

Shilling plunges on weak dollar supply, insecurity

Yesterday, the shilling hit 88.80/90 mark despite Central Bank of Kenya injecting Sh30 billion into the market

By KWEMOI KAPCHANGA

The shilling may hit the 89th mark against the dollar by the end of the week as foreign firms repatriate half-year profits recently declared and continued insecurity fears keep tourists away, analysts warn.

Several Nairobi Securities Exchange (NSE)-listed companies are partly owned by foreign entities, which receive their dividends in international denominated currencies such as dollars, euro or pounds. This is exerting pressure on the Shilling.

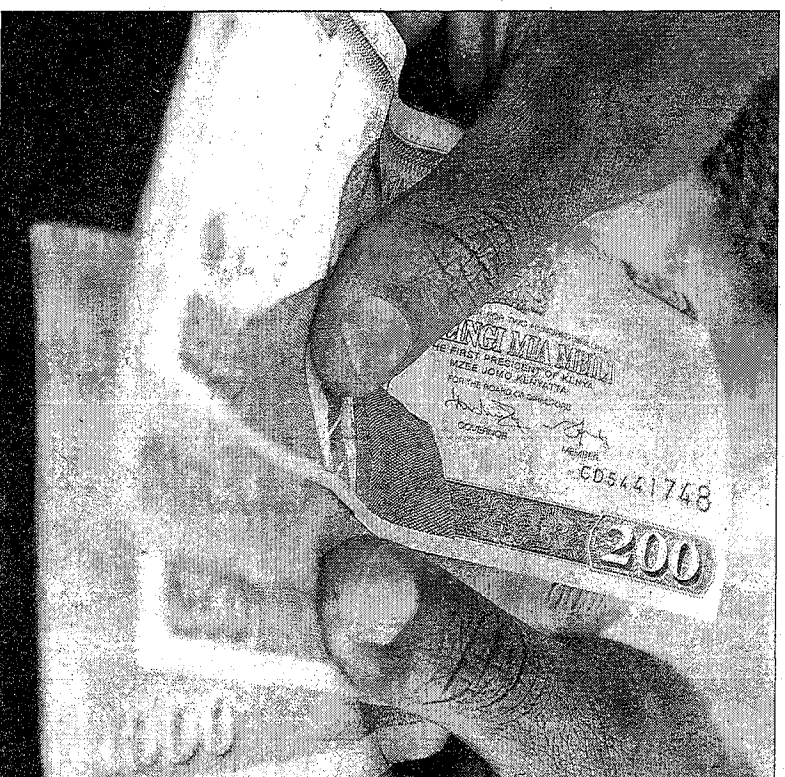
Also, analysts say more pressure on the local currency would emanate from the payments, in the US currency, for oil and industrial products, usually made at the end of the month. Yesterday, the shilling hit 88.80/90 mark despite Central Bank of Kenya

(CBK) injecting Sh30 billion into the market after a liquidity crunch sent overnight lending rates higher. Overnight borrowing rates on the interbank market hit a high of 15.5 per cent on Monday, above the central bank's discount window of 14.5 per cent.

The weighted average interbank lending rate rose to 13.8391 per cent from 13.4508 on Friday. It was about 7.5 per cent in mid-July. CBK said it was seeking to inject the money into the markets through a reverse repurchase agreement. "The increased liquidity was expected to have an impact on the shilling. However, it remained unchanged," said a local forex dealer.

The local currency lost ground against the dollar on Monday, hurt by a weak supply of the US currency. At the opening of trade, commercial banks posted the shilling at 88.45/55 per dollar compared to Friday's close of 88.25/35. Dollar inflows have shrunk in recent months, partly as a result of falling business in the country's key tourism industry, strained by a string of Al Shabaab attacks.

Commercial Bank of Africa trader John Njenga said traditional dollar inflows from the tea sector and



A person counts shillings. The local currency continues to lose ground against the dollar hurt by weak supply of the US currency as foreign firms repatriate half-year profits. (PHOTO: FILE/STANDARD)

non-governmental organisations had also been weak, while demand for the dollar remained strong. "Demand from manufacturing and the oil sector is bigger than the supply, so that's pushing it (the shilling) higher (weaker)," he said.

Traders say the shilling's losses are likely to be limited by a shortage of supply of the local currency, caused by delays in the government disbursing funds to local authorities and government departments. Mean-

while in Uganda, the story is similar as the country's currency weakened early in the week following huge dollar demand from manufacturing firms.

But in a phone interview, John Muli, a trader at the African Banking Corporation said the shilling is likely to remain relatively stable after almost one week of beating from world's major currencies, particularly the dollar. —Additional reporting by Reuters.

Oil company plans Sh1b expansion

By STANDARD REPORTER

Tosha Petroleum, a Kenyan-based petroleum dealer, has announced an ambitious expansion drive that will see it invest more than Sh1 billion in the next three years.

The firm plans to roll out 30 flagship service stations across Eastern Africa and introduce branded energy products. Tosha Petroleum unveiled the strategic plans on Monday during the inauguration of a new service outlet in Ongata Rongai. The event also served as a platform for the unveiling of the company's new corporate identity.

Speaking during the ceremony, Tosha Petroleum Managing Director Abdisrat Khalif said the rebranding exercise was symbolic of the renewed focus in further deepening the company's activities across the region.

"As we celebrate our 10th anniversary, we are marching into the future with a bold step, with a focus on delivering unmatched services and high quality products," he said.

Tosha Petroleum started operations in 2003, and has expanded its footprint to cover Kenya, Uganda, Tanzania, Eastern Congo, Rwanda and South Sudan.

