

# The Week in Review | Week 14

## EQUITIES

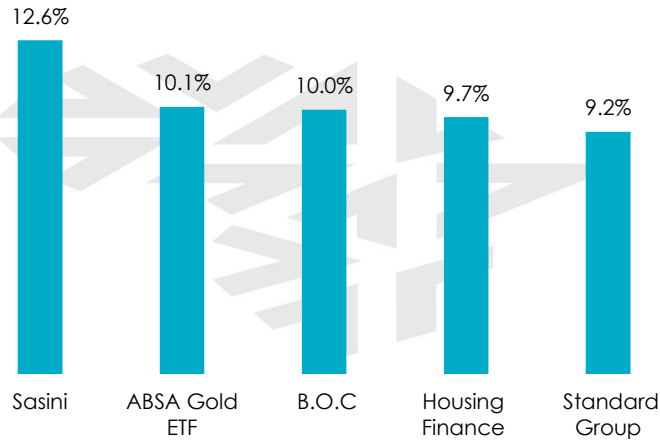
### Local Market Performance

The market closed the week with NASI at 114.26, a 10.27% decline year to date. Trading activity was concentrated on Safaricom, KCB, Equity and Bamburi accounting for 79.6% of the total turnover.

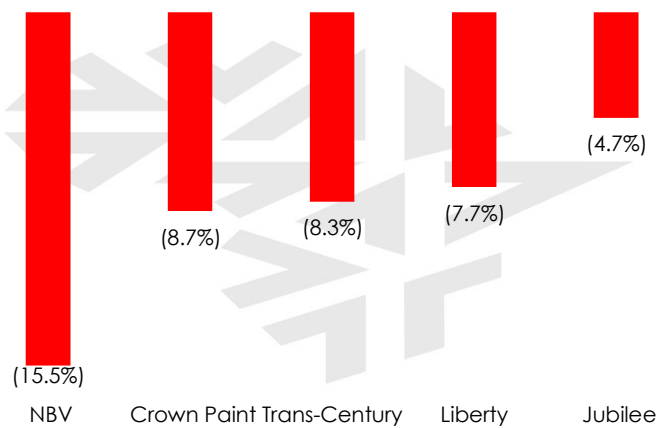
Foreign investors accounted for 59.9% of the total turnover and they were net sellers withdrawing KES 0.17 Bn last week. Local investors were mostly active on KCB, Bamburi, Safaricom and Equity in that order.

Market turnover dipped by 12.6% to KES 1.53 billion from KES 1.75 billion traded the previous week.

