

The Week in Review | Week 5

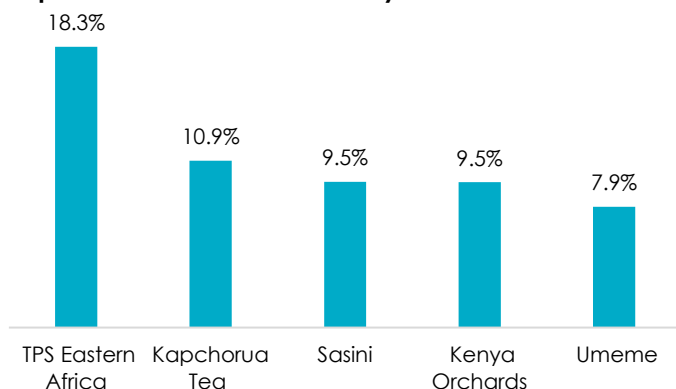
EQUITIES

The market closed the week with NASI at 129.24, a 1.49% incline year to date. Trading activity was concentrated on Safaricom, BAT, Equity and KCB accounting for 77.1% of the total turnover.

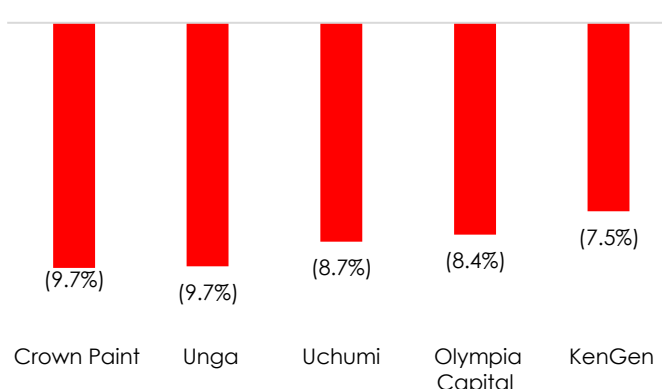
Foreign investors accounted for 42.4% of the total turnover and they were net sellers withdrawing KES 29.3Mn last week. Local investors were mostly active on Safaricom, KCB, Standard Chartered and BAT in that order.

Market Turnover decreased by 19.5% to KES 0.9Bn.

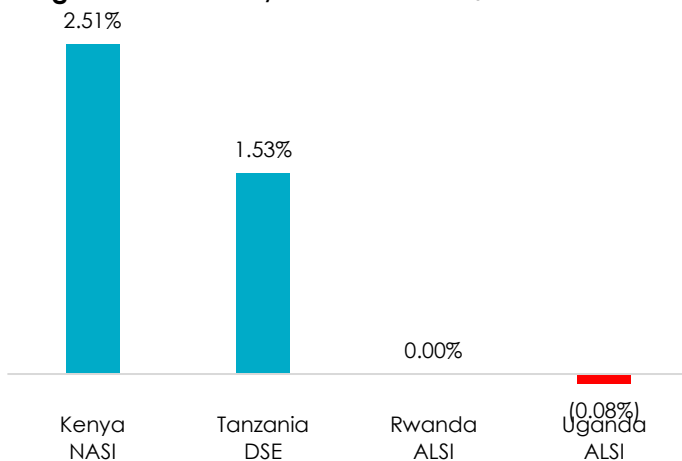
Top Gainers of the week - Kenya



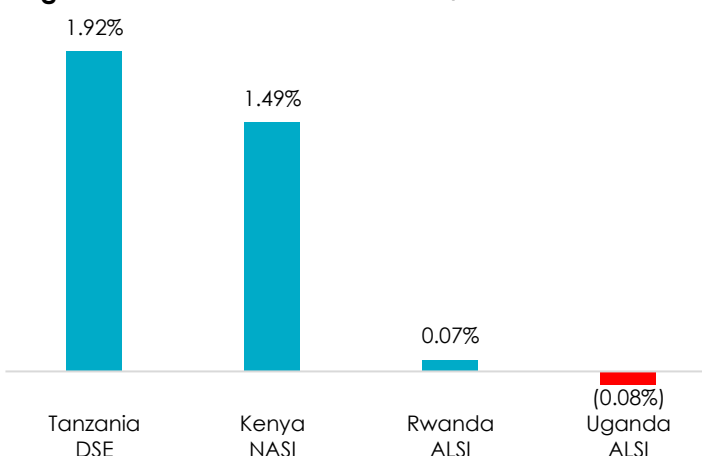
Top Decliners of the Week - Kenya



Regional Markets W/W Performance %



Regional Markets YTD Performance %



Corporate Actions:

COUNTER	Dividend	Book Closure Date	Payment Date
KenGen	KES 0.20	26-Jan-2023	30-March-2023
Car & General Plc	KES 0.80	24-Feb-2023	23-March-2023
EABL	KES 3.75	16-Feb-2023	28-Apr-2023

Source: NSE, NCBAIB Research

FIXED INCOME

Primary Market

a) Treasury Bill Results

Treasury bills were oversubscribed, with an acceptance rate of 64.7% and a subscription rate of 208.9% (up from 142.9% the previous week).

The 91-day T-Bill attracted the attention of investors the most, recording a subscription of 718.6% (KES 28.7 billion) and saw its yield increase to 9.6%. The 364-day paper recorded a yield of 10.55%.

b) Re-opened 4.5-year & new 10-year fixed coupon treasury bonds FXD1/2017/010 & FXD1/2023/010.

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 February Bond offers.

Here is a summary of the issues;

Issue	FXD1/2017/010 (Re-opened)	FXD1/2023/010
Tenor to Maturity	4.5Yr	10.0Yr
Value Date	13-Feb-23	
Offered Amount (KES Mn)	50,000.00	
Coupon Rate	12.966%	Market Determined
Period of Sale	17-Jan-2023 to 7-Feb-2023	
Bidding Guide	13.60%-13.89%	13.90%-14.20%

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, **total turnover** decreased to **KES 11.4Bn** from KES 14.1Bn traded in the previous week.

The S&P Sovereign Bond index increased marginally to close at **102.23**.

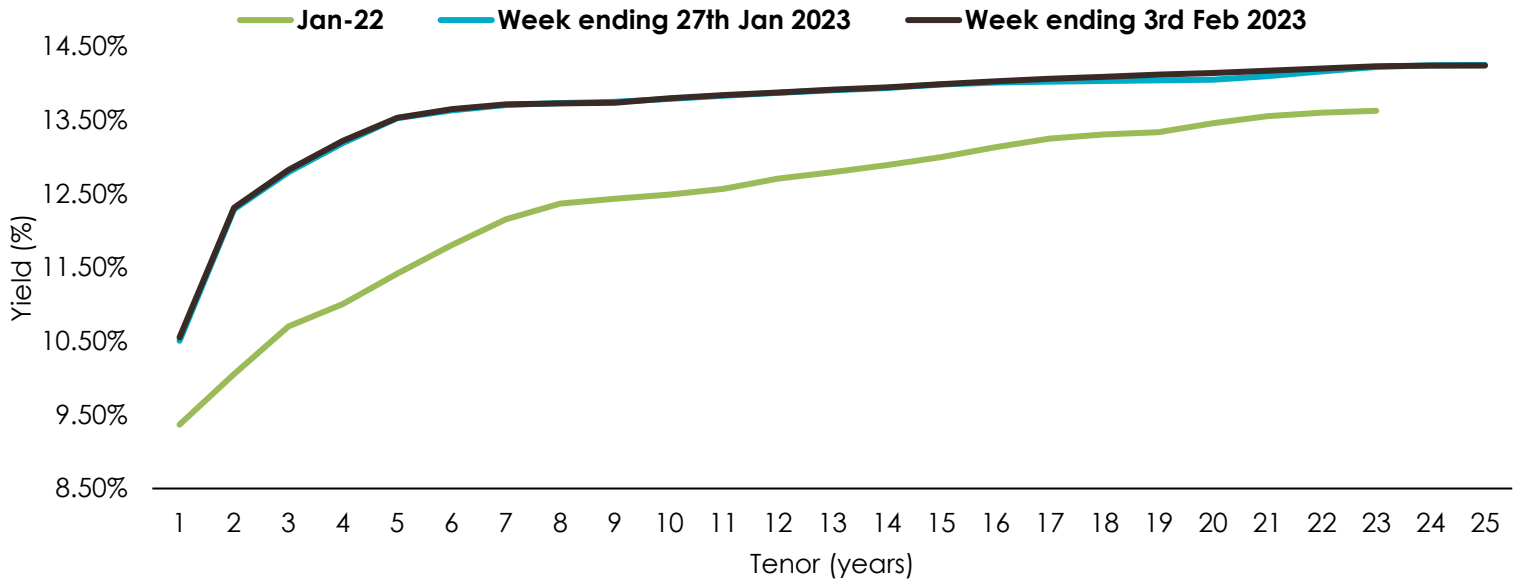
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

