

## The Week in Review | Week 33

### EQUITIES.

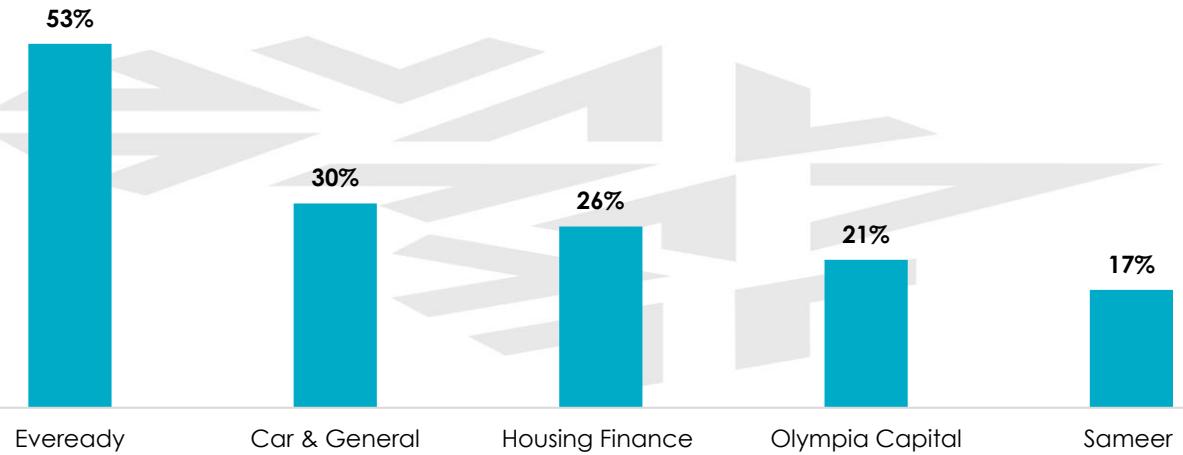
#### Local Market Performance

| WEEKLY MARKET DATA              |          |          |          |
|---------------------------------|----------|----------|----------|
| VARIABLES                       | Week 33  | Week 32  | W/W%     |
| NASI                            | 165.66   | 161.19   | 2.77%    |
| NSE-10                          | 1,644.52 | 1,593.22 | 3.22%    |
| NSE-20                          | 2,670.48 | 2,569.28 | 3.94%    |
| NSE-25                          | 4,299.73 | 4,176.79 | 2.94%    |
| Weekly Shares Traded (Mn)       | 97.24    | 112.57   | (13.62%) |
| Weekly Equity Turnover (KES Mn) | 2,290.32 | 2,812.13 | (18.56%) |
| Market Cap (KES Bn)             | 2,610.03 | 2,504.17 | 4.23%    |

Source: NSE, NCBA IB Research

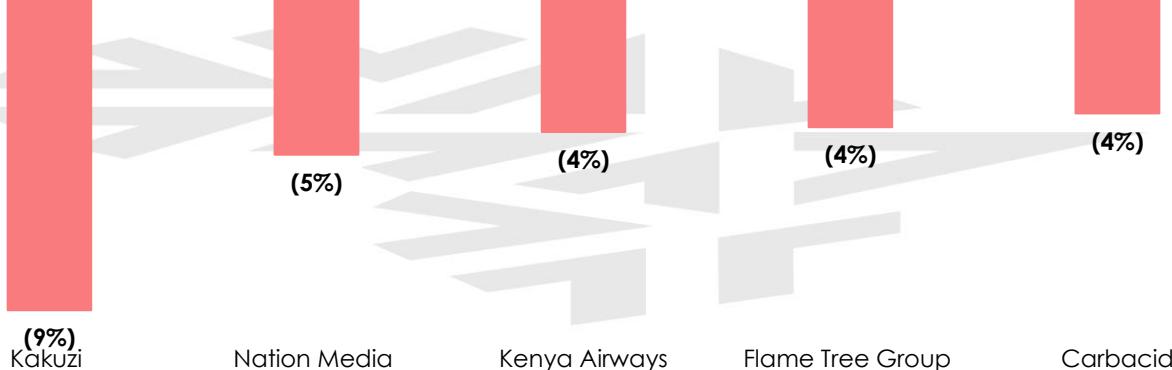
#### NSE Counter Performance

##### Top Gainers of the week



Source: NSE, NCBA IB Research

##### Top Decliners of the Week



Source: NSE, NCBA IB Research

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### Regional Markets Performance

