



Central Bank of Kenya

# Weekly Bulletin

April 16, 2021

## KEY MONETARY AND FINANCIAL INDICATORS

### Exchange Rates

The Kenya Shilling strengthened against major international and regional currencies during the week ending April 15, on the back of strong forex inflows. It exchanged at KSh 106.81 per US dollar on April 15, compared to KSh 108.24 per US dollar on April 8 (Table 1).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,656 million (4.71 months of import cover) as at April 15. 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).

### Money Markets

The money market was relatively tight during the week ending April 15, mainly due to payments for government infrastructure bond and tax remittances. Commercial banks' excess reserves had a shortfall of KSh 6.2 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 4.96 percent on April 15 compared to 4.27 percent on April 8. During the week, the average number of interbank deals per day increased to 27 from 20 in the previous week, while the average value traded increased to KSh 13.9 billion from KSh 7.7 billion in the previous week (Table 3).

### Government Securities Market

The Treasury bills auction of April 15 received bids totalling KSh 20.3 billion against an advertised amount of KSh 24.0 billion, representing a performance of 84.8 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 rose by 4.2 percent, 3.5 percent and 0.9 percent, respectively during the week ending April 15. Similarly, market capitalization, equity turnover and total shares traded rose by 4.2 percent, 56.8 percent and 45.0 percent respectively (Table 6).

### Bonds Market

Turnover of bonds in the domestic secondary market increased by 709.9 percent during the week ending April 15 (Table 6). In the international market, yields on Kenya's Eurobonds declined by an average of 14.8 basis points. The yield on the 10-year Eurobond for Angola also declined while that of Ghana increased marginally (Chart 2).

### Global Trends

Global financial markets remained upbeat during the week ending April 15, as US jobless claims, retail sales and corporate earnings came in much better than anticipated. Expectations of strong economic growth, combined with optimism about monetary and fiscal stimulus, pushed equities to new highs as company reporting continues.

International oil prices increased during the week on account of U.S crude oil inventory draw down and higher demand outlook. Murban oil price increased to USD 64.78 per barrel on April 15 from USD 61.68 per barrel on April 8.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
2-Apr-21	Good Friday							
5-Apr-21	Easter Monday							
6-Apr-21	108.92	150.16	127.93	98.84	33.57	21.29	9.13	17.88
7-Apr-21	108.60	150.26	128.28	98.93	33.64	21.35	9.16	17.93
8-Apr-21	108.24	149.14	128.63	98.62	33.72	21.42	9.19	18.00
<b>Apr 2-8</b>	<b>108.59</b>	<b>149.85</b>	<b>128.28</b>	<b>98.80</b>	<b>33.64</b>	<b>21.36</b>	<b>9.16</b>	<b>17.94</b>
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
<b>Apr 9-15</b>	<b>106.93</b>	<b>147.11</b>	<b>127.54</b>	<b>97.89</b>	<b>33.99</b>	<b>21.69</b>	<b>9.35</b>	<b>18.22</b>

Source: Central Bank of Kenya

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

	18-Mar-21	25-Mar-21	1-Apr-21	8-Apr-21	15-Apr-21
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,412	7,344	7,343	7,425	7,656
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.55	4.51	4.51	4.56	4.71

