

# The Week in Review | Week 1

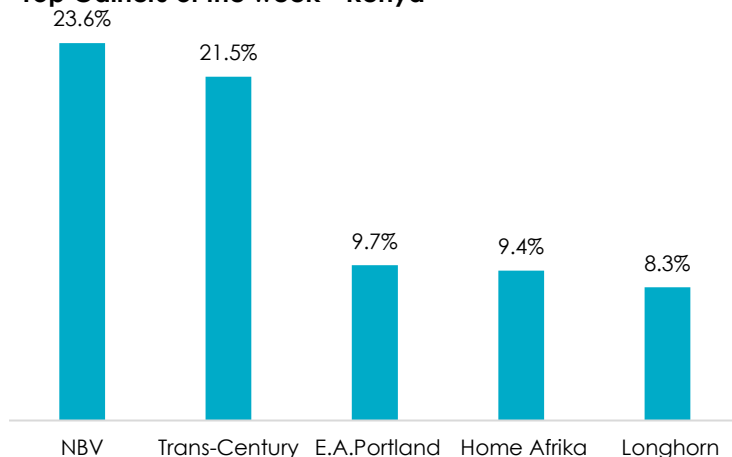
## EQUITIES

The market closed the week with NASI at 126.85, a 0.4% decline year to date. Trading activity was concentrated on Equity, Absa, Safaricom and EABL accounting for 89.6% of the total turnover.

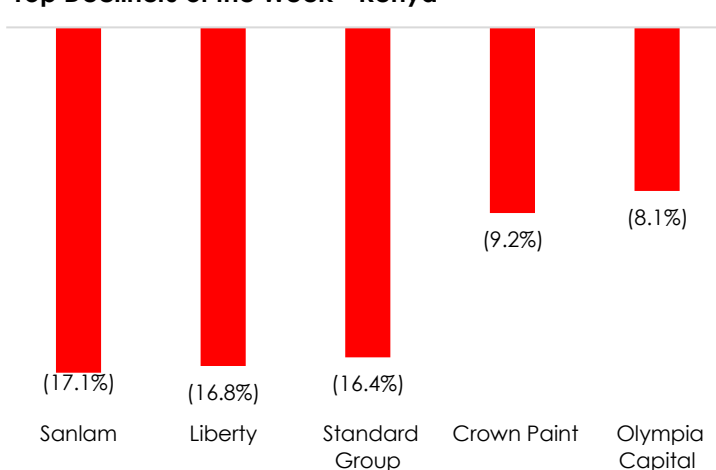
Foreign investors accounted for 54.1% of the total turnover and they were net sellers withdrawing KES 0.3Bn last week. Local investors were mostly active on Equity, Absa and Safaricom in that order.

Market Turnover decreased by 9% to KES 0.7Bn.

