

The Week in Review | Week 19

EQUITIES

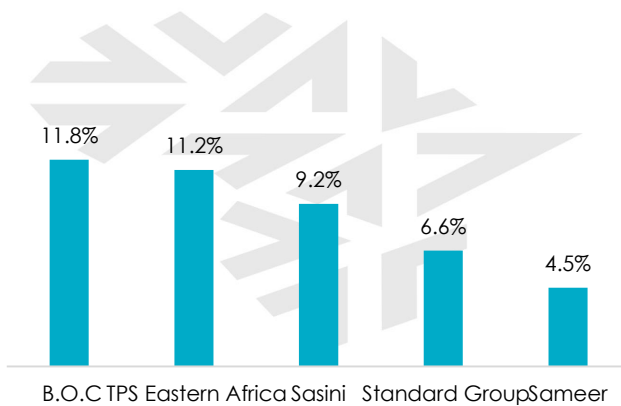
Local Market Performance

The market was down with NASI closing the week at **93.58**, a **26.51%** decline year to date. Trading activity was concentrated on Safaricom, EABL, Equity, KCB, and I&M accounting for **90.87%** of the total turnover.

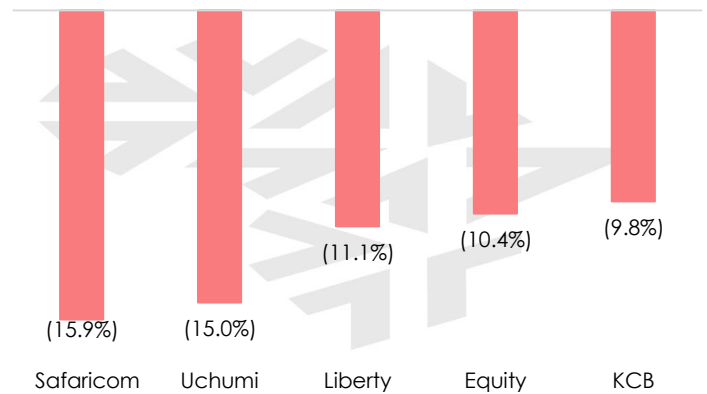
Foreign investors accounted for **56.85%** of the total turnover and they were net sellers withdrawing KES 0.49Bn last week. Foreign investors were mostly active on Safaricom, EABL, KCB, Co-op, and ABSA in that order.

Market turnover rose by 57.57% to **KES 1.41Bn** from KES 0.89Bn traded the previous week.

