



STERLING INVESTMENT BANK

Members of the Nairobi Stock Exchange

NSE MARKET STATISTICS

WEEK ENDED FRIDAY JUNE 26, 2009

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Company	P.V	T.S	WAP*	% Price Δ	Shares Traded	Shares Issued	Mkt. Cap. Kshs Mn.	Trailing EPS	Year end	EPS TP	Book Value	Q1 '09 EPS	Annualized 2009 EPS	DPS	Historical P/E	Div. Yld	Projected P/E	Investment Comment(s)
MAIN INVESTMENT MARKET SEGMENT (MIMS)																		
AGRICULTURAL SECTOR																		
Kakuzi	5/-	xd	30.00	0.00%	3,300	19,599,999	588.00	13.12	31-Dec	5.87 Months	64.59	--	--	1.00	2.29	3.33%	2.22	Recently announced relatively good end-year results. Biological assets a key contributor. Forex fluctuations and weather changes added to input costs likely to influence earnings growth potential. Expected to be fairly stable.
Rea Vipingo	5/-		13.95	6.08%	61,600	60,000,000	837.00	2.80	30-Sep	8.87 Months	14.59	1.31*	2.62*	0.20	4.98	1.43%	5.15	Increased volumes and turnover as a result of adequate Sisal fibre harvest in the second half likely. Future performance to depend on weather conditions and shilling fluctuations.
Sasini Ltd	1/-		6.20	(4.62%)	706,600	228,055,500	1,413.94	3.84	30-Sep	8.87 Months	20.15	0.68*	1.36*	--	1.61	0.00%	4.13	Diversification to value addition a plus, lower export volumes due to adverse weather effects, added to high input costs likely to influence earnings growth rate. Biological assets value to be a key factor.
COMMERCIAL & ALLIED SECTOR																		
Access Kenya	1/-	xd	25.25	(0.98%)	1,118,600	203,581,223	5,140.43	0.99	31-Dec	5.87 Months	1.78	--	--	0.40	25.51	1.58%	21.04	Has increased international bandwidth capacity to more than 300 MB. Competition and rapid technological changes likely to remain a challenge. Appears to be a growth stock.
Car & Gen	5/-		44.00	10.00%	2,300	22,279,616	980.30	9.50	30-Sep	8.87 Months	50.31	4.33*	8.66*	0.67	4.63	1.52%	4.55	Improved profitability amid reduced demand due to slowing of domestic economy growth rate. Second hand imports competition still a challenge.
CMC	0.50/-		12.80	(5.54%)	866,200	582,709,440	7,458.68	1.59	30-Sep	8.87 Months	8.30	1.52*	3.04*	0.35	8.05	2.73%	4.13	Relatively more liquid following recent corporate actions. Recently recorded relatively lower HY08/09 earnings. Competition and slowing economic growth likely to remain a challenge in FY2009.
Kenya Airways	5/-	cd	24.00	(1.03%)	435,100	461,615,483	11,078.77	(8.84)	31-Mar	2.87 Months	56.05	--	--	1.00	-2.71	4.17%	--	Recently reported a 189 percent drop in earnings for the year ended March 31 st 2009 mainly due to Fuel price hedging. Some improvement expected I FY09.
Marshalls	5/-		24.00	0.00%	-	14,393,106	345.43	(11.80)	31-Mar	14.87 Months	12.21	--	--	0.00	-2.03	0.00%	--	Increased competition from imports remains a big challenge. Peugeot franchise business discontinued earlier. Earnings losses registered in the H1'2008 results. Challenges abound.
NMG	5/-	xd	144.00	3.60%	196,200	142,610,520	20,535.91	9.00	31-Dec	5.87 Months	30.26	--	--	5.50	16.00	3.82%	14.16	Recorded a 19.3 percent growth in pre-tax profit for the FY ended 2008. Plans to launch EATN TV and an online radio. Modest FY09 prospects.
Safaricom	0.05/-	cd	3.15	(8.70%)	27,006,700	40,000,000,000	126,000.00	0.26	31-Mar	2.87 Months	1.27	--	--	0.10	11.89	3.17%	13.70	FY08 results show a 23.3% decrease in profitability amid stiffening competition. Is eyeing the data services market as the next source of top-line and bottom-line growth. Long-term prospects exist.
Scangroup	1/-	xd	26.00	0.97%	141,200	220,689,655	5,737.93	1.79	31-Dec	5.87 Months	9.42	--	--	0.62	14.53	2.38%	13.00	More billings and acquisitions boosted FY08 earnings. Looking up to PR and Research as growth drivers. Modest prospects in FY2009/10.
Standard Group	5/-		45.00	0.00%	2,000	73,275,029	3,297.38	3.57	31-Dec	5.87 Months	13.62	--	--	1.10	12.61	2.44%	11.69	Improved sales revenue and cost minimization responsible for the modest EPS growth in FY08. Fair prospects in 2009.
TPS (EA)	1/-	xd	43.00	4.88%	35,800	105,864,742	4,552.18	2.10	31-Dec	5.87 Months	35.43	--	--	1.25	20.48	2.91%	18.70	Tourist bookings now picking up albei. Future anchored on robust economy performance and recovery from the global credit crisis.
Uchumi	5/-	S	14.50	0.00%	--	180,000,000	2,610.00	0.53	30-Jun	11.63 Months	--	--	--	0.00	27.36	0.00%	26.36	Recorded a turn-around growth in profit before tax. Is searching for a strategic investors. Still has some ground to cover before the suspension from trading is lifted.

