



# Quarterly Statistical Bulletin

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**QUARTER ENDED JUNE 2012**

**Issue 12/2012**

# The CMA Capital Markets Bulletin – Q2/2012

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# The CMA Capital Markets Bulletin – Q2/2012

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## Abbreviations and Acronyms

BR	Brokers
CDSC	Central Depository and Settlement Corporation
CDS	Central Depository and Settlement
CIC	Co-operative Insurance Company
CMA	Capital Markets Authority
CMC	Cooper Motors Corporation
CPI	Consumer price index
DTB	Diamond Trust Bank
EAC	East African Community
EAPCC	East African Portland Cement
EC	East African Corporate investors
EI	East African Individuals
FC	Foreign Corporate Investors
FI	Foreign Investor
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offer
KES	Kenya Shillings
LC	Local Corporate
LI	Local Individuals
NASI	NSE All-Share Index
NIC	National Industrial Credit
NSE	Nairobi Securities Exchange
PO	Public Offer
Q	Quarter
qoq	quarter on quarter
USD	United States Dollars
WB	World Bank

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## **Executive Summary**

### **The Kenyan economy**

The Economic Survey 2012 projects Kenya's economy to grow by between 3.5 percent and 4.5 percent in 2012. The lower growth is attributed to extreme weather conditions, high interest rates, high energy costs and increased Government expenditure especially in implementing the new Constitution and the additional expenditure related to preparations for the upcoming general elections.

In June 2012, the World Bank (WB) released a *Kenya Economic Update* publication, titled 'walking a tightrope'. In the report, the WB noted that Kenya's economy is stabilizing but still vulnerable. The report observed that following the increase of interest rates by the Government in late 2011, inflation had steadied, leading to a stabilization of the economy. However, the report noted that Kenya's current account deficit seems to have widened, with indications that it could exceed 15 percent of GDP in 2012. To arrest the situation, WB recommended that Kenya should rebalance its economy, increase savings and create more incentives for exports. The report added that in times of economic turbulence, deepening EAC integration could serve as an additional buffer for external shocks for Kenya.

For 2012 and 2013, the World Bank maintained its growth forecast of 5 percent, with a caveat that, another series of shocks could easily create renewed economic turbulence and slow down economic growth to 4.1 percent from the 4.4 percent realized in 2011. Other issues that were noted include: political uncertainty before next year's elections that may shun investors after the post-election violence experience of 2007 and the current European Debt Crisis, which may not only affect tourist numbers to the country, but also reduce demand for exports.

Across the East African region, Uganda performed better than Kenya with its growth in 2011 hitting 6.4 percent compared to 5.2 percent in 2010; while Burundi's GDP grew by 4.2 percent from 3.9 percent in 2010. Tanzania's growth, on the other hand declined to 6.1 percent, compared to 6.4 percent in 2010 while Rwanda slowed down to seven percent from 7.5 percent previously.

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## **Capital Markets**

In the quarter ending June 2012, there was no activity in primary equities market. The secondary market was however, relatively active, with equity turnover standing at KES 22.7billion, against the KES 13.4billion registered in Q1 of 2012, a 69% increase. Similarly, average market capitalization rose by 11% in the quarter from KES 913.4billion to KES 1,011.4billion. The average NSE 20-Share index was also on an up-trend, rising by 10% from 3298 to 3634. The volume of shares traded also rose, with 1,455million shares being traded, compared to 1,059million shares that had been traded in the preceding quarter.

In the primary Treasury bond market, there were three (3) new issues, as the Government sought to raise KES 18billion. However, it accepted KES 11.89billion compared to the KES 63.97billion in the previous quarter. In the primary corporate bond market, Consolidated Bank received CMA's approval to issue a KES 4billion 7-year bond (starting with a first tranche of KES 2bn) to help boost its capital levels.

The secondary bonds market registered improved trading, with KES 111billion worth of bonds was traded during the quarter, a 12% increase compared to the KES 99billion worth of bonds traded in the preceding quarter. Out of the total turnover for the quarter ending June 2012, 99.8% was in Treasury bonds.

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## 1.0 Primary Market Performance

### 1.1 Primary Equities Market

#### a. Initial Public Offers (IPOs)

Table 1: Initial Public Offers (IPOs) 2000-2012\*

Company	Shares on Issue	Type of issue	Year of Issue	Issue Price	Sum Raised	Subscription level
	Ordinary Shares		Year/Month	Kshs	Kshs.	%
African Lakes (Delisted in 2003)	4,000,000	IPO	2000 March	94.50	378,000,000.00	150%
Mumias Sugar Company	300,000,000	IPO	2001 November	6.25	1,125,000,000	60%
Kengen	658,900,000	IPO	2006 April	11.90	7,840,910,000.00	333%
Scangroup	69,000,000	IPO	2006 June	10.45	721,050,000.00	620%
Eveready	63,000,000	IPO	2006 Aug	9.50	598,500,000.00	830%
Access Kenya	80,000,000	IPO	2007 March	10.00	800,000,000.00	363%
Kenya Re	240,000,000	IPO	2007 July	9.50	2,280,000,000.00	334%
Safaricom	10,000,000,000	IPO	2008 June	5.00	50,000,000,000.00	532%
Co-op Bank	701,000,000	IPO	2008 October	9.50	5,400,000,000.00	81%
British American	660,000,000	IPO	2011 September	9.00	3,515,103,000	60%
<b>TOTAL</b>	<b>15,475,900,000.00</b>				<b>72,658,563,000.00</b>	

\* Up to June; Source: Capital Markets Authority

#### b. Follow on Public Offers (FPOs), Public Offers (POs) and Introductions

During the quarter, educational materials publisher, Longhorn Publishers, listed by introduction 58.5m shares at a price of KES 14 each on the Nairobi Securities Exchange (NSE). Outside Kenya, the company has operations in Uganda, Tanzania, Rwanda, and Malawi.

Also, in the quarter, CIC Insurance Group received Capital Markets Authority approval to list its 2,178,195,820 ordinary shares of KES 1 each on the Main Investment Market Segment (MIMS) of the NSE at an introductory price of KES 3.50 each. At the time, the company had 3,878 shareholders comprising Co-operative Insurance Society Limited as its strategic shareholder with a 74.3 percent stake and individual investors accounting for the remaining 25.7 percent. The company is to be formally listed on the NSE on July 18 2012.



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**Table 2: OFSs and POs 2000-2012\***

Company	Shares on Issue	Type of issue	Year of Issue	Offer Price	Sum Raised	Subscription level
	Ordinary Shares	OFS/Introd.	Year	Kshs	Kshs.	%
<b>Pan African Insurance Holdings</b>	24,000,000	FPO	2000	21.50	516,000,000.00	100%
<b>ICDC</b>	8,948,725	FPO	2001	37.00	211,905,808.00	64%
<b>Mumias Sugar Company</b>	91,999,220	FPO	2006	49.50	4,320,000,000.00	95%
<b>Deacons Kenya</b>	12,800,000	PO	2010	62.50	700,990,000	87.5%

**Table 3: Introductions 2000-2012\***

Company	Shares on Issue	Type of issue	Year of Issue	Offer Price	Sum Raised	Subscription level
<b>Equity Bank</b>	90,500,000	Introduction	2006	90.00	N/A	N/A
<b>CFC Insurance Holdings</b>	515,270,364	Introduction	2011	6.15	N/A	N/A
<b>Transcentury Limited</b>	267,038,090	Introduction	2011	50.00	N/A	N/A
<b>Longhorn Publishers</b>	58,500,000	Introduction	2012	14.00	N/A	N/A
<b>CIC Insurance</b>	2,178,195,820	Introduction	2012	3.50	N/A	N/A

\* Up to June; Source: Capital Markets Authority

## c. Rights Issues

**Kenya Airways:** The Kenya Airways share rights issue which was launched on March 30, 2012 was concluded on April 27 2012. In the issue, the company had sought to raise KES 20.68billion by issuing 1.477billion new shares at a price of KES 14 per share. The airline raised KES 14.48billion, representing a 70 per cent performance rate. The proceeds of the issue will finance part of the airline's 10-year growth and expansion strategy whose total cost is estimated at KES306b.

**Diamond Trust Bank:** After two successful Rights Issues, Diamond Trust Bank (DTB) got the approval to conduct a third to raise KES 1.81 billion by issuing an additional 24.6 million shares to the existing shareholders at a price of KES 74.00 each, in the ratio of one share for every eight held. The issue is set to commence on July 17 and close on August 10 2012. The results of the issue would be made public on September 3 with the new shares starting to trade at the NSE from September 12, 2012.

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**NIC Bank:** In an Annual General Meeting in May 2012, NIC Bank's shareholders gave their approval for the bank to issue 98,724,391 rights to purchase new ordinary shares at an offer price of KES 21.00 per share. The rights will be issued in the ratio of one new ordinary share for every four shares held. NIC Bank shareholders in the register as at 30th July 2012 will be entitled to participate in the Rights Issue. The trading of the rights on the Nairobi Securities Exchange will commence on 27th August 2012 and end on 7th September 2012. The Rights Issue will close on 14th September 2012. The rights issue is subject to CMA approval.

