

The Week in Review | Week 12

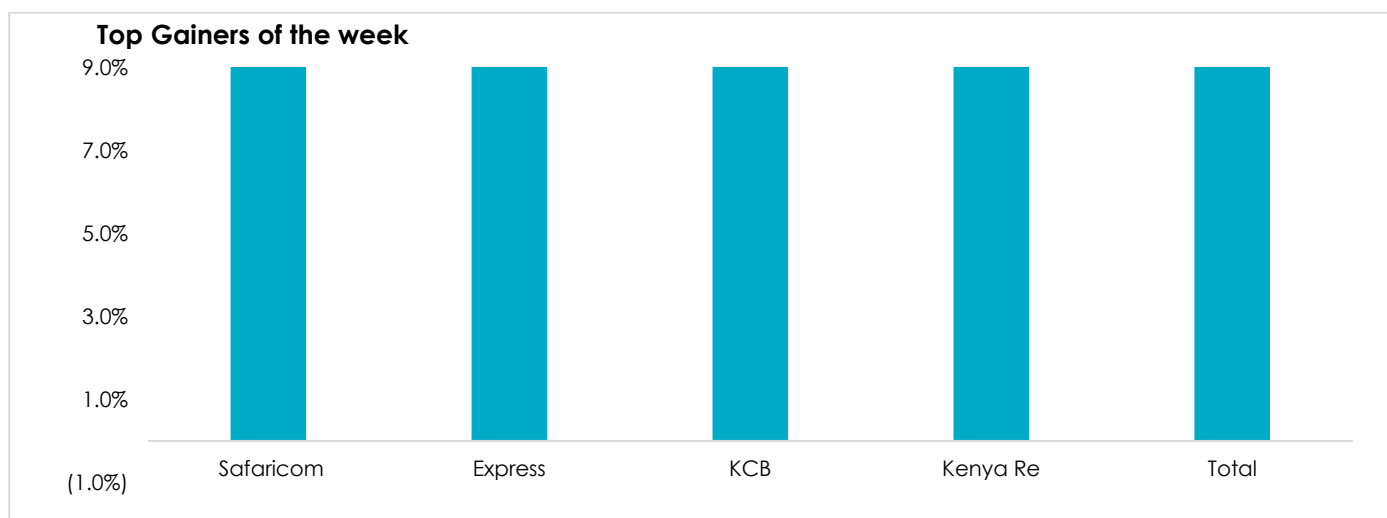
EQUITIES

Local Market Performance

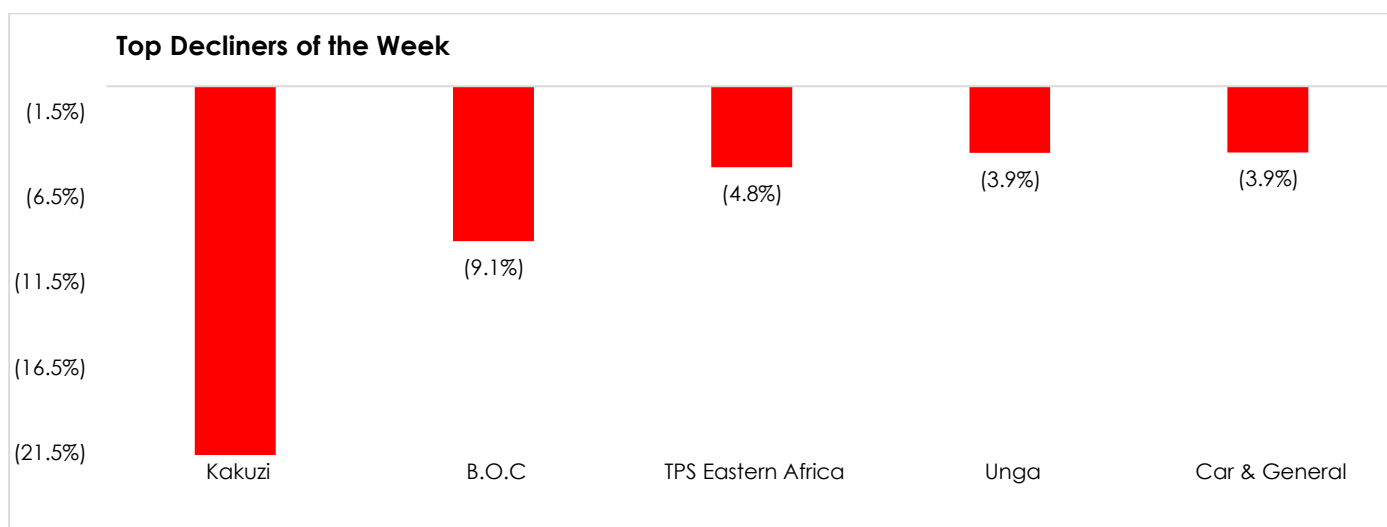
The market closed the week with NASI at 110.93, a 12.89% decline year to date. Trading activity was concentrated on EABL, Safaricom, Equity and BAT Kenya accounting for 89.1% of the total turnover.

