



Central Bank of Kenya

Weekly Bulletin

April 23, 2021

KEY MONETARY AND FINANCIAL INDICATORS

Exchange Rates

The Kenya Shilling depreciated against major international and regional currencies during the week ending April 22 following increased demand. It exchanged at KSh 108.42 per US dollar on April 22, compared to KSh 106.81 per US dollar on April 15 (Table 1).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,727 million (4.75 months of import cover) as at April 22. 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 to USD 290.8 million in March 2021, from USD 228.8 million in March 2020, a 27.1 percent rise (Chart 1). The cumulative inflows in the 12 months to March 2021 totalled USD 3,216 million compared to USD 2,838 million in the same period in 2020, a 13.3 percent increase. The United States continues to be the largest source of inflows into Kenya, accounting for 55.9 percent of remittances in March 2021.

Money Markets

The money market liquidity was relatively tight during the week ending April 22, mainly due to tax remittances which were partly offset by Government payments. Commercial banks' excess reserves stood at KSh 5.0 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 5.77 percent on April 22 compared to 4.96 percent on April 15. During the week, the average number of interbank deals per day decreased to 24 from 27 in the previous week, while the average value traded decreased to KSh 11.2 billion from KSh 13.9 billion in the previous week (Table 3).

Government Securities Market

The Treasury bills auction of April 22 received bids totalling KSh 14.4 billion against an advertised amount of KSh 24.0 billion, representing a performance of 59.8 percent. Interest rates remained stable with the 182-

day rate declining while the 91-day and 364-day rates increased marginally (Table 4).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices remained stable, rising marginally by 1.0 percent, 0.2 percent and 0.5 percent, respectively during the week ending April 22. Similarly, market capitalization and total shares traded rose by 1.0 percent and 9.8 percent respectively, while equity turnover declined by 6.1 percent (Table 6).

Bonds Market

Turnover of bonds in the domestic secondary market declined by 18.3 percent during the week ending April 22 (Table 6). In the international market, yields on Kenya's Eurobonds declined by an average of 13.0 basis points. The yield on the 10-year Eurobond for Angola also declined while that of Ghana increased (Chart 3).

Global Trends

Global financial markets sentiment remained subdued during the week ending April 22, as the global resurgence of COVID-19 was seen to pose a challenge to the robust growth momentum. The resurgence of infections in countries such as India, Brazil and Japan have compelled Governments to impose movement restrictions.

International oil prices declined during the week on account of a build-up in inventory. Murban oil price declined to USD 62.93 per barrel on April 22 from USD 64.78 per barrel on April 15.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
9-Apr-21	107.97	148.47	128.35	98.69	33.81	21.48	9.21	18.04
12-Apr-21	107.29	147.23	127.64	97.81	33.97	21.61	9.27	18.16
13-Apr-21	107.10	147.35	127.61	97.95	33.94	21.65	9.34	18.19
14-Apr-21	106.90	146.86	127.24	97.76	33.96	21.69	9.36	18.22
15-Apr-21	106.81	147.10	127.78	97.97	34.08	21.71	9.36	18.24
Apr 9-15	107.21	147.40	127.72	98.04	33.95	21.63	9.31	18.17
16-Apr-21	107.06	147.68	128.15	98.44	33.81	21.66	9.34	18.20
19-Apr-21	107.49	148.02	128.76	98.74	33.68	21.57	9.31	18.13
20-Apr-21	107.95	150.07	129.89	99.85	33.56	21.48	9.27	18.05
21-Apr-21	108.11	150.90	130.29	99.76	33.48	21.45	9.25	18.02
22-Apr-21	108.42	150.75	130.17	100.30	33.34	21.39	9.23	17.97
Apr 16-22	107.81	149.48	129.45	99.42	33.58	21.51	9.28	18.07

