

The Week in Review | Week 9

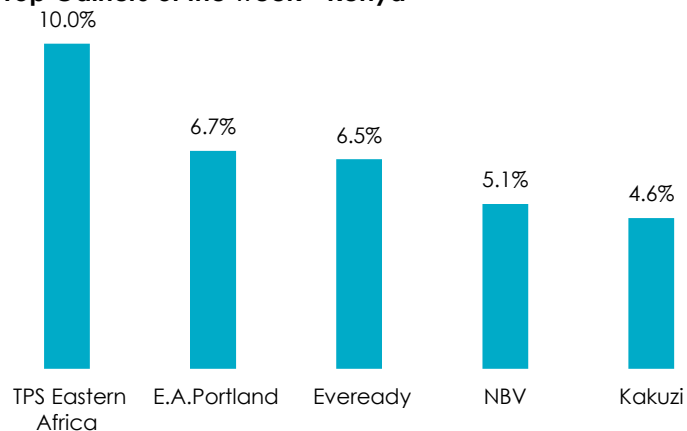
EQUITIES

The market closed the week with NASI at 126.17, a 0.92% decline year to date. Trading activity was concentrated on Safaricom, Absa, KCB and Equity accounting for 75.1% of the total turnover.

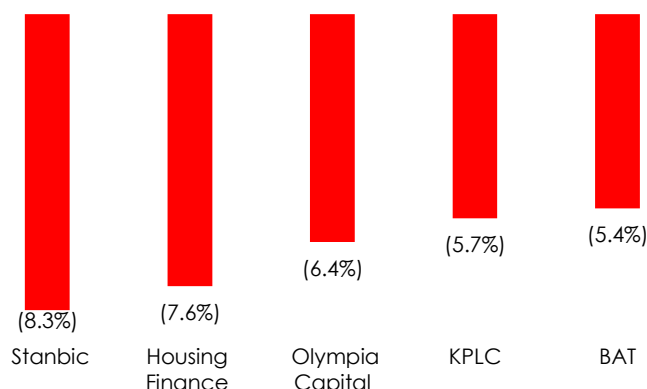
Foreign investors accounted for 33.1% of the total turnover and they were net buyers injecting KES 101.0Mn last week. Local investors were mostly active on Safaricom, KCB, Absa, Equity and DTB in that order.

Market Turnover increased by 23.6% to KES 1.0Bn.

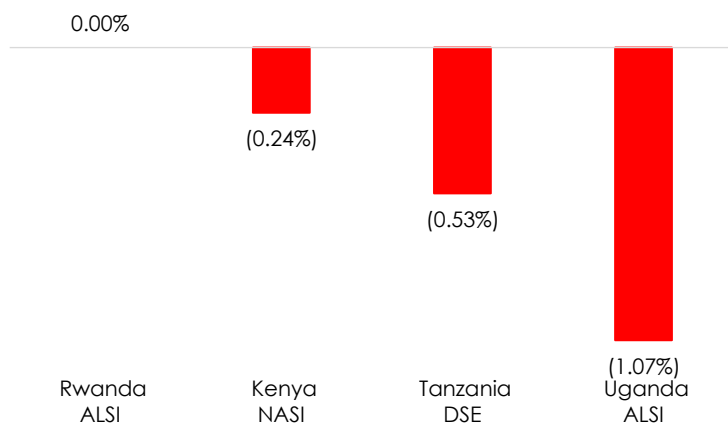
Top Gainers of the week - Kenya



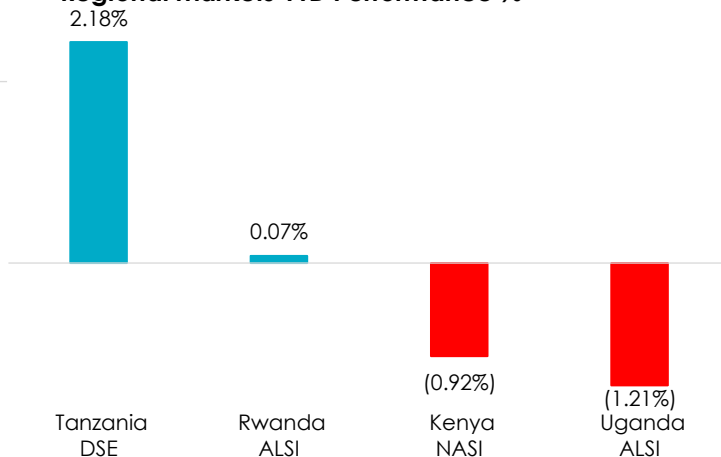
Top Decliners of the Week - Kenya





Regional Markets W/W Performance %



Regional Markets YTD Performance %



Corporate Actions:

Counter	Dividend	Book Closure Date	Payment Date
 Safaricom Twaweza	KES 0.58	15-Mar-2023	31-Mar-2023
 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 oversubscribed, with a subscription rate of 136.2% (up from 81.0% the previous week) and an acceptance rate of 72.7%.

The 91-day T-Bill attracted the attention of investors the most, recording a subscription of 555.7% (KES 22.2 Bn) and saw its yield increase to 9.70%. The 364-day paper recorded a yield of 10.69%.

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	17.0 Yr
Effective Tenor (50% redemption after 10 yrs, 50% after 17 yrs)	13.5 Yr
Value Date	13-Mar-23
Offered Amount (KES Mn)	50,000.00
Coupon Rate	Market Determined
Period of Sale	15-Feb-23 to 7-Mar-23
Redemption Date	20-Feb-40
Bidding Guide	14.20% - 14.50%

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, **total turnover** declined to **KES 9.46 Bn** from KES 12.31 Bn traded in the previous week.

The S&P Sovereign Bond index decreased by 0.26% to close at **101.62**.

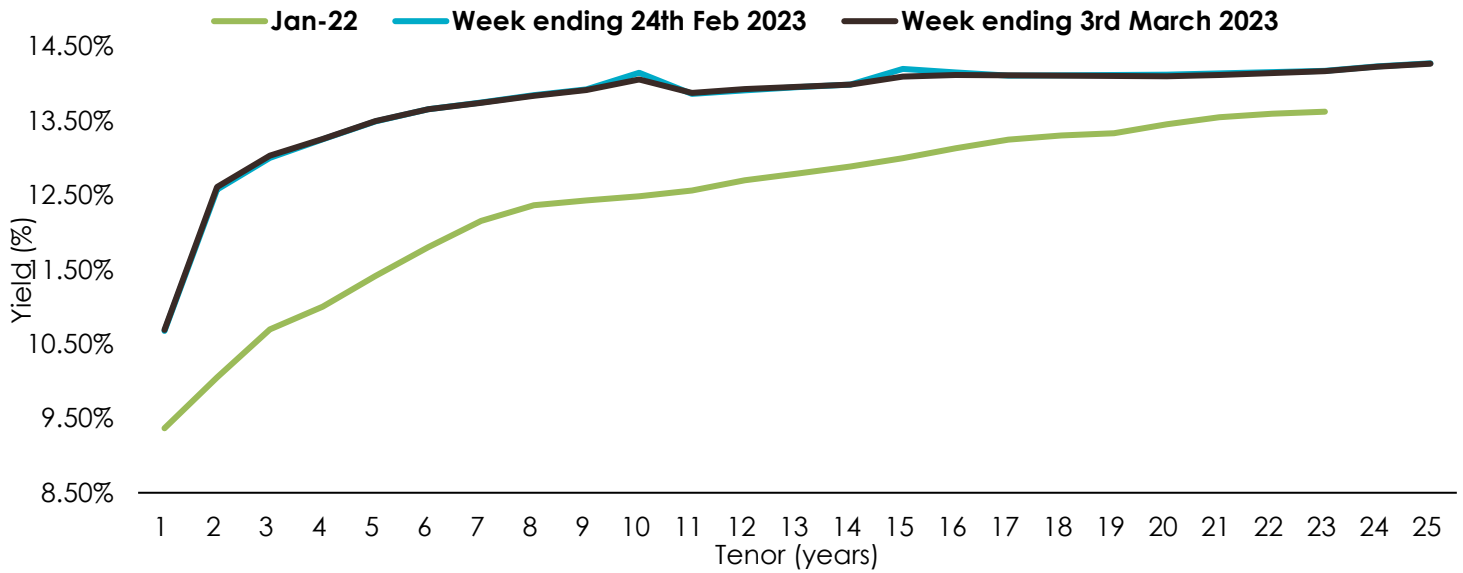
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