**Table 4: Rights Issues 2004-2012\***

Company	Shares on Issue	Type of issue	Year of Issue	Offer Price	Sum Raised	Subscription level
KCB	50,000,000	Rights	2004	49.00	2,750,125,000.00	112%
Uchumi	120,000,000	Rights	2005	10.00	1,269,600,000.00	106%
CfC Bank	12,000,000	Rights	2005	62.00	744,000,000.00	100%
DTB	15,527,343	Rights	2006	50.00	2,305,810,436.00	297%
Olympia Capital	30,000,000	Rights	2007	14.00	428,400,000.00	102%
DTB	23,291,015	Rights	2007	70.00	2,902,060,469.00	178%
NIC Bank	16,482,910	Rights	2007	70.00	1,719,167,513.00	149%
HFCK	115,000,000	Rights	2008	20.00	2,369,000,000.00	103%
KCB	221,777,777	Rights	2008	25.00	8,122,024,075.00	146%
KCB	887,111,110	Rights	July 2010	17.00	12,500,000,000.00	82.5%
TPS East Africa	24,701,774	Rights	September 2010	48.00	1,185,685,152.00	135%
Standard Chartered	15,109,323	Rights	October 2010	165.45	2,499,837,490.00	161%
KPLC	488,630,245	Rights	November 2010	19.50	9,830,340,000.00	103%
KQ	1,477,169,549	Rights	March 2012	14.00	14,487,949,714.00	70.06%
<b>TOTAL</b>	<b>3,689,502,200</b>				<b>64,861,116,367.00</b>	

\* Up to June; Source: Capital Markets Authority

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## d. Bonus Issues (2009 – 2012\*)

Table 5: Bonus Issues 2009-2012\*

Company	Date (Month/Year)	Corporate Action	Bonus Issue Ratio
NIC Bank	Feb-09	Bonus	1:10
Carbacid	Oct-09	Bonus	2:1
NIC Bank	Feb-10	Bonus	1:10
National Bank	Mar-10	Bonus	2:5
Nation Media Group	Mar-10	Bonus	1:10
Jubilee Holdings	Mar-10	Bonus	1:10
TPS Serena	Mar-10	Bonus	1:6
Centum Investment	Jun-10	Bonus	1:10
Car & General	Jan-11	Bonus	1:2
Pan Africa Insurance	Mar-11	Bonus	1:1
Jubilee Holdings	Apr-11	Bonus	1:10
Centum Investment	Jun-11	Bonus	1:10
KPLC	Oct-11	Bonus	1:8
NIC Bank**	Feb-12	Bonus	1:10
Cooperative Bank**	Mar-12	Bonus	1:5
AccessKenya**	Mar-12	Bonus	1:20
Jubilee**	Mar-12	Bonus	1:10
Standard Group	Apr-12	Bonus	1:10
Kenya Re**	Apr-12	Bonus	1:6

\* Up to June; Source: Capital Markets Authority

\*\* Subject to approval

## e. Stock Splits (2004 – 2012\*)

Table 6: Stock Splits 2004-2012\*

Company	Date (Month/Year)	Corporate Action	Bonus Issue Ratio
KenolKobil	Jun-04	Share Split	10:1
EA Breweries	Aug-04	Share Split	5:1
E.A. Cables	Aug-04	Share Split	10:1
Centum	Oct-06	Share Split	10:1
Barclays	Nov-06	Share Split	1:5
Sasini	Dec-06	Share Split	5:1
CMC Holdings	Jan-07	Share Split	10:1
KCB	Mar-07	Share Split	10:1
Nation Media Group	Mar-08	Share Split	2:1
Equity Bank	Feb-09	Share Split	1:10
Kenolkobil	May-10	Share Split	10:1

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Company	Date (Month/Year)	Corporate Action	Bonus Issue Ratio
KPLC	Oct-10	Share Split	1:8
ARM	May-12	Share Split	5:1

\* Up to June; Source: Capital Markets Authority

## f. Listed, Delisted and/or Suspended Companies

There were no de-listings during the quarter. CMC Holdings however remained suspended during the quarter, pending the resolution of management-related challenges.

**Table 7: Listed/Delisted/Suspended Companies**

Year	Number of Listed Companies	Number of Delisted Companies	Number of Suspended Companies
2005	48	-	2 (BOC, Carbacid); Re-admitted 2009
2006	51	-	1 (Uchumi Supermarkets) -Re-admitted 2011
2007	54	-	-
2008	55	1 (Unilever Tea (K) Ltd.)	1 (A. Baumann)
2009	55	-	-
2010	55	-	-
2011	58	-	2 (CMC Holdings Limited); EAPCC (Re-admitted 2012)
2012*	58	-	-

\*Up to June

Source: Capital Markets Authority

## 1.2 Primary Bonds Market

### a. Treasury Bonds

Three (3) new Treasury bond issues were made in Q2 2012 with the Government targeting to raise KES 18billion. However, it accepted KES 11.89billion.

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**Table 8: Issued/Re-opened Bonds in the quarter to June 2012**

Bond Issue	Tenor	Due Date	Offered (Kshs. M)	Bids (Kshs. M)	Accepted (Kshs. M)	Performance Rate	Coupon Rate	Average Yield*
<b>April 2012</b>								
FXD 1/2012/2 (New Issue) Dated 28.04.12	2-year	20/04/2014	5,000.00	27,714.50	6,468.64	554%	13.826%	15.183%
<b>May 2011</b>								
FXD 1/1/2012 (New Issue) Dated 28.05.2012	5-year	22/05/2017	3,000.00	6,224.90	4,979.59	207%	11.855%	12.624%
<b>June 2012</b>								
FXD 1/2012/10 (New Issue) Dated 25.06.12	10-year	13/06/2022	5,000.00	4,069.22	445.69	81%	12.705%	15.820%

\* Average yield has been taken to be equivalent to the market weighted average rate; Source: Central Bank of Kenya (CBK)

## a. Corporate Bonds

During the quarter, Consolidated Bank received CMA's approval to issue a KES 4billion 7-year bond (starting with a first tranche of KES 2bn) to help boost its capital levels. The bank's bond will be segregated into senior notes worth KES 1.75billion and subordinated notes which will amount to KES 0.25billion. The senior notes will attract a fixed interest rate of 13.25% and a floating interest rate of a 182-day T-bill rate plus 2% (The floor will be 10% and cap will be 13.75%), while subordinated notes will attract a fixed rate of 13.50%.The bond opens on 9th July 2012 and closes on the 20th July 2012, while listing and trading will commence on the 2nd August 2012.

**Table 9: Corporate Bond Issues as at June2012**

Issuer	Approved Amount (Kshsmn)	Issued Amount (Kshsmn)	Date of approval	Maturity	Outstanding (Kshsmn)	Yield (%)
PTA Bank (2005)	1,600	1,600	17-Jun-05	5-Jul-12	160.0	1% above the average weighted 91-day T-bill yield.
PTA Bank (2007)	1,000	1,000	17-Sep-07	17-Sep-14	700.0	1% above the most recent average 182-day T-bill rate.
Barclays Bank K Ltd (1 <sup>st</sup> Tranche)	1,000	1,000	9-Oct-07	19-Nov-14	1,000.0	0.6% above the most recent average 91 day T-bill rate.
Barclays Bank (2 <sup>nd</sup> Tranche)	2,000	2,000	16-Jul-08	16-Jul-13	2,000.0	- Fixed rate of 0.75% above the spot 7-year Treasury yield rate, with an indicative fixed coupon rate of 11.5%. - Floating rate equivalent to the spot 182-day Treasury Bill yield rate plus a margin of 1%.
Mabati Rolling Mills	2,000	1,200	1-Sep-08	1-Sep-16	1,273.5	182 Day T-Bill rate + 1.75% re-priced semi-annually
Mabati Rolling Mills		800	1-Sep-08	1-Sep-16	726.5	FXD 13.00%
Shelter Afrique	1,000	95	24-Aug-10	31-Aug-12	95.0	FR: Government 182-day Treasury bills rate +1.50%
Shelter Afrique		905	24-Aug-10	31-Aug-12	905.0	FXD 11%
Shelter Afrique	2,500	2,500	18-Aug-11	18-Aug-16	2,500.0	FR: 1.5% above the prevailing 182-day but capped at 13.5%.

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(New)						FXD 12.5%
CFC Stanbic (1 <sup>st</sup> Tranche FXR – Kshs 2.4b)	5,000	2,402	10-Jun-09	1-Sep-16	2,402.0	FXD: 12.5%
CFC Stanbic(1 <sup>st</sup> Tranche FLR – Kshs 0.098b)		97.9	10-Jun-09	1-Sep-16	97.9	FR: +1.75% above prevailing 182-day T-Bill rates
CFC Stanbic (2 <sup>nd</sup> Tranche)		2,500	17-Dec-10	17-Dec-14	2,500.0	FXD 7.5%
Safaricom* (1 <sup>st</sup> Tranche – Kshs 5b)	12,000	7,513	2-Oct-09	3-Nov-14	95.2 7,049.6	FR: T.B (182) + 1.85% FXD: 12.25%
Safaricom (2 <sup>nd</sup> Tranche – Kshs 4.5b)		4,500	30-Nov-10	30-Nov-15	200.0 4,287.0	FXD-7.75% FR 185 basis points above the prevailing 182 day TB rates
Housing Finance (1 <sup>st</sup> Tranche – Kshs. 7b)	10,000	7,000	20-Sep-10	20-Sep-17	5,865.4	FXD: 8.5%
			20-Sep-10	20-Sep-17	1,165.5	FR: 182 day + 3% with a floor of 5% and a cap of 9.5%
KenGen	15,000	25,000	2-Nov-10	31-Oct-19	25,000.0	FXD 12.5%
<b>TOTAL</b>					<b>56,749.1</b>	

Note: \*The amount outstanding for Safaricom is more than the approved amount due to the fact that the company exercised the “green-shoe” option. Source: Capital Markets Authority

Table 10: Corporate bonds holdings\* by category of investors in (%) as at June 2012

ISSUER	Banks	Ins.Com.	F/man.	Inv.Com. & Inst.	Individ.	Average yield (%)
Barclays Bank of Kenya Ltd Tranche 1	4.50%	2.50%	87.30%	5.00%	0.70%	9.75%
Barclays Bank of Kenya Ltd Tranche 2	3.05%	6.33%	72.49%	6.00%	12.14%	11.50%
PTA Bank Ltd 2007	16.80%	4.00%	79.20%	-	-	4.58%
PTA Bank Ltd 2005	26.38%	21.13%	51.88%	0.63%	-	9.99%
Mabati Rolling Mills - Fixed	0.00%	24.78%	75.02%	0.00%	0.21%	13.00%
Mabati Rolling Mills - Floating	41.62%	1.96%	54.50%	0.00%	1.92%	17.04%
CFC Stanbic Bank Ltd Tranche 1 - Fixed	20.99%	15.91%	59.78%	0.00%	3.32%	12.50%
CFC Stanbic Bank Ltd Tranche 1 -Floating	0.00%	30.95%	67.97%	0.00%	1.08%	11.66%
CFC Stanbic Bank Ltd Tranche 2	19.85%	3.57%	76.57%	0.00%	0.01%	7.25%
Shelter Afrique Ltd - fixed	22.10%	18.10%	58.08%	0.00%	1.71%	11.00%
Shelter Afrique Ltd - floating	3.78%	0.00%	96.22%	0.00%	0.00%	11.81%
Safaricom Ltd Tranche 1- Fixed	44.09%	4.40%	44.41%	0.00%	7.10%	12.25%
Safaricom Ltd Tranche 1- Floating	0.00%	0.00%	100.00%	0.00%	0.00%	17.21%
New Shelter Afrique Ltd - fixed	33.31%	17.17%	37.91%	0.00%	11.61%	12.50%
New Shelter Afrique Ltd - floating	57.88%	14.40%	27.59%	0.00%	0.13%	11.35%
Safaricom Ltd Tranche 2 - Fixed	43.62%	2.76%	52.99%	-	0.63%	7.75%
Safaricom Ltd Tranche 2 - Floating	0.00%	0.00%	100.00%	0.00%	0.00%	17.14%
HFCK Ltd Tranche 2 Fixed	22.16%	29.15%	46.49%	0.27%	1.93%	8.50%
HFCK Ltd Tranche 2 Floating	0.00%	0.00%	100.00%	0.00%	0.00%	9.50%
Kenya Electricity Generating Company Ltd	3.55%	3.21%	77.14%	3.67%	12.43%	12.00%

