

The Week in Review | Week 32

EQUITIES

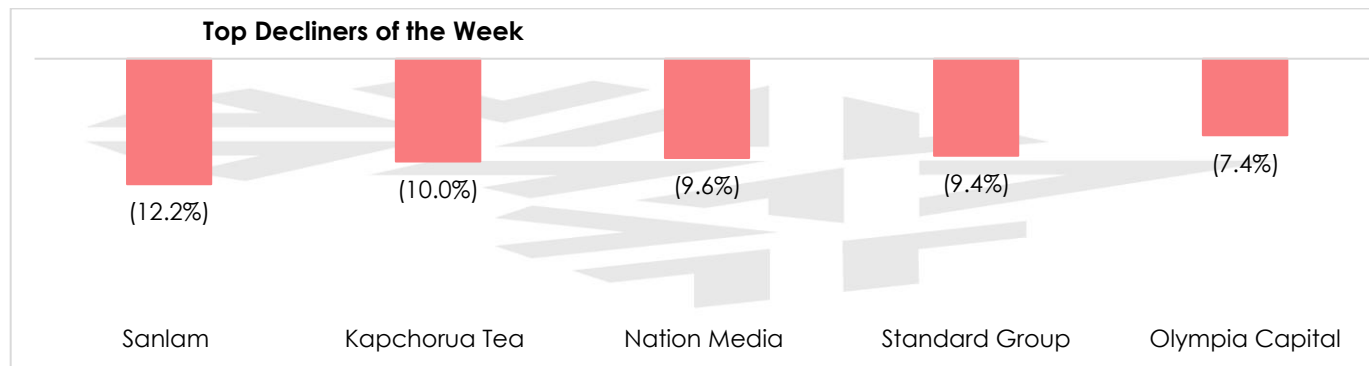
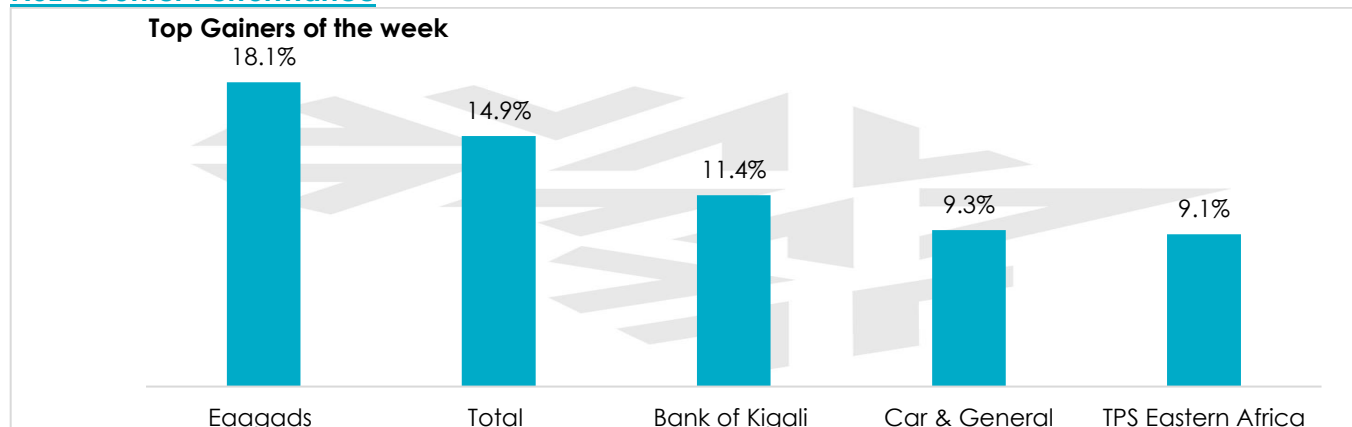
Local Market Performance

WEEKLY MARKET DATA				
VARIABLES	LAST FRI	THIS FRI	W/W%	
NASI	103.26	102.06	(1.2%)	
NSE-10	1,077.21	1,062.62	(1.4%)	
NSE-20	1,658.96	1,633.69	(1.5%)	
NSE-25	2,770.07	2,734.60	(1.3%)	
Weekly Shares Traded (Mn)	97.18	103.60	6.6%	
Weekly Equity Turnover (KES Mn)	1,599.73	1,920.57	20.1%	
Market Cap (KES Bn)	1,628.33	1,594.56	(2.1%)	

