

# The Week in Review | Week 20

## EQUITIES

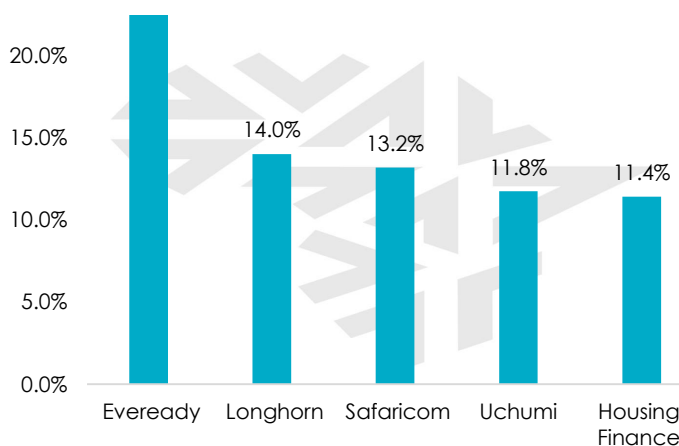
### Local Market Performance

The market was down with NASI closing the week at **93.52**, a **26.56%** decline year to date. Trading activity was concentrated on Safaricom, Equity, EABL, BAT, and KCB accounting for **85.45%** of the total turnover.

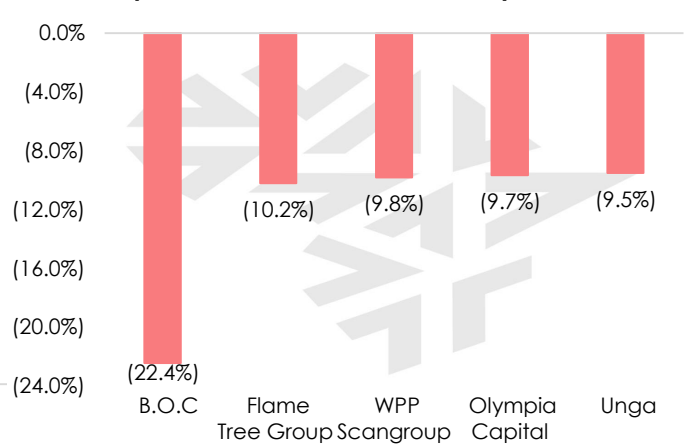
Foreign investors accounted for **41.68%** of the total turnover and they were net sellers withdrawing KES 0.19Bn last week. Foreign investors were mostly active on Safaricom, Equity, BAT, EABL, and KCB in that order.

Market turnover rose by 16.37% to **KES 1.64Bn** from KES 1.41Bn traded the previous week.

