.4	69.3	(8.85)	-6.0	-	1.84	-	1.00	1.87%	-
K.P.L.C	41%	182.00	198.00	8.8%	173,500	79	15,667.3	200.7	33.6	40.78	4.9	-	23.67	-	8.00	4.04%	5.1
Nation Media Group	17%	144.00	138.00	-4.2%	71,500	143	19,680.3	252.2	9.7	7.74	17.8	-	-	-	5.50	3.99%	1.4
Mumias Sugar	93%	13.60	13.25	-2.6%	8,462,600	1,530	20,272.5	259.7	112.4	1.05	12.6	-	0.68	-	0.40	3.02%	2.6
B.A.T. Kenya	11%	196.00	197.00	0.5%	48,300	100	19,700.0	252.4	9.6	14.78	13.3	-	-	-	14.75	7.49%	1.0
NIC Bank	23%	39.00	38.50	-1.3%	937,200	359	13,821.4	177.1	36.1	3.01	12.8	1.10	-	-	0.45	1.18%	6.6
CFC Stanbic Bank	32%	49.00	59.50	21.4%	421,800	274	16,284.0	208.6	24.2	(0.22)	-270.5	-	-	-	0.00	0.00%	-
Diamond Trust Bank	22%	85.50	85.50	0.0%	87,500	163	13,939.7	178.6	7.5	7.67	11.1	2.00	-	-	1.55	1.81%	4.9
Kenol Kobil Group	112%	103.00	106.00	2.9%	463,100	147	15,600.7	199.9	45.1	8.77	12.1	-	-	-	3.25	3.07%	2.7
Kenya Reinsurance	11%	13.20	12.95	-1.9%	995,400	600	7,770.0	99.6	12.8	2.21	5.9	-	-	-	0.50	3.86%	4.4
National Bank	10%	43.00	42.75	-0.6%	223,200	280	11,970.0	153.4	9.5	4.01	10.7	-	-	-	0.00	-	-
East African Portland Cement	50%	109.00	120.00	10.1%	28,200	90	10,800.0	138.4	3.4	20.38	5.9	-	7.00	-	1.30	1.08%	15.7
CMC Holdings	29%	13.50	14.60	8.1%	1,342,700	583	8,507.6	109.0	16.6	0.93	15.7	-	-	-	0.35	2.40%	2.7
Athi River Mining	10%	115.00	122.00	6.1%	115,800	99	12,084.7	154.8	13.8	6.52	18.7	-	-	-	1.50	1.23%	4.3

Source: Nairobi Stock Exchange *Exchange rate as at 14th May, 2010 was US\$ 1 Dollar = Ksh 78.0468