Source: Capital Markets Authority

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## 2.0 Secondary Market Performance

### 2.1 Equities

Equity turnover for the second quarter of 2012 stood at KES 22.7billion, against the KES 13.4billion registered in Q1 of 2012, a 69% increase; while average market capitalization rose by 11% in the quarter from KES 913.4billion to KES 1,011.4billion. The average NSE 20-Share index was also on an upward trend, rising by 10% from 3298 to 3634. The volume of shares traded also rose, with 1,455million shares being traded, compared to 1,059million shares that had been traded in the preceding quarter.

Table 11: Gross Stock Market statistics-Q42011/Q12012

	Q2 2012			Q1 2012		
	Apr-2012	May-2012	Jun-2012	Jan-2012	Feb-2012	Mar-2012
End Month NSE 20-Share Index	3,547	3,651	3,704	3,224	3,304	3,367
NASI	76.9	78.5	80.8	69.0	73.0	73.0
Shares Volume Traded (Mn)	526.1	543.6	385.5	350.6	342.1	366.2
Equity Turnover (Kshs. Bn)	7.6	8.8	6.2	3.5	3.5	6.4
Bonds Turnover (Kshs. Bn)	35.5	47.3	28.3	24.5	27.1	47.8
End-Month Mkt. Cap (Kshs. Bn)	984.9	1,000.6	1,048.7	879.8	919.8	940.8

Source: NSE, Capital Markets Authority

Table 12: Key Market Performance Indicators: 2006 – 2012\*

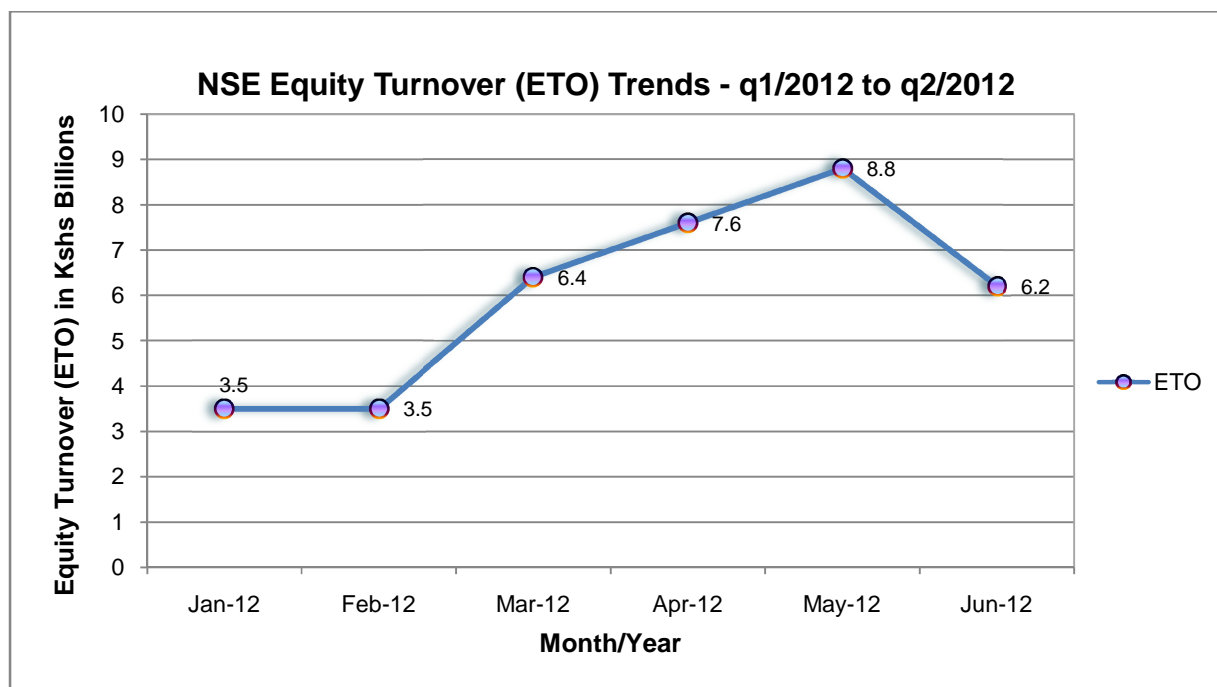
YEAR	Month	Equity Turnover (KshsBn)	Share Volume (Mn)	Avg. NSE 20-Share Index	Avg. Market Cap (KshsBn)
2006	Jan to Dec	94.9	1,454.7	5,646	791.6
2007	Jan to Dec	88.6	1,938.2	5,445	851.1
2008	Jan to Dec	97.5	5,856.5	3,521	853.7
2009	Jan to Dec	38.2	3,169.1	3,247	834.2
2010	Jan to Dec	103.5	6,479.8	4,257	1,089.2
2011	Jan to Dec	78.1	5,684.7	3,751	1,035.8
2012*	Jan to Jun	36.09	2,514.2	3,466	964.4

\*up to June; Source: NSE, Capital Markets Authority

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Chart 1: Trends in Equity Turnover

i. QOQ Equity turnover trends



Source: NSE/Capital Markets Authority

Table 13: Top 10 Companies by Market Capitalization in Kshs. Billions for Q2/2012

Listed Company	Apr/ 2012	May/2012	Jun/2012	Q2/2012 Average Mkt. Cap
EABL	166.06	172.39	179.51	172.65
SAFCOM	132.00	130.00	138.00	133.33
EQTY	76.83	77.76	78.68	77.76
BBK	69.52	70.61	70.88	70.34
KCB	66.79	68.28	68.28	67.78
BAMB	53.72	52.99	59.89	55.53
SCBK	47.37	51.39	57.70	52.15
COOP	47.67	45.58	39.11	44.12
BAT	32.30	36.00	37.20	35.17
KPLC	30.05	28.39	29.47	29.30
<b>Top 10 Co.s Total Mkt Cap</b>	<b>722.32</b>	<b>733.38</b>	<b>758.72</b>	<b>738.14</b>
<b>End-month total Mkt Cap</b>	<b>984.87</b>	<b>1,000.57</b>	<b>1048.72</b>	
<b>Mkt. Concentration</b>	<b>73.34%</b>	<b>73.30%</b>	<b>72.35%</b>	

Source: NSE/Capital Markets Authority



# The CMA Capital Markets Bulletin – Q2/2012

**Table 14: Top 10 Companies by Equity Turnover in Kshs. billions (Q2/2012)**

Listed Company	Jan/ 2012	Feb/2012	Mar /2012	Q2/2012 Average Mkt. Turnover
EABL	1.86	1.98	1.45	1.76
KCB	1.46	1.48	0.73	1.22
EQTY	1.32	0.97	1.21	1.17
SCOM	0.77	0.86	0.58	0.74
SCAN	0.06	0.58	0.19	0.28
COOP	0.17	0.23	0.16	0.19
MSC	0.19	0.20	0.16	0.18
UCHM	0.21	0.27	0.06	0.18
KPLC	0.20	0.22	0.11	0.18
BAT	0.13	0.22	0.14	0.16

Source: NSE/Capital Markets Authority

**Table 15: Top 10 Companies by Liquidity Ratios Q2/2012**

Company	Av. Turnover (Kshs Billions)	Av. Market Cap (Kshs Billions)	Liquidity Ratio
MASH	0.18	0.02	10.44%
UCHM	4.21	0.18	4.25%
MSC	8.67	0.18	2.09%
SCAN	15.19	0.28	1.84%
KCB	67.78	1.22	1.81%
BERG	0.74	0.01	1.59%
EQTY	77.76	1.17	1.50%
ACCS	1.01	0.01	1.35%
ICDC	9.50	0.10	1.07%
KNRE	6.55	0.07	1.06%

Source: Capital Markets Authority

## 2.2 Bonds

**Table 16: Bond Turnover Annual Comparisons 2006 – 2012\***

YEAR	PERIOD	Bond Turnover (KshsBn)
2006	Jan to Dec	48.6
2007	Jan to Dec	84.9
2008	Jan to Dec	95.3
2009	Jan to Dec	110.6
2010	Jan to Dec	479.1

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YEAR	PERIOD	Bond Turnover (KshsBn)
2011	Jan to Dec	445.8
2012*	Jan to Jun	210.5

Source: \* Up to June; Source: NSE, Capital Markets Authority

KES 111billion worth of bonds was traded during Q2/2012, a 12% increase in bond turnover compared to the KES 99billion worth of bonds traded in the preceding quarter. It was however an 18% decrease, compared to the KES 136.4billion turnover registered in Q2 of 2011. Out of the total turnover for the quarter to June 2012, 99.8% was in Treasury bond trading.