Company	P.V	T.S	WAP*	% Price Δ	Shares Traded	Shares Issued	Mkt. Cap. Kshs Mn.	Trailing EPS	Year end	EPS TP	Book Value	Q1'09 EPS	Annualized 2009 EPS	DPS	Historical P/E	Div. Yld	Projected [†] P/E	Investment Comment(s)
FINANCE & INVESTMENT SECTOR																		
Barclays Bank	2/-		56.00	4.67%	1,023,800	1,357,884,000	76,041.50	4.10	31-Dec	5.87 Months	15.07	1.10	4.40	2.00	13.66	3.57%	10.18	Has increased outlets & marketing staff to boost earnings. A stable bank that regularly pays dividends. Innovative strategies required to up customer deposit base. FY2009 growth prospects forecasted to be fair.
Centum Investment**	0.50/-		15.90	1.60%	475,400	549,951,880	8,744.23	0.57	31-Mar	5.87 Months	14.79	--	--	0.00	27.89	0.00%	26.57	Recently made an acquisition of some stake in Carbacid. Future anchored on robust economy performance.
CFC Stanbic Holdings	5/-		64.00	(3.76%)	194,100	273,684,211	17,515.79	4.94	31-Dec	5.87 Months	67.71	--	--	1.90	12.96	2.97%	12.55	Consolidation of business services to the new company almost complete. Short term future (2009) prospects likely to be modest.
Diamond Trust	4/-	xd	75.00	5.63%	108,200	163,037,108	12,227.78	6.28	31-Dec	5.87 Months	36.22	1.56	6.24	1.40	11.94	1.87%	11.81	Recently announced a 36% growth in Q109 earnings and has plans to expand. Recently got a term loan from IFC. Future prospects fair.
Equity Bank Ltd	5/-		16.25	1.88%	22,903,800	3,702,777,020	60,170.13	1.06	31-Dec	5.87 Months	5.28	0.25	1.00	0.30	15.33	1.85%	11.76	Latest Q1 figures show a 29% earnings growth. New initiatives like a foray into Southern Sudan likely to up top-line. Company projects a 30-40% earnings growth in 2009. A growth stock.
HFCK	5/-	xd	16.25	(8.96%)	418,000	230,000,000	3,737.50	0.59	31-Dec	5.87 Months	15.92	--	--	0.30	27.54	1.85%	18.47	Recently registered a 153% growth in Q1 earnings. Mortgage income has grown significantly. It intends to revive its subsidiary, the Kenya Building Society (KBS). Likely to register rapid growth in 2009.
Jubilee Holdings	5/-	xd	131.00	7.38%	71,300	45,000,000	5,895.00	14.14	31-Dec	5.87 Months	63.80	--	--	4.25	9.26	3.24%	8.13	Insurance industry facing a number of challenges. Generally a stable counter albeit, a fairly illiquid one. Earnings likely to be stable.
K.C.B	1/-		22.75	0.00%	3,286,300	2,217,777,777	50,454.44	1.97	31-Dec	5.87 Months	9.04	0.47	1.88	1.00	11.55	4.40%	10.33	Recently registered a 5% growth in Q1 earnings. Plans for pan-African expansion by 2012 on high gear. Was recently listed in Rwanda. Appears to have good prospects.
Kenya Reinsurance	2.50/-	cd	13.15	(6.07%)	910,800	600,000,000	7,890.00	1.97	31-Dec	5.87 Months	13.33	--	--	0.50	6.68	3.80%	5.57	Is exploring new opportunities like mortgage lending. Recorded a significant improvement in profit after tax in recent end-year results. Has fair prospects in FY2009/10.
National Bank	5/-		39.50	(1.86%)	192,900	200,000,000	7,900.00	4.50	31-Dec	5.87 Months	31.04	1.11	4.44	0.00	8.78	0.00%	8.23	NPLs now substantially reduced. Is in the process of getting new shareholders. Recently Announced a 9% rise in earnings. Has modest prospects in FY09.
NIC Bank	5/-		39.75	0.00%	260,100	326,361,621	12,972.87	3.49	31-Dec	5.87 Months	18.76	--	--	0.50	11.39	1.26%	8.60	Is planning to open new branches and has activated its share and investment subsidiary. Appears to have fair prospects in FY09.
Olympia Capital	5/-		9.00	(7.22%)	68,800	40,000,000	360.00	0.51	29-Feb	16.87 Months	13.75	0.43*	0.86*	0.00	17.65	0.00%	10.46	Recently closed a subsidiary in South Africa (Plush Pty) due to business model failure. Future prospects to depend on management effort and reduction of high gearing.
PAI	5/-		48.50	0.00%	-	48,000,000	2,328.00	-1.99	31-Dec	5.87 Months	20.08	--	--	1.60	-24.25	3.30%	--	Future prospects appear mixed and will most likely depend on economy performance and management effort.
Standard Chartered	5/-		144.00	2.86%	179,700	271,967,810	39,163.36	11.34	31-Dec	5.87 Months	42.28	3.81	15.24	10.00	12.70	6.94%	11.44	A stable counter with one of the best dividend yields in the sector. A share split/bonus unlikely in the near term. Aggressively trying to up customer deposit base.
Co-op Bank	1/-		10.35	7.25%	6,741,000	3,499,212,000	36,216.84	0.80	31-Dec	5.87 Months	3.87	0.22	0.88	0.10	12.94	0.97%	10.35	Plans are underway for the bank to put up new branches, enter into mortgage business. Recorded a 29% growth in profits for period ended Mar 2009. Appears to be a growth stock.

