



Central Bank of Kenya

# Weekly Bulletin

April 14, 2022



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending April 14. It exchanged at KSh 115.44 per US dollar on April 14, compared to KSh 115.19 per US dollar on April 7 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 8,284 million (4.92 months of import cover) as of April 14. This meets the CBK's 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 Market

The money market was liquid during the week ending April 13 reflecting government payments, which partly offset tax remittances. Commercial banks' excess reserves stood at KSh 15.3 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 4.34 percent on April 13 compared to 4.76 percent on April 7. During the week, the average number of interbank deals decreased to 30 from 35 in the previous week, while the average value traded decreased to KSh 20.5 billion from KSh 26.7 billion in the previous week (**Table 3**).

### Government Securities Market

The Treasury bills auction of April 13, received bids totalling KSh 11.7 billion against an advertised amount of KSh 24.0 billion, representing a performance of 48.6 percent. Interest rates remained stable, with the 91-day, 182-day and 364-day Treasury bills rates increasing marginally (**Table 4**).

### Equity Market

At the Nairobi Securities Exchange, NASI, NSE 25 and NSE 20 share price indices increased by 0.7 percent, 0.6 percent, and 0.3 percent, respectively. Market capitalization increased by 0.8 percent, while total shares traded and equity turnover declined by 18.6 percent and 2.8 percent, respectively, for the week ending April 13 (**Table 6**).

### Bonds Market

Bond turnover in the domestic secondary market rose by 35 percent during the week ending April 13 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 40.5 basis points. The yield on the 10-Year Eurobond for Angola increased, while that for Ghana declined (**Chart 2**).

### Global Trends

Concerns about high inflation in the advanced economies and the ongoing Russia-Ukraine war dominated the week ending April 14. Inflation in the United States and the UK increased to 8.5 percent and 7.0 percent respectively, in March, owing to rising energy and food prices.

International oil prices rose during the week ending April 14. Murban oil prices increased to USD 104.14 per barrel on April 13 compared to USD 99.06 per barrel on April 7.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwan-dese Franc*	Burundi Franc*
1-Apr-22	115.00	150.95	127.76	94.54	31.18	20.24	8.84	17.84
4-Apr-22	115.04	150.89	127.11	93.63	31.03	20.18	8.84	17.84
5-Apr-22	115.10	150.95	126.71	93.81	30.89	20.16	8.84	17.83
6-Apr-22	115.10	150.95	126.71	93.81	30.89	20.16	8.84	17.83
7-Apr-22	115.19	150.85	125.90	93.00	30.83	20.16	8.83	17.81
<b>Apr 1-7</b>	<b>115.08</b>	<b>150.92</b>	<b>126.84</b>	<b>93.76</b>	<b>30.96</b>	<b>20.18</b>	<b>8.84</b>	<b>17.83</b>
8-Apr-22	115.29	150.79	125.76	93.06	30.75	20.14	8.83	17.80
11-Apr-22	115.33	150.50	125.40	92.31	30.74	20.13	8.82	17.79
12-Apr-22	115.38	150.34	125.77	91.89	30.60	20.13	8.95	17.79
13-Apr-22	115.41	150.44	125.59	91.86	30.50	20.12	8.82	17.78
14-Apr-22	115.44	150.31	125.16	92.17	30.47	20.11	8.82	17.78
<b>Apr 8-14</b>	<b>115.37</b>	<b>150.48</b>	<b>125.54</b>	<b>92.26</b>	<b>30.61</b>	<b>20.13</b>	<b>8.85</b>	<b>17.79</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

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

	17-Mar-22	24-Mar-22	31-Mar-22	7-Apr-22	14-Apr-22
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,979	7,856	7,840	8,373	8,284
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.88	4.80	4.66	4.98	4.92

\*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 (%)
1-Apr-22	28	18,520.00	4.81
4-Apr-22	24	16,820.00	4.79
5-Apr-22	39	32,370.00	4.79
6-Apr-22	39	29,700.00	4.77
7-Apr-22	45	35,860.00	4.76
<b>April 1-7</b>	<b>35</b>	<b>26,654.00</b>	<b>4.78</b>
8-Apr-22	55	41,780.00	4.75
11-Apr-22	25	14,630.00	4.69
12-Apr-22	19	12,980.00	4.50
13-Apr-22	19	12,500.00	4.34
<b>April 8-13</b>	<b>30</b>	<b>20,472.50</b>	<b>4.57</b>

