

KINGDOM SECURITIES

WEEKLY FIXED INCOME REPORT AND MONEY MARKET REPORT

T-BILL AUCTION RESULTS (3-Week Performance)

Auction Results	20-Jan-2020	27-Jan-2020	3-Feb-2020
91-day			
Weighted Average Rate	7.23%	7.28%	7.30%
Performance Rate	125.25%	107.83%	114.44%
Acceptance rate	99.97%	77.19%	99.61%
182-day			
Weighted Average Rate	8.17%	8.21%	8.23%
Performance Rate	63.56%	89.79%	62.23%
Acceptance rate	100.00%	66.75%	97.30%
364-day			
Weighted Average Rate	9.84%	9.86%	9.88%
Performance Rate	169.85%	217.13%	218.23%
Acceptance rate	66.75%	85.10%	93.42%

Table 1: T-Bill Auction Results

Source CBK, KSL

- T-bills performance for the week stood at 135.93% buoyed by an oversubscription on the 364-day paper, which recorded a performance of 218.23%.

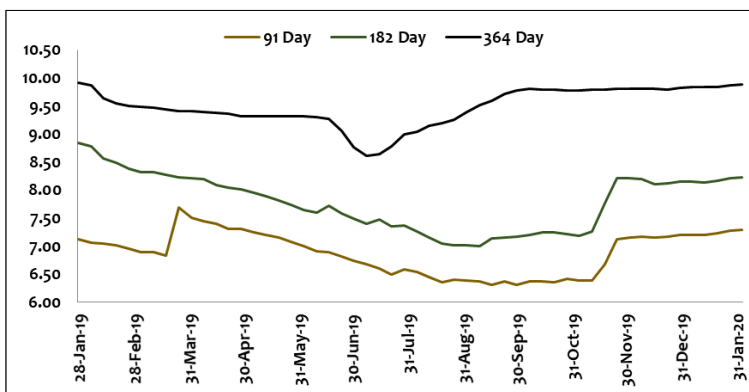


Figure 1: T-Bill Rates

Source CBK, KSL

- The average rate for the 91, 182 and 364-day papers averaged at 7.296%, 8.229% and 9.879% respectively.

CURRENCIES PERFORMANCE

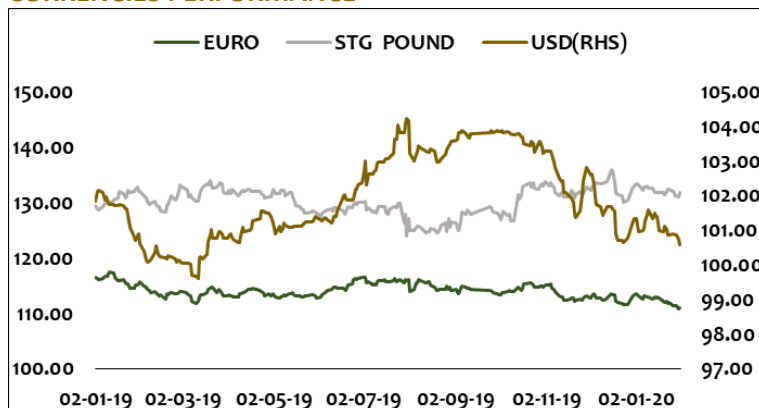


Figure 2: Currency Performance

Source: NSE, KSL

Currencies	24-01-20	31-01-20	% Change
USD	100.86	100.59	0.27%
EURO	111.87	110.9	0.87%
STG Pound	132.39	131.69	0.53%

Table 2: Currency Movement

Source CBK, KSL

- The shilling recorded a marginal strength against the three global benchmarks to close at 100.59, 110.90 and 131.69 against the USD, Euro and STG Pound respectively.
- In the international market, the Britain formally left the EU on January 31st 2020 after the EU parliament approved the UK's withdrawal agreement of 29th January 2020.

BONDS MARKET ACTIVITY

	24-01-20	31-01-20
Weekly Bonds Turnover	10,378.64	7,273.21
Highest Traded Bonds	Traded Value	Average Yields (%)
FXD 1/2019/ 5Yr	1,300.00	11.448
IFB1/2019/16Yr	1,065.00	11.262
FXD 1/2019/10Yr	1,000.00	12.403

