

The Week in Review | Week 08

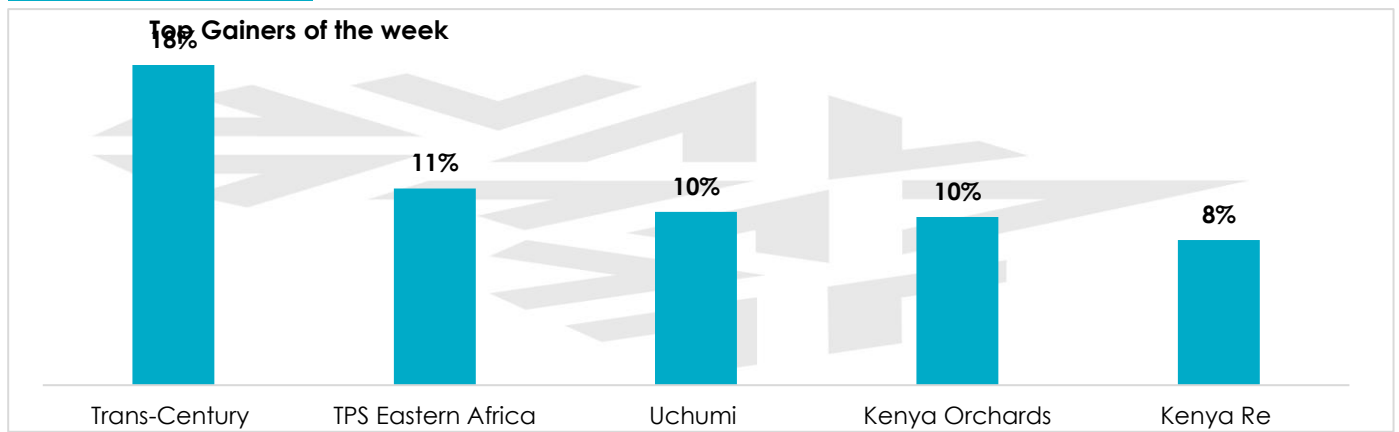
EQUITIES

Local Market Performance

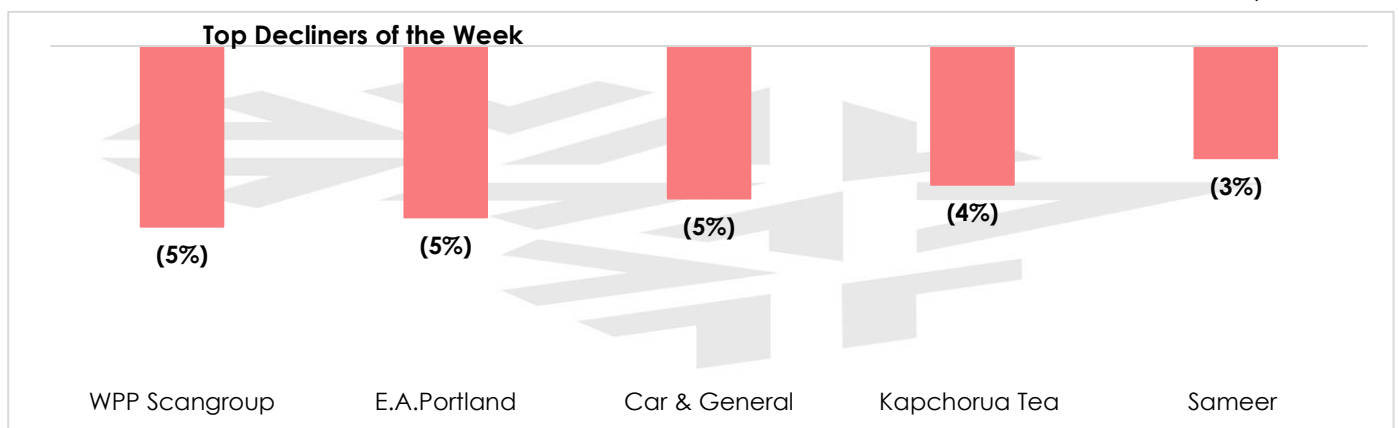
WEEKLY MARKET DATA				
VARIABLES	Week 8	Week 7	W/W%	
NASI	132.81	131.05	1.34%	
NSE-10	1,361.23	1,354.66	0.48%	
NSE-20	2,241.11	2,222.69	0.83%	
NSE-25	3,566.84	3,555.75	0.31%	
Weekly Shares Traded (Mn)	109.10	165.32	(34.01%)	
Weekly Equity Turnover (KES Mn)	2,072.98	2,724.42	(23.91%)	
Market Cap (KES Bn)	2,086.22	2,035.56	2.49%	
Foreign Participation	30%	59%	(29.00%)	
Foreign Inflow (Outflow) KES Mn	86.72	(148.50)	(158.40%)	

