



Central Bank of Kenya

# Weekly Bulletin

March 19, 2021

## KEY MONETARY AND FINANCIAL INDICATORS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending March 18. It exchanged at KSh 109.80 per US dollar on March 18, compared to KSh 109.65 per US dollar on March 11 (Table 1).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,412 million (4.55 months of import cover) as at March 18. 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).

### Remittances

Remittance inflows increased by 18.9 percent to USD 260.2 million in February 2021 compared to USD 219.0 million in February 2020 (Chart 1). The cumulative inflows in the 12 months to February 2021 totalled USD 3,155 million compared to USD 2,831 million in the 12 months to February 2020, an increase of 11.4 percent (Chart 1).

### Money Markets

The money market was relatively liquid during the week ending March 18, supported by government payments which partly offset tax receipts and issuance of securities. Commercial banks' excess reserves stood at KSh 21.6 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 5.48 percent on March 18 compared to 5.03 percent on March 11. During the week, the average number of interbank deals per day remained stable at 29, while the average value traded was KSh 13.5 billion compared to KSh 13.4 billion in the previous week (Table 3).

### Government Securities Market

The Treasury bills auction of March 18 received bids totalling KSh 27.6 billion against an advertised amount of KSh 24.0 billion, representing a performance of 115.0 percent. Interest rates on the Treasury bills remained stable only rising marginally (Table 4).

### Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 1.6 percent, 2.0 percent and 1.2 percent, respectively during the week ending February 18. Market capitalisation also increased by 1.6 percent. However, equity turnover, total shares traded and the number of deals declined by 43.5 percent, 34.3 percent and 8.8 percent, respectively (Table 6).

### Bonds Market

Turnover of bonds in the domestic secondary market declined by 34.0 percent during the week ending February 18 (Table 6). In the international market, yields on Kenya's Eurobonds remained stable, rising marginally by an average of 3.6 basis points. The yield on the 10-year Eurobond for Ghana also increased marginally while that of Angola declined (Chart 3).

### Global Trends

Global financial markets sentiment remained positive during the week ending March 18 as investors reacted to accommodative policy stances announced by major advanced economies aimed at supporting economic recovery. During the week, the FED and BOE maintained their policy stances and promised to continue doing so until there is clear evidence of economic recovery.

International oil price declined during the week mainly due to inventory accumulation in the US, fears of resurgence in new infections in Europe, and COVID-19 vaccine safety concerns. Murban oil price decreased to USD 66.03 per barrel on March 18 from USD 67.36 on March 11.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
5-Mar-21	109.65	153.00	132.04	102.04	33.38	21.15	9.06	17.74
8-Mar-21	109.64	151.92	131.17	101.20	33.36	21.15	9.06	17.74
9-Mar-21	109.65	151.87	130.55	101.02	33.40	21.15	9.06	17.74
10-Mar-21	109.65	152.13	130.58	100.73	33.38	21.15	9.06	17.74
11-Mar-21	109.65	152.18	130.58	100.75	33.38	21.15	9.06	17.74
<b>Mar 5-11</b>	<b>109.65</b>	<b>152.22</b>	<b>130.98</b>	<b>101.15</b>	<b>33.38</b>	<b>21.15</b>	<b>9.06</b>	<b>17.74</b>
12-Mar-21	109.65	152.63	130.92	101.02	33.42	21.15	9.06	17.75
15-Mar-21	109.65	152.67	130.90	100.55	33.47	21.15	9.06	17.75
16-Mar-21	109.65	152.71	130.84	100.47	33.42	21.15	9.06	17.75
17-Mar-21	109.69	151.94	130.97	100.66	33.41	21.14	9.06	17.74
18-Mar-21	109.80	152.66	130.71	100.57	33.43	21.12	9.05	17.73
<b>Mar 12-18</b>	<b>109.69</b>	<b>152.52</b>	<b>130.87</b>	<b>100.65</b>	<b>33.43</b>	<b>21.14</b>	<b>9.06</b>	<b>17.74</b>