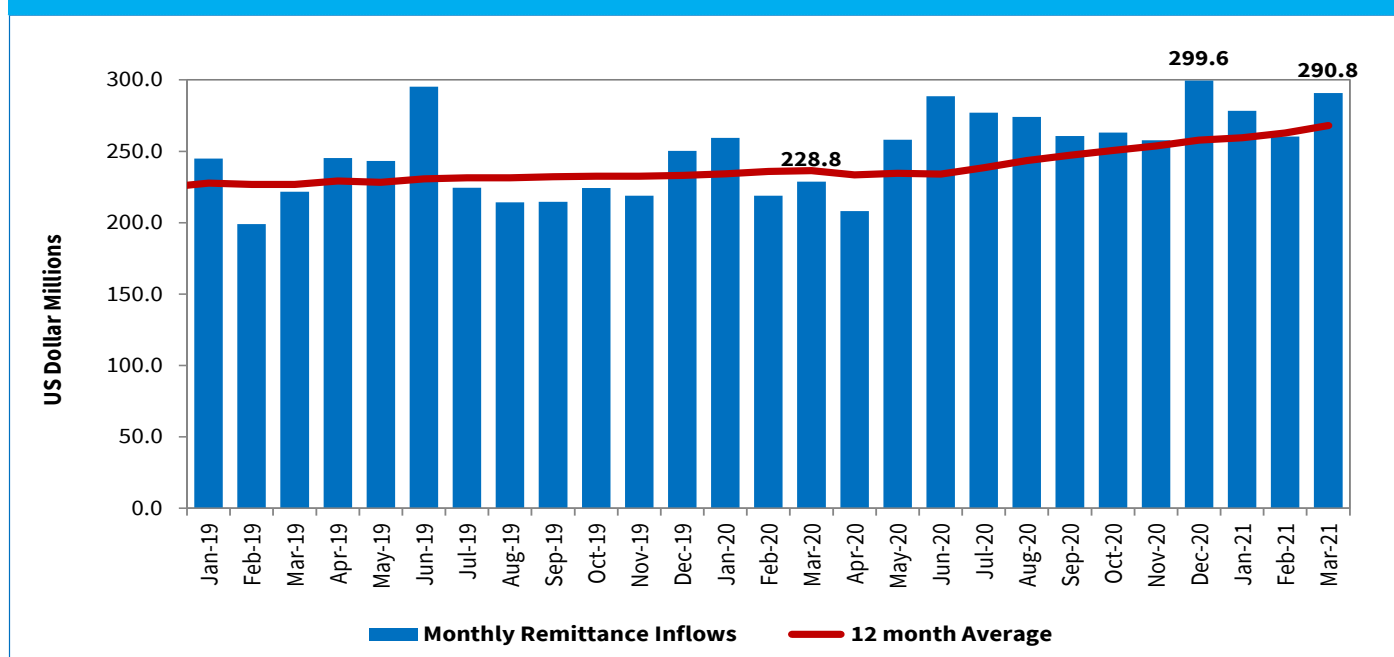
Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	25-Mar-21	1-Apr-21	8-Apr-21	15-Apr-21	22-Apr-21
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,344	7,343	7,425	7,656	7,727
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.51	4.51	4.56	4.71	4.75

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

Source: Central Bank of Kenya

Chart 1: Monthly Remittance Inflows (USD Million)

Source: Central Bank of Kenya

Table 3: Money Markets

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
9-Apr-21	17	8,330.00	3.60
12-Apr-21	35	14,650.00	4.80
13-Apr-21	29	16,770.00	4.77
14-Apr-21	27	18,560.00	4.28
15-Apr-21	29	11,310.00	4.96
April 9- 15, 2021	27	13,924.00	4.48
16-Apr-21	24	9,210.00	5.55
19-Apr-21	24	10,670.00	5.41
20-Apr-21	28	15,935.00	5.58
21-Apr-21	27	16,400.00	5.67
22-Apr-21	15	3,560.00	5.77
April 16- 22, 2021	24	11,155.00	5.59