Source: NSE, NCBA IB Research

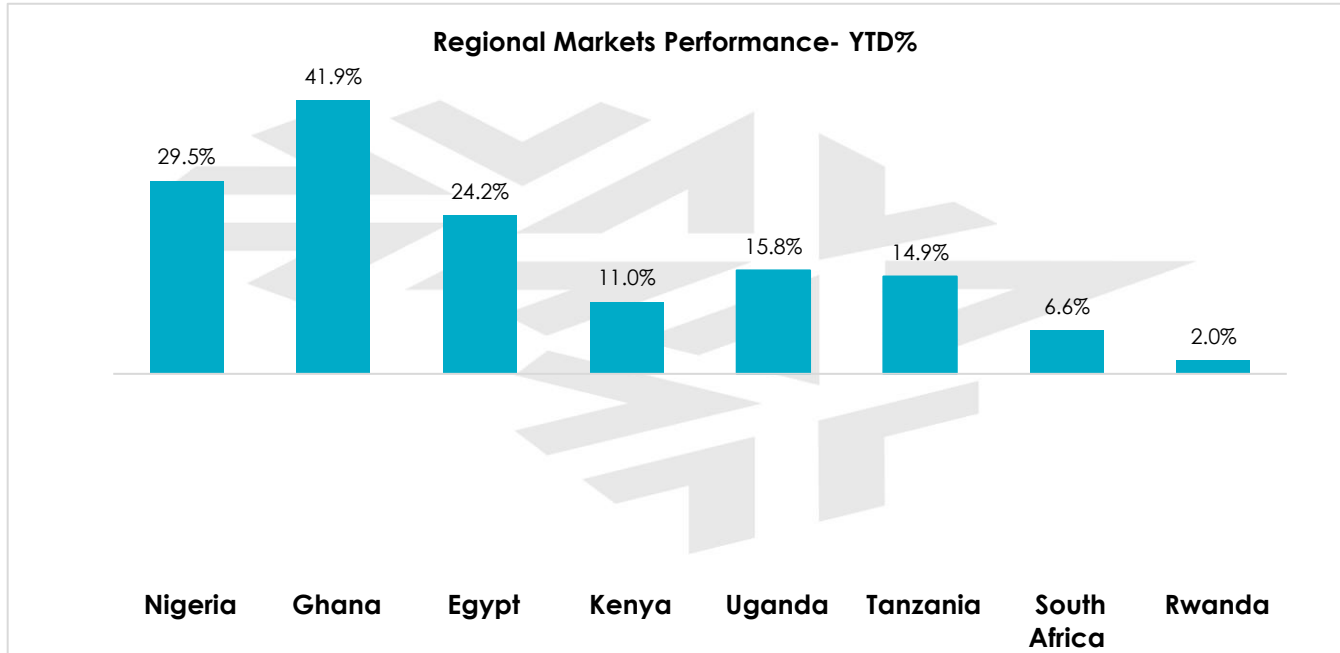
Foreign investors accounted for **34%** of the total turnover and they were net buyers with net foreign inflows of **KES 402.43Mn** last week.

