

The Week in Review | Week 16

EQUITIES

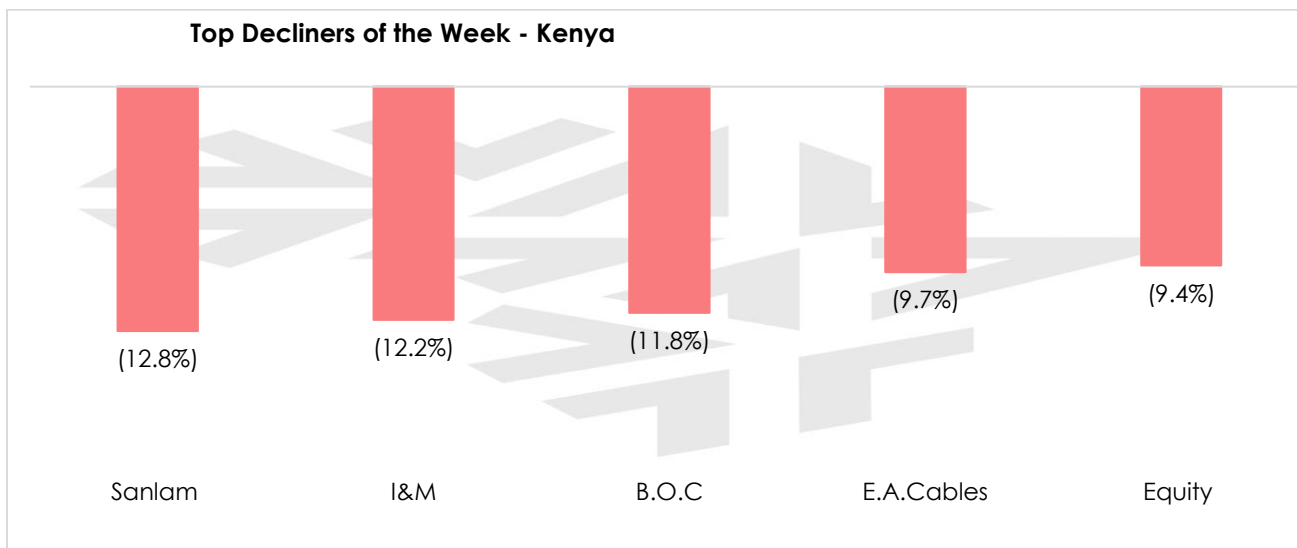
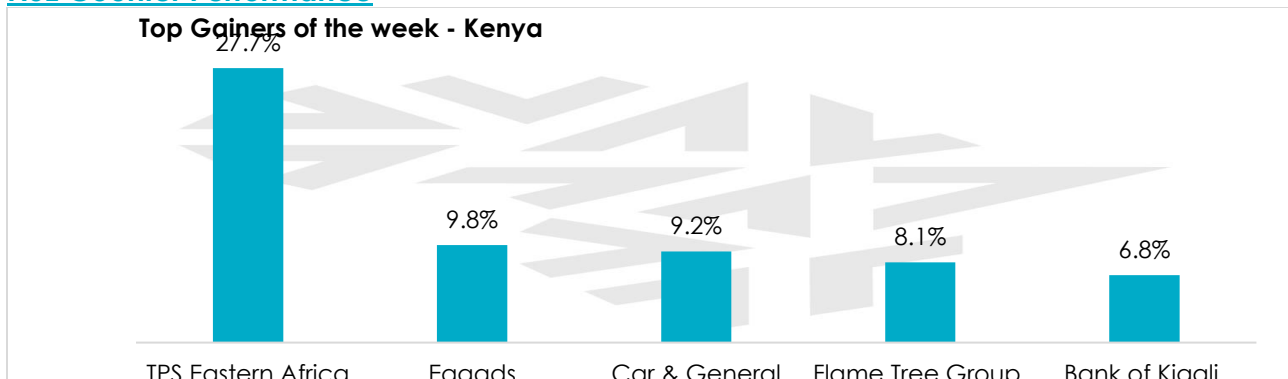
Local Market Performance

The market was down 3.64% week on week, with all share index (NASI) closing the week at **106.60**, a 15.91% increase year to date. The NSE-10, NSE-20 and NSE-25 indices closed the week at **1,101.6** a **20.89%** increase year to date, **1,689.31** a **11.96%** increase year to date and **2,821.19**, a **18.17%** increase year to date, respectively.

