

# The Week in Review | Week 11

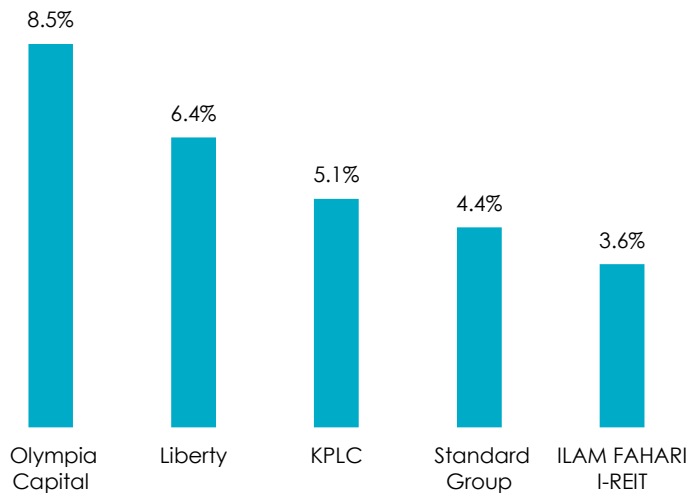
## EQUITIES

The market closed the week with NASI at 103.41, a 18.79% decline year to date. Trading activity was concentrated on Safaricom, Standard Chartered, Equity and Absa Kenya accounting for 90.6% of the total turnover.

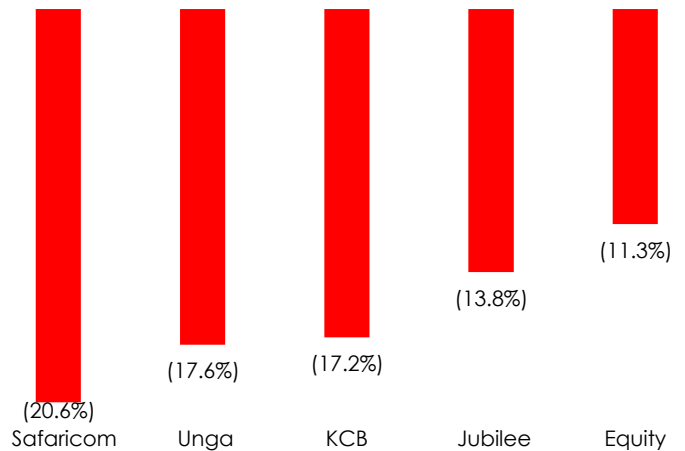
Foreign investors accounted for 63.2% of the total turnover and they were net sellers withdrawing KES 1.04 Bn last week. Local investors were mostly active on Safaricom, Standard Group, Standard Chartered and Equity in that order.

Market Turnover increased by 93.2% to KES 2.9Bn.

