



STERLING INVESTMENT BANK

Members of the Nairobi Stock Exchange

NSE MARKET STATISTICS

WEEK ENDED FRIDAY NOVEMBER 13, 2009

E-Mail:

research@sterlingib.com

Website:

www.sterlingib.com

Company	P.V	T.S	WAP*	% Price Δ	Shares Traded	Shares Issued	Mkt. Cap. Kshs Mn.	Trailing EPS	Year end	EPS TP	Book Value	H1'09 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/-		33.00	1.54%	1,000	19,599,999	646.80	13.12	31-Dec	10.43 Months	64.59	1.19	2.38	1.00	2.52	3.03%	2.37	Biological assets a key earnings factor. Forex fluctuations and harsh weather, added to input costs likely to influence earnings growth. Tea earnings expected to markedly improve. FY09 prospects fair.
Rea Vipingo	5/-		11.50	0.00%	3,500	60,000,000	690.00	2.80	30-Sep	13.43 Months	14.59	1.31	2.62	0.20	4.11	1.74%	4.24	Increased turnover as a result of adequate Sisal fibre harvest in the second half likely. Weather conditions and shilling fluctuations likely to influence FY09 earnings. Modest prospects.
Sasini Ltd	1/-		7.90	14.49%	590,000	228,055,500	1,801.64	3.84	30-Sep	13.43 Months	20.15	0.68	1.36	0.00	2.06	0.00%	1.59	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. Tea earnings expected to markedly improve. Biological assets value to be a key factor.
COMMERCIAL & ALLIED SECTOR																		
Access Kenya	1/-		21.25	6.78%	779,000	203,581,223	4,326.10	0.99	31-Dec	10.43 Months	3.93	0.37	0.74	0.40	21.46	1.88%	27.89	Has increased international bandwidth capacity to more than 300 MB. Recorded 29.5 drop in HY09 profits. Appears to be a growth stock, albeit, with short-term earnings fluctuations.
Car & Gen	5/-		40.00	0.00%	-	22,279,616	891.18	9.50	30-Sep	13.43 Months	50.31	4.33	8.66	0.67	4.21	1.68%	4.14	Improved profitability amid fluctuations in demand due to slowing of the domestic economy. Second hand imports competition still a challenge.
CMC	0.50/-		10.15	1.00%	1,010,400	582,709,440	5,914.50	1.59	30-Sep	13.43 Months	8.30	1.52	3.04	0.35	6.38	3.45%	4.41	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/-		27.00	9.09%	194,700	461,615,483	12,463.62	(8.84)	31-Mar	7.43 Months	37.21	--	--	1.00	--	3.70%	--	Recently reported a 189 percent drop in earnings for the year ended March 31 st 2009 mainly due to Fuel price hedging. Some performance improvement expected in FY09/10 relative to FY08/09.
Marshalls	5/-		24.00	0.00%	-	14,393,106	345.43	(8.16)	31-Mar	7.43 Months	33.15	--	--	0.00	--	0.00%	--	Increased competition from imports remains a big challenge. Likely to continue to be in Earnings loss territory.
NMG	2.5/-		124.00	0.00%	74,000	142,610,520	17,683.70	9.00	31-Dec	10.43 Months	32.78	2.71	5.42	5.50	13.78	4.44%	22.55	Recorded a 23.9 percent drop in PBT for the HY ended June 2009. Plans to launch EATN TV and an online radio. Modest FY09 prospects.
Safaricom	0.05/-		4.05	1.25%	26,161,900	40,000,000,000	162,000.00	0.26	31-Mar	7.43 Months	1.27	--	--	0.10	15.28	2.47%	14.73	HY09 results show a 6.7% increase in profitability amid stiffening competition. Is eyeing the data services market as the next source of top-line and bottom-line growth.
Scangroup	1/-		24.75	1.02%	100,800	220,689,655	5,462.07	1.79	31-Dec	10.43 Months	9.42	0.66	1.32	0.62	13.83	2.51%	12.37	Looking up to PR, investment in government securities and Research as growth drivers. Modest prospects in FY2009/10.
Standard Group	5/-		36.50	1.39%	3,400	73,275,029	2,674.54	3.57	31-Dec	10.43 Months	13.62	1.24	2.48	1.10	10.22	3.01%	14.57	Improved sales revenue in recent results. The one-off impairment cost likely to affect FY09 earnings. Modest prospects in 2009.
TPS (EA)	1/-		40.00	(1.84%)	8,200	105,864,742	4,234.59	2.10	31-Dec	10.43 Months	35.43	0.67	1.34	1.25	19.05	3.13%	14.04	Tourist bookings now picking up. Future anchored on robust economy performance and recovery from the global credit crisis. Good prospects in 2009.
Uchumi	5/-	S	14.50	0.00%	-	180,000,000	2,610.00	2.34	30-Jun	4.43 Months	--	--	--	0.00	6.20	0.00%	6.12	Has already registered a turn-around growth in profit before tax. Is seeking to re-capitalize. 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	H1'09 EPS	Annualized 2009 EPS	DPS	Historical P/E	Div. Yld	Projected P/E	Investment Comment(s)
FINANCE & INVESTMENT SECTOR																		
