

“  
July bond successfully  
raises KES 66.65bn to  
kick start the Fiscal year  
”

## WEEKLY FIXED INCOME REPORT

*June 2025 Diaspora Remittances climbs 13.8%/y*

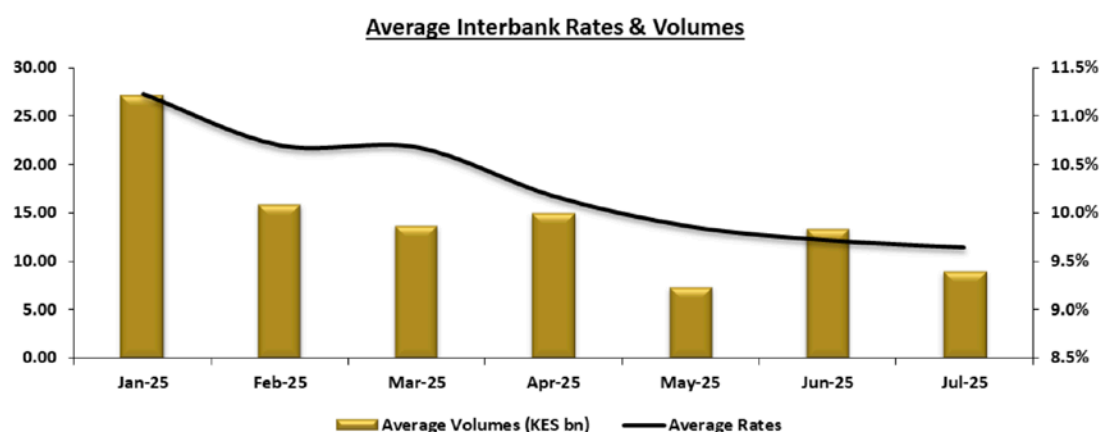
## MONEY MARKET STATISTICS

Interbank lending volumes rose to KES 11.93bn from KES 5.30bn, despite a slight drop in transaction activity over the week. Meanwhile, the average interbank rate held largely steady, edging down slightly to 9.63%, amid continued liquidity absorption in the market by the Central Bank. The table below summarizes the market liquidity indicators:

Average	Previous Week	Current Week	Change
Interbank Deals	14.00	13.00	(7.14%)
Inter- Bank volumes (KES bn)	5.30	11.93	125.10%
Inter – Bank Rates (bps)	9.68%	9.63%	(4.65)

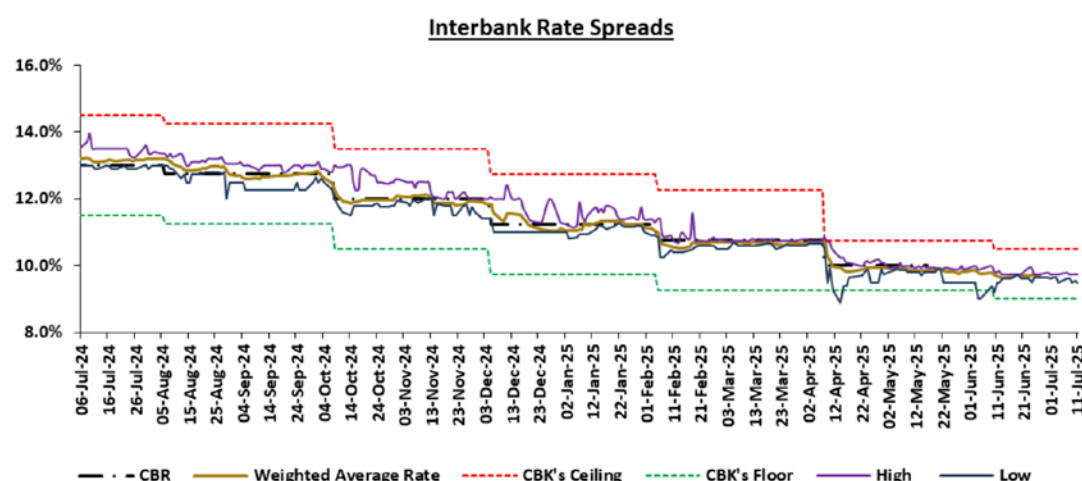
Source: Central Bank of Kenya (CBK), Table: SIB

On a month-on-month basis, average traded volumes have started July on a slow note, following a brief revival in June. See the chart below:



Source: Central Bank of Kenya (CBK), Chart: SIB

Interbank rates remain well anchored within the corridor. See the chart below;



Source: Central Bank of Kenya (CBK), Chart: SIB

## GOVERNMENT SECURITIES MARKET

### T-Bills:

Demand for Treasury bills remained low, albeit higher than the prior week, with the overall subscription rate rising slightly to 94.9% from 90.9%. Investors bid KES 22.78bn—below the expected maturities—resulting in a net repayment of KES 4.32bn. The fiscal agent accepted nearly all bids received, with competitive bids notably dominating the auction, for the second consecutive week.