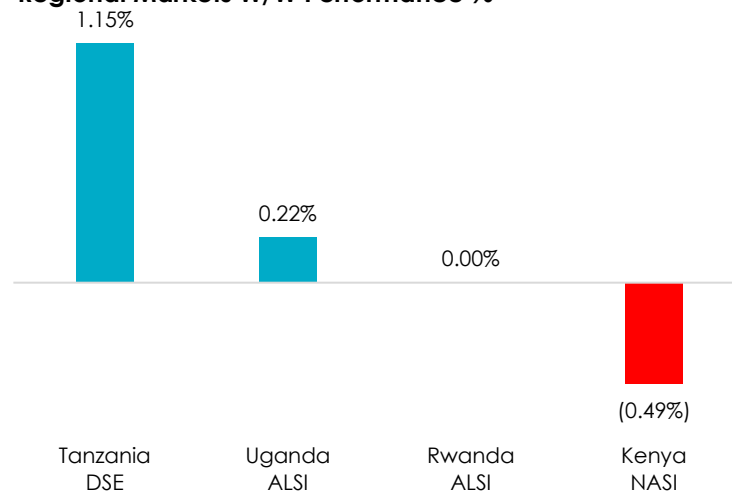
### Top Gainers of the week - Kenya



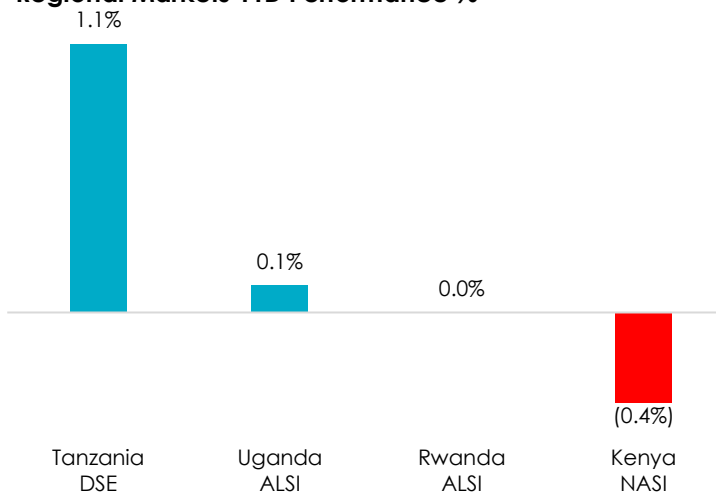
### Top Decliners of the Week - Kenya



### Regional Markets W/W Performance %



### Regional Markets YTD Performance %



## Corporate Actions:

COUNTER	Dividend	Book Closure Date	Payment Date
KenGen	KES 0.20	TBA	TBA

Source: NSE, NCBAIB Research

**FIXED INCOME**
**Primary Market**
**a) Treasury Bill Results**

Treasury bills were oversubscribed recording a subscription rate of **131.7%**, up from 17.9% in the previous week, with an acceptance rate of 99.4%.

Investors were mostly interested in the 91-day T-Bill, which recorded a subscription of 482.9% (KES 19.3Bn) and saw its yield increase marginally to 9.39%. The 364-day paper recorded a yield of 10.37%.

**b) Re-opened 5-Yr and 15Yr fixed coupon Treasury Bond; FXD1/2020/005 & FXD1/2022/015.**

The Central Bank of Kenya in its capacity as a fiscal agent for the Government, seeks to raise a total of KES 50.0Bn for budgetary support through the January Bond offers.

Here is a summary of the issues;

Issue	FXD1/2020/005	FXD1/2022/15
Tenor to Maturity	2.35Yr	14.31Yr
Value Date	16-Jan-23	
Amount on offer (KES Mn)	50,000.00	
Coupon Rate	<b>11.67%</b>	<b>13.94%</b>
Period of Sale	14-Dec-2022 to 10-Jan-2023	
Redemption Date	5th-May-2025	6th-April-2037
Our Bidding guide	<b>12.60%-13.00%</b>	<b>13.90%-14.20%</b>

Source: CBK, NCBA IB Research

**Secondary Market**

In the secondary bonds market, **total turnover** decreased to **KES 1.9Bn** from KES 2.4Bn traded in the previous week.

The S&P Sovereign Bond index remained constant from last week, closing at **102.50**.

