



Central Bank of Kenya

# Weekly Bulletin

April 30, 2021

## KEY MONETARY AND FINANCIAL INDICATORS

### Inflation

Overall inflation remained stable within the medium-term target band, declining marginally to 5.8 percent from 5.9 percent in March, driven by lower food inflation (Chart 1).

### Exchange Rates

The Kenya Shilling strengthened against major international and regional currencies during the week ending April 29. It exchanged at KSh 107.84 per US dollar on April 29, compared to KSh 108.42 per US dollar on April 22 (Table 1).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,664 million (4.71 months of import cover) as at April 29. 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).

### Current Account

Provisional data on balance of payments shows that the current account deficit narrowed to 5.1 percent of GDP in the 12 months to March 2021 compared to 5.7 percent of GDP in the 12 months to March 2020 (Chart 2). This was due to lower imports of oil, machinery and transport equipment, as well as increases in tea and horticultural exports, and remittance receipts.

### Money Markets

The money market was liquid during the week ending April 29, supported by government payments, which offset tax remittances. Commercial banks' excess reserves stood at KSh 13.0 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 5.37 percent on April 29 compared to 5.77 percent on April 22. During the week, the average number of interbank deals per day declined to 21 from 24 in the previous week, while the average value traded decreased to KSh 7.4 billion from KSh 11.2 billion in the previous week (Table 3).

### Government Securities Market

The Treasury bills auction of April 29 received bids totalling KSh 29.99 billion against an advertised amount of KSh 24.0 billion, representing a performance of 125.0 percent. Interest rates on the Treasury bills remained stable, only increasing marginally (Table 5).

### Equity Market

At the Nairobi Securities Exchange, the NASI and NSE 25 share price index rose by 1.9 percent and 1.4 percent respectively, during the week ending April 29. Similarly, market capitalization and equity turnover rose by 1.9 percent and 0.8 percent, respectively. However, the NSE 20 share price index and total shares traded declined by 0.4 percent and 4.8 percent, respectively (Table 6).