**Table 17: Quarterly Bond Turnover (Apr– Jun) 2006-2012**

YEAR	Month	Bond Turnover (Kshs Bn)
2006	Apr to Jun	18.9
2007	Apr to Jun	24.8
2008	Apr to Jun	10.3
2009	Apr to Jun	26.1
2010	Apr to Jun	155.7
2011	Apr to Jun	136.4
2012	Apr to Jun	111.1

Source: NSE, Capital Markets Authority

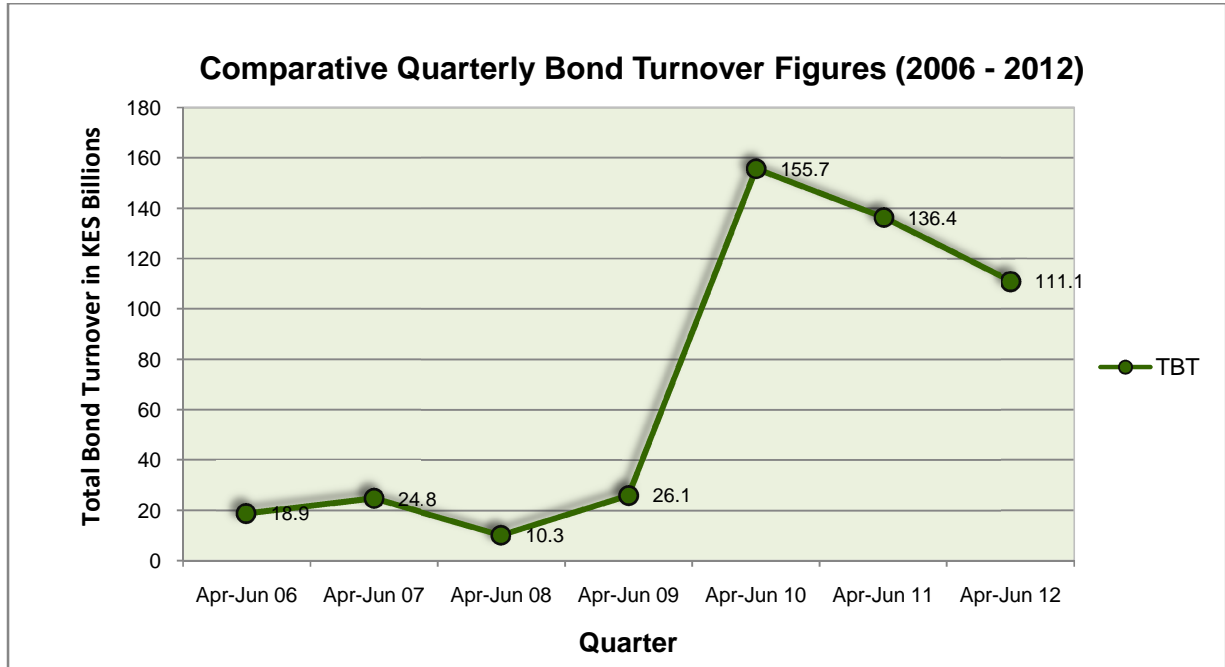
**Table 18: Issued Bonds: Q3/2011– Q1/2012**

Month	Government Bond Turnover (Kshs bn)	Corporate Bond Turnover (Kshs bn)	Total Bond Turnover (Kshs bn)
<b>Q4/2011</b>			
October	34.30	0.24	<b>34.54</b>
November	26.56	0.04	<b>26.60</b>
December	24.87	0.13	<b>25.00</b>
<b>Q1/2012</b>			
January	24.18	0.33	<b>24.51</b>
February	26.67	0.45	<b>27.12</b>
March	47.12	0.70	<b>47.81</b>
<b>Q2/2012</b>			
April	35.42	0.08	<b>35.50</b>
May	47.34	0.01	<b>47.34</b>
June	28.14	0.12	<b>28.26</b>

Source: NSE

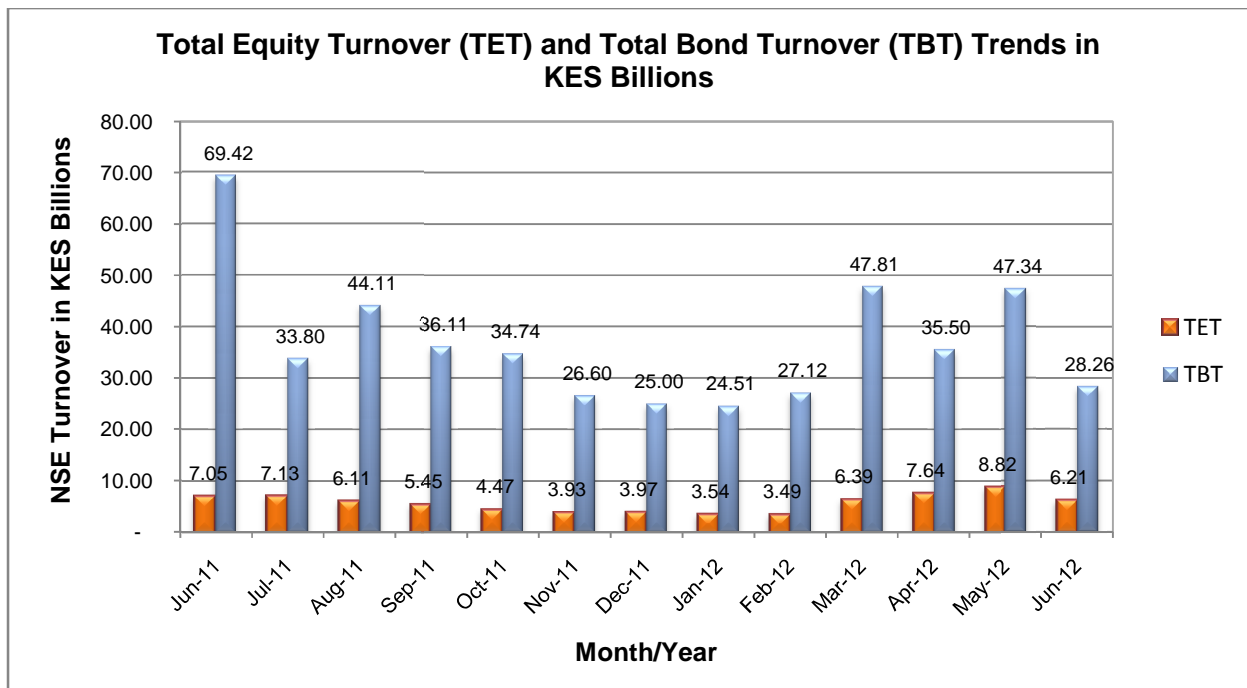
# The CMA Capital Markets Bulletin – Q2/2012

Chart 2: Quarterly Bond Turnover (Apr – Jun) 2006-2012



Source: Capital Markets Authority

Chart 4: Trends in Bond Vs Equity Turnover in 2011/12



Source: Capital Markets Authority

# The CMA Capital Markets Bulletin – Q2/2012

## 3.0 Investor Profiles at the Nairobi Securities Exchange

**Table 19: Investor Equity Holdings & Corporate Bonds Amount Outstanding (Q2/2012)**

Equities				
Account Type	Category of Investor	No. of Investors	No. of Shares held	% of shares held
EC	East African Corporate	242	500,473,737	1.83%
EI	East African Individuals	5,606	167,036,909	0.61%
FC	Foreign Corporate	333	8,100,350,489	29.59%
FI	Foreign Investors (Individuals)	3,862	248,399,492	0.91%
LC	Local Corporate	38,802	10,852,061,878	39.64%
LI	Local Individuals	866,835	7,506,986,356	27.42%
Corporate Bonds				
Account Type	Category of Investor	No. of Investors	Amount Outstanding in Kshs. Bn	% of total outstanding
EC	East African Corporate	2	129,375,000	0.33%
EI	East African Individuals	4	3,093,750	0.01%
FC	Foreign Corporate	3	229,343,750	0.58%
FI	Foreign Investors (Individuals)	71	254,368,750	0.64%
LC	Local Corporate	731	36,045,688,170	91.33%
LI	Local Individuals	2,117	2,805,340,350	7.11%

Note: Holdings at CDSC keep changing from time to time and may be different from those in the registrar records submitted to CMA  
Source: CDSC

**Table 20: Investor Equity & Corporate Bond trading Statistics (Apr.–Jun. 2012)**

Account Type	Investor Category	Equities	Corporate Bonds	Equities	Corporate Bonds
		% trading market share	% trading market share	% trading market share	% trading market share
		Jan. 2012 – Mar. 2012		Apr. 2012 – Jun. 2012	
BR	<b>Brokers</b>	0.13%	-	0.59%	-
CU	<b>Custodians</b>	-	-	0.01%	-
EC	<b>East African Corporate</b>	0.30%	-	0.22%	-
EI	<b>East African Individuals</b>	0.19%	-	0.13%	-
FC	<b>Foreign Corporate</b>	55.24%	-	55.00%	-
FI	<b>Foreign Investors (Individuals)</b>	0.52%	0.07%	0.67%	1.45%
LC	<b>Local Corporate</b>	22.27%	98.91%	24.24%	93.24%
LI	<b>Local Individuals</b>	21.36%	1.02%	19.15%	5.31%

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## Investor Profiles at the CDSC

Table 21: Number of Accounts Opened in 2012\*

Client Type		2008	2009	2010	2011	2012*
EC	East African Corporate	342	13	49	17	18
EI	East African Individuals	7,986	79	92	108	40
FC	Foreign Corporate	222	144	621	409	211
FI	Foreign Investors (Individuals)	2,586	334	440	338	149
LC	Local Corporate	109,533	2,143	3,981	1,229	411
LI	Local Individuals	843,979	52,836	120,756	31,607	9,801
	<b>TOTAL</b>	<b>964,648</b>	<b>55,549</b>	<b>125,939</b>	<b>33,708</b>	<b>10,630</b>

\* Up to June; EC – East African Company; EI - East African Individual; FC – Foreign Company; FI – Foreign Individual; LI – Local Individual; LC – Local Company; Source: CDSC

A total of 6,498 CDS accounts were opened in Q2/2012, compared to 4,132 new CDS accounts opened in the preceding quarter. In total, during H1/2012, 10,630 new CDS accounts were opened.