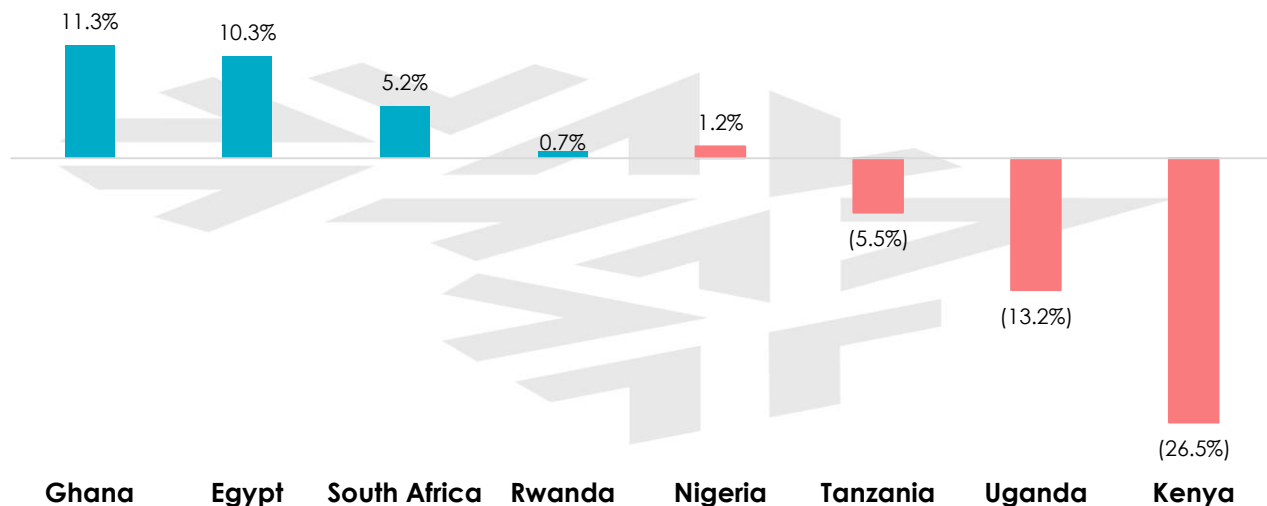
Top Gainers of the week - Kenya



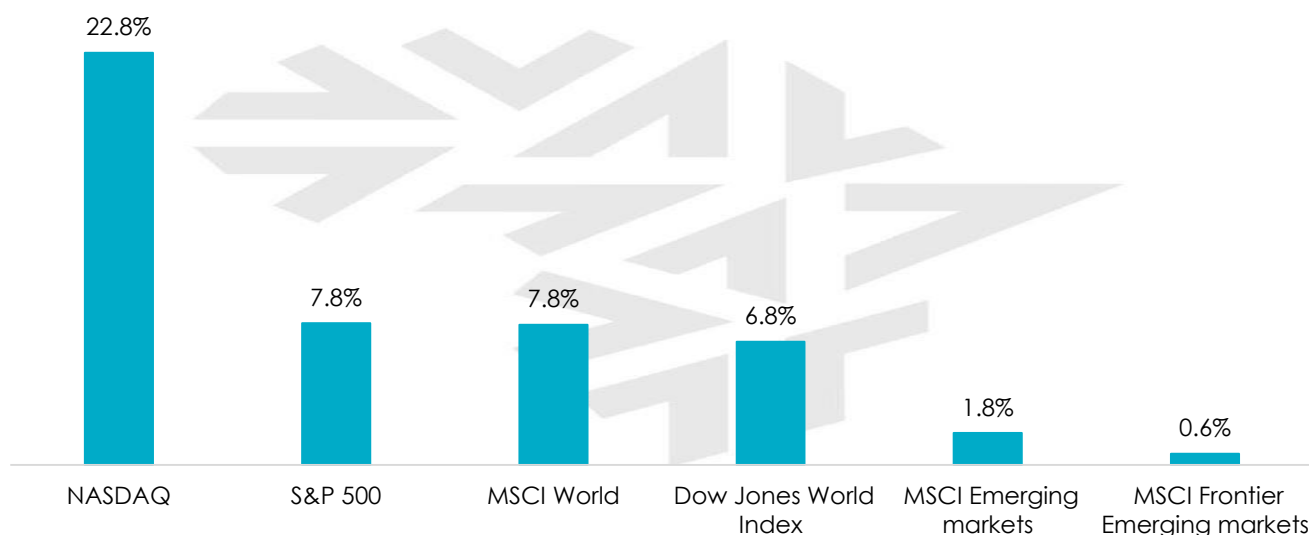
Top Decliners of the Week - Kenya



Regional Markets Performance- YTD%











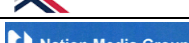

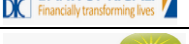


Source: Bloomberg, NCBA IB Research, NSE

Global Benchmark Indices- Performance YTD %


Source: Bloomberg, NCBA IB Research, NSE

Corporate Actions:

Counter	ANNOUNCEMENT	Dividend	SPx (As at 12/5/2023)	Dividend Yield (%)	Book Closure Date	Payment Date
 EQUITY	First and final dividend	4.00	40.80	9.80%	19-May-23	30-Jun-23
	final dividend	12.60	112.00	11.25%	19-May-23	6-Jun-23
 BOB BANK	First and final dividend	1.50	12.00	12.50%	24-May-23	9-Jun-23
 BAT KENYA	final dividend	57.00	466.50	12.22%	26-May-23	15-Jun-23
 NSE nairobi securities exchange	First and final dividend	0.20	5.94	3.37%	31-May-23	31-Jul-23
 KAKUZI	First and final dividend	24.00	430.00	5.58%	31-May-23	15-Jun-23
 Jubilee	final dividend	8.00	180.00	4.44%	14-Jun-23	26-Jul-23
 Jubilee	special dividend	3.00	180.00	1.67%	14-Jun-23	26-Jul-23
 TotalEnergies	First and final dividend	1.31	20.40	6.42%	15-Jun-23	31-Jul-23
 KENYA RE	final dividend	0.20	1.82	10.99%	16-Jun-23	28-Jul-23
 Nation Media Group	final dividend	1.50	16.30	9.20%	16-Jun-23	31-Jul-23
 BANK OF KIGALI	First and final dividend	3.92	32.00	12.25%	22-Jun-23	1-Jul-23
 UMEME	final dividend	2.25	14.00	16.07%	27-Jun-23	20-Jul-23

