



**Radar Screen**  
Low grain prices  
renew hope of food  
security  
**Page 3**

**Ideas & Debate**  
Why State should  
put in place disaster  
mitigation authority  
**Page 9**

**Life**  
To stay motivated  
as entrepreneur,  
put passion first  
**Page 27**



# BUSINESS DAILY

A NATION MEDIA GROUP PUBLICATION NO. 790

TUESDAY, APRIL 20, 2010

WWW.BDAFRICA.COM KSH 50/- | TZ SH 1,000 | UGSH 1,400

## Big shift in brokers' fortunes

**STOCK MARKET** Foreign and institutional investors' domination of activity at the Nairobi Stock Exchange opens a new front in the race for commission revenues with market recovery

### BRIEFING



#### Varsities double ad spend in rush to net students

Universities doubled their publicity spend last year to cash in on the growing number of Kenyans seeking college education.  
**Page 6»**

#### Data supply rivalry heralds lower internet costs

The battle for market share between data suppliers is set to intensify as satellite providers lose more customers to fibre operators, new data reveals.  
**Page 8»**

#### CBK steps up drive for lower interest rates

The Central Bank of Kenya has stepped up the drive for lower interest rates by floating a bond without an indicative price in an effort to attract lower bids.  
**Page 19»**

#### EAC external tariff spurs imports surge

The adoption of a common external tariff has spurred rise in imports to East Africa, statistics by the Kenya Revenue Authority show.  
**Page 21»**

### NEWS IN DEPTH



**Oil wealth may deter Sudan factions from returning to war despite rising tension**  
**Pages 12-13»**

### THE HUSTLERS



**ANDRE DESIMORE**  
**Kestrel Capital**  
A former Wall Street investment banker has been CEO of Kestrel Capital since 1995. He is credited with developing the research tradition that is now associated with the firm's market leadership.



**LUCAS OTIENO**  
**African Alliance**  
Is the CEO at African Alliance Kenya Securities Limited. Known to place strong value in research and client relationship. The firm offers agency, and broking service to institutional investors.



**KASIM BHARABIA**  
**Apex Africa**  
A veteran of Kenya's financial services market and founder of the investment bank. Has built strong local networks among high net worth individuals in Nairobi and Mombasa.



**NKOREGAMBA MWEBESA**  
**CFC Financial Services**  
Former chief executive of the NSE is executing what he calls the new deal at Cfc Financial Services. The firm had the third highest equity turnover in the first half of last year.

### THE OLD GUARD



**JAMES WANGUNYU**  
**Standard Investment Bank**  
Is part of a dominant old guard that still has a firm grip on revenues at the bourse. While accounting for a large portion on equity turnover, SIB has more recently turned its guns on the lucrative bonds market.



**JIMNA MBARU**  
**Dyer & Blair Investment Bank**  
Under his stewardship, Dyer & Blair has grown into a dominant investment bank that boasts of highly qualified personnel. The firm topped the revenue list last year.



**BOB KARINA**  
**Faida Investment Bank**  
A founder of the firm that made both hay and a name while the sun was high between 2005 and 2007. More recently, FIB has spread its footprints to bond trading where it recorded the highest turnover in the past two years.



**MICHAEL GICHOHI**  
**Suntra Investment Bank**  
Took over from long serving CEO James Murigu. It is during Mr Murigu's tenure that the drive for retail investors gained momentum catapulting the firm into the coveted club of market leaders.

BY JAMES MAKAU

**The combination of electoral chaos and global recession that left a prolonged bear run on its tail at the Nairobi Stock Exchange is changing the fortunes of key players, giving rise to a new club of stock market barons.**

**Fresh stock market data indicates that as the emerg-**

**ing wave of recovery lifts all boats at the bourse, the dominance of the cabal that built its front seat status on political leverage is gradually waning, creating space for a new group to lead the queue.**

**Market watchers however say that unlike the 2005-2007 stock market boom that gave rise to leveraged growth in the club of stockbrokers and investment banking, the emerging barons**

NSE, Page 2»

## Kenya loss in aviation shutdown rises to Sh2b

BY WANGUI MAINA  
AND KEVIN MWANZIA

The economic impact of the volcanic cloud which has grounded flights across Europe continued to deepen, forcing delaying deliveries, losses to airlines and reducing jet fuel demand.

Horticulture exporters, oil marketers, air-freight couriers and national carrier Kenya Airways have lost about Sh1.8 billion as the shutdown entered its fifth day with signs that the crisis could take longer to recover.

The tourism sector, services affiliated to the aviation sector such as food providers and the Kenya Airports Authority (KAA), which earn fees from landing, takeoff and parking of planes, are also feeling the pinch of the crisis said to be the worst since the 2001 September 11 terrorist attack on the US.

### Aviation fuel

"We do not know when it will end," Mr Titus Naikuni, the managing director of Kenya Airways said yesterday as he revealed that the national carrier was losing about Sh77 million (\$1 million) daily following the cancellation of 15 flights destined for Europe.

This came as it emerged that the daily demand for aviation fuel had dropped 50 per cent or one million litres as the shutdown continued to eat into earnings of oil marketers.

"The uptake has dropped by about half. On average, the daily uptake at JKIA is about two million litres and on Sunday we released 982 cubic meters," said Mr Philip Kimelu, KPC's manager for operations, adding that demand in Mombasa has reduced to a third.

The oil players have lost about Sh300 million daily since the crisis set in last Friday.

The volcanic eruption in Iceland has affected business globally and the airlines lobby International Air Transport Association (IATA) says that the industry is losing \$200 million (Sh15.4 **AVIATION, Page 4»**)

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