

# The Week in Review | Week 22

## EQUITIES

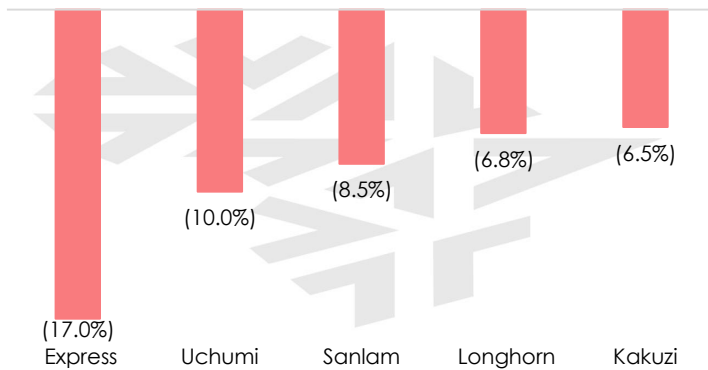
### Local Market Performance

The market was up week on week, with NASI closing the week at **105.10**, a **17.47%** decline year to date. Trading activity was concentrated on Safaricom, Co-op, Equity, BAT, and EABL accounting for **90.62%** of the total turnover.

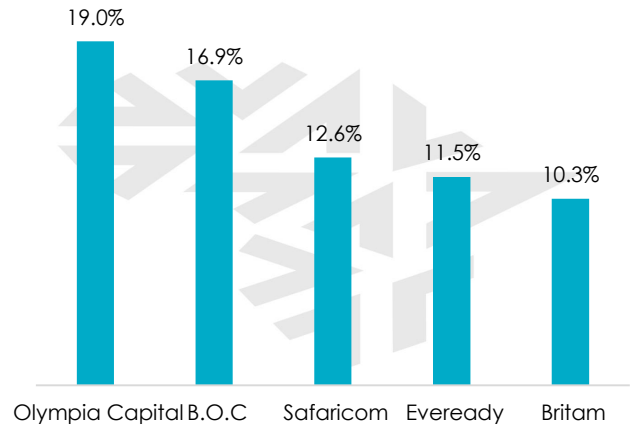
Foreign investors accounted for **42.55%** of the total turnover and they were net sellers withdrawing KES 0.14Bn last week. Foreign investors were mostly active on Safaricom, BAT, Equity, EABL, and NCBA in that order.

Market turnover declined by 30.79% to **KES 0.97Bn** from KES 1.41Bn traded the previous week.