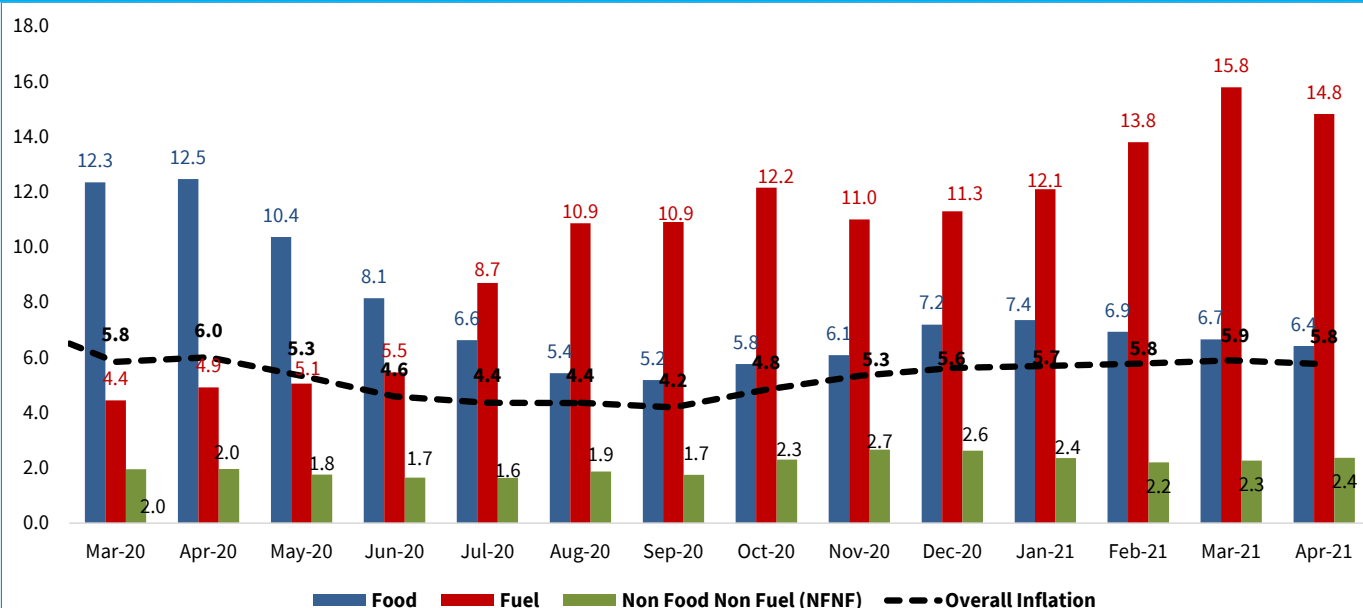
### Bonds Market

Turnover of bonds in the domestic secondary market declined by 10.4 percent during the week ending April 29 (Table 6). In the international market, yields on Kenya's Eurobonds remained stable, rising by an average of 4.0 basis points. The yields on the 10-year Eurobonds for Angola and Ghana also increased (Chart 3).

### Global Trends

Global financial markets sentiment was positive during the week ending April 29, as investors internalised strong US growth data and the mostly optimistic earnings reports from the U.S and Euro area markets. Sentiment was further boosted by the US President's speech to Congress which introduced a raft of new fiscal measures to enhance economic recovery.

International oil prices rose during the week on account of improved global demand outlook. Murban oil price increased to USD 65.68 per barrel on April 29 from USD 62.93 per barrel on April 22.

**Chart 1: Inflation**


Source: Central Bank of Kenya

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

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
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
<b>Apr 16-22</b>	<b>107.81</b>	<b>149.48</b>	<b>129.45</b>	<b>99.42</b>	<b>33.58</b>	<b>21.51</b>	<b>9.28</b>	<b>18.07</b>
23-Apr-21	108.53	150.68	130.72	100.45	33.22	21.37	9.22	17.95
26-Apr-21	108.54	150.53	130.93	100.76	33.22	21.37	9.22	17.96
27-Apr-21	108.10	150.14	130.65	99.88	33.31	21.45	9.26	18.03
28-Apr-21	107.85	149.88	130.25	99.07	33.43	21.50	9.28	18.07
29-Apr-21	107.84	149.73	130.16	99.00	33.38	21.50	9.28	18.08
<b>Apr 23-29</b>	<b>108.17</b>	<b>150.19</b>	<b>130.54</b>	<b>99.83</b>	<b>33.31</b>	<b>21.44</b>	<b>9.25</b>	<b>18.02</b>

