



Central Bank of Kenya

Weekly Bulletin

April 18, 2019

KEY MONETARY AND FINANCIAL INDICATORS

Exchange Rate

The Kenya Shilling remained stable against major international and regional currencies during the week ending April 18. It exchanged at KSh 101.26 per US Dollar on April 18 compared to KSh 101.09 on April 11 (Table 1).

Foreign Exchange Reserves

The CBK usable foreign exchange reserves remained adequate at USD 8,391 million (5.4 months of import cover) as at April 18. This meets the 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 Markets

The money market was tight during the week ending April 18, mainly due to tax remittances and payments for government securities. Commercial banks' excess reserves had a shortfall of KSh 5.7 billion in relation to the 5.25 percent cash reserves requirement (CRR). The average interbank rate increased to 4.69 percent on April 18 from 1.62 percent on April 11. The average number of interbank deals increased to 22 from 14 while the value traded increased to KSh 16.2 billion from KSh 5.9 billion in the previous week (Table 3).

Government Securities

The Treasury bills auction of April 17, received bids totaling KSh 21.3 billion against an advertised amount of KSh 24.0 billion, representing 88.7 percent performance rate. Interest rates on 91, 182, and 364-day Treasury bills declined marginally (Table 4).

Equity Market

The NASI and market capitalization remained stable during the week ending April 18. However, the NSE 25 share index, NSE 20 Share index, equity turnover and total shares traded declined by 0.24, 1.67, 36.48 and 49.51 percent, respectively (Table 6).

Bonds Market

The volume of bonds traded in the domestic secondary bonds market increased by 23.47 percent in the week ending April 18. In the international market, yields on Kenya's 5-year Eurobond declined by 3.1 basis points, but yields on the 10-year (2024), 10-year (2028) and 30-year Eurobonds, rose by 7.7, 7.8 and 9.8 basis points, respectively, in the week ending April 18 (Table 6). The 10-year Eurobond yields for Ghana and Angola rose slightly (Chart 2).

Global Trends

Global markets edged up amid positive progress on the US-China trade talks, complemented by strong corporate earnings especially from US banks and latest positive Chinese economic data. While the European Union granted the United Kingdom (UK) a six-month extension until October 31, uncertainties remain elevated due to the UK Parliament's deadlock over the available options.

International oil prices increased during the week reflecting continued OPEC-led supply cuts, US sanctions on Venezuela's oil exports, and escalation of political tensions in Libya. Murban crude oil price stood at USD 72.62 per barrel on April 17, compared to USD 71.45 on April 10.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
5-Apr-19	100.72	132.14	112.96	90.28	37.08	22.99	8.97	18.16
8-Apr-19	100.63	131.21	113.00	90.09	37.16	23.00	8.84	18.16
9-Apr-19	100.64	131.33	113.45	90.42	37.16	23.00	8.98	18.17
10-Apr-19	100.84	131.81	113.58	90.72	37.16	22.96	8.97	18.14
11-Apr-19	101.09	132.19	113.70	91.01	37.16	22.90	8.94	18.10
April 5-11	100.79	131.74	113.34	90.50	37.15	22.97	8.94	18.14
12-Apr-19	100.95	132.04	113.69	90.69	37.10	22.93	8.96	18.12
15-Apr-19	100.99	132.44	114.30	90.23	37.08	22.92	8.97	18.11
16-Apr-19	101.00	132.41	114.23	90.15	36.98	22.92	8.96	18.12
17-Apr-19	101.06	132.02	114.22	90.24	36.91	22.93	8.95	18.11
18-Apr-19	101.26	132.08	114.43	90.42	36.87	22.86	8.94	18.07
April 12-18	101.05	132.20	114.18	90.35	36.99	22.91	8.95	18.11

* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Usable Foreign Exchange Reserves

	28-Feb-19	14-Mar-19	21-Mar-19	28-Mar-19	04-Apr-19	11-Apr-19	18-Apr-19
1. CBK Usable Foreign Exchange Reserves (USD Million)	8,196	8,392	8,271	8,254	8,192	8,195	8,391
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	5.27	5.40	5.32	5.31	5.27	5.27	5.40