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
FXD 1/2020/5Yr	2.18	11.67	12.85	11.14	12.61	1,291.00	8
FXD 1/2019/5Yr	0.96	11.30	12.87	10.95	11.00	1,191.10	48
FXD1/2014/10Yr	0.87	12.18	10.75	10.70	10.72	1,035.00	60
IFB1/2022/19Yr	17.96	12.97	14.13	12.36	13.06	789.25	54
IFB1/2022/6Yr	5.75	13.22	13.77	12.01	12.42	615.95	68
FXD2/2018/20Yr	15.39	13.20	14.40	13.46	13.90	557.90	18
FXD1/2009/15Yr	1.60	12.50	12.20	12.20	12.20	493.50	24
FXD1/2023/10Yr	9.95	14.15	14.15	14.10	14.12	445.00	19
FXD1/2010/15Yr	2.02	10.25	12.72	12.06	12.39	327.80	2
FXD 1/2021/5Yr	3.70	11.28	12.63	12.63	12.63	300.00	1

Source: NSE, NCBAIB Research

Government Securities Yield Curve:



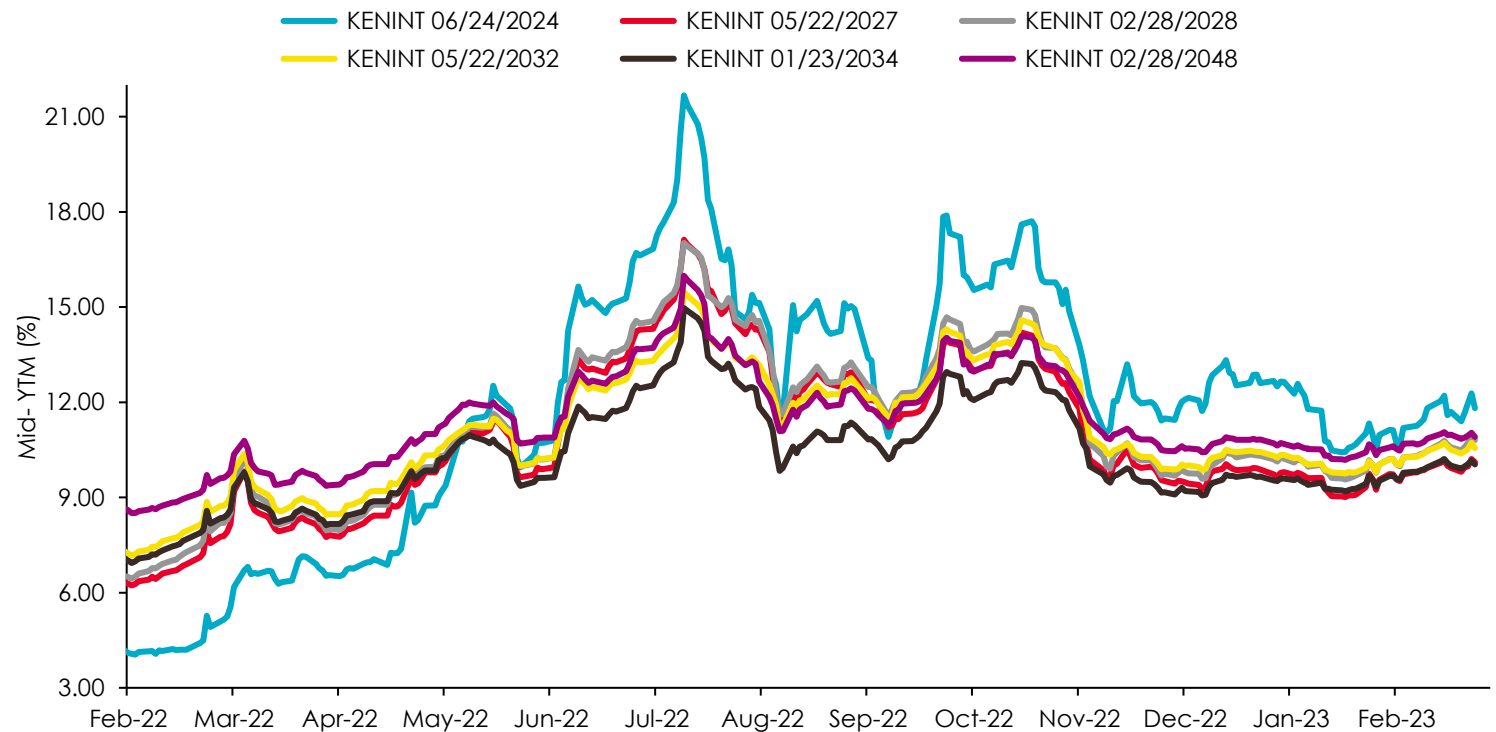
Source: NSE, NCBA IB Research

Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on an upward trend – increasing by an average of 9.2 bps week on week.

KENINT 2028, which has a tenor of 5.00 years, recorded the largest rise – with its yield increasing by 23.2 bps to 10.81%.

Notably, KENINT 2024 whose principal amount totals USD 2.0Bn matures in June 2024. Its yield increased by 12 bps to 11.8% during the week.



Source: Bloomberg, NCBA IB Research

Macroeconomic statistics:

Prevailing rates	Week 9	Week 8	w/w change (bps)
91 Day	9.698%	9.655%	4.30
182 Day	10.165%	10.117%	4.80
364 Day	10.690%	10.676%	1.40

Statistic	Current	Previous	change (bps)
Central Bank Rate (CBR)	8.75%	8.75%	-
Inflation	9.20%	9.00%	20
Average Interbank Rate	6.88%	6.56%	31

Currency	Week 9	Week 8	w/w change (%)
US Dollar	127.54	126.61	(0.7%)
STG Pound	152.57	151.74	(0.5%)
EURO	135.39	133.89	(1.1%)
Forex Reserves (USD Mn)	6,605.00	6,860.00	(3.7%)