That said, the average accepted rates came in at 8.14% (-0.33bps), 8.44% (0.96bps), and 9.72% (+0.84bps), for the 91-, 182-, and 364-day papers, respectively. See the summary below;

KES bn

14-July-25	91-day	182-day	364-day	Totals
	13-Oct-25	12-Jan-26	13-Jul-26	
Due Date	4.00	10.00	10.00	24.00
Amount offered	4.15	8.97	9.66	22.78
Bids received	103.8%	89.7%	96.6%	94.9%
Subscription rate (%)	4.13	8.96	9.66	22.75
Amount accepted	99.6%	99.9%	100.0%	99.9%
Acceptance rate (%)	0.53	6.86	7.67	15.06
Of which: Competitive Bids	3.60	2.10	1.99	7.69
Non-competitive bids	7.50	10.10	9.48	27.08
Rollover/Redemptions	(3.36)	(1.14)	0.18	(4.32)
New Borrowing/ (Net Repayment)	8.14%	8.44%	9.72%	
Weighted Average Rate of Accepted Bids	3.8%	3.8%	3.8%	
Inflation	4.3%	4.6%	5.9%	

Source: Central Bank of Kenya (CBK), Table: SIB

### T-Bonds:

In the primary bond market, the fiscal agent successfully raised KES 66.65bn, exceeding the KES 50.0bn target on the July reopened bonds. Investors submitted bids worth KES 76.91bn, resulting in an oversubscription rate of 53.8%. Ultimately, the CBK accepted 87% of the bids, likely rejecting the more expensive bids in an effort to contain the cost of borrowing.

The longer-tenor paper attracted the most interest, driven partly by the slightly higher coupon, but more so by the deeper discount, offering an advantage to investors positioning for secondary market sales. The bonds, FXD1/2018/20 and FXD1/2018/25, closed at 13.90% and 14.35% respectively, both aligning with our bidding estimates. See a summary of the offer below;

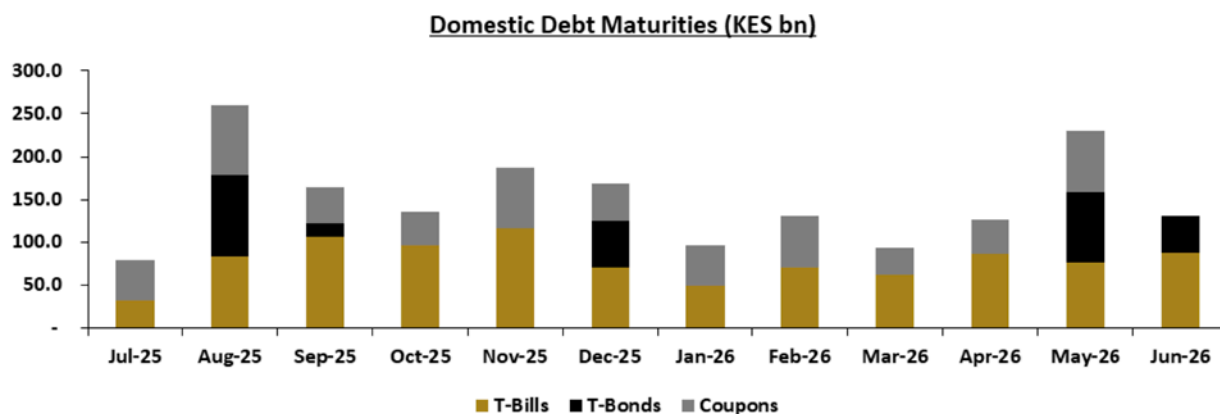
14-Jul-25	FXD1/2018/020	FXD1/2018/025	Totals
Due Date	1-Mar-38	25-May-43	
Amount offered (KES bn)			50.00
Bids received (KES bn)	33.08	43.83	76.91
Subscription rate (%)	66.15%	87.66%	153.82%
Amount accepted	30.57	36.08	66.65
Acceptance rate (%)	92.43%	82.31%	86.66%
Of which: Competitive Bids	24.07	29.52	53.59
Non-competitive bids	6.50	6.56	13.06
New Borrowing/(Net Repayment)			66.65
Market weighted average rate of accepted bids	13.90%	14.35%	
Coupon Rate	13.20%	13.40%	

In the secondary bond market, turnover dropped by a further 32.3% to KES 31.99bn, down from KES 47.28bn in the previous week.

