



Central Bank of Kenya

Weekly Bulletin

April 17, 2020

KEY MONETARY AND FINANCIAL INDICATORS

Exchange Rate

The Kenya Shilling remained relatively stable against major international and regional currencies during the week ending April 16. It exchanged at 105.91 per US dollar on April 16 compared to 106.00 on April 9 (Table 1).

Foreign Exchange Reserves

The CBK usable foreign exchange reserves remained adequate at USD 7,913 million (4.78 months of import cover) as at April 16. 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 Market

The money market was liquid during the week ending April 16, supported by government payments, which partly offset receipts from tax and auction of government securities. Commercial banks' excess reserves stood at KSh 50.3 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 5.93 percent on April 16 compared to 5.32 percent on April 9. The average number of interbank deals per day increased to 18 from 14 in the previous week, while the value traded decreased to KSh 5.6 billion from KSh 8.2 billion in the previous week (Table 3).

Government Securities Market

The Treasury bills auction of April 16 received bids totaling KSh 14.3 billion against an advertised amount of KSh 24.0 billion, representing a performance of 59.5 percent. Interest rates on the 91-day and 182-day Treasury bills decreased, while that on the 364-day Treasury bill increased marginally (Table 4).

Equity Market

At the Nairobi Securities Exchange, the NASI and NSE 20 share index increased by 2.7 percent and 0.1 percent, respectively, while market capitalization increased by 2.7 percent during the week ending April 16. However, equity turnover and number of shares traded declined by 55.6 percent and 57.6 percent, respectively, following the short trading week.

Bond Market

The bonds turnover in the domestic secondary market declined by 37.3 percent during the week ending April 16. In the international market, yields on Kenya's Eurobonds increased by an average of 57.5 basis points. The yields on the 10-year Eurobonds for Angola increased, while for Ghana declined (Chart 2).

Global Trends

The impact of the global turmoil arising from coronavirus pandemic was estimated in the IMF's World Economic Outlook released on April 14. The IMF projects global growth to decline to negative 3 percent in 2020, a downgrade of 6.3 percentage points from the January projection. The downward revision cuts across all countries and regions, with Sub-Saharan Africa's growth projected to decline to negative 1.6 percent in 2020.

International oil prices declined further during the week due to weak global demand and unilateral decision by Saudi Arabia to reopen price war by giving price discounts in the Asian markets. Murban oil price declined to USD 20.70 per barrel on April 16 from USD 24.09 per barrel on April 9.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
3-Apr-20	105.67	131.23	115.30	97.93	35.82	21.89	9.01	17.88
6-Apr-20	105.91	129.82	114.39	97.54	35.55	21.84	8.99	17.84
7-Apr-20	106.18	130.44	114.75	97.59	35.48	21.79	8.97	17.80
8-Apr-20	106.47	131.46	115.95	97.76	35.45	21.73	8.94	17.75
9-Apr-20	106.00	131.04	115.16	97.35	35.90	21.83	8.98	17.83
Apr 3-9	106.04	130.80	115.11	97.64	35.64	21.82	8.98	17.82
10-Apr-20				Good Friday				
13-Apr-20				Easter Monday				
14-Apr-20	105.91	131.54	115.36	98.32	35.74	21.84	8.99	17.85
15-Apr-20	105.90	133.09	116.06	98.93	35.55	21.85	8.99	17.85
16-Apr-20	105.91	132.06	115.14	98.17	35.41	21.85	8.99	17.85
Apr 10-16	105.91	132.23	115.52	98.48	35.57	21.85	8.99	17.85

*Unit of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Usable Foreign Exchange Reserves

	12-Mar-20	19-Mar-20	26-Mar-20	2-Apr-20	9-Apr-20	16-Apr-20
1. CBK Usable Foreign Exchange Reserves (USD Million)	8,417	8,298	7,965	7,874	7,974	7,913
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	5.11	5.04	4.84	4.76	4.84	4.78