\*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 (%)
2-Apr-21	Good Friday		
5-Apr-21	Easter Monday		
6-Apr-21	23	10,450.00	5.54
7-Apr-21	20	6,325.00	5.27
8-Apr-21	16	6,200.00	4.27
<b>April 2- 8, 2021</b>	<b>20</b>	<b>7,658.33</b>	<b>5.03</b>
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
<b>April 9- 15, 2021</b>	<b>27</b>	<b>13,924.00</b>	<b>4.48</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-Mar-21</b>	<b>18-Mar-21</b>	<b>25-Mar-21</b>	<b>31-Mar-21</b>	<b>8-Apr-21</b>	<b>16-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)	4,350.17	5,422.32	3,302.64	2,018.11	3,161.07	4,095.93
Amount Accepted (KSh M)	4,349.58	5,422.13	3,302.64	2,018.11	3,160.98	4,095.44
Maturities (KSh M)	1,564.25	8,658.45	5,693.95	672.75	752.55	5,094.80
<b>Average Interest Rate (%)</b>	<b>7.024</b>	<b>7.071</b>	<b>7.087</b>	<b>7.085</b>	<b>7.096</b>	<b>7.108</b>
<b>182-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>11-Mar-21</b>	<b>18-Mar-21</b>	<b>25-Mar-21</b>	<b>31-Mar-21</b>	<b>8-Apr-21</b>	<b>16-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)	6,081.94	7,099.33	3,070.50	764.64	2,559.42	3,665.14
Amount Accepted (KSh M)	6,080.73	6,135.84	3,070.02	764.64	2,428.47	3,665.14
Maturities (KSh M)	7,756.90	1,982.05	1,167.30	3,578.50	3,443.30	6,339.50
<b>Average Interest Rate (%)</b>	<b>7.832</b>	<b>7.884</b>	<b>7.890</b>	<b>7.910</b>	<b>7.914</b>	<b>7.938</b>
<b>364-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>11-Mar-21</b>	<b>18-Mar-21</b>	<b>25-Mar-21</b>	<b>31-Mar-21</b>	<b>8-Apr-21</b>	<b>16-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)	12,192.30	15,077.07	16,595.11	4,405.24	14,626.64	13,097.63
Amount Accepted (KSh M)	12,191.56	11,738.86	12,665.17	4,375.51	14,534.43	10,424.96
Maturities (KSh M)	19,432.30	18,398.20	5,324.75	23,194.95	6,545.75	11,841.40
<b>Average Interest Rate (%)</b>	<b>9.144</b>	<b>9.213</b>	<b>9.259</b>	<b>9.308</b>	<b>9.366</b>	<b>9.403</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

