



Central Bank of Kenya

# Weekly Bulletin

November 5, 2021



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending November 4. It exchanged at KSh 111.44 per US dollar on November 4, compared to KSh 111.15 per US dollar on October 28 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 9,068 million (5.54 months of import cover) as at November 4. 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 4, supported by government payments. Commercial banks' excess reserves stood at KSh 15.3 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 4.74 percent on November 4 compared to 4.82 percent on October 28. During the week, the average number of interbank deals per day declined to 16 from 18 the previous week, while the average value traded decreased to KSh 5.1 billion from KSh 10.4 billion in the previous week (**Table 3**).

### Government Securities Market

The Treasury bill auction of November 4 received bids totaling KSh 31.5 billion against an advertised amount of KSh 24.0 billion, representing a performance of 131.1 percent. Interest rates on the 91-day and 182-day and 364-day Treasury bills remained stable (**Table 4**).

### Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 share price index, market capitalization and equity turnover declined by 2.5 percent, 1.5 percent, 2.5 percent, and 15.7 percent respectively during the week ending November 4. However, total shares traded increased by 16.5 percent (**Table 6**).

### Bonds Market

Bonds turnover in the domestic secondary market declined by 43 percent during the week ending November 4 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 2.7 basis points. The yields on the 10-year Eurobonds for Ghana and Angola also increased (**Chart 2**).

### Global Trends

Global financial markets sentiment improved during the week ending November 4, after Fed announced beginning of tapering in its bond-buying program amid lingering supply chain constraints that have resulted to the slowdown of global economic growth momentum.

International oil prices declined during the week ending November 4, largely on account of increased buildup of oil inventories. Murban oil prices fell to USD 84.24 per barrel on November 3 from USD 85.07 per barrel on October 27.

Table 1: Kenya Shilling Exchange Rates (Indicative Mean Rates)								
	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
22-Oct-21	111.06	153.32	129.32	97.37	32.33	20.76	9.17	17.91
25-Oct-21	111.09	153.22	129.29	97.80	32.18	20.75	9.17	17.90
26-Oct-21	111.13	152.96	129.10	97.76	32.11	20.74	9.16	17.90
27-Oct-21	111.15	153.28	129.09	97.54	31.98	20.74	9.16	17.90
28-Oct-21	111.15	152.90	129.08	97.89	31.98	20.74	9.16	17.90
<b>October 22-28</b>	<b>111.11</b>	<b>153.14</b>	<b>129.18</b>	<b>97.67</b>	<b>32.12</b>	<b>20.74</b>	<b>9.16</b>	<b>17.90</b>
29-Oct-21	111.21	152.96	129.08	97.96	31.95	20.73	9.16	17.89
1-Nov-21	111.24	153.32	129.54	97.66	32.00	20.72	9.16	17.88
2-Nov-21	111.29	152.38	128.99	97.86	31.99	20.69	9.15	17.88
3-Nov-21	111.36	152.06	129.13	97.98	31.92	20.70	9.15	17.87
4-Nov-21	111.44	152.03	129.10	97.61	31.90	20.64	9.14	17.86
<b>Octo 29-Nov 4</b>	<b>111.31</b>	<b>152.55</b>	<b>129.17</b>	<b>97.82</b>	<b>31.95</b>	<b>20.70</b>	<b>9.15</b>	<b>17.87</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)							
	26-Aug-21	30-Sep-21	7-Oct-21	14-Oct-21	21-Oct-21	28-Oct-21	4-Nov-21
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,986	9,437	9,370	9,261	9,228	9,175	9,068
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	5.49	5.77	5.73	5.66	5.64	5.61	5.54

Source: Central Bank of Kenya

Table 3: Money Markets			
Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
22-Oct-21	32	7,830.00	4.99
25-Oct-21	19	14,330.00	5.02
26-Oct-21	17	13,510.00	4.98
27-Oct-21	14	11,550.00	4.90
28-Oct-21	10	5,000.00	4.82
<b>October 22-28</b>	<b>18</b>	<b>10,444.00</b>	<b>4.94</b>
29-Oct-21	20	6,400.00	4.90
1-Nov-21	17	4,210.00	5.13
2-Nov-21	19	5,760.00	4.79
3-Nov-21	15	7,550.00	4.49
4-Nov-21	9	1,750.00	4.74
<b>Octo 29-Nov 4</b>	<b>16</b>	<b>5,134.00</b>	<b>4.81</b>