## Outstanding Debt Maturities (T-Bills and T-Bonds):

As of this week, the Government's outstanding T-Bill and T-Bond maturities for the next 12 months are at KES 934.57bn and KES 289.92bn, respectively. August 2025 emerges as the next significant maturity month, with a total maturity profile of approximately KES 259.23bn, inclusive of coupon payments.

See the chart below;



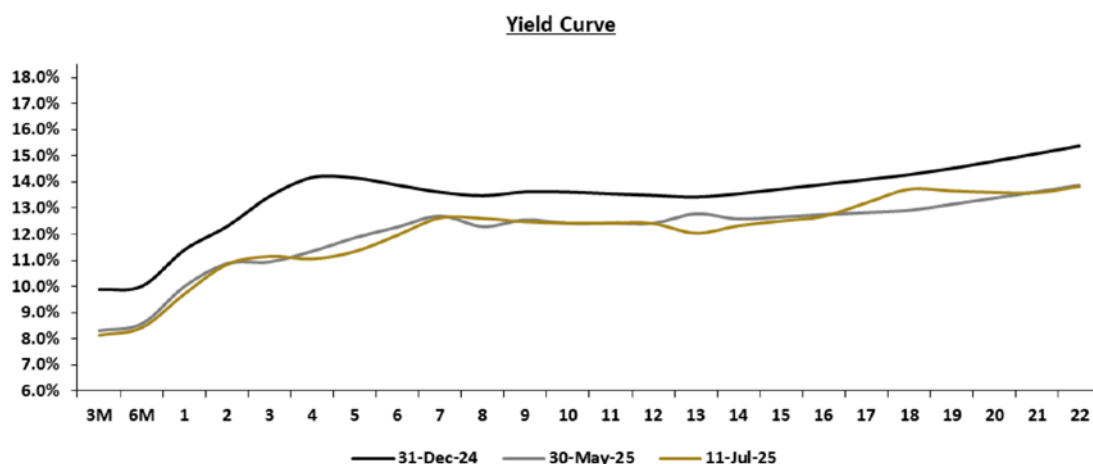
Source: Central Bank of Kenya (CBK), Chart: SIB

In the second week of FY25/26, the government recorded a net domestic borrowing of KES 59.88bn, entirely attributed to the July bond issuance, as higher redemptions on Treasury bills offset any additional short-term mobilization.

## Yield Curve:

During the week, local interest rates trended further upwards, despite notable dips along the yield curve, which were offset by more pronounced increases across other tenors. On average, yields on government securities rose by 5.17bps w/w, extending the 2.22bps rise recorded the previous week.

Below is a visual representation;



Source: Nairobi Securities Exchange (NSE), Chart: SIB

## THE INTERNATIONAL SCENE

### Kenyan Eurobonds:

Kenyan Eurobonds reversed the downward trend observed over the past two weeks, although yields continued to exhibit mild volatility. Overall, yields on the international papers increased by an average of 25.60bps.

Below is a summary of the performance;

Issuance	KENINT 02/28/2028	KENINT 02/16/2031	KENINT 05/22/2032	KENINT 01/23/2034	KENINT 02/28/2048
Maturity Date	28-Feb-28	16-Feb-31	22-May-32	1-Jun-34	28-Feb-48
Tenor to Maturity	2.6	5.6	6.9	8.9	22.6
31-Dec-24	9.1%	10.1%	10.1%	10.1%	10.3%
3-Jul-25	8.0%	9.2%	9.4%	9.6%	10.3%
7-Jul-25	8.1%	9.3%	9.4%	9.7%	10.3%
8-Jul-25	8.2%	9.3%	9.5%	9.7%	10.4%
9-Jul-25	8.3%	9.4%	9.5%	9.8%	10.5%
10-Jul-25	8.4%	9.5%	9.7%	9.9%	10.5%
Weekly Change	0.3%	0.3%	0.2%	0.2%	0.2%
YTD Change	(0.7%)	(0.6%)	(0.5%)	(0.3%)	0.2%

Source: Central Bank of Kenya (CBK), Table: SIB

### Currency Performance

The Kenyan shilling posted a mixed performance against the 21 currencies tracked by the Central Bank during the week. Nonetheless, the general trend was upward, with the shilling appreciating against 14 currencies, depreciating against 4, and remaining largely unchanged against 3, including the USD.