\* Units of currency per Kenya Shilling

Source :Central Bank of Kenya

**Table 2: Official Foreign Exchange Reserves (USD Million)**

	18-Feb-21	25-Feb-21	4-Mar-21	11-Mar-21	18-Mar-21
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,605	7,605	7,359	7,351	7,412
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.67	4.67	4.52	4.52	4.55

\*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 (%)
5-Mar-21	33	14,700.00	5.09
8-Mar-21	24	19,275.00	4.96
9-Mar-21	35	18,710.00	4.86
10-Mar-21	31	7,910.00	5.08
11-Mar-21	23	6,350.00	5.03
<b>Mar 5-11</b>	<b>29</b>	<b>13,389.00</b>	<b>5.00</b>
12-Mar-21	32	11,110.00	4.93
15-Mar-21	43	27,310.00	5.18
16-Mar-21	29	11,590.00	5.30
17-Mar-21	23	8,290.00	5.37
18-Mar-21	19	9,250.00	5.48
<b>Mar 12-18</b>	<b>29</b>	<b>13,510.00</b>	<b>5.25</b>

Source: Central Bank of Kenya

**Table 4: Performance of Treasury Bills Auctions**

<b>91-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>11-Feb-21</b>	<b>18-Feb-21</b>	<b>25-Feb-21</b>	<b>4-Mar-21</b>	<b>11-Mar-21</b>	<b>18-Mar-21</b>
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)	956.43	4,674.45	6,281.66	7,045.17	4,350.17	5,422.32
Amount Accepted (KSh M)	945.08	4,655.48	4,806.25	6,062.14	4,349.58	5,422.13
Maturities (KSh M)	8,697.95	5,641.75	3,633.50	2,514.40	1,564.25	8,658.45
<b>Average Interest Rate (%)</b>	<b>6.905</b>	<b>6.911</b>	<b>6.931</b>	<b>7.024</b>	<b>7.024</b>	<b>7.071</b>
<b>182-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>11-Feb-21</b>	<b>18-Feb-21</b>	<b>25-Feb-21</b>	<b>4-Mar-21</b>	<b>11-Mar-21</b>	<b>18-Mar-21</b>
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)	4,697.75	11,403.48	10,227.69	7,773.77	6,081.94	7,099.33
Amount Accepted (KSh M)	4,216.39	10,681.88	7,340.21	6,809.86	6,080.73	6,135.84
Maturities (KSh M)	7,190.10	899.50	5,056.35	2,761.95	7,756.90	1,982.05
<b>Average Interest Rate (%)</b>	<b>7.644</b>	<b>7.684</b>	<b>7.722</b>	<b>7.765</b>	<b>7.832</b>	<b>7.884</b>
<b>364-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>11-Feb-21</b>	<b>18-Feb-21</b>	<b>25-Feb-21</b>	<b>4-Mar-21</b>	<b>11-Mar-21</b>	<b>18-Mar-21</b>
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)	16,079.26	13,901.18	15,164.20	19,016.49	12,192.30	15,077.07
Amount Accepted (KSh M)	14,074.59	13,471.78	14,522.84	17,293.12	12,191.56	11,738.86
Maturities (KSh M)	24,209.35	27,650.90	10,954.45	20,558.30	19,432.30	18,398.20
<b>Average Interest Rate (%)</b>	<b>8.824</b>	<b>8.931</b>	<b>9.014</b>	<b>9.071</b>	<b>9.144</b>	<b>9.213</b>

Source: Central Bank of Kenya

**Table 5: Performance of Treasury Bond Auctions**

<b>Date of Auction</b>	<b>3-Feb-21</b>		<b>17-Feb-21</b>		<b>10-Mar-21</b>	
	<b>REOPEN</b>		<b>TAP</b>		<b>REOPEN</b>	
<b>Tenor</b>	<b>FXD1/2013/15</b>	<b>FXD1/2012/20</b>	<b>FXD1/2013/15</b>	<b>FXD1/2012/20</b>	<b>FXD1/2019/15</b>	<b>FXD2/2018/20</b>
Amount offered (KSh M)	50,000.00		18,000.00		50,000.00	
Bids received (KSh M)	13,553.50	28,308.65	7,164.85	4,071.20	15,897.21	32,809.37
Amount Accepted (KSh M)	9,408.58	22,713.42	6,985.73	3,924.84	15,511.29	32,795.91
Maturities (KSh M)	7,868.37		0.00		0.00	
Average interest Rate (%)	11.78	12.59	11.78	12.59	12.41	13.44