Source: Central Bank of Kenya

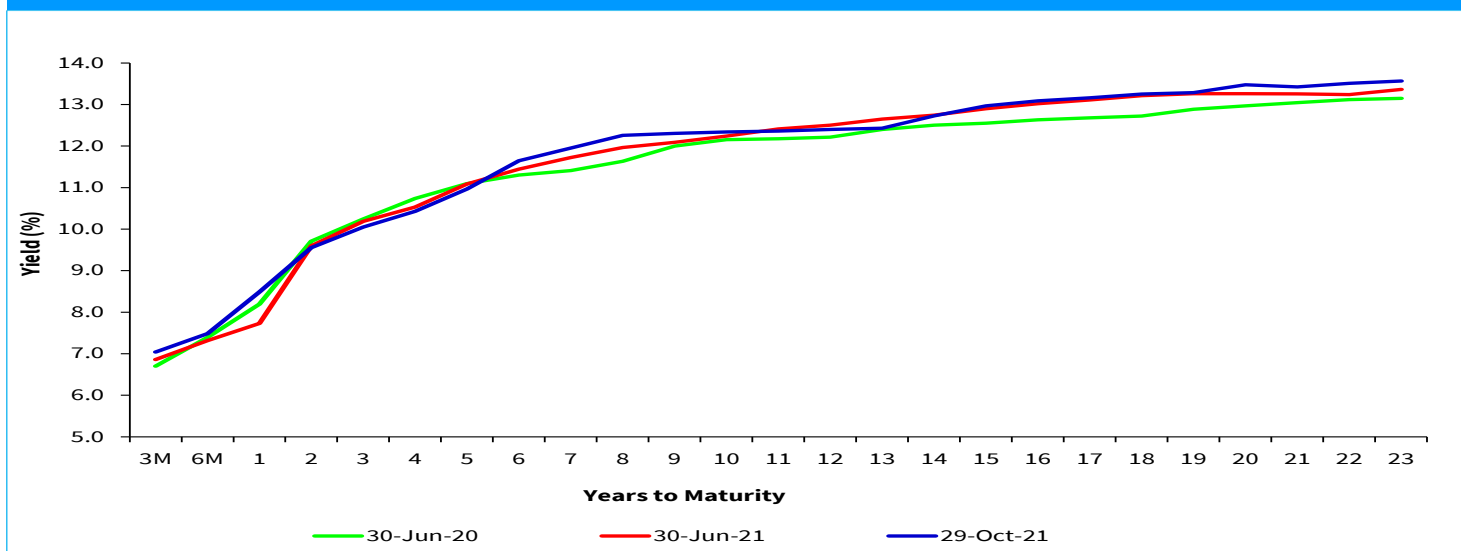
<b>Table 4: Performance of Treasury Bills Auctions</b>							
<b>91-Day Treasury Bills</b>							
<b>Date of Auction</b>	<b>23-Sep-21</b>	<b>30-Sep-21</b>	<b>07-Oct-21</b>	<b>14-Oct-21</b>	<b>21-Oct-21</b>	<b>28-Oct-21</b>	<b>4-Nov-21</b>
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	4,793.79	2,640.16	3,422.23	3,015.78	6,520.29	2,638.83	3,435.77
Amount Accepted (KSh M)	4,787.65	2,633.47	3,422.23	3,015.68	6,520.29	2,117.68	3,435.67
Maturities (KSh M)	2,030.15	6,149.15	11,420.35	2,696.50	10,234.55	8,621.10	6,177.45
<b>Average Interest Rate (%)</b>	<b>6.896</b>	<b>6.895</b>	<b>6.935</b>	<b>6.952</b>	<b>7.020</b>	<b>7.040</b>	<b>7.097</b>
<b>182-Day Treasury Bills</b>							
<b>Date of Auction</b>	<b>23-Sep-21</b>	<b>30-Sep-21</b>	<b>07-Oct-21</b>	<b>14-Oct-21</b>	<b>21-Oct-21</b>	<b>28-Oct-21</b>	<b>4-Nov-21</b>
Amount Offered (KSh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids Received (KSh M)	4,670.80	5,337.45	3,961.63	9,007.05	6,532.62	7,416.10	8,794.84
Amount Accepted (KSh M)	4,670.80	5,337.45	3,961.63	8,044.21	4,609.24	5,169.24	8,794.84
Maturities (KSh M)	3,171.05	783.95	2,519.90	3,743.30	2,071.30	2,901.75	3,910.05
<b>Average Interest Rate (%)</b>	<b>7.282</b>	<b>7.282</b>	<b>7.316</b>	<b>7.428</b>	<b>7.417</b>	<b>7.486</b>	<b>7.554</b>
<b>364-Day Treasury Bills</b>							
<b>Date of Auction</b>	<b>23-Sep-21</b>	<b>30-Sep-21</b>	<b>07-Oct-21</b>	<b>14-Oct-21</b>	<b>21-Oct-21</b>	<b>28-Oct-21</b>	<b>4-Nov-21</b>
Amount Offered (KSh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids Received (KSh M)	695.06	2,155.42	2,438.75	5,815.22	4,762.89	5,790.32	19,244.13
Amount Accepted (KSh M)	694.87	1,647.36	2,392.50	5,815.13	4,724.45	2,628.17	19,243.22
Maturities (KSh M)	4,763.40	2,518.70	15,167.45	16,966.50	8,765.65	11,503.85	22,376.95
<b>Average Interest Rate (%)</b>	<b>7.890</b>	<b>7.949</b>	<b>8.028</b>	<b>8.225</b>	<b>8.355</b>	<b>8.489</b>	<b>8.624</b>