| <b>Regional Indices</b> |  | <u>w/w %</u>  | <u>YTD %</u> |
|-------------------------|--|---------------|--------------|
| <b>VARIABLES</b>        |  |               |              |
| Tanzania                |  | <b>14.2%</b>  | <b>23.0%</b> |
| Uganda                  |  | <b>5.9%</b>   | <b>20.8%</b> |
| Kenya                   |  | <b>2.8%</b>   | <b>32.2%</b> |
| South Africa            |  | <b>1.1%</b>   | <b>20.7%</b> |
| Ghana                   |  | <b>0.4%</b>   | <b>51.6%</b> |
| Egypt                   |  | <b>0.1%</b>   | <b>25.6%</b> |
| Nigeria                 |  | <b>(0.8%)</b> | <b>40.2%</b> |

Source: Bloomberg, NSE, NCBA IB Research

### Global Benchmark Indices performance

| <b>Regional Indices</b> |  | <u>w/w %</u> | <u>YTD %</u> |
|-------------------------|--|--------------|--------------|
| <b>VARIABLES</b>        |  |              |              |
| MSCI Asia               |  | <b>2.4%</b>  | <b>17.7%</b> |
| MSCI World              |  | <b>1.9%</b>  | <b>12.7%</b> |
| MSCI Europe             |  | <b>1.3%</b>  | <b>8.9%</b>  |
| Dow Jones Global Index  |  | <b>1.3%</b>  | <b>11.9%</b> |
| S&P 500                 |  | <b>0.9%</b>  | <b>9.9%</b>  |
| MSCI Emerging markets   |  | <b>0.9%</b>  | <b>18.8%</b> |
| MSCI Asia               |  | <b>2.4%</b>  | <b>17.7%</b> |

Source: Bloomberg, NSE, NCBA IB Research

### Upcoming Dividend payments

| <b>Corporate Actions</b> | <b>Dividend</b>    | <b>Book Closure</b> | <b>Payment</b> |
|--------------------------|--------------------|---------------------|----------------|
| KCB Group PLC            | KES 4.00           | 3-Sep-25            | 11-Nov-25      |
| Stanbic PLC              | KES 3.80           | 2-Sep-25            | 29-Sep-25      |
| ABSA PLC                 | KES 0.20           | 19-Sep-25           | 15-Oct-25      |
| Car and General          | KES 0.30           | 2-Sep-25            | 25-Sep-25      |
| East African Breweries   | KES 5.50           | 16-Sep-25           | 28-Sep-25      |
| BAT Kenya                | KES 10.00          | 29-Aug-25           | 26-Sep-25      |
| Liberty                  | KES 0.50           | 14-Jun-25           | 24-Aug-25      |
| Liberty (special div)    | KES 0.50           | 14-Jun-25           | 24-Aug-25      |
| Safaricom                | KES 0.65           | 31-Jul-25           | 31-Aug-25      |
| Stanbic Plc - Interim    | KES 3.80           | 2-Sep-25            | 29-Sep-25      |
| Williamson Tea           | KES 10.00          | 31-Jul-25           | 2-Sep-25       |
| Kapchorua Tea            | KES 10.00          | 31-Jul-25           | 2-Sep-25       |
| Kapchorua Tea            | Bonus issue of 1:1 | TBA                 | TBA            |
| Williamson Tea           | Bonus issue of 1:1 | TBA                 | TBA            |