Foreign investors accounted for **41%** of the total turnover and they were net buyers with net foreign **inflows** of KES 27.41Mn last week. Foreign investors were mostly active Safaricom, EABL, KCB, Equity and standard chartered in that order.

Market turnover increased by 16.34% to KES **1.60Bn** from KES 1.38Bn traded the previous week.

NSE Counter Performance



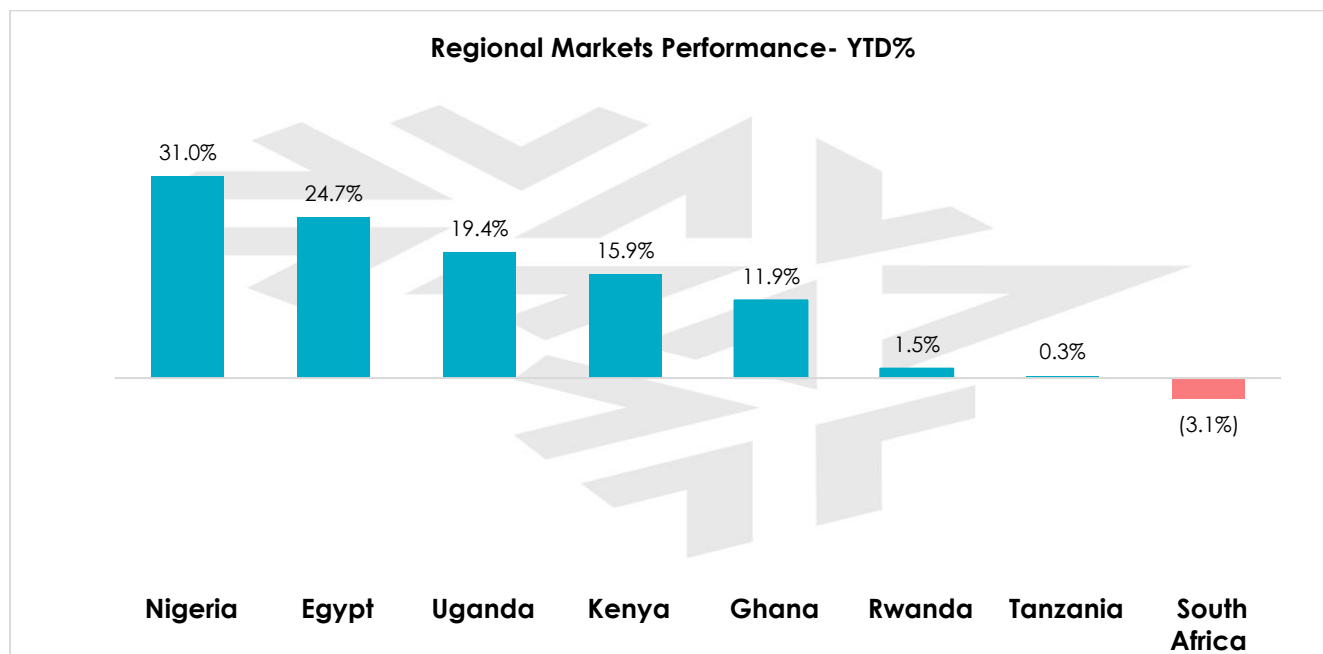
Source: NSE, NCBA IB Research

Upcoming Dividend payments

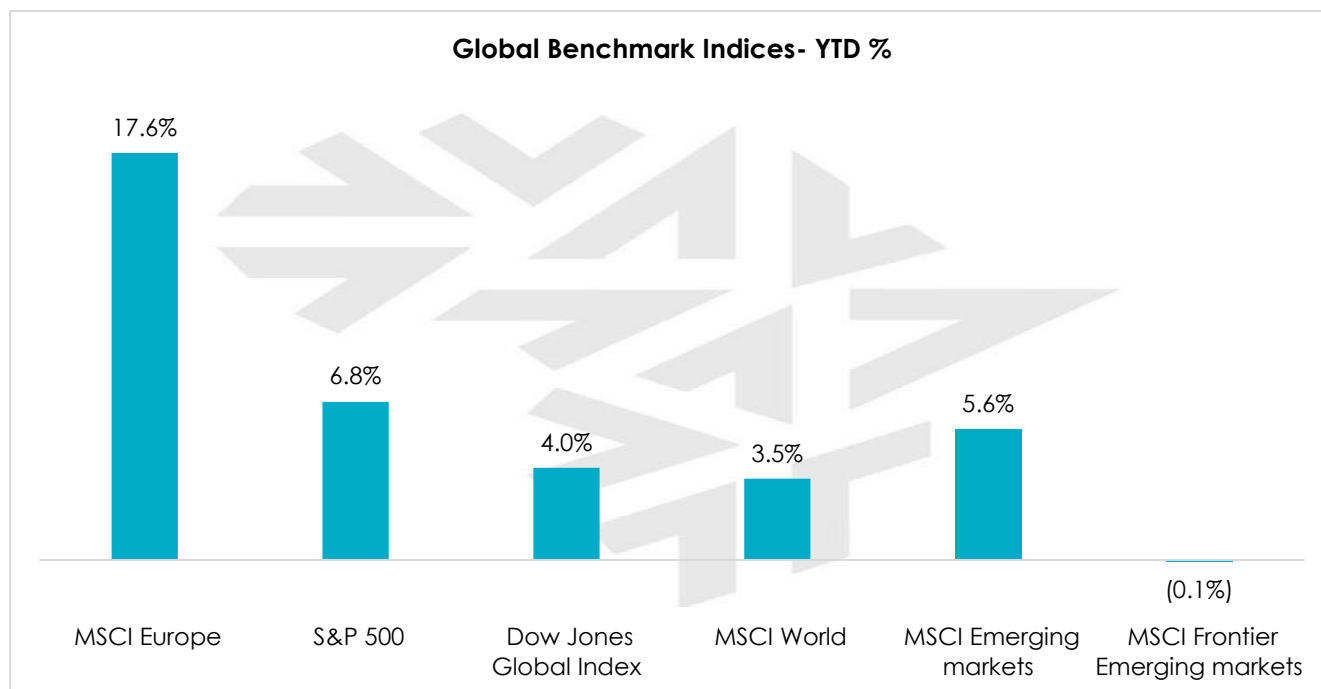
Corporate Actions	Dividend	Book Closure	Payment
EABL	KES 1.00	16-Feb-24	26-April-24
BAT	KES 45.00	24-May-24	24-June-24
Stanbic	KES 14.20	17-May-24	Subject to Approval
Standard Chartered	KES 23.00	19-Apr-24	30-May-24
Co-operative Bank	KES 1.50	28-Apr-24	10-June-24
Absa	KES 1.35	30-Apr-24	23-May-24
DTB	KES 6.00	24-May-24	28-Jun-24
I&M	KES 2.25	18-Apr-24	24-May-24
NCBA	KES 4.75	30-Apr-24	29-May-24
Equity	KES 4.00	24-May-24	28-Jun-24
Kakuzi	KES 24.0	31-May-24	15-June-24
Umeme Ltd	Ushs 54.20	28-Jun-24	19-Jul-24
Limuru Tea Plc	KES 1.00	15-Apr-24	30-Jun-24
NSE Plc	KES 0.16	30-May-24	31-Jul-24
Bamburi Cement	KES 5.74	24-May-24	25-Jul-24
