USE registers sh4 trillion capitalisation growth

By Samuel Sanya

The Uganda Securities Exchange (USE) value has beat the odds to register an improvement of sh4 trillion in the months to December 5, as market capitalisation hit sh24.4 trillion, an analysis by *New Vision* indicates.

This was an improvement from capitalisation of sh20.9 trillion on January 2. This comes after Paul Bwiso, the USE chief executive officer, revealed that the value of shares traded had been affected by the Kenya presidential elections.

"We have found it a challenging year. Politics in the region has affected the market. Most foreign investors have pulled out of equity and are waiting to see what happens in Kenya," Bwiso said.

Stephen Kaboyo of Alpha Capital Partners pointed out in a recent report that economic conditions in the region have been boosted by receding political risk in Kenya, as well as strong portfolio flows.

Additionally, the International Monetary Fund (IMF) has forecast better fortunes for Uganda by predicting that the economy will grow by 5% above the 2.6% average for sub-Saharan Africa this financial year. The IMF noted that the only way for Uganda, is up.

Uganda Clays biggest gainer

Analysis shows that Uganda Clays Limited (UCL) had the highest improvement by share price, moving to sh30 per share, more than double its sh12 share price at the start of the year. This was a 150% jump as UCL's market capitalisation moved to sh27b, from sh10.8b in the same period.

UCL ended June 2017 with a 70.44% improvement in half-year profit compared to June 2016. Profit after tax rose to sh2.17b on the back of a 3.87% rise in revenues to sh12.86b.

Kenya Airways second-best The second-fastest gainer was Kenya Airways, despite its current struggle to move into the green, profit wise. The fliers shares jumped to sh481.03 per share, from sh204.28 at the start of the year as investors showed confidence in the company.

Speaking during a media briefing at the end of November, Kenya Airways CEO Sebastian Mikosz noted that the airline had narrowed its pretax loss to Ksh3.77b (about sh132b) for the quarter ended September 2017.

Other major gainers were KCB and Equity Bank, whose share price increased by 43% and 41% respectively.

Umeme's shareprice drops

Electricity utility registered an 18% drop in market capitalisation as its share price moved to sh400 per share, from sh490 at the start of the year.

Investor appetite seems to have been affected by the tumultuous Kenyan political landscape and squabbles with regulators.

Other counters that have closed the year with lower valuations are dfcu, who dropped 12% to sh680 per share, Baroda, which dropped 11% to sh110 per share, and Jubilee with a 4% drop to sh16,562.80 per share.