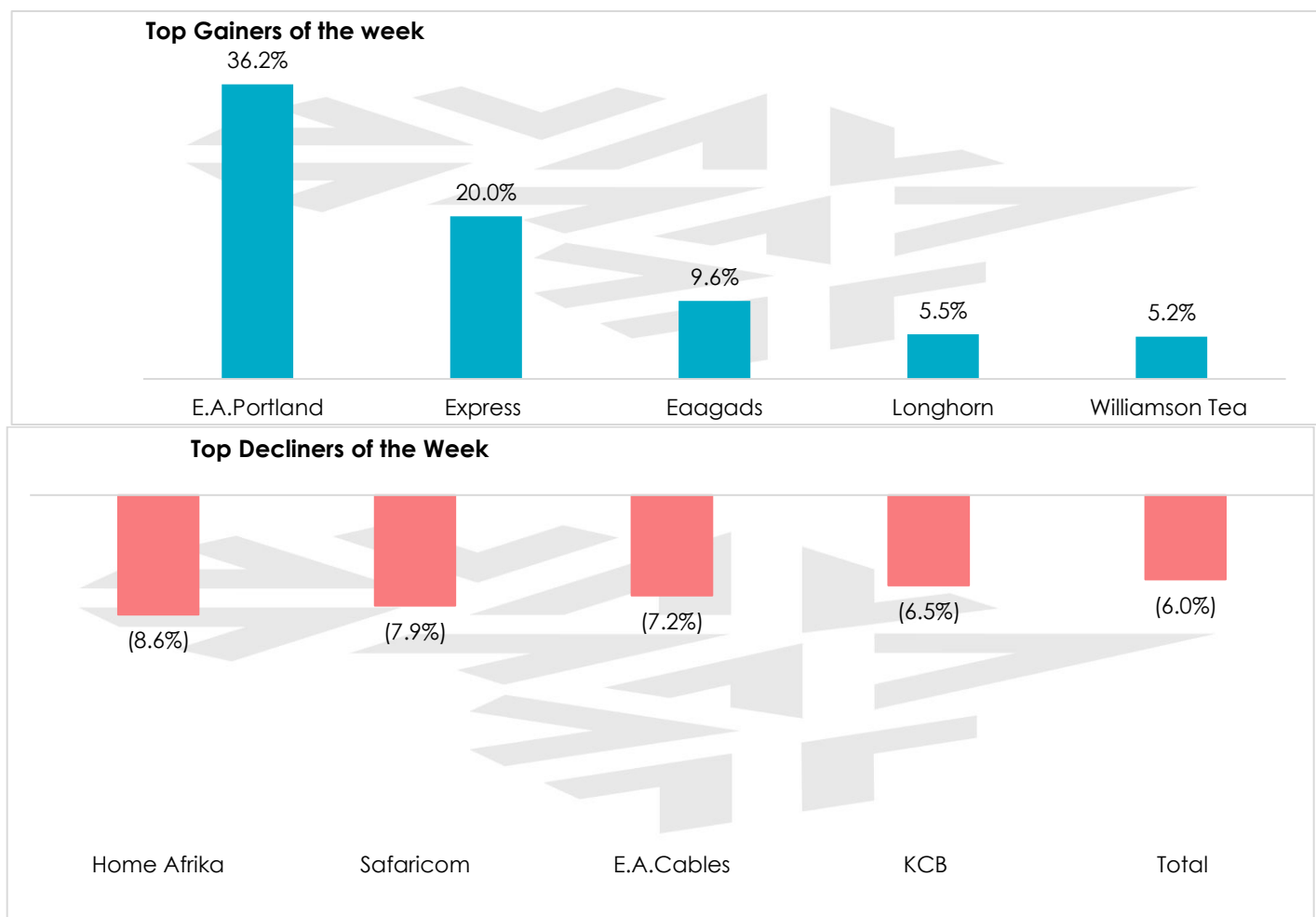


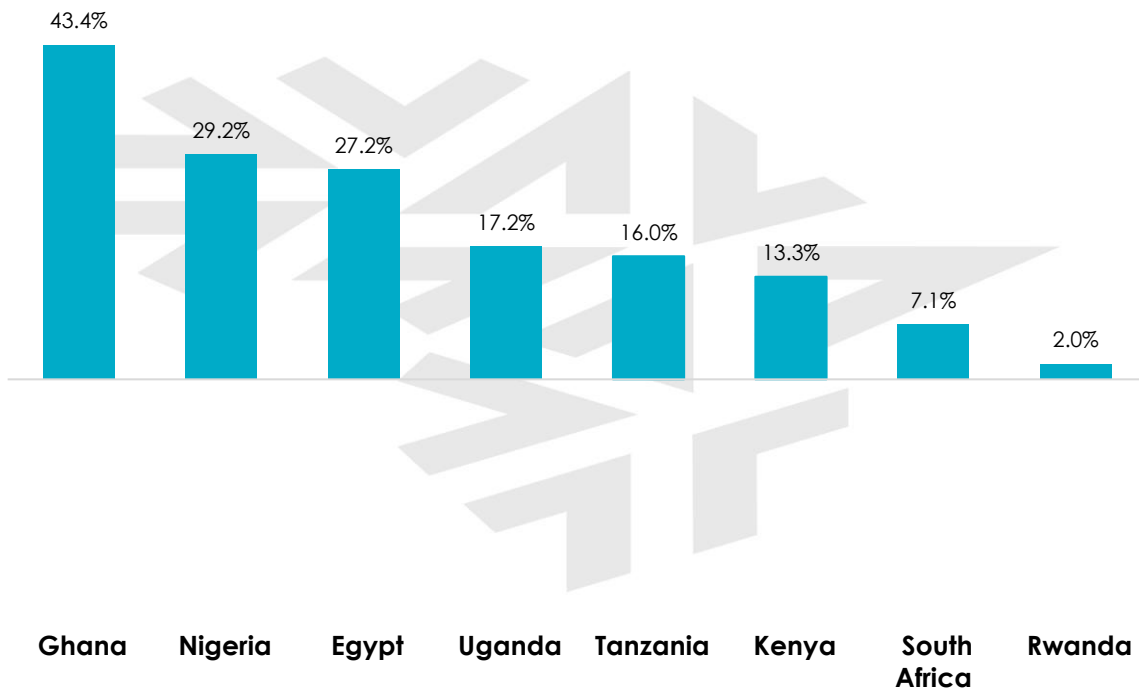
