

## The Week in Review | Week 28

### EQUITIES

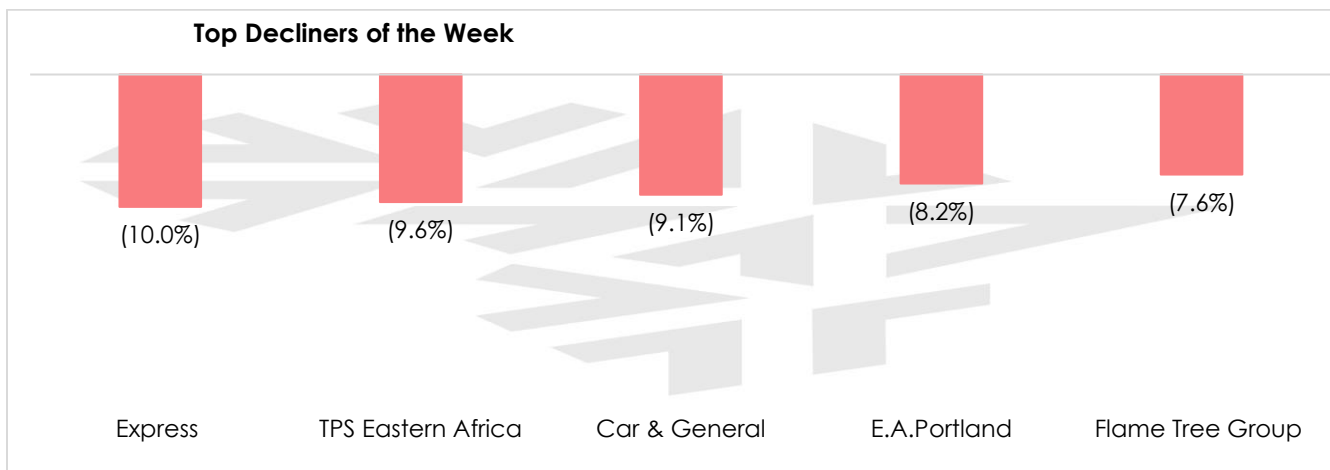
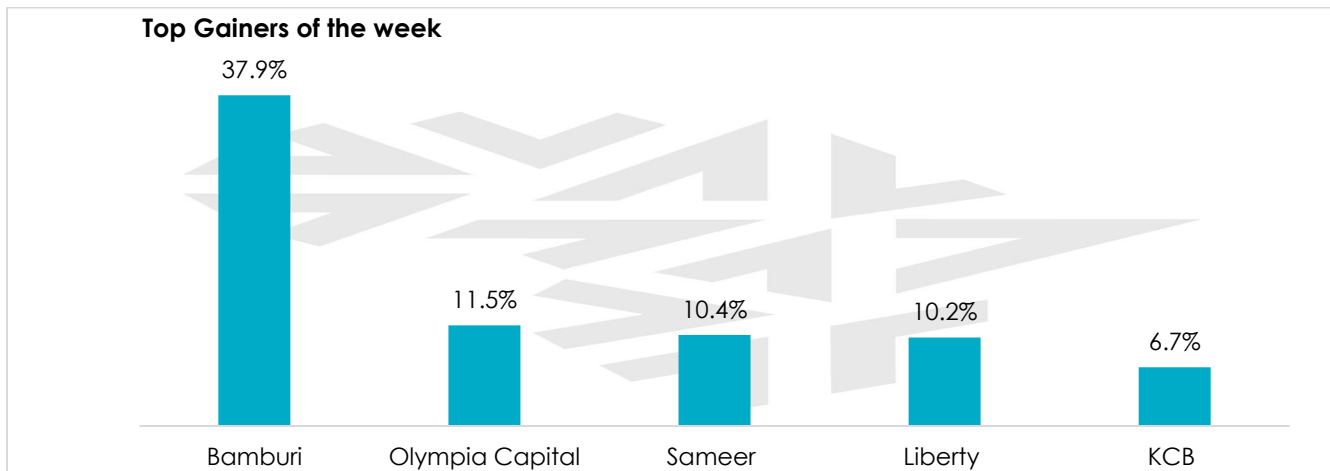
#### Local Market Performance

The market was down 0.93% week on week, with all the all share index (NASI) closing the week at **110.03**, a 19.64% rise year to date. The NSE-10, NSE-20 and NSE-25 indices closed the week at **1,135.60** a **24.62%** increase year to date, **1,695.78** a **12.39%** increase year to date and **2,908.93**, and **21.85%** increase year to date, respectively.