NSE Counter Performance



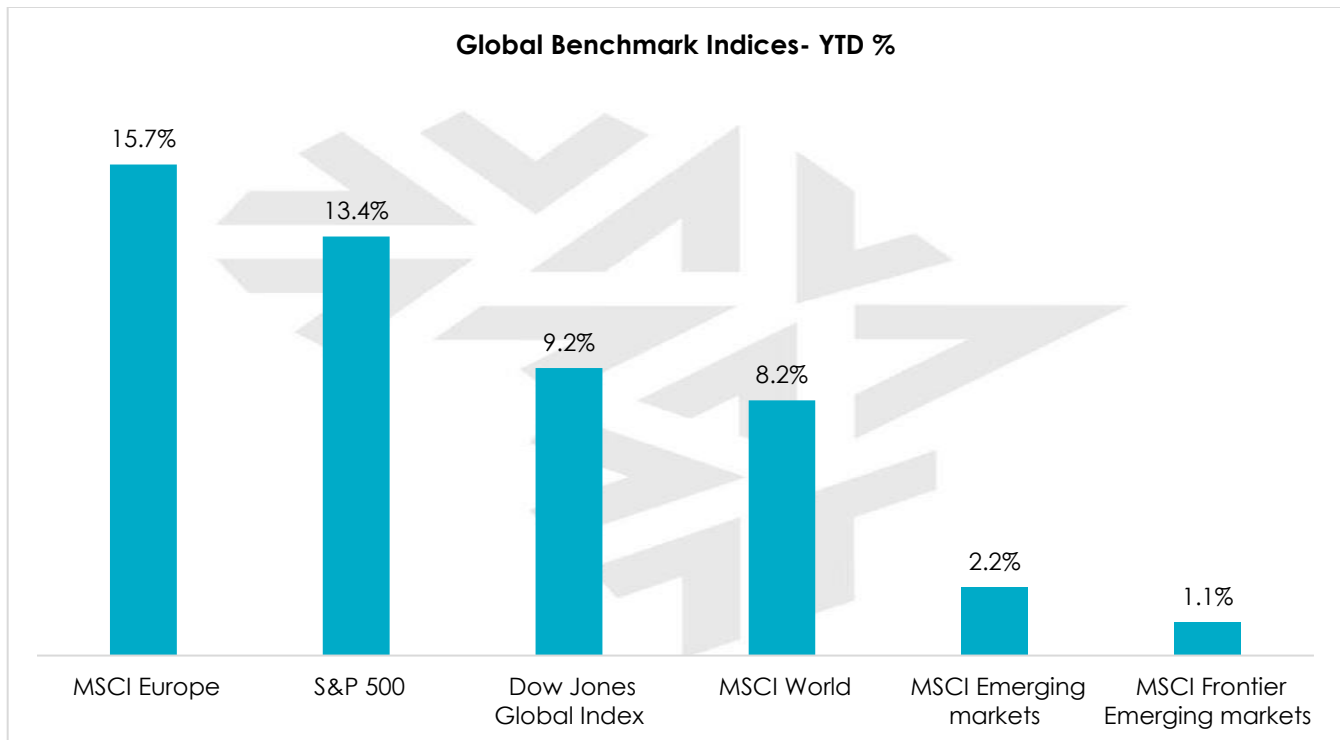
Source: NSE, NCBA IB Research

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
Liberty Kenya	KES 0.37	14-Jun-24	24-Aug-24
Kenya Re Insurance	KES 0.30	25-Jun-24	9-Aug-24
Kenya Re Insurance	Bonus Issue	25-Jun-24	9-Aug-24
Williamson Tea Kenya	KES 15.00	31-Jul-24	2-Sep-24
Kapchorua Tea Kenya	KES 15.00	31-Jul-24	2-Sep-24
Safaricom	KES 0.65	31-Jul-24	31-Aug-24
Laptrust Imara I-REIT	KES 0.38	21-Aug-24	30-Sep-24.
British America Tobacco	Kes.5.00	30-Aug-24	27-Sep-24
East African Breweries	Kes.6.00	16-Sep-24	16-Oct-24
Stanbic Holdings PLC	Kes 1.84	02-Sep-24	27-Sep-24
Centum Investment Company	Kes.0.32	Subject To Approval	

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 39.30Bn**. 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 32	Bids received week 31
91 day	4.00	12.55	14.86
182 day	10.00	19.31	8.47
364 day	10.00	7.44	1.08
Total	24.00	39.30	24.40

Prevailing rates	Week 32	Week 31	W/W change (bps)
91 Day	15.82%	15.99%	(17.07)
182 Day	16.71%	16.85%	(13.54)
364 Day	16.91%	16.92%	(0.65)

Source: CBK, NCBA IB Research

[AUGUST 2024 BOND OFFER | Re-opened IFB1/2023/6.5 & 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 Re-opened bonds **IFB1/2023/6.5 & IFB1/2023/17** seeking to raise **KES 50.0Bn** for budgetary support.

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

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 10.53Bn** from KES 21.53Bn 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.