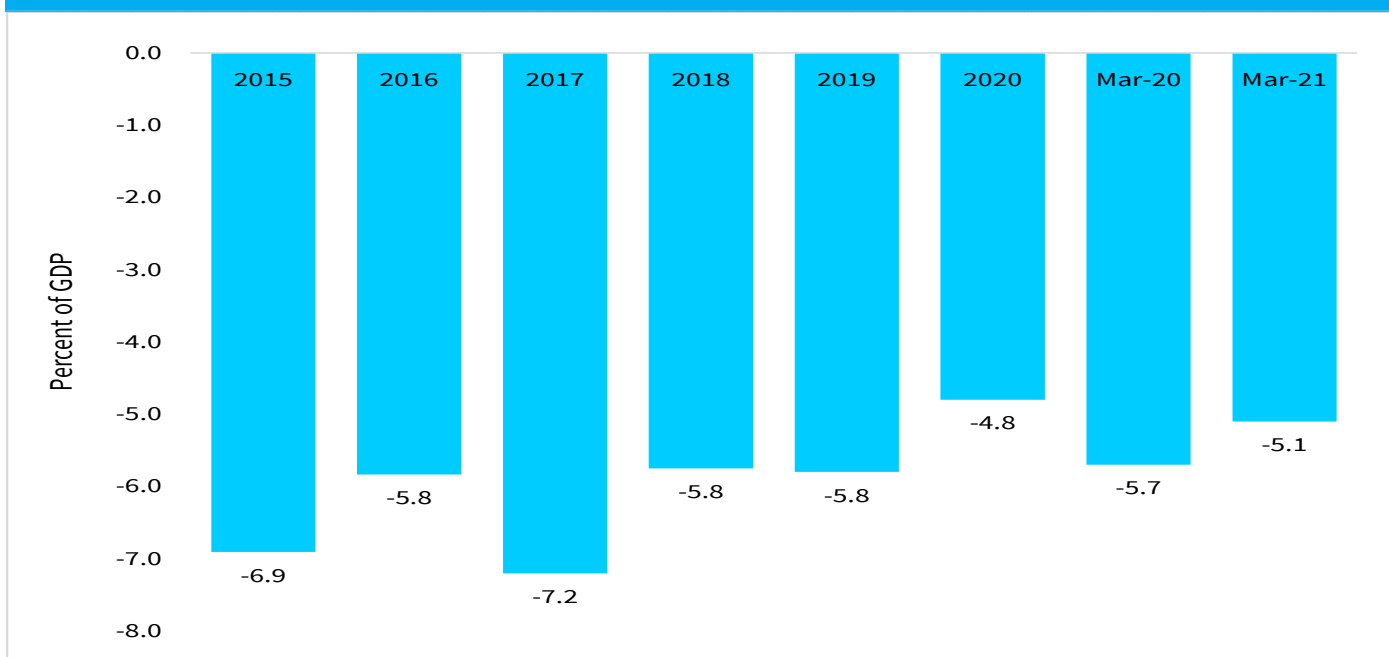
Source: Central Bank of Kenya

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

	1-Apr-21	8-Apr-21	15-Apr-21	22-Apr-21	29-Apr-21
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,343	7,425	7,656	7,727	7,664
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.51	4.56	4.71	4.75	4.71

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

Source: Central Bank of Kenya

**Chart 2: Current Account**

Source: Central Bank of Kenya

**Table 3: Money Markets**

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
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
<b>April 16- 22, 2021</b>	<b>24</b>	<b>11,155.00</b>	<b>5.59</b>
23-Apr-21	22	14,680.00	5.56
26-Apr-21	18	8,040.00	5.33
27-Apr-21	19	4,610.00	5.30
28-Apr-21	25	6,110.00	5.32
29-Apr-21	20	3,460.00	5.37
<b>April 23-29, 2021</b>	<b>21</b>	<b>7,380.00</b>	<b>5.38</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>25-Mar-21</b>	<b>31-Mar-21</b>	<b>8-Apr-21</b>	<b>15-Apr-21</b>	<b>22-Apr-21</b>	<b>29-Apr-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)	3,302.64	2,018.11	3,161.07	4,095.93	3,659.54	1,708.78
Amount Accepted (KSh M)	3,302.64	2,018.11	3,160.98	4,095.44	3,659.34	1,708.78
Maturities (KSh M)	5,693.95	672.75	752.55	5,094.80	2,186.60	509.05
<b>Average Interest Rate (%)</b>	<b>7.087</b>	<b>7.085</b>	<b>7.096</b>	<b>7.108</b>	<b>7.115</b>	<b>7.139</b>
<b>182-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>25-Mar-21</b>	<b>31-Mar-21</b>	<b>8-Apr-21</b>	<b>15-Apr-21</b>	<b>22-Apr-21</b>	<b>29-Apr-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)	3,070.50	764.64	2,559.42	3,665.14	2,005.11	3,751.77
Amount Accepted (KSh M)	3,070.02	764.64	2,428.47	3,665.14	2,001.89	2,790.59
Maturities (KSh M)	1,167.30	3,578.50	3,443.30	6,339.50	6,977.70	3,418.20
<b>Average Interest Rate (%)</b>	<b>7.890</b>	<b>7.910</b>	<b>7.914</b>	<b>7.938</b>	<b>7.925</b>	<b>7.989</b>
<b>364-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>25-Mar-21</b>	<b>31-Mar-21</b>	<b>8-Apr-21</b>	<b>15-Apr-21</b>	<b>22-Apr-21</b>	<b>29-Apr-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)	16,595.11	4,405.24	14,626.64	13,097.63	8,686.00	24,534.73
Amount Accepted (KSh M)	12,665.17	4,375.51	14,534.43	10,424.96	7,768.52	15,835.89
Maturities (KSh M)	5,324.75	23,194.95	6,545.75	11,841.40	6,852.10	11,558.05
<b>Average Interest Rate (%)</b>	<b>9.259</b>	<b>9.308</b>	<b>9.366</b>	<b>9.403</b>	<b>9.460</b>	<b>9.474</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>7-Apr-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>	<b>IFB1/ 2021/18</b>
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