Liberty Holdings	KES 0.36	TBA	TBA

Source: Company Financials, NSE, NCBA IB Research

Regional Markets YTD% Performance



Source: Bloomberg, NCBA IB Research

Global Benchmark Indices YTD % performance


Source; Bloomberg, NCBA IB Research

FIXED INCOME
Primary Market

Treasury bills were oversubscribed during the week, with a subscription rate of **108.70%** (down from 192.78% the previous week) and an acceptance rate of **100.7% (KES25.97Bn)**. Majority of the bids geared towards the 364-day paper as investors look to lock in higher interest rates.

Subscription	Amount offered KES Bn	Bids received week 16	Bids received week 15
91 day	4.00	6.01	16.42
182 day	10.00	7.81	10.56
364 day	10.00	12.27	19.29
Total	24.00	26.09	46.27

Source: CBK, NCBA IB Research

Prevailing rates	Week 16	Week 15	W/W change (bps)
91 Day	15.80%	15.73%	6.99
182 Day	16.47%	16.87%	(40.17)
364 Day	16.51%	16.53%	(2.33)

Source: CBK, NCBA IB Research

April 2024 BOND AUCTION RESULTS | Re-Opened FXD1/2023/02

The Central Bank of Kenya received a total of **KES 47.19Bn** (117.98% Subscription rate), out of which it accepted **KES 34.76Bn** (73.66% Acceptance rate).