Forex Reserves (Month of Import Cover)	3.69	3.84	

Negative () = Depreciation, Positive = Appreciation

Source: CBK, NCBA IB Research

Kenya Government Debt Maturities Schedule – March 2023:

Coupon payments						
Issue No.	Next Coupon Payment Date	Tenor to Maturity (Years)	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn	Implied Yield To Maturity
FXD1/2008/015	March 13, 2023	0.02	34,789.80	12.50%	2,174.36	9.2350%
FXD1/2010/015	March 13, 2023	2.02	27,693.90	10.25%	1,419.31	12.6464%
FXD1/2012/015	March 13, 2023	4.51	90,939.90	11.00%	5,001.69	13.4355%
IFB1/2021/021	March 13, 2023	19.47	106,742.20	12.74%	6,797.88	13.3100%
FXD1/2018/005	March 20, 2023	0.04	30,795.55	12.30%	1,893.77	9.4489%
FXD1/2016/020	March 20, 2023	13.50	12,761.20	14.00%	893.28	13.9773%
FXD1/2018/020	March 20, 2023	15.00	94,515.60	13.20%	6,238.03	14.1000%
IFB1/2011/012	March 20, 2023	0.54	11,735.50	12.00%	704.13	10.1943%
IFB1/2013/012	March 20, 2023	2.53	16,060.21	11.00%	883.31	12.6432%
IFB1/2015/012	March 20, 2023	4.03	33,486.55	11.00%	1,841.76	12.5817%
IFB1/2019/025	March 20, 2023	20.98	16,828.65	12.20%	1,026.55	13.8543%
Total					28,874.08	

Treasury Bond Maturities					
Issue No.	Maturity Date	Tenor to Maturity (Years)	Fixed Coupon Rate	Outstanding Amount KES 'Mn	Implied Yield To Maturity
FXD1/2008/015	March 13, 2023	0.02	12.50%	34,789.80	9.2350%
FXD1/2018/005	March 20, 2023	0.04	12.30%	30,795.55	9.4489%
Total				65,585.35	

Treasury Bills Maturities	
Payment Date	Amount KES 'Mn
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	108,221.61

Source: CBK, NCBA IB Research

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