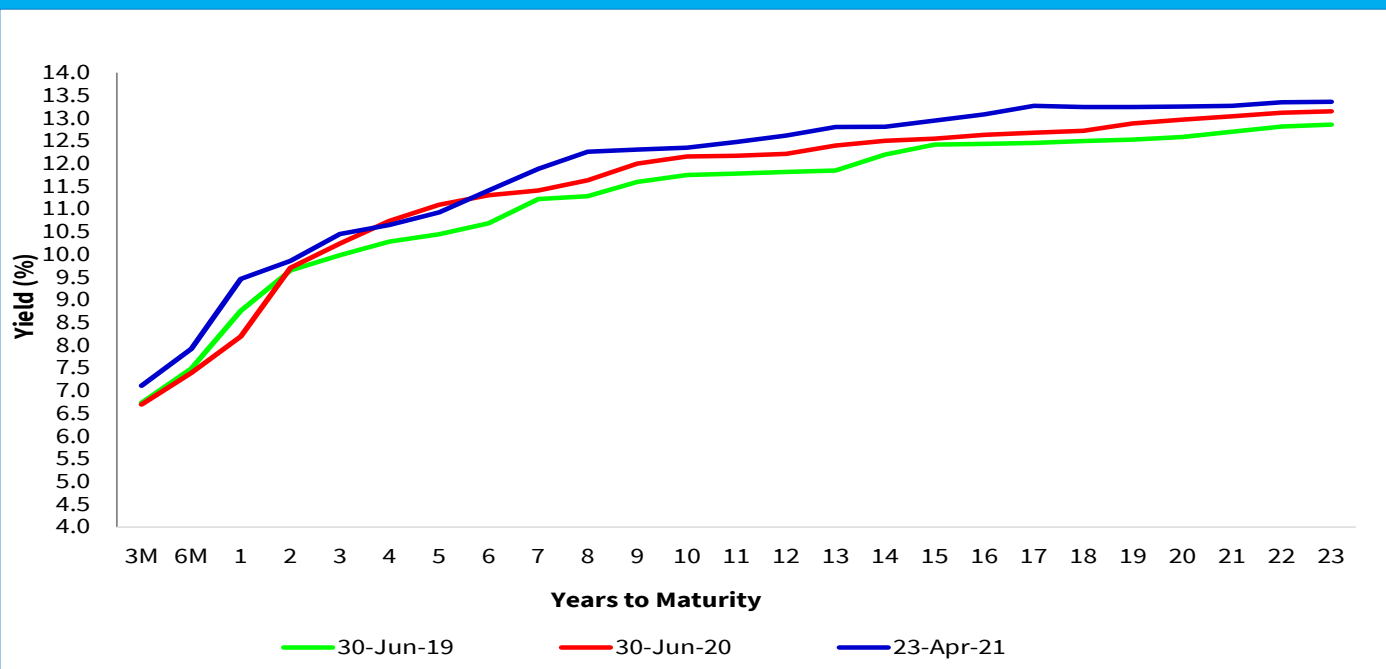
**Table 6: Key Weekly Market Indicators**

