

The Week in Review | Week 07

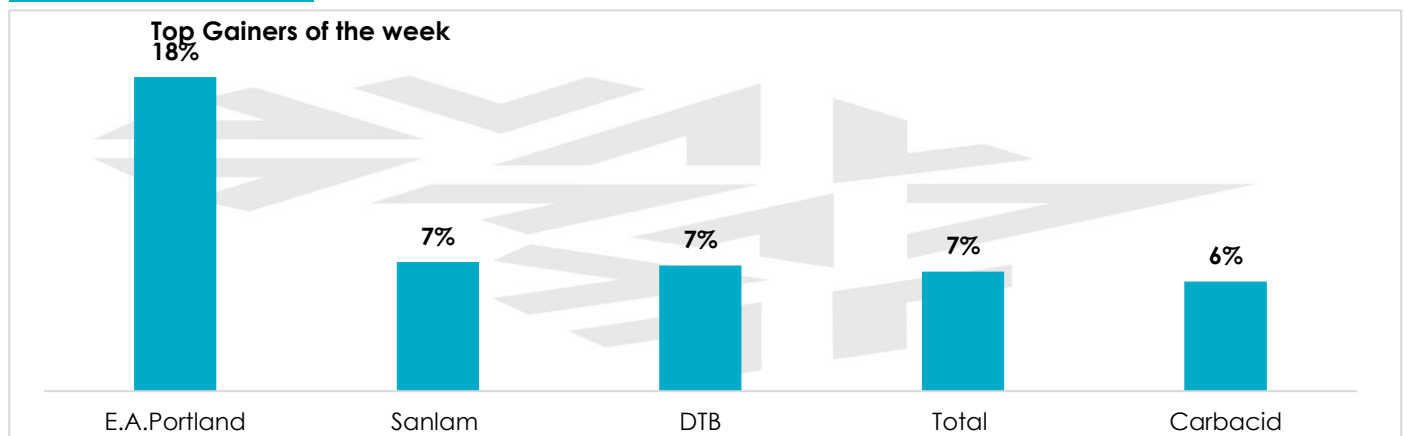
EQUITIES

Local Market Performance

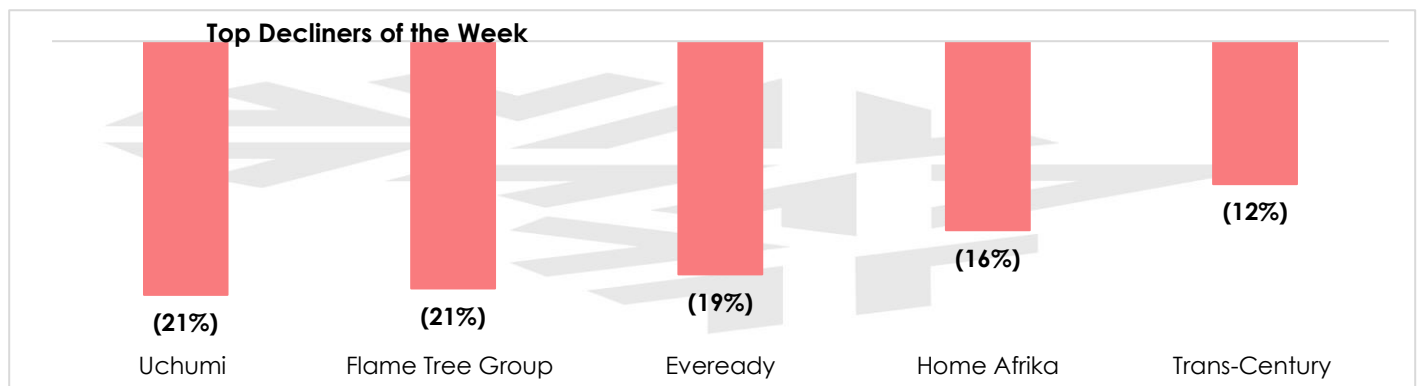
WEEKLY MARKET DATA				
VARIABLES	Week 7	Week 6	W/W%	
NASI	131.05	129.58	1.13%	
NSE-10	1,354.66	1,340.51	1.06%	
NSE-20	2,222.69	2,194.48	1.29%	
NSE-25	3,555.75	3,508.72	1.34%	
Weekly Shares Traded (Mn)	118.59	165.32	(28.26%)	
Weekly Equity Turnover (KES Mn)	1,965.94	2,724.42	(27.84%)	
Market Cap (KES Bn)	2,058.56	2,035.56	1.13%	
Foreign Participation	59%	39%	20.00%	
Foreign Inflow (Outflow) KES Mn	(148.50)	(957.30)	(84.49%)	