See below a summary of the treasury bond auction results:

Issue	Re-opened FXD1/2023/02
Tenor to Maturity	1.4
Offered Amount (KES Bn)	40.00
Bids Received (KES Bn)	47.19
Amount Accepted (KES Bn)	34.76
Market Weighted Average Rate (%)	17.147%
Weighted Average Rate of Accepted Bids (%)	16.992%
Adjusted Average Price (Per KES 100)	102.837
Coupon Rate (%)	16.972%

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, **total turnover** increased to **KES 22.31Bn** from KES 16.61Bn traded in the previous week.

The S&P Sovereign Bond index increased to close at **90.13** from 89.98 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.

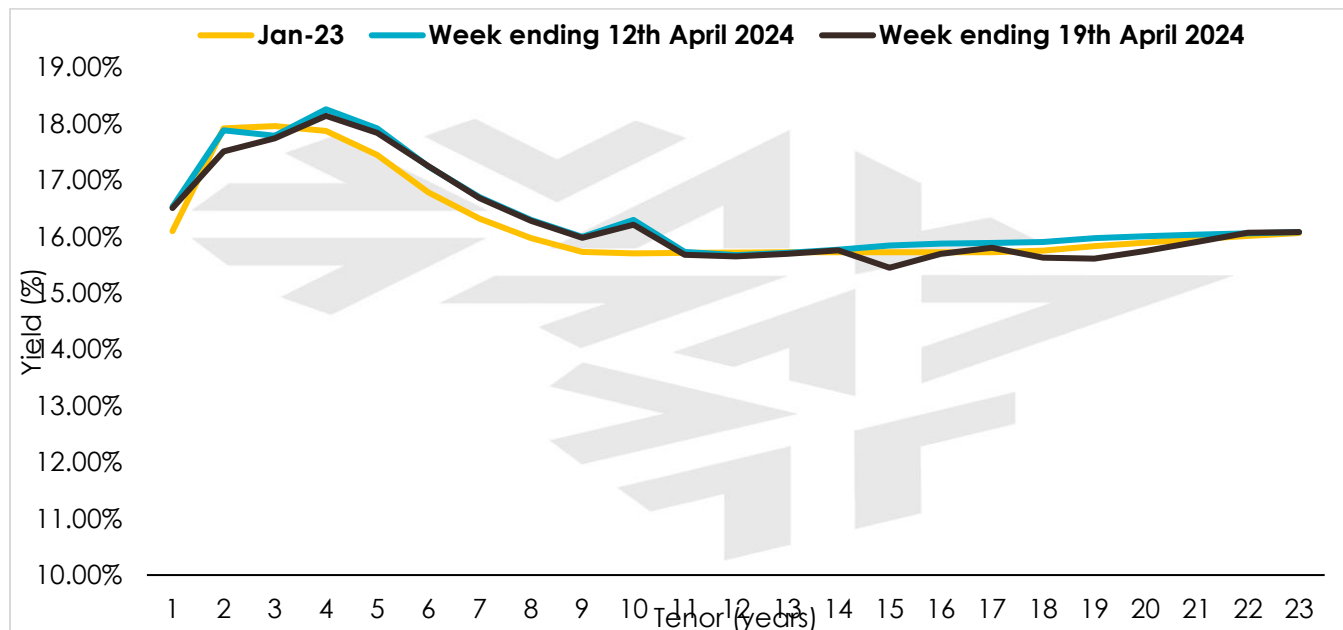
See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)	Number of Trades
IFB1/2024/8.5Yr	8.33	18.46%	16.33%	12,655.45	289
FXD 1/2023/5Yr	4.23	18.39%	17.47%	4,883.20	43
IFB1/2023/6.5Yr	6.06	17.93%	16.20%	1,015.70	32
FXD1/2024/10Yr	9.92	16.84%	16.38%	701.00	18
FXD1/2021/20Yr	17.31	15.84%	16.10%	329.40	7

Source: NSE, NCBAIB Research

Government Securities Yield Curve:

The yield on government securities has been **moderating** with investors demanding higher returns to cushion against duration and interest rate risks.



