

The Week in Review | Week 44

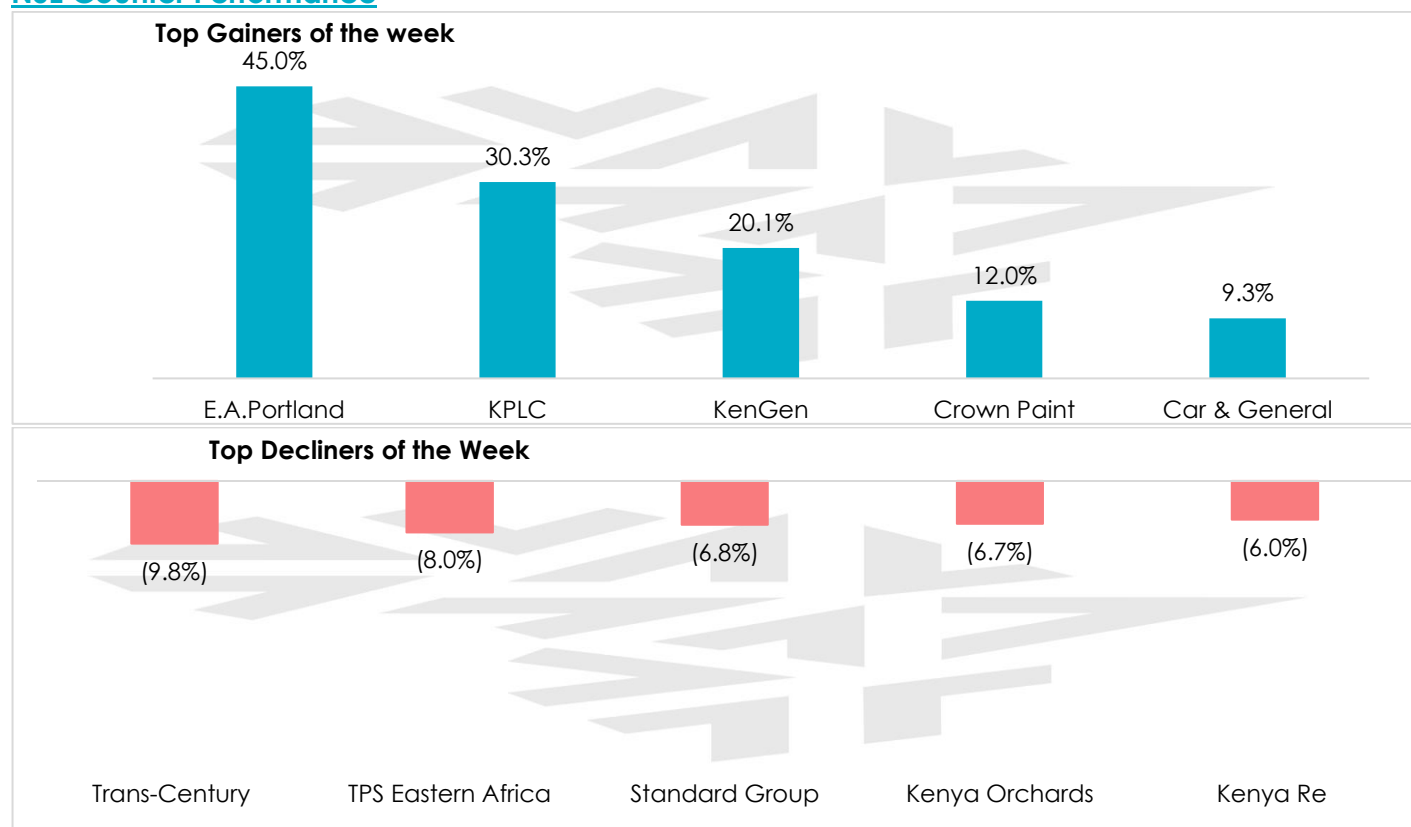
EQUITIES

Local Market Performance

WEEKLY MARKET DATA			
VARIABLES	LAST FRI	THIS FRI	W/W%
NASI	114.52	115.49	0.8%
NSE-10	1,224.67	1,215.30	(0.8%)
NSE-20	1,861.54	1,853.76	(0.4%)
NSE-25	3,142.23	3,131.71	(0.3%)
Weekly Shares Traded (Mn)	42.40	64.96	53.2%
Weekly Equity Turnover (KES Mn)	804.29	1,173.43	45.9%
Market Cap (KES Bn)	1,792.61	1,807.88	0.9%