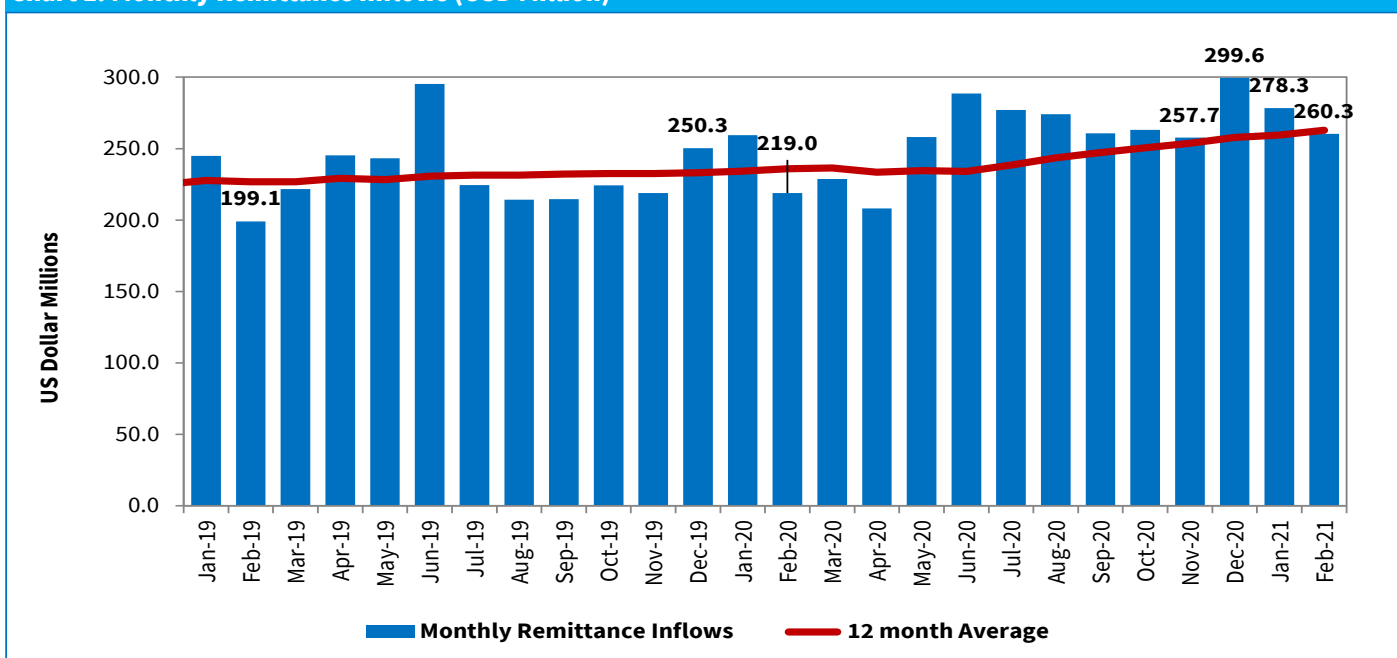
Source: Central Bank of Kenya

**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 Capital- ization (KSh Billion)	Bonds Turnover (KSh Million)	Eurobond Yields (%)				
									7-Year 2027	10-Year 2024	10-Year 2028	12-Year 2032	30-Year 2048
5-Mar-21	161.67	3587.07	1941.39	1,139.00	8.64	219.90	2,483.94	5,896.50	4.760	3.242	5.379	6.378	7.349
8-Mar-21	157.92	3532.09	1932.93	995.00	16.04	554.13	2,426.25	2,957.00	5.001	3.429	5.689	6.679	7.429
9-Mar-21	158.60	3539.89	1921.94	1,067.00	18.27	504.25	2,436.71	4,085.10	4.975	3.350	5.646	6.647	7.530
10-Mar-21	162.70	3606.07	1915.14	1,105.00	31.63	1,162.48	2,499.75	1,766.40	5.016	3.386	5.709	6.663	7.551
11-Mar-21	162.85	3614.43	1913.35	829.00	16.38	690.36	2,502.11	2,965.20	4.883	3.263	5.582	6.515	7.502
<b>Mar 5-11</b>	<b>162.85</b>	<b>3614.43</b>	<b>1913.35</b>	<b>5,135.00</b>	<b>90.95</b>	<b>3,131.13</b>	<b>2,502.11</b>	<b>17,670.20</b>	<b>4.883</b>	<b>3.263</b>	<b>5.582</b>	<b>6.515</b>	<b>7.502</b>