Source: NSE, NCBAIB Research

FIXED INCOME

Primary Market

Treasury Bill Results

Treasury bills were oversubscribed, with a subscription rate of **188.9%** (up from 110.7% the previous week) and an acceptance rate of 99.9%. Majority of the bids were geared towards the 91-day paper, to mitigate for duration risk.

KES 45.29Bn was accepted at 10.410% (up 9.20bps), 10.853% (up 17.50bps) and 11.270% (up 10.00bps) for the 91, 182 and 364 day papers, respectively.

Year-to-date, the yield on T-bills has risen an average of 100.73bps across the curve.

Subscription	Amount offered KES Bn	Bids received Week 19	Bids received Week 18	w/w change (%)
91 day	4.00	34.63	20.32	70.4%
182 day	10.00	8.84	5.34	65.7%
364 day	10.00	1.86	0.92	103.3%
Total	24.00	45.34	26.57	70.6%

Source: CBK, NCBA IB Research

May Bond Auction results | FXD1/2023/003

The Central Bank of Kenya in the auction of a new fixed coupon treasury bond **FXD1/2023/003** received a total of KES 20.74Bn (103.72% Subscription rate), out of which it accepted KES 20.29Bn (97.83% Acceptance rate) for budgetary support.

See below a summary of the results:

Issue	FXD1/2023/03
Tenor to Maturity	3 yrs
Offered Amount (KES Mn)	20,000.00
Bids Received (KES Mn)	20,744.34
Amount Accepted (KES Mn)	20,293.99
Market Weighted Rate (%)	14.259%
Weighted Average Rate of Accepted Bids (%)	14.228%
Our Bidding Guide	14.10% - 14.50%
Adjusted Average Price (Per KES 100)	100.000
Coupon Rate (%)	14.228%

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, **total turnover** increased to **KES 14.75Bn** from KES 14.94Bn traded in the previous week.

The S&P Sovereign Bond index was relatively unchanged at **101.11**.