SMALL CAP STOCKS

Ordinary Shares	Price Gain YTD	Average prices Last Fri	Average prices This Fri	Weekly Price Change	Weekly Traded Shares	Shares Issued (mn)	Market Capitalization KSh mn	Market Capitalization USD mn	Weekly Turnover Ksh mn	12m EPS Ksh	2010 12m P / E	2010 3m EPS	2010 6m EPS	2010 9m EPS	DPS Ksh	12m Div Yld	Div Cover (times)
Centum Investments	74%	18.70	19.60	4.8%	1,020,400	550	10,779.1	138.1	19.5	0.57	34.4	-	0.13	-	0.00	-	-
Jubilee Holdings	50%	175.00	172.00	-1.7%	16,100	45	7,740.0	99.2	2.7	18.33	9.4	-	-	-	4.50	2.62%	4.1
Scangroup Limited	22%	32.50	31.00	-4.6%	256,800	221	6,841.4	87.7	8.2	1.81	17.1	-	-	-	0.50	1.61%	3.6
East African Cables	7%	22.00	21.75	-1.1%	90,000	203	4,404.4	56.4	1.9	1.52	14.3	0.27	-	-	1.00	4.60%	1.5
TPS Eastern Africa	40%	61.00	63.00	3.3%	97,200	106	6,669.5	85.5	6.1	3.60	17.5	-	-	-	1.25	1.98%	2.9
Total Kenya	5%	29.75	31.25	5.0%	110,000	175	5,470.8	70.1	3.4	1.62	19.3	-	-	-	1.00	3.20%	1.6
Access Kenya	-10%	18.25	18.25	0.0%	1,689,000	200	3,647.9	46.7	29.5	0.76	24.0	-	-	-	0.30	1.64%	2.5
Housing Finance	17%	22.50	21.00	-6.7%	283,500	230	4,830.0	61.9	6.1	1.02	20.6	0.32	-	-	0.50	2.38%	2.0
Carbacid Investments	47%	149.00	151.00	1.3%	14,400	34	5,131.0	65.7	0.4	7.54	20.0	-	4.58	-	5.00	3.31%	1.5
Standard Group	7%	40.75	40.50	-0.6%	10,200	73	2,967.6	38.0	0.4	3.25	12.5	-	-	-	0.50	1.23%	6.5
BOC (Gases) Kenya	-10%	135.00	135.00	0.0%	7,900	20	2,635.9	33.8	6.1	7.88	17.1	-	-	-	6.80	5.04%	1.2
Pan African Holdings	33%	56.00	60.00	7.1%	7,300	48	2,880.0	36.9	0.4	2.90	20.7	-	-	-	1.70	2.83%	1.7
Sasini Limited	108%	15.25	15.00	-1.6%	1,103,100	228	3,420.8	43.8	16.6	2.30	6.5	-	1.33	-	0.40	2.67%	5.8
Sameer Africa Group	80%	9.45	9.00	-4.8%	315,000	278	2,505.1	32.1	2.8	0.57	15.8	-	-	-	0.50	5.56%	1.1
Williamson Tea	38%	198.00	205.00	3.5%	44,100	9	1,795.0	23.0	8.4	12.62	16.2	-	24.18	-	4.00	1.95%	3.2
Kakuzi Limited	143%	78.50	77.00	-1.9%	27,600	20	1,509.2	19.3	2.1	17.34	4.4	-	-	-	2.50	3.25%	6.9
Rea Vipingo Plantations	66%	18.85	19.10	1.3%	20,300	60	1,146.0	14.7	0.4	2.48	7.7	-	-	-	0.50	2.62%	5.0
Car & General	60%	49.00	56.00	14.3%	7,000	22	1,247.7	16.0	0.4	8.80	6.4	-	5.99	-	0.67	1.20%	13.1
Unga Group	31%	12.15	11.80	-2.9%	127,200	76	893.4	11.4	1.6	1.55	7.6	-	1.32	-	0.00	-	-
Eveready East Africa	55%	4.75	4.50	-5.3%	257,200	210	945.0	12.1	1.2	0.14	33.3	-	-	-	0.00	-	-
Crown Berger	35%	35.00	32.50	-7.1%	31,200	24	771.1	9.9	1.0	3.64	8.9	-	-	-	1.25	3.85%	2.9
Express Kenya	25%	10.35	10.10	-2.4%	1,800	35	357.6	4.6	0.0	0.15	67.3	-	-	-	0.00	-	-
City Trust	14%	120.00	120.00	0.0%	-	5	624.9	8.0	0.0	5.13	23.4	-	(0.16)	-	1.00	0.83%	5.1
Total NSE Market					218,698,000	62,594	1,063,915.6	13,631.8	2,150.1								

Source: Nairobi Stock Exchange *Exchange rate as at 14th May, 2010 was US\$ 1 Dollar = Ksh 78.0468 **YTD means from 31st December, 2009