Source: NSE, NCBA IB Research

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## FIXED INCOME

### Primary Market

#### Treasury bill results

Treasury bills recorded a subscription of **99%** this week, higher than the previous week's subscription of **98%**. Investor interest was primarily concentrated on the 364-day paper. The government accepted **KES 23.16Bn**, representing a 99.94% acceptance rate, at lower indicative yields.

| Subscription | Amount offered KES Bn | Bids received week 33 | Bids received week 32 |
|--------------|-----------------------|-----------------------|-----------------------|
| 91 day       | 4.00                  | 4.93                  | 1.97                  |
| 182 day      | 10.00                 | 7.46                  | 2.14                  |
| 364 day      | 10.00                 | 10.79                 | 11.98                 |
| <b>Total</b> | <b>24.00</b>          | <b>23.18</b>          | <b>16.09</b>          |

| Prevailing rates | Week 32 | Week 31 | W/W change (bps) |
|------------------|---------|---------|------------------|
| 91 Day           | 8.01%   | 8.08%   | (6.92)           |
| 182 Day          | 8.12%   | 8.17%   | (5.37)           |
| 364 Day          | 9.58%   | 9.71%   | (13.06)          |

Source: CBK, NCBA IB Research

### Secondary Market

In the secondary bonds market, total turnover decreased by 29% to **KES 28Bn** from KES 39Bn traded in the previous week.

#### Most traded bonds:

| Bond Identifier | Years to Maturity | Coupon | Average Yield | Total Value (KES Mn) |
|-----------------|-------------------|--------|---------------|----------------------|
| FXD1/2018/25Yr  | 17.83             | 13.40% | <b>13.83%</b> | <b>3,767.40</b>      |
| IFB1/2023/7Yr   | 4.83              | 15.84% | <b>12.04%</b> | <b>3,609.20</b>      |
| FXD1/2017/10Yr  | 1.92              | 12.97% | <b>10.80%</b> | <b>2,305.00</b>      |
| FXD1/2021/20Yr  | 15.98             | 13.44% | <b>13.45%</b> | <b>1,950.00</b>      |
| FXD1/2012/15Yr  | 2.06              | 11.00% | <b>10.78%</b> | <b>1,847.40</b>      |

Source: NSE, NCBA IB Research

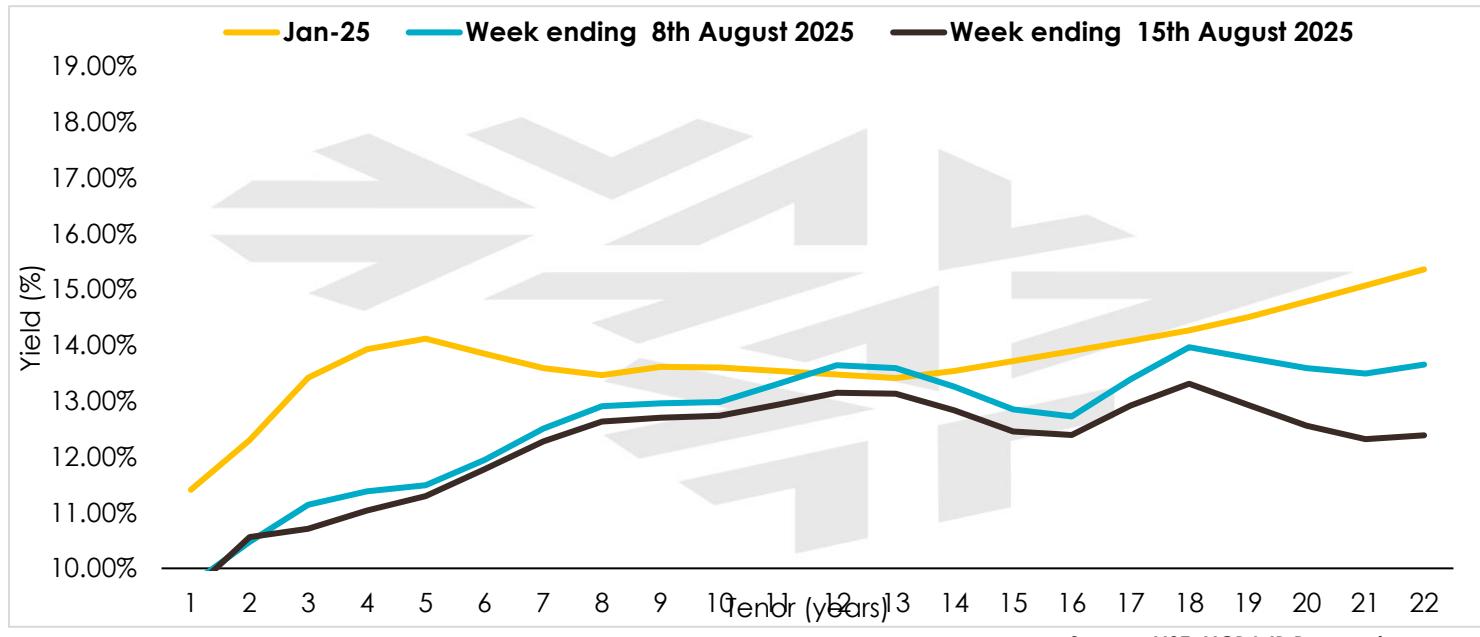
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### **Government Securities Yield Curve**