12-Mar-21	162.08	3617.79	1923.04	948.00	13.40	334.64	2,490.29	2,360.55	4.949	3.299	5.623	6.566	7.540
15-Mar-21	162.52	3618.98	1926.37	977.00	12.32	458.91	2,497.09	1,973.60	4.937	3.258	5.643	6.565	7.550
16-Mar-21	162.82	3627.26	1922.70	1,002.00	18.27	675.05	2,501.64	3,346.70	4.825	3.255	5.580	6.501	7.510
17-Mar-21	163.33	3637.24	1930.06	867.00	8.68	103.74	2,509.56	2,410.15	4.955	3.291	5.684	6.565	7.540
18-Mar-21	165.42	3685.25	1936.22	888.00	7.09	198.17	2,541.62	1,577.60	4.900	3.282	5.661	6.532	7.550
<b>Mar 12-18</b>	<b>165.42</b>	<b>3685.25</b>	<b>1936.22</b>	<b>4,682.00</b>	<b>59.76</b>	<b>1,770.51</b>	<b>2,541.62</b>	<b>11,668.60</b>	<b>4.900</b>	<b>3.282</b>	<b>5.661</b>	<b>6.532</b>	<b>7.550</b>
<b>Weekly Changes (%)</b>	<b>1.58</b>	<b>1.96</b>	<b>1.20</b>	<b>-8.82</b>	<b>-34.29</b>	<b>-43.45</b>	<b>1.58</b>	<b>-33.96</b>	<b>0.017*</b>	<b>0.019*</b>	<b>0.079*</b>	<b>0.017*</b>	<b>0.048*</b>

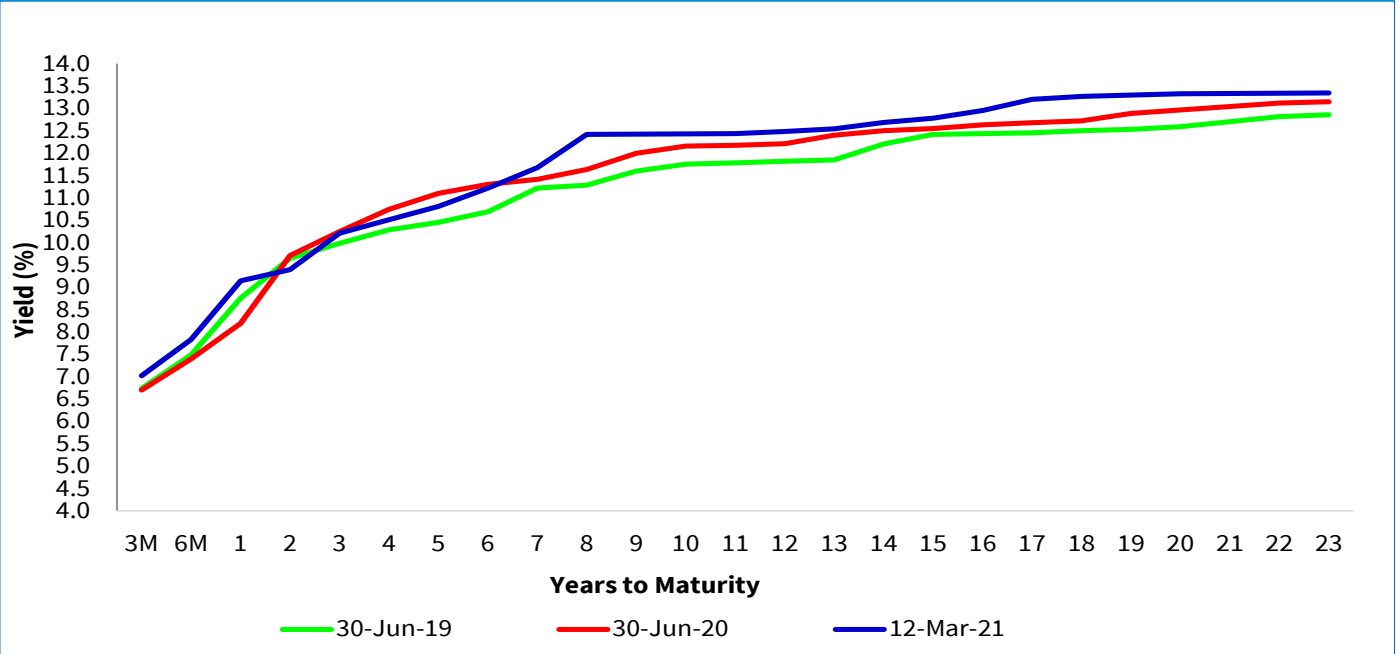
\* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thompson Reuters