Foreign investors accounted for **45%** of the total turnover and they were net buyers with net foreign outflows of **KES 21.29Mn** last week.

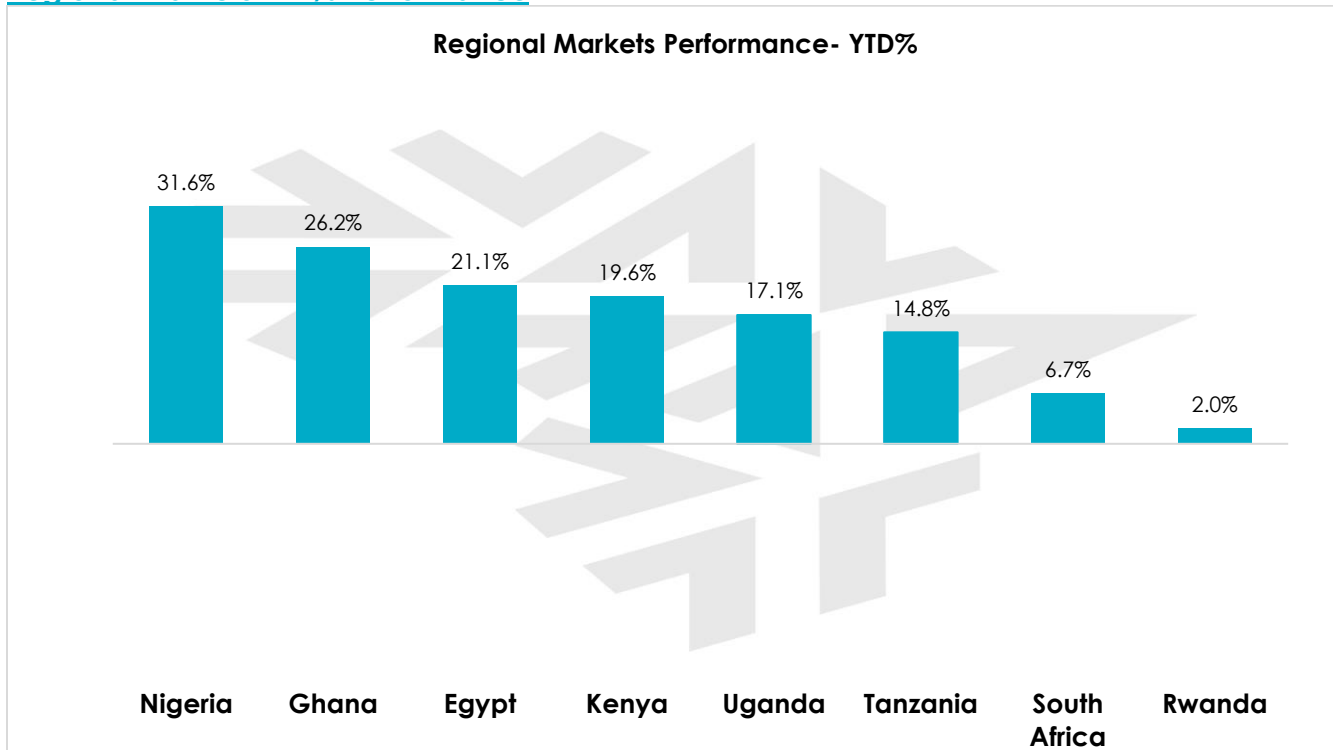
Market turnover **rose** to KES **1.13Bn** from KES 0.98Bn traded the previous week.

