



Central Bank of Kenya

Weekly Bulletin

April 20, 2023



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained relatively stable against major international and regional currencies during the week ending April 19. It exchanged at KSh 134.97 per US dollar on April 19, compared to KSh 133.95 per US dollar on April 13 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 6,531 million (3.63 months of import cover) as at April 19. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover (**Table 2**).

Money Market

Liquidity in the money market decreased during the week ending April 19 as tax remittances more than offset government payments. Commercial banks' excess reserves stood at KSh 22.1 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 8.73 percent on April 19 compared to 8.46 percent on April 13. During the week, the average number of interbank deals remained the same at 28 as the previous week, while the average value traded increased to KSh 29.7 billion from KSh 23.8 billion in the previous week (**Table 3**).

Government Securities Market

During the Treasury bond auction of April 19, the re-opened 3-year fixed rate Treasury bond received bids totaling KSh 7.3 billion against an advertised amount of KSh 30 billion, representing a performance of 24.4 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices declined by 2.9 percent, 1.5 percent and 1.0 percent respectively, during the week ending April 19. Similarly, market capitalization, equity turnover and total shares traded declined by 2.9 percent, 44.7 percent and 11.0 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market increased by 86.7 percent during the week ending April 19 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 37.7 basis points, with 2024 maturity increasing by 84.1 basis points. Similarly, the yields on the 10-Year Eurobonds for Angola and Ghana increased (**Chart 2**).

Global Trends

Inflation concerns in advanced economies continued to moderate. The U.K inflation declined to 10.1 percent in March from 10.4 percent in February. The US dollar index strengthened by 0.07 percent against a basket of major currencies during the week ending April 19.

International oil prices decreased during the week, mainly due to fear of interest rate hikes in the US which is expected to have a negative effect on oil demand. Murban oil price declined to USD 83.98 per barrel on April 19 from USD 88.52 per barrel on April 13.

Table 1: Kenya Shilling Exchange Rates (Indicative Mean Rates)								
	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
7-Apr-23	Public Holiday (Good Friday)							
10-Apr-23	Public Holiday (Easter Monday)							
11-Apr-23	133.59	166.01	145.66	100.23	27.96	17.52	8.26	15.58
12-Apr-23	133.72	166.24	145.89	99.96	27.86	17.54	8.25	15.56
13-Apr-23	133.95	166.92	146.98	100.48	27.96	17.51	8.24	15.54
April 6 -13	133.75	166.39	146.18	100.22	27.92	17.52	8.25	15.56
14-Apr-23	134.35	168.23	148.52	101.36	27.76	17.45	8.24	15.49
17-Apr-23	134.57	167.88	148.45	101.10	27.72	17.43	8.23	15.47
18-Apr-23	134.74	166.91	147.42	100.15	27.76	17.43	8.26	15.45
19-Apr-23	134.97	167.77	147.96	100.46	27.64	17.37	8.22	15.43
April 14-19	134.66	167.70	148.08	100.77	27.72	17.42	8.24	15.46

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)					
	23-Mar-23	30-Mar-23	5-Apr-23	13-Apr-23	20-Apr-23
1. CBK Usable Foreign Exchange Reserves (USD Million)	6,550	6,426	6,446	6,376	6,531
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.66	3.59	3.60	3.56	3.63

*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 (%)
7-Apr-23	Public Holiday (Good Friday)		
10-Apr-23	Public Holiday (Easter Monday)		
11-Apr-23	30	28,350.00	8.37
12-Apr-23	33	21,820.00	8.44
13-Apr-23	21	21,200.00	8.46
April 10-13	28	23,790.00	8.42
14-Apr-23	27	24,630.00	8.53
17-Apr-23	32	39,520.00	8.62
18-Apr-23	24	25,850.00	8.67
19-Apr-23	27	28,820.00	8.73
April 14-19	28	29,705.00	8.64

