



Central Bank of Kenya

Weekly Bulletin

April 9, 2021

KEY MONETARY AND FINANCIAL INDICATORS

Exchange Rates

The Kenya Shilling strengthened against major international and regional currencies during the week ending April 8, on the back of increased forex inflows. It exchanged at KSh 108.24 per US dollar on April 8, compared to KSh 109.35 per US dollar on April 1 (Table 1).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,425 million (4.56 months of import cover) as at April 8. This meets the CBK's statutory requirement to endeavour 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 Markets

The money market was liquid during the week ending April 8, supported by government payments and net redemption of government securities. Commercial banks' excess reserves stood at KSh 14.1 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 4.27 percent on April 8 compared to 5.59 percent on April 1. During the week, the average number of interbank deals per day decreased to 20 from 26 in the previous week, while the average value traded decreased to KSh 7.7 billion from KSh 15.9 billion in the previous week (Table 3).

Government Securities Market

The Treasury bills auction of April 8 received bids totalling KSh 20.3 billion against an advertised amount of KSh 24.0 billion, representing a performance of 84.8 percent. Interest rates on the Treasury bills remained stable, only rising marginally (Table 4).

The 18-year infrastructure Treasury bond issued on April 7 received bids totalling KSh 88.6 billion against an advertised amount of KSh 60.0 billion, representing a performance of 147.6 percent (Table 5).

Equity Market

At the Nairobi Securities Exchange, both the NASI and NSE 25 share price index declined by 1.8 percent while the NSE 20 share price index declined by 0.4 percent, during the week ending April 8. Similarly, market capitalization, equity turnover and total shares traded declined by 1.8 percent, 54.4 percent and 50.4 percent, respectively (Table 6).

Bonds Market

Turnover of bonds in the domestic secondary market declined by 78.9 percent during the week ending April 8 (Table 6). In the international market, yields on Kenya's Eurobonds declined by an average of 19.7 basis points. The yield on the 10-year Eurobond for Angola also declined while that of Ghana rose marginally (Chart 3).

Global Trends

The global economic outlook has improved despite the high uncertainty about the path of the COVID-19 pandemic. In its April 2021 World Economic Outlook (WEO), the IMF estimates that the global economy contracted by 3.3 percent in 2020 but is projected to rebound to a growth of 6.0 percent in 2021. The better global performance reflects additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of 2021.

International oil prices declined during the week ending April 8, on account of rising number of COVID-19 cases and new lockdowns in some advanced economies. Murban oil price declined to USD 61.68 per barrel on April 8, from USD 62.10 per barrel on April 1.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
26-Mar-21	109.79	150.45	129.75	100.68	33.38	21.12	8.99	17.82
29-Mar-21	109.75	151.01	129.35	100.01	33.35	21.13	9.06	17.74
30-Mar-21	109.72	151.55	129.29	100.05	33.35	21.14	9.06	17.75
31-Mar-21	109.51	150.69	128.60	99.22	33.47	21.18	9.08	17.78
1-Apr-21	109.35	150.67	128.51	98.81	33.52	21.21	9.09	17.81
Mar 26-Apr 1	109.62	150.87	129.10	99.75	33.41	21.15	9.06	17.78
2-Apr-21	Good Friday							
5-Apr-21	Easter Monday							
6-Apr-21	108.92	150.16	127.93	98.84	33.57	21.29	9.13	17.88
7-Apr-21	108.60	150.26	128.28	98.93	33.64	21.35	9.16	17.93
8-Apr-21	108.24	149.14	128.63	98.62	33.72	21.42	9.19	18.00
Apr 2-8	108.59	149.85	128.28	98.80	33.64	21.36	9.16	17.94

* Units of currency per Kenya Shilling

Source :Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	11-Mar-21	18-Mar-21	25-Mar-21	1-Apr-21	8-Apr-21
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,351	7,412	7,344	7,343	7,425
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.52	4.55	4.51	4.51	4.56

*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 (%)
26-Mar-21	24	11,700.00	5.52
29-Mar-21	32	22,880.00	5.36
30-Mar-21	32	20,800.00	5.35
31-Mar-21	15	7,750.00	5.55
1-Apr-21	27	16,150.00	5.59
Mar 26- April 1, 2021	26	15,856.00	5.47
2-Apr-21	Good Friday		
5-Apr-21	Easter Monday		
6-Apr-21	23	10,450.00	5.54
7-Apr-21	20	6,325.00	5.27
8-Apr-21	16	6,200.00	4.27
April 2- 8, 2021	20	7,658.33	5.03