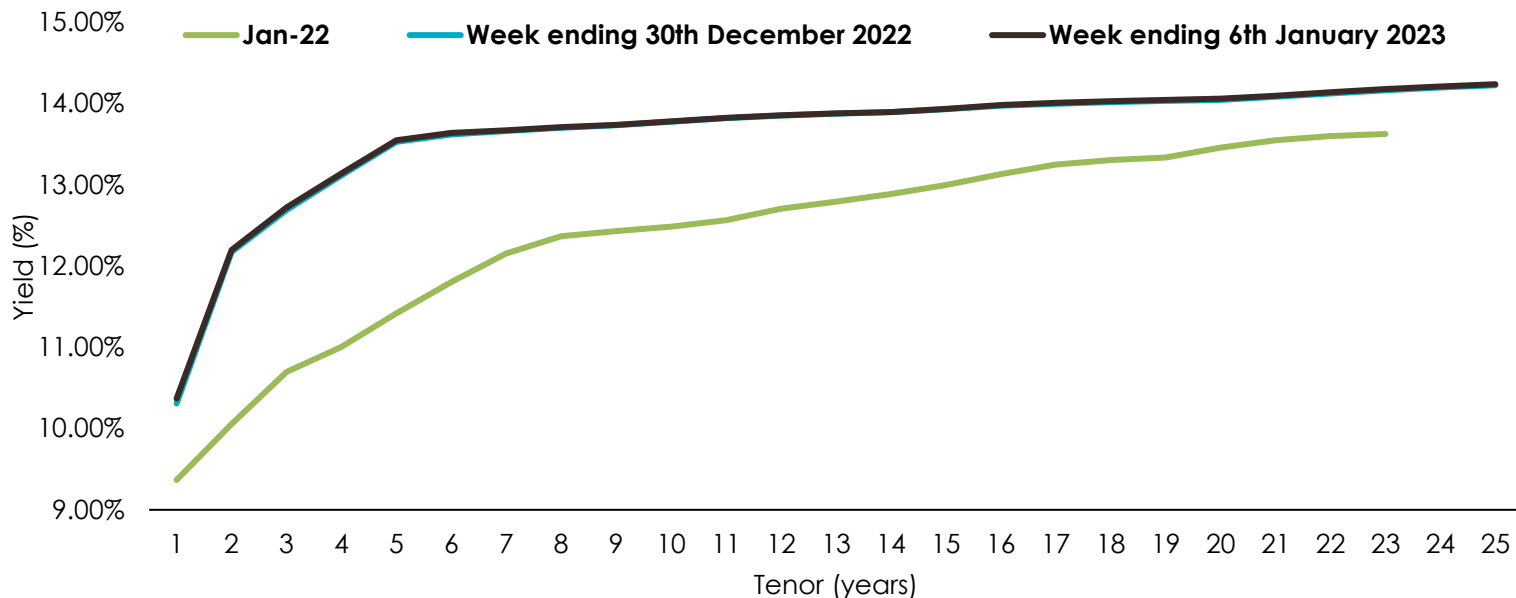
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon (%)	Highest Yield (%)	Lowest Yield (%)	Average Yield (%)	Total Value (KES Mn)	Number of Trades
IFB1/2022/14Yr	13.85	13.94	14.03	13.02	<b>13.58</b>	<b>1,214.70</b>	69
FXD1/2008/20Yr	5.43	13.75	13.70	13.55	<b>13.65</b>	<b>303.60</b>	3
IFB1/2022/6Yr	5.91	13.22	13.57	12.09	<b>12.41</b>	<b>237.40</b>	64
IFB1/2022/18Yr	17.43	13.74	14.18	13.50	<b>13.73</b>	<b>57.00</b>	7
IFB 1/2015/9Yr	1.91	11.00	12.72	12.72	<b>12.72</b>	<b>40.00</b>	1
FXD1/2010/15Yr	2.18	10.25	13.40	13.40	<b>13.40</b>	<b>32.50</b>	2
IFB1/2021/16Yr	14.04	12.26	13.40	13.20	<b>13.28</b>	<b>10.40</b>	3
IFB1/2019/16Yr	12.79	11.75	14.00	14.00	<b>14.00</b>	<b>10.00</b>	1
IFB1/2018/20Yr	15.85	11.95	14.12	14.01	<b>14.10</b>	<b>9.90</b>	5
IFB1/2020/11Yr	8.62	10.90	14.03	12.18	<b>13.54</b>	<b>8.40</b>	6