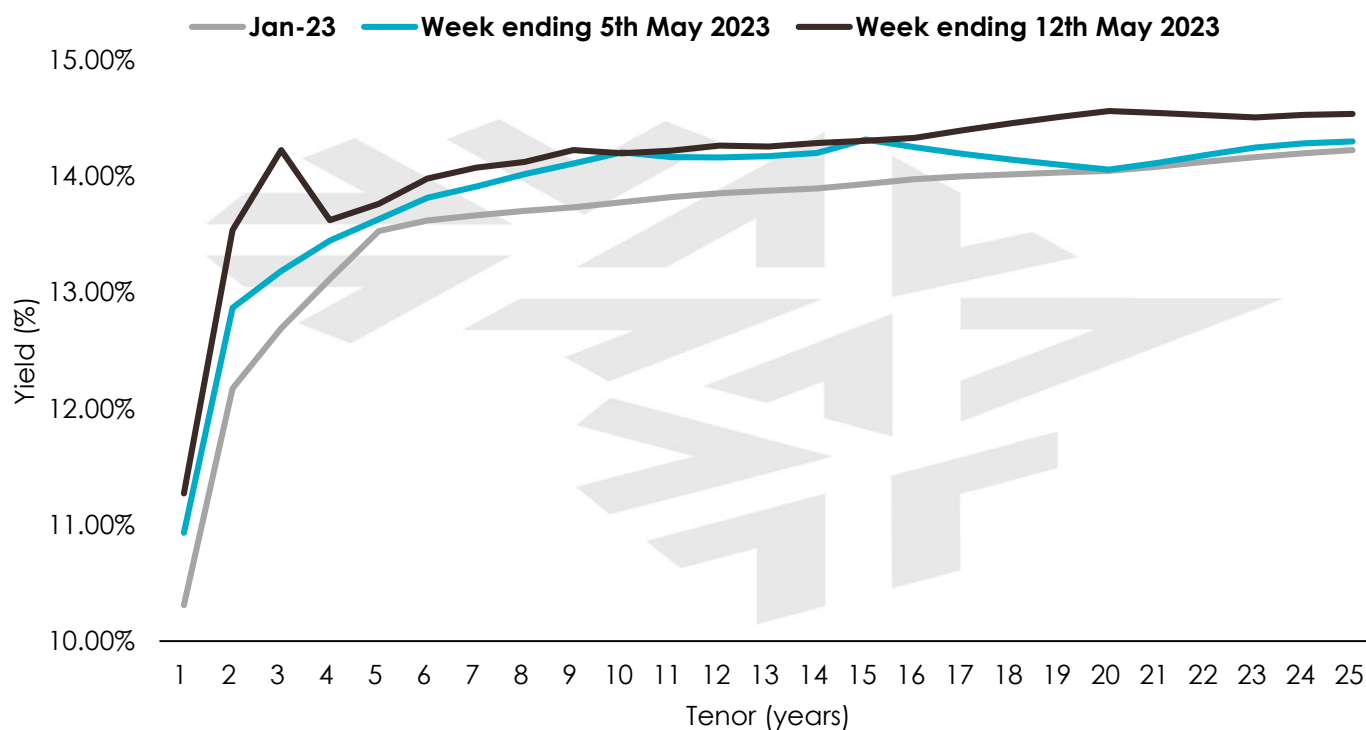
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)	Number of Trades
FXD1/2013/15Yr	4.76	11.25%	14.20%	3,082.50	9
FXD3/2019/10Yr	6.26	11.49%	14.90%	2,500.00	2
FXD1/2013/10Yr	0.10	12.37%	10.60%	1,714.10	6
IFB1/2016/15Yr	8.43	12.00%	14.19%	1,157.00	5
IFB1/2018/15Yr	9.70	12.50%	13.94%	849.05	10

Source: NSE, NCBAIB Research

Government Securities Yield Curve:

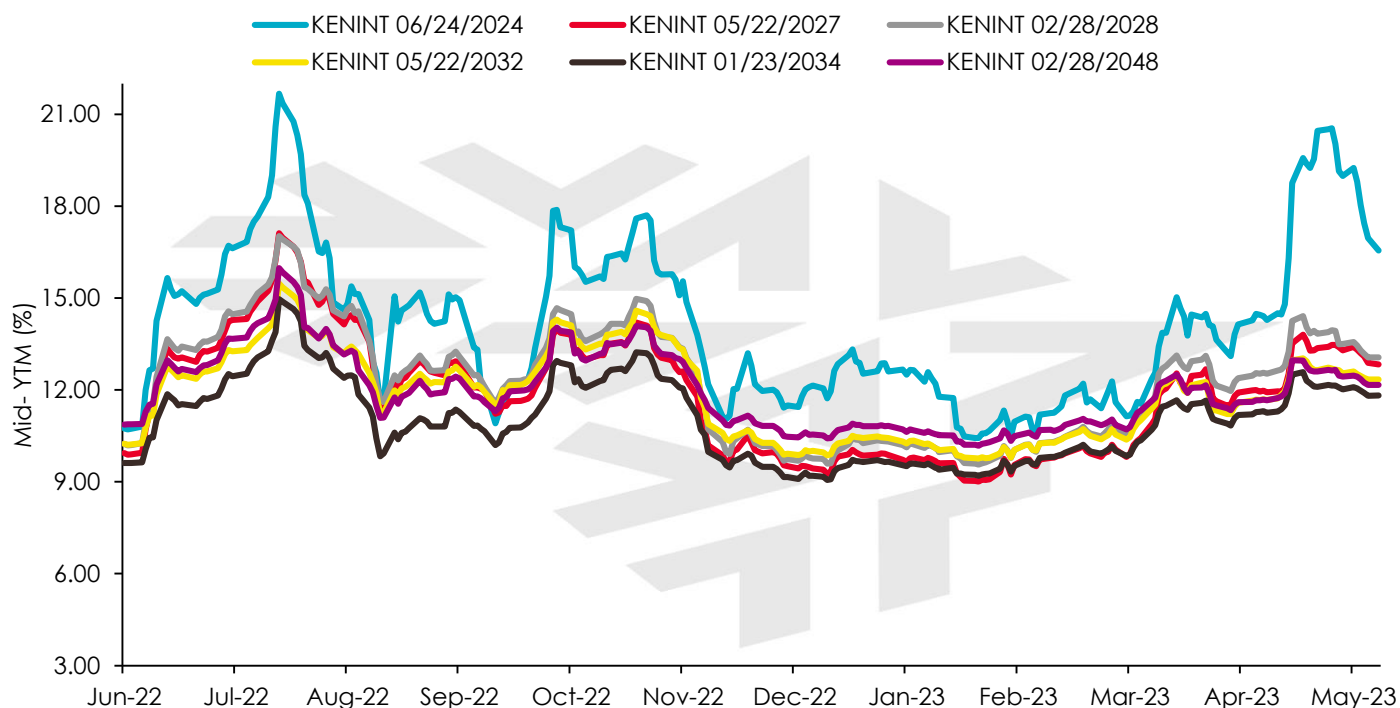


Source: NSE, NCBA IB Research

Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on a downward trend – declining by an average of 67 bps week on week.

KENINT 2024, whose principal amounts to **USD 2.0Bn** matures in **June 2024** and is currently trading at **16.55%**.



Source: Bloomberg, NCBA IB Research

Macroeconomic statistics:

Prevailing interest rates	Week 19	Week 18	w/w change (bps)
91 Day	10.410%	10.318%	9.20
182 Day	10.853%	10.678%	17.50
364 Day	11.270%	11.170%	10.00

Statistic	Current	Previous	change (bps)
CBR	9.50%	8.75%	75
Inflation	7.90%	9.20%	(130)
Average Interbank Rate	9.19%	9.83%	(64)

Currency	Week 19	Week 18	w/w change (%)
US Dollar	136.88	136.40	(0.4%)
STG Pound	171.55	171.43	(0.12%)
EURO	149.36	150.40	0.7%
Forex reserves (USD Mn)	6,468.00	6,492.00	(0.4%)

Negative () = Depreciation, Positive = Appreciation

Source: CBK, NCBA IB Research

Kenya Government Debt Maturities Schedule – May 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
FXD1/2021/005	May 15, 2023	3.54	66,075.85	11.28%	3,725.69	13.1358%
FXD1/2011/020	May 15, 2023	8.04	37,029.40	10.00%	1,851.47	13.8658%
FXD1/2022/010	May 15, 2023	9.04	60,705.30	13.49%	4,094.57	13.9400%
FXD1/2012/020	May 15, 2023	9.54	87,285.65	12.00%	5,237.14	14.1125%
IFB1/2016/009	May 15, 2023	2.04	28,035.40	12.50%	1,752.21	12.2671%
IFB1/2022/014	May 15, 2023	13.54	94,258.60	13.94%	6,568.88	13.6138%
IFB1/2018/020	May 15, 2023	15.54	36,787.30	11.95%	2,198.04	13.2000%
FXD4/2019/010	May 22, 2023	6.55	89,972.85	12.28%	5,524.33	13.7155%
FXD1/2018/015	May 22, 2023	10.05	76,351.65	12.65%	4,829.24	13.8150%
IFB1/2017/007	May 22, 2023	1.55	21,262.25	12.50%	1,328.89	12.1300%
IFB1/2020/006	May 29, 2023	3.07	20,226.65	10.20%	1,031.56	12.2600%
Total					38,142.02	

Treasury Bills	
Payment Date	Amount KES 'Mn
May 15, 2023	47,938.50
May 22, 2023	46,133.31
May 29, 2023	27,763.99
Total	121,835.80

Source: CBK, NCBA IB Research

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