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

Source: Central Bank of Kenya

Table 3: Money Market

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
5-Apr-19	12	4,245	1.84
8-Apr-19	20	10,070	1.68
9-Apr-19	12	6,200	1.77
10-Apr-19	9	2,900	1.58
11-Apr-19	15	6,075	1.62
April 05-11	14	5,898	1.70
12-Apr-19	17	7,925	1.48
15-Apr-19	24	20,673	2.92
16-Apr-19	19	18,350	3.45
17-Apr-19	24	17,275	3.96
18-Apr-19	28	16,925	4.69
April 12-18	22	16,230	3.30

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bills Auctions**91-Day Treasury Bills**

Date of Auction	28-Feb-19	21-Mar-19	28-Mar-19	04-Apr-19	11-Apr-19	18-Apr-19
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)	2,936.05	2,735.65	6,693.92	4,289.00	4,906.90	4,161.17
Amount Accepted (Ksh M)	2,936.05	2,735.65	966.23	2,816.78	4,903.95	4,161.17
Maturities (Ksh M)	10,458.05	2,843.50	1,044.15	1,284.00	6,563.80	5,753.10
Average interest Rate (%)	6.89	7.70	7.50	7.44	7.40	7.31

182-Day Treasury Bills

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)	7,761.43	9,057.50	7,343.75	10,260.06	7,642.43	4,683.15
Amount Accepted (Ksh M)	7,713.51	5,610.17	5,908.18	10,048.74	5,508.83	4,683.15
Maturities (Ksh M)	6,961.05	11,552.25	5,245.70	4,574.20	2,644.05	3,721.35
Average interest Rate (%)	8.32	8.23	8.20	8.19	8.09	8.04

364-Day Treasury Bills

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)	8,078.76	35,932.63	30,046.91	45,648.60	23,000.00	12,435.94
Amount Accepted (Ksh M)	6,253.42	26,630.95	23,655.49	29,815.30	17,732.73	9,684.66
Maturities (Ksh M)	10,504.65	15,076.35	6,923.80	17,286.00	13,514.15	14,964.05
Average interest Rate (%)	9.48	9.41	9.41	9.39	9.37	9.35