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		1.3%	6.0%
Uganda		0.9%	14.1%
Tanzania		0.8%	7.2%
Rwanda		0.0%	0.4%
Nigeria		2.3%	5.0%
Ghana		2.0%	9.5%
Egypt		1.1%	4.0%
South Africa		1.8%	5.4%

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		1.6%	5.2%
Dow Jones Global Index		1.7%	3.8%
MSCI Europe		1.6%	8.9%
MSCI Asia		1.7%	3.9%
MSCI Emerging markets		2.2%	5.7%
MSCI Frontier Emerging markets		1.7%	6.4%

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
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 (**137.26%** subscription rate) during the week with majority of the bids gearing towards the 182-day paper. The government accepted a total of **KES 32.90Bn** (**99.88%** acceptance rate) at indicatively lower rates.

Subscription	Amount offered KES Bn	Bids received week 8	Bids received week 7
91 day	4.00	4.52	2.53
182 day	10.00	12.36	23.62
364 day	10.00	16.06	18.11
Total	24.00	32.94	44.26

Prevailing rates	Week 08	Week 07	W/W change (bps)
91 Day	8.95%	8.97%	(2.20)
182 Day	9.31%	9.41%	(9.84)
364 Day	10.53%	10.59%	(6.80)

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, total turnover increased to **KES 87.82Bn** from KES 31.26Bn traded in the previous week.

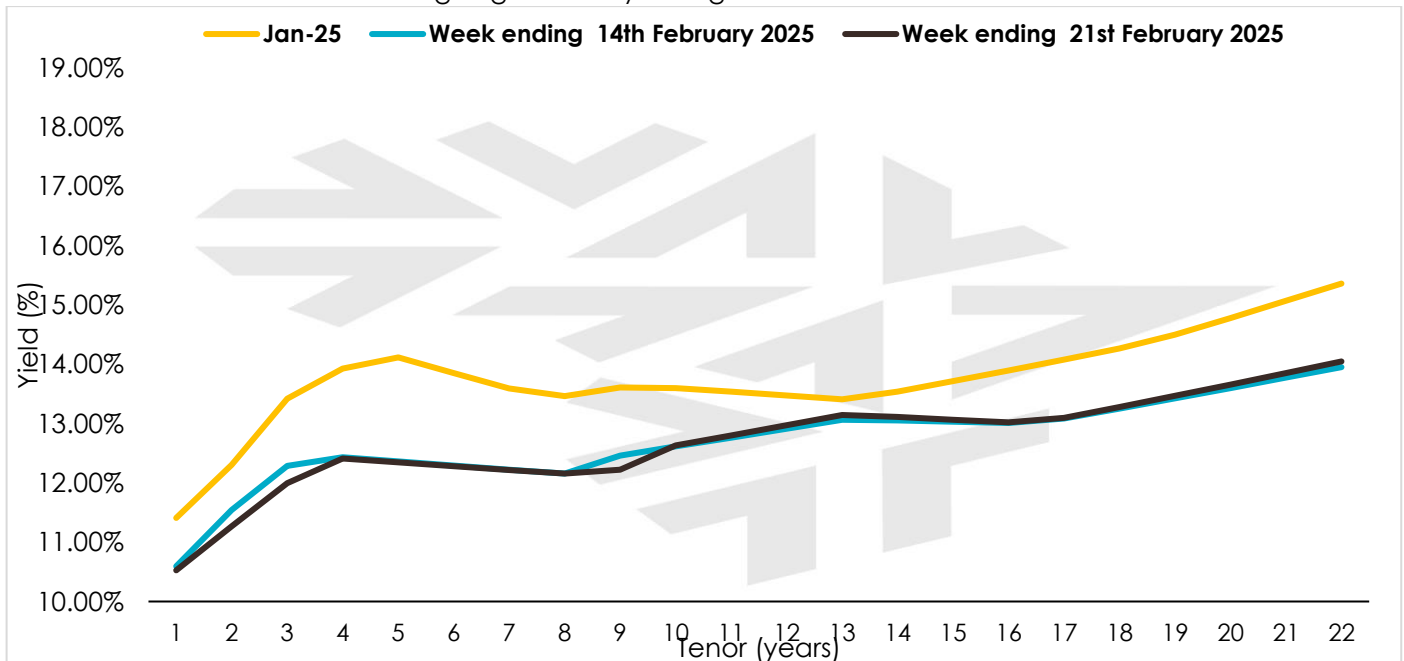
Most traded bonds:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)
IFB1/2023/17Yr (Re-opened)	15.04	14.40%	13.71%	39,622.30
IFB1/2022/14Yr	11.71	13.94%	13.41%	16,865.10
IFB1/2024/8.5Yr	7.48	18.46%	13.03%	14,190.10
FXD1/2023/10Yr	7.96	14.15%	13.43%	7,983.00
IFB1/2023/7Yr	5.31	15.84%	12.81%	7,344.65

