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Kestrel Capital tops NSE with Sh47bn trades

A Nairobi Securities Exchange staff serves an investor. PHOTO | SALATON NJAU

IN SUMMARY

- Kestrel nine-month sales and purchases of securities stood at Sh46.9 billion, having grown by 64.5 per cent from the six-month cumulative total of Sh28.5 billion.
- Increased activity has seen total turnover at the NSE rise to Sh150 billion in the third quarter, having stood at Sh100 billion in the six months to June.

Kestrel Capital has edged out Renaissance Capital (RenCap) as the largest equities broker at the Nairobi Securities Exchange (NSE) in the first nine months, having trailed the Russian firm at the half-year mark.

Latest trading data from the NSE indicates Kestrel nine-month sales and purchases of securities stood at Sh46.9 billion, having grown by 64.5 per cent from the six-month cumulative total of Sh28.5 billion.

RenCap which turned over more than Sh46.6 billion as at the end of September led the market at the midyear mark in June with trades worth Sh33.6 billion.

According to Kestrel chief executive Andre DeSimone, the higher turnover coming at a time when the market is on a bull run will help earnings, but he noted stockbrokers remain in an environment of rising operating and compliance costs.

Investors remain keen on participating in the rising market that has lifted counters such as NSE, **Centum** *<URL: http://www.businessdailyafrica.com/stocks/-/1322440/1394232/-/shksag/-/index.html >* and **Britam** *<URL: http://www.businessdailyafrica.com/stocks/-/1322440/1394220/-/shks9i/-/index.html >* to new highs in the third quarter.

The gains have spurred activity from investors seeking to book profits as well as the segment looking to take positions in counters deemed as having good prospects for price appreciation.

"There is strong local and international appetite for new offerings and listings by well managed companies," Mr DeSimone told the *Business Daily*.

Also falling behind Kestrel in the trading volumes is SBG Securities, which is associated with the **CfC Stanbic** *<URL: http://www.businessdailyafrica.com/stocks/-/1322440/1371870/-/sgarcj/-/index.html >* group.

SBG has traded Sh43.9 billion worth of shares in the nine months with quarter-on-quarter growth from January to June of 37.1 per cent at Sh32 billion.

Increased activity has seen total turnover at the NSE rise to Sh150 billion in the third quarter, having stood at Sh100 billion in the six months to June.

This turnover factors in one side of the corresponding buy-sale trades, to reflect the real money changing hands. Stockbrokers earn commissions for both sale and purchases.

While SBG has not been the top stockbroker in terms of volumes this year, it still led the rest in net earnings in the industry in the half-year results released in August reflecting other deals made.

READ: **SBG Securities tops stockbrokers profits charts** *<URL: http://www.businessdailyafrica.com/SBG-Securities-steps-ahead-in-profits-race/-/539552/2440366/-/aagach/-/index.html>*

The broker crossed the half-year 2014 line with Sh342.7 million in total income and a Sh138.66 million profit, nearly doubling the Sh76.6 million net income for a similar period last year.

RenCap had closed the half-year profits race second with a net profit of Sh67.4 million, while Kestrel clocked Sh38.8 million in net earnings.

The net earnings factor in brokerage commissions, advisory fees, and non-commission earnings such as account maintenance fees.

With analysts expecting the bullish trend to continue, the market turnover is set to surpass the full year numbers from 2013, which stood at Sh155 billion. Various sectors of the market such as insurance and banking are seen as retaining an upside.

"We expect the market to remain vibrant especially driven by investor excitement around corporate actions," said Stratlink Africa managing director Konstantin Makarov in a market update for October.

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