Source: NSE, NCBAIB Research

### Government Securities Yield Curve:

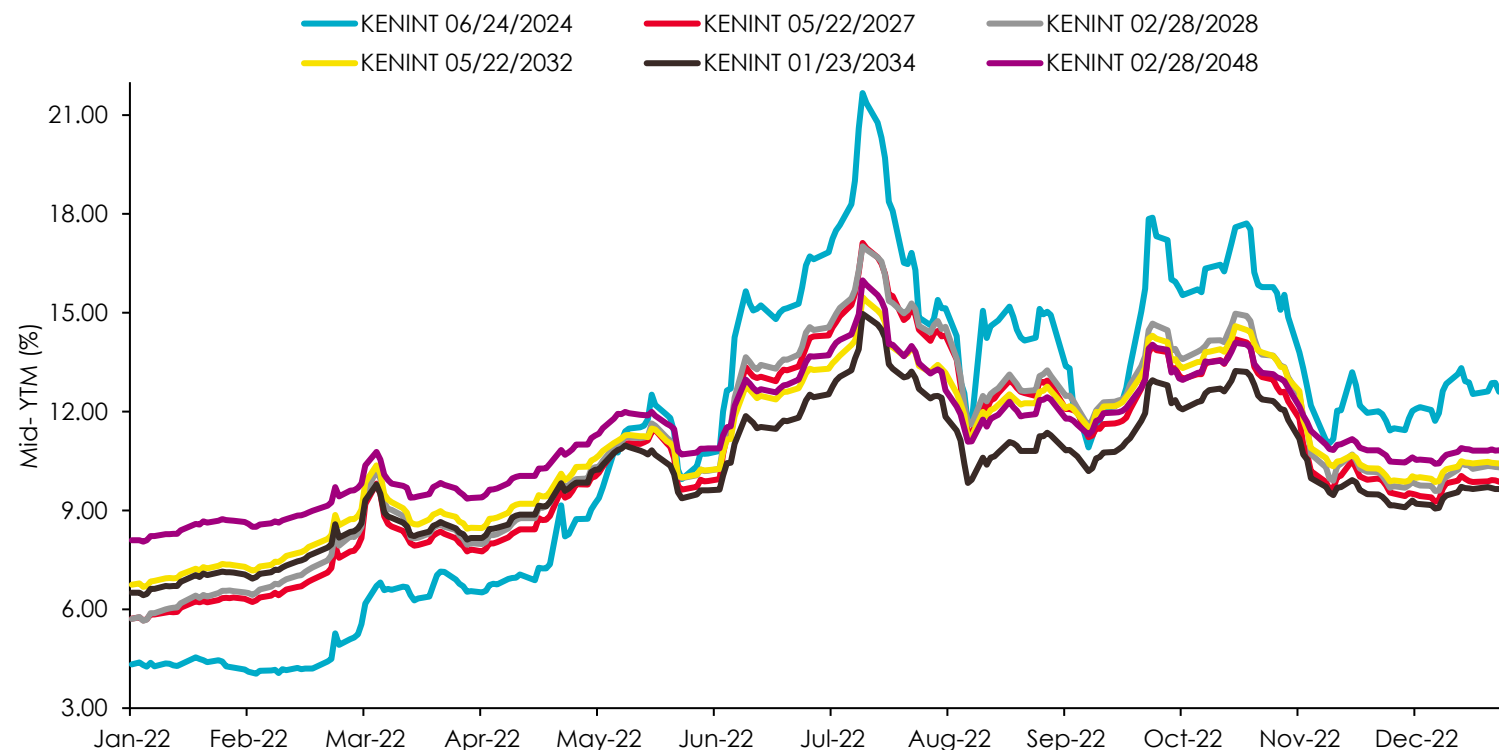


Source: NSE, NCBA IB Research

### Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on an upward trend – increasing marginally by an average of 0.2 bps week on week.

KENINT 2024, which has a tenor of 1.46 years, recorded the largest rise – with its yield increasing by 1.2 bps to 12.75%.



Source: Bloomberg, NCBA IB Research

### Macroeconomic statistics:

Prevailing rates	Week 1	Week 52	w/w change (bps)
91 Day	9.392%	9.369%	2.30
182 Day	9.847%	9.834%	1.30
364 Day	10.369%	10.308%	6.10

Statistic	Current	Previous	change (bps)
Central Bank Rate (CBR)	8.75%	8.25%	50.00
Inflation	9.10%	9.50%	(40.00)
Average Interbank Rate	6.44%	6.41%	3.35

Currency	Week 1	Week 52	w/w change (%)
US Dollar	123.55	123.37	(0.1%)
STG Pound	148.56	148.47	(0.1%)
EURO	131.09	131.27	0.1%
Forex reserves (USD Mn)	7,381.00	7,439.00	(0.8%)

Negative () = Depreciation, Positive = Appreciation

Source: CBK, NCBA IB Research

### Kenya Government Debt Maturities Schedule – December 2022:

Coupon payments						
Issue No.	Next Coupon Payment Date	Tenor to Maturity (Yrs)	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn	Implied Yield to Maturity
FXD1/2021/002	January 9, 2023	-	16,791.65	9.49%	796.43	8.7305%
FXD1/2014/010	January 16, 2023	1.02	35,852.15	12.18%	2,183.40	10.6414%
FXD1/2017/010	January 23, 2023	4.53	49,432.05	12.97%	3,204.68	13.4294%
FXD1/2019/015	January 23, 2023	11.01	79,096.85	12.86%	5,084.74	13.8263%
FXD3/2019/015	January 23, 2023	11.51	53,919.80	12.34%	3,326.85	13.8455%
FXD2/2018/020	January 23, 2023	15.50	89,198.60	13.20%	5,887.11	13.9611%
IFB1/2018/015	January 23, 2023	10.01	41,184.80	12.50%	2,574.05	13.1900%
IFB1/2021/016	January 23, 2023	14.00	80,958.35	12.26%	4,961.53	13.1925%
<b>Total</b>					<b>28,018.79</b>	

Source: CBK, NCBA IB Research

Treasury Bond Maturities					
Issue No.	Maturity Date	Tenor to Maturity	Fixed Coupon Rate	Outstanding Amount KES 'Mn	Implied Yield to Maturity
FXD1/2021/002	January 9, 2023	-	9.49%	16,791.65	8.7305%
<b>Total</b>				<b>16,791.65</b>	

Source: CBK, NCBA IB Research

**Treasury Bills Maturities**

<b>Payment Date</b>	<b>Amount KES 'Mn</b>
January 9, 2023	30,357.80
January 16, 2023	28,249.53
January 23, 2023	42,312.30
January 30, 2023	31,451.15
<b>Total</b>	<b>132,370.78</b>

*Source: CBK, NCBA IB Research*

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- (i) all of the views and opinions expressed in this research report accurately reflect the research analyst's(s') personal views about the subject investment(s) and companies (y) and
- (ii) no part of the analyst's(s') compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed by the analyst(s) in this research report.

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