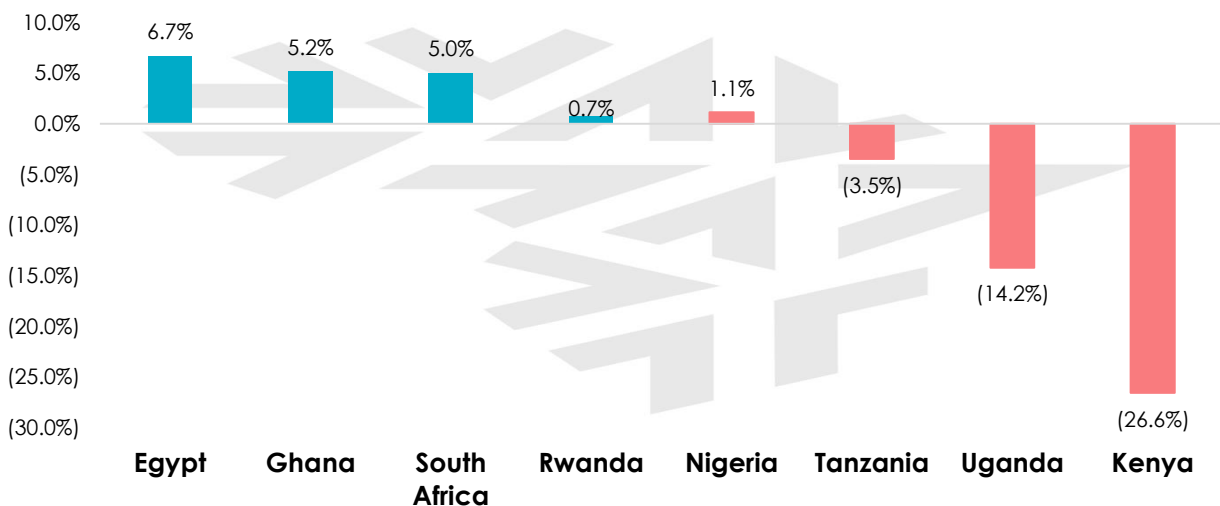
**Top Gainers of the week - Kenya**



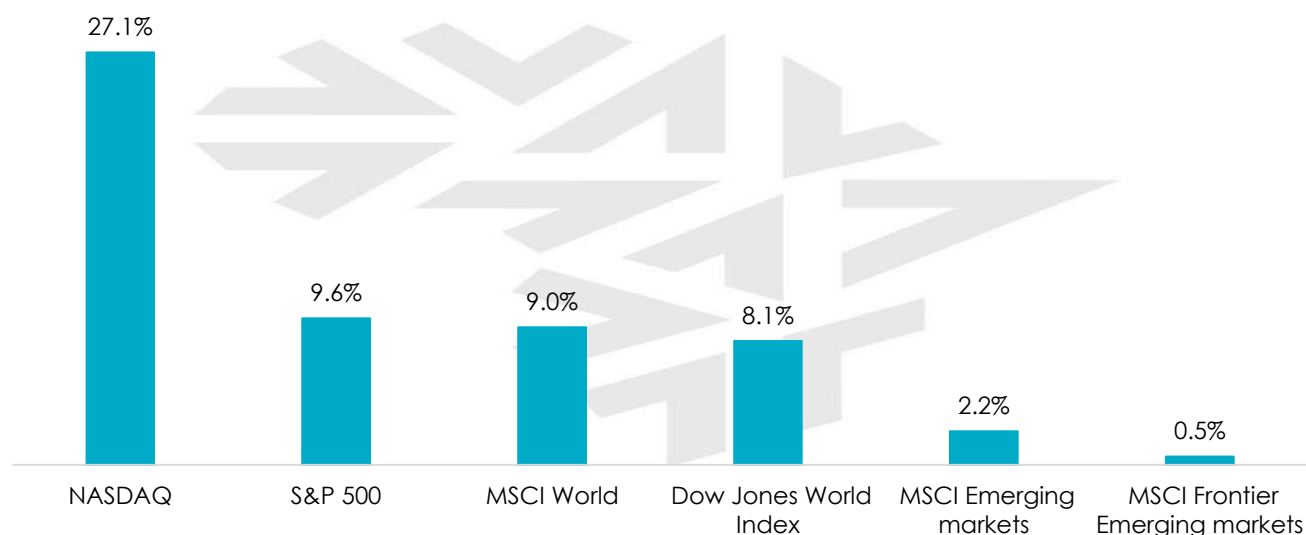
**Top Decliners of the Week - Kenya**



**Regional Markets Performance- YTD%**











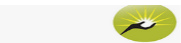


Source; Bloomberg, NCBA IB Research, NSE

**Global Benchmark Indices- YTD %**


Source: Bloomberg, NCBA IB Research, NSE

**Corporate Actions:**

Counter	ANNOUNCEMENT	Dividend	SPx (As at 18/5/2023)	Dividend Yield (%)	Book Closure Date	Payment Date
	First and final dividend	1.50	12.30	12.20%	24-May-23	9-Jun-23
	final dividend	57.00	455.00	12.53%	26-May-23	15-Jun-23
	First and final dividend	0.20	6.08	3.29%	31-May-23	31-Jul-23
	First and final dividend	24.00	429.75	5.58%	31-May-23	15-Jun-23
	final dividend	8.00	179.75	4.45%	14-Jun-23	26-Jul-23
	special dividend	3.00	179.75	1.67%	14-Jun-23	26-Jul-23
	First and final dividend	1.31	21.50	6.09%	15-Jun-23	31-Jul-23
	final dividend	0.20	1.79	11.17%	16-Jun-23	28-Jul-23
	final dividend	1.50	16.20	9.26%	16-Jun-23	31-Jul-23
	First and final dividend	3.92	32.00	12.25%	22-Jun-23	1-Jul-23