Table 22: Equity Investors according to Gender as at Jun. – 2012

Gender	Apr. - Jun. – 2012		Jan - Mar. – 2012		Oct - Dec. - 2011	
	No. of Investors	Share Qty Held	No. of Investors	Share Qty Held	No. of Investors	Share Qty Held
F	272,638	1,494,726,114	272,944	1,510,538,668	273,240	1,468,830,243
M	573,758	5,995,321,341	575,171	6,067,778,658	576,548	5,597,569,818
<b>TOTAL</b>	<b>846,396</b>	<b>7,490,047,455</b>	<b>848,115</b>	<b>7,578,317,326</b>	<b>849,788</b>	<b>7,066,400,061</b>

Table 23: Corporate Bond Investors and Share pledges according to gender as at Jun. – 2012

Gender	Corporate Bond Investors - (Apr. - Jun. 2012)		Share Pledges	
	No. of Investors	Amount Outstanding	No. of Investors	Quantity Pledged
F	564	352,015,625	52,821	2,062,709,769
M	1,494	2,000,570,925		
<b>TOTAL</b>	<b>2,058</b>	<b>2,352,586,550</b>	<b>52,821</b>	<b>2,062,709,769</b>

Note: Figures for Male and Female exclude Corporate institutions' statistics  
Source: CDSC

**Table 24: Shareholding per listed company as at June 2012**

Company	Latest Report	Total Shares Amount	No. Held By Foreign Shareholders	% Held By Foreign Shareholders	No. Held By Local Individual Investors	% Held By Local Individuals	No. Held By Local Institutions	% Held By Local Institutions
<b>AGRICULTURAL</b>								
Eaagads AIMS	Jun.	16,078,500	3,857,200	23.99%	2,018,302	12.55%	10,202,998	63.46%
Kakuzi	Jun.	19,599,999	7,086,517	36.16%	5,037,646	25.70%	7,475,836	38.14%
Kapchorua Tea AIMS	Jun.	3,912,000	1,081,014	27.63%	676,041	17.28%	2,154,945	55.09%
Limuru Tea AIMS	Jun.	1,200,000	10,278	0.86%	348,142	29.01%	841,580	70.14%
Rea Vipingo	Jun.	60,000,000	36,473,911	60.79%	18,788,390	31.31%	4,737,699	7.90%
Sasini	Jun.	228,055,500	2,479,955	1.08%	59,424,739	26.06%	165,181,506	72.43%
Williamson AIMS	Jun.	8,756,320	4,910,619	56.08%	2,260,349	25.81%	1,585,352	18.11%
<b>AUTOMOBILES &amp; ACCESSORIES</b>								
Car & General	Jun.	33,419,424.00	355,996	1.07%	7,234,501	21.65%	25,828,927	77.29%
CMC Holdings	Jun.(Suspended)	582,709,440.00	10,452,339	1.79%	210,365,657	36.10%	361,891,444	62.10%
Marshalls (E.A.)	Jun.	14,393,106.00	736,791	5.13%	2,452,856	17.03%	11,203,359	77.83%
Sameer Africa	Jun.	278,342,393.00	48,636,993	17.47%	50,755,777	18.24%	178,949,623	64.29%
<b>BANKING</b>								
Barclays Bank	Jun.	5,431,536,000	3,865,823,355	71.17%	905,768,972	16.68%	659,943,673	12.15%
CFC Stanbic Holdings	Jun.	273,684,211	183,875,488	67.19%	10,818,763	3.95%	78,989,960	28.86%
Diamond Trust Bank	Jun.	195,644,530	105,346,850	53.85%	44,745,215	22.87%	45,552,465	23.28%
Equity Bank	Jun.	3,702,777,020	1,671,891,534	45.15%	726,565,904	19.62%	1,304,319,582	35.23%
HFCK	Jun.	230,425,000	1,025,886	0.45%	68,855,975	29.88%	160,618,139	69.71%
Kenya Commercial	Jun.	2,968,746,156	554,219,883	18.67%	836,042,099	29.06%	1,578,484,174	56.64%
National Bank	Jun.	280,000,000	988,382	0.35%	173,468,776	61.94%	195,542,842	61.94%
NIC Bank	Jun.	394,897,562	5,936,093	1.50%	89,410,020	22.64%	299,551,449	75.86%
Standard Chartered	Jun.	287,077,133	215,290,131	74.99%	34,524,055	12.03%	37,262,947	12.98%



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Company	Latest Report	Total Shares Amount	No. Held By Foreign Shareholders	% Held By Foreign Shareholders	No. Held By Local Individual Investors	% Held By Local Individuals	No. Held By Local Institutions	% Held By Local Institutions
CFC Insurance Holdings	Jun.	515,270,364	301,476,020	58.51%	12,924,476	2.51%	200,869,868	38.98%
Jubilee Holdings	Jun.	45,000,000	29,182,837	53.60%	20,643,267	37.91%	4,623,896	8.49%
Kenya Re Insurance	Jun.	600,000,000	13,484,176	17.16%	102,950,300	17.16%	483,565,524	80.59%
Panafrica Insurance	Jun.	96,000,000	1,529,562	1.59%	33,948,056	35.36%	60,522,382	63.04%
British-American Investments	Jun.	2,150,000,000	860,307,400	40.01%	721,200,650	33.54%	568,491,950	26.44%
<b>INVESTMENT</b>								
Centum Investment	Jun.	665,441,714	20,279,029	3.04%	314,557,044	47.27%	330,605,641	49.68%
City Trust Ltd <b>AIMS</b>	Jun.	5,728,001	166,968	0.03%	2,203,026	38.46%	,358,007	58.62%
Olympia Capital	Jun.	40,000,000	292,200	0.73%	18,029,012	45.07%	21,678,788	54.20%
Trans-Century <b>AIMS</b>	Jun.	273,950,284	12531294	4.57%	238,691,107	87.13%	22,727,883	8.30%
<b>MANUFACTURING &amp; ALLIED</b>								
A.Baumann& Co <b>AIMS</b>	Jun.	SUSPENDED	-	-	-	-	-	-
B.O.C Kenya	Jun.	19,525,446	12,936,657	66.26%	2,019,658	10.34%	4,569,131	23.40%
BAT	Jun.	100,000,000	72,593,736	72.60%	7,133,410	7.13%	20,272,854	20.27%
Carbacid Investments	Jun.	3,3980,265	2,918,988	8.58%	16148076	47.52%	14911101	43.88%
East African Breweries	Jun.	790,774,356	208,037,515	26.31%	115,572,409	14.62%	467,164,432	59.08%
Eveready East Africa	Jun.	210,000,000	22,605,643	10.76%	60,548,482	28.83%	126,845,875	60.40%
Kenya Orchards Ltd	Jun.	12,868,124	4,343	0.03%	6,381,128	49.59%	6,482,653	50.38%
Mumias Sugar	Jun.	1,530,000,000	71,529,922	4.68%	771,916,040	50.45%	686,554,038	44.87%
Unga Group	Jun.	75,708,873	3,065,012	4.06%	29,825,808	39.26%	42,818,053	56.68%
<b>TELECOMMUNICATION &amp; TECHNOLOGY</b>								
AccessKenya	Jun.	207,655,708	42,717,534	20.57%	111,594,230	53.74%	53,343,944	25.69%
Safaricom	Jun.	40,000,000,000	4,277,465,648	10.69%	2,567,029,067	6.42%	33,155,505,285	82.89%



# The CMA Capital Markets Bulletin – Q2/2012

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Company	Latest Report	Total Shares Amount	No. Held By Foreign Shareholders	% Held By Foreign Shareholders	No. Held By Local Individual Investors	% Held By Local Individuals	No. Held By Local Institutions	% Held By Local Institutions
<b>FIXED INCOME SECURITIES MARKET SEGMENT</b>								
<b>PREFERENCE SHARES</b>								
Kenya Power & Lighting Ltd 4% Pref. 20.00	Jun.	1,800,000	83,162	4.71%	637,696	35.43%	1,072,702	59.59%
Kenya Power & Lighting Ltd 7% Pref 20.00	Jun.	350,000	15418	4.40%	100,049	28.59%	234,533	67.015

# The CMA Capital Markets Bulletin – Q2/2012

**Table 25: Trends in Investor Holdings at the NSE in 2012\***

Type of Investor	2004	2005	2006	2007	2008	2009	2010	2011	2012*
E.A. Institutions (%)	47.4	51.2	52.8	54.5	77.2	74.2	73.6	68.33	65.80
E.A. Individuals (%)	22.8	22.5	21.6	26.9	14.9	15.7	13.8	12.23	14.20
Foreign Investors (%)	29.8	26.3	25.6	18.6	7.9	10.1	12.6	19.44	20.00

\*As at June; Source: CMA

**Table 26: Trends in Foreign institutional and Local Equity Investor participation at the NSE in 2011/12\***

Quarter	Month/Year	Foreign Investor Purchases	Foreign Investor Sales	Equity Turnover	Participation of Foreign Investors
		Kshs. Millions	Kshs. Millions	Kshs. Millions	%
Q2/2011	Apr	3,160	6,184	7,883	59.26%
	May	2,909	6,243	8,406	54.44%
	Jun	3,527	5,124	7,047	61.38%
Q3/2011	Jul	4,487	3,314	7,132	54.69%
	Aug	3,410	2,789	6,109	50.74%
	Sep	2,646	2,111	5,453	43.62%
Q4/2011	Oct	3,242	2,523	4,466	64.54%
	Nov	2,820	2,789	3,928	71.40%
	Dec	2,709	1,774	3,973	56.42%
Q1/2012	Jan	1,118	1,930	3,544	43.00%
	Feb	1,999	1,204	3,493	45.85%
	Mar	3,860	1,209	6,386	39.69%
Q2/2012	Apr	4,912	3,141	7,640	52.70%
	May	5,141	4,042	8,815	52.09%
	Jun	3,880	2,241	6,214	49.25%

\*As at June 2012; Source: NSE

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**Table 27: Remittances to Kenya as at February 2012 (USD '000')**

Year	2006	2007	2008	2009	2010	2011	2012*
January	31,506	40,930	53,925	39,535	45,117	64,139	89,755
February	30,283	39,533	50,382	53,353	46,423	60,759	103,970
March	36,354	48,562	59,344	55,361	52,309	71,557	106,399
April	35,369	38,251	67,872	48,117	52,679	70,071	95,625
May	42,427	41,163	48,538	49,180	51,172	68,124	100,995
June	35,667	48,643	49,490	46,347	52,541	71,888	99,488
July	41,065	53,350	44,137	50,372	50,652	72,797	-
August	30,587	58,803	43,388	55,947	51,993	79,563	-
September	28,841	60,575	48,953	53,347	58,557	84,854	-
October	29,633	46,848	61,113	53,037	58,503	81,311	-
November	31,403	55,564	43,970	48,231	56,400	80,802	-
December	34,459	41,421	40,129	56,329	65,617	85,244	-
<b>Annual Total</b>	<b>407,593</b>	<b>573,643</b>	<b>611,241</b>	<b>609,156</b>	<b>641,943</b>	<b>891,109</b>	<b>596,232</b>

Source: CBK

Remittances in the second quarter of 2012 stood at USD 296.12million, 1.3% below the USD 300.12million received in the first 3 months of 2012. Remittances have significantly recovered from a dip in 2009 following the challenges that accompanied the Global Financial Crisis of 2008. The main source markets - North America and UK still lead in the amount of remittances received by Kenya.