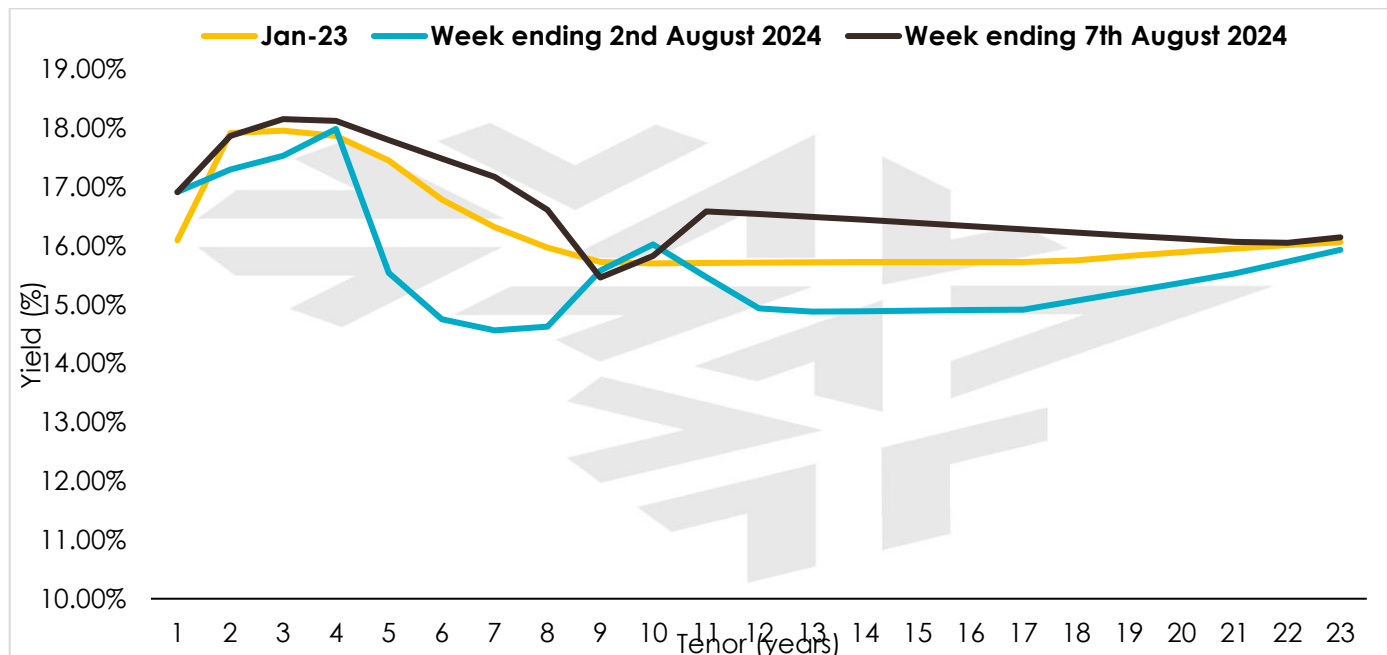
See the top moving bonds below:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)	Number of Trades
IFB1/2024/8.5Yr	8.02	18.46%	17.49%	3,103.15	106
FXD 1/2023/5Yr	3.93	11.67%	17.47%	2,331.15	34
FXD 1/2024/3Yr	2.43	18.39%	18.28%	1,481.60	15
IFB1/2021/21Yr	18.08	12.74%	16.27%	712.40	25
IFB1/2023/6.5Yr	5.75	17.93%	16.79%	654.05	75

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%	10.57%	11.37%	80.00
KENINT 02/28/2028	4	1,000	7.25%	10.69%	11.51%	81.50
KENINT 02/16/2031	7	1,500	9.75%	11.08%	11.74%	66.00
KENINT 05/22/2032	8	1,200	8.00%	11.01%	11.62%	60.80
KENINT 01/23/2034	10	1,000	6.30%	10.92%	11.54%	61.60
KENINT 02/28/2048	24	1,000	8.25%	11.09%	11.55%	45.60

Source: Bloomberg, NCBA IB Research

Inflation

The annual headline inflation rate as measured by the Consumer Price Index (CPI) declined to 4.3% in July from 4.6% in June 2024, mainly driven by lower energy prices.