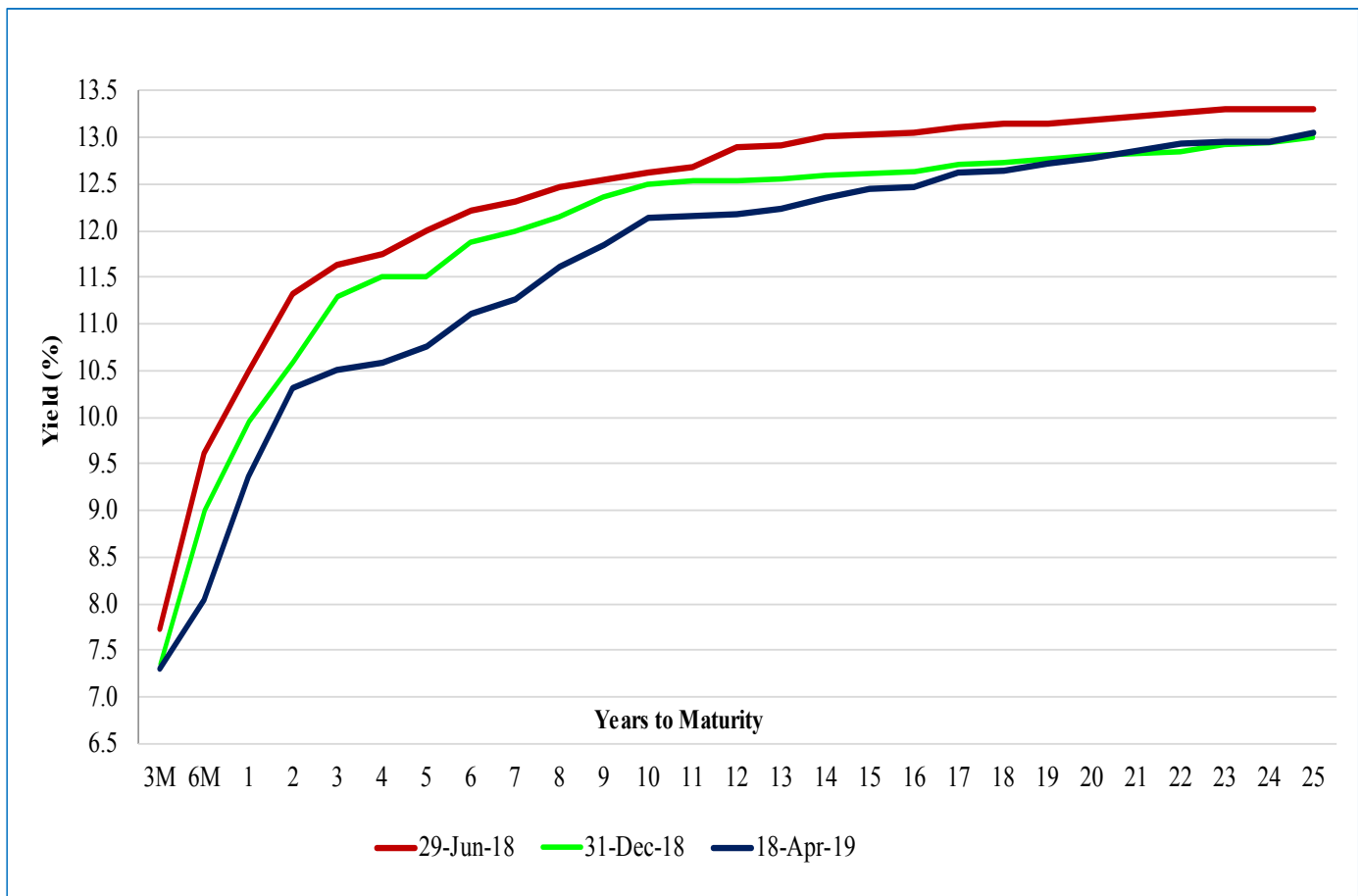
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bonds Auctions

Date of Auction	06-Feb-19		20-Feb-19		20-Mar-19		10-Apr-19
	REOPEN	REOPEN					
Tenor	FXD 1/2019/2	FXD 1/2019/15	FXD 1/2019/5	FXD 1/2019/10	IFB/2019/25	FXD 2/2019/10	FXD1/ 2019/20
Amount offered (Ksh M)	12,000.00		50,000.00		50,000.00	50,000.00	
Bids received (Ksh M)	66,603.10		78,259.02		29,376.22	85,615.54	
Amount Accepted (Ksh M)	7,470.38	15,961.36	20,593.62	32,808.00	16,303.06	51,326.72	9,022.76
Maturities (Ksh M)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average interest Rate (%)	10.33	12.77	11.30	12.44	12.66	12.30	12.87