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		1.1%	4.6%
Uganda		1.0%	14.2%
Tanzania		(0.6%)	5.7%
Rwanda		0.0%	0.4%
Nigeria		2.0%	4.7%
Ghana		2.0%	9.5%
Egypt		(0.1%)	2.8%
South Africa		1.4%	5.0%

Source: Bloomberg, NSE, NCBA IB Research

Global Benchmark Indices performance

Global benchmark indices			
VARIABLES		w/w %	YTD %
S&P 500		1.5%	4.2%
MSCI World		1.7%	5.3%
Dow Jones Global Index		1.6%	3.7%
MSCI Europe		1.8%	9.2%
MSCI Asia		1.3%	3.5%
MSCI Emerging markets		1.5%	5.1%
MSCI Frontier Emerging markets		1.6%	5.6%

Source: Bloomberg, NSE, NCBA IB Research

Upcoming Dividend payments

Corporate Actions	Dividend	Book Closure	Payment
Eabl (Interim)	KES 2.50	21-Feb-25	30-Apr-25
EA Portland	KES 1.00	31-Dec-24	28-Feb-25
KPLC (Interim)	KES 0.20	28-Feb-25	11-Apr-25
Safaricom	KES 0.55	3-Mar-25	31-Mar-25

Source: NSE, NCBA IB Research

FIXED INCOME

Primary Market

Treasury bill results

Treasury bills were oversubscribed (**184.40%** subscription rate) during the week with majority of the bids gearing towards the 182-day paper. The government accepted a total of **KES 25.14Bn** (**56.82%** acceptance rate) at indicatively lower rates.

Subscription	Amount offered KES Bn	Bids received week 7	Bids received week 6
91 day	4.00	2.53	9.99
182 day	10.00	23.62	23.98
364 day	10.00	18.11	37.18
Total	24.00	44.26	71.15

Prevailing rates	Week 07	Week 06	W/W change (bps)
91 Day	8.97%	9.12%	(14.59)
182 Day	9.41%	9.52%	(10.90)
364 Day	10.59%	10.76%	(16.40)

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, total turnover declined to **KES 31.26Bn** from KES 38.91Bn traded in the previous week.