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bills Auctions

91-Day Treasury Bills						
Date of Auction	4-Mar-21	11-Mar-21	18-Mar-21	25-Mar-21	31-Mar-21	8-Apr-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)	7,045.17	4,350.17	5,422.32	3,302.64	2,018.11	3,161.07
Amount Accepted (KSh M)	6,062.14	4,349.58	5,422.13	3,302.64	2,018.11	3,160.98
Maturities (KSh M)	2,514.40	1,564.25	8,658.45	5,693.95	672.75	752.55
Average Interest Rate (%)	7.024	7.024	7.071	7.087	7.085	7.096
182-Day Treasury Bills						
Date of Auction	4-Mar-21	11-Mar-21	18-Mar-21	25-Mar-21	31-Mar-21	8-Apr-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)	7,773.77	6,081.94	7,099.33	3,070.50	764.64	2,559.42
Amount Accepted (KSh M)	6,809.86	6,080.73	6,135.84	3,070.02	764.64	2,428.47
Maturities (KSh M)	2,761.95	7,756.90	1,982.05	1,167.30	3,578.50	3,443.30
Average Interest Rate (%)	7.765	7.832	7.884	7.890	7.910	7.914
364-Day Treasury Bills						
Date of Auction	4-Mar-21	11-Mar-21	18-Mar-21	25-Mar-21	31-Mar-21	8-Apr-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)	19,016.49	12,192.30	15,077.07	16,595.11	4,405.24	14,626.64
Amount Accepted (KSh M)	17,293.12	12,191.56	11,738.86	12,665.17	4,375.51	14,534.43
Maturities (KSh M)	20,558.30	19,432.30	18,398.20	5,324.75	23,194.95	6,545.75
Average Interest Rate (%)	9.071	9.144	9.213	9.259	9.308	9.366

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	3-Feb-21		17-Feb-21		10-Mar-21		7-Apr-21
	REOPEN		TAP		REOPEN		
Tenor	FXD1/ 2013/15	FXD1/ 2012/20	FXD1/ 2013/15	FXD1/ 2012/20	FXD1/ 2019/15	FXD2/ 2018/20	IFB1/ 2021/18
Amount offered (KSh M)	50,000.00		18,000.00		50,000.00		60,000.00
Bids received (KSh M)	13,553.50	28,308.65	7,164.85	4,071.20	15,897.21	32,809.37	88,577.56
Amount Accepted (KSh M)	9,408.58	22,713.42	6,985.73	3,924.84	15,511.29	32,795.91	81,941.63
Maturities (KSh M)	7,868.37		0.00		0.00		0.00
Average interest Rate (%)	11.78	12.59	11.78	12.59	12.41	13.44	12.67

