

The Week in Review | Week 8

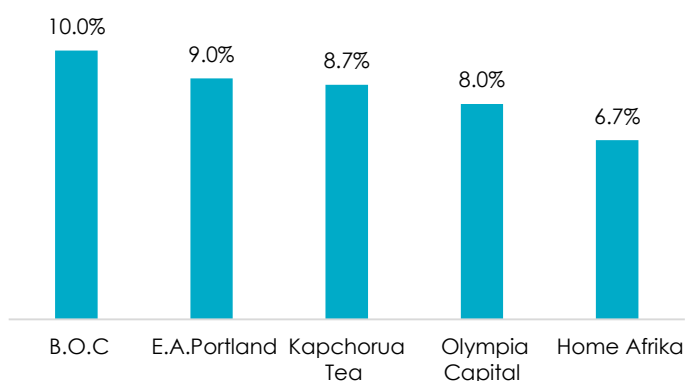
EQUITIES

The market closed the week with NASI at 126.47, a 0.68% decline year to date. Trading activity was concentrated on Safaricom, KCB, Bamburi and Equity accounting for 80.0% of the total turnover.

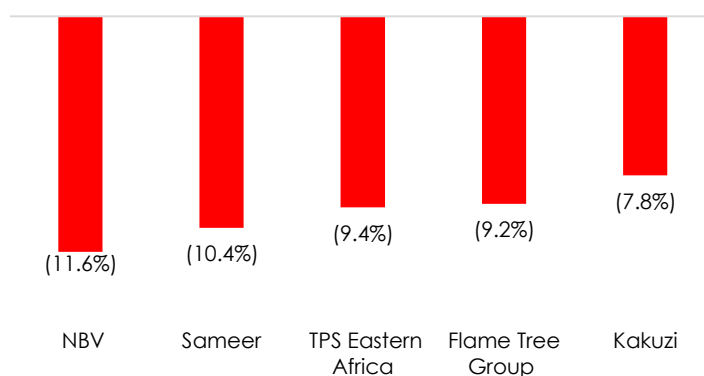
Foreign investors accounted for 30.2% of the total turnover and they were net sellers withdrawing KES 233.9Mn last week. Local investors were mostly active on Safaricom, KCB, Bamburi, Equity and Absa in that order.

Market Turnover decreased by 38.4% to KES 0.8Bn.

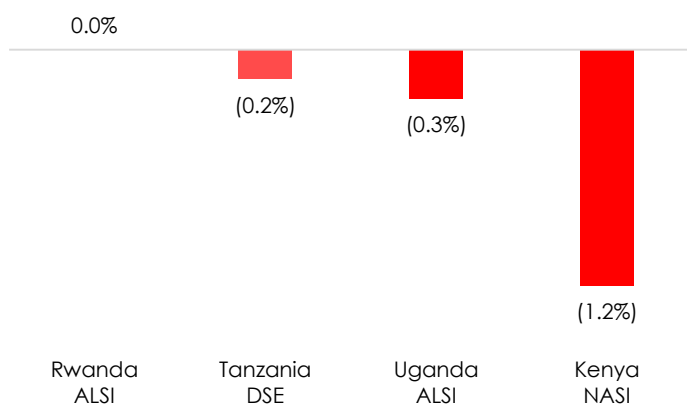
Top Gainers of the week - Kenya



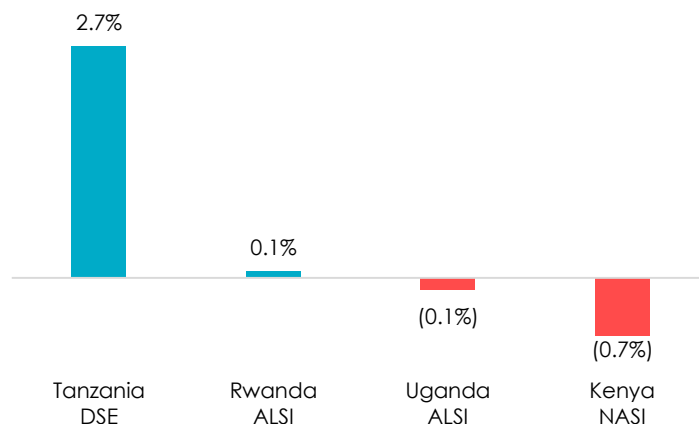
Top Decliners of the Week - Kenya



Regional Markets W/W Performance %



Regional Markets YTD Performance %



Corporate Actions:

COUNTER	Dividend	Book Closure Date	Payment Date
BAT Kenya	KES 52.00	26-May-2023	15-June-2023

Source: NSE, NCBAIB Research

FIXED INCOME

Primary Market

a) Treasury Bill Results

Treasury bills were undersubscribed, with a subscription rate of 81.0% (down from 191.3% the previous week) and an acceptance rate of 97.0%. The undersubscription is partly attributable to the concurrent infrastructure bond issue.

The 91-day T-Bill attracted the attention of investors the most, recording a subscription of 284.1% (KES 11.4 Bn) and saw its yield increase to 9.66%. The 364-day paper recorded a yield of 10.68%.

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
Coupon Rate	Market Determined
Period of Sale	15-Feb-23 to 07-Mar-23
Redemption Date	20-Feb-40

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, **total turnover** declined to **KES 12.31 Bn** from KES 12.95 Bn traded in the previous week.

The S&P Sovereign Bond index decreased by 0.2% to close at **101.89**.

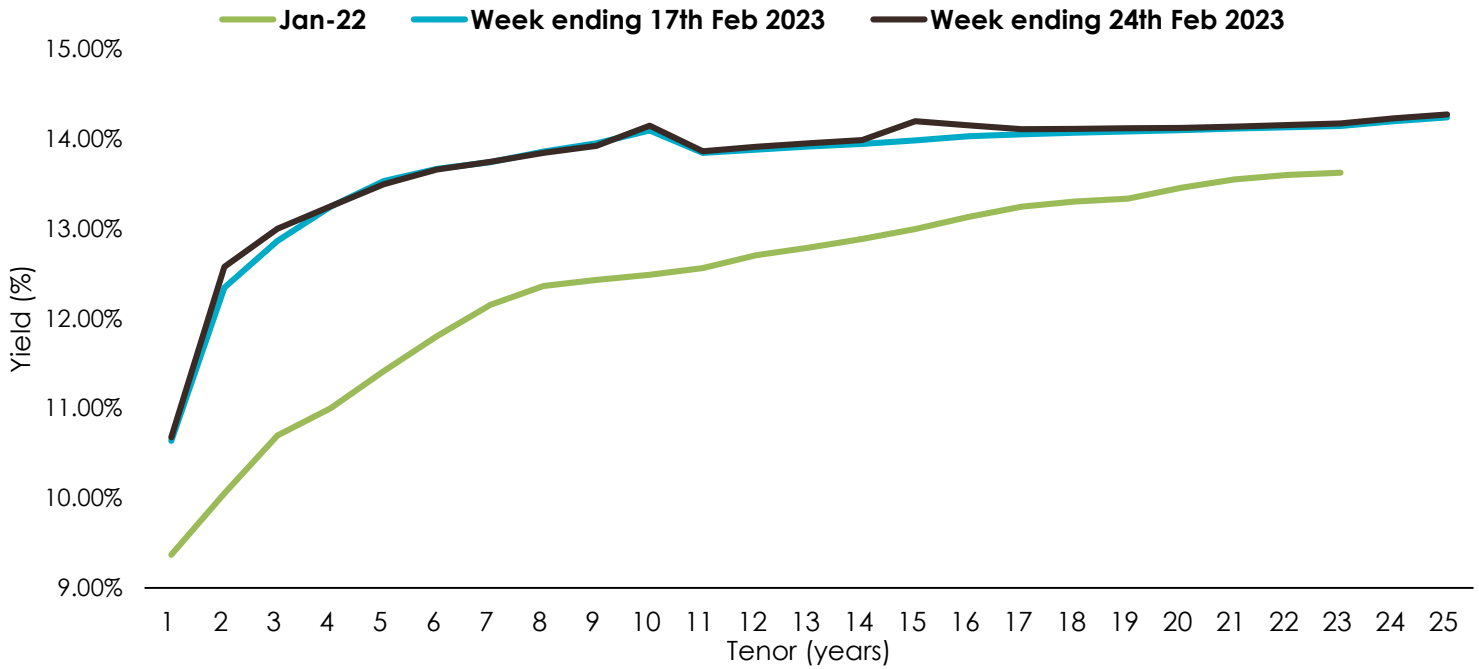
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