Source: Central Bank of Kenya

<b>Table 5: Performance of Treasury Bond Auctions</b>							
<b>Date of Auction</b>	<b>11-Aug-21</b>			<b>8-Sep-21</b>	<b>6-Oct-21</b>		
	<b>REOPEN</b>				<b>REOPEN</b>		
<b>Tenor</b>	<b>FXD3/ 2019/10</b>	<b>FXD1/ 2018/20</b>	<b>FXD1/ 2021/20</b>	<b>IFB1/ 2021/21</b>	<b>FXD1/ 2013/15</b>	<b>FXD3/ 2019/15</b>	<b>FXD1/ 2021/25</b>
Amount offered (KSh M)	60,000.00			75,000.00	60,000.00		
Bids received (KSh M)	38,313.49	22,818.80	43,504.73	151,256.13	23,414.98	3,390.35	28,669.87
Amount Accepted (KSh M)	22,968.26	17,783.62	39,539.41	106,752.53	22,876.63	3,267.29	25,904.96
Maturities (KSh M)	0.00			0.00	0.00		
Average interest Rate (%)	12.17	13.19	13.44	12.74	11.88	12.85	13.82

Source: Central Bank of Kenya

### Chart 1: Government Securities Yield Curve



Source: Nairobi Stock Exchange (NSE)