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INDUSTRIAL & ALLIED SECTOR																		
Athi River Mining	5/-	cd	90.00	(12.62%)	34,900	99,055,000	8,914.95	5.08	31-Dec	5.87 Months	21.48	--	--	1.25	17.72	1.39%	16.19	Earnings for FY 2007/08 relatively better. Demand for cement and fertilizer still on the up. Fairly good prospects.
BOC (K)	5/-	S	160.00	0.00%	-	19,525,446	3,124.07	10.26	31-Dec	5.87 Months	77.34	--	--	6.80	15.59	4.25%	15.58	Suspended. Posted reduced earnings growth in the latest financial results.
Bamburi	5/-	xd	137.00	5.38%	31,400	362,959,275	49,725.42	8.78	31-Dec	5.87 Months	45.74	--	--	6.00	15.60	4.38%	15.31	A fairly stable counter. Demand for cement expected to continue to be high. Fair prospects. Registered a drop in earnings in the latest full year figures.
BAT(K)	10/-		172.00	6.17%	210,500	100,000,000	17,200.00	17.01	31-Dec	5.87 Months	48.94	--	--	17.00	10.11	9.88%	9.78	Despite a ban on smoking in public places and tax hikes, earnings remain strong. Has one of the highest dividend yields in the market. A stable counter.
Carbacid	5/-	S	137.00	0.00%	--	11,326,755	1,551.77	14.72	31-Jul	10.87 Months	91.58	8.88*	17.76*	10.00	9.31	7.30%	8.46	Suspended. Posted improved earnings in latest results.
Crown Berger	5/-	cd	26.25	(11.02%)	53,500	23,727,000	622.83	2.69	31-Dec	5.87 Months	34.64	--	--	1.00	9.76	3.81%	9.04	Has been expanding regionally and may have benefited from improved activity. End-year performance lower than in the previous year. Challenges abound.
E.A.Cables	0.50/-		24.50	(2.97%)	206,100	202,500,000	4,961.25	1.94	31-Dec	5.87 Months	5.67	0.56	2.24	1.00	12.63	4.08%	10.64	Has been aggressive on regional expansion. Could benefit from higher cable demand arising from the TEAMS project. Is now in the NSE 20-share index. Latest results show a marginal earnings drop. Future prospects fair.
E.A.Portland	5/-		75.00	7.14%	500	90,000,000	6,750.00	5.96	30-Jun	11.87 Months	44.74	(4.35)*	(8.70)*	0.00	12.58	0.00%	--	Shifting to coal to save on energy cost. Latest results show a significant earnings drop. Has already issued a profit warning in respect of FY08/09 results. Future performance to depend on input cost, shilling fluctuations and management effort.
E.A.Breweries	2/-		145.00	(2.68%)	1,156,900	790,774,356	114,662.28	9.55	30-Jun	11.87 Months	24.74	5.13*	10.26*	8.05	15.18	5.55%	14.21	Has a strong financial base despite tax hikes, is exploring regional markets. Appears stable.