Among the currencies we monitor, the shilling strengthened against the JPY, Euro, and GBP, while losing ground against regional currencies.

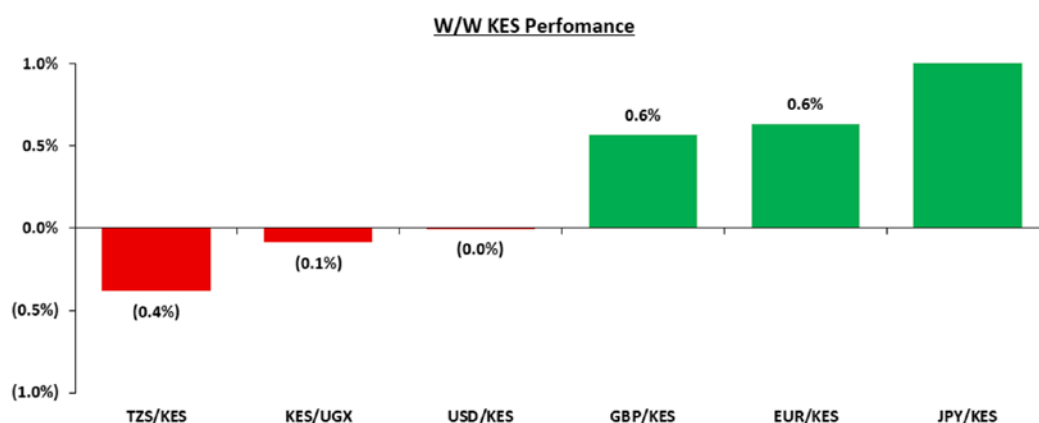
See the table below;

Currencies	30 April 2025 (vs KES)	Previous Week	Current	w/w Change	M/m change
TZS/KES	19.0	20.4	20.3	(0.4%)	7.2%
KES/UGX	28.4	27.8	27.7	(0.1%)	(2.4%)
USD/KES	129.3	129.2	129.2	0.0%	0.0%
GBP/KES	162.3	176.3	175.3	0.6%	(8.0%)
EUR/KES	134.3	152.0	151.0	0.6%	(12.4%)
JPY/KES	82.1	89.1	88.0	1.3%	(7.2%)

Source: Central Bank of Kenya (CBK), Chart: SIB

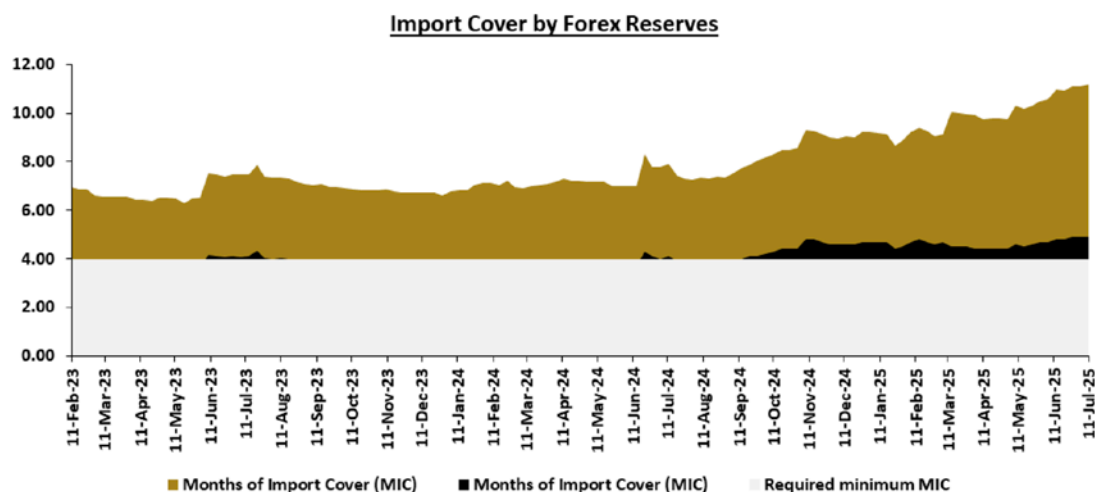
Abb: GBP – British Pound, EUR – Euro, USD – US Dollar, UGX – Ugandan Shilling, TZS – Tanzanian Shilling, JPY – Japanese Yen | FX rate is determined by calculating the weighted average rate of recorded spot trades in the interbank market