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
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
<b>April 16-21</b>	<b>165.98</b>	<b>3,625.37</b>	<b>1,881.87</b>	<b>5,366.00</b>	<b>75.07</b>	<b>2,343.33</b>	<b>2,550.31</b>	<b>18,764.30</b>	<b>4.945</b>	<b>3.187</b>	<b>5.707</b>	<b>6.653</b>	<b>7.642</b>
23-Apr-21	165.61	3,635.87	1,888.25	1,888.25	10.28	378.55	2,544.59	3,041.70	4.988	3.184	5.707	6.637	7.632
26-Apr-21	166.08	3,641.27	1,888.68	1,888.68	12.19	402.07	2,551.92	1,801.00	5.021	3.221	5.727	6.653	7.632
27-Apr-21	166.42	3,629.75	1,868.38	1,868.38	18.30	528.05	2,557.08	4,241.70	5.034	3.218	5.727	6.669	7.642
28-Apr-21	168.04	3,656.78	1,876.88	894.00	15.49	509.83	2,582.04	3,342.55	5.024	3.294	5.790	6.701	7.673
29-Apr-21	169.19	3,675.72	1,873.57	1,103.00	15.20	543.51	2,599.79	4,381.55	5.004	3.246	5.746	6.684	7.652
<b>April 23-29</b>	<b>169.19</b>	<b>3675.72</b>	<b>1873.57</b>	<b>7,642.31</b>	<b>71.46</b>	<b>2,362.02</b>	<b>2,599.79</b>	<b>16,808.50</b>	<b>5.004</b>	<b>3.246</b>	<b>5.746</b>	<b>6.684</b>	<b>7.652</b>
<b>Weekly Changes (%)</b>	<b>1.93</b>	<b>1.39</b>	<b>-0.44</b>	<b>42.42</b>	<b>-4.80</b>	<b>0.80</b>	<b>1.94</b>	<b>-10.42</b>	<b>0.059*</b>	<b>0.059*</b>	<b>0.039*</b>	<b>0.031*</b>	<b>0.010*</b>

\* Percentage points

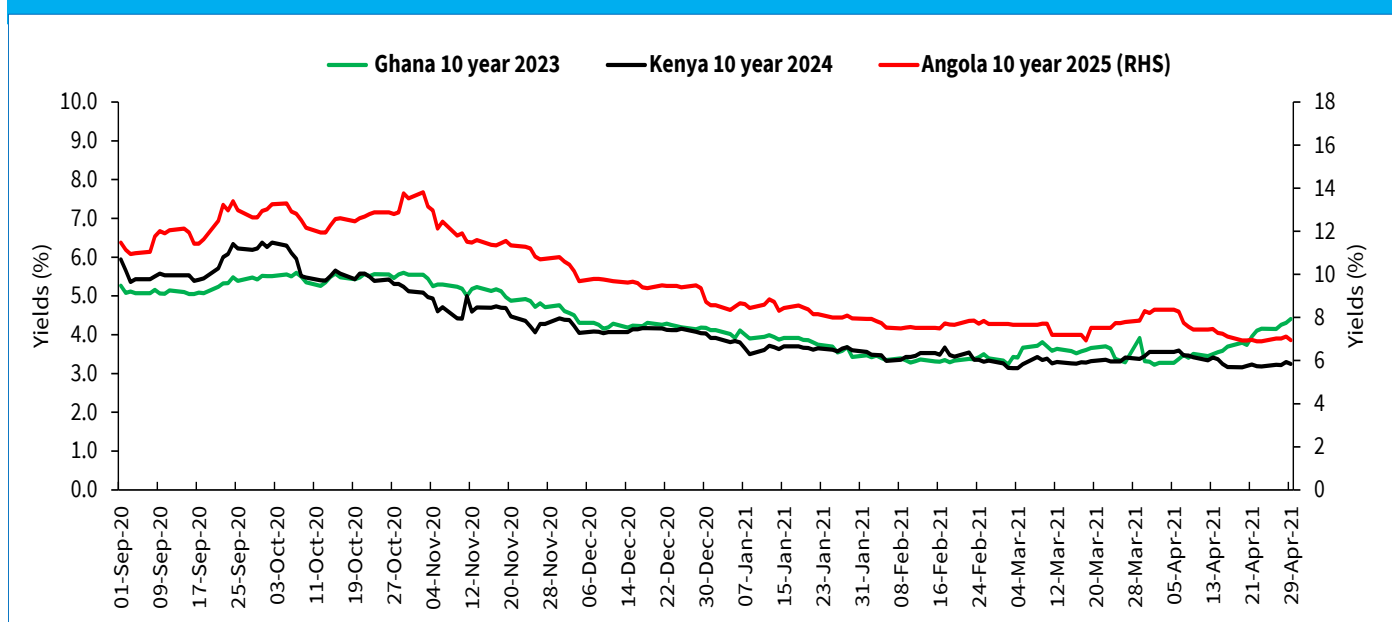
Source: Nairobi Securities Exchange (NSE) and Thompson Reuters

