



Central Bank of Kenya

Weekly Bulletin

April 22, 2022



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending April 21. It exchanged at KSh 115.54 per US dollar on April 21, compared to KSh 115.44 per US dollar on April 14 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 8,485 million (5.04 months of import cover) as of April 21. 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**).

Remittances

Remittance inflows in March 2022 hit a record monthly high of USD 363.6 million compared to USD 290.8 million in March 2021, a 25.0 percent increase (**Chart 1**). The cumulative inflows for the 12 months to March 2022 totaled USD 3,912 million compared to USD 3,216 million in the same period in 2021, an increase of 21.6 percent. The strong remittances inflows continue to support the current account and the stability of the exchange rate. The US remains the largest source of remittances into Kenya, accounting for 58 percent in March 2022.

Money Market

The money market was liquid during the week ending April 21, reflecting government payments, which offset tax remittances. Commercial banks' excess reserves stood at KSh 29.8 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 4.60 percent on April 21 compared to 4.36 percent on April 14. During the week, the average number of interbank deals increased to 33 from 30 in the previous week, while the average value traded increased to KSh 25.9 billion from KSh 19.9 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of April 21, received bids totalling KSh 23.7 billion against an advertised amount of KSh 24.0 billion, representing a performance of 98.9 percent. Interest rates remained stable, with the 91-day, 182-day and 364-day Treasury bills rates increasing marginally (**Table 4**).

During the Treasury bond auction of April 20, the fifteen-year fixed rate Treasury bond issue received bids totaling KSh 32.5 billion against an advertised amount of KSh 30.0 billion, representing a performance rate of 108.5 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, NASI, NSE 25 and NSE 20 share price indices declined by 1.0 percent, 0.7 percent, and 0.8 percent, respectively. Similarly, market capitalization declined by 0.8 percent, while equity turnover and total shares traded rose by 12.5 percent and 14.5 percent, respectively, during the week ending April 21 (**Table 6**).

Bonds Market

Bonds turnover in the domestic secondary market declined by 56.2 percent during the week ending April 21 (**Table 6**). In the international market, yields on Kenya's Eurobonds rose by an average of 27.4 basis points. Similarly, the Yields on the 10-year Eurobonds for Angola rose, while those for Ghana declined (**Chart 3**).

Global Trends

The IMF's World Economic Outlook (WEO) for April 2022, projects the global output to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This Outlook is 0.8 percentage points and 0.2 percentage points lower for 2022 and 2023 respectively, than in the January WEO update. The weaker growth is attributed to increased geopolitical tension emanating from the war in Ukraine as well as the high uncertainty on the future path of the COVID-19 pandemic.

International oil prices rose during the week ending April 21. Murban oil prices increased to USD 108.30 per barrel on April 21 compared to USD 107.51 per barrel on April 14.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
8-Apr-22	115.29	150.79	125.76	93.06	30.75	20.14	8.83	17.80
11-Apr-22	115.33	150.50	125.40	92.31	30.74	20.13	8.82	17.79
12-Apr-22	115.38	150.34	125.77	91.89	30.60	20.13	8.95	17.79
13-Apr-22	115.41	150.44	125.59	91.86	30.50	20.12	8.82	17.78
14-Apr-22	115.44	150.31	125.16	92.17	30.47	20.11	8.82	17.78
Apr 8-14	115.37	150.48	125.54	92.26	30.61	20.13	8.85	17.79
15-Apr-22	Good Friday							
18-Apr-22	Easter Monday							
19-Apr-22	115.48	151.38	125.48	91.99	30.48	20.12	8.82	17.77
20-Apr-22	115.51	150.62	124.94	89.79	30.47	20.12	8.83	17.77
21-Apr-22	115.54	150.88	125.26	90.43	30.59	20.10	8.81	17.77
Apr 15-21	115.51	150.96	125.23	90.74	30.52	20.11	8.82	17.77