	final dividend	2.25	13.90	16.19%	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 **150.1%** (down from 188.9% 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 35.97Bn was accepted at 10.518% (up 10.80bps), 10.978% (up 12.50bps) and 11.390% (up 12.00bps) for the 91, 182 and 364 day papers, respectively.

Year-to-date, the yield on T-bills has risen an average of 112.50bps across the curve.

Subscription	Amount offered KES Bn	Bids received Week 20	Bids received Week 19	w/w %change
91 day	4.00	24.09	34.63	(30.4%)
182 day	10.00	4.22	8.84	(52.3%)
364 day	10.00	7.71	1.86	313.8%
<b>Total</b>	<b>24.00</b>	<b>36.02</b>	<b>45.34</b>	<b>20.5%</b>

Source: CBK, NCBA IB Research

#### Tap Sale 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 10.603Bn (106.03% Subscription rate), out of which it accepted KES 10.602Bn (99.99% 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)	10,000.00
Bids Received (KES Mn)	10,603.25
<b>Amount Accepted (KES Mn)</b>	<b>10,602.30</b>
<b>Coupon Rate (%)</b>	<b>14.228%</b>
Weighted Average Rate of Accepted Bids (%)	14.228%
Adjusted Average Price (Per KES 100)	100.265

Source: CBK, NCBA IB Research

## Secondary Market

In the secondary bonds market, **total turnover** increased to **KES 19.35Bn** from KES 14.75Bn traded in the previous week.

The S&P Sovereign Bond index was relatively unchanged at **100.84**.