#### NSE Counter Performance



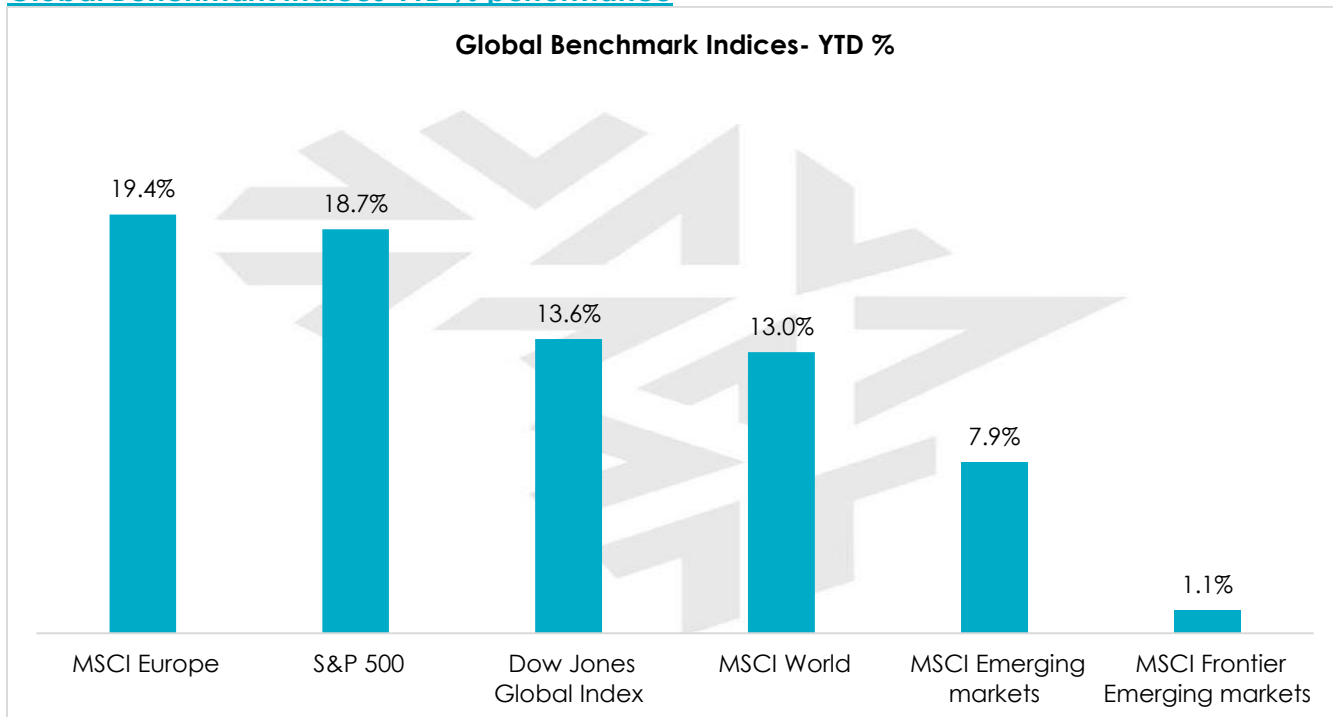
Source: NSE, NCBA IB Research

### Regional Markets YTD% Performance



Source; Bloomberg, NCBA IB Research

### Global Benchmark Indices YTD % performance



Source; Bloomberg, NCBA IB Research

### Upcoming Dividend payments

Corporate Actions	Dividend	Book Closure	Payment
Williamson Tea Kenya	KES 15.00	31-Jul-24	2-Aug-24
Kapchorua Tea Kenya	KES 15.00	31-Jul-24	2-Aug-24
BOC Kenya	KES 6.05	31-May-24	21-Jul-24
Liberty Kenya	KES 0.37	14-Jun-24	24-Aug-24
Total Kenya	KES 1.92	24-Jun-24	31-Jul-24
Umeme	Ushs 54.20	28-Jun-24	19-Jul-24
Safaricom	KES 0.65	31-Jul-24	31-Aug-24
Laptrust Imara I-REIT	KES 0.57	Subject to Approval	Subject to Approval
Kenya Re Insurance	KES 0.30	25-Jun-24	9-Aug-24

Source: NCBA IB Research, NSE

## FIXED INCOME

### Primary Market

Treasury bills were **oversubscribed** during the week, with a subscription rate of **137.29%** out of which the government accepted **KES 30.25Bn**. Majority of the bids geared towards the 91-day paper as investors look to lock in higher interest rates.

Subscription	Amount offered KES Bn	Bids received week 28	Bids received week 27
91 day	4.00	14.59	14.80
182 day	10.00	10.06	9.42
364 day	10.00	8.30	5.63
<b>Total</b>	<b>24.00</b>	<b>32.95</b>	<b>29.86</b>

Prevailing rates	Week 28	Week 27	W/W change (bps)
91 Day	15.99%	15.99%	0.86
182 Day	16.82%	16.80%	2.69
364 Day	16.88%	16.83%	4.96

Source: CBK, NCBA IB Research

## JULY 2024 BOND OFFER | Re-opened FXD1/2024/10 & FXD1/2008/20

The Central Bank of Kenya, in its capacity as a fiscal agent for the Republic of Kenya, is offering an opportunity to participate in the Re-opened bonds **FXD1/2024/10 & FXD1/2008/20** seeking to raise **KES 30.0Bn** for budgetary support.