**Chart 3: Government Securities Yield Curve**



Source: Nairobi Securities Exchange (NSE)

**Chart 4: 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	31-Mar-21	16-Apr-21	23-Apr-21
1. Treasury Bills (Excluding Repos)	887.14	855.71	785.46	748.00	761.90	752.87	748.90
<i>(As % of total securities)</i>	<b>28.56</b>	<b>25.04</b>	<b>22.75</b>	<b>21.67</b>	<b>21.79</b>	<b>21.09</b>	<b>21.12</b>
2. Treasury Bonds	2,219.44	2,561.33	2,667.02	2,703.56	2,734.47	2,816.25	2,796.71
<i>(As % of total securities)</i>	<b>71.44</b>	<b>74.96</b>	<b>77.25</b>	<b>78.33</b>	<b>78.21</b>	<b>78.91</b>	<b>78.88</b>
3. Total Securities (1+2)	3,106.59	3,417.05	3,452.48	3,451.56	3,496.37	3,569.13	3,545.61
4. Overdraft at Central Bank	47.15	47.60	55.27	55.40	49.28	58.07	63.23
5. Other Domestic debt*	23.24	23.90	24.81	24.22	24.19	24.19	24.20
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>3,176.97</b>	<b>3,488.54</b>	<b>3,532.56</b>	<b>3,531.18</b>	<b>3,569.84</b>	<b>3,651.38</b>	<b>3,633.04</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)**

	30-Jun-20	31-Dec-20	29-Jan-21	26-Feb-21	31-Mar-21	16-Apr-21	23-Apr-21
Treasury bills (Excluding Repos)	27.92	24.53	22.23	21.18	21.34	20.62	20.61
Treasury bonds	69.86	73.42	75.50	76.56	76.60	77.13	76.98
Overdraft at Central Bank	1.48	1.36	1.56	1.57	1.38	1.59	1.74
Other domestic debt	0.73	0.69	0.70	0.69	0.68	0.66	0.67
<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-20	31-Dec-20	29-Jan-21	26-Feb-21	31-Mar-21	16-Apr-21	23-Apr-21
Banking Institutions	54.84	53.29	53.32	53.46	52.31	51.96	51.88
Insurance Companies	6.05	6.44	6.40	6.48	6.57	6.53	6.54
Parastatals	5.73	5.69	5.64	5.66	5.62	5.54	5.59
Pension Funds	29.04	30.32	30.34	29.88	30.46	30.47	30.47
Other Investors	4.34	4.27	4.30	4.51	5.03	5.50	5.52
<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**

	Jun-19	Jun-20	Sep-20	Dec-20	Jan-21	Feb-21	Mar-21*
Domestic debt (KSh Bn)	2,787.04	3,176.97	3,457.11	3,488.54	3,532.56	3,531.18	3,569.84
Public & Publicly Guaranteed External debt (USD Bn)	29.55	33.01	33.77	34.75	34.68	34.74	34.42
Public & Publicly Guaranteed External debt (KSh Bn)	3,023.14	3,515.81	3,663.49	3,793.29	3,819.70	3,814.29	3,769.87
Public debt (KSh Bn)	<b>5,810.18</b>	<b>6,692.78</b>	<b>7,120.60</b>	<b>7,281.83</b>	<b>7,352.26</b>	<b>7,345.47</b>	<b>7,339.71</b>

\* provisional

Source: National Treasury and Central Bank of Kenya