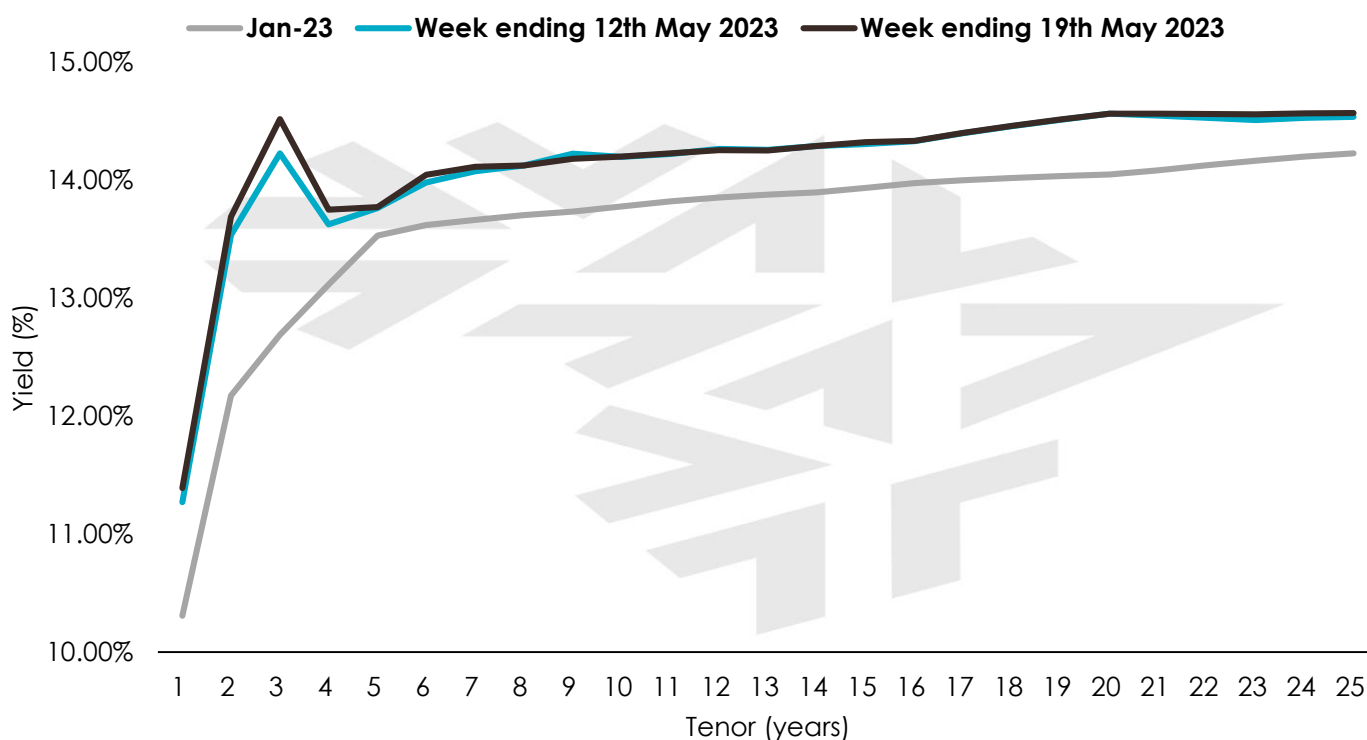
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)	Number of Trades
FXD3/2019/10Yr	6.23	11.49%	<b>14.77%</b>	<b>5,010.00</b>	27
IFB1/2018/20Yr	15.48	11.95%	<b>13.93%</b>	<b>2,810.50</b>	9
IFB1/2020/11Yr	8.25	10.90%	<b>14.88%</b>	<b>2,014.60</b>	15
IFB1/2023/17Yr	16.81	14.40%	<b>14.05%</b>	<b>1,960.05</b>	96
IFB1/2018/15Yr	9.67	12.50%	<b>14.43%</b>	<b>1,118.50</b>	7