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

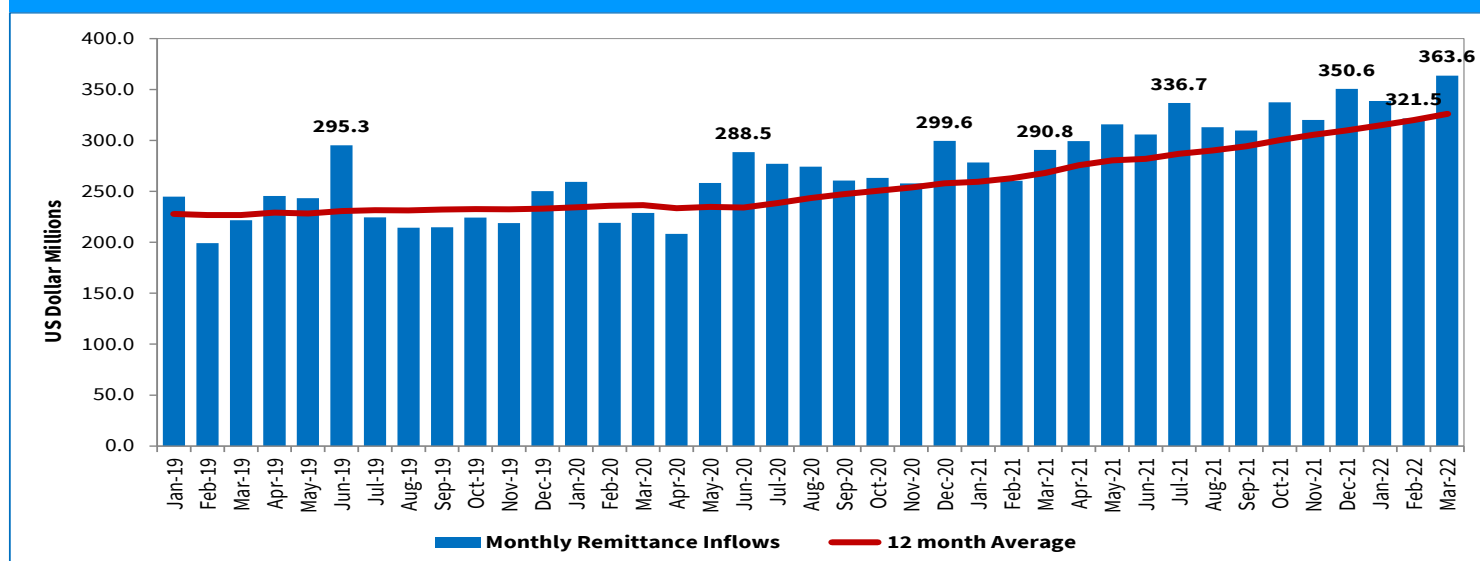
Table 2: Official Foreign Exchange Reserves (USD Million)

	24-Mar-22	31-Mar-22	7-Apr-22	14-Apr-22	21-Apr-22
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,856	7,840	8,373	8,284	8,485
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.80	4.66	4.98	4.92	5.04

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

Source: Central Bank of Kenya

Chart 1: Monthly Remittance Inflows (USD Million)



Source: Central Bank of Kenya

Table 3: Money Markets

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
8-Apr-22	55	41,780.00	4.75
11-Apr-22	25	14,630.00	4.69
12-Apr-22	19	12,980.00	4.50
13-Apr-22	19	12,500.00	4.34
14-Apr-22	33	17,821.00	4.36
April 8-14	30	19,942.20	4.53
15-Apr-22	Good Friday		
18-Apr-22	Easter Monday		
19-Apr-22	31	24,545.00	4.41
20-Apr-22	36	27,750.00	4.58
21-Apr-22	31	25,320.00	4.60
April 15-21	33	25,871.67	4.53

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	17-Mar-22	24-Mar-22	31-Mar-22	7-Apr-22	13-Apr-22	21-Apr-22
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)	1,978.39	2,319.78	1,522.59	2,384.49	4,800.04	8,180.05
Amount Accepted (KSh M)	1,755.26	2,319.68	1,522.59	2,382.72	4,799.21	8,171.92
Maturities (KSh M)	3,591.35	1,605.00	576.15	5,747.85	4,386.05	1,718.35
Average Interest Rate (%)	7.252	7.283	7.302	7.377	7.424	7.448
182-Day Treasury Bills						
Date of Auction	17-Mar-22	24-Mar-22	31-Mar-22	7-Apr-22	13-Apr-22	21-Apr-22
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)	8,238.10	3,842.26	3,131.62	3,932.29	2,601.49	9,018.64
Amount Accepted (KSh M)	8,235.99	3,842.12	3,131.62	3,931.23	2,601.40	9,018.64
Maturities (KSh M)	7,030.85	4,812.40	5,526.25	4,102.45	8,278.40	4,775.35
Average Interest Rate (%)	8.093	8.134	8.164	8.219	8.315	8.373
364-Day Treasury Bills						
Date of Auction	17-Mar-22	24-Mar-22	31-Mar-22	7-Apr-22	13-Apr-22	21-Apr-22
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)	9,662.16	7,219.36	2,470.75	8,173.05	4,252.21	6,537.28
Amount Accepted (KSh M)	8,857.28	7,082.09	2,446.61	8,122.32	4,161.11	6,535.46
Maturities (KSh M)	12,810.30	13,805.10	4,749.75	15,850.30	11,395.00	8,490.30
Average Interest Rate (%)	9.763	9.767	9.752	9.743	9.745	9.755