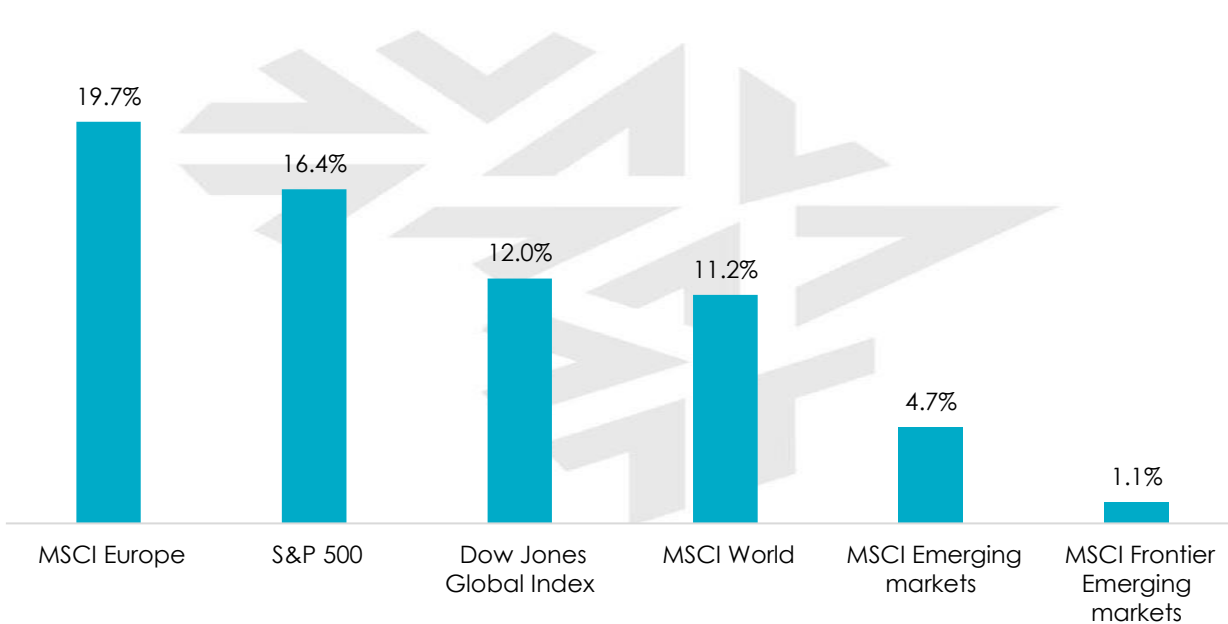
The Week in Review | Week 30
EQUITIES
Local Market Performance