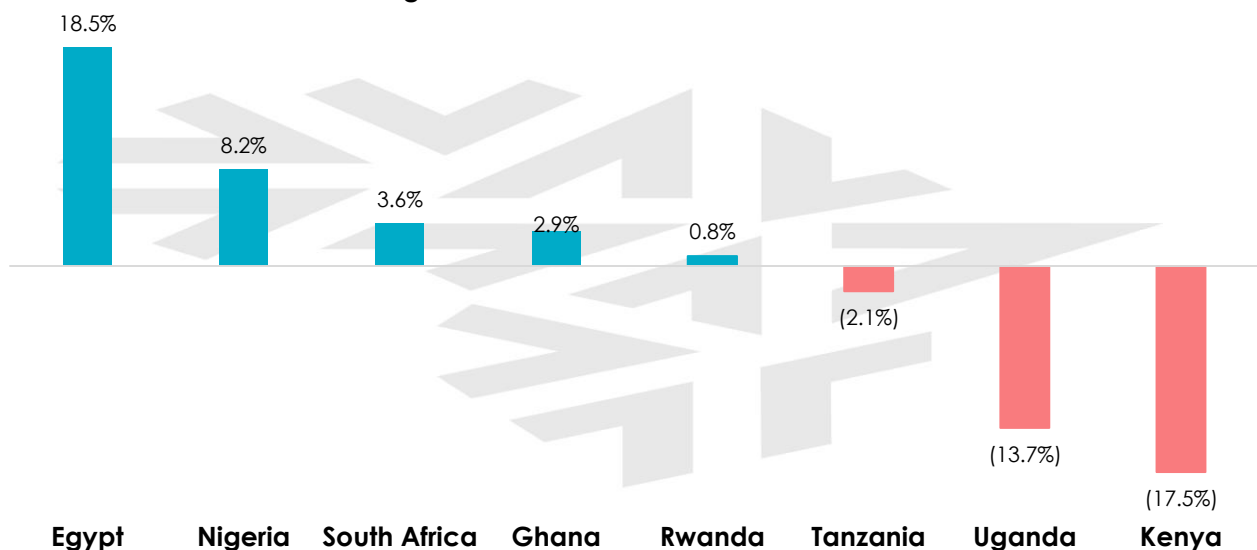
#### Top Decliners of the Week - Kenya



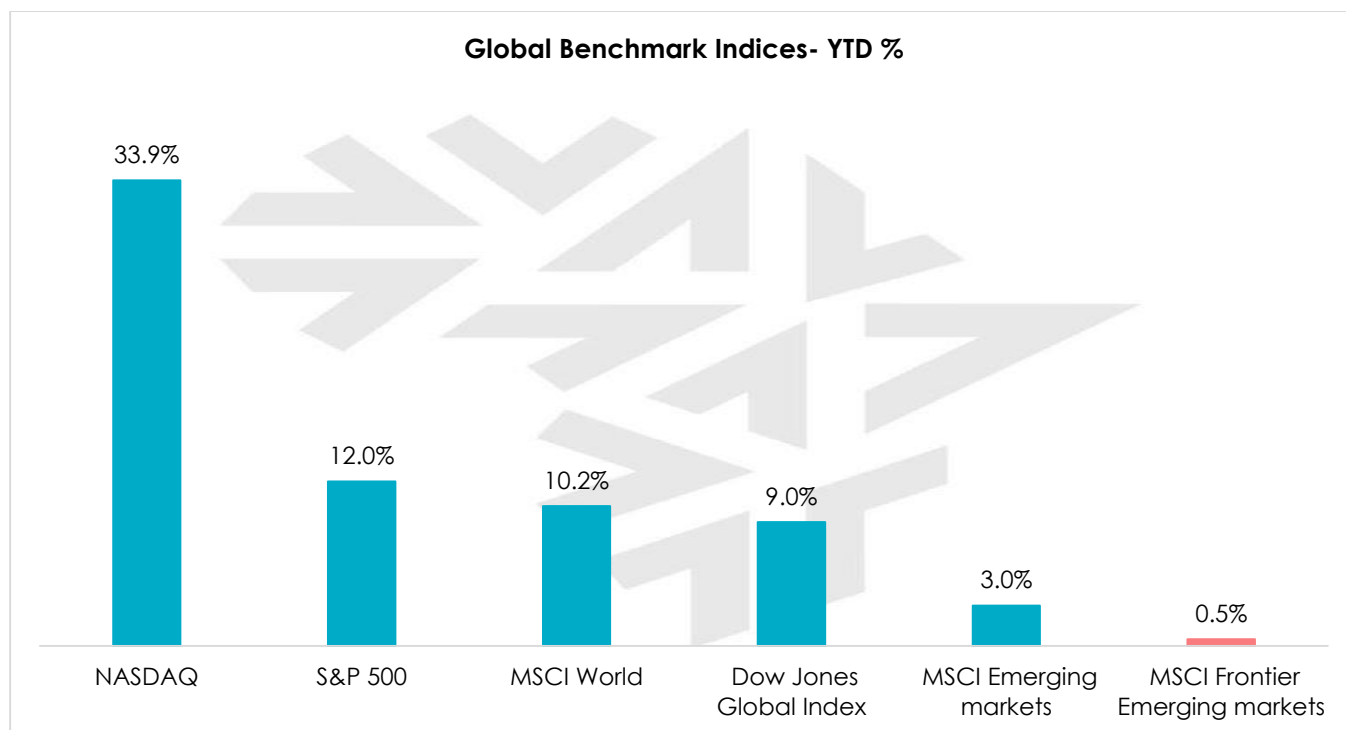
#### Top Gainers of the week - Kenya



#### Regional Markets Performance- YTD%











Source: Bloomberg, NCBA IB Research, NSE



Source: Bloomberg, NCBA IB Research, NSE

### Corporate Actions:

Counter	ANNOUNCEMENT	Dividend	SPx (As at 02/06/2023)	Dividend Yield (%)	Book Closure Date	Payment Date
 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	20.20	6.49%	15-Jun-23	31-Jul-23
 KENYA RE	Final dividend	0.20	1.94	10.31%	16-Jun-23	28-Jul-23
 Nation Media Group <small>Media of Africa for Africa</small>	Final dividend	1.50	19.85	7.56%	16-Jun-23	31-Jul-23
 BANK OF KIGALI <small>Financially transforming lives</small>	First and final dividend	3.92	33.15	11.83%	22-Jun-23	1-Jul-23
 UMEME	Final dividend	2.25	14.20	15.85%	27-Jun-23	20-Jul-23
 CROWN <small>CROWN PAINTS KENYA PLC</small>	Final Dividend	4.00	42.90	9.32%	28-Jun-23	14-Aug-23

## FIXED INCOME

### Primary Market

#### Treasury Bill Results

Treasury bills were undersubscribed, with a subscription rate of **98.2%** (up from 91.9% the previous week) and an acceptance rate of 87.6%. Majority of the bids were geared towards the 91-day paper, to mitigate for duration risk.

KES 20.65Bn accepted at 11.103% (up 27.10bps), 11.112% (down 0.10bps) and 11.497% (up 4.00bps) for the 91, 182 and 364-day papers, respectively.