Eveready East Africa	1/-		2.65	(5.36%)	300,900	210,000,000	556.50	0.085	30-Sep	8.87 Months	1.74	0.00	--	0.00	31.18	0.00%	--	Recently reported an 86% drop in profitability. Income and earnings prospects for the next financial year likely to remain depressed.
Kenol	0.50/-		60.00	0.00%	196,900	147,174,120	8,830.57	6.55	31-Dec	5.87 Months	72.21	--	--	8.56	9.16	14.27%	8.33	Competition, upfront taxation and international fuel price fluctuations a challenge. Synergy effects of the Kobil takeover and regional subsidiaries likely. Modest growth anticipated.
Kenya Power & Lighting Co.	20/-		140.00	(5.41%)	57,000	79,128,000	11,077.92	22.30	30-Jun	11.87 Months	318.19	18.51*	37.02*	4.00	6.28	2.86%	5.86	Operational efficiency being pursued. Power demand up. Appears to have conveniently passed-on all cost increases to the consumer. Latest results good. Fair prospects.
KenGen	2.50/-		14.45	(1.70%)	1,227,300	2,198,361,456	31,766.32	2.19	30-Jun	11.87 Months	30.99	0.50*	1.00*	0.90	6.60	6.23%	6.56	Hydrology to ensure sustained power generation a challenge. Future prospects to depend on investment in more power generation. Latest results appear dull. Future prospects to depend on success of funding of planned projects and bulk power purchase rate.
Mumias	2/-		5.75	1.77%	6,384,900	1,530,000,000	8,797.50	0.79	30-Jun	11.87 Months	5.62	0.11*	0.22*	0.40	7.28	6.96%	7.18	Quota deal with COMESA and KSB & farmers wrangles could dampen sales in the medium-term, TARDA sugar project facing legal hurdles. Co-generation a plus, Weather, competition & input cost issues a challenge.
Sameer Africa	5/-		5.35	5.94%	155,100	278,342,393	1,489.13	0.54	31-Dec	5.87 Months	7.67	--	--	0.00	9.91	0.00%	11.48	High cost of inputs and competition likely to markedly affect earnings. Already issued a profit warning. Not out of the woods just yet.
Total	5/-		31.00	(3.13%)	138,100	173,013,000	5,363.40	4.02	31-Dec	5.87 Months	29.00	(0.63)	(2.52)	2.50	7.71	8.06%	9.79	Registered a drop in Q1 earnings Competition, upfront taxation, inventory levels and fuel price fluctuations likely to determine earnings growth rate. Has good dividend yield.
Unga	5/-		10.00	8.70%	55,000	75,708,873	757.09	3.67	30-Jun	11.87 Months	27.07	0.42*	0.84*	0.00	2.72	0.00%	3.57	Company had impressive FY'2008 results. Demand for its products portfolio is on the up. However, recent maize shortage and shilling depreciation has affected bottom-line. End-year earnings likely to be lower than expected.