The market was down 4.04% week on week, with all the all share index (NASI) closing the week at **104.22**, a 13.32% rise year to date. The NSE-10, NSE-20 and NSE-25 indices closed the week at **1,088.58** a **19.46%** increase year to date, **1,674.10** a **10.95%** increase year to date and **2,798.53**, a **17.23%** increase year to date, respectively.

Foreign investors accounted for **65%** of the total turnover and they were net sellers with net foreign outflows of **KES 348.49Mn** last week.

Market turnover **rose** to KES **1.60Bn** from KES 0.98Bn traded the previous week.

NSE Counter Performance


Regional Markets Performance- YTD%

Global Benchmark Indices- YTD %


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
Liberty Kenya	KES 0.37	14-Jun-24	24-Aug-24
Total Kenya	KES 1.92	24-Jun-24	31-Jul-24
Safaricom	KES 0.65	31-Jul-24	31-Aug-24
NSE	KES 0.16	30-May-24	31-Jul-24
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 **131.86%** out of which the government accepted **KES 22.9Bn (72.50% subscription rate)**. 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 30	Bids received week 29
91 day	4.00	25.81	10.88
182 day	10.00	4.15	7.26
364 day	10.00	1.69	2.84
Total	24.00	31.65	20.98

Prevailing rates	Week 30	Week 29	W/W change (bps)
91 Day	16.00%	16.02%	(2.00)
182 Day	16.85%	16.85%	0.06
364 Day	16.92%	16.90%	2.12

Source: CBK, NCBA IB Research

AUGUST 2024 BOND OFFER: RE-OPENED IFB1/2023/6.5 AND IFB1/2023/17

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 papers listed below:

1. **IFB1/2023/6.5– Re-opened.**
2. **IFB1/2023/17– Re-opened.**

The offer seeks to raise **KES 50.00Bn** for funding of infrastructure projects in the FY 2024/2025.

See below a summary of the offer:

Issue	IFB1/2023/6.5 (Re-opened)	IFB1/2023/17 (Re-opened)
Tenor to Maturity	5.8 Yrs	15.7 Yrs
Coupon Rate	17.93%	14.40%
Offered Amount	KES 50 Bn	
Period of Sale	25th July 2024 to 14th August 2024	
Value Date	19th August 2024	
Minimum Bidding Amount	KES 50,000.00	
Taxation	Tax free as is the case for Infrastructure Bonds	

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, **total turnover** declined to **KES 26.79Bn** from KES 44.88Bn 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.