Source: Central Bank of Kenya

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

91-Day Treasury Bills						
Date of Auction	10-Mar-22	17-Mar-22	24-Mar-22	31-Mar-22	7-Apr-22	13-Apr-22
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)	5,295.77	1,978.39	2,319.78	1,522.59	2,384.49	4,800.04
Amount Accepted (KSh M)	5,289.14	1,755.26	2,319.68	1,522.59	2,382.72	4,799.21
Maturities (KSh M)	5,143.20	3,591.35	1,605.00	576.15	5,747.85	4,386.05
<b>Average Interest Rate (%)</b>	<b>7.206</b>	<b>7.252</b>	<b>7.283</b>	<b>7.302</b>	<b>7.377</b>	<b>7.424</b>
182-Day Treasury Bills						
Date of Auction	24-Feb-22	17-Mar-22	24-Mar-22	31-Mar-22	7-Apr-22	13-Apr-22
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)	4,034.77	8,238.10	3,842.26	3,131.62	3,932.29	2,601.49
Amount Accepted (KSh M)	3,929.72	8,235.99	3,842.12	3,131.62	3,931.23	2,601.40
Maturities (KSh M)	2,087.50	7,030.85	4,812.40	5,526.25	4,102.45	8,278.40
<b>Average Interest Rate (%)</b>	<b>8.062</b>	<b>8.093</b>	<b>8.134</b>	<b>8.164</b>	<b>8.219</b>	<b>8.315</b>
364-Day Treasury Bills						
Date of Auction	24-Feb-22	17-Mar-22	24-Mar-22	31-Mar-22	7-Apr-22	13-Apr-22
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)	9,224.33	9,662.16	7,219.36	2,470.75	8,173.05	4,252.21
Amount Accepted (KSh M)	6,768.66	8,857.28	7,082.09	2,446.61	8,122.32	4,161.11
Maturities (KSh M)	15,793.15	12,810.30	13,805.10	4,749.75	15,850.30	11,395.00
<b>Average Interest Rate (%)</b>	<b>9.764</b>	<b>9.763</b>	<b>9.767</b>	<b>9.752</b>	<b>9.743</b>	<b>9.745</b>