See also a visual representation;



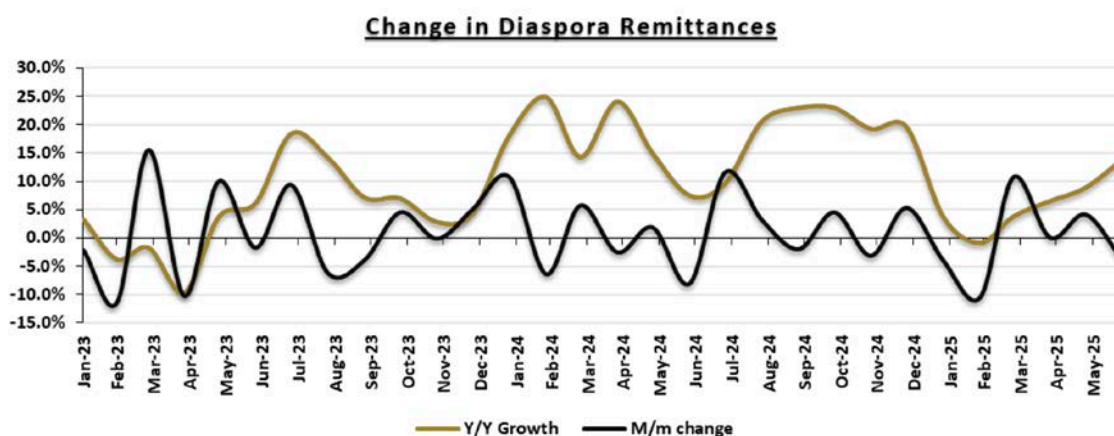
Source: Central Bank of Kenya (CBK), Chart: SIB

Concurrently, Kenya's foreign exchange reserves rose by 1.0% to USD 11.20bn, from USD 11.09bn, providing 4.9 months of import cover. The reserves continue to chart new territory, with the incremental gains driving reserves to fresh highs. See the chart below;



Source: Central Bank of Kenya (CBK), Chart: SIB

Also, during the week, the Central Bank published the June 2025 diaspora remittances data, showing that receipts rose by 13.8% y/y to USD 422.83mn, up from USD 371.60mn in June 2024. This, however, marked a 3.9% m/m decline from the USD 440.08mn recorded in May 2025. North America continues to account for the largest share of remittances, followed by Europe. The chart below illustrates the trends in diaspora remittances over the past two years;



Source: Central Bank of Kenya (CBK), Chart: SIB

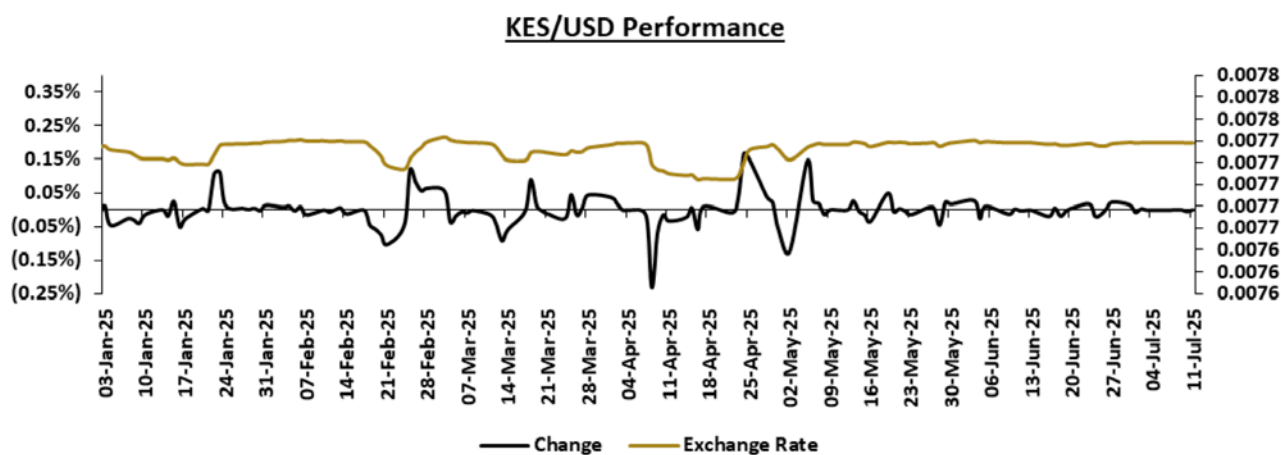
## Hot on the Horizon:

- i. Fuel Prices for the July/August cycle.
- ii. The Exchequer Receipts & Releases for FY24/25.