Source: Central Bank of Kenya

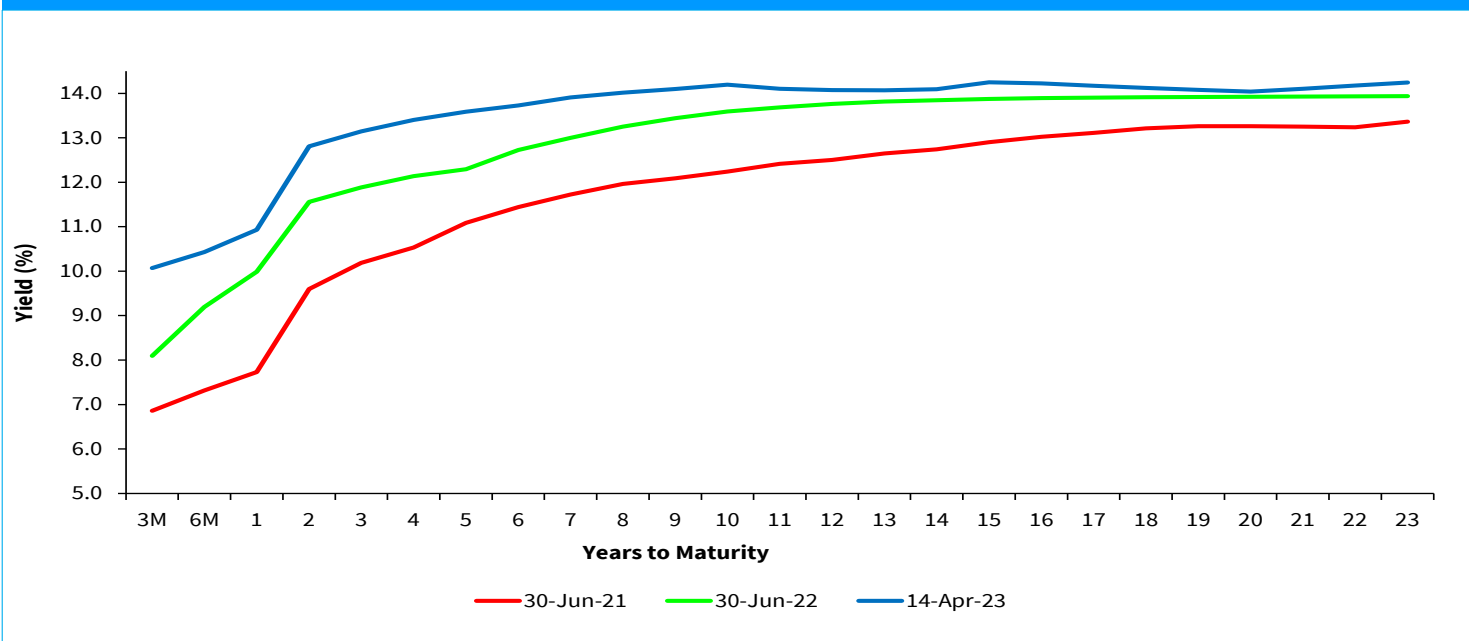
Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	29-Sep-22	29-Dec-22	26-Jan-23	30-Mar-23	5-Apr-23	13-Apr-23
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	5,129.43	2,180.21	18,357.67	2,904.04	25,731.57	24,877.74
Amount Accepted (KSh M)	2,487.10	2,120.42	16,154.81	2,765.00	25,678.34	22,825.19
Maturities (KSh M)	4,035.00	2,539.95	12,234.40	2,158.40	19,680.40	16,017.95
Average Interest Rate (%)	8.952	9.369	9.538	9.907	10.004	10.072
182-Day Treasury Bills						
Date of Auction	29-Sep-22	29-Dec-22	26-Jan-23	30-Mar-23	5-Apr-23	13-Apr-23
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)	3,049.07	434.69	10,264.50	3,547.05	580.20	2,471.59
Amount Accepted (KSh M)	3,039.53	434.69	10,263.50	3,457.80	580.20	2,471.11
Maturities (KSh M)	3,248.05	1,660.95	1,934.70	3,176.30	7,197.90	13,460.15
Average Interest Rate (%)	9.631	9.834	9.954	10.399	10.368	10.428
364-Day Treasury Bills						
Date of Auction	29-Sep-22	29-Dec-22	26-Jan-23	30-Mar-23	5-Apr-23	13-Apr-23
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)	1,133.80	1,691.33	5,676.29	1,810.42	6,029.84	2,072.73
Amount Accepted (KSh M)	1,124.70	1,691.33	5,676.29	1,810.42	6,029.84	2,072.73
Maturities (KSh M)	1,775.15	5,396.40	19,296.80	2,660.05	8,904.65	4,525.75
Average Interest Rate (%)	9.905	10.308	10.504	10.800	10.857	10.932

