

Week ending 30<sup>th</sup> August 2019

# Weekly Fixed Income

## Key Highlights:

A total of **KES 24.0 Billion** worth of T-bills were on offer during the week. Only the **91-day** T-bill on offer was oversubscribed recording a **133%** subscription rate while the subscription rates on the **182-day** T-bill and **364-day** T-bill stood at **48%** and **87%**. CBK accepted all the bids for the **91-day** T-bill and **182-day** T-bill on offer.

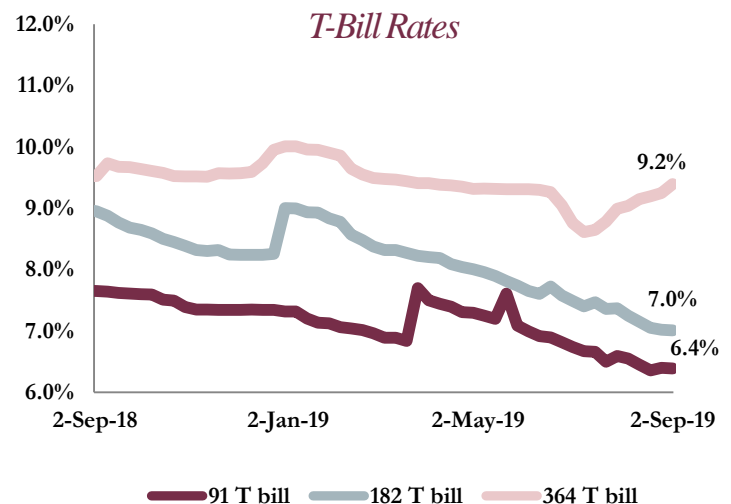
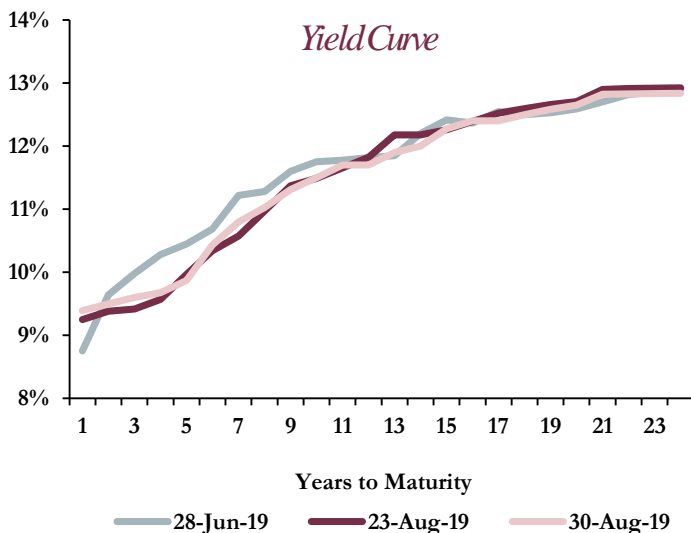
In September, CBK will be auctioning two re-opened **15 year** treasury bonds; **(FXD1/2018/15)** and **(FXD1/2019/15)**, in a bid to raise **KES 50 Bn**. FXD1/2018/15 will have an annual coupon rate of **12.65%** while that on the FXD1/2019/15 will be **12.73%**. The period of sale is from 22/08/2019 to 17/09/2019.

The government is offering a 3-year M-Akiba Bond; MAB2/2017/3 to raise 500Mn for infrastructure development. It will have a 10% coupon. The period for applications is between 19/08/19 and 6/09/19.

## Key Indicators

	Current	Previous	%Change	Macroeconomic data	Current	Previous
91-day	6.39%	6.40%	-0.01%	GDP (1Q19 vs 1Q18)	5.6%	6.5%
182-day	7.01%	7.02%	-0.01%	Inflation (Aug)	5.0%	6.3%
364-day	9.39%	9.25%	0.14%	Private sector credit growth (Jun)	5.2%	4.4%
Interbank	5.08%	3.67%	38.42%	Money Supply (Jun)	9.2%	8.7%

## Interest Rates



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## MACROECONOMIC NEWS

### *Currency*

The Kenyan shilling lost ground against the USD closing the week down **0.47%**. The shilling is likely to remain stable at current levels.

### *Inflation:*

Inflation fell to **5.0%** in August from **6.3%** in July. However, the CPI decreased by **0.90%** mainly due to a **1.89%** decline in the Food and Non-alcoholic beverages index.

### *GDP growth*

Growth slowed to **5.6%** in **1Q19** from **6.5%** in the corresponding period of 2018. This is mainly attributed to a slowdown in the Agricultural sector where growth reduced to **5.3%** from **7.5%** in **1Q18**

## CONTACTS:

### Research Desk:

Sarah Wanga  
[wangas@aibcapital.com](mailto:wangas@aibcapital.com)  
(+254) 711047105

Victor Koech  
[koechv@aibcapital.com](mailto:koechv@aibcapital.com)  
(+254) 711047133

### Equities Dealing:

Bernard Kung'u  
[kungub@aibcapital.com](mailto:kungub@aibcapital.com)  
(+254) 711047108

Benard Gichuru  
[gichunub@aibcapital.com](mailto:gichunub@aibcapital.com)  
(+254) 711047111

Brian Tanui  
[tanuib@aibcapital.com](mailto:tanuib@aibcapital.com)  
(+254) 711047124

### Bond Dealing:

Crispus Otieno  
[otienoc@aibcapital.com](mailto:otienoc@aibcapital.com)  
(+254) 711047113

Titus Marenye  
[marenyet@aibcapital.com](mailto:marenyet@aibcapital.com)  
(+254) 711047118

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