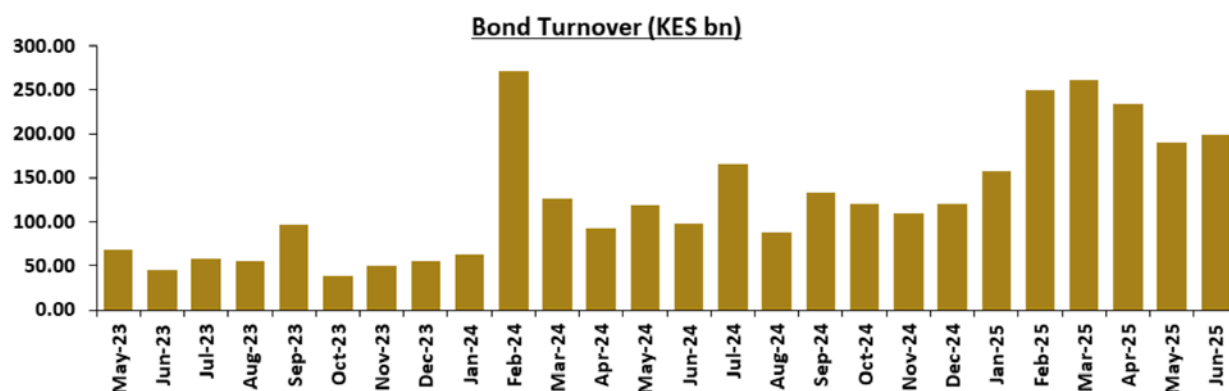
## BACKGROUND CHARTS

### KES/USD Performance



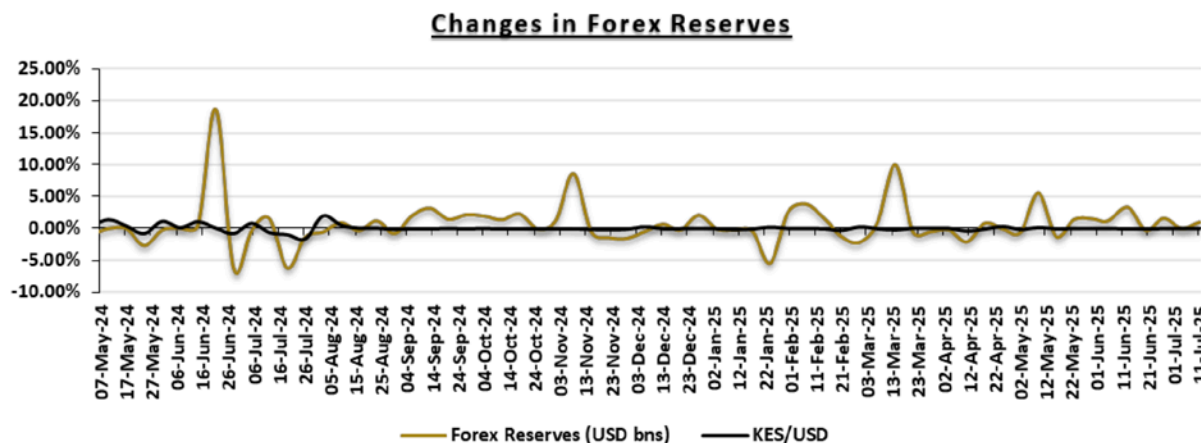
Source: Nairobi Securities Exchange (NSE)