Year-to-date, the yield on T-bills has risen by an average of 140.03bps across the curve.

Subscription	Amount offered KES Bn	Bids received Week 22	Bids received Week 21	w/w %change
91 day	4.00	20.45	14.24	43.6%
182 day	10.00	0.55	4.04	(86.4%)
364 day	10.00	2.56	3.76	31.9%
<b>Total</b>	<b>24.00</b>	<b>23.56</b>	<b>22.05</b>	<b>6.9%</b>

Prevailing interest rates	Week 22	Week 21	w/w change (bps)
91 Day	11.103%	10.832%	27.10
182 Day	11.112%	11.113%	(0.10)
364 Day	11.497%	11.457%	4.00

Source: CBK, NCBA IB Research

#### June Bond Offer | IFB1/2023/007

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 a new infrastructure bond seeking to raise a total of **KES 60.0Bn** for funding of infrastructure projects in the FY 2022/2023.

See below a summary of the offer:

Issue	IFB1/2023/007
Tenor to Maturity	7 yrs
Effective Tenor	4.5 yrs
Offered Amount (KES Mn)	60,000.00
Value Date	19/06/2023
Redemption Date	10/06/2030
<b>Coupon Rate (%)</b>	<b>Market determined</b>
Period of Sale	26/05/2023 to 13/06/2023
Minimum bidding Amount (KES)	100,000.00

## Secondary Market

In the secondary bonds market, **total turnover** declined to **KES 4.91Bn** from KES 14.96Bn traded in the previous week.

The S&P Sovereign Bond index decreased slightly to close at **100.58** from 100.82 in the previous week.