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions								
Date of Auction	22-Dec-22	20-Jan-23		17-Feb-23		17-Mar-23	5-Apr-23	19-Apr-23
	TAP	TAP		TAP		TAP		RE-OPEN
Tenor	IFB1/ 2022/06	FXD1/ 2020/005	FXD1/ 2022/015	FXD1/ 2017/10	FXD1/ 2023/10	IFB1/ 2023/017	FXD2/ 2018/10	FXD1/ 2022/03
Amount offered (KSh M)	20,000.00	10,000.00		10,000.00		20,000.00	20,000.00	30,000.00
Bids received (KSh M)	10,814.55	13,902.65	4,119.30	8,855.70	3,607.55	12,712.30	3,570.55	7,328.96
Amount Accepted (KSh M)	10,812.28	13,571.35	4,056.03	8,593.57	3,607.23	12,711.16	3,360.37	1,757.09
Maturities (KSh M)								
Average interest Rate (%)	13.22	12.88	14.19	13.88	14.15	14.40	14.37	13.47

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

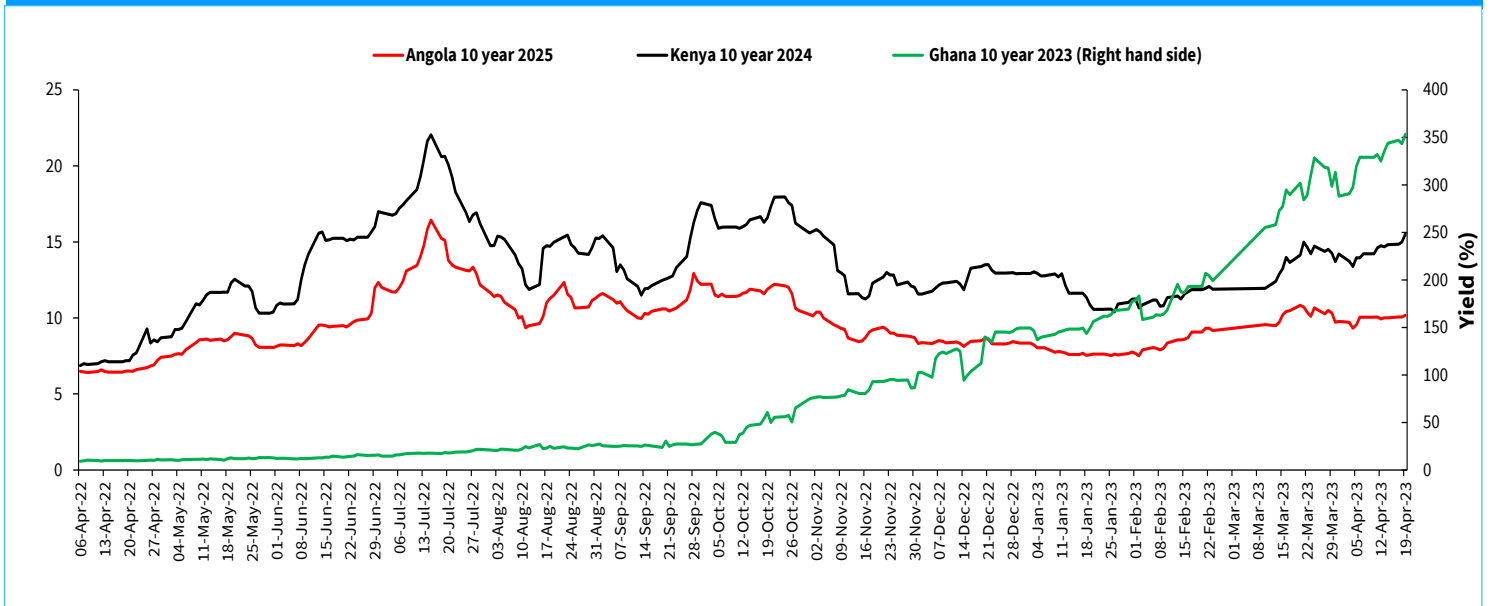
Table 6: Performance of Key Market Indicators