See below a summary of the bond offer and our recommended bidding range:

Issue	FXD1/2024/10 (Re-opened)	FXD1/2008/20 (Re-opened)
Tenor to Maturity	9.7 Yrs	3.9 Yrs
<b>Offered Amount (KES Bn)</b>	<b>30.00</b>	
Coupon Rate	<b>16.00%</b>	<b>13.75%</b>
Period of Sale	26th June 2024 to 17th July 2024	
Value Date	<b>22nd July 2024</b>	
Minimum Amount	50,000	
<b>Taxation</b>	<b>10.00%</b>	
<b>Bidding Guide</b>	<b>16.40% - 16.90%</b>	<b>17.85% - 18.35%</b>

Source: CBK, NCBA IB Research

## Secondary Market

In the secondary bonds market, **total turnover** rose to **KES 44.32Bn** from KES 34.42Bn traded in the previous week.

The S&P Sovereign Bond Index increased to close at 93.00 from 92.46 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.*

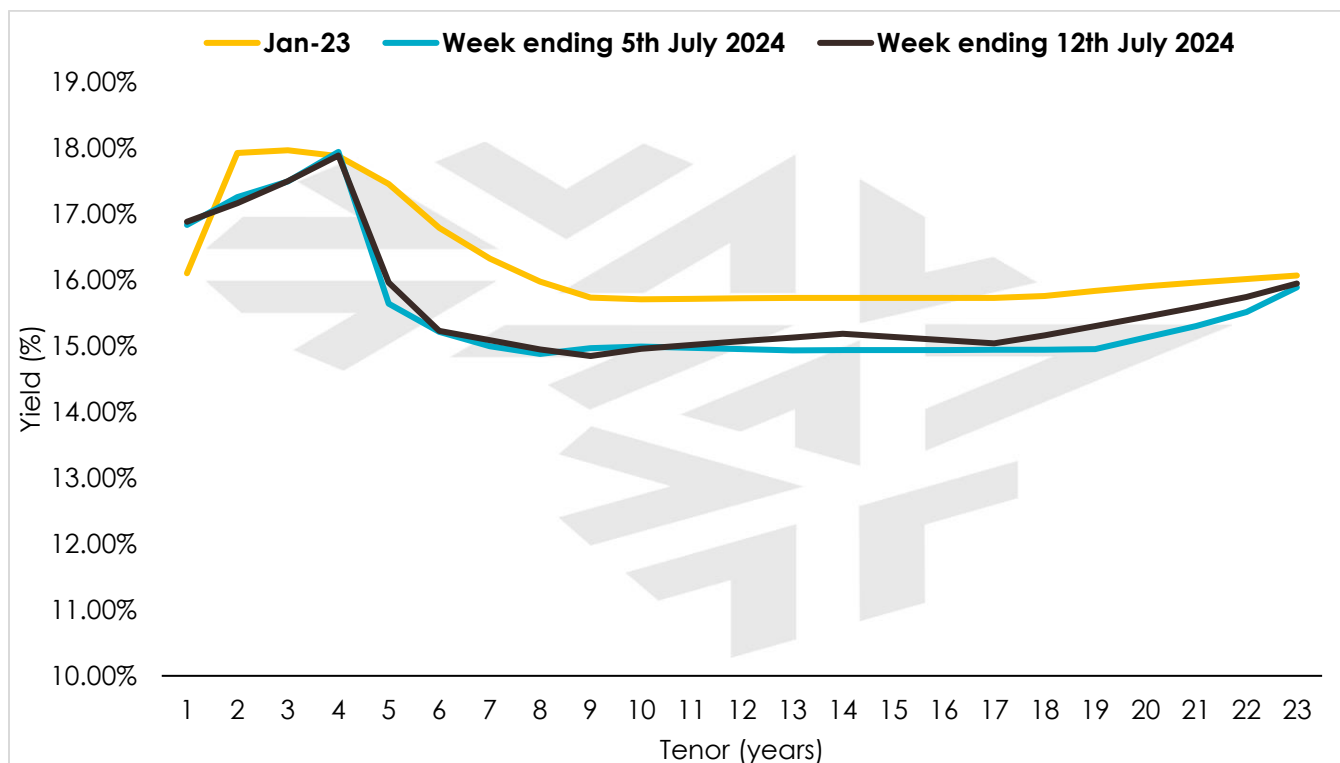
See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)	Number of Trades
IFB1/2024/8.5Yr	8.10	18.46%	<b>17.41%</b>	<b>29,135.40</b>	294
IFB1/2023/6.5Yr	5.83	17.93%	<b>16.36%</b>	<b>4,167.40</b>	112
FXD 1/2020/5Yr	0.81	11.67%	<b>17.36%</b>	<b>2,500.00</b>	3
FXD 3/2019/5Yr	0.40	11.49%	<b>17.00%</b>	<b>1,798.50</b>	10
FXD1/2019/15Yr	9.52	12.86%	<b>15.50%</b>	<b>1,040.50</b>	8

Source: NSE, NCBAIB Research

### Government Securities Yield Curve

The yield on government securities remains elevated 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 declined during the week following an improvement in the political environment arising from the protests.

