

# The Week in Review | Week 7

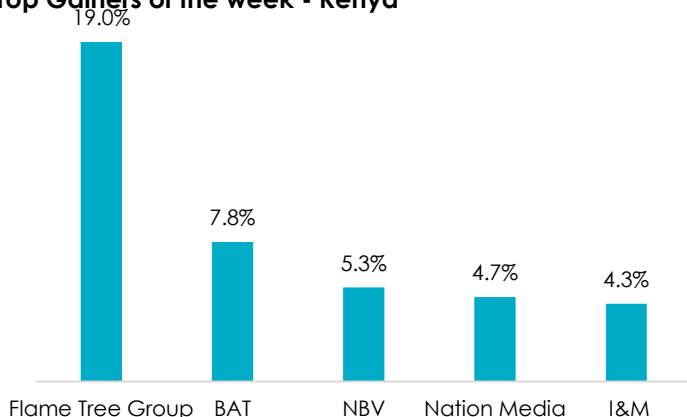
## EQUITIES

The market closed the week with NASI at 128.02, a 0.53% gain year to date. Trading activity was concentrated on Safaricom, Equity, BAT and Stanbic accounting for 82.3% of the total turnover.

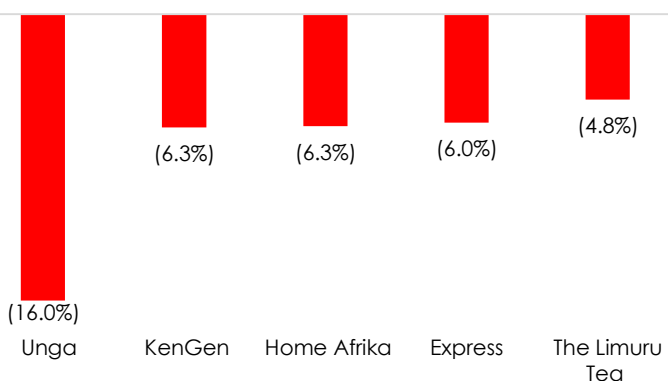
Foreign investors accounted for 48.8% of the total turnover and they were net sellers withdrawing KES 0.4Bn last week. Local investors were mostly active on Safaricom, Equity, BAT and Cooperative in that order.

Market Turnover decreased by 4.6% to KES 1.3Bn.

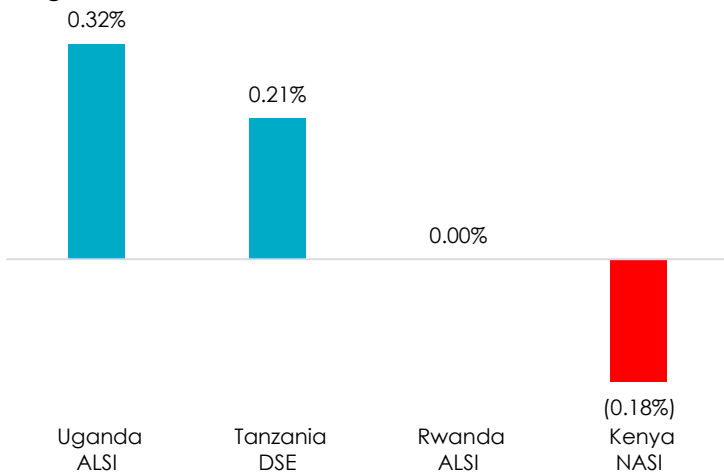
### Top Gainers of the week - Kenya



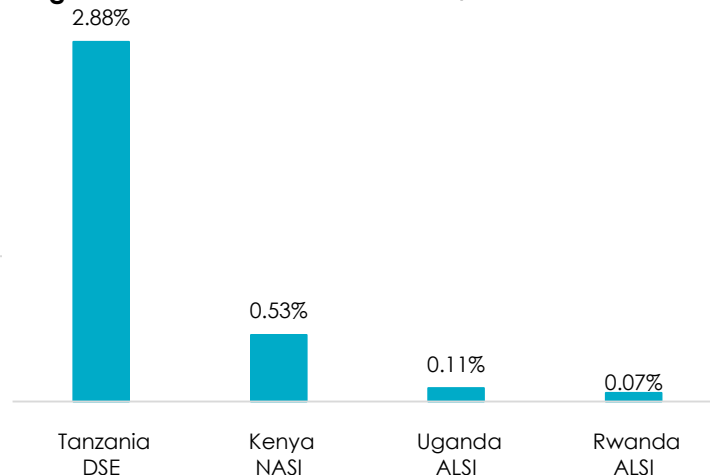
### Top Decliners of the Week - Kenya



### Regional Markets W/W Performance %



### Regional Markets YTD Performance %



## Corporate Actions:

COUNTER	Dividend	Book Closure Date	Payment Date
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 97.4% and a subscription rate of 191.3% (up from 187.1% the previous week).

