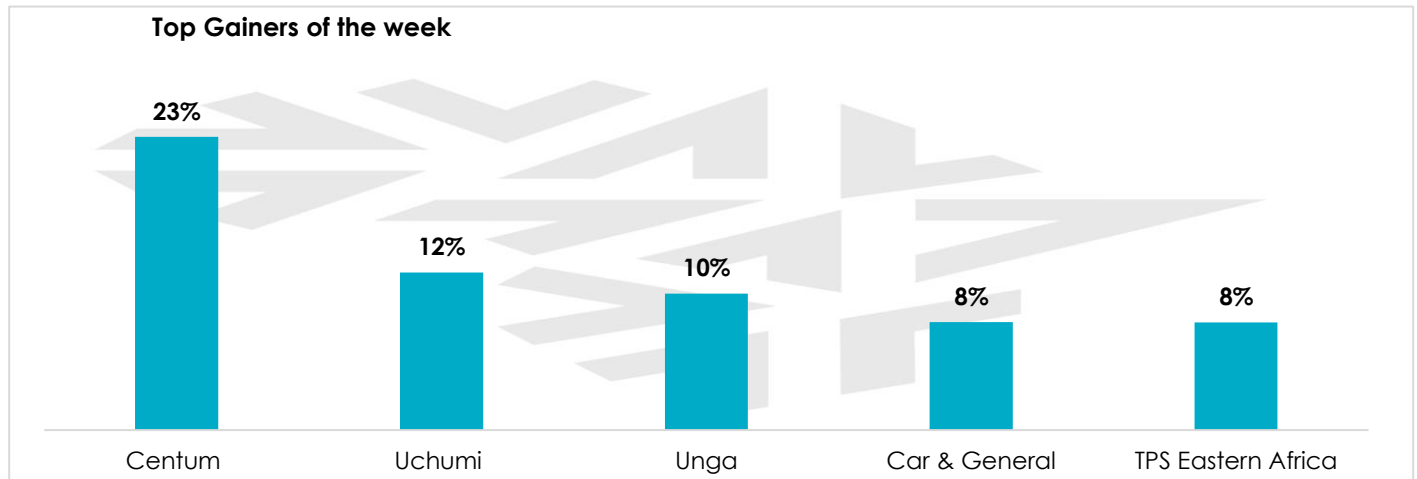


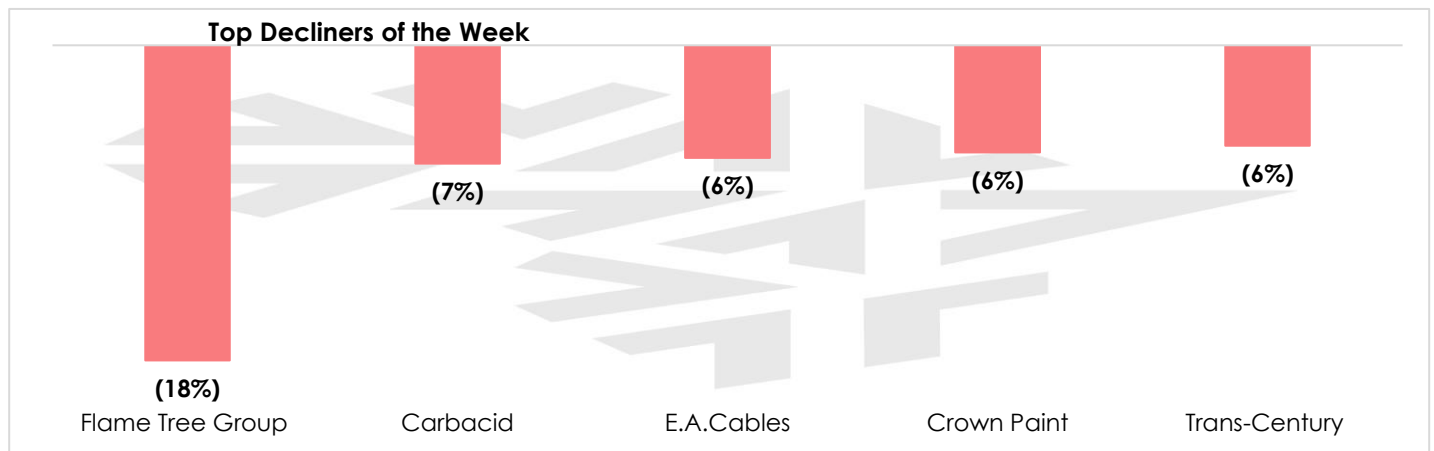
The Week in Review | Week 09
EQUITIES
Local Market Performance

