



Central Bank of Kenya

Weekly Bulletin

May 7, 2021

KEY MONETARY AND FINANCIAL INDICATORS

Exchange Rates

The Kenya Shilling strengthened against major international and regional currencies during the week ending May 6. It exchanged at KSh 106.98 per US dollar on May 6, compared to KSh 107.84 per US dollar on April 29 (Table 1).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,575 million (4.63 months of import cover) as at May 6. 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 May 6, supported by government payments, which offset tax remittances. Commercial banks' excess reserves stood at KSh 12.3 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 4.07 percent on May 6 compared to 5.37 percent on April 29. During the week, the average number of interbank deals per day was 20 compared to 21 in the previous week, while the average value traded increased to KSh 8.0 billion from KSh 7.4 billion in the previous week (Table 3).

Government Securities Market

The Treasury bills auction of May 6 received bids totalling KSh 31.4 billion against an advertised amount of KSh 24.0 billion, representing a performance of 131.0 percent. Interest rates on the Treasury bills remained stable (Table 4).

The re-opened 15-year and the new 25-year Treasury bonds auctioned on May 5 received bids totalling KSh 42.6 billion against an advertised amount of KSh 30 billion, representing a performance of 142.0 percent (Table 5).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 share price index and market capitalization rose by

0.8 percent, 0.9 percent and 0.8 percent, respectively during the week ending May 6. However, equity turnover, the NSE 20 share price index and total shares traded declined by 9.8 percent, 0.6 percent and 18.0 percent, respectively (Table 6).

Bonds Market

Turnover of bonds in the domestic secondary market increased by 14.6 percent during the week ending May 6 (Table 6). In the international market, yields on Kenya's Eurobonds declined by an average of 2.1 basis points. The yields on the 10-year Eurobonds for Ghana and Angola also declined (Chart 2).

Global Trends

Global financial markets sentiment remained stable during the week ending May 6, as investors absorbed the marginally weaker than expected US economic data, amid a decline in the US jobless claims in April, and the decision of the Bank of England to leave its policy rate unchanged even as it signalled slowdown in its weekly asset purchases.

International oil prices increased during the week due to a reduction in crude oil inventories. Murban oil price increased to USD 67.78 per barrel on May 6 from USD 65.68 per barrel on April 29.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
23-Apr-21	108.53	150.68	130.72	100.45	33.22	21.37	9.22	17.95
26-Apr-21	108.54	150.53	130.93	100.76	33.22	21.37	9.22	17.96
27-Apr-21	108.10	150.14	130.65	99.88	33.31	21.45	9.26	18.03
28-Apr-21	107.85	149.88	130.25	99.07	33.43	21.50	9.28	18.07
29-Apr-21	107.84	149.73	130.16	99.00	33.38	21.50	9.28	18.08
Apr 23-29, 2021	108.17	150.19	130.54	99.83	33.31	21.44	9.25	18.02
30-Apr-21	107.84	150.27	130.63	98.93	33.20	21.50	9.28	18.08
3-May-21	107.84	149.91	130.38	99.02	33.14	21.50	9.28	18.08
4-May-21	107.71	149.38	129.80	98.40	33.14	21.53	9.29	18.10
5-May-21	107.26	148.93	129.01	98.07	33.28	21.62	9.33	18.41
6-May-21	106.98	148.83	128.52	97.85	33.28	21.68	9.36	18.46
Apr 30- May 6, 2021	107.53	149.47	129.67	98.45	33.21	21.57	9.31	18.23

Source :Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	8-Apr-21	15-Apr-21	22-Apr-21	29-Apr-21	6-May-21
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,425	7,656	7,727	7,664	7,575
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.56	4.71	4.75	4.71	4.63

*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 (%)
23-Apr-21	22	14,680.00	5.56
26-Apr-21	18	8,040.00	5.33
27-Apr-21	19	4,610.00	5.30
28-Apr-21	25	6,110.00	5.32
29-Apr-21	20	3,460.00	5.37
April 23-29, 2021	21	7,380.00	5.38
30-Apr-21	22	9,700.00	4.83
3-May-21	19	5,880.00	4.95
4-May-21	22	9,035.00	4.76
5-May-21	19	6,860.00	4.54
6-May-21	17	8,435.00	4.07
April 30-May 6, 2021	20	7,982.00	4.63