### Bond Turnover



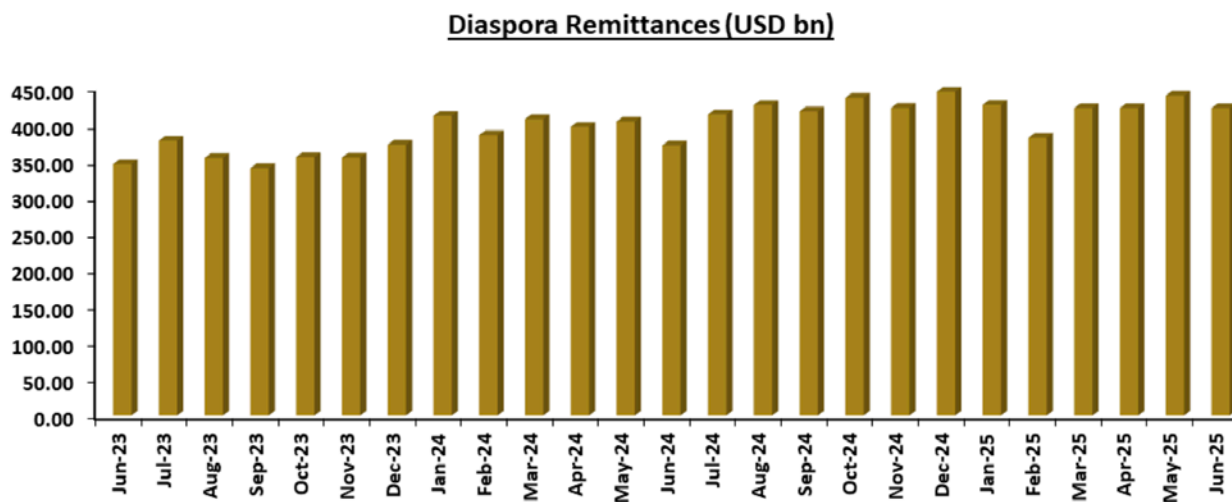
Source: Central Bank of Kenya (CBK)

### Forex Reserves



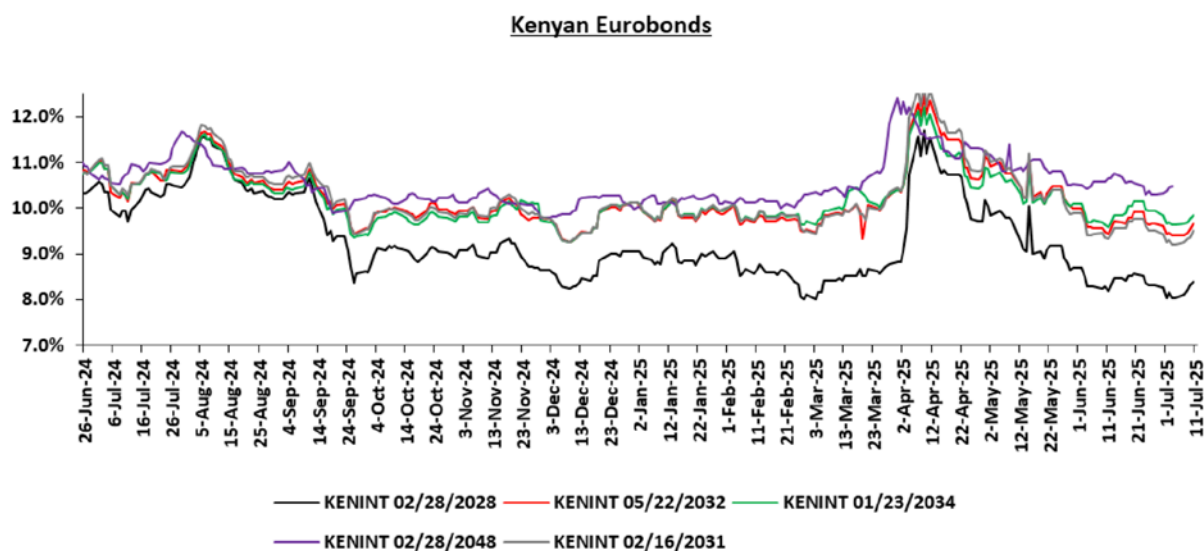
Source: Central Bank of Kenya (CBK)

## Diaspora Remittances



Source: Nairobi Securities Exchange (NSE)

## Kenyan Eurobonds



Source: Central Bank of Kenya (CBK)

---

# Disclosure and Disclaimer

---

**Analyst Certification Disclosure:** The research analyst or analysts responsible for the content of this research report certify that: (1) the views expressed and attributed to the research analyst or analysts in the research report accurately reflect their personal opinion(s) about the subject securities and issuers and/or other subject matter as appropriate; and, (2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views contained in this research report.

**Shariah Compliant Disclosure:** The research analyst or analysts responsible for the content of this research report certify that: The information provided in this report reflects SIB's approach to Sharia Compliant investing as at the date of this report and is subject to change without notice. We do not undertake to update any of such information in this report. Any references to Halal equities or similar terms in this report are intended as references to the internally defined criteria of the Firm or our businesses only, as applicable, and not to any jurisdiction-specific regulatory definition.

