

The Week in Review | Week 21

EQUITIES

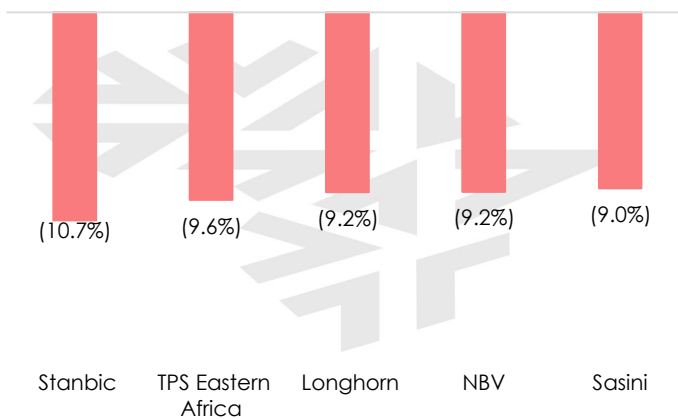
Local Market Performance

The market was down with NASI closing the week at **97.93**, a **23.10%** decline year to date. Trading activity was concentrated on Safaricom, Equity, EABL, BAT, and KCB accounting for **85.90%** of the total turnover.

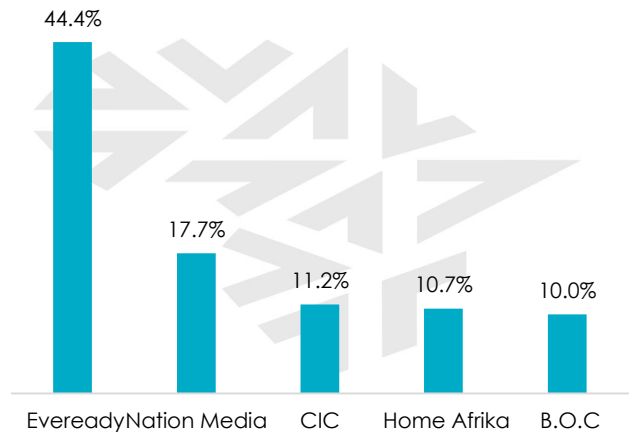
Foreign investors accounted for **58.47%** of the total turnover and they were net sellers withdrawing KES 0.35Bn last week. Foreign investors were mostly active on Safaricom, Equity, BAT, EABL, and NMG in that order.

Market turnover declined by 14.35% to **KES 1.41Bn** from KES 1.64Bn traded the previous week.