WEEKLY MARKET DATA				
VARIABLES	Week 9	Week 8	W/W%	
NASI	132.13	132.81	(0.51%)	
NSE-10	1,366.92	1,361.23	0.42%	
NSE-20	2,300.17	2,241.11	2.64%	
NSE-25	3,595.08	3,566.84	0.79%	
Weekly Shares Traded (Mn)	77.68	109.10	(28.80%)	
Weekly Equity Turnover (KES Mn)	1,806.06	2,072.98	(12.88%)	
Market Cap (KES Bn)	2,076.83	2,086.22	(0.45%)	

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		(0.5%)	5.4%
Uganda		2.0%	16.4%
Tanzania		0.4%	7.6%
Rwanda		0.0%	0.0%
Nigeria		(0.5%)	4.5%
Ghana		5.8%	15.8%
Egypt		0.5%	4.5%
South Africa		(3.4%)	1.8%

Source: Bloomberg, NSE, NCBA IB Research

Global Benchmark Indices performance

Global benchmark indices			
VARIABLES		w/w %	YTD %
S&P 500		(2.7%)	1.5%
MSCI World		(2.3%)	2.8%
Dow Jones Global Index		(2.6%)	1.1%
MSCI Europe		1.2%	10.2%
MSCI Asia		(2.9%)	0.9%
MSCI Emerging markets		(3.1%)	2.5%
MSCI Frontier Emerging markets		(2.6%)	5.2%

Source: Bloomberg, NSE, NCBA IB Research

Upcoming Dividend payments

Corporate Actions	Dividend	Book Closure	Payment
BAT	KES 45.00	23-May-25	25-Jun-25
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

Source: NSE, NCBA IB Research

FIXED INCOME

Primary Market

Treasury bill results

Treasury bills were oversubscribed (**152.29%** subscription rate) during the week with majority of the bids gearing towards the 91-day paper. The government accepted a total of **KES 36.51Bn** (**99.90%** acceptance rate) at indicatively lower rates.

Subscription	Amount offered KES Bn	Bids received week 9	Bids received week 8
91 day	4.00	17.96	4.52
182 day	10.00	6.90	12.36
364 day	10.00	11.70	16.06
Total	24.00	36.55	32.94

Prevailing rates	Week 09	Week 08	W/W change (bps)
91 Day	8.94%	8.95%	(1.08)
182 Day	9.24%	9.31%	(7.20)
364 Day	10.50%	10.53%	(2.60)

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, total turnover declined to **KES 52.54Bn** from KES 127.44Bn traded in the previous week.