**Table 28: Foreign Investor Net Cash Inflow Activity (Kshs Millions)**

	2009	2010	2011	2012*
January	(342)	2,517	1,987	(812)
February	66	489	622	795
March	329	1,998	1,552	2,651
April	49	151	(3,024)	1,771
May	496	(325)	(3,334)	1,099
June	884	1,601	(1,597)	1,639
July	791	1,159	1,173	
August	861	471	621	

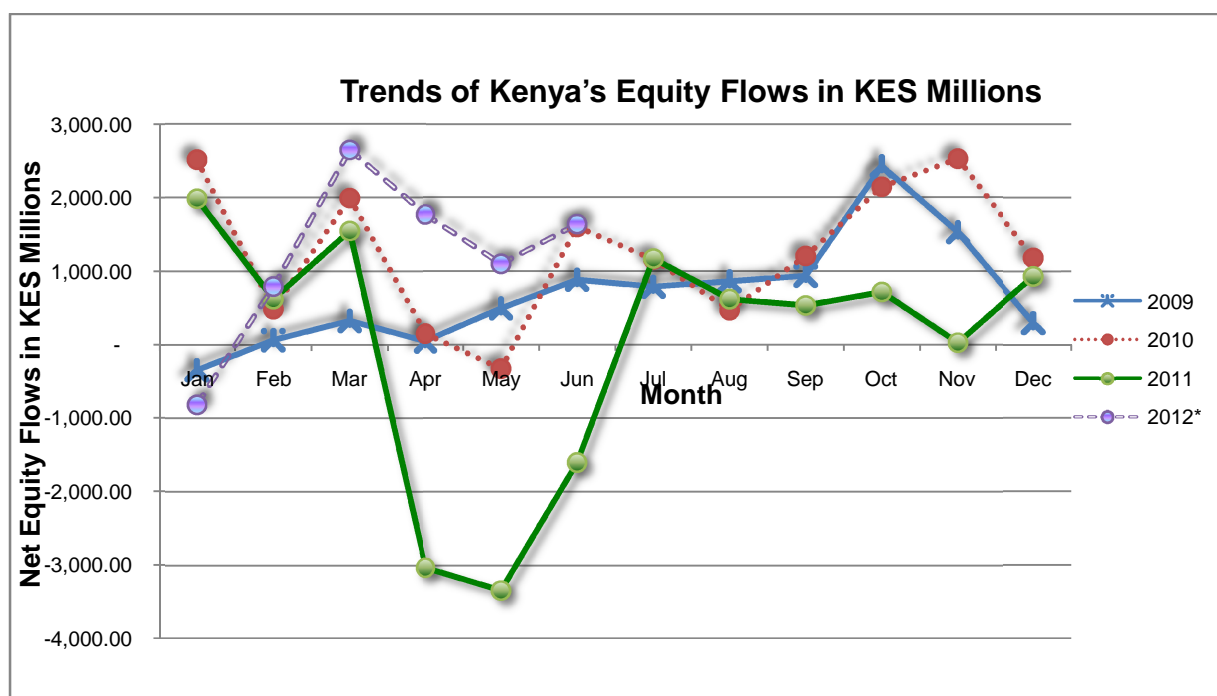
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September	937	1,206	535	
October	2,425	2,147	719	
November	1,528	2,526	31	
December	300	1,186	935	
<b>NET CASH INFLOW</b>	<b><u>8,324</u></b>	<b><u>15,126</u></b>	<b><u>220.00</u></b>	<b><u>7,143</u></b>

\*Up to June; Source: NSE

Total net foreign portfolio inflow improved markedly during the second quarter, compared to the preceding quarter. Total net inflow stood at KES 4,509million a significant 71% higher than the KES 2,634million net inflow registered in Q1/2012. In the corresponding quarter in 2011, the market had registered a net outflow equivalent to KES 7,955million.

Chart 5: Trends in Foreign Investor Cash Inflows – [2009 – 2012\*]



Source: Capital Markets Authority

# The CMA Capital Markets Bulletin – Q2/2012

## 4.0 Corporate Actions

### Corporate Actions (Jan. 2012 – Jun. 2012).

<b>Company</b>	<b>Announcement Date</b>	<b>Corporate Action</b>	<b>Dividend/Bonus/Split</b>
DTBK	01-03-12	Rights	1:8 (STA)
DTBK	01-03-12	1st and Final	1.70
KCB	01-03-12	1st and Final	1.85
BOC	02-03-12	Final	4.80
Equity Bank	08-03-12	1st and Final	1.00
Co-op Bank	08-03-12	Bonus	1:5 (STA)
Co-op Bank	08-03-12	Final	0.40
StanChart	13-03-12	Final	11.00
AccessKenya	14-03-12	Bonus	1:20 (STA)
Nation	15-03-12	Final	6.50
TPS	15-03-12	Final	1.30
National Bank	19-03-12	1st and Final	0.40
Carbacid	20-03-12	Interim	3.00
BAT	22-03-12	1st and Final	0.15
EA Cables	23-03-12	Final	0.50
TransCentury	23-03-12	Final	0.25
Kenya Airways	26-03-12	Rights Issue	16:5
Limuru	27-03-12	Final	7.50
ARM	28-03-12	Final	2.00
Jubilee	30-03-12	Bonus	1:10 (STA)
Jubilee	30-03-12	Final	4.50
Standard Group	04-04-12	Bonus	1.10
Scangroup	18-04-12	1st & Final	0.70
Sameer	09-02-12	1st & Final	0.20
Kenya Re	24-04-12	Bonus	1:6
Crown Paints	25-10-12	Dividend	1.25
Safaricom	10-05-12	Dividend	0.22
Athi River Mining	14-05-12	Share Split	5:1
Kenya Airways	14-06-12	1st & Final	0.25

STA – Subject to approval

# The CMA Capital Markets Bulletin – Q2/2012

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## 5.0 Major International Economic Developments

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### USA

According to the US Commerce Department, the US economy slowed in the second quarter to an annualized rate of 1.5%, compared to a revised figure of 2% in the preceding quarter. Despite the slowdown, the second quarter growth figures were better than expected and US stocks rallied sharply. The main Dow Jones index closed up 188 points, or 1.5%, at 13,076, its highest level since early May 2012. Separately, in its bi-annual review, the White House revised down its forecast for growth in 2012 to 2.3% from 2.7%, and in 2013 to 2.7% from 3%. (Source: <http://www.bbc.co.uk/news/business-19014425>)

### Euro-zone

According to the European Union's statistics office - *Eurostat*, the euro-zone's economy grew marginally in the second quarter, albeit, with a fall in household consumption for the first time in nearly two years. The Union's statistics office confirmed its estimate that gross domestic product rose by 0.2 percent quarter-on-quarter in the April-June period. In year-on-year terms, *Eurostat* revised down its GDP growth figure to 1.6 percent from its previous 1.7 percent. Growth was sharply down on the 0.8 percent quarter-on-quarter and 2.4 percent year-on-year figures for the first three months of 2011.

(Source: <http://www.euronews.com/2011/09/06/euro-zone-gdp-weak-in-second-quarter/>)

### China:

According to China's National Bureau of Statistics, China's economy slowed to its lowest rate in more than three years in the second quarter, expanding 7.6% from an 8.1% expansion in the first quarter. The growth rate was the weakest since the first quarter of 2009. For the January-to-June period, the economy grew 7.8%, compared to 9.6% in the same period last year. (Source: <http://www.guardian.co.uk/business/2012/jul/13/china-economic-growth-slows-gdp>)

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## Africa:

According to a survey of finance professionals undertaken by the Association of Chartered Certified Accountants and the Institute of Management Accountants, Africa managed to sustain its economic recovery despite global recession. According to the survey, respondents in Africa were the most confident of the state of the global economy with 34 per cent of respondents reporting confidence gains, down from 39 per cent three months earlier. The survey also established that more investors from developed countries have been shifting some of their funds into the emerging markets like those in Sub-Sahara Africa because of relative stability of the financial systems and higher returns.

(Source: <http://mobile.theeastafrican.co.ke/News/Africa+economic+growth+picks+up//433842/1467566/-/format/xhtml/-/dksv7k/-/index.html>)

