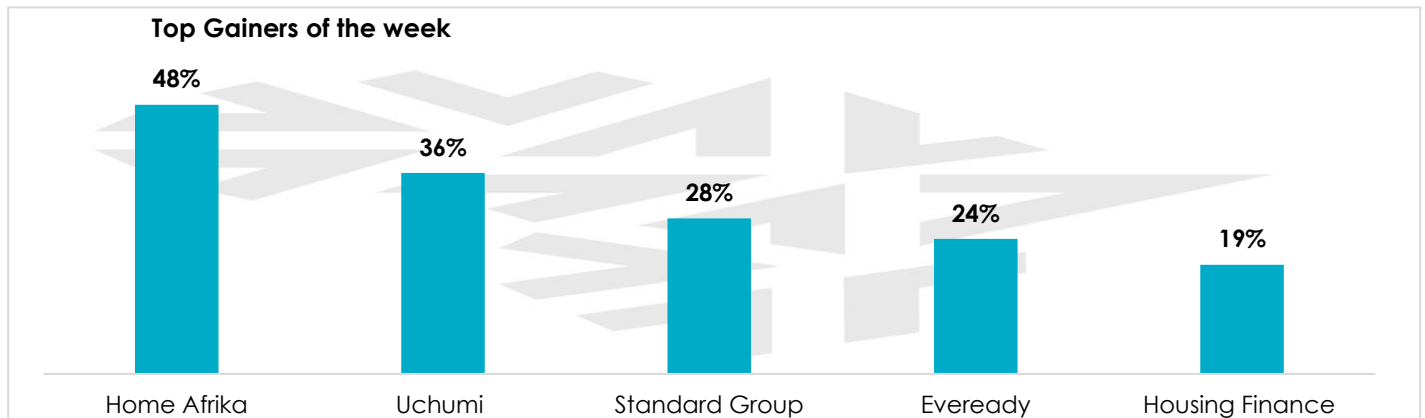


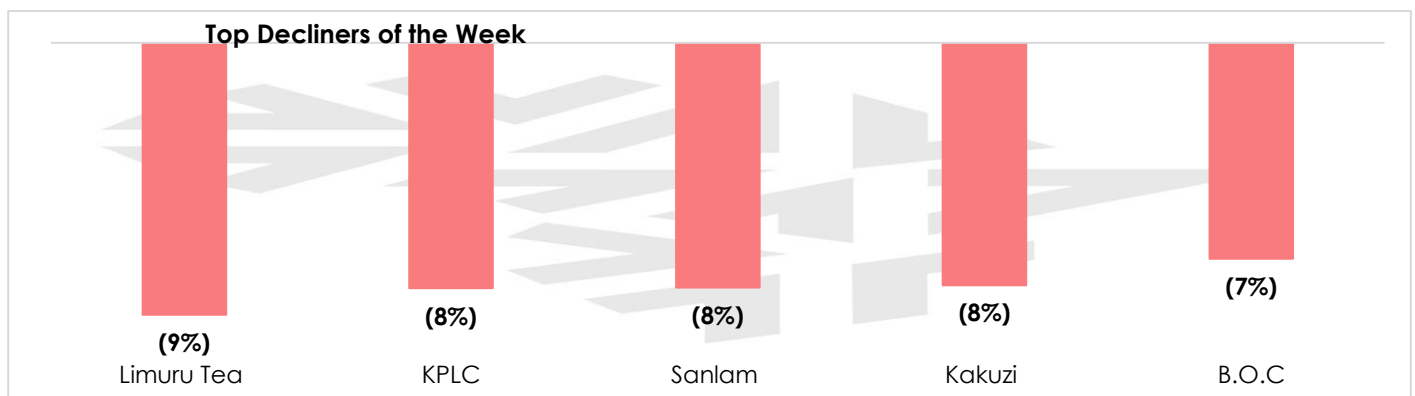
The Week in Review | Week 06
EQUITIES
Local Market Performance

WEEKLY MARKET DATA				
VARIABLES	Week 6	Week 5	W/W%	
NASI	129.58	128.28	1.01%	
NSE-10	1,340.51	1,312.58	2.13%	
NSE-20	2,194.48	2,162.58	1.48%	
NSE-25	3,508.72	3,436.04	2.12%	
Weekly Shares Traded (Mn)	165.32	47.71	246.54%	
Weekly Equity Turnover (KES Mn)	2,724.42	548.50	396.71%	
Market Cap (KES Bn)	2,035.56	1,984.96	2.55%	
Foreign Participation	39%	65%	(26.00%)	
Foreign Inflow (Outflow) KES Mn	957.00	401.93	138.10%	