Barclays Bank	2/-		44.00	1.15%	225,200	1,357,884,000	59,746.90	4.10	31-Dec	10.43 Months	15.07	2.30	4.60	2.00	10.73	4.55%	9.77	Announced a 5 per cent growth in pre tax profit for the first half year. FY09 earnings expected to be in the single-digit region. Fair FY09 prospects.
Centum Investment**	0.50/-		12.85	17.89%	382,400	549,951,880	7,066.88	0.57	31-Mar	10.43 Months	14.79	--	--	0.00	22.54	0.00%	18.79	Recently made an acquisition of some stake in Carbacid - earnings expected to improve as a result. Future anchored on current investment initiatives and robust economy performance.
CFC Stanbic Holdings	5/-		49.00	(3.92%)	557,700	273,684,211	13,410.53	4.94	31-Dec	10.43 Months	67.71	1.75	3.50	1.90	9.92	3.88%	13.62	Consolidation of business services to the new company almost complete. Short term (2009) prospects likely to be modest.
Diamond Trust	4/-		68.50	(1.44%)	24,900	163,037,108	11,168.04	6.28	31-Dec	10.43 Months	44.93	3.21	6.42	1.40	10.91	2.04%	9.32	Q309 pre-tax profit up by 17 per cent to Kshs 1.335b. DTB operates in Kenya, Uganda, Tanzania and Burundi and plans to open 25 branches in the region this year. It received a \$25 million loan from the World Bank's private sector lending arm last year to boost its lending and finance expansion plans. Appears to have good prospects.
Equity Bank	0.5/-		14.25	(1.38%)	26,704,500	3,702,777,020	52,764.57	1.06	31-Dec	10.43 Months	5.28	0.57	1.14	0.30	13.44	2.11%	11.88	Latest Q3 figures show a 0.44% earnings drop. The bank attributes the drop to one-off income from Safaricom IPO. FY09 earnings likely register some growth.
HFCK	5/-		14.55	0.34%	138,500	230,000,000	3,346.50	0.59	31-Dec	10.43 Months	15.92	0.40	0.80	0.30	24.66	2.06%	16.53	Recently registered a 124% growth in H109 earnings. Mortgage income has grown significantly. It intends to revive its subsidiary, the Kenya Building Society (KBS) and link up with Equity Bank in offering mortgage services. Likely to register above-average growth in FY2009.
Jubilee Holdings	5/-		114.00	7.55%	34,000	45,000,000	5,130.00	14.14	31-Dec	10.43 Months	63.80	5.38	10.76	4.25	8.06	3.73%	7.08	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/-		20.00	0.25%	1,617,800	2,217,777,777	44,355.56	1.97	31-Dec	10.43 Months	9.04	1.09	2.17	1.00	10.15	5.00%	10.70	Recently registered a 7% growth in PAT For Q309 earnings. Plans for pan-African expansion by 2012 on high gear. Was recently listed in Rwanda. Appears to have some fair long-term prospects.
Kenya Reinsurance	2.50/-		10.30	1.98%	716,200	600,000,000	6,180.00	1.97	31-Dec	10.43 Months	13.33	--	--	0.50	5.23	4.85%	4.89	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/-		33.00	0.76%	73,700	200,000,000	6,600.00	4.50	31-Dec	10.43 Months	31.04	3.08	6.16	0.00	7.33	0.00%	6.88	NPLs now substantially reduced. Is in the process of getting new shareholders. Recently Announced a 6% rise in q309 earnings. Has modest prospects in FY09.
NIC Bank	5/-		28.50	(0.87%)	317,800	326,361,621	9,301.31	3.49	31-Dec	10.43 Months	18.76	1.62	3.24	0.50	8.17	1.75%	6.17	Reported 18 percent increase in its half-year profit before tax at Sh784 million, up from Sh664 million registered during the same period last year. Modest prospects in 2009.
Olympia Capital	5/-		6.50	4.00%	31,100	40,000,000	260.00	(1.42)	29-Feb	10.43 Months	13.75	0.42	0.84	0.10	-4.58	1.54%	11.39	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/-		46.00	0.00%	3,300	48,000,000	2,208.00	(1.99)	31-Dec	10.43 Months	20.08	0.37	0.74	1.60	-23.12	3.48%	--	Future prospects appear mixed and will most likely depend on economy performance and management effort.
Standard Chartered	5/-	cd	146.00	(0.68%)	35,400	271,967,810	39,707.30	11.34	31-Dec	10.43 Months	46.43	8.60	17.20	10.00	12.87	6.85%	9.68	Announced a 44 percent growth in profit in the latest q309 results. Processing KenGen PIBO, investment in government securities could ensure good 2009 performance.
Co-op Bank	1/-		8.80	2.33%	2,378,200	3,499,212,000	30,793.07	0.80	31-Dec	10.43 Months	3.87	0.42	0.84	0.10	11.00	1.14%	9.78	Plans are underway for the bank to put up new branches, enter into mortgage business. Recorded a 10% growth in profits for period ended Sep 2009. Appears to have some potential for further growth.