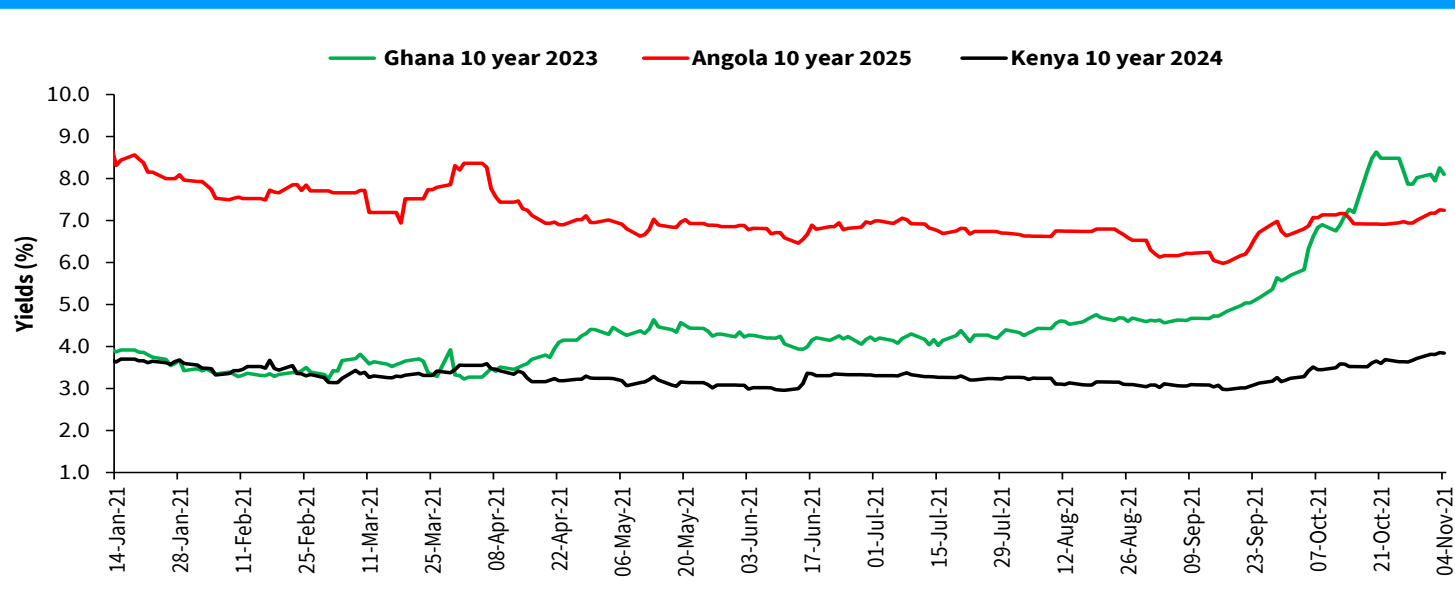
### Table 6: Key Weekly Market Indicators

INDICATOR	NASI Share Index 100=2008	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	13-Year 2034	30-Year 2048
15-Oct-21	178.86	3,867.27	1,940.44	1,189.00	23.01	968.27	2,786.84	2,067.50	5.429	3.521	5.706	6.692	6.607	7.864
22-Oct-21	178.54	3,865.42	1,960.75	1,120.00	11.99	430.38	2,781.74	2,315.20	5.492	3.688	5.771	6.793	6.639	7.908
25-Oct-21	176.59	3,830.60	1,945.20	997.00	12.86	488.87	2,755.66	3,059.68	5.512	3.638	5.793	6.809	6.654	7.908
26-Oct-21	175.77	3,821.81	1,946.97	1,238.00	9.19	333.04	2,742.83	6,120.45	5.487	3.635	5.815	6.792	6.639	7.930
27-Oct-21	175.82	3,825.51	1,955.23	1,163.00	12.64	458.57	2,744.00	4,678.85	5.444	3.632	5.746	6.741	6.607	7.875
28-Oct-21	177.85	3,849.53	1,960.30	870.00	7.93	425.09	2,775.31	6,098.80	5.466	3.673	5.745	6.757	6.607	7.864
<b>October 22-28</b>	<b>177.85</b>	<b>3,849.53</b>	<b>1,960.30</b>	<b>5,388.00</b>	54.62	<b>2,135.94</b>	<b>2,775.31</b>	<b>22,272.98</b>	<b>5.47</b>	<b>3.67</b>	<b>5.75</b>	<b>6.76</b>	<b>6.61</b>	<b>7.86</b>
29-Oct-21	177.96	3,851.67	1,961.33	988.00	8.32	244.15	2,777.07	3,002.78	5.502	3.718	5.745	6.740	6.607	7.864
1-Nov-21	175.83	3,823.47	1,972.02	1,367.00	16.99	257.99	2,743.80	2,515.80	5.510	3.811	5.813	6.791	6.655	7.908
2-Nov-21	174.85	3,806.15	1,958.66	1,514.00	14.62	483.74	2,728.40	1,480.20	5.524	3.808	5.812	6.740	6.592	7.908
3-Nov-21	175.04	3,819.69	1,968.60	1,042.00	12.30	417.67	2,731.50	2,741.95	5.539	3.853	5.835	6.774	6.608	7.919
4-Nov-21	173.40	3,791.12	1,956.28	1,027.00	11.43	397.61	2,705.83	2,963.50	5.449	3.844	5.787	6.756	6.520	7.918
<b>Oct 29-Nov 4</b>	<b>173.40</b>	<b>3791.12</b>	<b>1956.28</b>	<b>5,938.00</b>	63.65	<b>1,801.17</b>	<b>2,705.83</b>	<b>12,704.23</b>	<b>5.449</b>	<b>3.844</b>	<b>5.787</b>	<b>6.756</b>	<b>6.520</b>	<b>7.918</b>
<b>Weekly Changes (%)</b>	<b>-2.50</b>	<b>-1.52</b>	<b>-0.21</b>	<b>10.21</b>	<b>16.54</b>	<b>-15.67</b>	<b>-2.50</b>	<b>-42.96</b>	<b>-0.017*</b>	<b>0.171*</b>	<b>0.042*</b>	<b>-0.001*</b>	<b>-0.087*</b>	<b>0.054*</b>