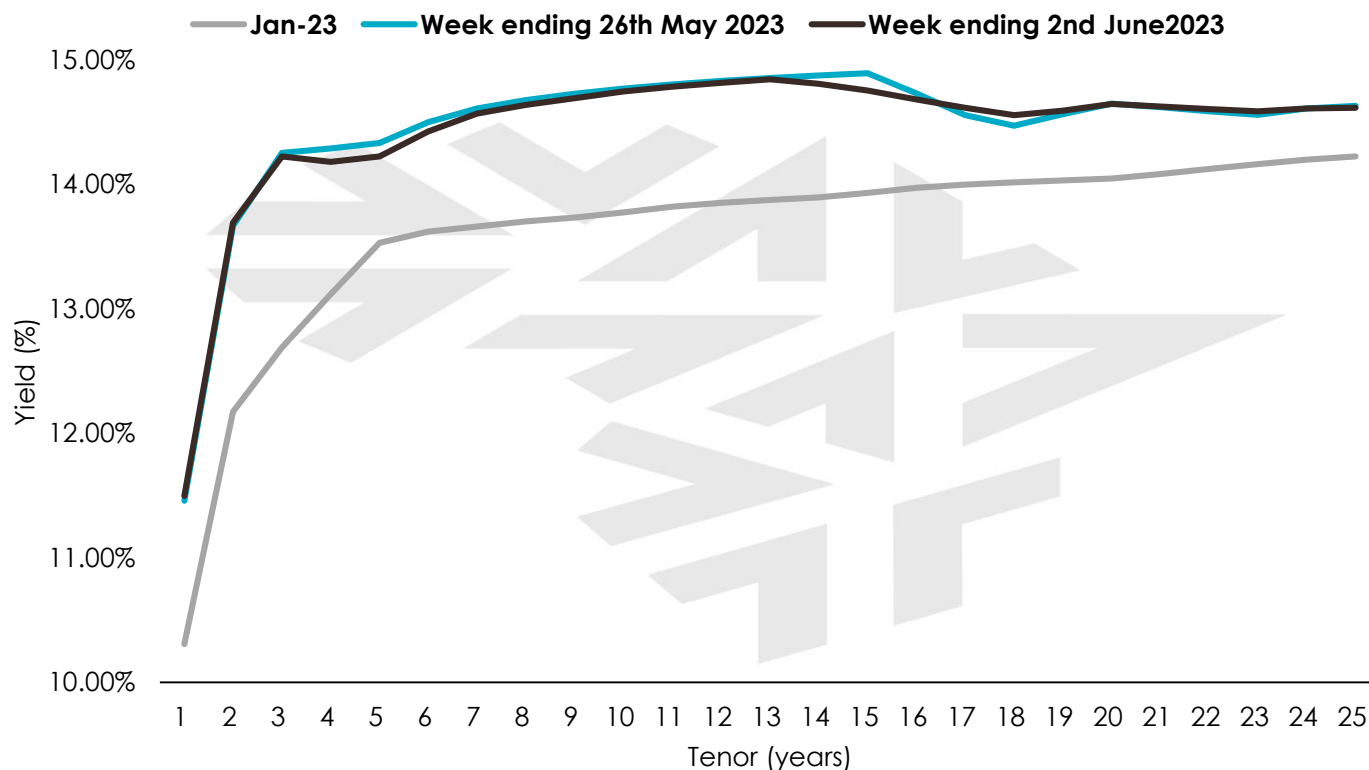
*The S&P Kenya Sovereign Bond Index tracks the performance of local currency denominated public government debt and has an inverse relationship to yield curve.*

See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)	Number of Trades
IFB1/2023/17Yr	16.77	14.40%	<b>14.14%</b>	<b>1,839.85</b>	44
IFB1/2022/14Yr	13.44	13.94%	<b>14.05%</b>	<b>763.90</b>	51
FXD1/2013/10Yr	0.04	12.37%	<b>10.60%</b>	<b>500.40</b>	1
FXD 1/2023/3Yr	2.94	14.23%	<b>14.09%</b>	<b>464.80</b>	17
FXD1/2021/20Yr	18.19	13.44%	<b>15.86%</b>	<b>300.40</b>	2