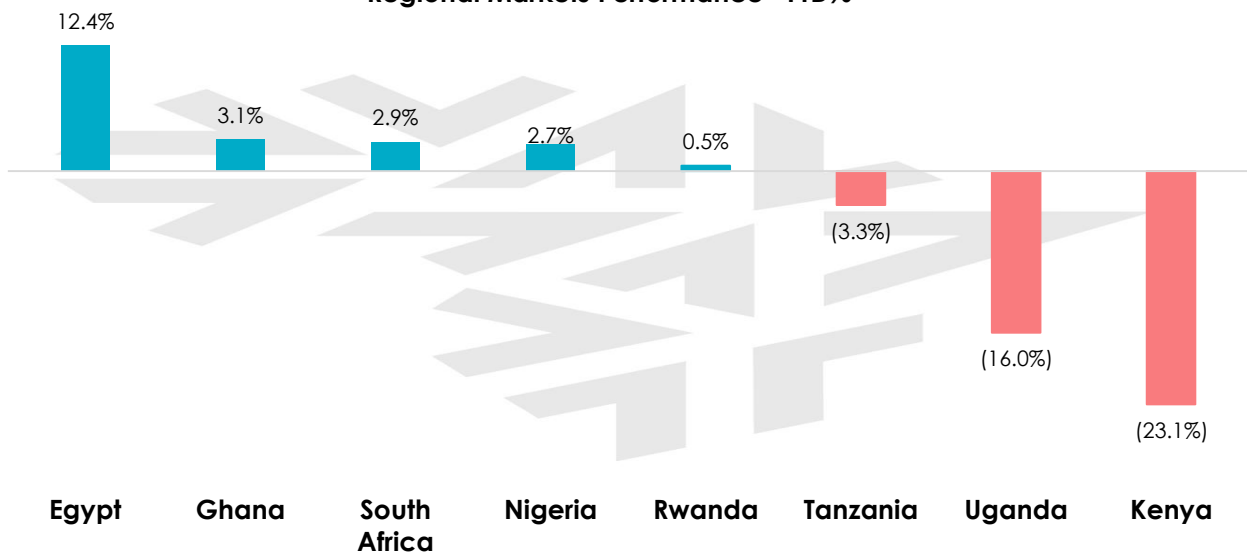
Top Decliners of the Week - Kenya



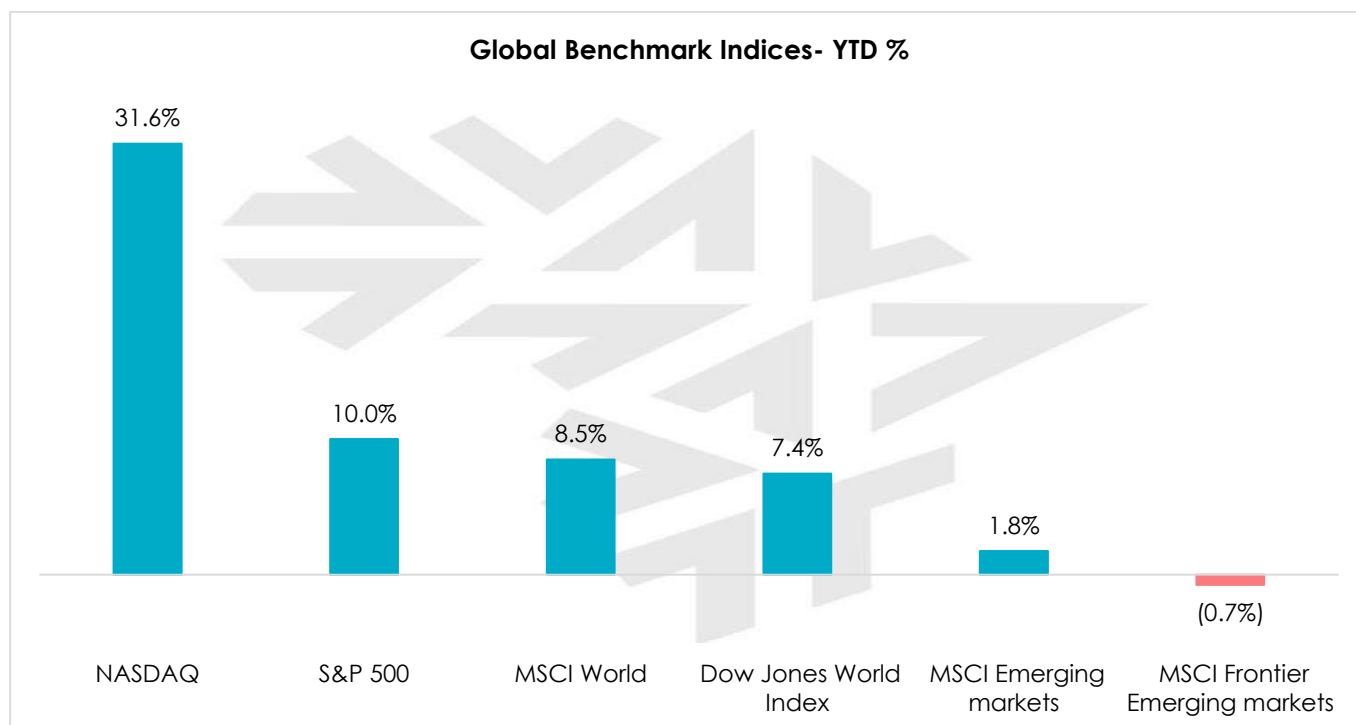
Top Gainers of the week - Kenya



Regional Markets Performance- YTD%












Source: Bloomberg, NCBA IB Research, NSE



Source: Bloomberg, NCBA IB Research, NSE

Corporate Actions:

Counter	ANNOUNCEMENT	Dividend	SPx (As at 18/5/2023)	Dividend Yield (%)	Book Closure Date	Payment Date
 nairobi securities exchange	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 undersubscribed, with a subscription rate of **91.9%** (down from 150.1% the previous week) and an acceptance rate of 95.4%. Majority of the bids were geared towards the 91-day paper, to mitigate for duration risk.

KES 21.03Bn was accepted at 10.832% (up 31.40bps), 11.113% (up 13.50bps) and 11.457% (up 6.70bps) 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 21	Bids received Week 20	w/w %change
91 day	4.00	14.24	24.09	(40.9%)
182 day	10.00	4.04	4.22	(4.1%)
364 day	10.00	3.76	7.71	(51.2%)
Total	24.00	36.02	36.02	(38.8%)

Prevailing interest rates	Week 21	Week 20	w/w change (bps)
91 Day	10.832%	10.518%	31.40
182 Day	11.113%	10.978%	13.50
364 Day	11.457%	11.390%	6.70

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 27.21Bn (136.03% Subscription rate), out of which it accepted KES 27.20Bn (99.98% 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)	27,206.35
Amount Accepted (KES Mn)	27,201.72
Coupon Rate (%)	14.228%
Weighted Average Rate of Accepted Bids (%)	14.228%
Adjusted Average Price (Per KES 100)	100.530

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, **total turnover** declined to **KES 14.96Bn** from KES 19.35Bn traded in the previous week.

The S&P Sovereign Bond index was relatively unchanged at **100.82**.

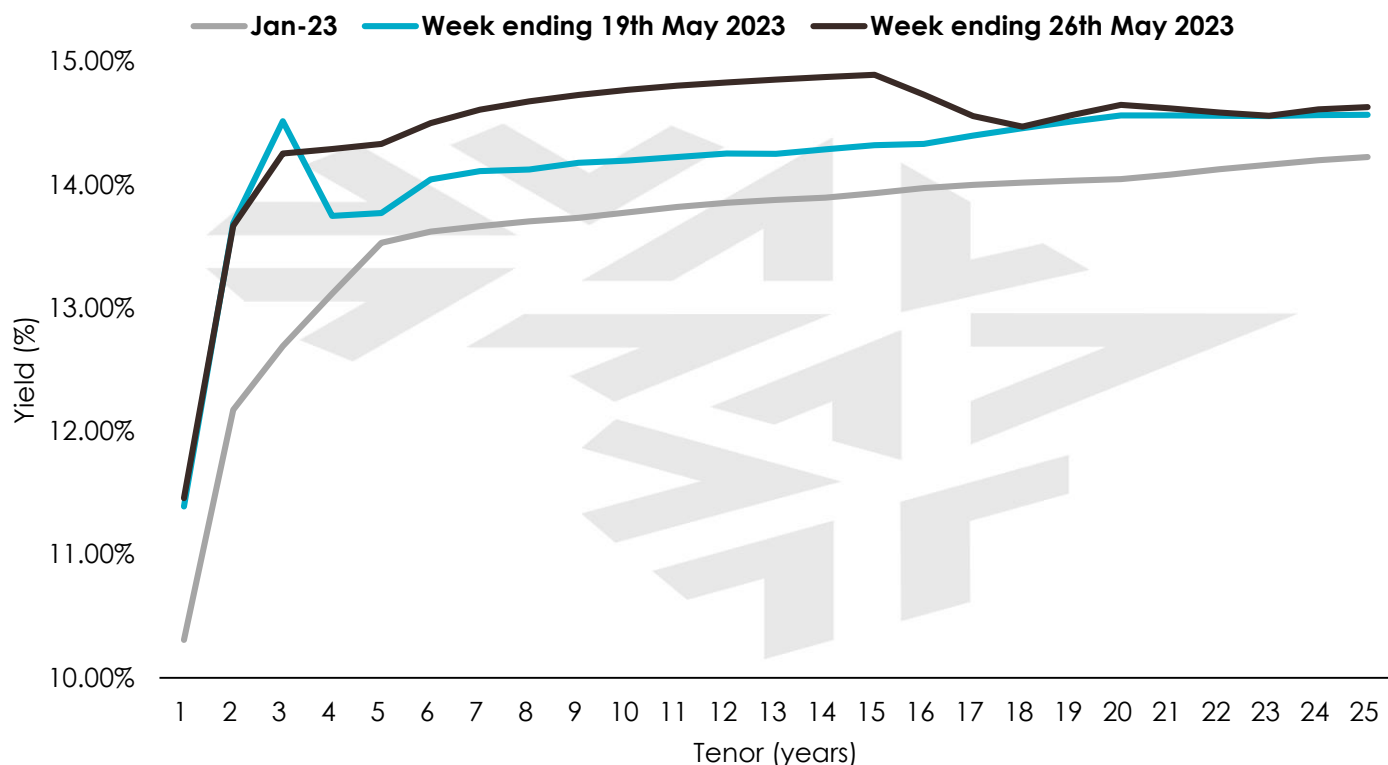
The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.

