



Central Bank of Kenya

Weekly Bulletin

November 19, 2021



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending November 18. It exchanged at KSh 112.11 per US dollar on November 18, compared to KSh 111.77 per US dollar on November 11 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 8,873 million (5.42 months of import cover) as at November 18. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover, and the EAC region's convergence criteria of 4.5 months of import cover (**Table 2**).

Money Market

The money market was liquid during the week ending November 18, supported by government payments. Commercial banks' excess reserves stood at KSh 18.6 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 5.13 percent on November 18 compared to 4.76 percent on November 11. During the week, the average number of interbank deals per day increased to 35 from 24 the previous week, while the average value traded increased to KSh 12.6 billion from KSh 7.4 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bills auctions of November 18, received bids totaling KSh 26.1 billion against an advertised amount of KSh 24.0 billion, representing a performance of 108.6 percent. Interest rates on the 91-day, 182-day and 364-day Treasury bills remained stable with marginal increase across the three tenors (**Table 4**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 20 and NSE 25 share price indices declined by 1.7 percent, 2.1 percent and 1.5 percent, respectively. Similarly, total shares traded, equity turnover and market capitalization declined by 38.8 percent, 36.7 percent and 1.7 percent, respectively, during the week ending November 18 (**Table 6**).

Bonds Market

Bonds turnover in the domestic secondary market declined by 39.6 percent during the week ending November 18 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 4.6 basis points. The yields on the 10-year Eurobonds for Ghana and Angola also increased (**Chart 2**).

Global Trends

Global financial markets sentiment remained relatively calm during the week ending November 18, following stronger-than-expected US economic data despite rising concerns on inflation pressures in UK and renewed resurgence in Covid-19 cases in Europe.

International oil price declined during the week ending November 18, after major oil producers signaled impending oversupply. Murban oil prices declined to USD 80.20 per barrel on November 18, compared to USD 83.70 per barrel on November 11.

Table 1: Kenya Shilling Exchange Rates (Indicative Mean Rates)

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
5-Nov-21	111.55	151.83	128.86	98.02	31.86	20.65	9.14	17.84
8-Nov-21	111.59	150.81	128.84	98.01	31.81	20.63	9.13	17.83
9-Nov-21	111.65	150.71	129.05	99.01	31.75	20.62	9.13	17.82
10-Nov-21	111.70	151.36	129.32	98.87	31.65	20.59	9.13	17.82
11-Nov-21	111.77	151.13	129.20	98.07	31.58	20.59	9.12	17.81
November 5-11	111.65	151.17	129.05	98.39	31.73	20.61	9.13	17.82
12-Nov-21	111.81	150.14	128.42	98.12	31.53	20.58	9.12	17.80
15-Nov-21	111.91	149.87	128.12	98.12	31.55	20.56	9.11	17.79
16-Nov-21	111.97	150.29	128.22	98.36	31.53	20.56	9.11	17.78
17-Nov-21	112.01	150.57	127.60	98.02	31.56	20.55	9.10	17.77
18-Nov-21	112.11	150.80	126.89	97.76	31.62	20.53	9.10	17.76
November 12-18	111.96	150.33	127.85	98.08	31.56	20.56	9.11	17.78

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	21-Oct-21	28-Oct-21	4-Nov-21	11-Nov-21	18-Nov-21
1. CBK Usable Foreign Exchange Reserves (USD Million)*	9,228	9,175	9,068	9,094	8,873
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	5.64	5.61	5.54	5.56	5.42

**Based on 36 months average of imports of goods and non-factor services

Source: Central Bank of Kenya

Table 3: Money Markets

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
5-Nov-21	19	6,600.00	4.48
8-Nov-21	15	5,150.00	4.44
9-Nov-21	16	4,040.00	4.74
10-Nov-21	22	7,100.00	4.39
11-Nov-21	46	14,060.00	4.76
November 5-11	24	7,390.00	4.56
12-Nov-21	56	18,935.00	5.09
15-Nov-21	32	12,590.00	5.36
16-Nov-21	25	9,430.00	5.26
17-Nov-21	32	12,590.00	5.36
18-Nov-21	30	9,520.00	5.13
November 12-18	35	12,613.00	5.24