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
FXD1/2018/20Yr	15.06	13.20	15.00	14.00	14.29	2,450.25	21
IFB1/2021/16Yr	13.90	12.26	14.15	12.26	13.05	1,433.50	50
FXD1/2021/25Yr	23.19	13.92	14.50	13.30	14.16	1,403.00	36
FXD 1/2020/5Yr	2.19	11.67	12.85	11.15	11.91	1,210.70	7
IFB1/2022/14Yr	13.71	13.94	14.51	12.94	13.41	923.10	63
FXD1/2010/15Yr	2.04	10.25	12.59	12.32	12.48	658.00	10
IFB1/2016/15Yr	8.63	12.00	13.80	12.21	12.53	512.10	14
FXD2/2018/20Yr	15.40	13.20	14.40	13.46	13.86	504.90	12
FXD1/2023/10Yr	9.96	14.15	14.25	14.15	14.18	500.00	7
IFB1/2022/6Yr	5.77	13.22	13.77	11.98	12.37	392.60	68

Source: NSE, NCBAIB Research

Government Securities Yield Curve:

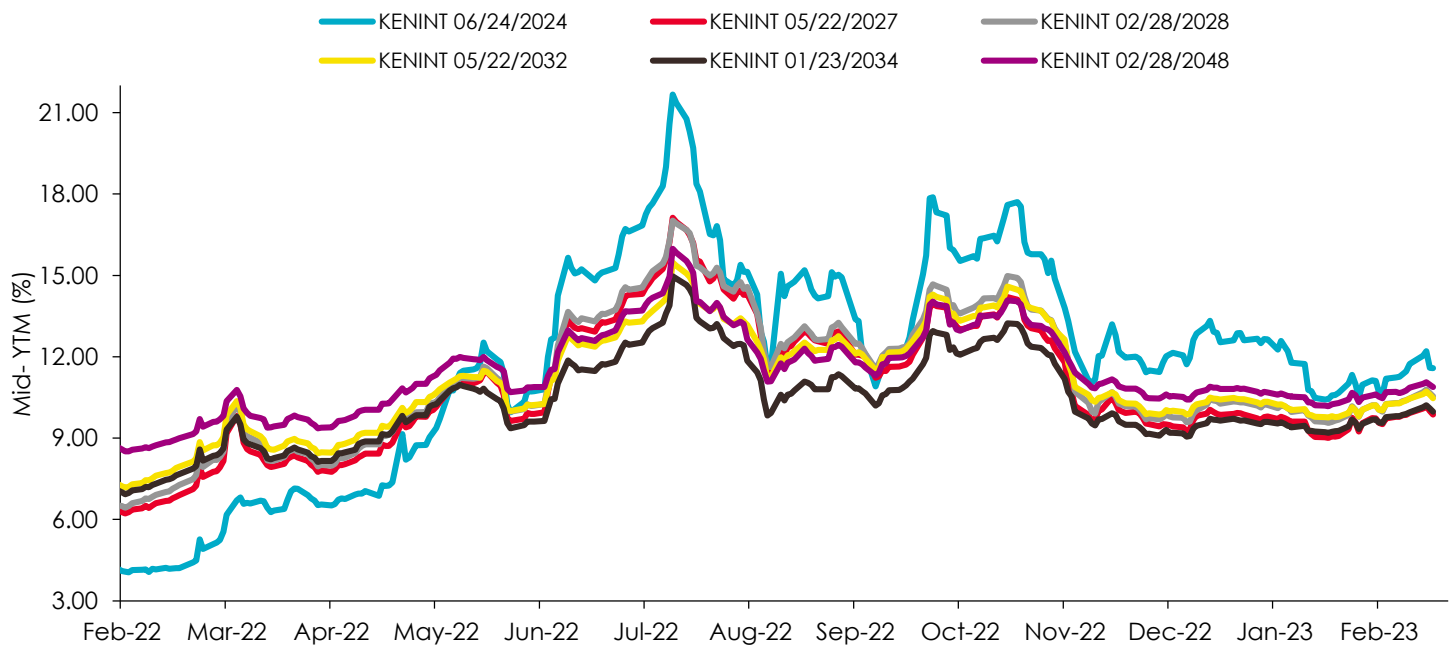


Source: NSE, NCBA IB Research

Kenya International Debt Yield Curves:

Kenyan Eurobonds recorded mixed performance with yields on the two shorter papers – KENINT 2024 and 2027 decreasing by 15.8 bps and 6.6 bps respectively while the other papers saw their yields rise.

Notably, KENINT 2024 whose principal amount totals USD 2.0Bn matures in June 2024.



Source: Bloomberg, NCBA IB Research

Macroeconomic statistics:

Prevailing rates	Week 8	Week 7	w/w change (bps)
91 Day	9.655%	9.623%	3.20
182 Day	10.117%	10.079%	3.80
364 Day	10.676%	10.638%	3.80

Statistic	Current	Previous	change (bps)
Central Bank Rate (CBR)	8.75%	8.75%	-
Inflation	9.00%	9.10%	(10.00)
Average Interbank Rate	6.56%	6.23%	33.55

Currency	Week 8	Week 7	w/w change (%)
US Dollar	126.61	125.63	(0.8%)
STG Pound	151.74	151.12	(0.4%)
EURO	133.89	134.35	0.3%
Forex reserves (USD Mn)	6,860.00	6,875.00	(0.2%)