See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)	Number of Trades
IFB1/2020/11Yr	8.23	10.90%	14.84%	2,358.30	25
FXD2/2013/15Yr	4.88	12.00%	13.88%	2,025.00	5
FXD1/2019/10Yr	5.73	12.44%	14.92%	2,011.60	17
IFB1/2023/17Yr	16.79	14.40%	14.14%	1,212.50	69
FXD1/2013/10Yr	0.06	12.37%	10.35%	1,203.00	3

Source: NSE, NCBAIB Research

Government Securities Yield Curve:

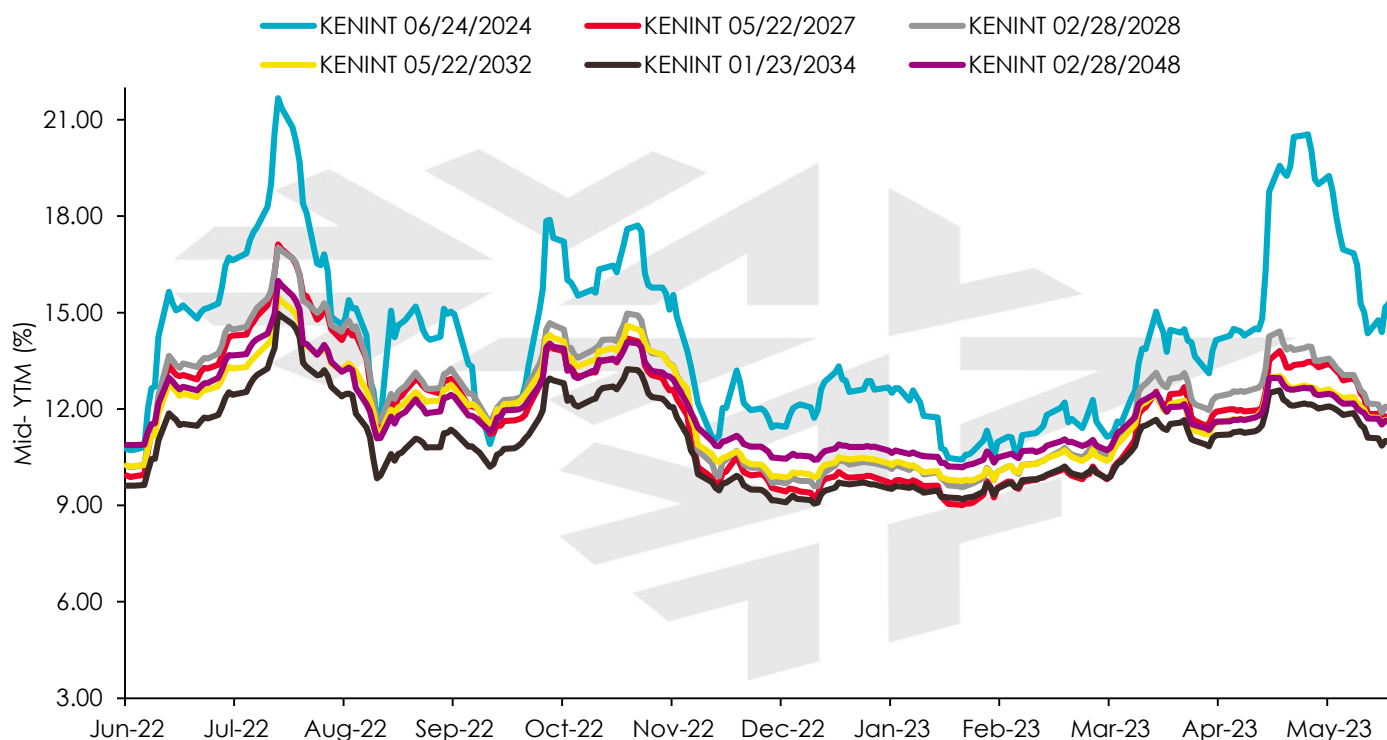


Source: NSE, NCBA IB Research

Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on an upward trend – rising by an average of 15 bps week on week.

KENINT 2024, whose principal amounts to **USD 2.0Bn** matures in **June 2024** and is currently trading at **15.63%**, up from 14.35% in the previous week.



Source: Bloomberg, NCBA IB Research