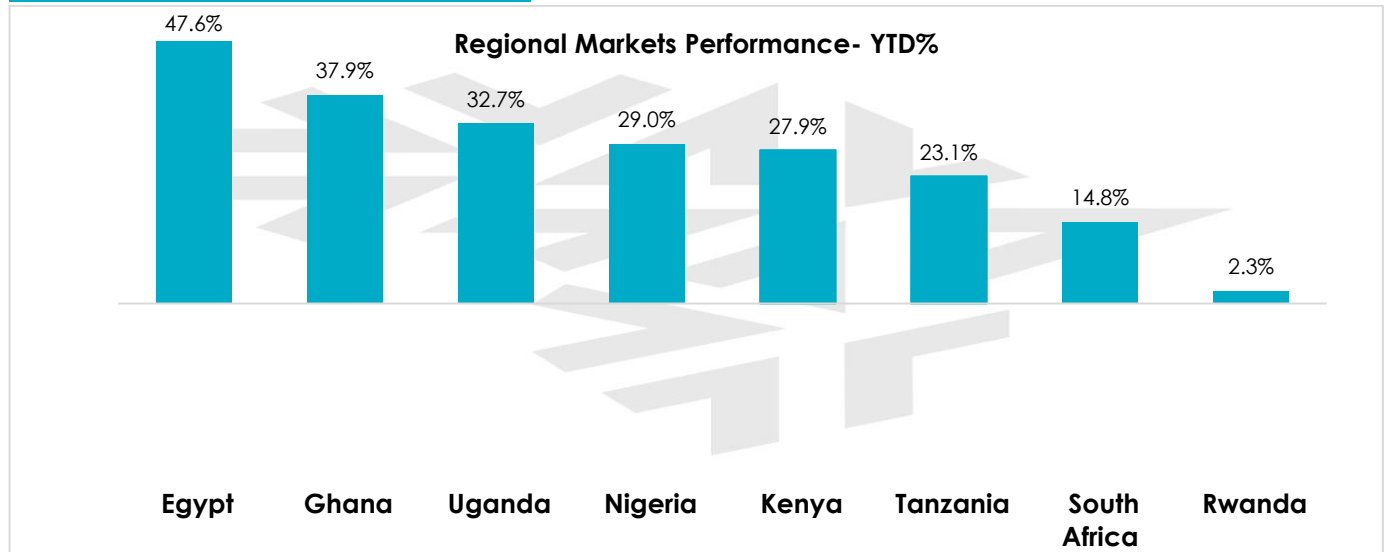
Source: NSE, NCBA IB Research

NSE Counter Performance



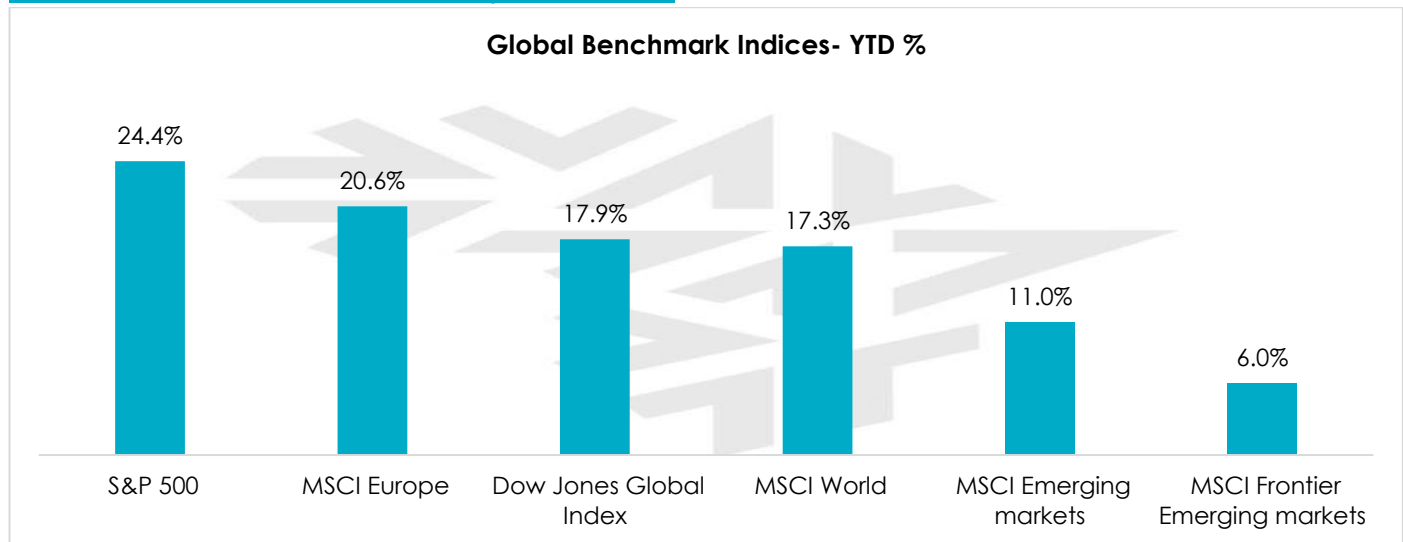
Source: NSE, NCBA IB Research

Regional Markets YTD% Performance



Source: Bloomberg, NSE, NCBA IB Research

Global Benchmark Indices YTD % performance



Source: Bloomberg, NSE, NCBA IB Research

Upcoming Dividend payments

Corporate Actions	Dividend	Book Closure	Payment
Centum	KES 0.32	11-Oct-24	13-Dec-24
HF Group Plc	Rights Issue (2:1)	4-Nov-24	23-Dec-24

Source: NCBA IB Research, NSE

FIXED INCOME

Primary Market

Treasury bill results

Treasury bills were oversubscribed during the week, with a subscription rate of 259.02% out of which the government accepted **KES 28.14Bn**. 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 44	Bids received week 42
91 day	4.00	15.01	34.23
182 day	10.00	23.24	28.15
364 day	10.00	23.92	23.38
Total	24.00	62.17	85.76

Prevailing rates	Week 44	Week 43	W/W change (bps)