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bills Auctions

91-Day Treasury Bills						
Date of Auction	31-Mar-21	8-Apr-21	15-Apr-21	22-Apr-21	29-Apr-21	6-May-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)	2,018.11	3,161.07	4,095.93	3,659.54	1,708.78	1,857.92
Amount Accepted (KSh M)	2,018.11	3,160.98	4,095.44	3,659.34	1,708.78	1,856.84
Maturities (KSh M)	672.75	752.55	5,094.80	2,186.60	509.05	494.10
Average Interest Rate (%)	7.085	7.096	7.108	7.115	7.139	7.152
182-Day Treasury Bills						
Date of Auction	31-Mar-21	8-Apr-21	15-Apr-21	22-Apr-21	29-Apr-21	6-May-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)	764.64	2,559.42	3,665.14	2,005.11	3,751.77	4,263.95
Amount Accepted (KSh M)	764.64	2,428.47	3,665.14	2,001.89	2,790.59	3,772.41
Maturities (KSh M)	3,578.50	3,443.30	6,339.50	6,977.70	3,418.20	4,700.85
Average Interest Rate (%)	7.910	7.914	7.938	7.925	7.989	7.990
364-Day Treasury Bills						
Date of Auction	31-Mar-21	8-Apr-21	15-Apr-21	22-Apr-21	29-Apr-21	6-May-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)	4,405.24	14,626.64	13,097.63	8,686.00	24,534.73	25,319.39
Amount Accepted (KSh M)	4,375.51	14,534.43	10,424.96	7,768.52	15,835.89	15,190.96
Maturities (KSh M)	23,194.95	6,545.75	11,841.40	6,852.10	11,558.05	9,320.75
Average Interest Rate (%)	9.308	9.366	9.403	9.460	9.474	9.424

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	17-Feb-21		10-Mar-21		7-Apr-21	5-May-21	
	TAP		REOPEN			REOPEN	
Tenor	FXD1/ 2013/15	FXD1/ 2012/20	FXD1/ 2019/15	FXD2/ 2018/20	IFB1/ 2021/18	FXD2/ 2019/15	FXD1/ 2021/25
Amount offered (KSh M)	18,000.00		50,000.00		60,000.00	30,000.00	
Bids received (KSh M)	7,164.85	4,071.20	15,897.21	32,809.37	88,577.56	11,581.96	31,003.70
Amount Accepted (KSh M)	6,985.73	3,924.84	15,511.29	32,795.91	81,941.63	6,042.69	14,246.10
Maturities (KSh M)	0.00		0.00		0.00	0.00	
Average interest Rate (%)	11.78	12.59	12.41	13.44	12.67	12.975	13.924