The 91-day T-Bill attracted the attention of investors the most, recording a subscription of 552.2% (KES 22.1 billion) and saw its yield increase to 9.62%. The 364-day paper recorded a yield of 10.64%.

#### b) March Bond offer: 17-year Infrastructure bond issue no IFB1/2023/17

The Central Bank of Kenya seeks to raise a total of KES 50.0Bn for funding of Infrastructure projects in the FY 2022/2023 budget estimates through the March Bond offer.

Here is a summary of the issue;

Issue	IFB1/2023/17
Tenor to Maturity	17Yr
Value Date	13-Mar-23
Offered Amount (KES Mn)	50,000.00
<b>Coupon Rate</b>	<b>Market Determined</b>
Period of Sale	15-Feb-23 to 7-Mar-23
Redemption Date	20-Feb-40

Source: CBK, NCBA IB Research

#### c) Tap Sale Results for treasury bonds FXD1/2017/10 & FXD1/2023/10.

For the two papers, the Central Bank of Kenya received bids totaling 12.5 billion (a 125% subscription rate), out of which 12.2 billion were accepted (an acceptance rate of 97.9%).

Here is a summary of the results;

Issue	FXD1/2017/010	FXD1/2023/010
Tenor to Maturity	4.5Yr	10Yr
Offered Amount (KES Mn)	10,000.00	
Bids received (KES Mn)	<b>8,855.70</b>	<b>3,607.55</b>
Amount Accepted (KES Mn)	<b>8,593.57</b>	<b>3,607.23</b>
<b>Coupon Rate (%)</b>	<b>12.966%</b>	<b>14.151%</b>
<b>Weighted Average Rate of Accepted Bids (%)</b>	<b>13.897%</b>	<b>14.151%</b>
Adjusted Average Price (Per KES 100.00)	98.037	100.263

Source: CBK, NCBA IB Research

### Secondary Market

In the secondary bonds market, **total turnover** increased to **KES 12.95 Bn** from KES 10.00 Bn traded in the previous week.

The S&P Sovereign Bond index decreased marginally to close at **102.10**.

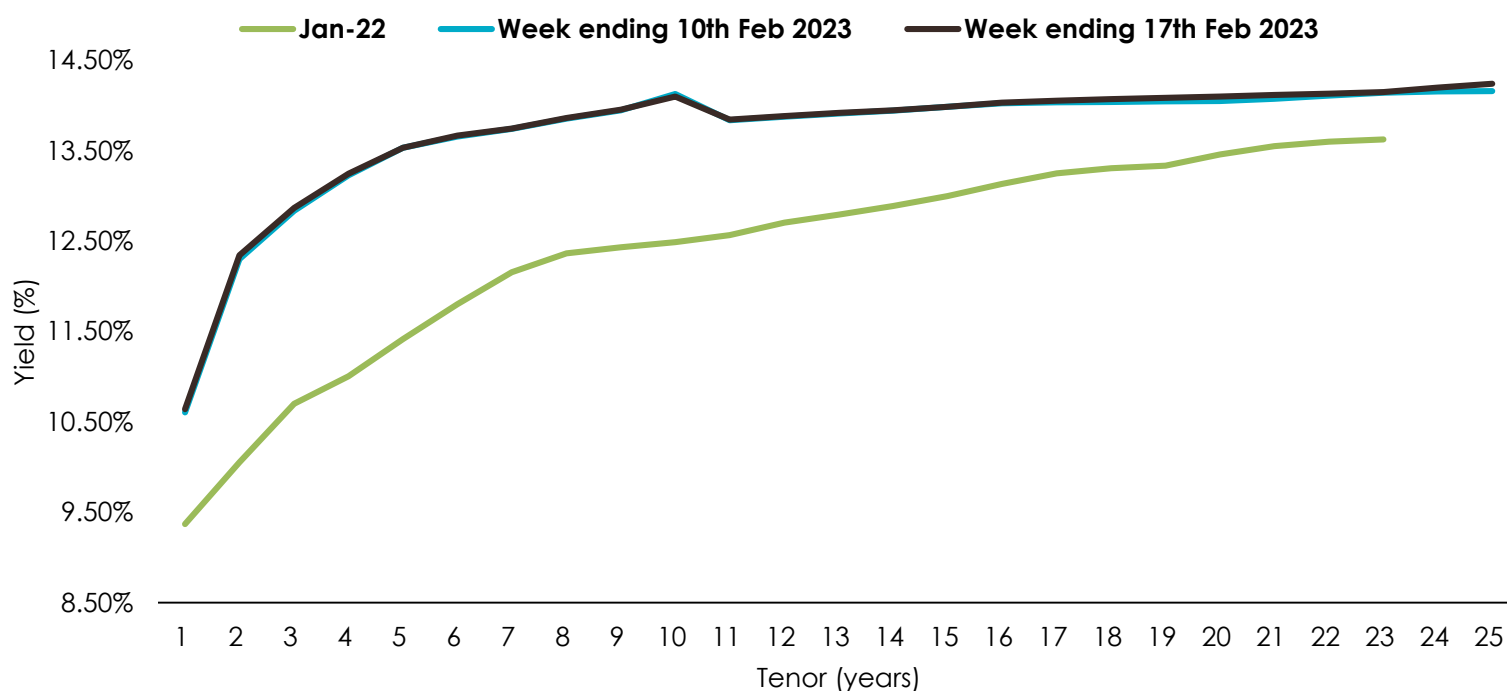
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