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

Bond Auction for March 2025: FXD1/2018/25 Re-opened

The Central bank of Kenya acting in its capacity as fiscal agent for the Republic of Kenya is offering an opportunity to participate in the re-opened bond **FXD1/2018/25** seeking to raise **KES 25.00Bn**.

Issue	FXD1/2018/25 Re-opened
Tenor to Maturity	18.3 Yrs
Offered Amount (KES Bn)	KES 25Bn
Coupon Rate	13.40%
Period of Sale	21st Feb 2025 to 5th March 2025
Value Date	10th March 2025
Minimum Bidding Amount	KES 50,000.00
Taxation	10.00%

Source: CBK, NCBA IB Research

Kenya International Debt Yield Curves:

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

Eurobond	Tenor (Years)	Amount (USD Mn)	Coupon Rate (%)	Current Yield (%)	Previous Yield (%)	Change (Bps)
KENINT 27	2	900	7.00%	8.19%	8.18%	1.50
KENINT 28	3	1,000	7.25%	8.64%	8.68%	(4.20)
KENINT 31	6	1,500	9.75%	9.88%	9.91%	(3.30)
KENINT 32	7	1,200	8.00%	9.80%	9.82%	(2.50)
KENINT 34	9	1,000	6.30%	9.91%	9.93%	(2.00)
KENINT 48	23	1,000	8.25%	10.19%	10.19%	0.00

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 **tightened**. Indicatively, the overnight average interbank rate increased marginally by 0.12% week on week to close at **10.66%**.

The demand for funds increased, with daily traded volumes averaging **KES 19.65Bn** from KES 15.36Bn observed in the previous week.

Statistic	Current	Previous	Change
Average Interbank Rate	10.661%	10.540%	0.12%
Average Interbank volume KES Bn	19.65	15.36	27.88%

Source: CBK, NCBA IB Research

Currency

On the FX front, the shilling depreciated marginally against the greenback, closing at **129.58** during the week.

Foreign exchange reserves decreased by **1.26%** week on week to close at **US 9.26Bn**, 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 106.64 from 106.71 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 08	Week 07	W/W change (%)
US Dollar	129.58	129.22	0.28%
STG Pound	164.05	161.14	1.80%
Euro	136.01	134.22	1.34%
Forex reserves	9,256.00	9,374.00	(1.26%)

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

Fiscal Tracker-January 2025

For the sixth month of FY'2024/2025, total revenue collected as reported by the National Treasury stood at **KES 3.000Bn** which represents a **71.32%** achievement against the full year target of KES 4,207.91Bn.

Net domestic borrowing stood at **KES 526.92Bn** reflecting a performance rate of 53.86%. 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 total expenditure amounted to **KES 1,994Bn** reflecting a performance rate of 47.41%. The government's equitable share allocation to counties was at **KES 207.63Bn**.

January 2025					
	24/25 Budget	Dec-24	Jan-25	January receipts	Performance FY Budget
INCOME(KES Bn)					
Tax Revenue	2,475.06	1,074.06	1,251.88	177.82	50.58%
Non-Tax Revenue	156.35	86.11	99.80	13.68	63.83%
Net Domestic Borrowing	978.30	477.17	526.92	49.75	53.86%
External Loans and Grants	593.50	92.78	111.79	19.02	18.84%
Other Domestic Financing	4.69	4.44	4.44	-	94.79%
Total Revenue	4,207.91	1,734.57	1,994.83	260.27	47.41%
EXPENDITURE(KES Bn)					
Recurrent	1,307.94	654.54	758.96	104.42	58.03%
Consolidated Fund Services	2,137.84	738.09	888.89	150.80	41.58%
Development	351.29	129.82	139.33	9.51	39.66%
County Government	410.83	191.62	207.63	16.02	50.54%
Total Expenditure	4,207.91	1,384.20	1,994.81	610.61	47.41%

Source: National Treasury, NCBA IB Research

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