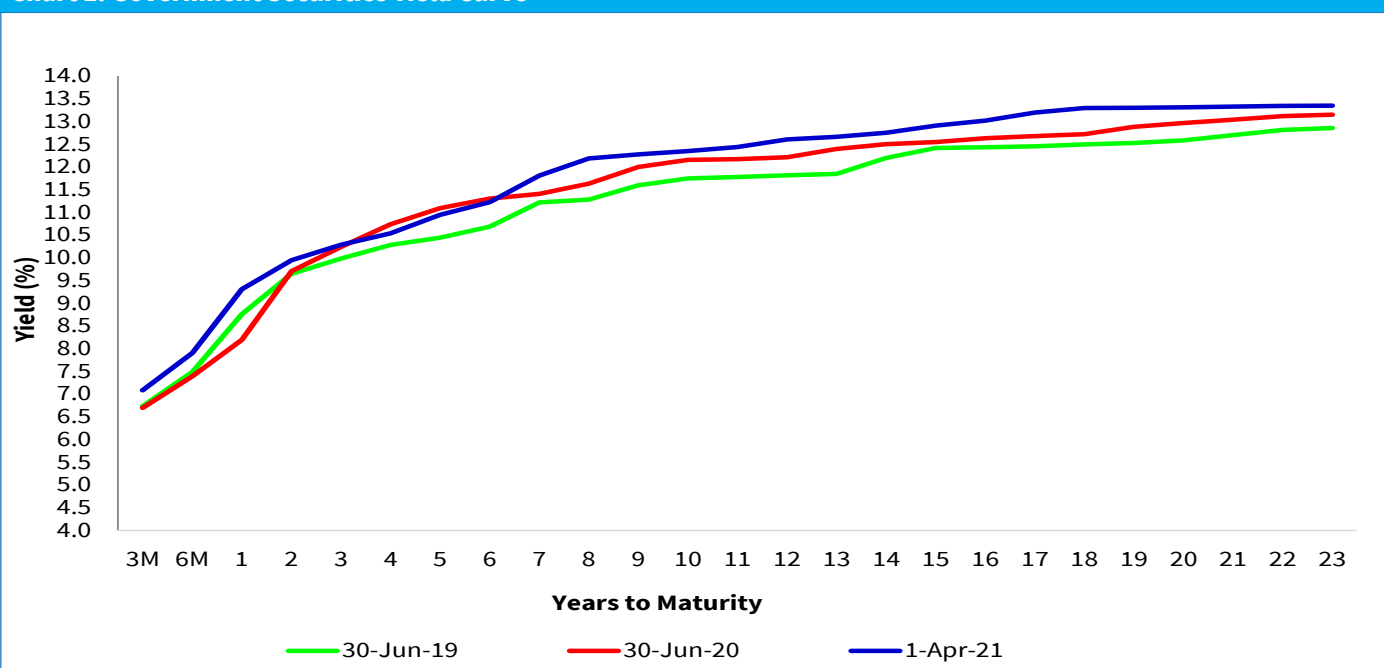
Source: Central Bank of Kenya

Table 6: Key Weekly Market Indicators

INDICATOR	NASI 100=2008	NSE 25 Share Index	NSE 20 Share Index 100=1996	Total Deals (Equity)	Total Shares Traded (Million)	Equity Turnover (KSh Million)	Market Capital- ization (KSh Billion)	Bonds Turnover (KSh Mil- lion)	Eurobond Yields (%)				
									7-Year 2027	10-Year 2024	10-Year 2028	12-Year 2032	30-Year 2048
26-Mar-21	166.48	3,666.29	1,903.06	916.00	9.98	311.32	2,558.02	2,237.80	5.319	3.415	6.018	6.805	7.738
29-Mar-21	161.28	3,531.67	1,853.25	1,289.00	16.59	652.74	2,478.00	3,824.40	5.373	3.376	6.083	6.838	7.748
30-Mar-21	160.97	3,544.40	1,846.76	1,318.00	29.22	1,168.08	2,473.12	4,571.55	5.578	3.451	6.256	7.121	7.976
31-Mar-21	158.62	3,531.58	1,846.41	1,273.00	22.96	741.62	2,437.04	1,578.35	5.603	3.555	6.276	7.120	7.976
1-Apr-21	160.68	3,559.40	1,864.44	1,100.00	16.41	613.69	2,468.64	1,259.80	5.575	3.553	6.276	7.103	8.010
Mar 26-April 1	160.68	3559.40	1864.44	5,896.00	95.15	3,487.46	2,468.64	13,471.90	5.575	3.553	6.276	7.103	8.010
2-Apr-21	PUBLIC HOLIDAY								5.583	3.553	6.276	7.103	8.010
5-Apr-21	PUBLIC HOLIDAY								5.543	3.553	6.276	7.103	8.010
6-Apr-21	159.85	3,547.08	1,863.10	1,050.00	6.71	248.82	2,455.94	647.85	5.469	3.589	6.210	7.086	7.965
7-Apr-21	159.79	3,535.84	1,856.13	1,190.00	25.21	883.57	2,455.05	806.35	5.412	3.469	6.057	6.936	7.866
8-Apr-21	157.77	3,496.87	1,856.97	1,078.00	15.26	458.94	2,423.90	1,383.00	5.352	3.461	6.013	6.885	7.823
April 2-8	157.77	3496.87	1856.97	3,318.00	47.17	1,591.33	2,423.90	2,837.20	5.352	3.461	6.013	6.885	7.823
Weekly Changes (%)	-1.81	-1.76	-0.40	-43.72	-50.42	-54.37	-1.81	-78.94	-0.223*	0.092*	-0.263*	0.218*	-0.187*