Macroeconomic Statistics:

Liquidity conditions in the interbank space progressively tightened. Indicatively, the overnight interbank rate remained relatively unchanged week on week to close at 9.247%.

Moreover, the average daily traded volumes rose 13.69% to KES 25.69Bn from KES 22.60Bn observed in the previous week.

Statistic	Current	Previous	change (bps)
CBR	9.50%	8.75%	75
Inflation	7.90%	9.20%	(130)
Average Interbank Rate	9.247%	9.249%	(0.2)

Source: NSE, NCBA IB Research

Currency

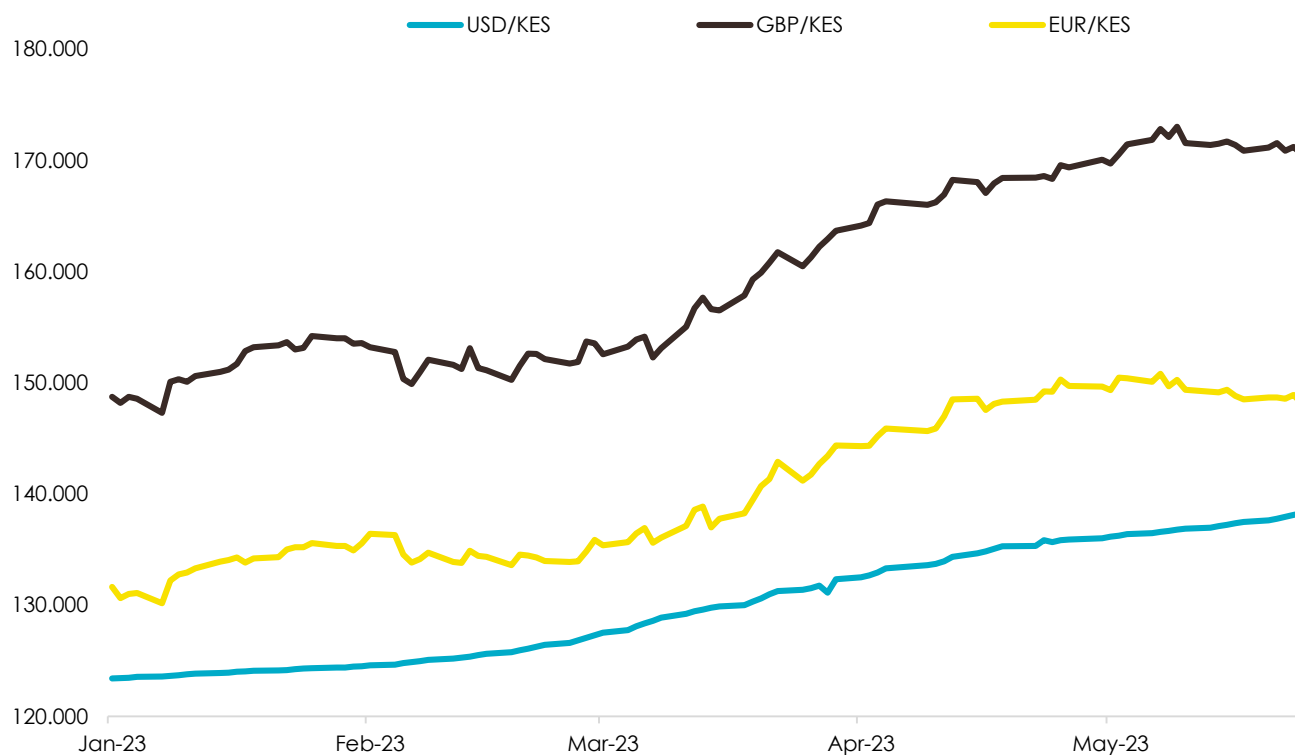
On the FX front, the shilling had ceded **76-cents** to the greenback, closing at **138.15/138.35** on Friday. With the average estimated **daily loss** now at **12-cents**, we anticipate the shilling will break the 140 –mark by end of June.