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	13.77	13.94	14.08	12.85	13.31	2,104.05	147
IFB1/2022/6Yr	5.83	13.22	13.57	12.00	12.35	1,731.95	140
FXD 1/2021/5Yr	3.77	11.28	13.41	11.26	13.26	1,600.10	24
FXD1/2018/25Yr	20.37	13.40	14.38	13.14	13.91	1,001.00	8
IFB1/2022/18Yr	17.35	13.74	14.18	12.49	13.38	976.00	90
IFB 1/2016/9Yr	2.27	12.50	12.30	11.98	12.08	894.50	9
FXD1/2013/10Yr	0.37	12.37	13.18	9.90	10.37	501.00	7
IFB 1/2014/12Yr	3.69	11.00	12.75	12.49	12.60	383.80	4
IFB1/2020/6Yr	3.31	10.20	13.72	9.46	10.93	311.20	3
IFB1/2016/15Yr	8.69	12.00	12.41	12.22	12.35	236.85	22

Source: NSE, NCBAIB Research

Government Securities Yield Curve:

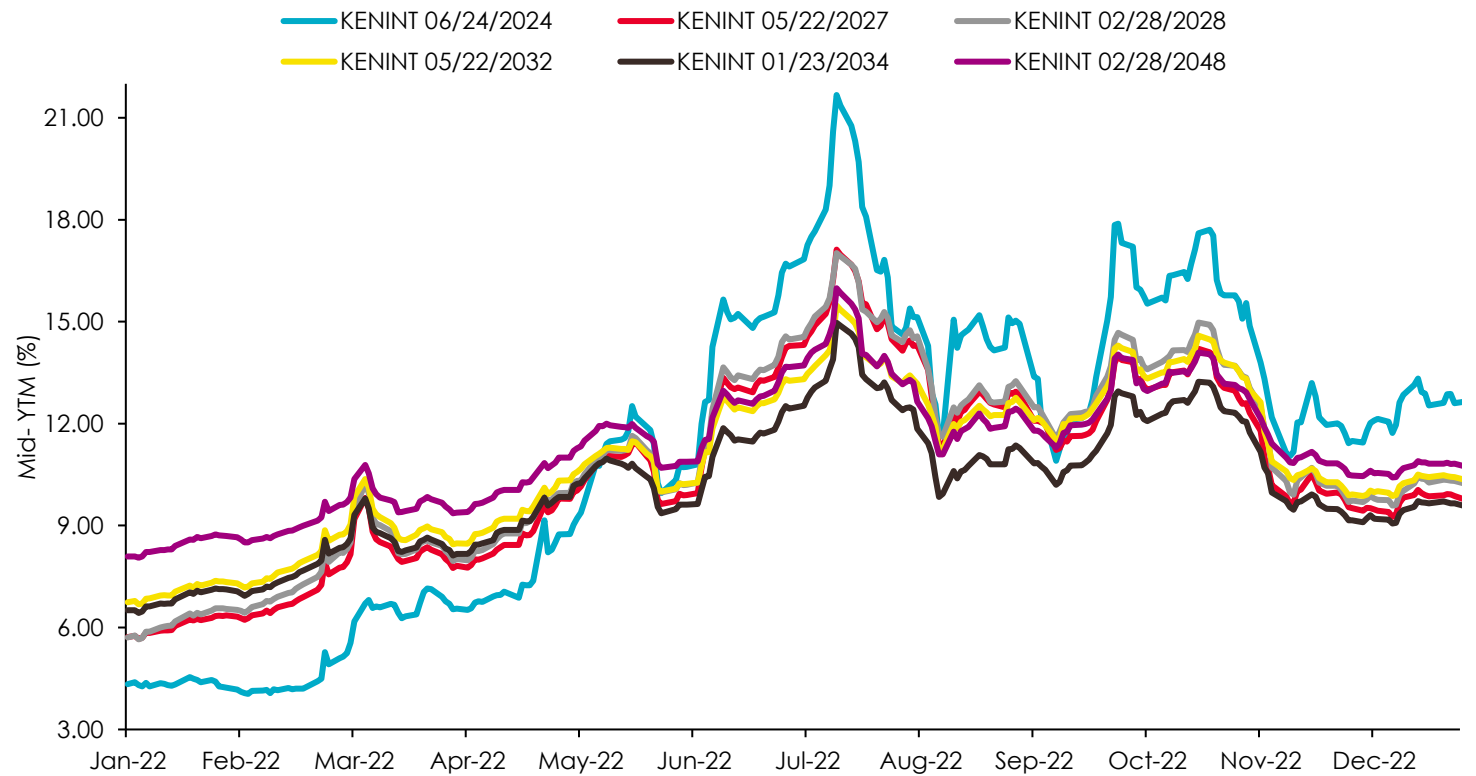


Source: NSE, NCBA IB Research

Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on an upward trend – increasing by an average of 24.7 bps week on week.

KENINT 2027, which has a tenor of 4.30 years, recorded the largest rise – with its yield inclining by 42.2 bps to close the week at 9.51%.



Source: Bloomberg, NCBA IB Research

Macroeconomic statistics:

Prevailing rates	Week 5	Week 4	w/w change (bps)
91 Day	9.581%	9.538%	4.30
182 Day	9.997%	9.954%	4.30
364 Day	10.550%	10.504%	4.60

Statistic	Current	Previous	change (bps)
Central Bank Rate (CBR)	8.75%	8.75%	-
Inflation	9.00%	9.10%	(10.00)
Average Interbank Rate	6.46%	6.24%	21.45

Currency	Week 5	Week 4	w/w change (%)
US Dollar	124.59	124.35	(0.2%)
STG Pound	153.19	154.21	0.7%
EURO	136.41	135.60	(0.6%)
Forex reserves (USD Mn)	6,967.00	7,005.00	(0.5%)

Negative () = Depreciation, Positive = Appreciation

Source: CBK, NCBA IB Research