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bills Auctions

91-Day Treasury Bills						
Date of Auction	18-Mar-21	25-Mar-21	31-Mar-21	8-Apr-21	15-Apr-21	22-Apr-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)	5,422.32	3,302.64	2,018.11	3,161.07	4,095.93	3,659.54
Amount Accepted (KSh M)	5,422.13	3,302.64	2,018.11	3,160.98	4,095.44	3,659.34
Maturities (KSh M)	8,658.45	5,693.95	672.75	752.55	5,094.80	2,186.60
Average Interest Rate (%)	7.071	7.087	7.085	7.096	7.108	7.115
182-Day Treasury Bills						
Date of Auction	18-Mar-21	25-Mar-21	31-Mar-21	8-Apr-21	15-Apr-21	22-Apr-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)	7,099.33	3,070.50	764.64	2,559.42	3,665.14	2,005.11
Amount Accepted (KSh M)	6,135.84	3,070.02	764.64	2,428.47	3,665.14	2,001.89
Maturities (KSh M)	1,982.05	1,167.30	3,578.50	3,443.30	6,339.50	6,977.70
Average Interest Rate (%)	7.884	7.890	7.910	7.914	7.938	7.925
364-Day Treasury Bills						
Date of Auction	18-Mar-21	25-Mar-21	31-Mar-21	8-Apr-21	15-Apr-21	22-Apr-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)	15,077.07	16,595.11	4,405.24	14,626.64	13,097.63	8,686.00
Amount Accepted (KSh M)	11,738.86	12,665.17	4,375.51	14,534.43	10,424.96	7,768.52
Maturities (KSh M)	18,398.20	5,324.75	23,194.95	6,545.75	11,841.40	6,852.10
Average Interest Rate (%)	9.213	9.259	9.308	9.366	9.403	9.460

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	3-Feb-21		17-Feb-21		10-Mar-21		7-Apr-21
	REOPEN		TAP		REOPEN		
Tenor	FXD1/ 2013/15	FXD1/ 2012/20	FXD1/ 2013/15	FXD1/ 2012/20	FXD1/ 2019/15	FXD2/ 2018/20	IFB1/ 2021/18
Amount offered (KSh M)	50,000.00		18,000.00		50,000.00		60,000.00
Bids received (KSh M)	13,553.50	28,308.65	7,164.85	4,071.20	15,897.21	32,809.37	88,577.56
Amount Accepted (KSh M)	9,408.58	22,713.42	6,985.73	3,924.84	15,511.29	32,795.91	81,941.63
Maturities (KSh M)	7,868.37		0.00		0.00		0.00
Average interest Rate (%)	11.78	12.59	11.78	12.59	12.41	13.44	12.67

