

The Week in Review | Week 16

EQUITIES

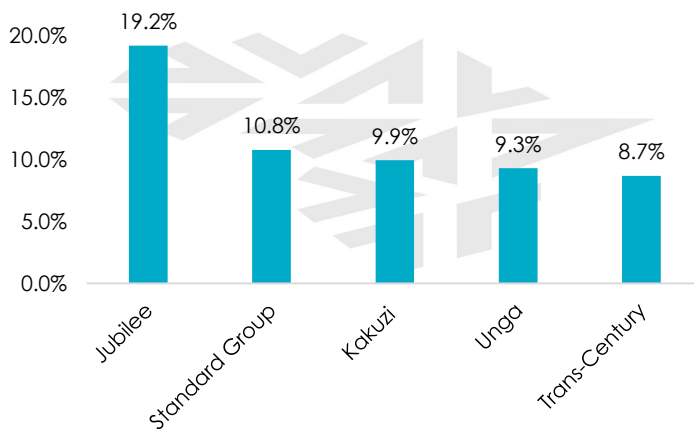
Local Market Performance

The market was down 3.33% with NASI closing the week at 107.84, a 15.31% decline year to date. Trading activity was concentrated on Equity, Safaricom, KCB and Cooperative accounting for 73.8% of the total turnover.

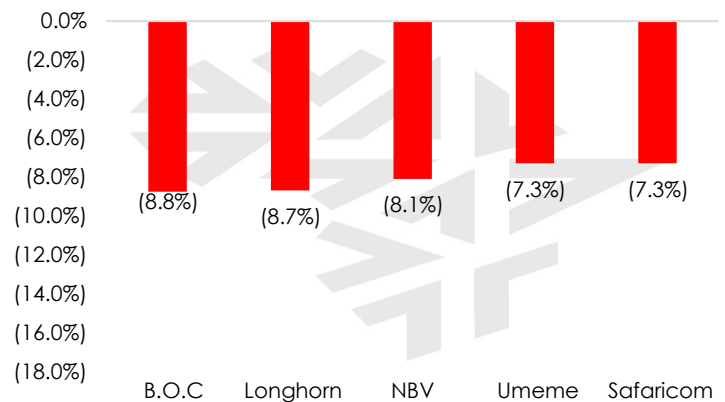
Foreign investors accounted for 37.2% of the total turnover and they were net sellers withdrawing KES 0.14 Bn last week. Foreign investors were mostly active on Safaricom, KCB, Equity, I&M, and EABL in that order.

Market turnover dipped by 38.6% to KES 0.63 billion from KES 1.03 billion traded the previous week.

Top Gainers of the week - Kenya

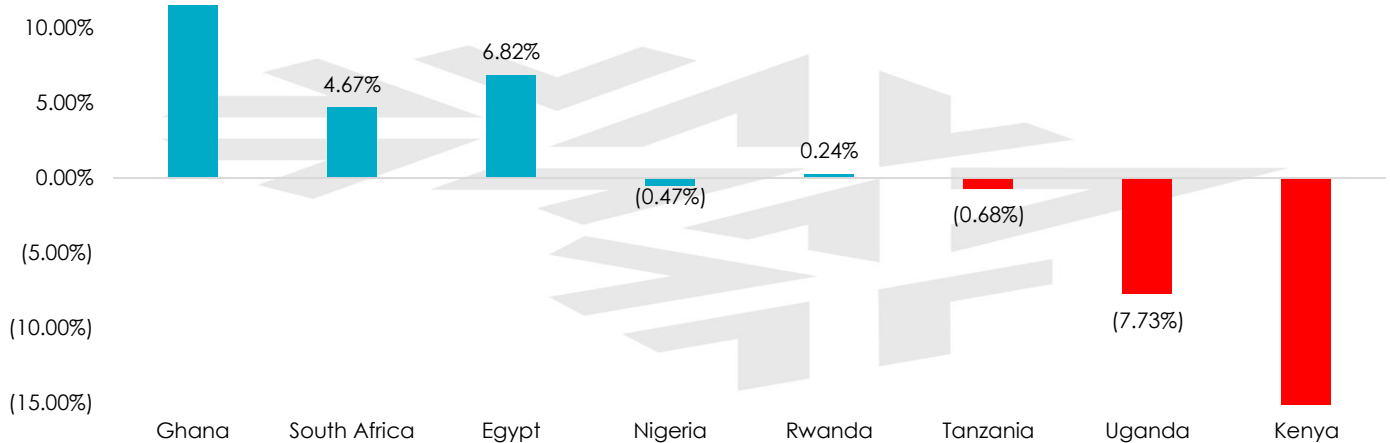


Top Decliners of the Week - Kenya




















Source: NCBA IB Research, NSE

Regional Markets YTD Performance %



Source: NCBA IB Research, NSE

Corporate Actions:

Counter	Dividend	Dividend Yield (%)	Book Closure Date	Payment Date
 nairobi securities exchange	0.20	3.10%	31-May-23	31-Jul-23
 KENYA RE	0.20	10.36%	16-Jun-23	28-Jul-23
 JMEME	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. PLC	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 PRODUCTS	24.00	9.09%	31-May-23	15-Jun-23
 DTB DIAMOND TRUST BANK	5.00	9.26%	12-May-23	15-Jun-23
 GGB 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, NCBAIB Research

FIXED INCOME

Primary Market

Treasury Bill Results

Treasury bills were oversubscribed, with a subscription rate of 146.5% (up from 122.6% the previous week) and an acceptance rate of 94.7%.