Source: Central Bank of Kenya

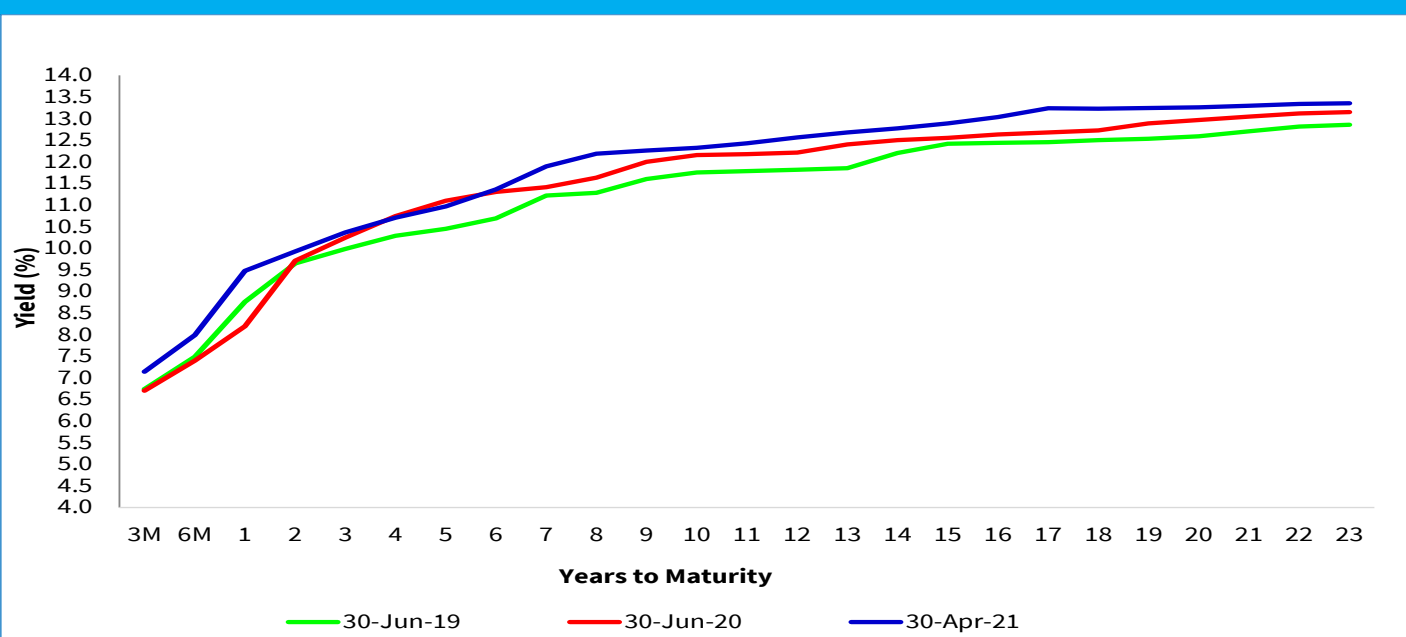
Table 6: Key Weekly Market Indicators

INDICATOR	NASI	NSE 25 Share Index	NSE 20 Share Index 100=1996	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	30-Year 2048
23-Apr-21	165.61	3,635.87	1,888.25	1,060.00	10.28	378.55	2,544.59	3,041.70	4.988	3.184	5.707	6.637	7.632
26-Apr-21	166.08	3,641.27	1,888.68	989.00	12.19	402.07	2,551.92	1,801.00	5.021	3.221	5.727	6.653	7.632
27-Apr-21	166.42	3,629.75	1,868.38	1,018.00	18.30	528.05	2,557.08	4,241.70	5.034	3.218	5.727	6.669	7.642
28-Apr-21	168.04	3,656.78	1,876.88	894.00	15.49	509.83	2,582.04	3,342.55	5.024	3.294	5.790	6.701	7.673
29-Apr-21	169.19	3,675.72	1,873.57	1,103.00	15.20	543.51	2,599.79	4,381.55	5.004	3.246	5.746	6.684	7.652
April 23-29, 2021	169.19	3,675.72	1,873.57	5,064.00	71.46	2,362.02	2,599.79	16,808.50	5.004	3.246	5.746	6.684	7.652
30-Apr-21	169.15	3,674.77	1,866.58	998.00	13.37	465.31	2,599.05	3,002.40	5.011	3.243	5.746	6.684	7.663
3-May-21	169.61	3,686.02	1,858.26	921.00	5.62	187.10	2,606.21	4,614.55	4.990	3.241	5.767	6.684	7.652
4-May-21	170.07	3,685.33	1,845.80	1,075.00	14.30	501.21	2,613.26	5,419.65	5.054	3.238	5.766	6.667	7.642
5-May-21	169.69	3,685.10	1,862.07	1,039.00	7.54	249.43	2,607.49	2,969.45	5.018	3.235	5.766	6.667	7.642
6-May-21	170.51	3,710.28	1,861.81	1,076.00	17.80	728.24	2,620.04	3,261.75	5.021	3.186	5.743	6.634	7.642
April 30- May 6, 2021	170.51	3710.28	1861.81	5,109.00	58.63	2,131.29	2,620.04	19,267.80	5.021	3.186	5.743	6.634	7.642
Weekly Changes (%)	0.78	0.94	-0.63	0.89	-17.95	-9.77	0.78	14.63	0.017*	-0.060*	-0.003*	-0.050*	-0.010*