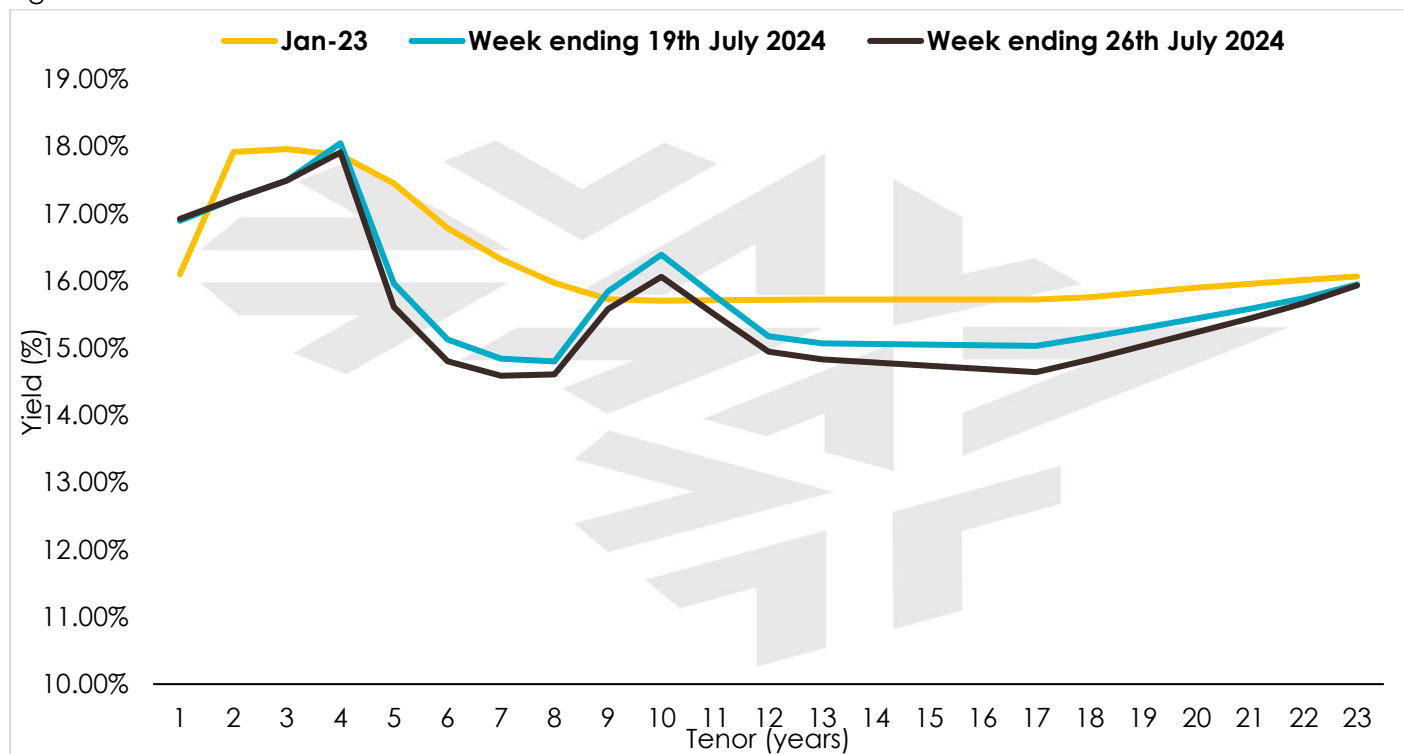
See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)	Number of Trades
IFB1/2024/8.5Yr	8.06	18.46%	17.80%	17,676.55	228
FXD1/2023/10Yr	8.54	14.15%	15.29%	1,700.00	14
IFB1/2023/6.5Yr	5.79	17.93%	16.71%	1,379.00	91
FXD1/2012/20Yr (Re-opened)	8.29	12.00%	15.02%	626.90	5
FXD1/2021/20Yr	17.04	13.44%	14.98%	604.80	17

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.



Kenya International Debt Yield:

Kenyan Eurobonds' yields were on an upward trajectory during the week with KENINT 2027 increasing the most to 10.37%.

Eurobond	Tenor (Years)	Amount (USD Mn)	Coupon Rate (%)	Previous Yield (%)	Current Yield (%)	Change (Bps)
KENINT 05/22/2027	3	900	7.00%	10.09%	10.37%	27.70
KENINT 02/28/2028	4	1,000	7.25%	10.44%	10.54%	10.40
KENINT 02/16/2031	7	1,500	9.75%	10.79%	10.89%	9.90
KENINT 05/22/2032	8	1,200	8.00%	10.77%	10.83%	6.40
KENINT 01/23/2034	10	1,000	6.30%	10.72%	10.78%	6.00
KENINT 02/28/2048	24	1,000	8.25%	10.77%	10.83%	6.40

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 tightened. Indicatively, the overnight interbank rate increased by 2.1 bps week on week to close at 13.15%. The average daily traded volumes declined to KES 24.28Bn from KES 26.94Bn observed in the previous week.