Source: NSE, NCBA IB Research

NSE Counter Performance


Source: NSE, NCBA IB Research



Source: NSE, NCBA IB Research

Regional Markets Performance

Regional Indices			
VARIABLES		w/w %	YTD %
Kenya		1.0%	3.4%
Uganda		(0.1%)	13.1%
Tanzania		2.7%	5.7%
Rwanda		(2.4%)	(2.0%)
Nigeria		2.3%	2.7%
Ghana		3.3%	7.3%
Egypt		0.6%	2.8%
South Africa		3.8%	3.6%

Source: Bloomberg, NSE, NCBA IB Research

Global Benchmark Indices performance

Global benchmark indices			
VARIABLES		w/w %	YTD %
S&P 500		(0.2%)	2.7%
MSCI World		(0.1%)	3.5%
Dow Jones Global Index		0.1%	2.1%
MSCI Europe		0.7%	7.2%
MSCI Asia		0.9%	2.2%
MSCI Emerging markets		1.4%	3.5%
MSCI Frontier Emerging markets		0.1%	4.8%

Source: Bloomberg, NSE, NCBA IB Research

Upcoming Dividend payments

Corporate Actions	Dividend	Book Closure	Payment
EA Portland	KES 1.00	31-Dec-24	28-Feb-25
KenGen	KES 0.65	29-Nov-24	13-Feb-25
EABL (Interim)	KES 2.50	21-Feb-25	30-April-25
KPLC(Interim)	KES 0.20	28-Feb-25	11-Apr-25

Source: NSE, NCBA IB Research

FIXED INCOME

Primary Market

Treasury bill results

Treasury bills were oversubscribed (**296.48%** subscription rate) during the week with majority of the bids gearing towards the 364-day paper. The government accepted a total of **KES 59.74Bn** (**83.95%** acceptance rate) at indicatively lower rates.

Subscription	Amount offered KES Bn	Bids received week 6	Bids received week 5
91 day	4.00	9.99	2.47
182 day	10.00	23.98	2.86
364 day	10.00	37.18	8.13
Total	24.00	71.15	13.46

Prevailing rates	Week 06	Week 05	W/W change (bps)
91 Day	9.12%	9.52%	(40.63)
182 Day	9.52%	10.03%	(50.85)
364 Day	10.76%	11.31%	(55.51)

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, total turnover increased to **KES 38.91Bn** from KES 28.04Bn traded in the previous week.