Company	P.V	T.S	WAP*	% Price Δ	Shares Traded	Shares Issued	Mkt. Cap. Kshs Mn.	Trailing EPS	Year end	EPS TP	Book Value	H1'09 EPS	Annualized 2009 EPS	DPS	Historical P/E	Div. Yld	Projected P/E	Investment Comment(s)
INDUSTRIAL & ALLIED SECTOR																		
Athi River Mining	5/-		97.50	(1.02%)	1,022,400	99,055,000	9,657.86	5.08	31-Dec	10.43 Months	21.48	6.06	12.12	1.25	19.19	1.28%	17.54	The company pretax profit for the Q3 of 2009 rose 32% percent to Ksh 452M shillings from Ksh 342M posted last year. Investment in projects to boost cement manufacture on course. Has good prospects.
BOC (K)	5/-		155.00	4.73%	13,700	19,525,446	3,026.44	10.26	31-Dec	10.43 Months	77.34	5.27	10.54	6.80	15.11	4.39%	15.09	Re-listed. Posted a 21% decline in profit after tax in the financial period ended June 2009. Fair prospects.
Bamburi	5/-		162.00	(1.82%)	178,500	362,959,275	58,799.40	8.78	31-Dec	10.43 Months	66.86	8.19	16.38	6.00	18.45	3.70%	11.61	A fairly stable counter. Demand for cement expected to continue to be high. Registered a significant rise in earnings in the latest half-year figures. Good prospects.
BAT(K)	10/-		175.00	(2.78%)	1,790,400	100,000,000	17,500.00	17.01	31-Dec	10.43 Months	48.94	--	--	17.00	10.29	9.71%	9.95	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/-	xa	240.00	(15.19%)	44,000	11,326,755	2,718.42	22.63	31-Jul	3.43 Months	91.58	8.88	17.76	15.00	10.61	6.25%	14.82	Re-listed. Posted significantly improved earnings in latest end-year results. Market price has markedly risen. Impressive 2009 prospects.
Crown Berger	5/-		23.75	(2.06%)	10,800	23,727,000	563.52	2.69	31-Dec	10.43 Months	34.64	1.75	3.50	1.00	8.83	4.21%	8.18	Has been expanding regionally and may have benefited from improved activity. Half-year performance better than in the previous year. Challenges abound.
E.A.Cables	0.50/-	xd	19.30	(1.28%)	172,100	202,500,000	3,908.25	1.94	31-Dec	10.43 Months	7.34	1.70*	2.13*	1.00	9.95	5.18%	8.73	Has been aggressive on regional expansion. Could benefit from higher cable demand arising from the TEAMS an SEACOM projects. Is now in the NSE 20-share index. Latest results show some earnings improvement. Future prospects fair.
E.A.Portland#	5/-	cd	82.00	2.50%	6,100	90,000,000	7,380.00	20.38	30-Jun	4.43 Months	20.38	--	--	1.30	4.02	1.59%	--	Shifting to coal to save on energy cost. Latest results show a significant earnings rise due to a one-off valuation gain. The company had earlier issued a profit warning in respect of FY08/09 results. Future performance to depend on input cost, degree of gearing, shilling fluctuations and management effort.
E.A.Breweries	2/-		142.00	0.00%	1,438,400	790,774,356	112,289.96	9.09	30-Jun	4.43 Months	24.74	--	--	8.05	15.62	5.67%	14.76	Has a strong financial base despite tax hikes, is exploring regional markets. Recently had management changes and has announced a marginal 3% drop in PBT. Appears stable.
Eveready East Africa	1/-		2.50	0.00%	44,500	210,000,000	525.00	0.085	30-Sep	13.43 Months	1.74	0.00	--	0.00	29.41	0.00%	--	Recently reported an 86% drop in profitability. Income and earnings prospects for the next financial year likely to continue to fluctuate.
Kenol	0.50/-		48.00	(2.54%)	7,270,200	147,176,120	7,064.45	6.55	31-Dec	10.43 Months	72.21	(2.93)	(5.86)	8.56	7.33	17.83%	11.43	Competition, upfront taxation and international fuel price fluctuations a challenge. Synergy effects of the Kobil takeover and regional subsidiaries likely. Recorded a profit decline of 189% for the period ended Jun. 2009. Made some acquisitions in Burundi and Zimbabwe. FY09 likely to be a challenge.
Kenya Power & Lighting Co.	20/-	cd	136.00	(4.23%)	368,800	79,128,000	10,761.41	40.78	30-Jun	4.43 Months	318.19	18.51	37.02	8.00	3.33	5.88%	2.96	Operational efficiency being pursued. Power demand up. Appears to have conveniently passed-on all cost increases to the consumer. FY09 results impressive. Good prospects.
KenGen	2.50/-	cd	11.40	7.04%	527,400	2,198,361,456	25,061.32	0.94	30-Jun	4.43 Months	28.08	--	--	0.50	12.13	4.39%	12.95	Hydrology to ensure sustained power generation a challenge. Future prospects to depend on investment in more power generation. Latest FY09 results show an improvement in PBT by 48%, but a 64% drop in PAT. Future prospects to depend on success of funding of planned projects.
Mumias	2/-	xd	6.45	(5.15%)	2,803,500	1,530,000,000	9,868.50	1.05	30-Jun	4.43 Months	5.62	--	--	0.40	6.14	6.20%	5.33	Quota deal with COMESA to make the company improve operational efficiency as sugar imports rise. TARDAsugar project yet to take off. Co-generation a plus, Weather, competition & input cost issues a challenge. Modest prospects.
Sameer Africa	5/-		5.00	3.09%	134,500	278,342,393	1,391.71	0.54	31-Dec	10.43 Months	7.67	0.17	0.34	0.00	9.26	0.00%	10.73	High cost of inputs and competition likely influence earnings. Recent H109 results show significantly improved performance. Challenges abound.
Total	5/-		29.00	1.75%	47,000	173,013,000	5,017.38	4.02	31-Dec	10.43 Months	27.78	1.30*	1.62*	2.50	7.21	8.62%	16.60	Registered a drop in latest Q3 H1 earnings due to competition, upfront taxation, high inventory levels and fuel price fluctuations which are likely to determine earnings growth rate. Lower FY09 performance anticipated.
Unga	5/-		8.40	4.35%	13,500	75,708,873	635.95	1.55	30-Jun	4.43 Months	28.62	--	--	0.00	5.42	0.00%	5.32	Demand for its product portfolio is on the up. However, recent maize shortage and shilling depreciation has affected bottom-line.