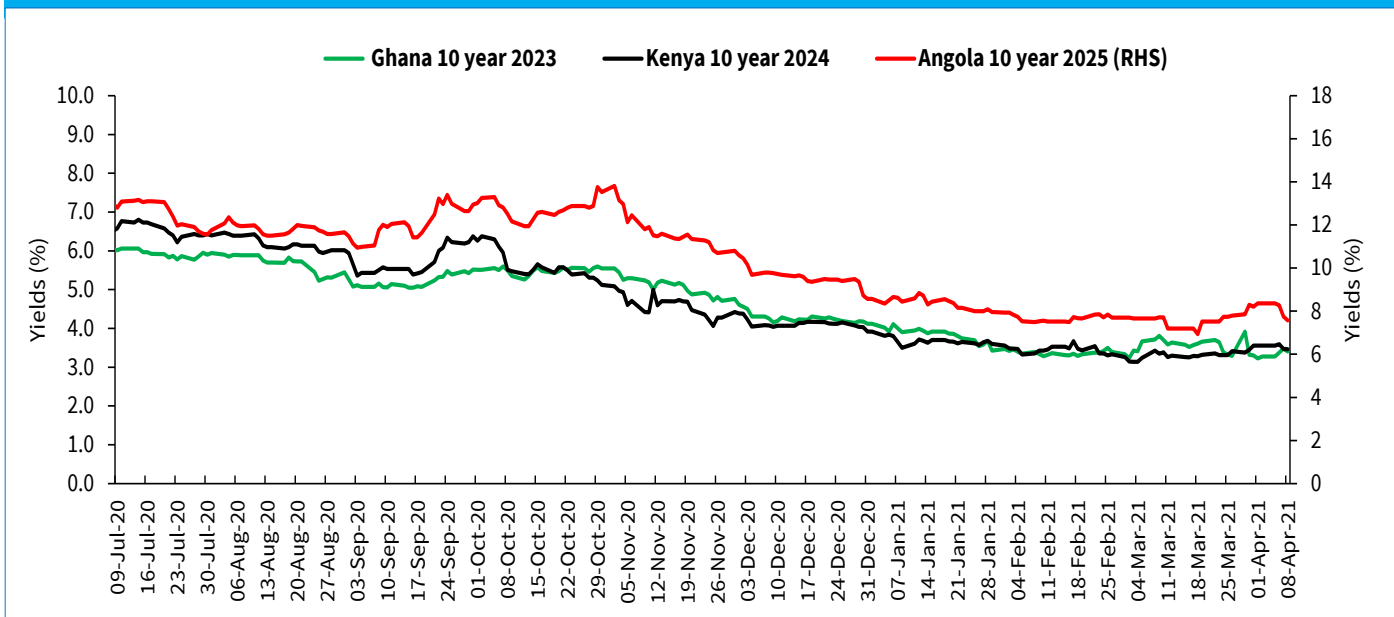
* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thompson Reuters

Chart 1: Government Securities Yield Curve


Source: Nairobi Securities Exchange (NSE)

Chart 2: Yields on 10 year Eurobonds for Selected African Countries



Source: Thomson Reuters

Table 7: Government Domestic Debt (KSh Billion)

	30-Jun-20	31-Dec-20	29-Jan-21	26-Feb-21	19-Mar-21	26-Mar-21	01-Apr-21
1. Treasury Bills (Excluding Repos)	887.14	855.71	785.46	748.00	758.11	753.75	761.90
<i>(As % of total securities)</i>	28.56	25.04	22.75	21.67	21.60	21.61	21.79
2. Treasury Bonds	2,219.44	2,561.33	2,667.02	2,703.56	2,752.17	2,734.47	2,734.47
<i>(As % of total securities)</i>	71.44	74.96	77.25	78.33	78.40	78.39	78.21
3. Total Securities (1+2)	3,106.59	3,417.05	3,452.48	3,451.56	3,510.28	3,488.22	3,496.37
4. Overdraft at Central Bank	47.15	47.60	55.27	55.40	50.31	56.08	49.28
5. Other Domestic debt*	23.24	23.90	24.81	24.22	24.22	24.22	24.21
6. Gross Domestic Debt (3+4+5)	3,176.97	3,488.54	3,532.56	3,531.18	3,584.82	3,568.53	3,569.86

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

Source: Central Bank of Kenya

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

	30-Jun-20	31-Dec-20	29-Jan-21	26-Feb-21	19-Mar-21	26-Mar-21	1-Apr-21
Treasury bills (Excluding Repos)	27.92	24.53	22.23	21.18	21.15	21.12	21.34
Treasury bonds	69.86	73.42	75.50	76.56	76.77	76.63	76.60
Overdraft at Central Bank	1.48	1.36	1.56	1.57	1.40	1.57	1.38
Other domestic debt	0.73	0.69	0.70	0.69	0.68	0.68	0.68
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-Jun-20	31-Dec-20	29-Jan-21	26-Feb-21	19-Mar-21	26-Mar-21	1-Apr-21
Banking Institutions	54.84	53.29	53.32	53.46	52.98	52.78	51.89
Insurance Companies	6.05	6.44	6.40	6.48	6.51	6.55	6.58
Parastatals	5.73	5.69	5.64	5.66	5.62	5.66	5.61
Pension Funds	29.04	30.32	30.34	29.88	30.34	30.48	30.44
Other Investors	4.34	4.27	4.30	4.51	4.55	4.53	5.47
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-19	Jun-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
Domestic debt (KSh Bn)	2,787.04	3,176.97	3,457.11	3,457.64	3,482.65	3,488.54	3,532.56
Public & Publicly Guaranteed External debt (USD Bn)	29.55	33.01	33.77	34.05	34.27	34.75	34.68
Public & Publicly Guaranteed External debt (KSh Bn)	3,023.14	3,515.81	3,663.49	3,705.64	3,771.81	3,793.29	3,819.70
Public debt (KSh Bn)	5,810.18	6,692.78	7,120.60	7,163.29	7,254.46	7,281.83	7,352.26

Source: National Treasury and Central Bank of Kenya