Negative () = Depreciation, Positive = Appreciation

Source: CBK, NCBA IB Research

Kenya Government Debt Maturities Schedule – February & March 2023:

Coupon payments						
Issue No.	Next Coupon Payment Date	Tenor to Maturity	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn	Implied Yield To Maturity
FXD1/2008/015	March 13, 2023	0.04	34,789.80	12.50%	2,174.36	9.2500%
FXD1/2010/015	March 13, 2023	2.04	27,693.90	10.25%	1,419.31	12.6192%
FXD1/2012/015	March 13, 2023	4.54	90,939.90	11.00%	5,001.69	13.4355%
IFB1/2021/021	March 13, 2023	19.54	106,742.20	12.74%	6,797.88	13.3000%
FXD1/2018/005	March 20, 2023	0.06	30,795.55	12.30%	1,893.77	9.3951%
FXD1/2016/020	March 20, 2023	13.56	12,761.20	14.00%	893.28	13.9730%
FXD1/2018/020	March 20, 2023	15.06	94,515.60	13.20%	6,238.03	14.2158%
IFB1/2011/012	March 20, 2023	0.56	11,735.50	12.00%	704.13	10.1635%
IFB1/2013/012	March 20, 2023	2.56	16,060.21	11.00%	883.31	12.6389%
IFB1/2015/012	March 20, 2023	4.06	33,486.55	11.00%	1,841.76	12.6025%
IFB1/2019/025	March 20, 2023	21.06	16,828.65	12.20%	1,026.55	13.8275%
Total					28,874.08	

Treasury Bond Maturities					
Issue No.	Maturity Date	Tenor to Maturity	Fixed Coupon Rate	Outstanding Amount KES 'Mn	Implied Yield To Maturity
FXD1/2008/015	March 13, 2023	0.04	12.50%	34,789.80	9.2500%
Total				34,789.80	

Treasury Bills Maturities	
Payment Date	Amount KES 'Mn
February 27, 2023	20,180.38
March 6, 2023	26,916.38
March 13, 2023	30,000.93
March 20, 2023	27,922.93
March 27, 2023	23,381.37
Total	128,401.99

Source: CBK, NCBA IB Research

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