SEARCH FOR THE BEST VALUE

Company	Average prices	12m	12m	12m	12m	12m	RSI	Stop	Company	Average prices	12m	12m	12m	12m	12m	RSI	Stop
	This Fri	PBV	EV / EBITDA	P/S	ROE	ROA	OB OS	Loss -10%		This Fri	PBV	EV / EBITDA	P/S	ROE	ROA	OB OS	Loss -10%
Safaricom Limited	5.70	4.3	8.4	3.2	22.6%	12.8%	48	5.13	Barclays Bank Kenya	60.50	3.4			27.3%	3.7%	71	54.45
E. A. Breweries	171.00	5.9	10.3	3.9	31.6%	20.8%	59	153.90	Standard Chartered	204.00	4.0			35.9%	4.1%	69	183.60
Bamburi Cement	195.00	3.4	8.9	2.4	35.4%	22.0%	59	175.50	Equity Bank	19.00	3.0			19.9%	4.7%	71	17.10
Portland Cement	120.00	1.6	4.0	1.3	36.2%	17.4%	65	108.00	K.C.B.	20.25	2.0			18.6%	2.1%	35	18.23
Athi River Mining	122.00	2.9	12.6	2.3	20.6%	7.0%	78	109.80	Co-Operative Bank	12.10	2.7			19.9%	3.1%	74	10.89
Kenol Kobil Group	106.00	1.4	5.1	0.2	11.6%	4.4%	73	95.40	NIC Bank	38.50	1.9			18.2%	2.4%	57	34.65
Total Kenya	31.25	0.6	11.8	0.2	6.9%	2.1%	62	28.13	CFC Stanbic Bank	59.50	0.8			-0.3%	-0.1%	83	53.55
Nation Media Group	138.00	4.2	10.0	2.4	24.4%	16.6%	49	124.20	Diamond Trust Bank	85.50	1.7			19.4%	2.0%	62	76.95
Standard Group	40.50	2.4	10.1	1.1	21.1%	8.4%	48	36.45	National Bank	42.75	1.5			20.7%	3.1%	45	38.48
CMC Holdings	14.60	1.6	7.8	0.7	10.6%	4.2%	73	13.14	Housing Finance	21.00	1.2			6.1%	1.4%	56	18.90
Car & General	56.00	1.0	5.7	0.3	16.2%	6.6%	99	50.40	Kenya Reinsurance	12.95	0.9			15.3%	9.2%	38	11.66
Carbacid Investments	151.00	4.2	12.2	9.3	23.4%	19.8%	92	135.90	Jubilee Holdings	172.00	2.0			23.6%	3.8%	54	154.80
BOC (Gases) Kenya	135.00	1.7	8.6	2.1	10.3%	7.6%	45	121.50	Pan African Holdings	60.00	2.2			11.1%	2.0%	90	54.00
Mumias Sugar	13.25	1.9	13.4	1.7	16.9%	10.2%	64	11.93	Centum Investments	19.60	1.6			4.4%	4.3%	77	17.64
B.A.T. Kenya	197.00	4.2	7.8	1.8	30.9%	14.2%	56	177.30	City Trust	120.00	2.5			12.0%	11.7%	81	108.00
Scangroup Limited	31.00	2.9	12.7	1.2	17.9%	11.1%	61	27.90	Olympia Capital	9.95	0.7	5.5	0.8	-10%	-6.5%	60	8.96
East African Cables	21.75	2.7	8.8	1.6	20.4%	9.4%	50	19.58	KenGen	17.30	0.6	6.6	2.8	3.1%	1.9%	74	15.57
TPS Eastern Africa	63.00	1.6	9.1	1.6	9.7%	3.4%	55	56.70	K.P.L.C	198.00	0.6	3.4	0.2	12.7%	4.9%	80	178.20
Access Kenya	18.25	3.2	12.9	1.8	14.2%	8.0%	45	16.43	Kenya Airways	53.50	1.4	6.2	0.3	-19%	-5.3%	32	48.15
Unga Group	11.80	0.3	0.7	0.1	3.8%	2.3%	58	10.62	Sasini Limited	15.00	0.6	3.5	1.6	10.4%	7.1%	62	13.50
Eveready East Africa	4.50	2.4	13.9	0.6	7.4%	3.1%	47	4.05	Williamson Tea	205.00	0.6	6.6	1.2	4.3%	2.9%	60	184.50
Crown Berger	32.50	0.9	5.3	0.3	10.4%	4.5%	47	29.25	Kakuzi Limited	77.00	1.0	3.6	0.8	18.2%	10.2%	53	69.30
Express Kenya	10.10	0.9	4.6	0.4	1.2%	0.4%	44	9.09	Rea Vipingo	19.10	1.1	4.5	0.8	16.1%	9.8%	49	17.19

Source: FIB Research Estimates *Where information was not readily available we have used previous year figures (that are subject to change)

PBV includes intangible assets *RSI (Relative Strength Index) reading over 70 would be considered overbought (OB) and one below 30 would be considered oversold (OS)

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