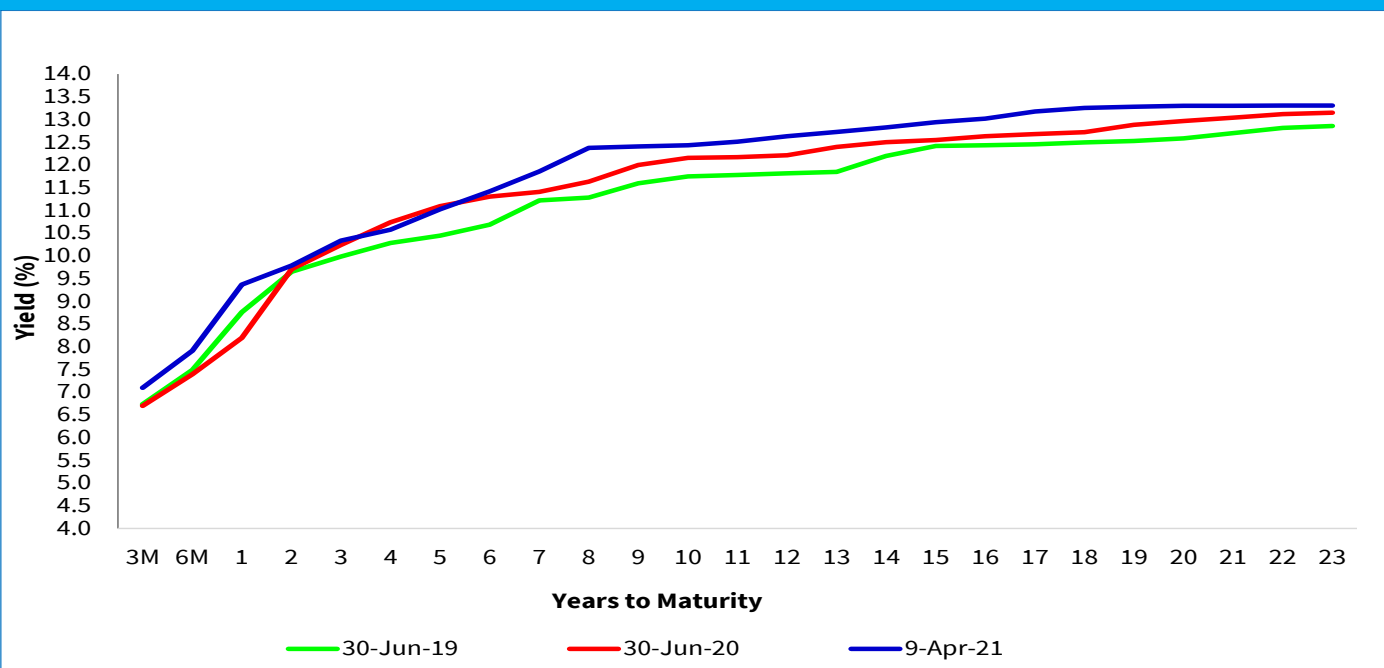
Source: Central Bank of Kenya

**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
2-Apr-21	PUBLIC HOLIDAY								5.583	3.553	6.276	7.103	8.010
5-Apr-21	PUBLIC HOLIDAY								5.543	3.553	6.276	7.103	8.010
6-Apr-21	159.85	3,547.08	1,863.10	1,050.00	6.71	248.82	2,455.94	647.85	5.469	3.589	6.210	7.086	7.965
7-Apr-21	159.79	3,535.84	1,856.13	1,190.00	25.21	883.57	2,455.05	806.35	5.412	3.469	6.057	6.936	7.866
8-Apr-21	157.77	3,496.87	1,856.97	1,078.00	15.26	458.94	2,423.90	1,383.00	5.341	3.461	6.013	6.885	7.823
<b>April 1-8</b>	<b>157.77</b>	<b>3496.87</b>	<b>1856.97</b>	<b>3,318.00</b>	<b>47.17</b>	<b>1,591.33</b>	<b>2,423.90</b>	<b>2,837.20</b>	<b>5.341</b>	<b>3.461</b>	<b>6.013</b>	<b>6.885</b>	<b>7.823</b>
9-Apr-21	158.59	3,518.06	1,868.76	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	3,534.19	1,862.87	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	3,553.49	1,861.44	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	3,577.01	1,867.15	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	3,620.10	1,873.46	1,023.00	11.96	365.37	2,524.80	8,408.93	5.173	3.246	5.860	6.769	7.737
<b>April 8-15</b>	<b>164.32</b>	<b>3620.10</b>	<b>1873.46</b>	<b>4,819.00</b>	<b>68.40</b>	<b>2,495.46</b>	<b>2,524.80</b>	<b>22,977.05</b>	<b>5.173</b>	<b>3.246</b>	<b>5.860</b>	<b>6.769</b>	<b>7.737</b>
<b>Weekly Changes (%)</b>	<b>4.15</b>	<b>3.52</b>	<b>0.89</b>	<b>45.24</b>	<b>45.00</b>	<b>56.82</b>	<b>4.16</b>	<b>709.85</b>	<b>-0.168*</b>	<b>-0.215*</b>	<b>-0.153*</b>	<b>-0.116*</b>	<b>-0.086*</b>