#### Top Gainers of the week - Kenya

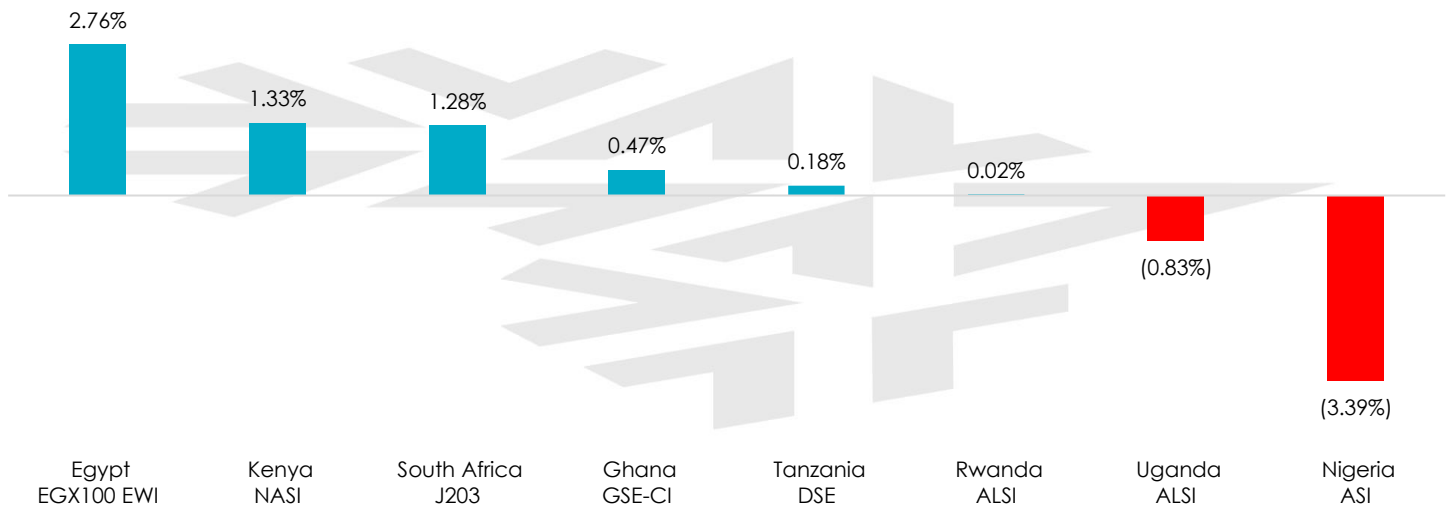


#### Top Decliners of the Week - Kenya




















Source; NCBA IB Research, NSE

#### Regional Markets W/W Performance %



Source; NCBA IB Research, NSE

**Corporate Actions:**

Counter	Dividend	Dividend Yield (%)	Book Closure Date	Payment Date
 NSE	0.20	3.10%	31-May-23	31-Jul-23
 KENYA RE	0.20	10.36%	16-Jun-23	28-Jul-23
 LIMECEL	2.25	18.37%	27-Jun-23	20-Jul-23
 BANK OF KIGALI Financially transforming lives	3.92	12.56%	22-Jun-23	1-Jul-23
 The Limuru Tea Co. Ltd	2.50	0.63%	14-Apr-23	30-Jun-23
 EQUITY	4.00	8.79%	19-May-23	30-Jun-23
 BAT KENYA	57.00	12.34%	26-May-23	15-Jun-23
 KAKUZI	24.00	9.09%	31-May-23	15-Jun-23
 DTB DIAMOND TRUST BANK	5.00	9.26%	12-May-23	15-Jun-23
 GFR BANK	1.50	11.41%	24-May-23	9-Jun-23
 I&M Bank LIMITED	2.25	10.79%	20-Apr-23	25-May-23
 Standard Chartered	22.00	12.98%	21-Apr-23	25-May-23
 CIC GROUP	0.13	6.28%	8-May-23	26-May-23
 KCB	2.00	5.53%	6-Apr-23	26-May-23
 absa	1.35	10.47%	28-Apr-23	25-May-23
 Nation Media Group Media of Africa for Africa	1.50	9.40%	16-Jun-23	31-Jul-23
	12.60	11.33%	19-May-23	SUBJECT TO APPROVAL

Source: NSE, NCBA/IB Research

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

Treasury bills were oversubscribed, with a subscription rate of 134.8% (up from 34.4% the previous week) and an acceptance rate of 99.8%.

The 91-day attracted the attention of investors the most recording a subscription of 643.3%. The yield for the 182-day paper decreased to 10.37%, whereas the yields for the 92-day and 364-day papers increased to 10.00% and 10.86%, respectively.

**b) Bond Auction Results: Re-opened FXD2/2018/10**

The Central Bank of Kenya received KES 3.57 billion in total, which represents a 17.85% undersubscription, and accepted KES 3.36 billion, or a 94.11% acceptance rate.

See below a summary of the results:

Issue	FXD2/2018/10
Tenor to Maturity	5.6Yr
Offered Amount (KES Mn)	20,000.00
Bids Received (KES Mn)	3,570.55
Amount Accepted (KES Mn)	3,360.37
<b>Market Weighted Average Rate (%)</b>	<b>14.39%</b>
<b>Weighted Average Rate of Accepted Bids (%)</b>	<b>14.37%</b>
<b>Our Bidding Guide</b>	<b>14.00% - 14.30%</b>
Adjusted Average Price (Per KES 100)	96.97
<b>Coupon Rate (%)</b>	<b>12.50%</b>

### c) April Bond offers: Re-opened 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 FXD1/2022/03 and FXD1/2019/15, seeking to raise a total of KES 30.0Bn for budgetary support.

See below a summary of the issue:

Issue	FXD1/2022/03	FXD1/2019/15
Tenor	2.1Yr	10.9Yr
Value Date	24-Apr-23	
Offered Amount (KES Mn)	30,000.00	
<b>Coupon Rate (%)</b>	<b>11.766%</b>	<b>12.857%</b>
Period of Sale	16-Mar-23 to 18-Apr-23	
Redemption Date	7-Apr-25	9-Jan-34
<b>Bidding range</b>		

Source: CBK, NCBA IB Research

### Secondary Market

In the secondary bonds market, **total turnover** declined to **KES 6.03 Bn** from KES 19.23 Bn traded in the previous week.