Yields on government securities have been steadily declining. This trend is expected to persist, albeit at a slower pace as monetary policy gradually becomes more accommodative.



### **Kenya International Debt Yield Curves:**

The yields on Kenyan Eurobonds were on a downward trajectory during the week.

| Eurobond  | Tenor (Years) | Amount (USD Mn) | Coupon Rate (%) | Current Yield (%) | Previous Yield (%) | Change (Bps) |
|-----------|---------------|-----------------|-----------------|-------------------|--------------------|--------------|
| KENINT 28 | 3             | 1,000           | 7.25%           | 7.41%             | 7.63%              | (21.80)      |
| KENINT 31 | 6             | 1,500           | 9.75%           | 8.69%             | 8.92%              | (23.80)      |
| KENINT 32 | 7             | 1,200           | 8.00%           | 8.93%             | 9.04%              | (11.40)      |
| KENINT 34 | 9             | 1,000           | 6.30%           | 9.42%             | 9.54%              | (12.30)      |
| KENINT 48 | 23            | 1,000           | 8.25%           | 10.02%            | 10.14%             | (11.40)      |

Source: CBK, NCBA IB Research

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## July Inflation

Kenya's headline inflation rose to **4.1% in July**, up from **3.8% in May**, driven mainly by higher fuel and utility costs. Month-on-month inflation stood at **0.1%**.

- **Transport costs** rose to **4.1%** (from 3.2%) following pump price hikes.
- **Housing, water, electricity, and gas** index jumped to **1.3%** (from 0.2%)
- **Food inflation** ticked up to **6.8%**, with notable increases in maize flour (+1.6%), sugar (+1.4%), and sukuma wiki (+1.3%). Price drops in cabbages, potatoes, and cooking oil helped contain the rise.

Meanwhile, core inflation rose for the fifth consecutive month to 3.1% levels from 3.0% recorded in May.

### **Outlook:**

Domestic fuel levies and increased oil market margins will likely keep energy prices elevated. External risks including geopolitical tensions and stronger global demand may add further pressure on imported food and commodity prices.

| Statistic | Current | Previous | Change (bps) |
|-----------|---------|----------|--------------|
| Inflation | 4.10%   | 3.80%    | 30.0         |

Source: KNBS, NCBA IB Research

## Interest Rates

The Monetary Policy Committee (MPC), in its meeting on **August 12, 2025**, lowered the **Central Bank Rate (CBR)** by **25bps to 9.50%** from 9.75%. The decision was underpinned by expectations that overall inflation will remain below the midpoint of the **5±2.5% target range** in the near term, alongside gradual improvement in private sector credit growth supported by easing lending rates.