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ALTERNATIVE INVESTMENT MARKET SEGMENT																		
A. Baumann	5/-	S	11.10	0.00%	-	3,840,066	42.62	(2.75)	31-Mar	38.87 Months	--	--	--	0.00	--	0.00%	--	A quiet counter. Is in earnings loss territory and is under suspension.
City Trust	5/-		148.00	0.00%	-	5,728,314	847.79	6.27	31-Jul	10.87 Months	37.93	(0.02)*	(0.08)*	0.50	23.60	0.34%	23.67	Fairly illiquid, is in profit making territory. 1 st half of the year was in loss making territory. Modest prospects.
Eaagads	1/25	cd	22.50	(2.17%)	1,100	16,078,500	361.77	1.85	31-Dec	5.87 Months	23.97	--	--	0.625	12.43	0.00%	--	A quiet counter. Registered improvements in FY08. Future prospects to depend on international coffee price fluctuations and management effort.
Express	5/-		9.00	5.88%	34,200	35,403,790	318.63	(1.24)	31-Dec	5.87 Months	10.82	--	--	0.50	--	5.88%	--	A fairly liquid counter, operating in loss territory, Latest earnings lower than preceding period.
Williamson Tea	5/-	cd	48.00	0.00%	31,100	8,756,320	420.30	12.62	31-Mar	3.87 Months	282.46	--	--	0.50	3.80	1.04%	6.86	FY08/09 results show a marked improvement. Fluctuations in the sector appear unpredictable. Fair prospects.
Kapchorua	5/-	cd	66.00	1.54%	1,800	3,912,000	258.19	17.87	31-Mar	14.87 Months	161.68	--	--	0.50	3.69	0.77%	5.60	FY08/09 results show a dramatic improvement. Fluctuations in the sector appear unpredictable. Fair prospects.
K.Orchads	5/-		3.00	0.00%	-	12,868,124	38.60	(0.61)	31-Dec	5.87 Months	0.13	--	--	0.00	--	0.00%	35.29	FY08 show that the company is in loss-making territory. Future anchored on robust economy performance.
Limuru Tea	20/-	xd/cb	305.00	0.00%	-	600,000	183.00	14.10	31-Dec	5.87 Months	60.20	--	--	5.00	21.63	1.64%	21.16	Fairly quiet, earnings have improved. Shilling strengthening, lower export volumes due to adverse weather effects, added to rising fertilizer prices could continue to depress export earnings.

Legend:

cr = cum rights
EPS= earnings per share
xs = ex split
xb = ex bonus
xd = ex dividend
ca = cum all
s = suspended
xr = ex rights
cb = cum bonus
xr = ex rights
cd = cum dividend
xa = ex all
WAP = Weighted Average Price
P/E = WAP*/EPS
cs=Cum Split
Market Cap. = Issued shares x weighted average Price for the week
DPS = Dividend per Share (Annual)
PE = price to earnings ratio
TP - Trailing Period
Div. Yld = Dividend Yield
Dividend Yield = DPS/WAP*

* For the week ended 26/06/2009

P.V = Par Value

T.S = Trading Status

NB: The figures for projected earnings are annual indicative figures; for those companies that announced recently, the projected earnings are for the succeeding year
For counters with forecasted negative EPS in H1, no P/E projections have been given.

†The projections are according to information available to the SIB Research Team hitherto

Q1 = Quarter 1, please note, quarterly results are for the latest quarter announced results

*The EPS figures shown are for the first half of the year

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