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

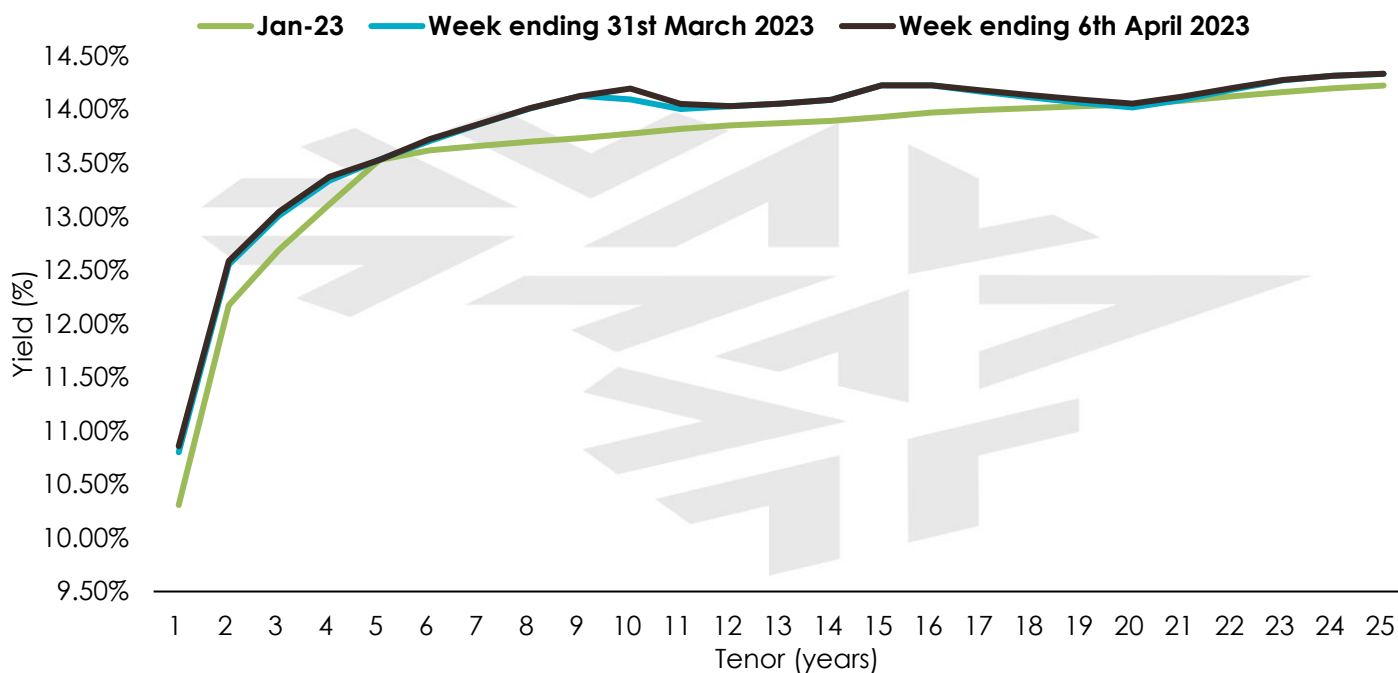
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)	Number of Trades
IFB1/2019/16Yr	12.54	11.75	<b>14.18</b>	<b>2,029.20</b>	18
IFB1/2023/17Yr	16.92	14.40	<b>13.89</b>	<b>1,959.65</b>	283
FXD 2/2019/5Yr	1.08	10.87	<b>11.10</b>	<b>600.00</b>	3
IFB 1/2013/12Yr	2.44	11.00	<b>13.38</b>	<b>424.51</b>	12
IFB1/2022/6Yr	5.65	13.22	<b>12.86</b>	<b>279.20</b>	25