Company	P.V	T.S	WAP*	% Price Δ	Shares Traded	Shares Issued	Mkt. Cap. Kshs Mn.	Trailing EPS	Year end	EPS TP	Book Value	H1'09 EPS	Annualized 2009 EPS	DPS	Historical P/E	Div. Yld	Projected [†] P/E	Investment Comment(s)
ALTERNATIVE INVESTMENT MARKET SEGMENT																		
A. Baumann	5/-	S	11.10	0.00%	-	3,840,066	42.62	(2.75)	31-Mar	43.20 Months	--	--	--	0.00	--	0.00%	--	A quiet counter. Latest results show that it is in earnings loss territory and is under suspension.
City Trust	5/-	cd	97.00	0.00%	-	5,728,314	555.65	5.13	31-Jul	3.20 Months	37.93	(0.02)	(0.08)	0.50	18.91	1.03%	18.47	The company registered an 18.18% drop in EPS for FY09. Modest prospects.
Eaagads	1/25	xd	20.00	0.00%	-	16,078,500	321.57	1.85	31-Dec	10.20 Months	23.97	(0.83)	(1.66)	0.625	10.81	3.13%	--	A quiet counter. Registered improvements in HY09 though still in loss making zone. Future prospects to depend on coffee price fluctuations and management effort.
Express	5/-		9.00	0.00%	5,100	35,403,790	318.63	(1.24)	31-Dec	10.20 Months	10.82	0.72	1.44	0.00	--	0.00%	5.36	A fairly liquid counter, operating in loss territory. However, latest H1 earnings show an improvement compared to a similar preceding period. Future prospects to depend on economy performance and management effort.
Williamson Tea	5/-		86.00	(0.58%)	25,800	8,756,320	753.04	12.62	31-Mar	8.20 Months	282.46	--	--	4.00	6.81	4.65%	6.16	FY08/09 results show a marked improvement. Fluctuations in the sector appear unpredictable. Fair prospects, on the strength of good tea prices.
Kapchorua	5/-		88.00	10.00%	6,800	3,912,000	344.26	17.87	31-Mar	8.20 Months	161.68	--	--	2.50	4.92	2.84%	4.42	FY08/09 results show a dramatic improvement. Fluctuations in the sector appear unpredictable. Tea earnings expected to markedly improve. Fair prospects.
K.Orchads	5/-		3.00	0.00%	-	12,868,124	38.60	(0.61)	31-Dec	10.20 Months	0.13	--	--	0.00	--	0.00%	6.67	FY08 show that the company is in loss-making territory. Tea earnings expected to markedly improve. Future to be anchored on management effort favorable weather and robust economy performance.
Limuru Tea	20/-		305.00	0.00%	-	1,200,000	366.00	7.05	31-Dec	10.20 Months	30.10	0.42	0.84	2.50	43.26	0.82%	37.16	Fairly quiet, HY09 EPS dropped by 90.52%. Shilling fluctuations, lower export volumes due to adverse weather effects, added to high fertilizer prices could continue to depress export earnings. Tea earnings expected to markedly improve. FY09 prospects appear dull.