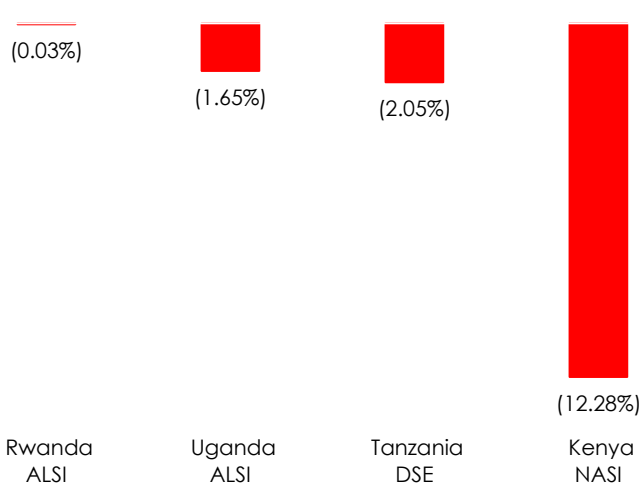
### Top Gainers of the week - Kenya



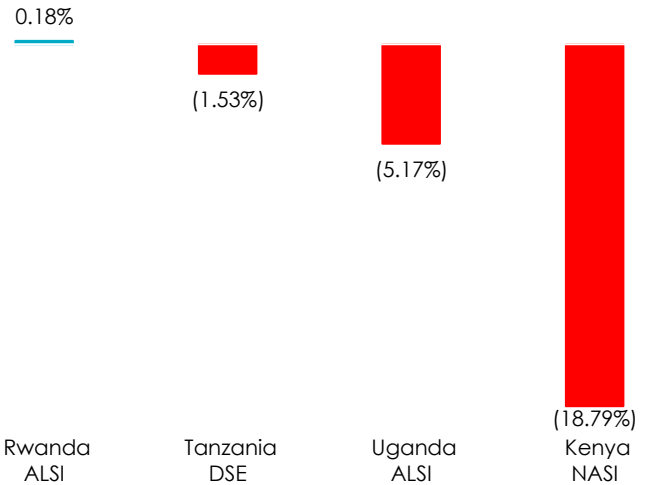
### Top Decliners of the Week - Kenya





### Regional Markets W/W Performance %



### Regional Markets YTD Performance %



**Corporate Actions:**

Counter	Dividend	Book Closure Date	Payment Date
	KES 52.00	26-May-23	15-Jun-23
	KES 16.00	21-Apr-23	25-May-23
	KES 1.50	24-May-23	9-Jun-23
	Kes 1.00	6-Apr-23	SUBJECT TO APPROVAL
	Kes 1.15	28-Apr-23	25-May-23
	KES 12.60	19-May-23	SUBJECT TO APPROVAL

Source: NSE, NCBAIB Research

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

Treasury bills were oversubscribed, with a subscription rate of 121.6% (down from 148.5% the previous week) and an acceptance rate of 98.6%.

The 91-day and 182-day papers attracted the attention of investors the most, recording a subscription of 182.3% and 174.7% respectively. The 91-day saw its yield increase to 9.78% whereas 364-day paper recorded a yield of 10.78%.

**b) April Bond offers: Re-opened FXD2/2018/10, FXD1/2022/03 & FXD1/2019/15**

The Central Bank of Kenya, in its capacity as a fiscal agent for the Republic of Kenya, is offering investors an opportunity to participate in the auction of re-opened treasury bonds FXD2/2018/10, FXD1/2022/03 and FXD1/2019/15, seeking to raise a total of KES 50.0Bn for budgetary support.

See below a summary of the issue:

Issue	FXD2/2018/10	FXD1/2022/03	FXD1/2019/15
Tenor	5.8Yr	2.1Yr	10.9Yr
Value Date	10-Apr-23	24-Apr-23	
Offered Amount (KES Mn)	20,000.00	30,000.00	
<b>Coupon Rate (%)</b>	<b>12.502%</b>	<b>11.766%</b>	<b>12.857%</b>
Period of Sale	16-Mar-23 to 4-Apr-23	16-Mar-23 to 18-Apr-23	
Redemption Date	4-Dec-28	7-Apr-25	9-Jan-34
Minimum Amount (KES)	50,000.00		

Source: CBK, NCBA IB Research

### c) Tap Sale Results - IFB1/2023/17

The Central Bank of Kenya received a total of KES 12.7Bn (63.6% Subscription rate), out of which it accepted KES 12.7Bn (99.9% Acceptance rate).

See below a summary of the Infrastructure bond auction results

Issue	IFB1/2023/17
Tenor to Maturity	17Yr
Value Date	20-Mar-23
Offered Amount (KES Mn)	20,000.00
Bids Received (KES Mn)	12,712.30
<b>Amount Accepted (KES Mn)</b>	<b>12,711.16</b>
<b>Allocated Average Rate of Accepted Bids (%)</b>	<b>14.399</b>
Adjusted Average Price (Per KES 100)	100.268
<b>Coupon Rate (%)</b>	<b>14.399</b>

Source: CBK, NCBA IB Research

### Secondary Market

In the secondary bonds market, **total turnover** advanced to **KES 18.45 Bn** from KES 8.40 Bn traded in the previous week.

The S&P Sovereign Bond index marginally increased to close at **101.64**.