**Chart 1: Monthly Remittance Inflows (USD Million)**


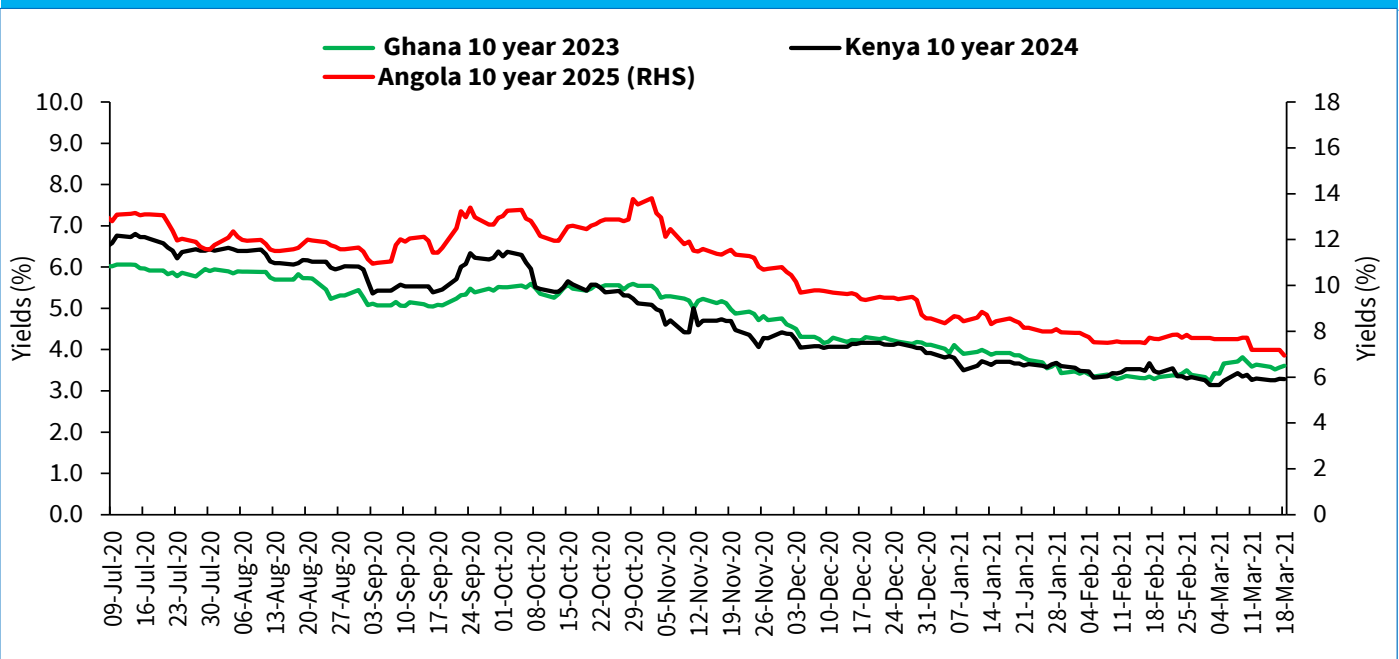
Source: Central Bank of Kenya

**Chart 2: Government Securities Yield Curve**



Source: Nairobi Securities Exchange (NSE)