Source: Central Bank of Kenya

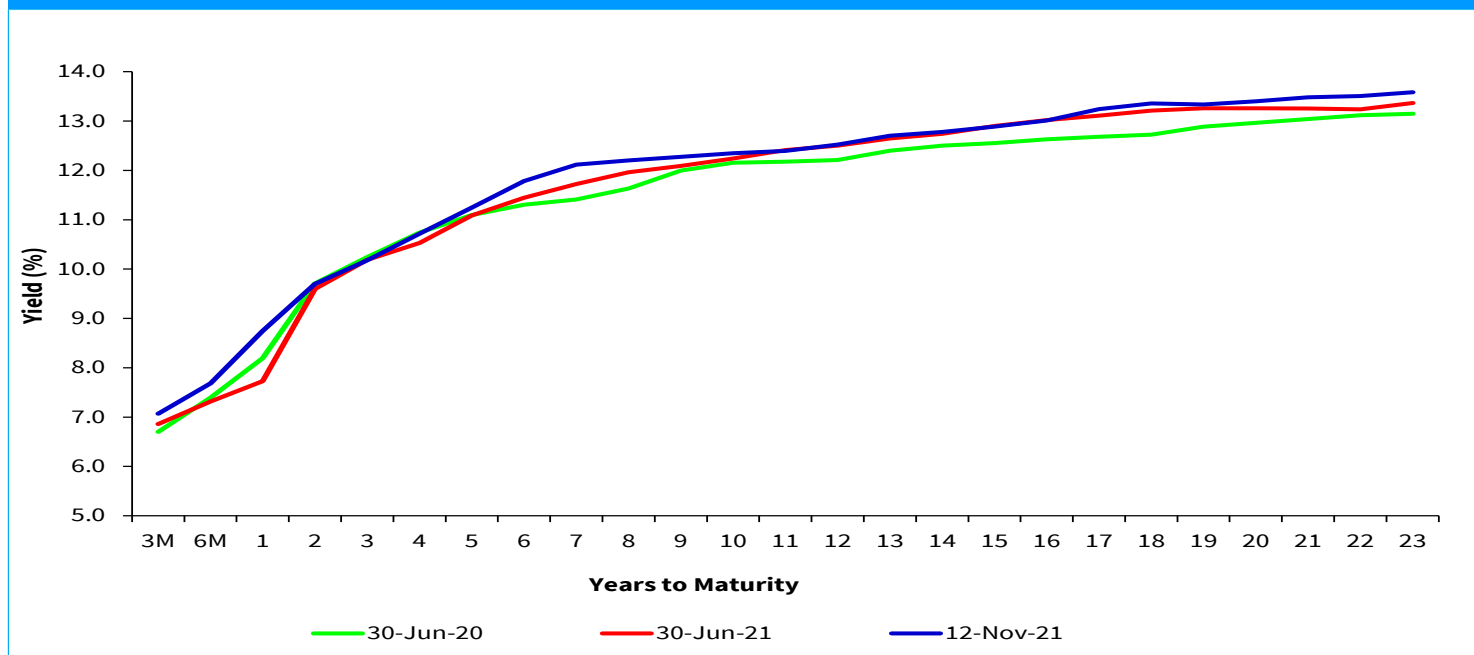
Table 4: Performance of Treasury Bills Auctions						
91-Day Treasury Bills						
Date of Auction	7-Oct-21	14-Oct-21	21-Oct-21	28-Oct-21	11-Nov-21	18-Nov-21
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	3,422.23	3,015.78	6,520.29	2,638.83	3,990.32	8,397.66
Amount Accepted (KSh M)	3,422.23	3,015.68	6,520.29	2,117.68	3,990.32	8,395.70
Maturities (KSh M)	11,420.35	2,696.50	10,234.55	8,621.10	2,772.55	12,315.45
Average Interest Rate (%)	6.935	6.952	7.020	7.040	7.070	7.114
182-Day Treasury Bills						
Date of Auction	7-Oct-21	14-Oct-21	21-Oct-21	28-Oct-21	11-Nov-21	18-Nov-21
Amount Offered (KSh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids Received (KSh M)	3,961.63	9,007.05	6,532.62	7,416.10	5,201.79	8,475.80
Amount Accepted (KSh M)	3,961.63	8,044.21	4,609.24	5,169.24	5,201.79	6,551.96
Maturities (KSh M)	2,519.90	3,743.30	2,071.30	2,901.75	2,942.75	7,182.90
Average Interest Rate (%)	7.316	7.428	7.417	7.486	7.683	7.747
364-Day Treasury Bills						
Date of Auction	7-Oct-21	14-Oct-21	21-Oct-21	28-Oct-21	11-Nov-21	18-Nov-21
Amount Offered (KSh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids Received (KSh M)	2,438.75	5,815.22	4,762.89	5,790.32	7,433.54	9,199.67
Amount Accepted (KSh M)	2,392.50	5,815.13	4,724.45	2,628.17	7,330.05	8,306.67
Maturities (KSh M)	15,167.45	16,966.50	8,765.65	11,503.85	14,109.70	13,064.10
Average Interest Rate (%)	8.028	8.225	8.355	8.489	8.745	8.840