Source: NSE, NCBAIB Research

### Government Securities Yield Curve:

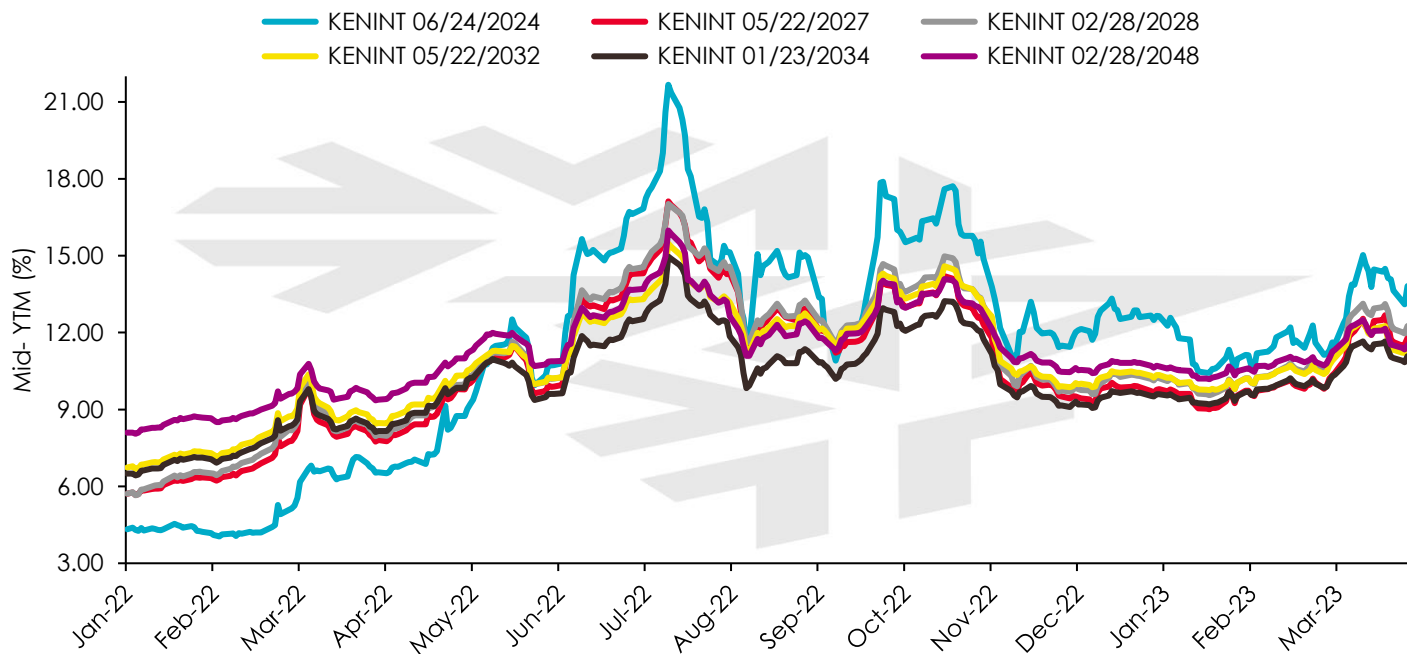


Source: NSE, NCBA IB Research

### Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on an upward trend – increasing by an average of 13.4 bps week on week. KENINT 2024, which has a tenor of 1.21 years, recorded the largest rise – with its yield increasing by 19.9 bps to 13.84%.

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



Source: Bloomberg, NCBA IB Research

Macroeconomic statistics:

Prevailing rates	Week 14	Week 13	w/w change (bps)
91 Day	10.004%	9.907%	9.70
182 Day	10.368%	10.399%	(3.10)
364 Day	10.857%	10.800%	5.70

Statistic	Current	Previous	change (bps)
CBR	8.75%	8.75%	-
Inflation	9.20%	9.00%	20
Average Interbank Rate	8.33%	7.86%	47

**Exchange rates**

Currency	Week 14	Week 13	w/w change (%)
US Dollar	133.30	132.52	(0.6%)
STG Pound	166.31	164.12	(1.3%)
EURO	145.89	144.29	(1.1%)
Forex reserves (USD Mn)	6,446.00	6,426.00	0.3%

Negative () = Depreciation, Positive = Appreciation

Source: CBK, NCBA IB Research

Kenya Government Debt Maturities Schedule – April 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
FXD1/2009/015	April 10, 2023	1.52	31,952.45	12.50%	1,997.03	12.1251%
FXD1/2022/003	April 10, 2023	2.02	58,837.00	11.77%	3,461.38	12.5934%
FXD2/2019/010	April 10, 2023	6.02	60,725.30	12.30%	3,734.61	13.7253%
FXD1/2019/020	April 10, 2023	16.02	83,350.00	12.87%	5,364.82	14.2272%
IFB1/2020/009	April 10, 2023	6.02	78,973.60	10.85%	4,284.32	12.8125%
IFB1/2021/018	April 10, 2023	16.02	81,785.60	12.67%	5,179.89	13.4575%
FXD2/2013/015	April 17, 2023	5.04	70,859.75	12.00%	4,251.59	13.5306%
FXD2/2018/015	April 17, 2023	10.54	33,411.70	12.75%	2,130.00	14.1170%
IFB1/2014/012	April 17, 2023	3.54	16,631.48	11.00%	914.73	12.5567%
IFB1/2016/015	April 17, 2023	8.54	30,004.70	12.00%	1,800.28	13.5345%
FXD1/2022/015	April 24, 2023	14.06	68,200.07	13.94%	4,754.23	14.0958%
FXD1/2022/025	April 24, 2023	24.56	20,699.83	14.19%	1,468.45	14.3345%
IFB1/2019/016	April 24, 2023	12.56	71,028.55	11.75%	4,172.93	13.5000%
<b>Total</b>					<b>43,514.24</b>	

Source: CBK, NCBA IB Research

Treasury Bills	
Payment Date	Amount KES 'Mn
April 3, 2023	7,606.56
April 10, 2023	34,259.12
April 17, 2023	32,796.35
April 24, 2023	25,375.35
<b>Total</b>	<b>100,037.38</b>

Source: CBK, NCBA IB Research

## About NCBA Investment Bank

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