Continued intervention by the central bank through activity in the interbank foreign exchange market and expected foreign currency inflows from the IMF will alleviate the downward pressure on the shilling.

The **DXY** increased slightly to close at **104.16** from 103.20 in the previous week.

Currency	Week 21	Week 20	w/w change (%)
US Dollar	138.25	137.49	(0.6%)
STG Pound	170.55	170.86	0.2%
EURO	148.13	148.51	0.3%
Forex reserves (USD Mn)	6,479.00	6,297.00	2.9%

Negative () = Depreciation, Positive = Appreciation



Source: CBK, NCBA IB Research

Kenya Government Debt Maturities Schedule – June 2023:

Treasury Bond Maturities				
Issue No.	Maturity Date	Fixed Coupon Rate	Outstanding Amount KES 'Mn	Implied Yield To Maturity
FXD1/2013/010	June 19, 2023	12.37%	39,248.20	9.9222%
Total			39,248.20	

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
IFB1/2015/009	June 5, 2023	1.54	8,506.50	11.00%	467.86	12.5000%
IFB1/2022/006	June 5, 2023	5.54	59,561.98	13.22%	3,935.56	13.1000%
FXD3/2019/005	June 12, 2023	1.56	44,830.50	11.49%	2,575.96	13.0370%
FXD2/2010/015	June 12, 2023	2.56	25,199.80	9.00%	1,133.99	14.2450%
FXD1/2008/020	June 12, 2023	5.06	55,410.70	13.75%	3,809.49	13.7841%
FXD2/2018/010	June 12, 2023	5.56	63,574.02	12.50%	3,974.01	13.9335%
FXD1/2010/025	June 12, 2023	12.06	20,192.50	11.25%	1,135.83	14.2512%
IFB1/2022/018	June 12, 2023	17.06	79,827.50	13.74%	5,484.95	14.0472%
FXD1/2013/010	June 19, 2023	0.08	39,248.20	12.37%	2,427.70	9.9222%
FXD1/2018/025	June 19, 2023	20.08	94,326.70	13.40%	6,319.89	14.5650%
Total					31,265.23	

Treasury Bills	
Payment Date	Amount KES 'Mn
June 5, 2023	22,222.49
June 12, 2023	26,947.84
June 19, 2023	21,680.69
June 26, 2023	15,481.86
Total	86,332.88

Source: CBK, NCBA IB Research

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