## APPENDICES

### i. Nairobi Securities Exchange Listed Companies

<b>AGRICULTURAL</b>	<b>COMMERCIAL AND SERVICES</b>	<b>INSURANCE</b>
<i>Eaagads Ltd Ord 1.25 AIMS</i>	<i>Express Kenya Ltd Ord 5.00 AIMS</i>	<i>British-American Investments Co.(Kenya)Ltd Ord 0.10</i>
<i>Kakuzi Ltd Ord.5.00</i>	<i>Hutchings Biemer Ltd Ord 5.00 (suspended)</i>	<i>CFC Insurance Holdings Ltd ord.1.00</i>
<i>Kapchorua Tea Co. Ltd OrdOrd 5.00 AIMS</i>	<i>Kenya Airways Ltd Ord 5.00</i>	<i>Jubilee Holdings Ltd Ord 5.00</i>
<i>The Limuru Tea Co. Ltd Ord 20.00 AIMS</i>	<i>Longhorn Kenya Ltd Ord 1.00 AIMS</i>	<i>Kenya Re Insurance Corporation Ltd Ord 2.50</i>
<i>Rea Vipingo Plantations Ltd Ord 5.00</i>	<i>Nation Media Group Ltd Ord. 2.50</i>	<i>Pan Africa Insurance Holdings Ltd Ord 5.00</i>
<i>Sasini Ltd Ord 1.00</i>	<i>Scangroup Ltd Ord 1.00</i>	
<i>Williamson Tea Kenya Ltd Ord 5.00 AIMS</i>	<i>Standard Group Ltd Ord 5.00</i>	<b>INVESTMENT</b>
	<i>TPS Eastern Africa Ltd Ord 1.00</i>	<i>Centum Investment Co Ltd Ord 0.50</i>
<b>AUTOMOBILES &amp; ACCESSORIES</b>	<i>Uchumi Supermarket Ltd Ord 5.00</i>	<i>City Trust Ltd Ord 5.00 AIMS</i>
<i>Car &amp; General (K) Ltd Ord 5.00</i>		<i>Olympia Capital Holdings Ltd Ord 5.00</i>
<i>CMC Holdings Ltd Ord 0.50 (suspended)</i>	<b>CONSTRUCTION &amp; ALLIED</b>	<i>Trans-Century Ltd Ord 0.50 AIMS</i>
<i>Marshalls (E.A.) Ltd Ord 5.00</i>	<i>Athi River Mining Ord 5.00</i>	
<i>Sameer Africa Ltd Ord 5.00</i>	<i>Bamburi Cement Ltd Ord 5.00</i>	<b>MANUFACTURING &amp; ALLIED</b>
	<i>Crown Berger Kenya Ltd Ord 5.00</i>	<i>A.Baumann &amp; Co Ltd Ord 5.00 AIMS(Suspended)</i>
<b>BANKING</b>	<i>E.A.Cables Ltd Ord 0.50</i>	<i>B.O.C Kenya Ltd Ord 5.00</i>
<i>Barclays Bank of Kenya Ltd Ord 0.50</i>	<i>E.A.Portland Cement Co. Ltd Ord 5.00</i>	<i>British American Tobacco Kenya Ltd Ord 10.00</i>
<i>CFC Stanbic of Kenya Holdings Ltd</i>		<i>Carbacid Investments Ltd Ord 5.00</i>

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ord.5.00		
Diamond Trust Bank Kenya Ltd Ord 4.00	<b>ENERGY &amp; PETROLEUM</b>	East African Breweries Ltd Ord 2.00
Equity Bank Ltd Ord 0.50	KenGen Co. Ltd Ord. 2.50	Eveready East Africa Ltd Ord. 1.00
Housing Finance Co. Kenya Ltd Ord 5.00	KenolKobil Ltd Ord 0.05	Kenya Orchards Ltd Ord 5.00 <b>AIMS</b>
Kenya Commercial Bank Ltd Ord 1.00	Kenya Power & Lighting Co Ltd Ord 2.50	Mumias Sugar Co. Ltd Ord 2.00
National Bank of Kenya Ltd Ord 5.00	Total Kenya Ltd Ord 5.00	Unga Group Ltd Ord 5.00
NIC Bank Ltd Ord 5.00		
Standard Chartered Bank Kenya Ltd Ord 5.00		<b>TELECOMMUNICATION &amp; TECHNOLOGY</b>
The Co-operative Bank of Kenya Ltd Ord 1.00		AccessKenya Group Ltd Ord. 1.00
		Safaricom Ltd Ord 0.05

Source: NSE



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## ii. Traded Bonds' Statistics Q2/2012

April 2012

Security	High Yield (%)	Low Yield (%)	Deals	Turnover (KES)
<b>Government bonds</b>				
IFB1/2011/012	15.0000	13.6900	49	6,441,674,821.50
FXD1/2012/001	17.4400	15.5000	12	3,130,285,400.00
FXD2/2012/001	16.3000	15.0000	14	2,707,007,000.00
SDB1/2011/030	17.0000	12.5000	17	2,574,291,881.30
FXD1/2010/025	14.5000	6.5500	13	2,389,972,934.20
FXD1/2009/015	14.6000	3.1600	16	2,360,608,956.00
FXD1/2010/010	8.0000	3.8500	23	2,038,422,650.00
IFB1/2010/008	8.9600	3.0200	30	1,681,096,765.00
FXD3/2012/001	16.4000	15.5000	9	1,367,673,750.00
FXD1/2010/015	14.6000	4.1500	8	1,209,290,585.00
FXD3/2007/015	13.3500	3.7150	7	1,194,677,555.00
IFB1/2009/012	16.0000	3.5000	14	1,017,088,890.00
FXD1/2008/015	4.1500	3.9500	2	961,560,875.00
FXD1/2006/010	7.5000	7.1600	5	907,736,175.00
FXD2/2008/010	8.3000	6.2500	16	894,859,000.00
FXD2/2010/015	7.4000	6.2800	3	734,448,770.00
FXD2/2003/010	15.5000	14.0000	5	613,178,970.00
FXD4/2011/002	17.0000	14.0000	12	556,954,699.15
FXD2/2007/015	6.1000	5.8250	2	444,155,208.00
FXD1/2007/010	10.7500	9.5200	7	429,609,400.00
FXD2/2011/002	15.6000	15.2000	4	395,288,975.00
FXD1/2009/005	15.9000	15.3000	2	317,869,200.00
FXD1/2008/020	15.5000	9.5100	5	231,155,333.10
FXD1/2007/007	15.9000	15.3500	2	225,795,940.00
FXD1/2003/010	14.6000	14.0000	2	207,183,600.00
FXD1/2011/005	15.5000	3.0000	2	177,883,200.00
FXD1/2006/012	4.5000	4.5000	1	154,153,700.00
FXD1/2011/020	13.3000	13.3000	1	32,610,000.00
FXD2/2010/005	14.5000	14.5000	1	16,201,540.00
FXD2/2010/010	14.5000	14.5000	8	3,948,675.00
FXD1/2011/001	17.0000	17.0000	2	2,183,545.00
IFB2/2009/012	14.6500	14.2500	3	1,045,276.30
			<b>297</b>	<b>35,419,913,269.55</b>
<b>Corporate Bonds</b>				
BBKB	12.7800	12.7800	1	100,000.00
CFCB	14.0000	13.5000	8	80,515,992.00
KENB	16.5000	16.0000	3	3,088,380.00
			<b>12</b>	<b>83,704,372</b>
<b>Total ( Government +corporate)</b>			<b>309</b>	<b>35,503,617,642</b>

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May 2012

Security	High Yield (%)	Low Yield (%)	Deals	Turnover (Kshs)
<b>Government bonds</b>				
FXD1/2003/010	12.9000	12.2700	8	422,275,323.40
FXD1/2006/010	13.0000	6.9200	4	379,435,739.00
FXD1/2006/012	4.0200	3.8250	4	476,593,800.00
FXD1/2007/012	13.2000	13.2000	1	314,926.50
FXD1/2007/015	14.7000	14.7000	1	2,029,364.00
FXD1/2008/015	13.2900	13.2900	1	727,835.25
FXD1/2008/020	13.9000	9.2500	42	1,320,741,101.60
FXD1/2009/005	16.5000	12.1000	2	96,355,709.50
FXD1/2009/015	13.0000	9.0100	5	182,950,592.00
FXD1/2010/010	12.8000	3.7800	21	1,101,065,098.00
FXD1/2010/015	13.3500	3.9250	4	825,603,975.00
FXD1/2010/025	7.7500	7.5500	14	428,412,600.00
FXD1/2011/001	15.0000	15.0000	1	56,101.70
FXD1/2011/005	12.5000	12.5000	1	10,579,356.00
FXD1/2011/020	14.0000	12.2000	9	574,297,260.00
FXD1/2012/001	15.0000	12.0000	11	2,169,384,800.00
FXD1/2012/002	12.4500	11.3000	22	7,152,387,400.00
FXD1/2012/005	12.0000	12.0000	2	149,279,200.00
FXD2/2003/010	14.0000	12.0000	3	359,994,860.00
FXD2/2006/010	13.5000	10.8500	8	116,430,953.25
FXD2/2007/015	12.7000	12.2500	4	111,245,350.00
FXD2/2008/010	14.0000	6.8200	4	301,047,913.00
FXD2/2010/005	12.4500	12.4500	2	25,207,740.00
FXD2/2010/015	9.0000	8.8900	3	780,061,750.00
FXD2/2011/002	14.3000	13.7500	5	203,188,865.00
FXD2/2012/001	13.5000	12.0000	4	451,118,740.00
FXD3/2007/015	14.0000	3.4500	9	1,098,009,205.00
FXD3/2012/001	16.4000	13.0100	5	1,080,143,880.00
FXD4/2010/002	11.5000	11.5000	1	1,964,724.00
FXD4/2011/002	12.5000	11.1000	19	4,552,808,510.00
IFB1/2009/012	14.4000	10.5600	46	599,449,212.00
IFB1/2010/008	13.4200	8.4000	2	5,920,385.00
IFB1/2011/012	16.2500	12.2000	198	19,056,906,188.90
IFB2/2009/012	16.5000	13.6000	6	90,493,542.50
SDB1/2011/030	14.1250	12.6500	98	3,209,312,247.20
			<b>570</b>	<b>47,335,794,248</b>
<b>Corporate Bonds</b>				
KENB	16.0000	14.0000	9	5,730,924.70
SCOB	12.0000	12.0000	1	1,750,000.00
			<b>10</b>	<b>7,480,925</b>
<b>Total ( Government +corporate)</b>			<b>580</b>	<b>47,343,275,173</b>