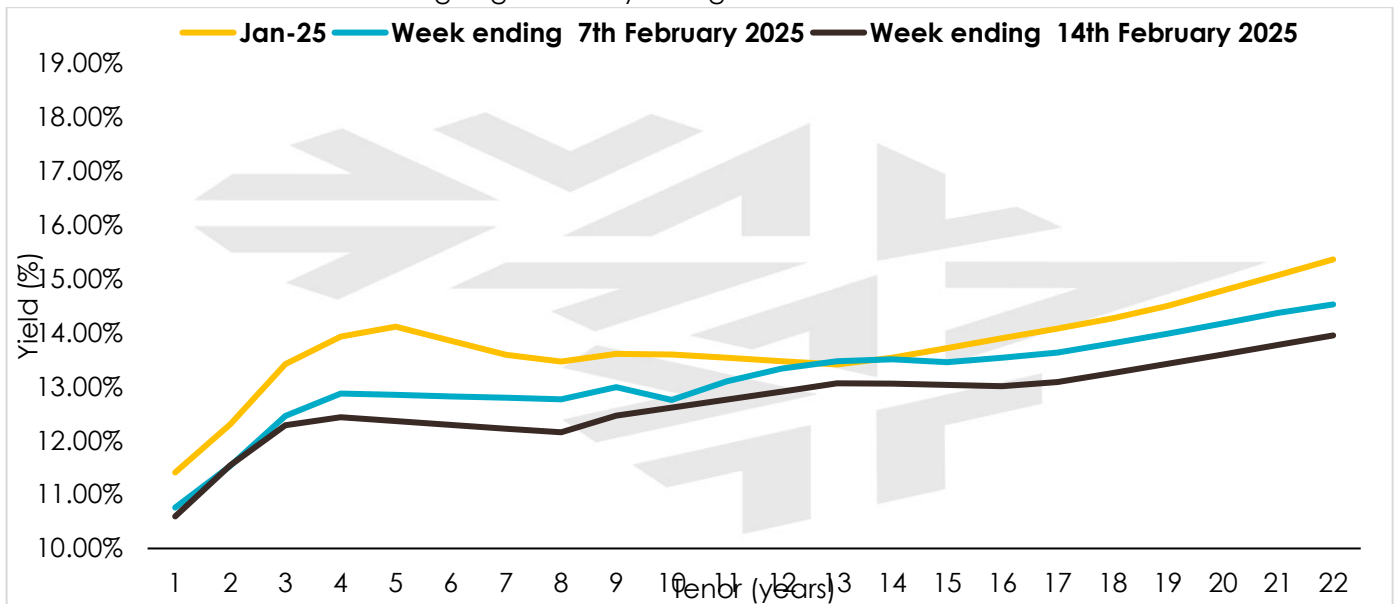
Most traded bonds:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)
FXD1/2023/10Yr	7.99	14.15%	13.47%	3,567.00
FXD2/2018/10Yr(Re-opened)	3.81	12.50%	12.82%	3,190.60
FXD 1/2023/5Yr	3.41	16.84%	12.94%	2,966.80
FXD1/2024/10Yr(Re-opened)	9.10	16.00%	13.59%	2,684.50
FXD 1/2023/2Yr(Re-opened)	3.16	16.97%	10.06%	2,251.00

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 an upward trajectory during the week with **KENINT 34** recording the highest increase.

Eurobond	Tenor (Years)	Amount (USD Mn)	Coupon Rate (%)	Current Yield (%)	Previous Yield (%)	Change (Bps)
KENINT 27	2	900	7.00%	8.18%	8.16%	2.00
KENINT 28	3	1,000	7.25%	8.68%	8.57%	11.50
KENINT 31	6	1,500	9.75%	9.91%	9.75%	16.30
KENINT 32	7	1,200	8.00%	9.82%	9.68%	14.80
KENINT 34	9	1,000	6.30%	9.93%	9.74%	18.50
KENINT 48	23	1,000	8.25%	10.19%	10.09%	10.00

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 0.36% week on week to close at **10.54%**.

The demand for funds increased, with daily traded volumes averaging **KES 15.36Bn** from KES 14.29Bn observed in the previous week.

Statistic	Current	Previous	Change
Average Interbank Rate	10.540%	10.897%	(0.36%)
Average Interbank volume KES Bn	15.36	14.29	7.55%

Source: CBK, NCBA IB Research

Bond Auction Results: Re-opened bonds IFB1/2022/14 AND IFB1/2023/17

The Central Bank received **KES 193.89Bn** in bids, reflecting a **277%** subscription rate. Of this, **KES 130.81Bn** was accepted, resulting in a **67.46%** acceptance rate. Notably, our bidding guide accurately aligned with the auction's bidding ranges.



Results Summary:

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	
Bids Received (KES Mn)	93,132.02	100,765.93
Amount Accepted (KES Mn)	65,255.75	65,553.12
Market Weighted Average Rate (%)	14.086%	14.416%
Weighted Average Rate of Accepted Bids (%)	13.978%	14.281%
Adjusted Average Price (Per KES 100)	103.501	106.984
Our recommended bidding range	14.00%-14.50%	14.30%-14.80%

Source: CBK, NCBA IB Research

Currency

On the FX front, the shilling depreciated marginally against the greenback, closing at **129.22** during the week.

Foreign exchange reserves increased by **1.68%** week on week to close at **US 9.37Bn**, the reserves represent **4.8 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 106.71 from 108.04 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 07	Week 06	W/W change (%)
US Dollar	129.22	129.21	0.01%
STG Pound	161.14	160.09	0.66%
Euro	134.22	133.90	0.24%
Forex reserves	9,374.00	9,219.00	1.68%

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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