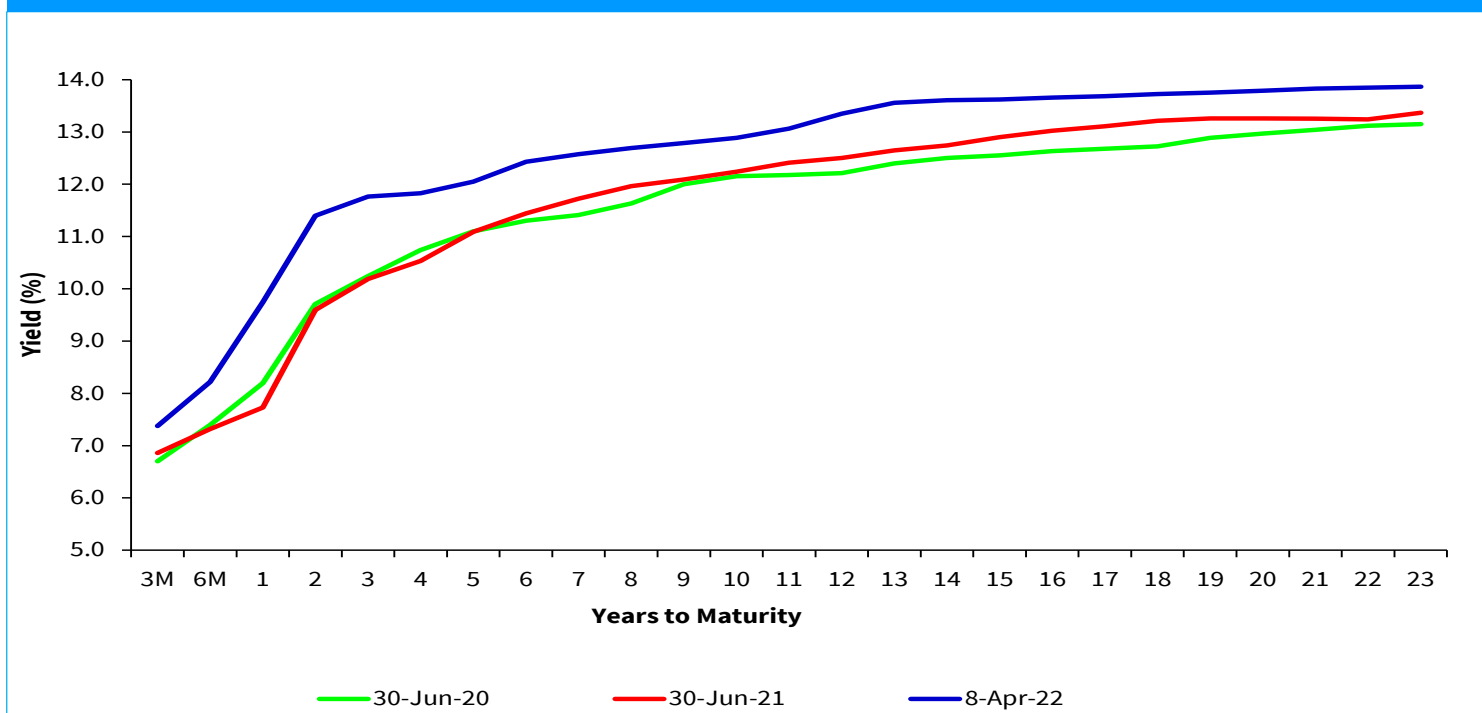
Source: Central Bank of Kenya

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

Date of Auction	16-Feb-22	9-Mar-22			18-Mar-22			6-Apr-22
		REOPEN			TAP			
Tenor	IFB1/ 2022/019	FXD1/ 2021/005	FXD1/ 2020/015	FXD1/ 2021/025	FXD1/ 2021/005	FXD1/ 2020/015	FXD1/ 2021/025	FXD1/ 2022/03
Amount offered (KSh M)	75,000.00	50,000.00			31,500.00			40,000.00
Bids received (KSh M)	132,257.79	9,212.68	9,136.01	22,601.21	3,934.30	15,563.15	5,394.15	34,045.50
Amount Accepted (KSh M)	98,637.46	8,294.79	6,216.24	3,942.94	3,834.09	14,651.62	5,373.44	33,137.89
Maturities (KSh M)	2,866.08	0.00			0.00			2,866.08
Average interest Rate (%)	12.97	11.997	13.73	13.97	11.277	12.76	13.92	11.78