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	13.73	13.94	14.13	12.85	<b>13.48</b>	<b>2,504.75</b>	104
FXD1/2020/5Yr	2.21	11.67	12.80	11.64	<b>12.47</b>	<b>1,656.50</b>	8
IFB1/2022/6Yr	5.79	13.22	13.20	11.98	<b>12.35</b>	<b>1,649.70</b>	88
FXD1/2018/20Yr	15.08	13.20	14.38	13.99	<b>14.23</b>	<b>1,536.00</b>	22
FXD1/2022/025	24.68	14.19	14.36	14.15	<b>14.29</b>	<b>1,070.00</b>	13
IFB1/2022/18Yr	17.31	13.74	15.11	12.52	<b>13.49</b>	<b>899.10</b>	54
FXD1/2008/15Yr	0.06	12.50	11.25	9.20	<b>9.45</b>	<b>480.00</b>	11
IFB1/2018/15Yr	9.93	12.50	13.60	12.23	<b>13.07</b>	<b>416.95</b>	6
FXD1/2017/10Yr	4.43	12.97	13.78	13.45	<b>13.58</b>	<b>401.30</b>	4
FXD1/2023/10Yr	9.98	14.15	14.18	14.05	<b>14.12</b>	<b>364.00</b>	7

Source: NSE, NCBAIB Research

### Government Securities Yield Curve:



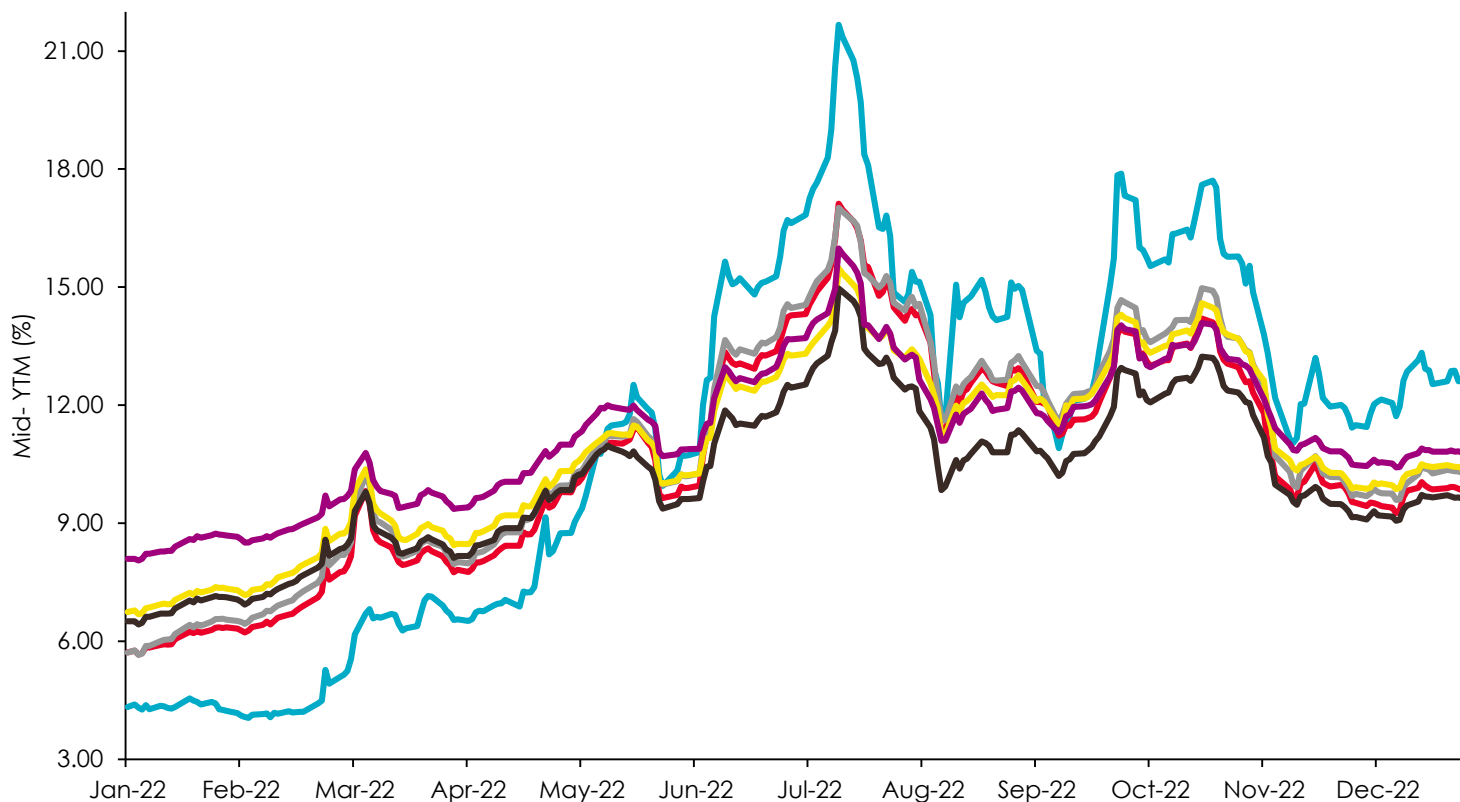
Source: NSE, NCBA IB Research

### Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on an upward trend – increasing by an average of 25.2 bps week on week.

KENINT 2024, which has a tenor of 1.35 years, recorded the largest rise – with its yield increasing by 54.4 bps to 11.74%.

— KENINT 06/24/2024     — KENINT 05/22/2027     — KENINT 02/28/2028  
— KENINT 05/22/2032     — KENINT 01/23/2034     — KENINT 02/28/2048



Source: Bloomberg, NCBA IB Research

### Macroeconomic statistics:

Prevailing rates	Week 7	Week 6	w/w change (bps)
91 Day	9.623%	9.601%	2.20
182 Day	10.079%	10.042%	3.70
364 Day	10.638%	10.603%	3.50

Statistic	Current	Previous	change (bps)
Central Bank Rate (CBR)	8.75%	8.75%	-
Inflation	9.00%	9.10%	(10)
Average Interbank Rate	6.22%	6.50%	(28)

Currency	Week 7	Week 6	w/w change (%)
US Dollar	125.63	125.08	(0.4%)
STG Pound	151.12	152.06	0.6%
EURO	134.35	134.73	0.3%