Source: NSE, NCBAIB Research

## Government Securities Yield Curve:

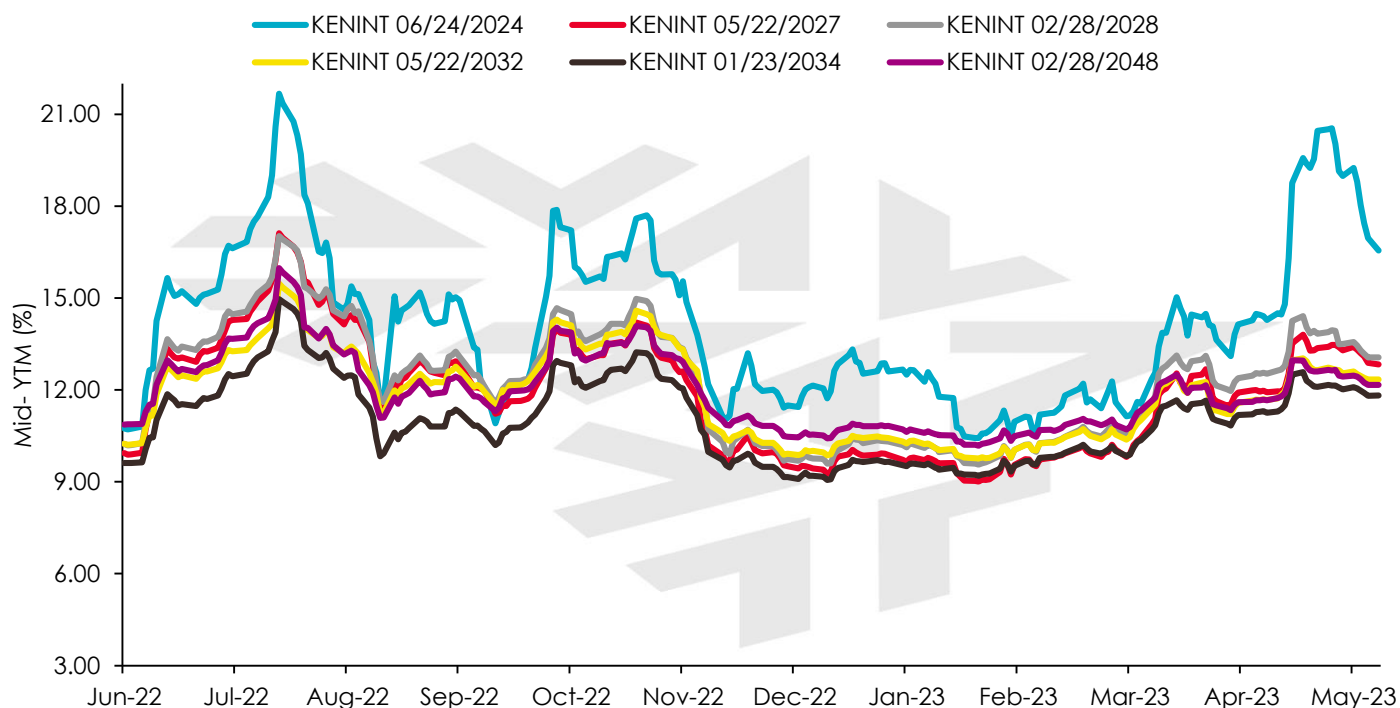


Source: NSE, NCBA IB Research

### Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on a downward trend – declining by an average of 99 bps week on week.

**KENINT 2024**, whose principal amounts to **USD 2.0Bn** matures in **June 2024** and is currently trading at **14.35%**.



Source: Bloomberg, NCBA IB Research

### Macroeconomic statistics:

Prevailing interest rates	Week 20	Week 19	w/w change (bps)
91 Day	10.518%	10.410%	10.80
182 Day	10.978%	10.853%	12.50
364 Day	11.390%	11.270%	12.00

Statistic	Current	Previous	change (bps)
CBR	9.50%	8.75%	75
Inflation	7.90%	9.20%	(130)
Average Interbank Rate	9.25%	9.19%	6

Currency	Week 20	Week 19	w/w change (%)
US Dollar	137.49	136.88	(0.4%)
STG Pound	170.86	171.55	0.4%
EURO	148.51	149.36	0.6%
Forex reserves (USD Mn)	6,297.00	6,468.00	(2.6%)

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
FXD4/2019/010	May 22, 2023	<b>6.55</b>	89,972.85	12.28%	5,524.33	13.7155%
FXD1/2018/015	May 22, 2023	<b>10.05</b>	76,351.65	12.65%	4,829.24	13.8150%
IFB1/2017/007	May 22, 2023	<b>1.55</b>	21,262.25	12.50%	1,328.89	12.1300%
IFB1/2020/006	May 29, 2023	<b>3.07</b>	20,226.65	10.20%	1,031.56	12.2600%
<b>Total</b>					<b>12,714.02</b>	

Treasury Bills	
Payment Date	Amount KES 'Mn
May 22, 2023	46,133.31
May 29, 2023	27,763.99
<b>Total</b>	<b>73,897.30</b>

Source: CBK, NCBA IB Research

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## Physical Address

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

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## Key Contacts: Research Team

[ncbaresearch@ncbagroup.com](mailto:ncbaresearch@ncbagroup.com)

## Key Contacts: Trading Team

[dealing@ncbagroup.com](mailto:dealing@ncbagroup.com)