91 Day	13.97%	14.43%	(46.65)
182 Day	14.52%	15.15%	(62.34)
364 Day	14.97%	15.47%	(50.11)

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, **total turnover** increased to **KES 27.92Bn** from KES 19.24Bn traded in the previous week.

Most traded bonds:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)
IFB1/2023/17Yr (Re-opened)	15.35	14.40%	15.20%	8,050.35
IFB1/2024/8.5Yr	7.79	18.46%	15.28%	6,983.40
IFB1/2023/6.5Yr	5.52	17.93%	15.28%	3,446.50
FXD1/2022/10Yr	7.52	13.49%	16.17%	1,890.00
IFB1/2016/15Yr	6.94	12.00%	14.66%	1,850.75

Source: NSE, NCBAIB Research

November 2024 Bond offer: Re-Opened Bonds FXD1/2023/10, FXD1/2022/15 AND FXD1/2024/10

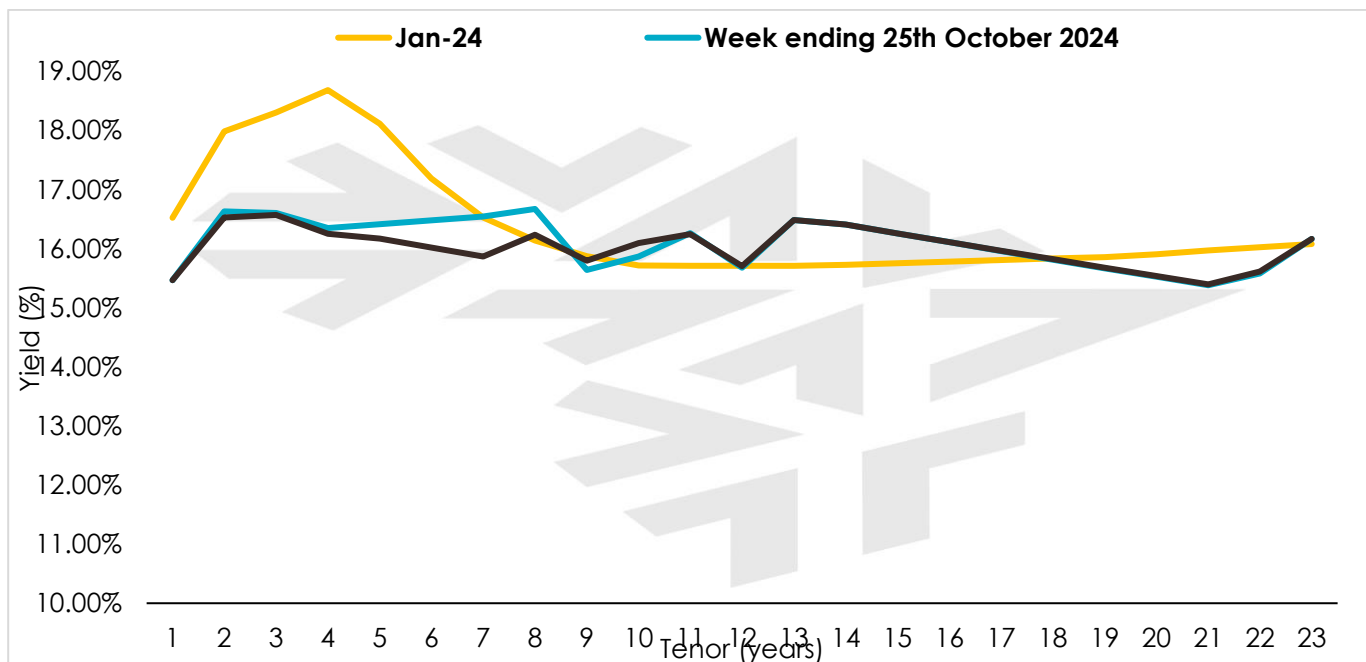
The Central Bank of Kenya, in its capacity as a fiscal agent for the Republic of Kenya, is offering an opportunity to participate in the re-opened bonds **FXD1/2023/10**, **FXD1/2022/15** & **FXD1/2024/10** seeking to raise **KES 45.00Bn**.