Statistic	Current	Previous	Change
Average Interbank Rate	13.15%	13.13%	2.1
Average Interbank volume KES Bn	24.28	26.94	(9.88%)

Source: CBK, NCBAIB Research

Currency

On the FX front, the shilling depreciated against the greenback, closing at **132.57**.

Foreign exchange reserves dropped by **1.32%** week on week to close at **US 7.31Bn**, the reserves represent **3.8 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 increased to close at 104.33 from 104.26 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 30	Week 29	W/W change (%)
US Dollar	132.57	130.47	1.61%
STG Pound	170.54	168.81	1.02%
Euro	143.94	142.06	1.33%
Forex reserves	7,311.00	7,409.00	(1.32%)

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
Total	73,159.23

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	2.52	92,085.62	18.39%	8,465.15

FXD1/2017/010	July 22, 2024	3.04	65,974.90	12.97%	4,277.15
FXD1/2023/005	July 15, 2024	4.02	141,683.98	16.84%	11,932.62
FXD1/2019/015	July 22, 2024	9.54	79,096.85	12.86%	5,084.74
FXD3/2019/015	July 22, 2024	10.04	53,919.80	12.34%	3,326.85
FXD2/2018/020	July 22, 2024	14.04	89,198.60	13.20%	5,887.11
IFB1/2018/015	July 22, 2024	8.54	41,184.80	12.50%	2,574.05
IFB1/2021/016	July 22, 2024	12.54	80,958.35	12.26%	4,961.53
Total					46,509.22

Source: CBK, NCBA IB Research

Fiscal Tracker.

For the 12th month of FY'2023/2024, **total revenue** collected as reported by the National Treasury stood at **KES 3,794.62Bn** which represents an **88.99%** achievement against the revised full year target of **KES 4,263.95Bn**.

Tax revenue collections for the Full Year July 2023 to June 2024 were up 10.1% YoY to KES 2.16 Trillion

Net **domestic borrowing** stood at **KES 795.0Bn** reflecting a performance rate of **93.32%** against the revised full year target of **KES 1,051.88Bn**.

Consolidated fund expenditure stood at **KES171.63Bn** of which Kes 140.88Bn was public debt payments.

Recurrent spending stood at KES 247.28Bn, the total 2023/24 recurrent spending was 94.78% of the revised target.

Development spending stood at KES 351.06Bn, the total 2023/24 development spending was 69.69% of the revised target.

External borrowing stood at KES 178.2Bn, the total 2023/24 external borrowing was 94.40% of revised target.

The increase in **public expenditure** continues to hamper government's efforts of achieving **fiscal consolidation**.

June 2024					
	23/24 Budget	May-24	Jun-24	June receipts	Performance FY Budget
INCOME(KES Bn)					
Tax Revenue	2,251.88	1,928.80	2,161.08	232.28	95.97%
Non-Tax Revenue	209.14	94.20	129.27	35.07	61.81%
Net Domestic Borrowing	1,052.09	704.70	795.03	90.33	75.57%

External Loans and Grants	747.57	527.50	705.70	178.20	94.40%
Other Domestic Financing	3.27	3.54	3.54	(0.00)	108.43%
Total Revenue	4,263.95	3,258.74	3,794.62	535.88	88.99%
EXPENDITURE(KES Bn)					
Recurrent	1,434.96	1,112.80	1,360.06	247.26	94.78%
Consolidated Fund Services	1,991.48	1,594.70	1,766.36	171.66	88.70%
Development	452.09	261.10	351.06	89.96	77.65%
County Government	385.42	287.10	354.59	67.49	92.00%
Total Expenditure	4,263.95	3,255.70	3,832.07	576.37	89.87%

Source: National Treasury, NCBA IB Research.

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