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June 2012

Security	High Yield (%)	Low Yield (%)	Deals	Turnover (Kshs)
<b>Government bonds</b>				
FXD 1/2006/06	13.00	13.00	2	363,379.10
FXD1/2006/007	13.00	13.00	1	101,925.10
FXD1/2006/010	6.37	6.37	2	173,273,715.00
FXD1/2006/012	15.24	3.55	4	162,497,088.90
FXD1/2007/010	13.50	13.50	2	449,247.50
FXD1/2008/015	3.48	3.48	1	504,527,375.00
FXD1/2008/020	16.00	3.70	21	1,701,817,145.80
FXD1/2009/005	15.39	14.00	2	94,386,594.40
FXD1/2009/015	13.84	13.84	1	752,451.20
FXD1/2010/010	12.80	3.10	35	3,023,743,038.00
FXD1/2010/015	13.25	3.64	11	937,953,219.60
FXD1/2010/025	7.59	6.32	26	2,076,740,220.00
FXD1/2011/005	14.00	14.00	1	42,552,400.00
FXD1/2011/020	12.80	4.82	5	606,362,000.00
FXD1/2012/001	12.40	12.00	2	116,147,625.35
FXD1/2012/002	14.73	14.73	2	3,000,000.00
FXD1/2012/005	13.00	11.86	45	1,262,322,995.00
FXD2/2006/010	10.85	10.85	2	1,168,372.00
FXD2/2007/015	5.35	5.35	1	224,266,284.00
FXD2/2008/010	7.45	2.05	6	1,033,267,650.00
FXD2/2010/005	16.50	16.50	1	376,582.00
FXD2/2010/015	13.25	5.69	9	798,562,598.45
FXD2/2011/002	19.50	19.50	1	229,891.25
FXD2/2012/001	14.00	12.00	3	6,725,256.25
FXD3/2007/015	9.00	3.33	2	565,060,125.00
FXD3/2008/005	14.00	14.00	1	191,086.80
FXD3/2012/001	16.50	13.50	4	1,853,407,634.00
FXD4/2011/002	14.50	11.20	8	1,129,770,350.00
IFB1/2009/012	13.40	13.40	1	805,564.80
IFB1/2010/008	12.04	1.92	16	982,121,240.00
IFB1/2011/012	20.20	12.28	80	8,551,856,835.60
IFB2/2009/012	13.00	11.25	7	91,321,706.15
SDB1/2011/030	14.50	12.50	29	2,198,242,257.55
			<b>334.00</b>	<b>28,144,363,853.80</b>
<b>Corporate Bonds</b>				
KENB	3.72	15.00	19	110,309,166.15
MRMB	13.00	13.00	2	4,096,418.00
CFCB	13.00	13.00	1	914,556.00
			<b>21</b>	<b>115,320,140</b>
<b>Total ( Government +corporate)</b>			<b>355</b>	<b>28,259,683,994</b>

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## iii. Performance of other Selected Markets

Quarterly Performance – EAC Member States (Equities) [quarter to June 2012].

Indicator	Uganda	Tanzania	Kenya
Number of Shares Traded (millionn)	61.86	14.19	1,455.29
Turnover (US Dollars billion)	0.00255	0.00647	0.2699
Number of Deals	927	2,536	77,543
Average Market Cap (US Dollars billion)	7.62	7.70	12.04
Turnover Ratio ( Turnover/Average Market Cap)	0.000335	0.00084	0.022417
All Share Index (Closing)	1,046.53	1,437.84	81
Exchange rate to the USD (June 30, 2012)	2,473.24	1,568.91	84.00

Source(s): CMA(K), CMA (U), CMA (TZ)

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## iv. Market Capitalization in USD (Millions) for selected Markets – Apr. – Jun. 2012

Exchange				% change / Jun 11 (in USD)	% change / Jun 11 (in local cur)
	April	May	June		
<b>Americas</b>					
Bermuda SE	1 506.9	1 460.4	1 472.9	-8.2%	-8.2%
BM&FBOVESPA	1 303 733.8	1 124 349.1	1 127 245.6	-27.4%	-6.2%
Buenos Aires SE	31 335.3	31 411.4	31 173.8	-47.9%	-42.6%
Colombia SE	258 491.1	234 209.2	231 906.5	8.5%	9.3%
Lima SE	94 991.8	89 910.0	90 029.2	9.1%	5.8%
Mexican Exchange	458 862.9	404 071.6	453 316.0	-1.5%	12.7%
NASDAQ OMX	4 504 386.7	4 231 361.5	4 474 770.0	10.0%	10.0%
NYSE Euronext (US)	13 508 450.7	12 579 117.1	13 027 883.4	-5.5%	-5.5%
Santiago SE	315 488.2	276 330.2	294 767.8	-12.0%	-5.7%
TMX Group	2 040 210.0	1 820 643.6	1 860 187.7	-16.6%	-11.9%
<b>Total region</b>	<b>22 517 457.3</b>	<b>20 792 864.2</b>	<b>21 592 753.0</b>	<b>-5.3%</b>	
<b>Asia - Pacific</b>					
Australian SE	1 326 443.9	1 141 292.9	1 215 596.6	-15.8%	-12.1%
BSE Ltd	1 171 798.2	1 035 911.9	1 101 873.2	-26.8%	-8.6%
Bursa Malaysia	429 940.0	406 243.4	420 451.4	-3.9%	1.0%
Colombo SE	15 561.4	13 692.6	14 146.5	-34.1%	-19.5%
Gretai Securities Market	56 552.9	56 524.6	56 064.5	-	-
Hong Kong Exchanges	2 607 871.0	2 320 225.3	2 375 850.0	-12.4%	-12.7%
Indonesia SE	428 325.6	385 109.4	397 114.8	-2.6%	6.6%
Korea Exchange	1 100 859.1	982 838.5	1 024 629.2	-14.6%	-8.4%
National Stock Exchange India	1 149 764.3	1 014 209.5	1 079 388.5	-26.6%	-8.3%
Osaka SE	225 111.2	207 285.7	210 397.9	-16.9%	-17.9%
Philippine SE	203 439.7	192 894.9	204 800.5	27.1%	23.6%
Shanghai SE	2 605 477.9	2 559 194.2	2 410 873.5	-14.0%	-15.5%
Shenzhen SE	1 169 013.1	1 198 193.8	1 149 178.8	-10.5%	-12.0%
Singapore Exchange	696 092.3	637 994.9	664 634.1	-0.7%	2.5%
Taiwan SE Corp.	701 172.7	668 137.3	668 600.0	-16.7%	-13.3%
The Stock Exchange of Thailand	331 076.9	298 961.8	307 528.1	10.1%	13.9%
Tokyo SE Group	3 533 596.7	3 225 443.0	3 384 874.5	-7.4%	-8.5%
<b>Total region</b>	<b>16 377 221.2</b>	<b>15 122 658.5</b>	<b>15 396 215.7</b>	<b>-11.8%</b>	
<b>Europe - Africa - Middle East</b>					
Amman SE	27 284.9	25 966.5	25 916.1	-6.9%	-6.9%
Athens Exchange	35 047.0	25 770.3	30 222.4	-54.7%	-48.3%
BME Spanish Exchanges	950 062.4	779 906.0	876 874.0	-35.2%	-25.9%
Budapest SE	22 315.5	17 019.6	19 495.0	-39.9%	-26.1%
Casablanca SE	57 096.6	53 608.3	53 979.1	-19.4%	-10.2%
Cyprus SE	2 984.5	2 210.4	2 222.7	-64.9%	-59.9%
Deutsche Börse	1 374 440.4	1 197 814.1	1 212 467.1	-25.3%	-14.6%
Egyptian Exchange	58 502.5	55 943.4	56 261.6	-16.2%	-14.9%
IMKB	250 847.1	214 692.8	248 494.8	-12.1%	-2.1%

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Irish SE	123 538.2	105 254.6	111 231.7	<b>60.9%</b>	<b>83.8%</b>
Johannesburg SE	884 145.1	774 428.0	829 480.3	<b>-8.6%</b>	<b>10.3%</b>
Ljubljana SE	6 366.8	5 374.6	5 344.3	<b>-39.5%</b>	<b>-30.9%</b>
London SE Group	3 567 379.3	3 105 466.9	3 332 230.8	<b>-13.4%</b>	<b>-1.1%</b>
Luxembourg SE	67 508.1	57 695.2	62 352.3	<b>-37.1%</b>	<b>-28.1%</b>
Malta SE	3 346.5	3 198.4	3 277.1	<b>-20.1%</b>	<b>-8.7%</b>
Mauritius SE	7 569.3	7 612.4	7 239.1	<b>-17.9%</b>	<b>-9.6%</b>
MICEX / RTS	879 852.6	695 394.6	740 052.4	-	-
NASDAQ OMX Nordic Exchange	954 281.0	806 995.8	860 385.3	<b>-16.7%</b>	<b>-4.9%</b>
NYSE Euronext (Europe)	2 592 161.5	2 282 815.3	2 460 421.3	<b>-24.3%</b>	<b>-13.5%</b>
Oslo Børs	244 896.9	205 451.5	222 257.8	<b>-27.8%</b>	<b>-20.0%</b>
Saudi Stock Exchange - Tadawul	394 996.7	365 725.8	356 536.2	<b>2.3%</b>	<b>2.3%</b>
SIX Swiss Exchange	1 163 041.6	1 036 176.4	1 077 961.8	<b>-18.3%</b>	<b>-8.2%</b>
Tel Aviv SE	170 358.7	150 984.3	147 031.9	<b>-29.7%</b>	<b>-19.3%</b>
Warsaw SE	161 606.1	133 754.2	149 553.1	<b>-29.2%</b>	<b>-13.9%</b>
Wiener Börse	96 289.2	81 835.2	86 603.2	<b>-34.3%</b>	<b>-24.9%</b>
<b>Total region</b>	<b>14 095 918.7</b>	<b>12 191 094.6</b>	<b>12 977 891.7</b>	<b>-19.9%</b>	
<b>WFE Total</b>	<b>52 990 597.1</b>	<b>48 106 617.3</b>	<b>49 966 860.3</b>	<b>-11.3%</b>	

**Notes:**

Johannesburg SE: figures include the market capitalization of all listed companies, but exclude listed warrants, convertibles and investment funds

Korea Exchange: includes Kosdaq market data

Mauritius SE: From Aug. 2006, data includes Development & Enterprise Market

NASDAQ OMX Nordic Exchange : OMX includes Copenhagen, Helsinki, Iceland, Stockholm, Tallinn, Riga and Vilnius Stock

ExchangesSingapore Exchange: market capitalization includes domestic listings and a substantial number of foreign listings, defined as companies whose principal place of business is outside of Singapore. Inactive secondary foreign listings are excluded.

TSX Group: also includes TSX Venture market cap

Total excludes Osaka and National Stock Exchange of India to avoid double counting with Tokyo and Bombay SE respectively

**Source : World Federation of Exchanges members**

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## CONTACT DETAILS

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### **CAPITAL MARKETS AUTHORITY KENYA**

Embankment Plaza, 3<sup>rd</sup> Floor, Longonot Road, Upper Hill

P.O. Box 74800-00200 Nairobi

Tel: +254-20-2264900, 2221910, 2226225, Cell: 0722207767.  
0734651550

Fax: +254- 20-342825

Email: [corporate@cma.or.ke](mailto:corporate@cma.or.ke); [research@cma.or.ke](mailto:research@cma.or.ke)

Website: [www.cma.or.ke](http://www.cma.or.ke)

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