\* 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-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21	24-Sep-21	22-Oct-21	29-Oct-21
1. Treasury Bills (Excluding Repos)	887.70	894.73	855.71	761.90	765.37	763.00	739.22	734.65
<i>(As % of total securities)</i>	<b>28.56</b>	<b>26.50</b>	<b>25.04</b>	<b>21.79</b>	<b>21.17</b>	<b>19.77</b>	<b>19.06</b>	<b>18.96</b>
2. Treasury Bonds	2,220.34	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>	<b>71.44</b>	<b>73.50</b>	<b>74.96</b>	<b>78.21</b>	<b>78.83</b>	<b>80.23</b>	<b>80.94</b>	<b>81.04</b>
3. Total Securities (1+2)	3,108.04	3,376.98	3,417.05	3,496.37	3,615.31	3,859.84	3,878.64	3,874.07
4. Overdraft at Central Bank	47.15	56.21	47.60	49.28	59.28	55.26	64.40	62.35
5. Other Domestic debt*	23.24	23.92	23.90	24.19	22.50	23.91	22.38	22.39
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>3,178.42</b>	<b>3,457.11</b>	<b>3,488.54</b>	<b>3,569.84</b>	<b>3,697.09</b>	<b>3,939.01</b>	<b>3,965.42</b>	<b>3,958.81</b>

Source: Central Bank of Kenya

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

	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21	24-Sep-21	22-Oct-21	29-Oct-21
Treasury bills (Excluding Repos)	27.93	25.88	24.53	21.34	20.70	19.37	18.64	18.56
Treasury bonds	69.86	71.80	73.42	76.60	77.09	78.62	79.17	79.30
Overdraft at Central Bank	1.48	1.63	1.36	1.38	1.60	1.40	1.62	1.57
Other domestic debt	0.73	0.69	0.69	0.68	0.61	0.61	0.56	0.57
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Central Bank of Kenya

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

	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21	24-Sep-21	22-Oct-21	29-Oct-21
Banking Institutions	54.18	54.55	52.83	51.75	51.24	50.83	50.63	50.34
Insurance Companies	6.05	6.16	6.44	6.57	6.66	6.60	6.67	6.68
Parastatals	5.73	5.47	5.69	5.62	5.54	5.38	5.37	5.38
Pension Funds	29.04	28.53	30.32	30.46	30.60	31.24	31.31	31.44
Other Investors	5.00	5.30	4.73	5.59	5.96	5.95	6.02	6.15
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Central Bank of Kenya

**Table 10: Indicators of Government Debt**

	Jun-19	Jun-20	Sep-20	Dec-20	Mar-21	Apr-21	May-21	Jun-21
Domestic debt (KSh Bn)	2,785.94	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)	29.55	33.01	33.77	34.75	34.42	35.13	35.31	37.23
Public & Publicly Guaranteed External debt (KSh Bn)	3,023.14	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)	<b>5,809.08</b>	<b>6,692.78</b>	<b>7,120.60</b>	<b>7,281.83</b>	<b>7,339.71</b>	<b>7,411.05</b>	<b>7,485.91</b>	<b>7,712.39</b>

Source: National Treasury and Central Bank of Kenya