Table 3: T-Bonds Secondary Market

Source: NSE, KSL

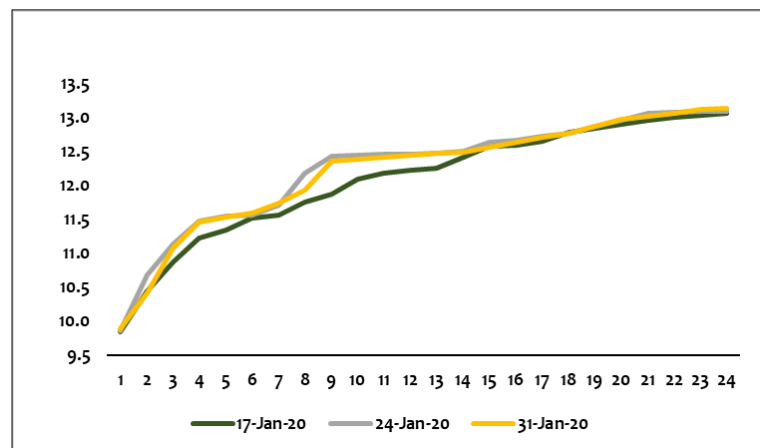


Figure 3: Weekly Yield Curve

Source: NSE, KSL

- Activity in the bonds market recorded a 29.92% dip to close at a turnover of Kes 7.27Bn.
- FXD1/2019/5Yr was the most traded paper whereby it posted a turnover of kes 1.3Bn. It traded at an average of 11.448%.
- Other top traded papers within the week were IFB1/2019/16Yr and FXD1/2019/10Yr. The two papers traded at an average of 11.262% and 12.403% respectively.

KINGDOM SECURITIES

MONEY MARKET ACTIVITY

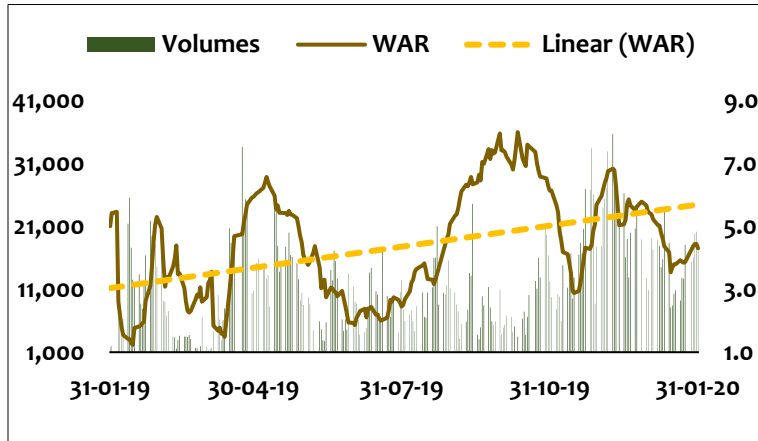


Figure 3: Interbank Rate and Volumes

Source: CBK, KSL

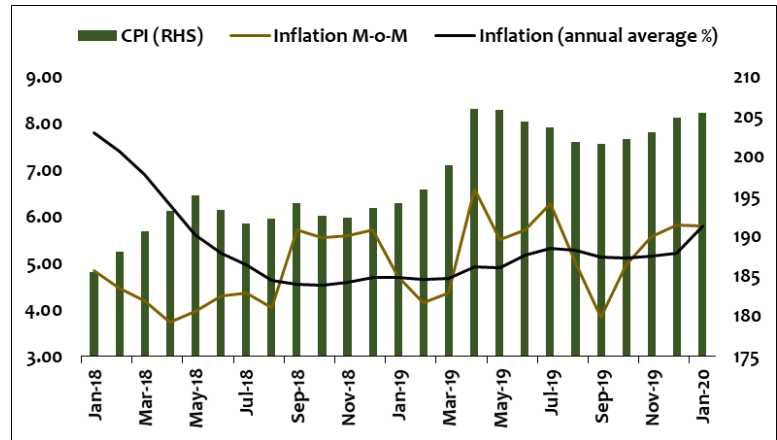


Figure 3: CPI and Inflation

Source: KNBS, KSL

- The Interbank rate within the week spiked to 4.3616% in comparison to 3.8732% recorded in the previous week. The market was however liquid due to government payments and maturities.
- Official data from Kenya National Bureau of Statistics indicate that inflation in the month of January improved to 5.78% in comparison to 5.82%. This increase is attributable to a spike in the Food and Non-Alcoholic Drinks' Index whereby there was an increase in prices of onions, spinach and carrots.

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Research Department

Kingdom Securities Ltd – A subsidiary of Co-operative Bank Limited.

Co-operative Bank House- 5th Floor, P.O Box 48231 - 00100 Nairobi, Kenya

Office: 0711049540/0711049956

Email:

kingdomresearch@co-opbank.co.ke

wналwenge@co-opbank.co.ke

fmwireri@co-opbank.co.ke