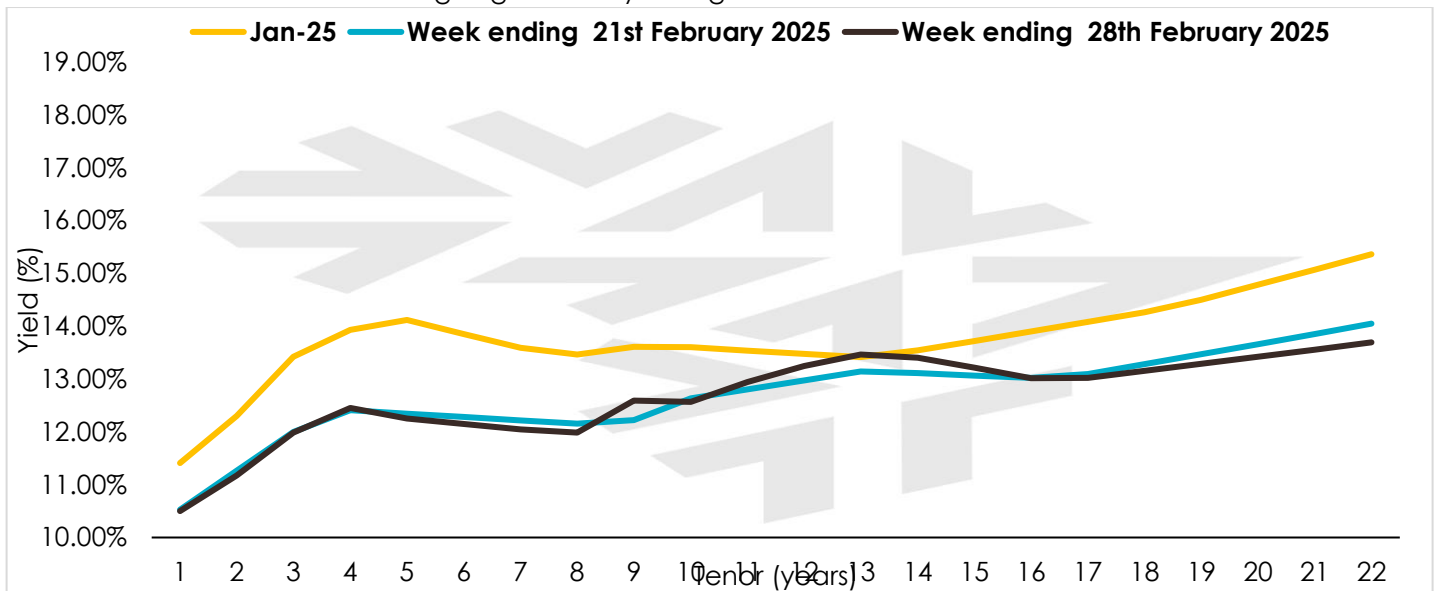
Most traded bonds:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)
IFB1/2024/8.5Yr	7.46	18.46%	13.04%	8,231.40
IFB1/2022/14Yr	11.70	13.94%	13.37%	7,929.70
IFB1/2023/17Yr (Re-opened)	15.02	14.40%	13.57%	6,404.50
FXD1/2019/10Yr	3.96	12.44%	12.40%	5,906.00
IFB1/2023/6.5Yr	5.20	17.93%	13.16%	4,266.65

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

2036 Eurobond Issuance

The Government of Kenya successfully priced a new **USD 1.5Bn** Eurobond as part of its Liability Management Strategy, aimed at smoothing the maturity profile of external debt payments. The bond carries a **9.5%** coupon and will be amortized in three equal installments in **2034, 2035, and 2036**, resulting in a weighted average life of 10 years. The issuance attracted strong investor interest, with bids totaling USD 4.6Bn with an acceptance of USD 1.5Bn.

The proceeds will be used to refinance existing external debt (expensive syndicated loans), including the planned buyback of Kenya's USD 900Mn Eurobond maturing in 2027. The final buyback amount will be determined by investor demand, with results from the tender offer expected by March 3, 2025.

Kenya International Debt Yield Curves:

The yields on Kenyan Eurobonds were on a downward trajectory during the week with **KENINT 27** recording the highest decline following the successful issuance of the 2036 Eurobond.