Foreign investors accounted for 64.6% of the total turnover and they were net sellers withdrawing KES 0.22 Bn last week. Local investors were mostly active on Equity, Safaricom, Standard Group, and BAT in that order.

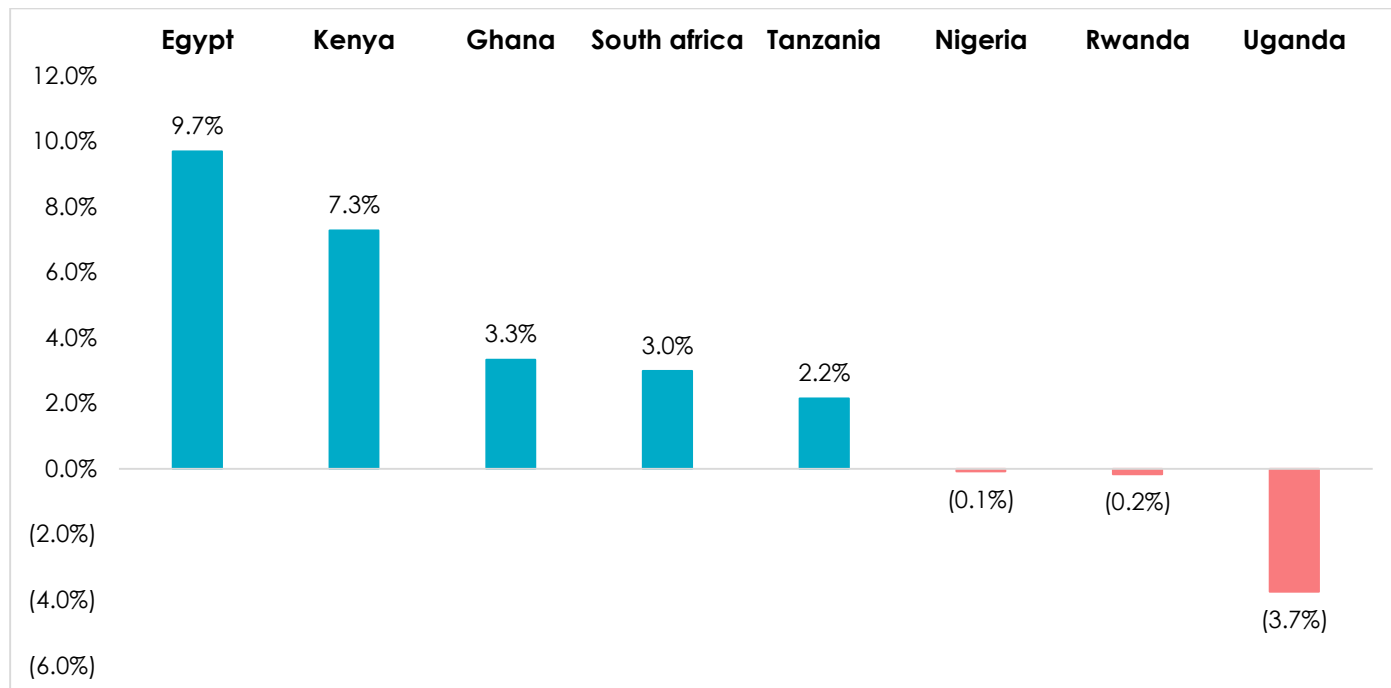
Market turnover surged to KES 25.68Bn from KES 2.93Bn traded the previous week.