* Percentage points

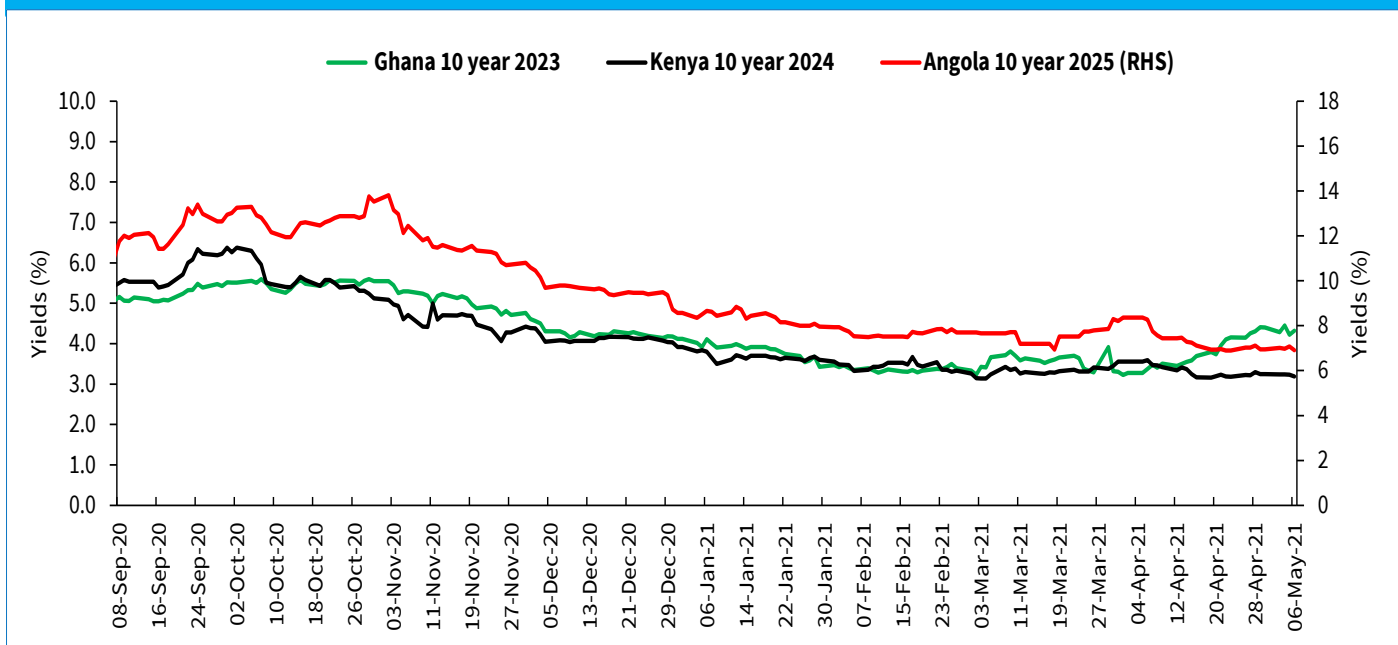
Source: Nairobi Securities Exchange (NSE) and Thompson Reuters

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	31-Mar-21	23-Apr-21	30-Apr-21
1. Treasury Bills (Excluding Repos)	887.14	855.71	785.46	748.00	761.90	748.90	747.16
<i>(As % of total securities)</i>	28.56	25.04	22.75	21.67	21.79	21.12	21.08
2. Treasury Bonds	2,219.44	2,561.33	2,667.02	2,703.56	2,734.47	2,796.71	2,796.71
<i>(As % of total securities)</i>	71.44	74.96	77.25	78.33	78.21	78.88	78.92
3. Total Securities (1+2)	3,106.59	3,417.05	3,452.48	3,451.56	3,496.37	3,545.61	3,543.87
4. Overdraft at Central Bank	47.15	47.60	55.27	55.40	49.28	63.23	65.84
5. Other Domestic debt*	23.24	23.90	24.81	24.22	24.19	24.20	24.19
6. Gross Domestic Debt (3+4+5)	3,176.97	3,488.54	3,532.56	3,531.18	3,569.84	3,633.04	3,633.91

* 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	31-Mar-21	23-Apr-21	30-Apr-21
Treasury bills (Excluding Repos)	27.92	24.53	22.23	21.18	21.34	20.61	20.56
Treasury bonds	69.86	73.42	75.50	76.56	76.60	76.98	76.96
Overdraft at Central Bank	1.48	1.36	1.56	1.57	1.38	1.74	1.81
Other domestic debt	0.73	0.69	0.70	0.69	0.68	0.67	0.67
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	31-Mar-21	23-Apr-21	30-Apr-21
Banking Institutions	54.84	53.29	53.32	53.46	52.31	51.88	51.80
Insurance Companies	6.05	6.44	6.40	6.48	6.57	6.54	6.54
Parastatals	5.73	5.69	5.64	5.66	5.62	5.59	5.58
Pension Funds	29.04	30.32	30.34	29.88	30.46	30.47	30.58
Other Investors	4.34	4.27	4.30	4.51	5.03	5.52	5.50
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	Dec-20	Jan-21	Feb-21	Mar-21*
Domestic debt (KSh Bn)	2,787.04	3,176.97	3,457.11	3,488.54	3,532.56	3,531.18	3,569.84
Public & Publicly Guaranteed External debt (USD Bn)	29.55	33.01	33.77	34.75	34.68	34.74	34.42
Public & Publicly Guaranteed External debt (KSh Bn)	3,023.14	3,515.81	3,663.49	3,793.29	3,819.70	3,814.29	3,769.87
Public debt (KSh Bn)	5,810.18	6,692.78	7,120.60	7,281.83	7,352.26	7,345.47	7,339.71

Source: National Treasury and Central Bank of Kenya