Issue	FXD1/2023/10 Re-Opened	FXD1/2022/15 Re-opened	FXD1/2024/10 Re-opened
Tenor to Maturity	8.0 Yrs	12.5 Yrs	9.4 Yrs
Coupon Rate	14.15%	13.94%	16.00%
Offered Amount	KES 25 Bn		KES 20Bn
Period of Sale	25th Oct 2024 to 6th Nov 2024		25th Oct 2024 to 13th Nov 2024
Value Date	11th Nov 2024		18th Nov 2024
Minimum Bidding Amount	KES 50,000.00		
Taxation	10.00%		

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:

The yields on Kenyan Eurobonds decreased with KENINT 32 registering the largest decrease in yield.

Eurobond	Tenor (Years)	Amount (USD Mn)	Coupon Rate (%)	Previous Yield (%)	Current Yield (%)	Change (Bps)
KENINT 05/22/2027	3	900	7.00%	8.41%	8.21%	(19.90)
KENINT 02/28/2028	4	1,000	7.25%	9.11%	8.93%	(17.30)
KENINT 02/16/2031	7	1,500	9.75%	9.99%	9.80%	(19.50)
KENINT 05/22/2032	8	1,200	8.00%	10.10%	9.87%	(22.90)
KENINT 01/23/2034	10	1,000	6.30%	9.88%	9.72%	(16.30)
KENINT 02/28/2048	24	1,000	8.25%	10.30%	10.15%	(15.00)

Source: Bloomberg, NCBA IB Research

Inflation

The annual headline inflation rate as measured by the Consumer Price Index (CPI) declined to **2.7%** in **October** from 3.6% in September 2024 largely on account of lower fuel and food inflation.

Statistic	Current	Previous	Change (bps)
Inflation	2.70%	3.60%	(90.0)

Interest Rates

MPC On October 8th, convened and decided to **lower** the Central Bank Rate (CBR) to **12.00 %**

MPC assessed that previous tightening measures had sufficiently anchored inflation expectations. With inflationary pressures showing signs of easing, the committee felt it was appropriate to lower the CBR to support economic growth.

Despite recent increases in food and fuel prices, the overall inflation rate has been moderating. The MPC aims to balance the need to control inflation with the necessity of stimulating economic activity.

Statistic	Current	Previous	Change (bps)
CBR	12.00%	12.75%	(75.0)

Liquidity conditions

Liquidity conditions in the interbank space **tightened**. Indicatively, the overnight average interbank rate rose by 0.03% week on week to close at 12.00%.

The average daily traded volumes declined to KES 31.47Bn from KES 41.86Bn observed in the previous week.

Statistic	Current	Previous	Change
Average Interbank Rate	12.00%	11.97%	0.03%
Average Interbank volume KES Bn	31.47	41.86	(24.83%)

Currency

On the FX front, the shilling marginally depreciated against the greenback, closing at **129.21**.