**Global Disclaimer:** Standard Investment Bank (SIB) and/or its affiliates makes no representation or warranty of any kind, express, implied or statutory regarding this document or any information contained or referred to in the document. The information in this document is provided for information purposes only. It does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movements in rates or prices, or represent that any such future movements will not exceed those shown in any illustration. The stated price of the securities mentioned herein, if any, is as of the date indicated and is not any representation that any transaction can be effected at this price. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors of fact or for any opinion expressed herein. The contents of this document may not be suitable for all investors as it has not been prepared with regard to the specific investment objectives or financial situation of any particular person. Any investments discussed may not be suitable for all investors. Users of this document should seek professional advice regarding the appropriateness of investing in any securities, financial instruments or investment strategies referred to in this document and should understand that statements regarding future prospects may not be realised. Opinions, forecasts, assumptions, estimates, derived valuations, projections and price target(s), if any, contained in this document are as of the date indicated and are subject to change at any time without prior notice. Our recommendations are under constant review. The value and income of any of the securities or financial instruments mentioned in this document can fall as well as rise and an investor may get back less than invested. Future returns are not guaranteed, and a loss of original capital may be incurred. Foreign-currency denominated securities and financial instruments are subject to fluctuation in exchange rates that could have a positive or adverse effect on the value, price or income of such securities and financial instruments. Past performance is not indicative of comparable future results and no representation or warranty is made regarding future performance. While we endeavour to update on a reasonable basis the information and opinions contained herein, there may be regulatory, compliance or other reasons that prevent us from doing so. Accordingly, information may be available to us which is not reflected in this material, and we may have acted upon or used the information prior to or immediately following its publication. SIB is not a legal or tax adviser, and is not purporting to provide legal or tax advice. Independent legal and/or tax advice should be sought for any queries relating to the legal or tax implications of any investment. SIB and/or its affiliates may have a position in any of the securities, instruments or currencies mentioned in this document. SIB has in place policies and procedures and physical information walls between its Research Department and differing business functions to help ensure confidential information, including 'inside' information is not disclosed unless in line with its policies and procedures and the rules of its regulators. Data, opinions and other information appearing herein may have been obtained from public sources. SIB makes no representation or warranty as to the accuracy or completeness of such information obtained from public sources. You are advised to make your own independent judgment (with the advice of your professional advisers as necessary) with respect to any matter contained herein and not rely on this document as the basis for making any trading, hedging or investment decision. SIB accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental, consequential, punitive or exemplary damages) from the use of this document, howsoever arising, and including any loss, damage or expense arising from, but not limited to, any defect, error, imperfection, fault, mistake or inaccuracy with this document, its contents or associated services, or due to any unavailability of the document or any part thereof or any contents or associated services. This material is for the use of intended recipients only and, in any jurisdiction in which distribution to private/retail customers would require registration or licensing of the distributor which the distributor does not currently have, this document is intended solely for distribution to professional and institutional investors.

## CONTACTS

### Research

Eric Musau  
emusau@sib.co.ke

Stellah Swakei  
sswakei@sib.co.ke

Wesley Manambo  
wmanambo@sib.co.ke

Melodie Gatuguta  
mgatuguta@sib.co.ke

### Equity Trading

Tony Waweru  
awaweru@sib.co.ke

### Foreign Equity Sales

John Mucheru  
jmucheru@sib.co.ke

### Fixed Income Trading

Brian Mutunga  
bmutunga@sib.co.ke

Barry Omotto  
bomotto@sib.co.ke

### Global Markets

Nahashon Mungai  
nmungai@sib.co.ke

Nickay Wangunyu  
nwangunyu@sib.co.ke

### Corporate Finance

Job Kihumba  
jkihumba@sib.co.ke

Lorna Wambui  
wndungi@sib.co.ke

### Marketing & Communications

Victor Ooko  
communications@sib.co.ke

Client Services  
clientservices@sib.co.ke

### Investment Solutions

Robin Mathenge  
rmathenge@sib.co.ke

### Private Client Services

Boniface Kiundi  
bkiundi@sib.co.ke

Frankline Kirigia  
fkirigia@sib.co.ke

Laban Githuki  
lgithuki@sib.co.ke



### Headquarters

JKUAT Towers (Formerly ICEA Building),  
16th Floor , Kenyatta Avenue, Nairobi,  
Kenya.

Telephone: +254 777 333 000,  
+254 20 227 7000, +254 20 227 7100

Email: [clientservices@sib.co.ke](mailto:clientservices@sib.co.ke)