Source: NSE, NCBAIB Research

Kenya International Debt Yield Curves:

Kenyan Eurobonds' yields recorded were on an upward trajectory in the international debt market with **KENINT 2027** increasing the highest to trade at 8.81% from 8.45% last week.

Eurobond	Tenor (Years)	Coupon Rate	Current Yield
KENINT 05/22/2027	3.15	7.00%	8.97%
KENINT 02/28/2028	3.92	7.25%	9.01%
KENINT 02/16/2031	6.90	9.75%	9.61%
KENINT 05/22/2032	8.17	8.00%	9.66%
KENINT 01/23/2034	9.85	6.30%	9.73%
KENINT 02/28/2048	23.99	8.25%	10.06%

Source: Bloomberg, NCBA IB Research

Macroeconomic Developments:

Liquidity

Liquidity conditions in the interbank space tightened. Indicatively, the overnight **interbank rate** increased by 54.6bps week on week to close at **13.73%**.

The average daily traded volumes decreased to close at **KES 19.1Bn** from KES 25.0Bn observed in the previous week.

Statistic	Current	Previous	Change (bps)
CBR	13.00%	12.50%	50.0
Inflation	5.70%	6.90%	(120.0)
Average Interbank Rate	13.73%	13.19%	54.6

Source: CBK, NCBAIB Research

Currency

On the FX front, the shilling depreciated against the greenback, closing at **131.44**.

Continued intervention by the central bank through activity in the interbank foreign exchange market and expected foreign currency inflows from diaspora remittances and tourism will continue supporting the strengthening of the of the shilling. The shilling appreciation was also driven by an influx of the dollar into the market after February IFB settlement and positive market sentiments emanating from government's successful Eurobond refinancing.

Foreign exchange reserves declined by **0.89%** week on week to close at **US \$7,226Mn**, the reserves represent **3.8 months** of import cover which is below the CBK's statutory requirement of at least 4 months of import cover.

The U.S. Dollar Index (**DXY**) increased to close at **106.06** from 106.01 in the previous week.

The DXY indicates the general international value of the USD. The DXY does this by averaging the exchange rates between the US Dollar and major world currencies.

Currency	Week 16	Week 15	W/W change (%)
US Dollar	131.44	130.74	0.53%
STG Pound	163.20	165.71	(1.51%)
Euro	139.74	142.11	(1.66%)
Forex reserves	7226.00	7291.00	(0.89%)

Negative () = Depreciation, Positive = Appreciation

Source: CBK, NCBA IB Research

Kenya Government Debt Maturities Schedule – April 2024:

The government has total domestic debt maturities of **KES 174.27Bn** in the month of April 2024 compared to **KES 128.59Bn** in March 2024. We expect **robust government activity** in the local market.

Treasury Bills	
Payment Date	Amount KES 'Mn
April 1, 2024	9,339.15
April 8, 2024	32,227.67
April 15, 2024	38,464.61
April 22, 2024	29,468.26
April 29, 2024	21,135.07
Total	130,634.76

Source: CBK, NCBA IB Research

Coupon payments					
Issue No.	Next Coupon Payment Date	Tenor to Maturity	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn
FXD1/2009/015	April 8, 2024	0.52	31,952.45	12.50%	1,997.03
FXD1/2022/003	April 8, 2024	1.02	60,605.75	11.77%	3,565.44
FXD2/2013/015	April 15, 2024	4.03	70,859.75	12.00%	4,251.59
FXD2/2019/010	April 8, 2024	5.01	60,725.30	12.30%	3,734.61
FXD2/2018/015	April 15, 2024	9.52	33,411.70	12.75%	2,130.00
FXD1/2022/015	April 22, 2024	13.02	68,357.70	13.94%	4,765.22
FXD1/2019/020	April 8, 2024	14.98	83,350.00	12.87%	5,364.82
FXD1/2022/025	April 22, 2024	23.50	20,773.50	14.19%	1,473.67
IFB1/2014/012	April 15, 2024	2.53	16,631.48	11.00%	914.73
IFB1/2016/015	April 15, 2024	7.52	30,004.70	12.00%	1,800.28
IFB1/2019/016	April 22, 2024	11.53	71,028.55	11.75%	4,172.93
IFB1/2020/009	April 8, 2024	5.01	78,973.60	10.85%	4,284.32
IFB1/2021/018	April 8, 2024	14.98	81,785.60	12.67%	5,179.89
Total			43,634.51		

Source: CBK, NCBA IB Research

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