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions						
Date of Auction	8-Sep-21	6-Oct-21			10-Nov-21	
		REOPEN			REOPEN	
Tenor	IFB1/ 2021/21	FXD1/ 2013/15	FXD3/ 2019/15	FXD1/ 2021/25	FXD1/ 2021/5	FXD1/ 2019/20
Amount offered (KSh M)	75,000.00	60,000.00			50,000.00	
Bids received (KSh M)	151,256.13	23,414.98	3,390.35	28,669.87	66,603.14	17,567.66
Amount Accepted (KSh M)	106,752.53	22,876.63	3,267.29	25,904.96	53,661.88	15,845.49
Maturities (KSh M)	0.00	0.00			0.00	
Average interest Rate (%)	12.74	11.88	12.85	13.82	11.28	13.41

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

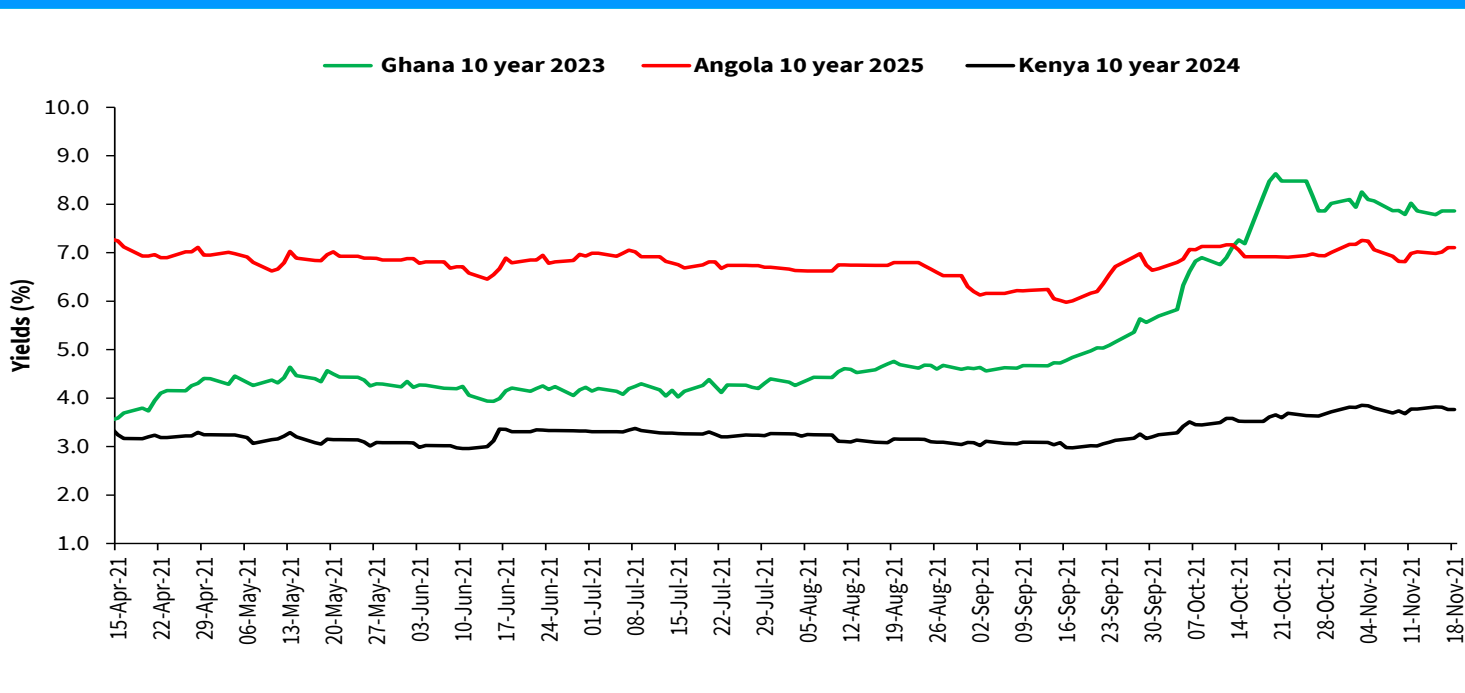
Table 6: Key Weekly Market Indicators

INDICATOR	NASI	NSE 25 Share Index	NSE 20 Share Index	Total Deals (Equity)	Total Shares Traded (Million)	Equity Turnover (KSh Million)	Market Capitalization (KSh Billion)	Bonds Turnover (KSh Million)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2024	10-Year 2028	12-Year 2032	13-Year 2034	30-Year 2048
5-Nov-21	170.94	3757.80	1948.87	1,098.00	7.77	284.45	2,667.32	3,460.00	5.370	3.793	5.673	6.654	6.483	7.853
8-Nov-21	170.41	3749.82	1935.91	1,362.00	6.76	154.48	2,659.09	3,061.65	5.339	3.694	5.581	6.586	6.421	7.755