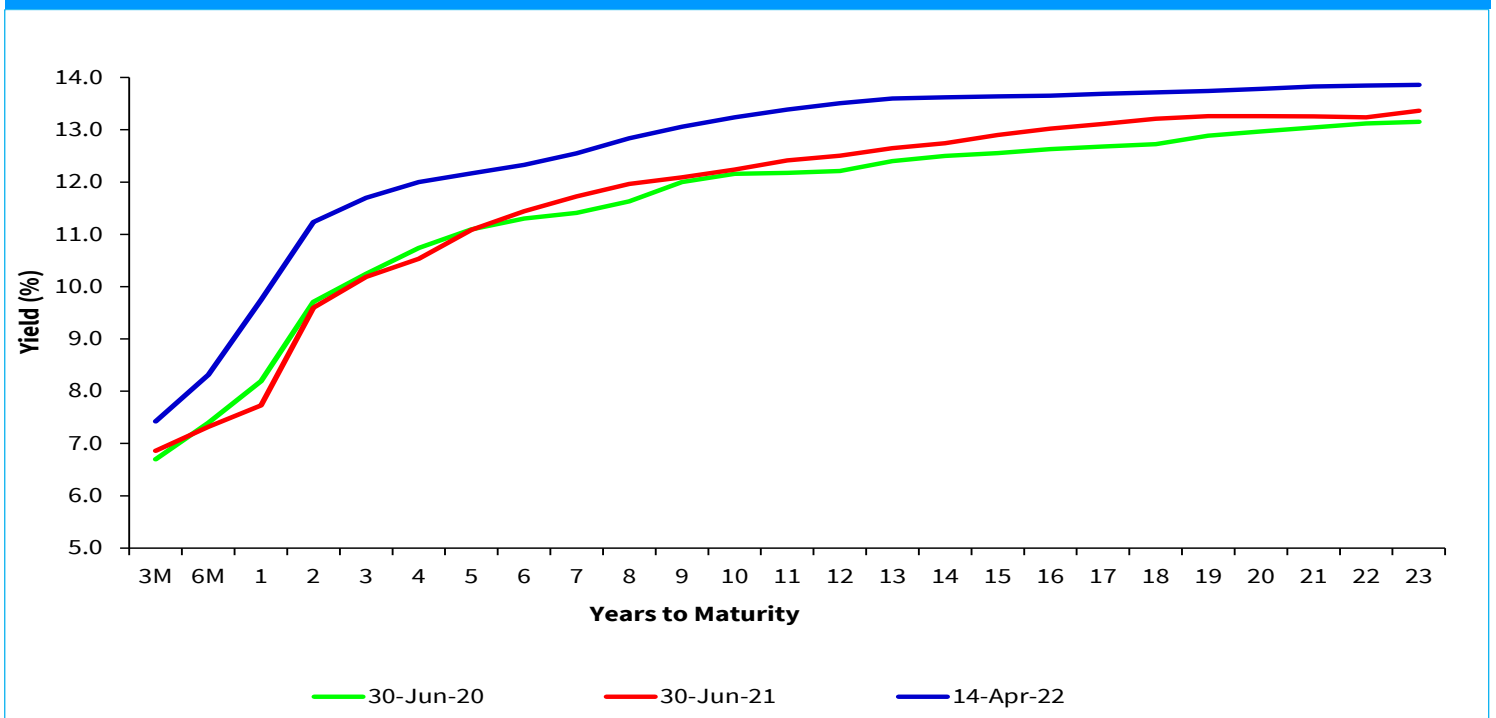
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	9-Mar-22			18-Mar-22			6-Apr-22	20-Apr-22
	REOPEN			TAP				
Tenor	FXD1/ 2021/005	FXD1/ 2020/015	FXD1/ 2021/025	FXD1/ 2021/005	FXD1/ 2020/015	FXD1/ 2021/025	FXD1/ 2022/03	FXD1/ 2022/015
Amount offered (KSh M)	50,000.00			31,500.00			40,000.00	30,000.00
Bids received (KSh M)	9,212.68	9,136.01	22,601.21	3,934.30	15,563.15	5,394.15	34,045.50	32,545.90
Amount Accepted (KSh M)	8,294.79	6,216.24	3,942.94	3,834.09	14,651.62	5,373.44	33,137.89	27,637.05
Maturities (KSh M)	0.00			0.00			2,866.08	0.00
Average interest Rate (%)	11.997	13.73	13.97	11.277	12.76	13.92	11.78	13.94