Food inflation remained unchanged at 5.6% in June and July 2024. Fuel inflation declined to 4.5% from 6.4% in June 2024, mainly due to lower electricity and pump prices.

Non-Food Non-Fuel (NFNF) inflation moderated to 3.3% from 3.4% in June 2024 reflecting the impact of monetary policy measures.

Monetary Policy Committee Meeting

The Monetary Policy Committee (MPC) met on August 6, 2024, and decided to lower the Central Bank Rate (CBR) to 12.75 percent. The MPC noted that its previous measures have lowered overall inflation to below the mid-point of the target range, stabilized the exchange rate, and anchored inflationary expectations. The Committee further noted that non-food-non-fuel inflation has moderated, while central banks in advanced economies have lowered interest rates in response to easing inflationary pressures, with indications that other central banks will soon embark on a similar trajectory. The MPC concluded that there was scope for a gradual easing of the monetary policy stance, while ensuring continued exchange rate stability.

Statistic	Current	Previous	Change (bps)
CBR	12.75%	13.00%	(25.0)
Inflation	4.30%	4.60%	(30.0)

Liquidity conditions

Liquidity conditions in the interbank space **eased**. Indicatively, the overnight interbank rate declined by 5.8 bps week on week to close at 13.13%.

The average daily traded volumes declined to KES 33.10Bn from KES 35.30Bn observed in the previous week.

Statistic	Current	Previous	Change
Average Interbank Rate	13.13%	13.19%	(5.8)
Average Interbank volume KES Bn	33.10	35.30	(6.23%)

Currency

On the FX front, the shilling appreciated against the greenback, closing at **129.25**.

Foreign exchange reserves increased by **0.91%** week on week to close at **US 7.34Bn**, 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 (**DX**) slightly declined to close at 103.15 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 32	Week 31	W/W change (%)
US Dollar	129.25	129.95	(0.53%)
STG Pound	164.84	166.05	(0.73%)
Euro	141.14	140.21	0.67%
Forex reserves	7,340.00	7,274.00	0.91%

Source: CBK, NCBA IB Research,

Kenya Government Debt Maturities Schedule – August 2024:

The government has total domestic debt maturities of **KES 117.35Bn** in the month of August 2024 compared to **KES 119.67Bn** in June 2024. We expect **robust government activity** in the local market.

Treasury Bills	
Payment Date	Amount KES 'Mn
August 5, 2024	3,414.62
August 12, 2024	12,535.49
August 19, 2024	14,190.91
August 26, 2024	11,396.80
Total	41,537.82

Coupon payments					
Issue No.	Next Coupon Payment Date	Maturity date	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn
FXD1/2013/015	12-Aug-24	7-Feb-28	82,473.25	11.25%	4,639.12
FXD3/2019/010	12-Aug-24	6-Aug-29	68,743.45	11.52%	3,958.59
FXD1/2023/010	12-Aug-24	31-Jan-33	28,387.06	14.15%	2,008.53
SDB1/2011/030	12-Aug-24	21-Jan-41	28,144.70	12.00%	1,688.68
FXD1/2021/020	12-Aug-24	22-Jul-41	75,984.00	13.44%	5,107.64
FXD1/2023/002	19-Aug-24	18-Aug-25	94,724.39	16.97%	8,038.45
FXD1/2016/010	19-Aug-24	17-Aug-26	74,495.75	15.04%	5,601.71
FXD1/2018/010	19-Aug-24	14-Aug-28	40,584.60	12.69%	2,574.28
FXD1/2019/010	19-Aug-24	12-Feb-29	67,524.85	12.44%	4,199.37
FXD1/2020/015	19-Aug-24	5-Feb-35	73,156.30	12.76%	4,665.91
IFB1/2017/012	19-Aug-24	12-Feb-29	6,249.55	12.50%	390.60
IFB1/2020/011	19-Aug-24	11-Aug-31	80,249.60	10.90%	4,373.60
IFB1/2022/019	19-Aug-24	28-Jan-41	98,377.55	12.97%	6,377.32
IFB1/2024/8.5	19-Aug-24	9-Aug-32	240,334.85	18.46%	22,183.75
Total					75,807.56

Source: CBK, NCBA IB Research

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