Source: NSE, NCBAIB Research

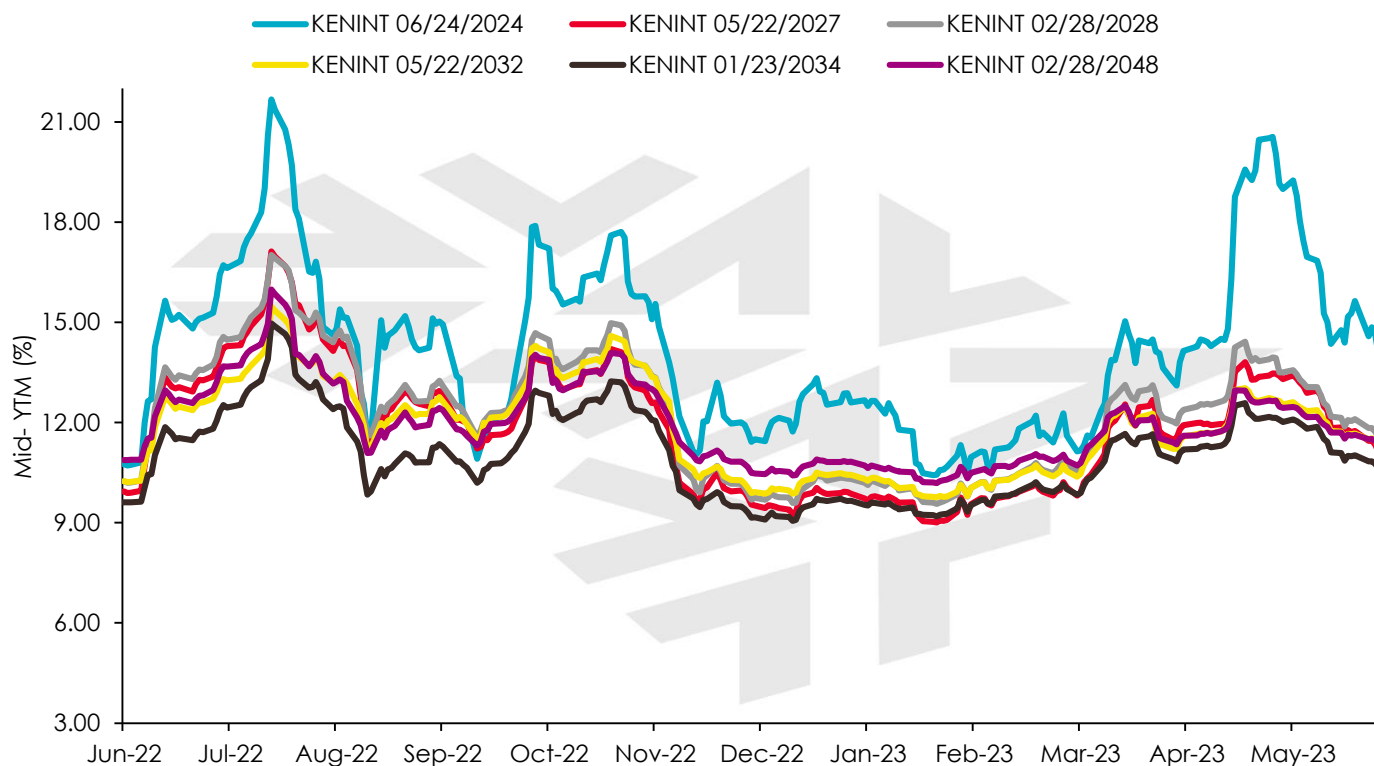
## Government Securities Yield Curve:



### Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields were on a downward trend – declining by an average of 69 bps week on week.

**KENINT 2024**, whose principal amounts to **USD 2.0Bn** matures in **June 2024** and is currently trading at **13.95%**, down from 15.63% in the previous week.



Source: Bloomberg, NCBA IB Research

### Macroeconomic Statistics:

Overall inflation increased marginally to 8.0% in May 2023 from 7.9% in April, mainly driven by food and energy prices. Food inflation increased slightly to 10.2% from 10.1% in April. Fuel inflation increased to 13.6% from 13.2% in April while non-food-non-fuel (core inflation) increased modestly to 4.3% from 4.1% in April.

Liquidity conditions in the interbank space tightened. Indicatively, the overnight interbank rate rose 12bps week on week to close at 9.36%. Moreover, the average daily traded volumes declined by 10.83% to KES 22.91Bn from KES 25.69Bn observed in the previous week.

Statistic	Current	Previous	change (bps)
CBR	9.50%	9.50%	-
Inflation	8.00%	7.90%	10.0
Average Interbank Rate	9.36%	9.25%	11.7