Source: Central Bank of Kenya

Chart 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

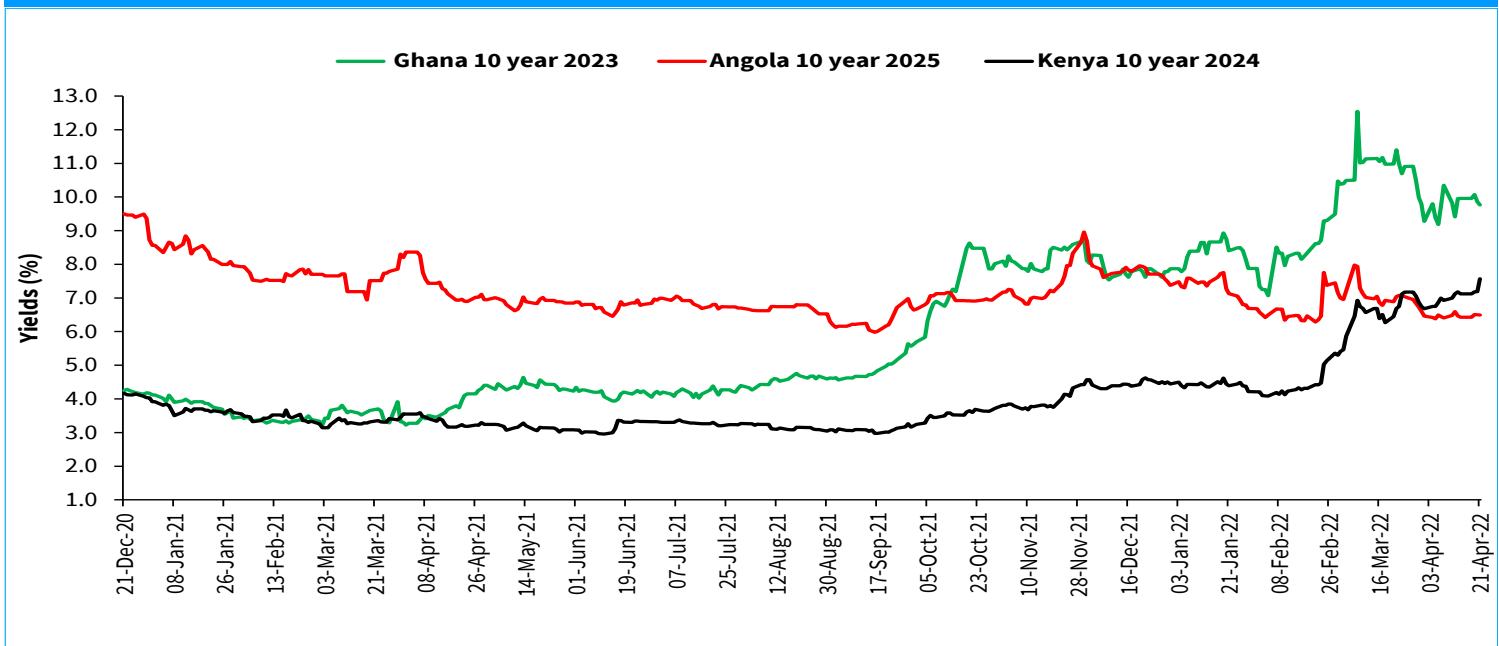
Table 6: Key Weekly Market Indicators

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 Capitaliza- tion (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
8-Apr-22	157.28	3565.64	1850.89	876.00	6.16	163.20	2,451.89	3,012.55	8.352	6.930	8.312	8.809	8.681	9.619
11-Apr-22	154.99	3541.22	1846.80	862.00	3.82	103.90	2,416.02	2,650.55	8.419	6.993	8.397	8.935	8.698	9.739
12-Apr-22	156.50	3558.65	1857.38	900.00	20.46	713.64	2,439.62	5,378.05	8.818	7.119	8.483	9.128	9.027	9.954
13-Apr-22	158.52	3587.55	1860.99	889.00	11.83	411.13	2,471.16	5,679.45	8.941	7.183	8.686	9.238	9.075	10.033
14-Apr-22	158.20	3588.99	1872.90	873.00	6.25	110.14	2,466.54	1,510.10	8.994	7.121	8.773	9.369	9.157	10.080
April 8- 14	158.20	3588.99	1872.90	4,400.00	48.52	1,502.01	2,471.16	18,230.70	8.994	7.121	8.773	9.369	9.157	10.080
15-Apr-22	Good Friday								8.977	7.121	8.773	9.369	9.157	10.080
18-Apr-22	Easter Monday								8.993	7.121	8.773	9.369	9.375	10.080
19-Apr-22	157.23	3568.79	1857.36	1,116.00	20.01	648.37	2,451.02	1,480.40	9.310	7.184	8.861	9.458	9.375	10.080
20-Apr-22	157.29	3567.21	1857.16	1,177.00	9.35	242.39	2,451.92	4,605.70	9.255	7.185	8.920	9.436	9.387	10.161
21-Apr-22	156.69	3565.47	1857.76	1,204.00	26.20	799.37	2,442.63	1,896.95	9.248	7.569	9.127	9.593	9.274	10.324
April 15- 21	156.69	3565.47	1857.76	3,497.00	55.57	1,690.13	2,451.92	7,983.05	9.248	7.569	9.127	9.593	9.274	10.324
Weekly Changes (%)	-0.95	-0.66	-0.81	-20.52	14.52	12.52	-0.78	-56.21	0.254*	0.448*	0.354*	0.224*	0.117*	0.244*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

Chart 3: Yields on 10 year Eurobonds for Selected Countries



Source: Thomson Reuters

Table 7: Government Domestic Debt (KSh Billion)

	30-Jun-21	30-Sep-21	31-Dec-21	28-Feb-22	25-Mar-22	08-Apr-22	14-Apr-22