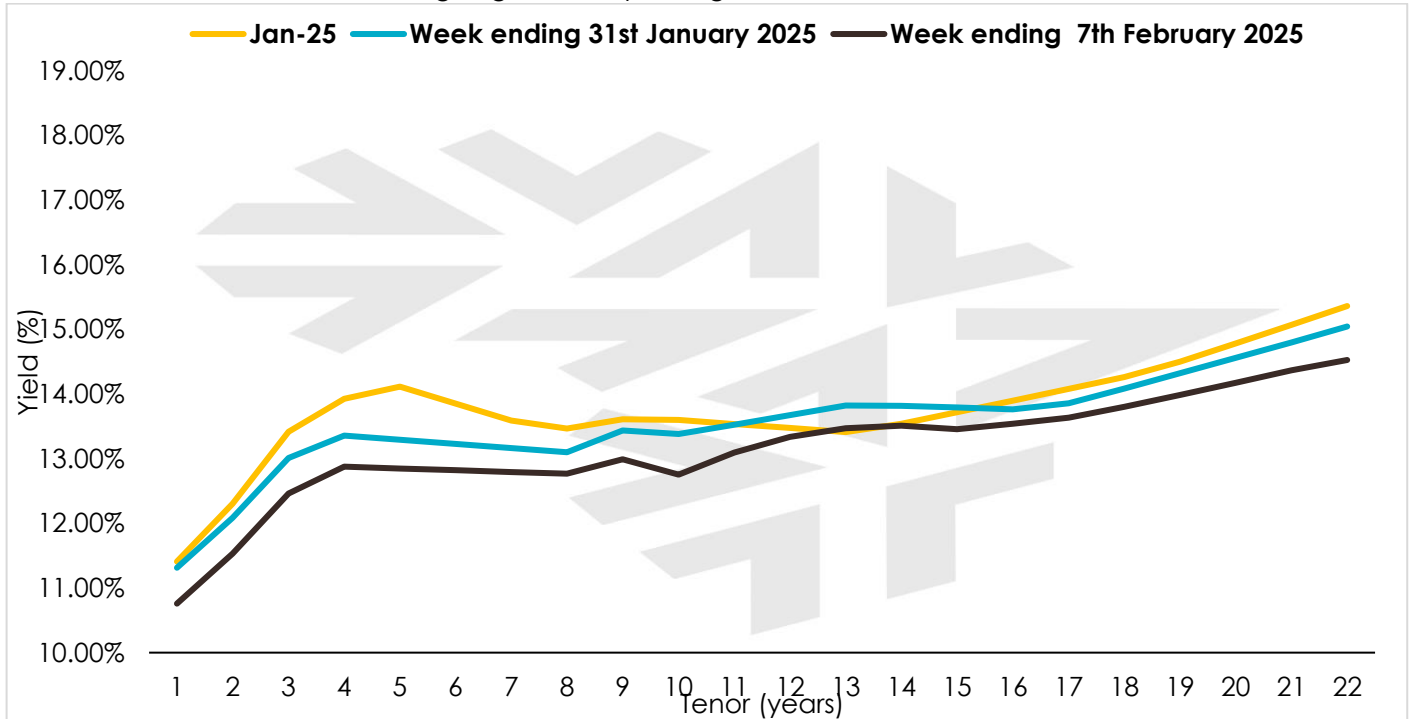
Most traded bonds:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)
IFB1/2024/8.5Yr	7.52	18.46%	13.86%	4,908.65
FXD2/2018/10Yr(Re-opened)	3.83	12.25%	13.77%	4,186.15
FXD1/2016/10Yr(Re-opened)	1.52	15.03%	11.99%	3,519.70
FXD1/2023/10Yr	8.00	14.15%	13.40%	3,248.00
FXD2/2013/15Yr(Re-opened)	3.17	12.00%	13.38%	2,312.00

Source: NSE, NCBA IB Research

Government Securities Yield Curve

The yield on government securities has continued to decline, with this trend expected to persist, albeit at a slower pace as the Central Bank maintains its ongoing monetary easing measures.



Source: NSE, NCBA IB Research

Kenya International Debt Yield Curves:

The yields on Kenyan Eurobonds were on a downward trajectory during the week with **KENINT 28** recording the highest decline.

Eurobond	Tenor (Years)	Amount (USD Mn)	Coupon Rate (%)	Current Yield (%)	Previous Yield (%)	Change (Bps)
KENINT 27	2	900	7.00%	8.16%	8.36%	(19.60)
KENINT 28	3	1,000	7.25%	8.57%	8.91%	(33.80)
KENINT 31	6	1,500	9.75%	9.75%	9.97%	(22.50)
KENINT 32	7	1,200	8.00%	9.68%	9.87%	(19.70)
KENINT 34	9	1,000	6.30%	9.74%	9.94%	(19.90)
KENINT 48	23	1,000	8.25%	10.09%	10.21%	(11.40)

Source: Bloomberg, NCBA IB Research

Inflation

The annual headline inflation rate measured by the Consumer Price Index (CPI) rose marginally to **3.3%** in **January 2025** from 3.0% in December 2024 largely on account of increases in prices of food items.

Statistic	Current	Previous	Change (bps)
Inflation	3.30%	3.00%	30.0

Source: KNBS, NCBA IB Research

Interest Rates

The Monetary Policy Committee met on February 5th and decided to **lower** the Central Bank Rate (CBR) by 50bps to **10.75%**, and further lowered the **Cash Reserve Requirement** (CRR) by 100 basis points to **3.25%**. This decision is expected to enhance liquidity in the banking sector, potentially lowering the cost of funds and encouraging private sector lending.

Statistic	Current	Previous	Change (bps)
CBR	10.75%	11.25%	(50.0)

Source: KNBS, NCBA IB Research

Liquidity conditions

Liquidity conditions in the interbank space **eased**. Indicatively, the overnight average interbank rate decreased marginally by 0.52% week on week to close at **10.70%**.