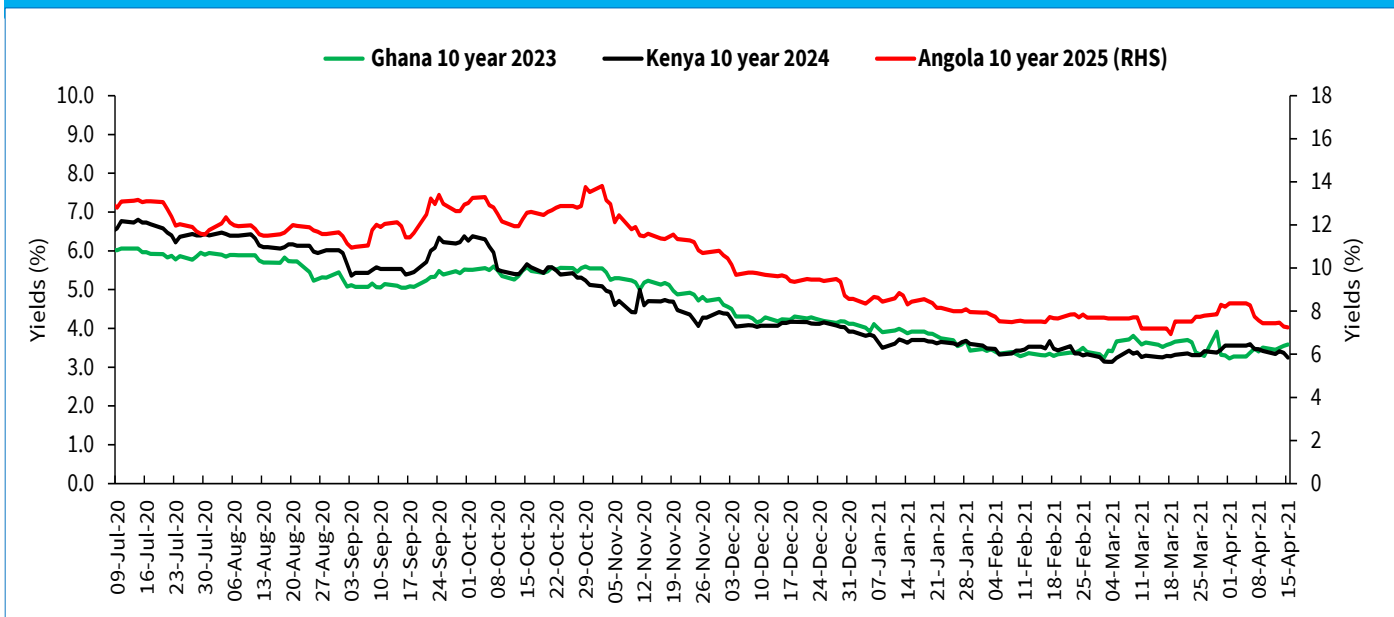
\* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thompson Reuters

**Chart 1: Government Securities Yield Curve**


Source: Nairobi Securities Exchange (NSE)

**Chart 2: 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	01-Apr-21	09-Apr-21
1. Treasury Bills (Excluding Repos)	887.14	855.71	785.46	748.00	753.75	761.90	742.03
<i>(As % of total securities)</i>	<b>28.56</b>	<b>25.04</b>	<b>22.75</b>	<b>21.67</b>	<b>21.61</b>	<b>21.79</b>	<b>21.34</b>
2. Treasury Bonds	2,219.44	2,561.33	2,667.02	2,703.56	2,734.47	2,734.47	2,734.47
<i>(As % of total securities)</i>	<b>71.44</b>	<b>74.96</b>	<b>77.25</b>	<b>78.33</b>	<b>78.39</b>	<b>78.21</b>	<b>78.66</b>
3. Total Securities (1+2)	3,106.59	3,417.05	3,452.48	3,451.56	3,488.22	3,496.37	3,476.50
4. Overdraft at Central Bank	47.15	47.60	55.27	55.40	56.08	49.28	69.62
5. Other Domestic debt*	23.24	23.90	24.81	24.22	24.22	24.21	24.22
<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>3,568.53</b>	<b>3,569.86</b>	<b>3,570.34</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	26-Mar-21	1-Apr-21	9-Apr-21
Treasury bills (Excluding Repos)	27.92	24.53	22.23	21.18	21.12	21.34	20.78
Treasury bonds	69.86	73.42	75.50	76.56	76.63	76.60	76.59
Overdraft at Central Bank	1.48	1.36	1.56	1.57	1.57	1.38	1.95
Other domestic debt	0.73	0.69	0.70	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-20	31-Dec-20	29-Jan-21	26-Feb-21	26-Mar-21	1-Apr-21	9-Apr-21
Banking Institutions	54.84	53.29	53.32	53.46	52.78	51.89	52.01
Insurance Companies	6.05	6.44	6.40	6.48	6.55	6.58	6.58
Parastatals	5.73	5.69	5.64	5.66	5.66	5.61	5.55
Pension Funds	29.04	30.32	30.34	29.88	30.48	30.44	30.41
Other Investors	4.34	4.27	4.30	4.51	4.53	5.47	5.46
<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	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)	<b>5,810.18</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>	<b>7,352.26</b>

Source: National Treasury and Central Bank of Kenya