1. Treasury Bills (Excluding Repos)	765.37	763.45	709.15	679.48	662.60	653.05	642.73
<i>(As % of total securities)</i>	21.17	19.78	17.95	16.65	16.15	15.95	15.61
2. Treasury Bonds	2,849.94	3,096.84	3,242.24	3,400.35	3,440.61	3,440.61	3,473.72
<i>(As % of total securities)</i>	78.83	80.22	82.05	83.35	83.85	84.05	84.39
3. Total Securities (1+2)	3,615.31	3,860.29	3,951.39	4,079.83	4,103.21	4,093.66	4,116.45
4. Overdraft at Central Bank	59.28	55.11	59.31	74.70	61.36	55.82	54.74
5. Other Domestic debt*	22.50	22.37	21.66	25.77	26.89	26.89	26.89
6. Gross Domestic Debt (3+4+5)	3,697.09	3,937.78	4,032.37	4,180.29	4,191.46	4,176.37	4,198.09

* 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-Jun-21	30-Sep-21	31-Dec-21	28-Feb-22	25-Mar-22	8-Apr-22	14-Apr-22
Treasury bills (Excluding Repos)	20.70	19.39	17.59	16.25	15.81	15.64	15.31
Treasury bonds	77.09	78.64	80.41	81.34	82.09	82.38	82.75
Overdraft at Central Bank	1.60	1.40	1.47	1.79	1.46	1.34	1.30
Other domestic debt	0.61	0.57	0.54	0.62	0.64	0.64	0.64
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-21	30-Sep-21	31-Dec-21	28-Feb-22	25-Mar-22	8-Apr-22	14-Apr-22
Banking Institutions	51.24	50.82	50.20	49.51	49.29	49.08	49.20
Insurance Companies	6.66	6.60	6.79	6.82	6.87	6.89	6.89
Parastatals	5.54	5.39	5.57	5.62	5.72	5.73	5.71
Pension Funds	30.60	31.24	31.34	31.64	31.75	31.86	31.78
Other Investors	5.96	5.95	6.10	6.41	6.37	6.44	6.42
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	Jun-21	Sep-21	Dec-21
Domestic debt (KSh Bn)	3,176.97	3,457.11	3,488.54	3,569.84	3,697.09	3,937.80	4,032.37
Public & Publicly Guaranteed External debt (USD Bn)	33.01	33.77	34.75	34.42	37.08	36.73	36.90
Public & Publicly Guaranteed External debt (KSh Bn)	3,515.81	3,663.49	3,793.29	3,769.87	3,999.54	4,058.50	4,174.37
Public debt (KSh Bn)	6,692.78	7,120.60	7,281.83	7,339.71	7,696.63	7,996.30	8,206.74

Source: National Treasury and Central Bank of Kenya