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 Million)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2024	10-Year 2028	12-Year 2032	13-Year 2034	30- Year 2048
7-Apr-23	Public Holiday (Good Friday)								13.309	14.217	12.453	12.007	11.363	11.616
10-Apr-23	Public Holiday (Easter Monday)								13.309	14.217	12.453	12.007	11.363	11.616
11-Apr-23	113.61	2970.06	1632.30	1,409	11.68	303.65	1759.59	1,621.05	13.601	14.607	12.696	12.152	11.524	11.739
12-Apr-23	113.20	2955.79	1624.79	1,062	7.12	155.64	1763.11	1,305.90	13.606	14.75	12.698	12.125	11.552	11.759
13-Apr-23	111.90	2930.05	1618.15	1,343	14.26	461.38	1742.82	2,577.40	13.623	14.678	12.705	12.128	11.555	11.739
April 7-13	111.90	2930.05	1618.15	3,814.00	33.06	920.67	1,742.82	5,504.35	13.623	14.678	12.705	12.128	11.555	11.739
14-Apr-23	111.56	2920.59	1613.85	1,050	6.50	108.48	1737.57	2,953.85	13.571	14.823	12.668	12.071	11.529	11.739
17-Apr-23	109.74	2904.57	1608.22	1,232	6.29	114.22	1709.11	1,062.12	13.577	14.841	12.751	12.159	11.584	11.801
18-Apr-23	109.24	2899.51	1607.75	1,180	7.58	95.72	1701.26	1,716.85	13.64	14.987	12.794	12.247	11.639	11.864
19-Apr-23	108.65	2887.59	1602.60	1,189	9.05	190.71	1692.03	4,540.85	13.879	15.519	13	12.424	11.833	12.035
April 14-19	108.65	2887.59	1602.60	4,651.00	29.42	509.11	1,692.03	10,273.67	13.879	15.519	13.000	12.424	11.833	12.035
Weekly Changes (%)	-2.90	-1.45	-0.96	21.95	-10.99	-44.70	-2.91	86.65	0.256*	0.841*	0.295*	0.296*	0.278*	0.296*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

Chart 2: Yields on 10-Year Eurobonds for Selected Countries



Source: Thomson Reuters

*Published yields data on Ghana is 10 year 2023 Euro bond, were last updated on 5th April 2023.

Table 7: Government Domestic Debt (KSh Billion)

	31-Mar-22	24-Jun-22	30-Sep-22	30-Dec-22	28-Feb-23	31-Mar-23	14-Apr-23
1. Treasury Bills (Excluding Repos)	656.45	620.28	672.28	671.51	675.41	665.86	663.99
<i>(As % of total securities)</i>	16.02	14.88	15.61	15.32	15.18	15.01	14.96
2. Treasury Bonds	3,440.61	3,549.53	3,634.86	3,710.62	3,773.45	3,771.03	3,774.64
<i>(As % of total securities)</i>	83.98	85.12	84.39	84.68	84.82	84.99	85.04
3. Total Securities (1+2)	4,097.06	4,169.81	4,307.14	4,382.13	4,448.85	4,436.89	4,438.62
4. Overdraft at Central Bank	68.40	65.86	27.25	58.50	68.73	69.94	60.50
5. Other Domestic debt*	26.32	30.55	30.90	32.76	33.98	33.97	33.98
6. Gross Domestic Debt (3+4+5)	4,191.77	4,266.23	4,365.29	4,473.39	4,551.56	4,540.80	4,533.11

* 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)

	25-Mar-22	24-Jun-22	30-Sep-22	30-Dec-22	28-Feb-23	31-Mar-23	14-Apr-23
Treasury bills (Excluding Repos)	15.81	14.54	15.40	15.01	14.84	14.66	14.65
Treasury bonds	82.09	83.20	83.27	82.95	82.90	83.05	83.27
Overdraft at Central Bank	1.46	1.54	0.62	1.31	1.51	1.54	1.33
Other domestic debt	0.64	0.72	0.71	0.73	0.75	0.75	0.75
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of Kenya

Table 9: Government Domestic Debt by Holder (Percent)

	25-Mar-22	24-Jun-22	30-Sep-22	30-Dec-22	28-Feb-23	31-Mar-23	14-Apr-23
Banking Institutions	49.29	48.74	47.60	46.84	46.79	46.13	45.94
Insurance Companies	6.87	7.14	7.32	7.37	7.35	7.39	7.48
Parastatals	5.72	5.84	6.09	6.06	6.05	6.04	6.04
Pension Funds	31.75	32.39	32.75	33.31	33.10	33.42	33.47
Other Investors	6.37	5.89	6.24	6.43	6.70	7.01	7.06
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of Kenya

Table 10: Government Debt

	Dec-21	Mar-22	Jun-22	Sep-22	Nov-22	Dec-22	Jan-23
Domestic debt (KSh Bn)	4,032.37	4,191.77	4,288.33	4,366.30	4,435.57	4,472.84	4,501.71
Public & Publicly Guaranteed External debt (USD Bn)	36.90	36.82	36.58	36.00	36.45	37.88	37.63
Public & Publicly Guaranteed External debt (KSh Bn)	4,174.37	4,209.56	4,290.73	4,334.80	4,462.89	4,673.14	4,681.12
Public debt (KSh Bn)	8,206.74	8,401.33	8,579.06	8,701.10	8,898.46	9,145.98	9,182.83

* Provisional

Source: The National Treasury and Central Bank of Kenya