Source: Central Bank of Kenya

Chart 1: Kenya Government Securities Yield Curve



Source: Nairobi Securities Exchange

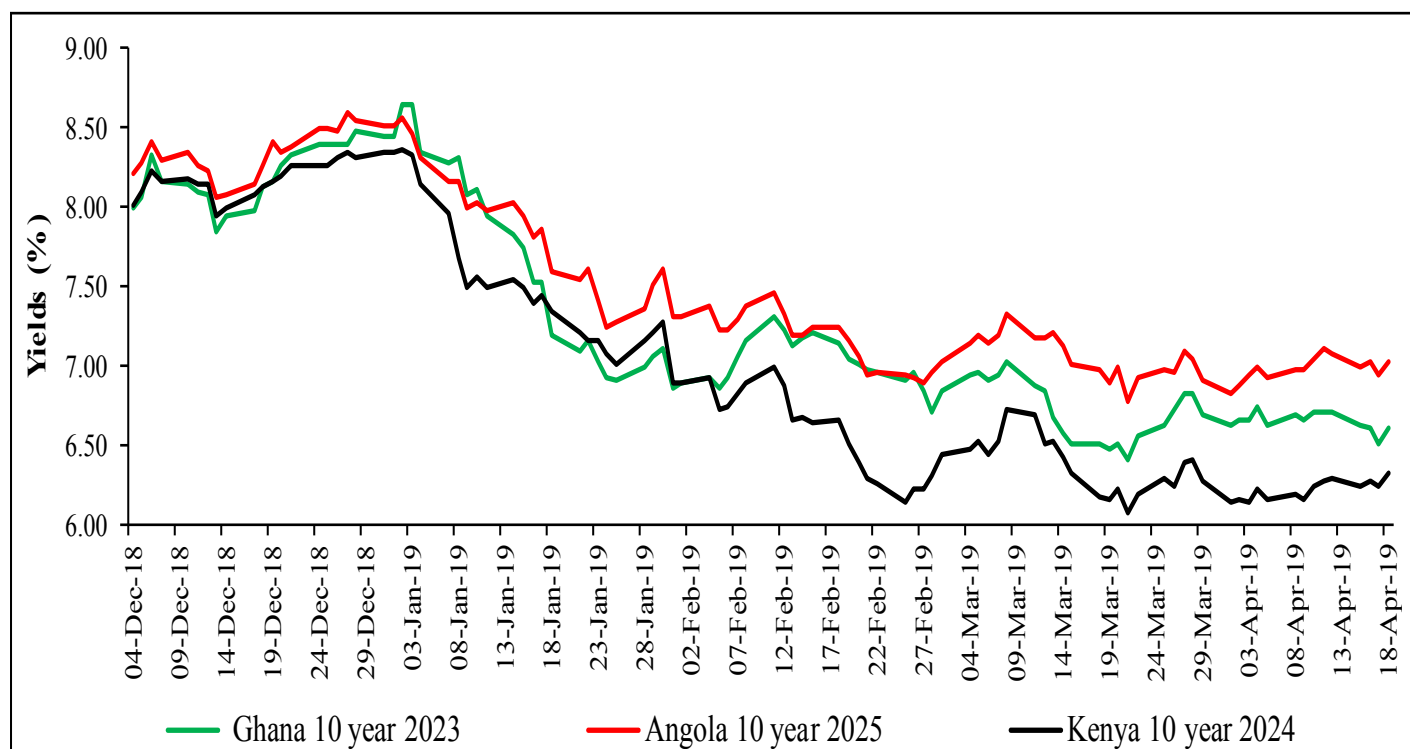
Table 6: Key Weekly Market Indicators

INDICATOR	NASI 100=2008	NSE 25 Share Index	NSE 20 Share Index 100=1996	Number of Deals (Shares)	Total Shares Traded (Million)	Equity Turnover (KSh Million)	Market Capitalization (KSh Billion)	Bonds Turnover (KSh Million)	5-Year Eurobond Yield (%)	10-Year Eurobond Yield (%) - 2024	10-Year Eurobond Yield (%) - 2028	30-Year Eurobond Yield (%)
5-Apr-19	159.52	3988.88	2846.85	734	16.39	513.22	2,388.49	4,399.40	5.204	6.162	7.095	8.160
8-Apr-19	159.24	3981.42	2844.64	886	27.07	541.02	2,384.24	3,595.60	5.050	6.189	7.102	8.169
9-Apr-19	158.39	3957.44	2824.54	946	17.09	296.94	2,371.53	4,597.15	4.991	6.160	7.082	8.158
10-Apr-19	158.20	3955.27	2836.16	996	19.02	758.10	2,368.70	2,171.94	5.674	6.240	7.165	8.218
11-Apr-19	158.26	3967.45	2918.81	873	7.70	192.57	2,369.95	1,700.43	5.615	6.248	7.223	8.205
April 5-11	158.26	3967.45	2918.81	4435	87.26	2,301.85	2,369.95	16,464.52	5.615	6.248	7.223	8.205
12-Apr-19	157.91	3965.25	2914.79	795	9.37	249.04	2,364.30	972.18	5.717	6.295	7.171	8.250
15-Apr-19	157.33	3957.02	2899.41	784	7.04	219.29	2,355.57	6,349.08	4.970	6.243	7.152	8.239
16-Apr-19	157.62	3951.66	2889.19	1050	11.45	290.35	2,359.90	5,416.44	5.660	6.268	7.171	8.253
17-Apr-19	158.78	3975.14	2894.85	820	5.52	273.81	2,377.33	4,423.15	5.763	6.246	7.151	8.264
18-Apr-19	158.29	3958.07	2870.12	952	10.68	429.61	2,369.95	3,167.64	5.584	6.325	7.301	8.303
April 12-18	158.29	3958.07	2870.12	4401	44.06	1,462.10	2,369.95	20,328.49	5.584	6.325	7.301	8.303
Weekly Change(%)	0.02	-0.24	-1.67	-0.77	-49.51	-36.48	0.00	23.47	-0.031	0.077*	0.078*	0.098*