The company moves an estimated 120 million litres of petroleum annually, through a distribution network covering the six countries.

FUSION INVESTMENT MANAGEMENT LTD

ACCOUNTS FOR THE SIX MONTHS ENDED 30TH JUNE 2014

	SIX MONTHS ENDED June 30, 2014 Un-audited KSh	SIX MONTHS ENDED June 30, 2013 Un-audited KSh
1 STATEMENT OF COMPREHENSIVE INCOME		
Income	543,000	3,337,585
Subscription fees	10,594,886	516,424
Fund management fees	485,800	
Interest income	10,319	
Other Income	145,945	
Exchange gains		
Total Income	11,779,910	3,854,009
Expenses	(1,925,250)	(540,291)
Operational and administrative expenses	(1,752,416)	(1,193,726)
Employee costs	(1,830,837)	(205,800)
Director emoluments	(206,000)	(17,185)
Professional fees	(549,552)	(17,185)
Legal fees	(16,884,855)	(2,473,151)
Depreciation & Amortisation expenses	(5,104,249)	1,380,858
Total expenses	(5,104,249)	(414,257)
Profit/(Loss) before tax	(5,104,249)	956,601
Tax	(104,945)	
Profit/(Loss) after tax	(5,209,194)	956,601
2 STATEMENT OF FINANCIAL POSITION		
Non Current Assets		
Equipments	4,315,973	3,326,527
Intangible assets	187,986	308,333
Deferred tax asset	2,121,927	
Total non current assets	6,625,886	3,634,860
Current Assets		
Trade and other receivables	7,956,017	5,608,762
Tax recoverable	147,871	9,991,728
Deposits with financial institutions	5,462,935	4,024,033
Bank and cash balance	23,278,515	19,528,523
Total current assets	26,854,358	23,265,385
Total assets	33,480,244	26,900,245
Share Capital & Reserves		
Paid-up Ordinary Share Capital	30,000,000	19,500,000
Revenue Reserves	(10,033,420)	1,114,360
Total Shareholders Fund	19,966,580	20,614,360
Current Liabilities		
Amounts due to related parties	7,680,071	2,649,023
Trade and other payables	1,207,710	2,248,023
Provision for contingencies	8,887,781	10,000,000
TOTAL EQUITY AND LIABILITIES	28,854,358	23,265,385
3 OTHER DISCLOSURES		
1 Capital strength		
a) Paid up capital	30,000,000	19,500,000
b) Minimum capital required	10,000,000	10,000,000
c) Excess/(deficiency) (a-b)	20,000,000	9,500,000.00
2 Shareholders Funds		
a) Total Shareholders Funds	19,966,580	20,614,360
b) Minimum Shareholders Funds required	10,000,000	10,000,000
c) Excess/(deficiency) (a-b)	9,966,580	10,614,360
3 Liquidity		
a) Liquid capital	10,253,226	14,541,444
b) Minimum working capital (the higher of Ksh 5M and 8% of liabilities)	5,000,000	5,000,000
c) Excess/(deficiency) (a-b)	5,253,226	9,541,444

LUKE KINOTTI
CHIEF EXECUTIVE

TUSKYS

TENDER FOR THE SUPPLY OF FRESH PRODUCTS, FOR THE FINANCIAL YEAR 2014-2015

Tusker Mattresses Limited invites interested eligible suppliers to Tender for the Supply of Fresh Products as per the listed categories for the financial year 2014/2015 on an "as and when required basis".

- Tender No. TML/19/2014-2015 Supply and Delivery of Bakery Ingredients
- Tender No. TML/20/2014-2015 Supply and Delivery of Dill Ingredients
- Tender No. TML/21/2014-2015 Supply and Delivery of Butchery Meat Products
- Tender No. TML/22/2014-2015 Supply and Delivery of Bulk Milk
- Tender No. TML/23/2014-2015 Supply and Delivery of Fresh Vegetables and Fruits

The Tender Documents must be accompanied by the following:-

1. Copy of Certificate of Incorporation/Registration
2. Valid Tax Compliance, copies of PIN and VAT Registration Certificates
3. Company Profile including Physical Address
4. List and Value of all supplies performed in the last 2 years
5. Contacts of at least 2 Major Clients who may be contacted for further information on these Contracts
6. Authority to seek reference from Bankers and Clients
7. Copy of official Receipt obtained after presenting the bank slips.

Tender documents may be obtained from Tusky's Headquarters offices, Mombasa Road between 8.00am and 4.00pm on working days, at a non-refundable fee of Kshs.5,000/- per document.

PAYMENTS FOR THE TENDER DOCUMENTS

The payments should be banked to: TUSKER MATTRESS LIMITED, KENYA COMMERCIAL BANK - A/C NO. 1103716379, KCB United Mail Branch and ensure you quote the Tender Reference No. on the bank slip. The bank slips should then be presented to the receptionist based at TUSKYS Headquarters, Mombasa Road. You will then be issued with official receipt against which Tender documents will be given out. Please note that cash payments are not accepted. Duly completed Tender document in plain sealed envelope marked "Tender No." with detail of Tender No. and category should be addressed to:

GM SUPPLY CHAIN MANAGEMENT TUSKER MATTRESS LIMITED

P.O. Box 54280-00200, Nairobi
Or be deposited in the tender box situated at the TUSKYS HEADQUARTERS on or before 3rd September 2014 at 11.00 am. Successful applicants will be notified from 10th September 2014. Any document received after the due time and date shall be rejected and returned. TUSKYS reserves the right to reject any tender without giving reasons and does not bind itself to accept the lowest or any tender. Both existing and prospective suppliers are encouraged to apply.