The demand for funds decreased, with daily traded volumes averaging **KES 11.90Bn** from KES 22.25Bn observed in the previous week.

Statistic	Current	Previous	Change
Average Interbank Rate	10.70%	11.22%	(0.52%)
Average Interbank volume KES Bn	11.90	22.25	(46.52%)

Source: CBK, NCBA IB Research

Bond Buyback

The government has issued the first domestic bond buy back, after the Eurobond buyback in Feb 2024, with an intention to purchase **KES 50Bn** of KES 185.05Bn maturing in April and May.

Although unprecedented for the domestic primary market, a comparable approach was taken last year with a Eurobond, where a portion was repaid ahead of schedule to manage a substantial payment obligation. This buyback seems to follow a similar strategy, considering the significant maturities during that period.

By repurchasing part of the debt in advance, the CBK aims to alleviate the repayment pressure.

Participation in this process is entirely voluntary and limited to holders of the designated bonds, who have the option to sell either a portion or the entirety of their holdings.

Bond Auction Guide: Re-opened bonds IFB1/2022/14 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 Re-opened bonds **IFB1/2022/14** and **IFB1/2023/17** seeking to raise **KES 70.0Bn** for budgetary support.

Our recommended bidding range is:

Issue	IFB1/2022/14 Re-opened	IFB1/2023/17 Re-opened
Tenor to Maturity	11.8 Yrs	15.1 Yrs
Coupon Rate	13.94%	14.40%
Offered Amount (KES Bn)	70.00	
Period of Sale	23rd Jan 2025 to 12th Feb 2025	
Value Date	17th Feb 2025	
Minimum Bidding Amount	KES 50,000.00	
Taxation	Tax free as is the case for Infrastructure Bonds	
Our Bidding Range	14.00%-14.50%	14.30%-14.80%

Source: CBK, NCBA IB Research

Currency

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

Foreign exchange reserves increased by **3.85%** week on week to close at **US 9.22Bn**, the reserves represent **4.7 months** of import cover which meets the CBK's statutory requirement of at least 4 months of import cover.

The US Dollar Index (**DXY**) declined to close at 108.04 from 108.37 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 06	Week 05	W/W change (%)
US Dollar	129.21	129.23	(0.01%)
STG Pound	160.09	160.72	(0.40%)
Euro	133.90	134.49	(0.44%)
Forex reserves	9,219.00	8,877.00	3.85%

Source: CBK, NCBA IB Research

Kenya Government Debt Maturities Schedule – February 2025:

The government has total domestic debt maturities of **KES 181.88Bn** in the month of February 2025 compared to **KES 127.70Bn** in the month of January 2025. We expect robust government activity in the local market.

Coupon payments					
Issue No.	Next Coupon Payment Date	Maturity date	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn
FXD1/2013/015	10-Feb-25	25-Feb-13	82,473.25	11.25%	4,639.12
FXD3/2019/010	10-Feb-25	19-Aug-19	68,743.45	11.52%	3,958.59
FXD1/2023/010	10-Feb-25	13-Feb-23	73,595.17	14.15%	5,207.23
FXD1/2021/020	10-Feb-25	22-Jul-41	75,984.00	13.44%	5,107.64
FXD1/2023/002	17-Feb-25	18-Aug-25	94,638.05	16.97%	8,031.13
FXD1/2016/010	17-Feb-25	17-Aug-26	103,380.70	15.04%	7,773.71
FXD1/2018/010	17-Feb-25	14-Aug-28	40,584.60	12.69%	2,574.28
FXD1/2019/010	17-Feb-25	12-Feb-29	67,524.85	12.44%	4,199.37
FXD1/2020/015	17-Feb-25	5-Feb-35	73,156.30	12.76%	4,665.91
IFB1/2017/012	17-Feb-25	12-Feb-29	6,249.55	12.50%	390.60
IFB1/2020/011	17-Feb-25	11-Aug-31	80,249.60	10.90%	4,373.60
IFB1/2022/019	17-Feb-25	28-Jan-41	98,377.55	12.97%	6,377.32
IFB1/2024/8.5	17-Feb-25	9-Aug-32	240,334.85	18.46%	22,183.75
Total					79,482.25

Treasury Bills	
Payment Date	Amount KES 'Mn
February 3, 2025	19,330.00
February 10, 2025	35,502.14
February 17, 2025	20,010.57
February 24, 2025	27,556.13
Total	102,398.84

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