Source: Central Bank of Kenya

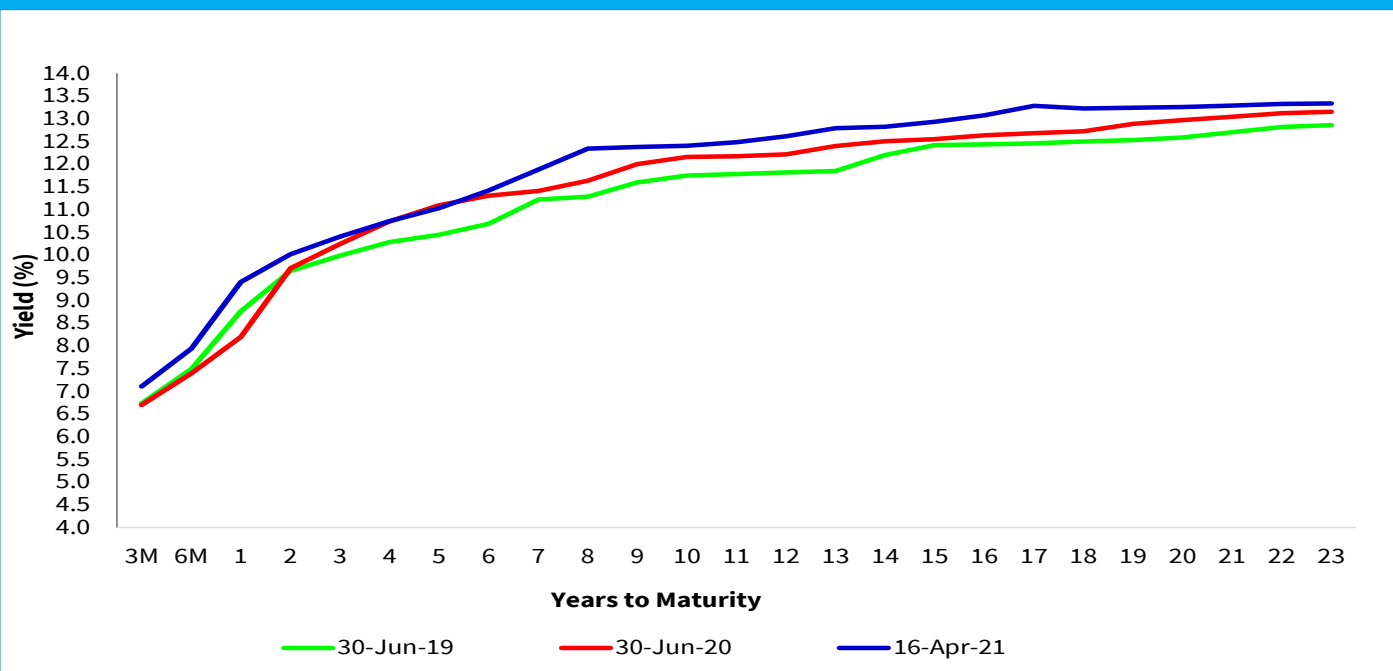
Table 6: Key Weekly Market Indicators

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 Mil- lion)	Eurobond Yields (%)				
									7-Year 2027	10-Year 2024	10-Year 2028	12-Year 2032	30-Year 2048
9-Apr-21	158.59	3518.06	1868.76	806.00	14.95	466.20	2,436.49	783.53	5.332	3.419	6.013	6.885	7.812
12-Apr-21	159.41	3534.19	1862.87	984.00	10.51	394.30	2,449.12	3,036.90	5.321	3.338	5.991	6.868	7.823
13-Apr-21	160.05	3553.49	1861.44	1,017.00	15.03	770.65	2,458.98	6,925.23	5.286	3.414	6.012	6.885	7.823
14-Apr-21	161.38	3577.01	1867.15	989.00	15.95	498.95	2,479.54	3,822.45	5.217	3.372	5.968	6.819	7.780
15-Apr-21	164.32	3620.10	1873.46	1,023.00	11.96	365.37	2,524.80	8,408.93	5.173	3.246	5.860	6.769	7.737
April 8-15	164.32	3620.10	1873.46	4,819.00	68.40	2,495.46	2,524.80	22,977.05	5.173	3.246	5.860	6.769	7.737
16-Apr-21	165.08	3635.74	1882.96	959.00	11.17	313.42	2,536.39	4,537.40	4.997	3.165	5.731	6.622	7.601
19-Apr-21	163.73	3616.93	1879.06	920.00	4.79	126.49	2,515.60	4,159.15	4.929	3.163	5.667	6.638	7.611
20-Apr-21	164.82	3633.40	1873.93	1,130.00	15.47	482.96	2,532.39	3,700.20	5.021	3.199	5.688	6.654	7.621
21-Apr-21	166.18	3643.64	1878.02	1,321.00	33.69	1,060.85	2,553.38	3,275.70	5.054	3.235	5.751	6.719	7.663
22-Apr-21	165.98	3625.37	1881.87	1,036.00	9.95	359.61	2,550.31	3,091.85	4.945	3.187	5.707	6.653	7.642
April 16-21	165.98	3625.37	1881.87	5,366.00	75.07	2,343.33	2,550.31	18,764.30	4.945	3.187	5.707	6.653	7.642
Weekly Changes (%)	1.01	0.15	0.45	11.35	9.75	-6.10	1.01	-18.33	-0.228*	-0.059*	-0.153*	-0.116*	-0.095*