Kenya Government Debt Maturities Schedule – February 2023:

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
FXD1/2013/015	February 13, 2023	5.01	82,473.25	11.25%	4,639.12	13.5321%
FXD3/2019/010	February 13, 2023	6.50	68,743.45	11.52%	3,958.59	13.7040%
SDB1/2011/030	February 13, 2023	17.97	28,144.70	12.00%	1,688.68	14.0170%
FXD1/2021/020	February 13, 2023	18.47	75,984.00	13.44%	5,107.64	14.0301%
FXD1/2019/005	February 20, 2023	1.04	65,359.50	11.30%	3,694.12	10.7264%
FXD1/2016/010	February 20, 2023	3.53	18,306.45	15.04%	1,376.55	13.0230%
FXD1/2018/010	February 20, 2023	5.52	40,584.60	12.69%	2,574.28	13.5909%
FXD1/2019/010	February 20, 2023	6.02	67,524.85	12.44%	4,199.37	13.6531%
FXD1/2020/015	February 20, 2023	12.01	73,156.30	12.76%	4,665.91	13.8753%
IFB1/2017/012	February 20, 2023	6.02	11,402.85	12.50%	712.68	12.7000%
IFB1/2020/011	February 20, 2023	8.52	80,249.60	10.90%	4,373.60	13.3000%
IFB1/2022/019	February 20, 2023	17.99	98,377.55	12.97%	6,377.32	13.6500%
Total					43,367.88	

Source: CBK, NCBA IB Research

Treasury Bills Maturities

Payment Date	Amount KES 'Mn
February 6, 2023	32,843.91
February 13, 2023	33,333.05
February 20, 2023	33,649.67
February 27, 2023	20,180.38
Total	120,007.01

Source: CBK, NCBA IB Research

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Physical Address

NCBA Annex,
Hospital Road, Upper Hill, Tel: +254 20 2884444
Mobile: +254 711 056444/+254 732 156444

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Key Contacts: Research Team

justin.mwangi@ncbagroup.com

victoria.mututu@ncbagroup.com

Key Contacts: Trading Team

dealing@ncbagroup.com