9-Nov-21	171.03	3775.33	1934.83	1,370.00	30.23	974.72	2,668.74	3,102.75	5.326	3.736	5.557	6.552	6.390	7.723
10-Nov-21	172.48	3804.97	1933.28	1,169.00	19.90	727.29	2,691.46	2,601.85	5.336	3.679	5.510	6.534	6.390	7.723
11-Nov-21	172.42	3803.30	1931.01	1,823.00	29.28	1,182.06	2,690.51	6,190.70	5.380	3.776	5.578	6.585	6.405	7.766
November 5-11	172.42	3803.30	1931.01	6,822.00	93.94	3,323.01	2,690.51	18,416.95	5.380	3.776	5.578	6.585	6.405	7.766
12-Nov-21	171.47	3782.92	1919.95	1,144.00	15.20	456.94	2,675.62	2,979.60	5.402	3.773	5.600	6.618	6.452	7.798
15-Nov-21	170.83	3766.71	1917.51	1,190.00	12.72	540.77	2,665.53	1,271.35	5.374	3.818	5.600	6.601	6.436	7.831
16-Nov-21	170.54	3759.79	1911.00	1,109.00	3.30	66.80	2,661.14	1,443.60	5.392	3.815	5.645	6.635	6.436	7.841
17-Nov-21	169.70	3739.78	1900.18	1,185.00	16.50	701.38	2,648.00	2,214.75	5.394	3.764	5.621	6.618	6.421	7.831
18-Nov-21	169.50	3745.85	1890.59	1,017.00	9.76	338.72	2,644.88	3,224.28	5.444	3.804	5.620	6.600	6.421	7.874
November 12-18	169.50	3745.85	1890.59	5,645.00	57.48	2,104.62	2,644.88	11,133.58	5.444	3.804	5.620	6.600	6.421	7.874
Weekly Changes (%)	-1.69	-1.51	-2.09	-17.25	-38.82	-36.67	-1.70	-39.55	0.064*	0.028*	0.042*	0.015*	0.016*	0.108*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