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 13/11/2009

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

H1 = Half 1, please note, quarterly results are for the latest quarter announced results

‡ The company's EPS registered a positive leap because of a one-off valuation gain to Kshs. 20.38 per share, otherwise, without this gain; the EPS would have been Kshs. 3.77 per share.

♣ Figures are for Q3 of 2009.

Note: We are anticipating good performance for Agricultural sector companies that operate in the tea sector.

Mr. Stanley Ngaine

Chairman

Phone: + 254 (20)2211915

Email: sngaine@sterlingstocks.com

Mr. Ahmed Ndope

Executive Director

Phone: +254(20)2211917

Email: ndope@sterlingstocks.com

Mr. John Kirimi

Executive Director

Phone: +254(20)2211916

Email: jekirimi@sterlingstocks.com

Mr. David Ithanya

Executive Director

Phone: (+254(020) 2213914

Email: david@sterligstocks.com

Mr. Justus Agoti

Research Analyst

Phone: (+254(020) 2213914, 244077

Email: justus@sterlingstocks.com

Disclaimer

All facts and figures are from sources deemed reliable and believed to be accurate. Information contained in this document has been prepared from data available as at the date of preparation and may have since changed. Past performance does not guarantee future results. This document should not be misconstrued to be an express recommendation for a buy, sell or hold position on any security. The investor should consider their investment objective and risk tolerance before taking any investment action.