Globally, central banks in major economies continue to lower interest rates, though at a more cautious and uneven pace depending on their inflation and growth outlooks.

The MPC noted that scope exists for further policy easing to reinforce earlier measures aimed at stimulating private sector lending and supporting economic activity, while maintaining stable inflation expectations and exchange rate conditions.

| Statistic | Current | Previous | Change (bps) |
|-----------|---------|----------|--------------|
| CBR       | 9.75%   | 10.00%   | (25.0)       |

Source: KNBS, NCBA IB Research

## Liquidity conditions

Liquidity conditions in the interbank space **eased marginally**. Indicatively, the overnight average interbank rate decreased by 0.12% week on week to close at **9.48%**

The demand for funds decreased, with daily traded volumes averaging **KES 10Bn** from KES 11Bn observed in the previous week.

| Statistic                       | Current | Previous | Change  |
|---------------------------------|---------|----------|---------|
| Average Interbank Rate          | 9.48%   | 9.60%    | (0.12%) |
| Average Interbank volume KES Bn | 10.20   | 9.00     | 13.33%  |

Source: CBK, NCBA IB Research

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### Currency

On the FX front, the shilling was stable, closing at **129.24** during the week

Foreign exchange reserves increased by **2%** week on week to close at **US 11.12Bn**, the reserves represent **4.9 months** of import cover, which meets the CBK's statutory requirement of at least 4 months of import cover.

The US Dollar Index (**DXY**) decreased to close at 97.88 from 98.12 the previous week.

*DXY indicates the general international value of the USD. DXY does this by averaging the exchange rates between the US Dollar and major world currencies.*

| Currency       | Week 33   | Week 32   | W/W change (%) |
|----------------|-----------|-----------|----------------|
| US Dollar      | 129.24    | 129.24    | 0.00%          |
| STG Pound      | 175.06    | 173.57    | 0.86%          |
| Euro           | 150.69    | 150.48    | 0.14%          |
| Forex reserves | 11,112.00 | 10,893.00 | 2.01%          |

Source: CBK, NCBA IB Research

### Kenya Government Debt Maturities Schedule – August 2025:

Total domestic debt maturities in August are KES **265Bn** compared to **KES 129Bn** in July. We expect robust government activity in the local market to ease refinancing.