Foreign exchange reserves increased by **1.06%** week on week to close at **US 8.56Bn**, the reserves represent **4.4 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**) increased to close at 103.74 from 103.59 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 44	Week 43	W/W change (%)
US Dollar	129.20	129.21	(0.01%)
STG Pound	167.50	168.25	(0.45%)
Euro	139.81	140.05	(0.17%)
Forex reserves	8,586.00	8,496.00	1.06%

Source: CBK, NCBA IB Research

Fiscal Tracker-September 2024

For the third month of FY'2024/2025, total revenue collected as reported by the National Treasury stood at **KES 775.72Bn** which represents an **18.43%** achievement against the full year target of **KES 4,207.91Bn**.

Net domestic borrowing stood at **KES 153.38Bn** reflecting a performance rate of **15.68%**. The performance in domestic borrowing comes as the government is trying to manage the interest rate and normalize the yield curve by issuing medium to long term bonds.

The Treasury also released the bond calendar for the first time which is expected to help investors plan their investments. The total expenditure amounted to **KES 771.71Bn** reflecting a performance rate of **18.34%**. The government's equitable share allocation to counties was revised to **KES 380.00Bn** with arrears for **KES 30.83Bn** for June 2024 were also disbursed during the month.

September 2024					
	24/25 Budget	Aug-24	Sep-24	September receipts	Performance FY Budget
INCOME(KES Bn)					
Tax Revenue	2,475.06	312.84	525.55	212.72	21.23%
Non-Tax Revenue	156.35	17.63	65.32	47.70	41.78%
Net Domestic Borrowing	978.30	102.19	153.38	51.19	15.68%
External Loans and Grants	593.50	3.07	27.13	24.06	4.57%
Other Domestic Financing	4.69	4.28	4.34	0.06	92.59%
Total Revenue	4,207.91	440.00	775.72	335.72	18.43%
EXPENDITURE(KES Bn)					
Recurrent	1,307.94	162.35	280.09	117.74	21.41%
Consolidated Fund Services	2,137.84	228.50	359.48	130.98	16.82%
Development	351.29	18.25	68.54	50.29	19.51%
County Government	410.83	30.83	63.60	32.76	15.48%
Total Expenditure	4,207.91	439.95	771.71	331.76	18.34%

Source: National Treasury, NCBA IB Research

Kenya Government Debt Maturities Schedule – October 2024:

The government has total domestic debt maturities of **KES 249.83Bn** in the month of November 2024 compared to **KES 225.66Bn** in October 2024. We expect robust government activity in the local market.

Treasury Bond Maturities			
Issue No.	Maturity Date	Fixed Coupon Rate	Outstanding Amount KES 'Mn
IFB1/2017/007	November 18, 2024	12.50%	21,262.25
Total			21,262.25

Coupon payments					
Issue No.	Next Coupon Payment Date	Maturity date	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn
FXD1/2020/005	4-Nov-24	5-May-25	104,518.70	11.67%	6,097.10
FXD2/2019/015	4-Nov-24	24-Apr-34	81,644.75	12.73%	5,198.32
FXD1/2021/025	4-Nov-24	9-Apr-46	90,490.00	13.92%	6,299.91
FXD1/2023/003	11-Nov-24	11-May-26	76,537.95	14.23%	5,444.91
FXD1/2021/005	11-Nov-24	9-Nov-26	66,075.85	11.28%	3,725.69
FXD1/2011/020	11-Nov-24	5-May-31	37,029.40	10.00%	1,851.47
FXD1/2022/010	11-Nov-24	3-May-32	63,956.30	13.49%	4,313.85
FXD1/2012/020	11-Nov-24	1-Nov-32	87,285.65	12.00%	5,237.14
IFB1/2016/009	11-Nov-24	12-May-25	19,925.79	12.50%	1,245.36
IFB1/2018/020	11-Nov-24	25-Oct-38	36,787.30	11.95%	2,198.04
IFB1/2022/014	11-Nov-24	27-Oct-36	94,258.60	13.94%	6,568.88
IFB1/2023/6.5	11-Nov-24	6-May-30	186,900.55	17.93%	16,758.16
FXD4/2019/010	18-Nov-24	12-Nov-29	89,972.85	12.28%	5,524.33
FXD1/2018/015	18-Nov-24	9-May-33	76,351.65	12.65%	4,829.24
IFB1/2017/007	18-Nov-24	18-Nov-24	21,262.25	12.50%	1,328.89
IFB1/2020/006	25-Nov-24	25-May-26	10,252.00	10.20%	522.85
Total					77,144.15

Treasury Bills	
Payment Date	Amount KES 'Mn
November 4, 2024	27,624.43
November 11, 2024	33,041.55
November 18, 2024	42,177.32
November 25, 2024	48,575.51
Total	151,418.81

Source: CBK, NCBA IB Research

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