Chart 2: Yields on 10 year Eurobonds for Selected Countries



Source: Thomson Reuters

Table 7: Government Domestic Debt (KSh Billion)

	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21	24-Sep-21	05-Nov-21	12-Nov-21
1. Treasury Bills (Excluding Repos)	894.73	855.71	761.90	765.37	763.00	726.28	727.32
<i>(As % of total securities)</i>	26.50	25.04	21.79	21.17	19.77	18.79	18.81
2. Treasury Bonds	2,482.24	2,561.33	2,734.47	2,849.94	3,096.84	3,139.42	3,139.42
<i>(As % of total securities)</i>	73.50	74.96	78.21	78.83	80.23	81.21	81.19
3. Total Securities (1+2)	3,376.98	3,417.05	3,496.37	3,615.31	3,859.84	3,865.70	3,866.74
4. Overdraft at Central Bank	56.21	47.60	49.28	59.28	55.26	67.20	65.80
5. Other Domestic debt*	23.92	23.90	24.19	22.50	23.91	22.37	23.09
6. Gross Domestic Debt (3+4+5)	3,457.11	3,488.54	3,569.84	3,697.09	3,939.01	3,955.26	3,955.63

* Other domestic debt includes clearing items in transit, advances from commercial banks and Pre-1997 Government Overdraft.

Source: Central Bank of Kenya

Table 8: Composition of Government Domestic Debt by Instrument (Percent)

	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21	24-Sep-21	5-Nov-21	12-Nov-21
Treasury bills (Excluding Repos)	25.88	24.53	21.34	20.70	19.37	18.36	18.39
Treasury bonds	71.80	73.42	76.60	77.09	78.62	79.37	79.37
Overdraft at Central Bank	1.63	1.36	1.38	1.60	1.40	1.70	1.66
Other domestic debt	0.69	0.69	0.68	0.61	0.61	0.57	0.58
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of Kenya

Table 9: Composition of Government Domestic Debt by Holder (Percent)

	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21	24-Sep-21	5-Nov-21	12-Nov-21
Banking Institutions	54.55	52.83	51.75	51.24	50.83	50.27	50.22
Insurance Companies	6.16	6.44	6.57	6.66	6.60	6.69	6.69
Parastatals	5.47	5.69	5.62	5.54	5.38	5.37	5.50
Pension Funds	28.53	30.32	30.46	30.60	31.24	31.52	31.46
Other Investors	5.30	4.73	5.59	5.96	5.95	6.14	6.13
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of Kenya

Table 10: Indicators of Government Debt

	Jun-20	Sep-20	Dec-20	Mar-21	Apr-21	May-21	Jun-21
Domestic debt (KSh Bn)	3,176.97	3,457.11	3,488.54	3,569.84	3,632.91	3,686.89	3,697.09
Public & Publicly Guaranteed External debt (USD Bn)	33.01	33.77	34.75	34.42	35.13	35.31	37.23
Public & Publicly Guaranteed External debt (KSh Bn)	3,515.81	3,663.49	3,793.29	3,769.87	3,778.13	3,799.02	4,015.30
Public debt (KSh Bn)	6,692.78	7,120.60	7,281.83	7,339.71	7,411.05	7,485.91	7,712.39

Source: National Treasury and Central Bank of Kenya