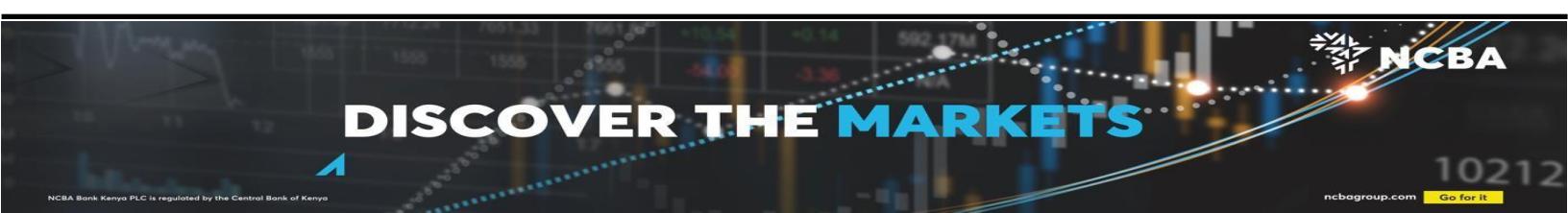
| Aug 25 Coupon payments |                          |               |                            |                   |                        |
|------------------------|--------------------------|---------------|----------------------------|-------------------|------------------------|
| Issue No.              | Next Coupon Payment Date | Maturity date | Outstanding Amount KES 'Mn | Fixed Coupon Rate | Coupon payment KES 'Mn |
| FXD1/2023/002          | 18-Aug-25                | 18-Aug-25     | 94,638.05                  | 16.97%            | 8,031.13               |
| FXD1/2016/010          | 18-Aug-25                | 17-Aug-26     | 103,380.70                 | 15.04%            | 7,773.71               |
| FXD1/2013/015          | 11-Aug-25                | 7-Feb-28      | 82,473.25                  | 11.25%            | 4,639.12               |
| FXD1/2018/010          | 18-Aug-25                | 14-Aug-28     | 40,584.60                  | 12.69%            | 2,574.28               |
| FXD1/2019/010          | 18-Aug-25                | 12-Feb-29     | 67,524.85                  | 12.44%            | 4,199.37               |
| FXD3/2019/010          | 11-Aug-25                | 6-Aug-29      | 68,743.45                  | 11.52%            | 3,958.59               |
| FXD1/2023/010          | 11-Aug-25                | 31-Jan-33     | 73,595.17                  | 14.15%            | 5,207.23               |
| FXD1/2020/015          | 18-Aug-25                | 5-Feb-35      | 151,911.06                 | 12.76%            | 9,688.89               |
| SDB1/2011/030          | 11-Aug-25                | 21-Jan-41     | 41,910.81                  | 12.00%            | 2,514.65               |
| FXD1/2021/020          | 11-Aug-25                | 22-Jul-41     | 75,984.00                  | 13.44%            | 5,107.64               |
| IFB1/2017/012          | 18-Aug-25                | 12-Feb-29     | 6,249.55                   | 12.50%            | 390.60                 |
| IFB1/2020/011          | 18-Aug-25                | 11-Aug-31     | 80,249.60                  | 10.90%            | 4,373.60               |
| IFB1/2022/019          | 18-Aug-25                | 28-Jan-41     | 98,377.55                  | 12.97%            | 6,377.32               |
| IFB1/2024/8.5          | 18-Aug-25                | 9-Aug-32      | 240,334.85                 | 18.46%            | 22,183.75              |
| <b>Total</b>           |                          |               |                            |                   | <b>87,019.88</b>       |

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| Treasury Bond Maturities |                 |                   |                            |
|--------------------------|-----------------|-------------------|----------------------------|
| Issue No.                | Maturity Date   | Fixed Coupon Rate | Outstanding Amount KES 'Mn |
| FXD1/2023/002            | August 18, 2025 | 16.97%            | 94,638.05                  |
| <b>Total</b>             |                 |                   | <b>94,638.05</b>           |

| Treasury Bills  |                  |
|-----------------|------------------|
| Payment Date    | Amount KES 'Mn   |
| August 4, 2025  | 5,646.88         |
| August 11, 2025 | 32,303.27        |
| August 18, 2025 | 23,179.86        |
| August 25, 2025 | 22,342.51        |
| <b>Total</b>    | <b>83,472.52</b> |

Source: CBK, NCBA IB Research



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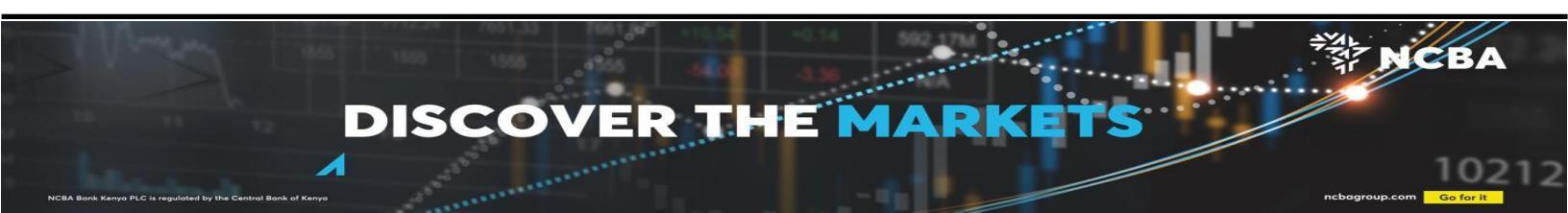
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