Eurobond	Tenor (Years)	Amount (USD Mn)	Coupon Rate (%)	Previous Yield (%)	Current Yield (%)	Change (Bps)
KENINT 05/22/2027	3	900	7.00%	9.93%	9.67%	(36.70)
KENINT 02/28/2028	4	1,000	7.25%	10.34%	9.93%	(42.90)
KENINT 02/16/2031	7	1,500	9.75%	10.75%	10.50%	(43.30)
KENINT 05/22/2032	8	1,200	8.00%	10.78%	10.50%	(36.80)
KENINT 01/23/2034	10	1,000	6.30%	10.76%	10.48%	(38.90)
KENINT 02/28/2048	24	1,000	8.25%	10.92%	10.71%	(19.80)

Source: Bloomberg, NCBA IB Research

### Inflation

The annual headline inflation rate as measured by the Consumer Price Index (CPI) rose to **5.1%** in May 2024 from **5.0%** in April 2024. This means that the general price level in May 2024 was 5.1% higher than that of May 2023.

The price increase was mainly driven by rise in prices of commodities under Transport (8.1%); Food and Non-Alcoholic Beverages (6.2%); and Housing, Water, Electricity, Gas and other fuels (4.4%) between May 2023 and May 2024.

Statistic	Current	Previous	Change (bps)
CBR	13.00%	12.50%	50.0
Inflation	5.10%	5.00%	(10.0)

### Liquidity conditions

Liquidity conditions in the interbank space **eased**. Indicatively, the overnight interbank rate declined by 10.8 bps week on week to close at 13.09%. The average daily traded volumes rose to KES 38.43Bn from KES 19.96Bn observed in the previous week.

Statistic	Current	Previous	Change
Average Interbank Rate	13.09%	13.20%	(10.8)
Average Interbank volume KES Bn	38.43	19.96	92.52%

Source: CBK, NCBA/IB Research

### Currency

On the FX front, the shilling appreciated against the greenback, closing at **128.47**.

Foreign exchange reserves rose by **1.56%** week on week to close at **US 7.89Bn**, the reserves represent **4.1 months** of import cover which meets the CBK's statutory requirement of at least 4 months of import cover.

The U.S Dollar Index (**DXY**) slightly declined to close at 104.26 from 104.92 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 28	Week 27	W/W change (%)
US Dollar	129.56	128.47	0.85%
STG Pound	168.09	164.03	2.47%
Euro	141.15	139.00	1.54%
Forex reserves	7,896.00	7,775.00	1.56%

Source: CBK, NCBA IB Research

### Kenya Government Debt Maturities Schedule – July 2024:

The government has total domestic debt maturities of **KES 119.67Bn** in the month of July 2024 compared to **KES 123.51Bn** in June 2024. We expect **robust government activity** in the local market.

Treasury Bills	
Payment Date	Amount KES 'Mn
July 1, 2024	5,705.24
July 8, 2024	14,788.24
July 15, 2024	26,825.06
July 22, 2024	14,179.53
July 29, 2024	11,661.16
<b>Total</b>	<b>73,159.23</b>

Coupon payments					
Issue No.	Next Coupon Payment Date	Tenor to Maturity	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn
FXD1/2024/003	July 15, 2024	<b>2.52</b>	92,085.62	18.39%	8,465.15
FXD1/2017/010	July 22, 2024	<b>3.04</b>	65,974.90	12.97%	4,277.15
FXD1/2023/005	July 15, 2024	<b>4.02</b>	141,683.98	16.84%	11,932.62
FXD1/2019/015	July 22, 2024	<b>9.54</b>	79,096.85	12.86%	5,084.74
FXD3/2019/015	July 22, 2024	<b>10.04</b>	53,919.80	12.34%	3,326.85
FXD2/2018/020	July 22, 2024	<b>14.04</b>	89,198.60	13.20%	5,887.11
IFB1/2018/015	July 22, 2024	<b>8.54</b>	41,184.80	12.50%	2,574.05
IFB1/2021/016	July 22, 2024	<b>12.54</b>	80,958.35	12.26%	4,961.53
<b>Total</b>					<b>46,509.22</b>

Source: CBK, NCBA IB Research

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