* Percentage points

Source: Central Bank of Kenya, NSE and Thompson Reuters

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



Source: Thomson Reuters

Table 7: Government Domestic Debt (KSh Billion)

	29-Jun-18	28-Dec-18	15-Mar-19	22-Mar-19	29-Mar-19	05-Apr-19	12-Apr-19
1. Treasury Bills (Excluding Repos)	878.62	904.10	944.94	941.42	949.66	969.41	992.18
<i>(As % of total securities)</i>	36.75	36.90	36.15	36.07	36.04	36.51	37.05
2. Treasury Bonds	1,511.87	1,546.29	1,668.83	1,668.83	1,685.66	1,685.66	1,685.66
<i>(As % of total securities)</i>	63.25	63.10	63.85	63.93	63.96	63.49	62.95
3. Total Securities (1+2)	2,390.49	2,450.39	2,613.76	2,610.24	2,635.31	2,655.07	2,677.83
4. Overdraft at Central Bank	56.85	45.86	37.35	42.36	36.90	19.61	0.11
5. Other Domestic debt*	31.44	31.61	31.78	31.80	31.78	31.79	31.78
6. Gross Domestic Debt (3+4+5)	2,478.78	2,527.86	2,682.89	2,684.40	2,703.98	2,706.47	2,709.72

* 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)

	29-Jun-18	28-Dec-18	15-Mar-19	22-Mar-19	29-Mar-19	05-Apr-19	12-Apr-19
Treasury bills (Excluding Repos)	35.45	35.77	35.22	35.07	35.12	35.82	36.62
Treasury bonds	60.99	61.17	62.20	62.17	62.34	62.28	62.21
CBK Overdraft to Government	2.29	1.81	1.39	1.58	1.36	0.72	0.00
Other domestic debt	1.27	1.25	1.18	1.18	1.18	1.17	1.17
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)

	29-Jun-18	28-Dec-18	15-Mar-19	22-Mar-19	29-Mar-19	05-Apr-19	12-Apr-19
Banking Institutions	55.19	54.53	54.93	54.81	54.88	55.04	55.15
Insurance Companies	6.23	6.06	6.20	6.19	6.16	6.16	6.15
Parastatals	7.04	7.25	7.04	7.14	7.10	7.10	7.11
Pension funds	27.09	27.59	27.49	27.56	27.49	27.33	27.23
Other investors	4.44	4.57	4.34	4.30	4.37	4.36	4.36
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of Kenya

Table 10: Indicators of Total Government Debt

	Jun-17	Dec-17	Jun-18	Sep-18	Dec-18	Jan-19	Feb-19
Domestic debt (KSh Billion)	2,111.71	2,220.35	2,478.84	2,540.70	2,548.77	2,604.19	2,691.61
Public & Publicly Guaranteed External debt (US \$ Billion)	22.12	22.76	25.34	25.81	26.74	27.05	27.05
Public & Publicly Guaranteed External debt (KSh Billion)	2,294.40	2,349.28	2,560.20	2,605.33	2,723.73	2,729.48	2,707.29
Total public debt (KSh Billion)	4,406.11	4,569.63	5,039.03	5,146.04	5,272.50	5,333.67	5,398.90

Source: National Treasury and Central Bank of Kenya