Source; NCBA IB Research, NSE












Source; NCBA IB Research, NSE

Regional Markets performance


Source: NSE, NCBAIB Research

Corporate Actions:

Counter	Dividend	Book Closure Date	Payment Date
 Safaricom Twaweza	KES 0.58	15-Mar-23	31-Mar-23
 BAT KENYA	KES 52.00	26-May-23	15-Jun-23
 Standard Chartered	KES 16.00	21-Apr-23	25-May-23
 COOP BANK	KES 1.50	24-May-23	9-Jun-23
 KCB	Kes 1.00	6-Apr-23	SUBJECT TO APPROVAL
 absa	Kes 1.15	28-Apr-23	25-May-23
 Equity Bank	KES 12.60	19-May-23	SUBJECT TO APPROVAL
 CIC GROUP	KES 0.13	8-May-23	26-May-23
 KAKUZI PRODUCTS KAKUZI PLC	KES 24	31-May-23	15-Jun-23

Source: NSE, NCBAIB Research

FIXED INCOME

Primary Market

a) Treasury Bill Results

Treasury bills were undersubscribed, with a subscription rate of 49.2% (down from 121.6% the previous week) and an acceptance rate of 97.5%.

The 91-day attracted the attention of investors the most recording a subscription of 179.4%, its yield increased to 9.83% whereas 364-day remained relatively unchanged at 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	
Coupon Rate (%)	12.502%	11.766%	12.857%
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

Secondary Market

In the secondary bonds market, **total turnover** advanced to **KES 19.42 Bn** from KES 18.45 Bn traded in the previous week.

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

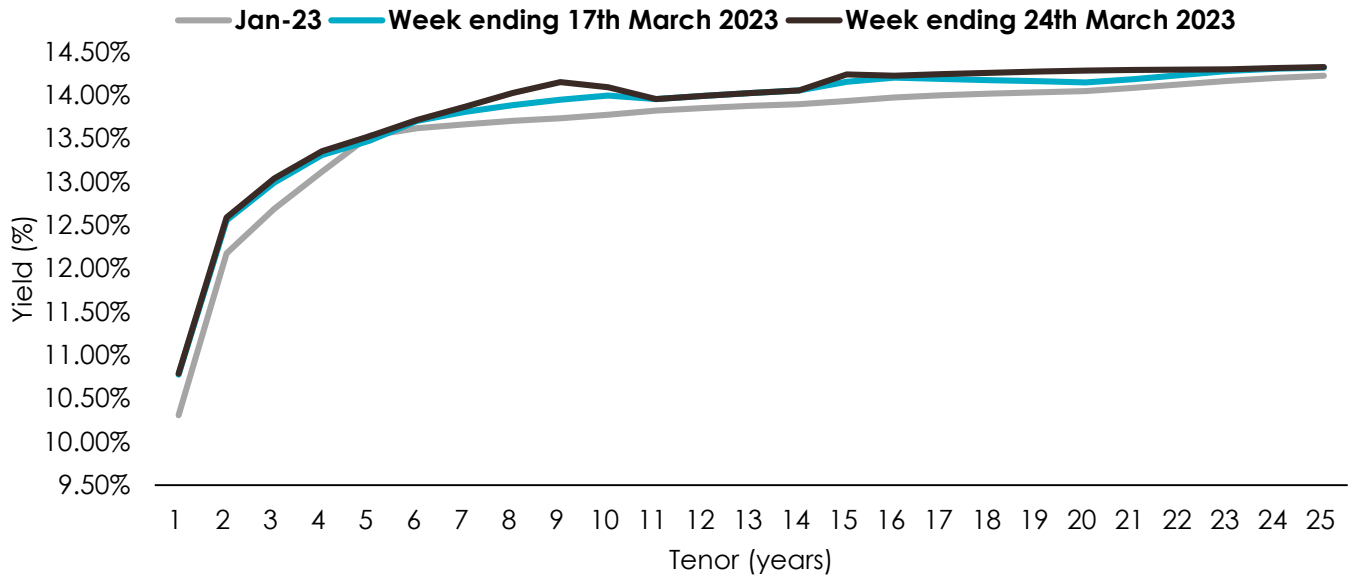
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon (%)	Average Yield (%)	Total Value (KES Mn)	Number of Trades
IFB1/2023/17Yr	16.96	14.40	13.85	4,611.95	649
FXD3/2019/10Yr	6.38	11.49	12.36	3,047.80	14
FXD2/2019/10Yr	6.04	12.30	11.53	1,500.00	3
IFB1/2021/21Yr	19.46	12.74	14.00	1,316.25	27
IFB 1/2015/12Yr	3.98	11.35	13.17	1,274.90	3

Source: NSE, NCBAIB Research

Government Securities Yield Curve:

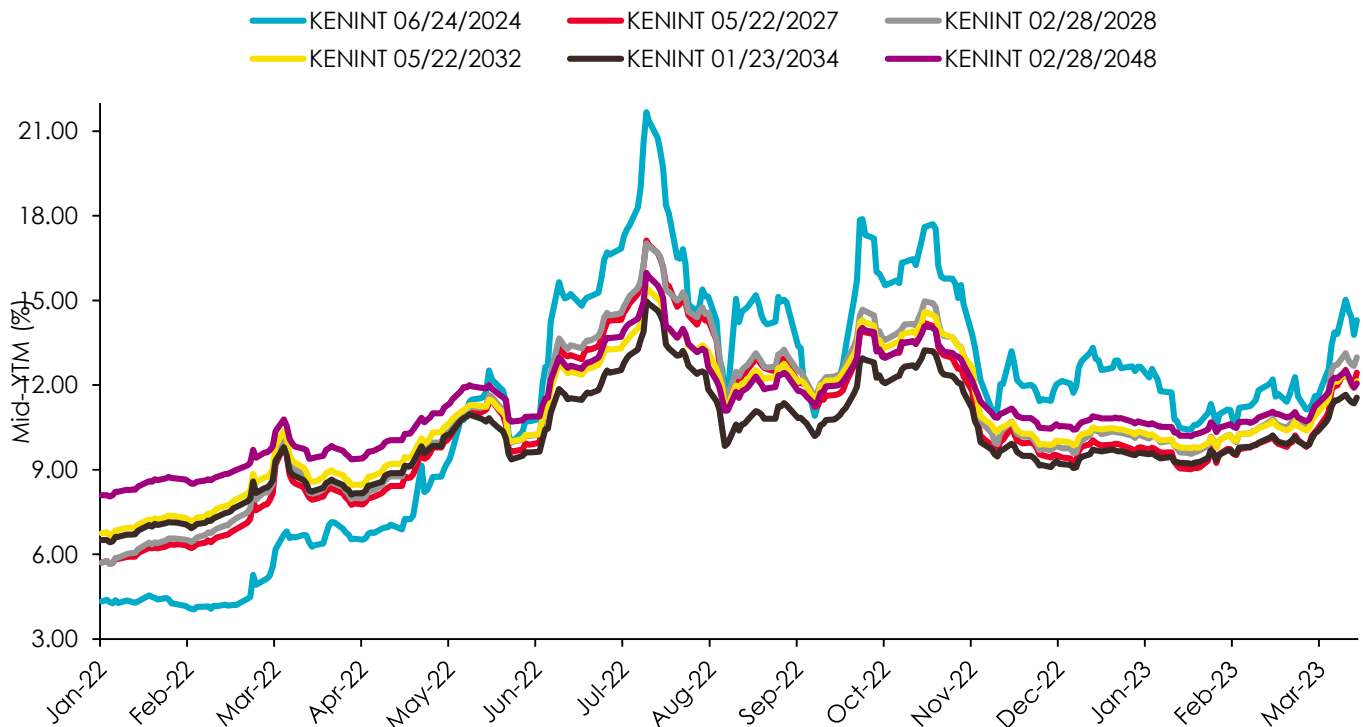


Source: NSE, NCBA IB Research

Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on an upward trend – increasing by an average of 18.8 bps week on week. KENINT 2024, which has a tenor of 1.27 years, recorded the largest rise – with its yield increasing by 48.6 bps to 14.30%.

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



Source: Bloomberg, NCBA IB Research

Macroeconomic statistics:

Prevailing rates	Week 12	Week 11	w/w change (bps)
91 Day	9.829%	9.780%	4.90
182 Day	10.344%	10.285%	5.90
364 Day	10.787%	10.777%	1.00

Statistic	Current	Previous	change (bps)
Central Bank Rate (CBR)	8.75%	8.75%	-
Inflation	9.20%	9.00%	20
Average Interbank Rate	7.41%	6.97%	45

Currency	Week 12	Week 11	w/w change (%)
US Dollar	131.40	129.88	(1.2%)
STG Pound	160.49	156.51	(2.5%)
EURO	141.21	137.77	(2.4%)
Forex reserves (USD Mn)	6,550.00	6,560.00	(0.2%)

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%
Total					13,480.99	

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%
Total				30,795.55	

Treasury Bills Maturities	
Payment Date	Amount KES 'Mn
March 20, 2023	27,922.93
March 27, 2023	23,381.37
Total	51,304.30

Source: CBK, NCBA IB Research

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