Forex reserves (USD Mn)	6,875.00	6,939.00	(0.9%)

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
FXD1/2019/005	February 20, 2023	1.02	65,359.50	11.30%	3,694.12	10.7993%
FXD1/2016/010	February 20, 2023	3.51	18,306.45	15.04%	1,376.55	13.0385%
FXD1/2018/010	February 20, 2023	5.51	40,584.60	12.69%	2,574.28	13.6020%
FXD1/2019/010	February 20, 2023	6.00	67,524.85	12.44%	4,199.37	13.6681%
FXD1/2020/015	February 20, 2023	11.99	73,156.30	12.76%	4,665.91	13.8828%
IFB1/2017/012	February 20, 2023	6.00	11,402.85	12.50%	712.68	12.7343%
IFB1/2020/011	February 20, 2023	8.50	80,249.60	10.90%	4,373.60	13.3000%
IFB1/2022/019	February 20, 2023	17.97	98,377.55	12.97%	6,377.32	13.6600%
<b>Total</b>					<b>27,974.83</b>	

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
<b>Total</b>	<b>120,007.01</b>

Source: CBK, NCBA IB Research

## About NCBA Investment Bank

NCBA Investment Bank is a subsidiary of NCBA Group. The services offered by the brokerage department include equities trading for listed securities, fixed income trading for both corporate and government bonds, Over the Counter (OTC) equity transactions as well as execution of equities transactions across the East African countries. Additionally, NCBA Investment Bank backs these activities with solid advice from the research team to enable investors meet their return objectives. NCBA Investment Bank deploys simple and convenient client driven technologies, robust risk management, highly competent and experienced staff and has the backing of robust research capabilities to differentiate itself from other players in the market.

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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
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