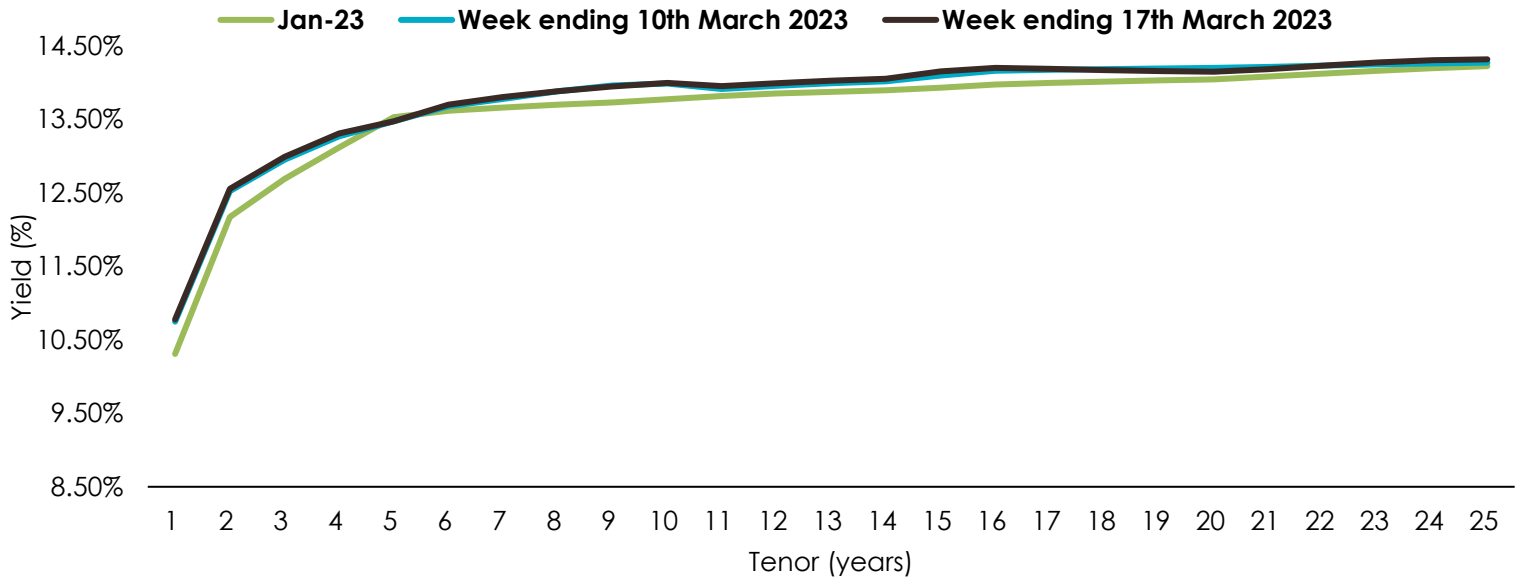
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

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
IFB1/2023/17Yr	16.98	14.40	14.44	13.55	<b>13.84</b>	<b>5,695.10</b>	610
FXD1/2017/10Yr	4.35	12.97	14.42	12.66	<b>13.26</b>	<b>2,310.70</b>	17
FXD2/2019/10Yr	6.06	12.30	12.21	11.64	<b>12.01</b>	<b>2,000.00</b>	3
FXD1/2019/15Yr	10.85	12.86	14.44	11.95	<b>13.20</b>	<b>1,000.40</b>	4
IFB1/2022/19Yr	17.93	12.97	14.59	12.46	<b>13.68</b>	<b>836.10</b>	23
IFB1/2020/9Yr	6.06	10.85	14.37	11.85	<b>13.38</b>	<b>826.60</b>	11
FXD 1/2021/5Yr	3.66	11.28	13.05	12.75	<b>12.77</b>	<b>800.00</b>	19
IFB1/2022/6Yr	5.71	13.22	13.15	12.06	<b>12.51</b>	<b>679.30</b>	41
FXD3/2019/10Yr	6.41	11.49	14.51	11.35	<b>12.94</b>	<b>622.40</b>	4
FXD1/2018/25Yr	20.25	13.40	14.95	13.49	<b>14.35</b>	<b>500.20</b>	7