Source: Central Bank of Kenya

### Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

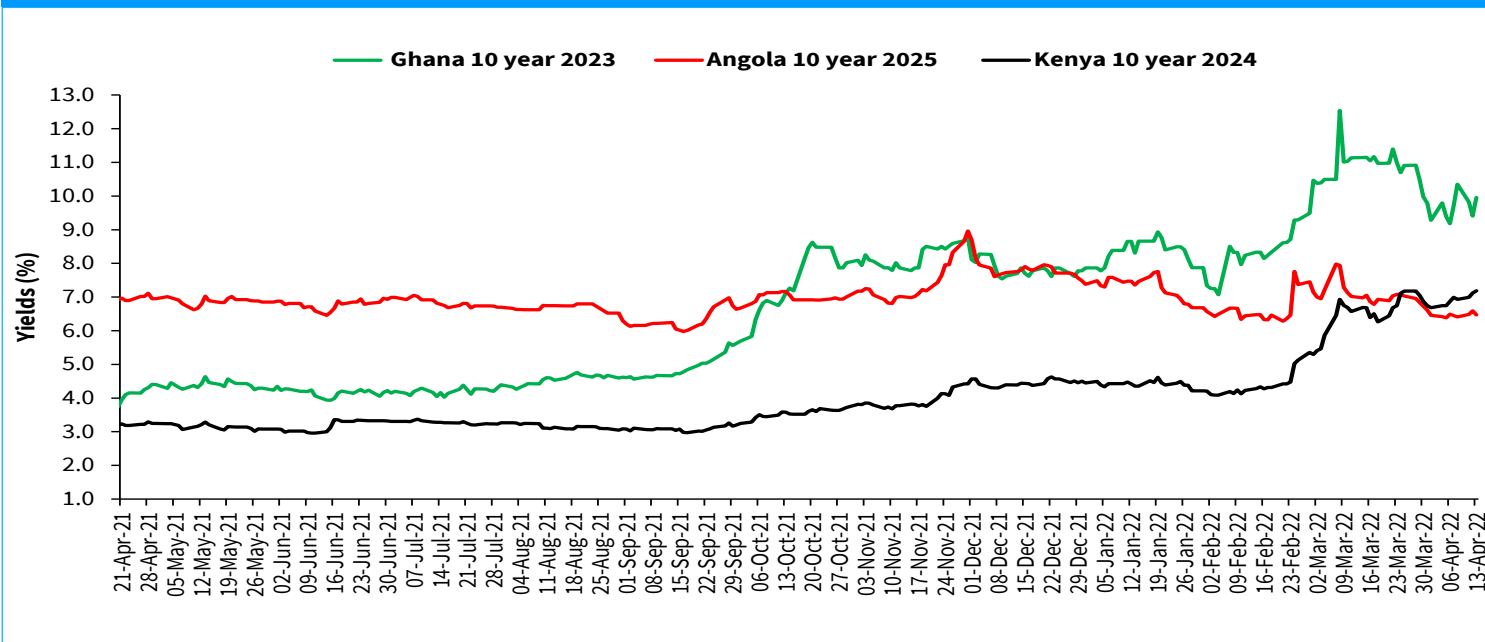
### Table 6: Key Weekly Market Indicators

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 Capitaliza- tion (KSh Billion)	Bonds Turnover (KSh Million)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2024	10-Year 2028	12-Year 2032	13-Year 2034	30-Year 2048
1-Apr-22	158.08	3551.89	1844.27	1,012.00	15.80	485.66	2,430.87	2,177.90	8.132	6.684	8.059	8.538	8.263	9.415
4-Apr-22	158.24	3582.15	1849.89	941.00	7.82	180.92	2,464.61	6,502.65	8.065	6.745	8.059	8.559	8.271	9.430
5-Apr-22	158.61	3588.73	1855.92	986.00	7.37	241.47	2,470.30	5,817.65	8.106	6.745	8.004	8.559	8.264	9.444
6-Apr-22	157.73	3576.85	1857.44	981.00	7.46	210.18	2,456.60	4,864.65	8.364	6.869	8.283	8.745	8.646	9.546
7-Apr-22	157.42	3567.79	1855.86	112.00	13.48	313.70	2,451.70	6,434.44	8.328	6.992	8.340	8.830	8.555	9.679
<b>April 1-7</b>	<b>157.42</b>	<b>3,567.79</b>	<b>1,855.86</b>	<b>4,032.00</b>	<b>51.94</b>	<b>1,431.93</b>	<b>2,451.70</b>	<b>25,797.29</b>	<b>8.328</b>	<b>6.992</b>	<b>8.340</b>	<b>8.830</b>	<b>8.555</b>	<b>9.679</b>
8-Apr-22	157.28	3565.64	1850.89	876.00	6.16	163.20	2,451.89	3,012.55	8.352	6.930	8.312	8.809	8.681	9.619
11-Apr-22	154.99	3541.22	1846.80	862.00	3.82	103.90	2,416.02	2,650.55	8.419	6.993	8.397	8.935	8.698	9.739
12-Apr-22	156.50	3558.65	1857.38	900.00	20.46	713.64	2,439.62	5,378.05	8.818	7.119	8.483	9.128	9.027	9.954
13-Apr-22	158.52	3587.55	1860.99	889.00	11.83	411.13	2,471.16	5,679.45	8.941	7.183	8.686	9.238	9.075	10.033
<b>April 8- 13</b>	<b>158.52</b>	<b>3587.55</b>	<b>1860.99</b>	<b>3,527.00</b>	<b>42.27</b>	<b>1,391.87</b>	<b>2,471.16</b>	<b>16,720.60</b>	<b>8.941</b>	<b>7.183</b>	<b>8.686</b>	<b>9.238</b>	<b>9.075</b>	<b>10.033</b>
<b>Weekly Changes (%)</b>	<b>0.70</b>	<b>0.55</b>	<b>0.28</b>	<b>-12.52</b>	<b>-18.62</b>	<b>-2.80</b>	<b>0.79</b>	<b>-35.18</b>	<b>0.613*</b>	<b>0.191*</b>	<b>0.346*</b>	<b>0.408*</b>	<b>0.520*</b>	<b>0.354*</b>

\* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

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



Source: Thomson Reuters

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

	30-Jun-21	30-Sep-21	31-Dec-21	28-Feb-22	25-Mar-22	01-Apr-22	08-Apr-22
1. Treasury Bills (Excluding Repos)	765.37	763.45	709.15	679.48	662.60	656.45	653.05
<i>(As % of total securities)</i>	<b>21.17</b>	<b>19.78</b>	<b>17.95</b>	<b>16.65</b>	<b>16.15</b>	<b>16.02</b>	<b>15.95</b>
2. Treasury Bonds	2,849.94	3,096.84	3,242.24	3,400.35	3,440.61	3,440.61	3,440.61
<i>(As % of total securities)</i>	<b>78.83</b>	<b>80.22</b>	<b>82.05</b>	<b>83.35</b>	<b>83.85</b>	<b>83.98</b>	<b>84.05</b>
3. Total Securities (1+2)	3,615.31	3,860.29	3,951.39	4,079.83	4,103.21	4,097.06	4,093.66
4. Overdraft at Central Bank	59.28	55.11	59.31	74.70	61.36	67.14	55.82
5. Other Domestic debt*	22.50	22.37	21.66	25.77	26.89	26.89	26.89
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>3,697.09</b>	<b>3,937.78</b>	<b>4,032.37</b>	<b>4,180.29</b>	<b>4,191.46</b>	<b>4,191.09</b>	<b>4,176.37</b>

\* Other domestic debt includes clearing items in transit, advances from commercial banks and Pre-1997 Government Overdraft.

Source: Central Bank of Kenya

**Table 8: Composition of Government Domestic Debt by Instrument (Percent)**

	30-Jun-21	30-Sep-21	31-Dec-21	28-Feb-22	25-Mar-22	1-Apr-22	8-Apr-22
Treasury bills (Excluding Repos)	20.70	19.39	17.59	16.25	15.81	15.66	15.64
Treasury bonds	77.09	78.64	80.41	81.34	82.09	82.09	82.38
Overdraft at Central Bank	1.60	1.40	1.47	1.79	1.46	1.60	1.34
Other domestic debt	0.61	0.57	0.54	0.62	0.64	0.64	0.64
<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-21	30-Sep-21	31-Dec-21	28-Feb-22	25-Mar-22	1-Apr-22	8-Apr-22
Banking Institutions	51.24	50.82	50.20	49.51	49.29	49.28	49.08
Insurance Companies	6.66	6.60	6.79	6.82	6.87	6.86	6.89
Parastatals	5.54	5.39	5.57	5.62	5.72	5.69	5.73
Pension Funds	30.60	31.24	31.34	31.64	31.75	31.75	31.86
Other Investors	5.96	5.95	6.10	6.41	6.37	6.41	6.44
<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-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
Domestic debt (KSh Bn)	3,176.97	3,457.11	3,488.54	3,569.84	3,697.09	3,937.80	4,032.37
Public & Publicly Guaranteed External debt (USD Bn)	33.01	33.77	34.75	34.42	37.08	36.73	36.90
Public & Publicly Guaranteed External debt (KSh Bn)	3,515.81	3,663.49	3,793.29	3,769.87	3,999.54	4,058.50	4,174.37
<b>Public debt (KSh Bn)</b>	<b>6,692.78</b>	<b>7,120.60</b>	<b>7,281.83</b>	<b>7,339.71</b>	<b>7,696.63</b>	<b>7,996.30</b>	<b>8,206.74</b>

Source: National Treasury and Central Bank of Kenya