Eurobond	Tenor (Years)	Amount (USD Mn)	Coupon Rate (%)	Current Yield (%)	Previous Yield (%)	Change (Bps)
KENINT 27	2	900	7.00%	7.21%	8.19%	(98.60)
KENINT 28	3	1,000	7.25%	8.02%	8.64%	(62.60)
KENINT 31	6	1,500	9.75%	9.49%	9.88%	(39.10)
KENINT 32	7	1,200	8.00%	9.49%	9.80%	(31.00)
KENINT 34	9	1,000	6.30%	9.63%	9.91%	(27.30)
KENINT 48	23	1,000	8.25%	10.05%	10.19%	(14.60)

Source: CBK, NCBA IB Research

Inflation

The annual headline inflation rate measured by the Consumer Price Index (CPI) rose to **3.5%** in **February 2025** from 3.3% in January 2025 largely on account of increases in non-core inflation. Notably, Core inflation for the month remained constant at 2.0%, while non-core inflation increased to 8.2% from 7.1% in January 2025. The increase in non-core inflation was mainly driven by prices of vegetables.

Statistic	Current	Previous	Change (bps)
Inflation	3.50%	3.30%	20.0

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 marginally**. Indicatively, the overnight average interbank rate increased marginally by 0.03% week on week to close at **10.69%**.

The demand for funds decreased, with daily traded volumes averaging **KES 14.46Bn** from KES 19.65Bn observed in the previous week.

Statistic	Current	Previous	Change
Average Interbank Rate	10.69%	10.66%	0.03%
Average Interbank volume KES Bn	14.46	19.65	(26.41%)

Source: CBK, NCBA IB Research

Currency

On the FX front, the shilling appreciated marginally against the greenback, closing at **129.23** during the week.

Foreign exchange reserves decreased by **2.15%** week on week to close at **US 9.06Bn**, the reserves represent **4.6 months** of import cover which meets the CBK's statutory requirement of at least 4 months of import cover.

The US Dollar Index (**DX**) increased to close at 107.61 from 106.61 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 09	Week 08	W/W change (%)
US Dollar	129.23	129.58	(0.28%)
STG Pound	162.61	164.05	(0.88%)
Euro	134.23	136.01	(1.31%)
Forex reserves	9,057.00	9,256.00	(2.15%)

Source: CBK, NCBA IB Research

Kenya Government Debt Maturities Schedule – March 2025:

The government has total domestic debt maturities of **KES 190.58Bn** in the month of March 2025 compared to **KES 181.88Bn** in the month of February 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
FXD1/2010/015	10-Mar-25	10-Mar-25	27,693.90	10.25%	1,419.31
FXD1/2012/015	10-Mar-25	6-Sep-27	90,939.90	11.00%	5,001.69
IFB1/2021/021	10-Mar-25	18-Aug-42	106,742.20	12.74%	6,797.88
IFB1/2023/017	10-Mar-25	20-Feb-40	186,018.92	14.40%	13,392.43
FXD1/2016/020	17-Mar-25	1-Sep-36	21,972.90	14.00%	1,538.10
FXD1/2018/020	17-Mar-25	1-Mar-38	115,257.30	13.20%	7,606.98
IFB1/2013/012	17-Mar-25	15-Sep-25	16,060.21	11.00%	883.31
IFB1/2015/012	17-Mar-25	15-Mar-27	12,180.65	11.00%	669.94
IFB1/2019/025	17-Mar-25	22-Feb-44	16,828.65	12.20%	1,026.55
FXD1/2024/010	24-Mar-25	13-Mar-34	124,539.40	16.00%	9,963.15
Total					48,299.35

Treasury Bond Maturities			
Issue No.	Maturity Date	Fixed Coupon Rate	Outstanding Amount KES 'Mn
FXD1/2010/015	March 10, 2025	10.25%	27,693.90
Total			27,693.90

Treasury Bills	
Payment Date	Amount KES 'Mn
March 3, 2025	29,101.36
March 10, 2025	38,742.89
March 17, 2025	11,879.92
March 24, 2025	21,729.04
March 31, 2025	13,135.48
Total	114,588.69

DISCOVER THE MARKETS

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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