The 91-day attracted the attention of investors the most recording a subscription of 799.6% with its yield increasing by 8.7 bps to 10.16%. The 364-day paper recorded a yield of 11.06%.

Bond auction results | Re-opened FXD1/2022/03 & FXD1/2019/15

The Central Bank of Kenya received a total of KES 7.33Bn (24.43% Subscription rate), out of which it accepted KES 1.76Bn (23.97% Acceptance rate).

The auction for FXD1/2019/15 was cancelled.

See below a summary of the results:

Issue	FXD2/2018/10
Tenor to Maturity	1.98Yr
Offered Amount (KES Mn)	30,000.00
Bids Received (KES Mn)	7,328.96
Amount Accepted (KES Mn)	1,757.09
Weighted Average rate for Accepted Bids (%)	13.471%
Adjusted Average Price (Per KES 100)	97.583
Coupon Rate (%)	11.766%

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, **total turnover** increased to **KES 11.27 Bn** from KES 8.46 Bn traded in the previous week.

The S&P Sovereign Bond index was relatively unchanged at **101.58**.

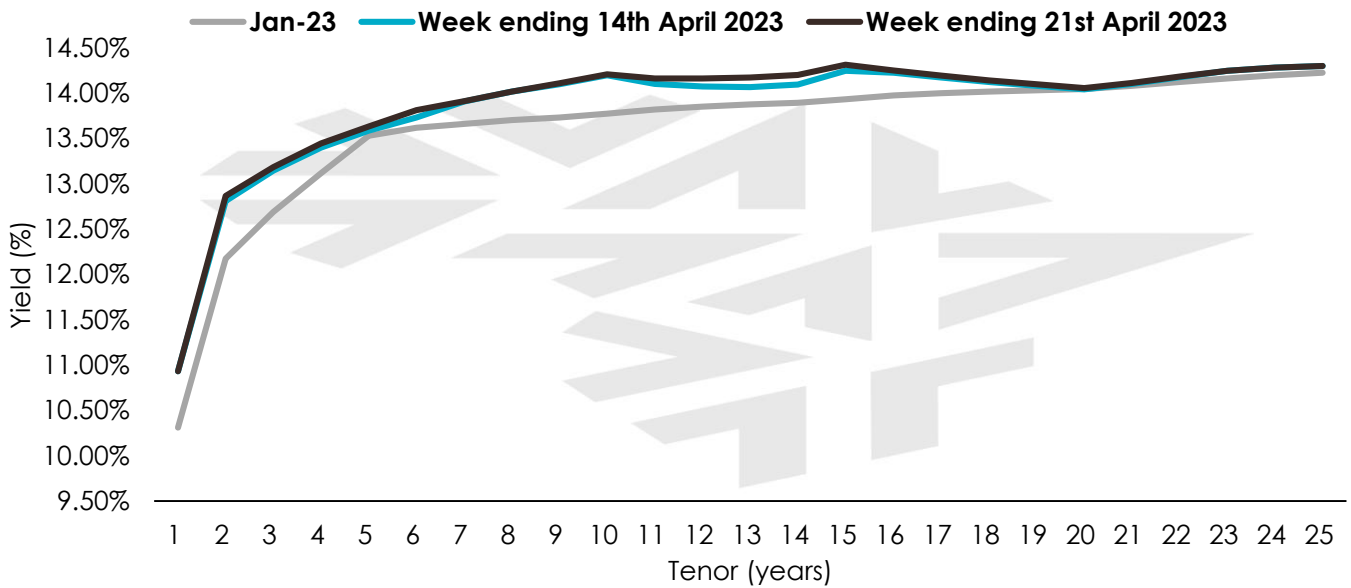
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon (%)	Average Yield (%)	Total Value (KES Mn)	Number of Trades
IFB1/2020/11Yr	8.33	10.90	14.41	1,615.80	37
FXD1/2013/10Yr	0.15	12.37	10.50	1,391.00	1
IFB1/2023/17Yr	16.88	14.40	13.82	1,109.50	186
IFB1/2022/19Yr	17.83	12.97	14.42	1,028.20	18
IFB1/2018/15Yr	9.75	12.50	13.22	940.05	28

Source: NSE, NCBAIB Research

Government Securities Yield Curve:

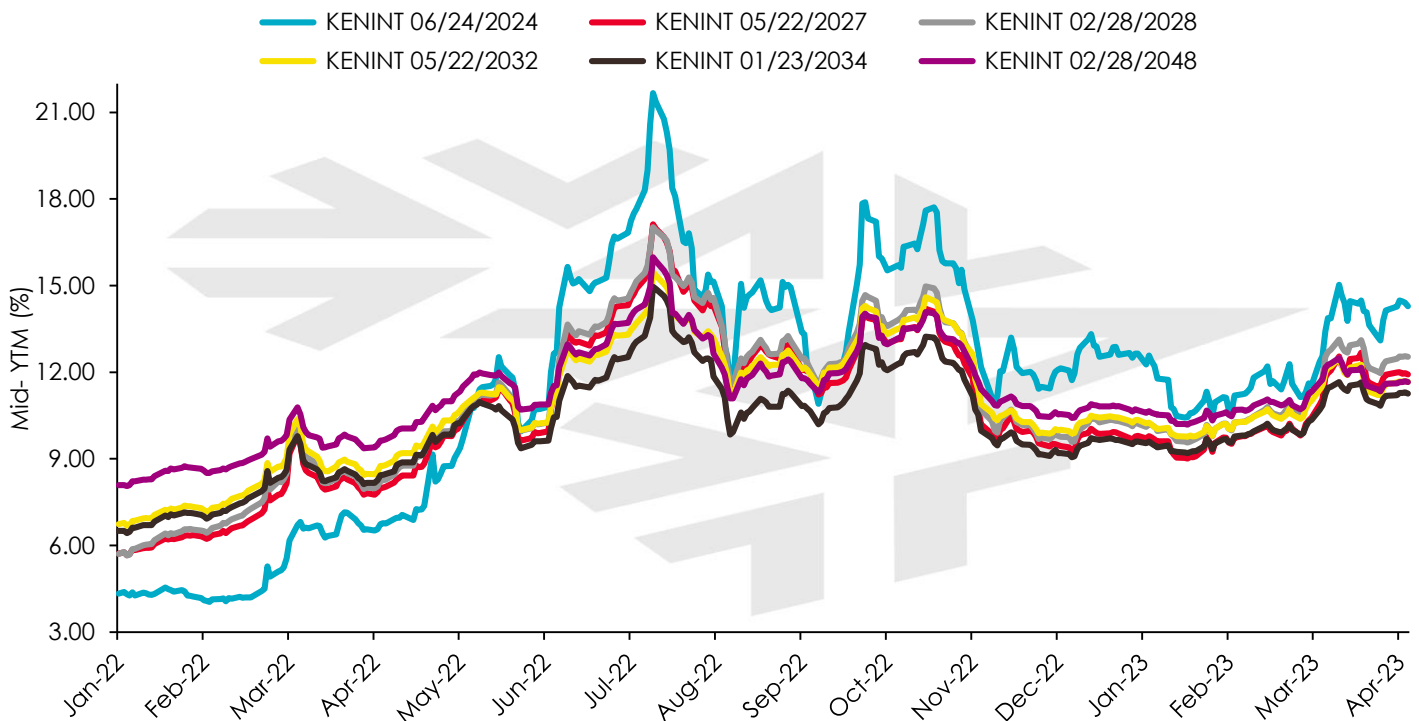


Source: NSE, NCBA IB Research

Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on an upward trend – increasing by an average of 194.14 bps week on week.

KENINT 2024, whose principal amounts to USD 2.0Bn matures in June 2024 and is currently trading at 18.76%.



Source: Bloomberg, NCBA IB Research

Macroeconomic statistics:

Prevailing rates	Week 16	Week 15	w/w change (bps)
91 Day	10.159%	10.072%	8.70
182 Day	10.477%	10.428%	4.90
364 Day	11.059%	10.932%	12.70

Statistic	Current	Previous	change (bps)
CBR	9.50%	8.75%	75
Inflation	9.20%	9.20%	-
Average Interbank Rate	8.81%	8.53%	28

Exchange rates

Currency	Week 16	Week 15	w/w change (%)
US Dollar	135.19	134.35	(0.6%)
STG Pound	168.28	168.23	(0.1%)
EURO	148.16	148.52	0.2%
Forex reserves (USD Mn)	6,531.00	6,376.00	2.4%

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
FXD1/2022/015	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	14.3000%
IFB1/2019/016	April 24, 2023	12.56	71,028.55	11.75%	4,172.93	13.5000%
Total					10,395.61	

Source: CBK, NCBA IB Research

Treasury Bills	
Payment Date	Amount KES 'Mn
April 24, 2023	25,375.35

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.

Physical Address

NCBA Annex,
Hospital Road, Upper Hill, Tel: +254 20 2884444
Mobile: +254 711 056444/+254 732 156444

Certification

The following analyst(s) who prepared this research report: Victoria Mututu 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
- (ii) no part of the analyst's(s') compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed by the analyst(s) in this research report.

Disclaimer

Any opinion or other information in this document is not an invitation to buy or sell any asset class. Legally binding obligations can only arise for or be entered into on behalf of NCBA Group by means of a written instrument signed by a duly authorized signatory. You are cautioned to ensure that you have made an independent decision in accordance with your own objectives, experience, operational and financial resources and any other appropriate factors including independent professional advice. No guarantee, warranty, or representation is made in respect of the performance or return on any transaction.

Key Contacts: Research Team

victoria.mututu@ncbagroup.com

ncbaibresearch@ncbagroup.com

Key Contacts: Trading Team

dealing@ncbagroup.com