## Currency

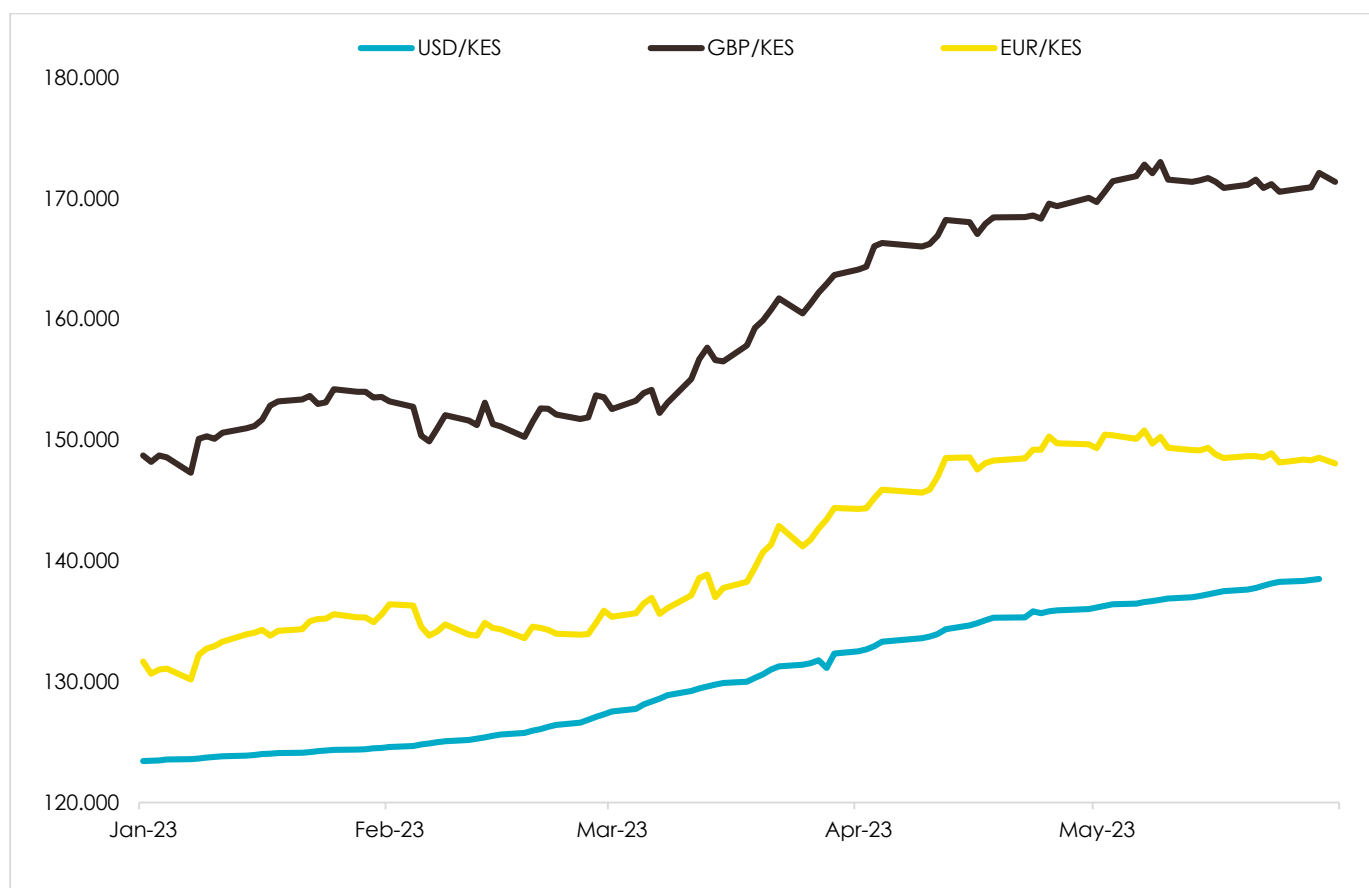
On the FX front, the shilling ceded **36-cents** to the greenback, closing at **138.51/138.71** on Friday. With the average estimated **daily loss** now at **15-cents**, we anticipate the shilling will break the 140 –mark by end of June.

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** decreased slightly to close at **104.02** from 104.16 in the previous week.

Currency	Week 22	Week 21	w/w change (%)
US Dollar	138.61	138.25	(0.3%)
STG Pound	171.37	170.55	(0.5%)
EURO	148.05	148.13	0.1%
Forex reserves (USD Mn)	6,512.00	6,479.00	0.5%

**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%
<b>Total</b>			<b>39,248.20</b>	

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

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
<b>Total</b>	<b>86,332.88</b>

Source: CBK, NCBA IB Research

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