* Percentage points

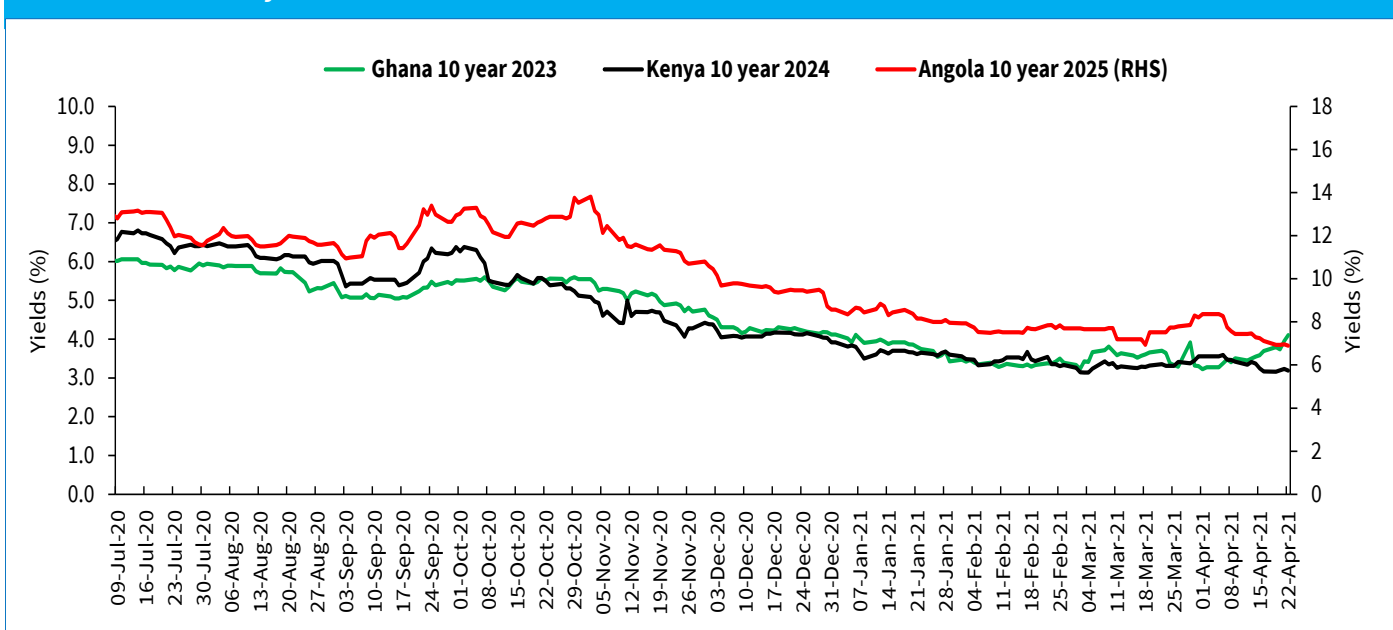
Source: Nairobi Securities Exchange (NSE) and Thompson Reuters

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	31-Dec-20	29-Jan-21	26-Feb-21	26-Mar-21	09-Apr-21	16-Apr-21
1. Treasury Bills (Excluding Repos)	887.14	855.71	785.46	748.00	753.75	742.03	752.87
<i>(As % of total securities)</i>	28.56	25.04	22.75	21.67	21.61	21.34	21.09
2. Treasury Bonds	2,219.44	2,561.33	2,667.02	2,703.56	2,734.47	2,734.47	2,816.25
<i>(As % of total securities)</i>	71.44	74.96	77.25	78.33	78.39	78.66	78.91
3. Total Securities (1+2)	3,106.59	3,417.05	3,452.48	3,451.56	3,488.22	3,476.50	3,569.13
4. Overdraft at Central Bank	47.15	47.60	55.27	55.40	56.08	69.62	58.07
5. Other Domestic debt*	23.24	23.90	24.81	24.22	24.22	24.22	24.19
6. Gross Domestic Debt (3+4+5)	3,176.97	3,488.54	3,532.56	3,531.18	3,568.53	3,570.34	3,651.38

* 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	26-Mar-21	9-Apr-21	16-Apr-21
Treasury bills (Excluding Repos)	27.92	24.53	22.23	21.18	21.12	20.78	20.62
Treasury bonds	69.86	73.42	75.50	76.56	76.63	76.59	77.13
Overdraft at Central Bank	1.48	1.36	1.56	1.57	1.57	1.95	1.59
Other domestic debt	0.73	0.69	0.70	0.69	0.68	0.68	0.66
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	26-Mar-21	9-Apr-21	16-Apr-21
Banking Institutions	54.84	53.29	53.32	53.46	52.78	52.01	51.96
Insurance Companies	6.05	6.44	6.40	6.48	6.55	6.58	6.53
Parastatals	5.73	5.69	5.64	5.66	5.66	5.55	5.54
Pension Funds	29.04	30.32	30.34	29.88	30.48	30.41	30.47
Other Investors	4.34	4.27	4.30	4.51	4.53	5.46	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	Oct-20	Nov-20	Dec-20	Jan-21
Domestic debt (KSh Bn)	2,787.04	3,176.97	3,457.11	3,457.64	3,482.65	3,488.54	3,532.56
Public & Publicly Guaranteed External debt (USD Bn)	29.55	33.01	33.77	34.05	34.27	34.75	34.68
Public & Publicly Guaranteed External debt (KSh Bn)	3,023.14	3,515.81	3,663.49	3,705.64	3,771.81	3,793.29	3,819.70
Public debt (KSh Bn)	5,810.18	6,692.78	7,120.60	7,163.29	7,254.46	7,281.83	7,352.26

Source: National Treasury and Central Bank of Kenya