Source: NSE, NCBAIB Research

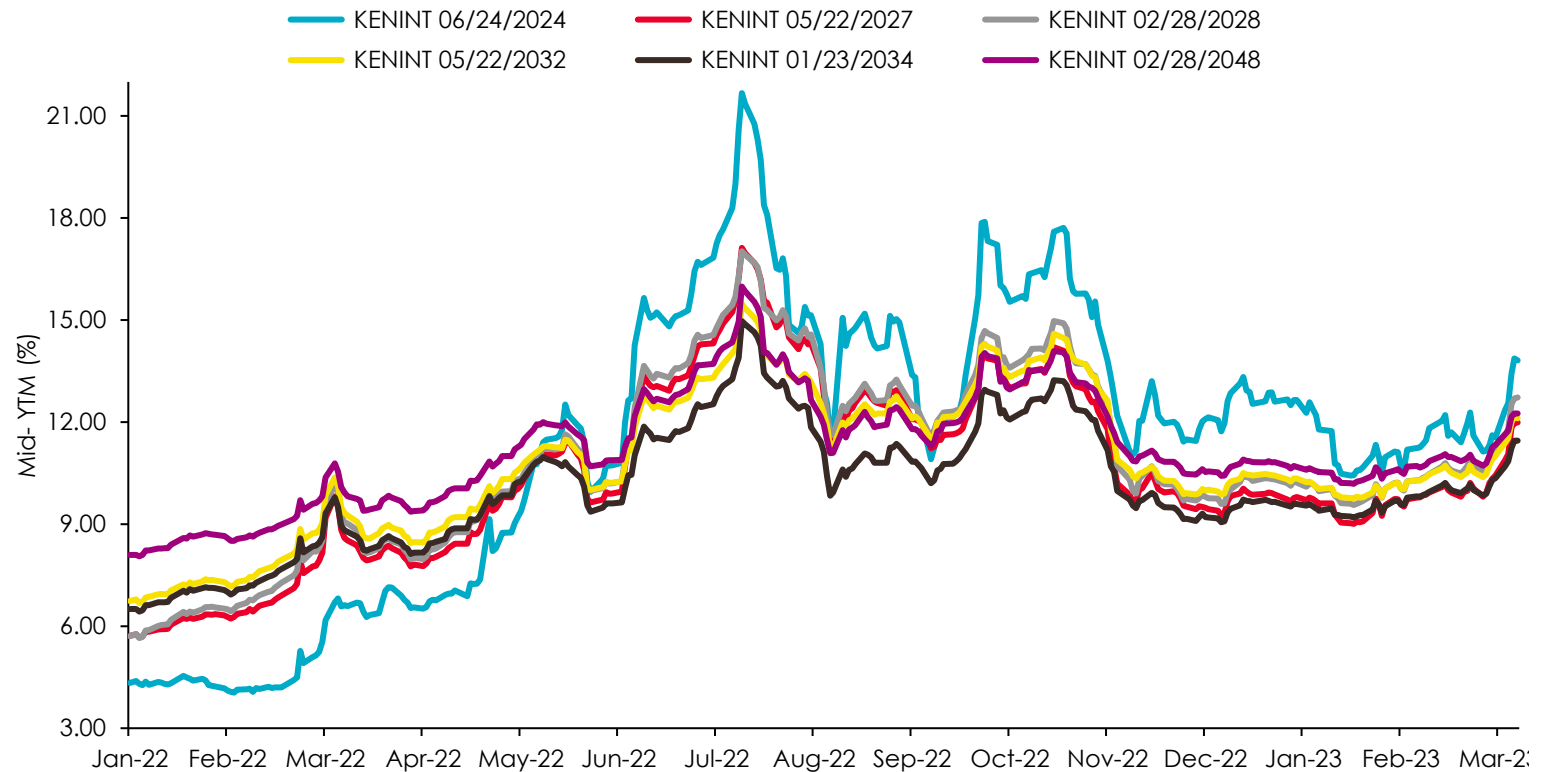
### Government Securities Yield Curve:



Source: NSE, NCBA IB Research

### Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on an upward trend – increasing by an average of 141.1 bps week on week. KENINT 2024, which has a tenor of 1.27 years, recorded the largest rise – with its yield increasing by 226.6 bps to 13.81%. Notably, KENINT 2024 whose principal amount totals USD 2.0Bn matures in June 2024.



Source: Bloomberg, NCBA IB Research

**Macroeconomic statistics:**

Prevailing rates	Week 11	Week 10	w/w change (bps)
91 Day	9.780%	9.742%	3.80
182 Day	10.285%	10.216%	6.90
364 Day	10.777%	10.747%	3.00

Statistic	Current	Previous	change (bps)
Central Bank Rate (CBR)	8.75%	8.75%	-
Inflation	9.20%	9.00%	20
Average Interbank Rate	6.97%	6.59%	37

Currency	Week 11	Week 10	w/w change (%)
US Dollar	129.88	128.89	(0.8%)
STG Pound	156.51	153.10	(2.2%)
EURO	137.77	136.09	(1.2%)
Forex reserves (USD Mn)	6,560.00	6,566.00	(0.1%)

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	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn	Implied Yield To Maturity
FXD1/2018/005	March 20, 2023	0.00	30,795.55	12.30%	1,893.93	9.5850%
FXD1/2016/020	March 20, 2023	13.47	12,761.20	14.00%	893.28	14.0401%
FXD1/2018/020	March 20, 2023	14.96	94,515.60	13.20%	6,238.03	14.1531%
IFB1/2011/012	March 20, 2023	0.50	11,735.50	12.00%	704.13	10.1800%
IFB1/2013/012	March 20, 2023	2.50	16,060.21	11.00%	883.31	12.6647%
IFB1/2015/012	March 20, 2023	3.99	33,486.55	11.00%	1,841.76	12.5750%
IFB1/2019/025	March 20, 2023	20.95	16,828.65	12.20%	1,026.55	13.8981%
<b>Total</b>					<b>13,480.99</b>	

Treasury Bond Maturities					
Issue No.	Maturity Date	Tenor to Maturity	Fixed Coupon Rate	Outstanding Amount KES 'Mn	Implied Yield To Maturity
FXD1/2018/005	March 20, 2023	0.00	12.30%	30,795.55	9.5850%
<b>Total</b>				<b>30,795.55</b>	

Treasury Bills Maturities	
Payment Date	Amount KES 'Mn
March 20, 2023	27,922.93
March 27, 2023	23,381.37
<b>Total</b>	<b>51,304.30</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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## Certification

The following analyst(s) who prepared this research report: Victoria Mututu and Justin N Mwangi hereby certifies(y) that:

- (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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