**Chart 3: Yields on 10 year Eurobonds for Selected African Countries**



Source: Thomson Reuters

**Table 7: Government Domestic Debt (KSh Billion)**

	30-Jun-20	30-Sep-20	31-Dec-20	29-Jan-21	26-Feb-21	05-Mar-21	12-Mar-21
1. Treasury Bills (Excluding Repos)	887.14	894.73	855.71	785.46	748.00	756.66	762.88
<i>(As % of total securities)</i>	<b>28.56</b>	<b>26.50</b>	<b>25.04</b>	<b>22.75</b>	<b>21.67</b>	<b>21.87</b>	<b>22.01</b>
2. Treasury Bonds	2,219.44	2,482.24	2,561.33	2,667.02	2,703.56	2,703.56	2,703.56
<i>(As % of total securities)</i>	<b>71.44</b>	<b>73.50</b>	<b>74.96</b>	<b>77.25</b>	<b>78.33</b>	<b>78.13</b>	<b>77.99</b>
3. Total Securities (1+2)	3,106.59	3,376.98	3,417.05	3,452.48	3,451.56	3,460.22	3,466.44
4. Overdraft at Central Bank	47.15	56.21	47.60	55.27	55.40	56.83	52.55
5. Other Domestic debt*	23.24	23.92	23.90	23.90	24.25	24.25	24.26
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>3,176.97</b>	<b>3,457.11</b>	<b>3,488.54</b>	<b>3,531.65</b>	<b>3,531.22</b>	<b>3,541.31</b>	<b>3,543.25</b>

\* 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)**

	28-Jun-19	30-Jun-20	30-Sep-20	31-Dec-20	29-Jan-21	5-Mar-21	12-Mar-21
Treasury bills (Excluding Repos)	34.24	27.92	25.88	24.53	22.24	21.37	21.53
Treasury bonds	62.78	69.86	71.80	73.42	75.52	76.34	76.30
Overdraft at Central Bank	2.06	1.48	1.63	1.36	1.57	1.60	1.48
Other domestic debt	0.92	0.73	0.69	0.69	0.68	0.68	0.68
<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>

Source: Central Bank of Kenya

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

	30-Jun-19	30-Jun-20	30-Sep-20	31-Dec-20	29-Jan-21	5-Mar-21	12-Mar-21
Banking Institutions	54.38	54.86	55.14	53.29	53.32	53.58	53.39
Insurance Companies	6.13	6.05	6.16	6.44	6.40	6.47	6.49
Parastatals	6.97	5.73	5.47	5.69	5.64	5.62	5.69
Pension Funds	28.24	29.05	28.53	30.32	30.34	29.84	29.95
Other Investors	4.28	4.32	4.71	4.27	4.30	4.50	4.48
<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>

Source: Central Bank of Kenya

**Table 10: Indicators of Government Debt**

	<b>Jun-19</b>	<b>Dec-19</b>	<b>Jun-20</b>	<b>Sep-20</b>	<b>Oct-20</b>	<b>Nov-20</b>	<b>Dec-20</b>
Domestic debt (KSh Bn)	2,787.04	2,942.10	3,176.97	3,457.11	3,457.64	3,482.65	3,488.54
Public & Publicly Guaranteed External debt (USD Bn)	29.55	30.66	33.01	33.77	34.05	34.27	34.75
Public & Publicly Guaranteed External debt (KSh Bn)	3,023.14	3,106.82	3,515.81	3,663.49	3,705.64	3,771.81	3,793.29
Public debt (KSh Bn)	<b>5,810.18</b>	<b>6,048.93</b>	<b>6,692.78</b>	<b>7,120.60</b>	<b>7,163.29</b>	<b>7,254.46</b>	<b>7,281.83</b>

Source: National Treasury and Central Bank of Kenya