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

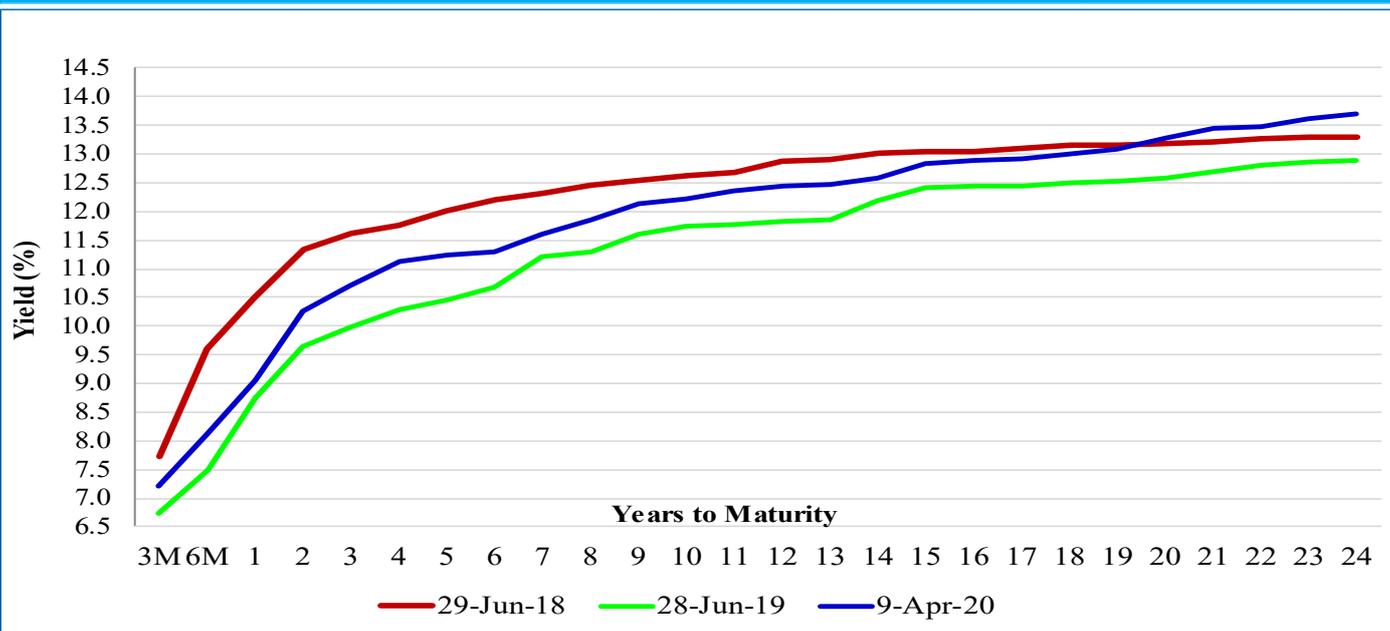
Source: Central Bank of Kenya

Table 3: Money Market

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
3-Apr-20	14	10,330.00	5.12
6-Apr-20	7	5,100.00	5.61
7-Apr-20	12	7,650.00	5.34
8-Apr-20	13	9,330.00	4.95
9-Apr-20	24	8,350.00	5.32
April 3 - 9	14	8,152.00	5.27
10-Apr-20		Good Friday	
13-Apr-20		Easter Monday	
14-Apr-20	21	4,510.00	5.88
15-Apr-20	17	7,300.00	5.90
16-Apr-20	17	5,100.00	5.93
April 10 -16	18	5,636.67	5.91

Source :Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

Table 4: Treasury Bills Auctions

91-Day Treasury Bills

Date of Auction	19-Mar-20	26-Mar-20	2-Apr-20	9-Apr-20	16-Apr-20
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	549.29	3,585.60	907.51	571.03	2,620.31
Amount Accepted (Ksh M)	549.29	3,409.70	907.41	565.68	2,620.31
Maturities (Ksh M)	4,530.30	352.65	2,703.95	587.75	5,090.50
Average interest Rate (%)	7.275	7.240	7.220	7.209	7.201

182-Day Treasury Bills

Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	3,608.32	3,346.27	4,625.78	1,625.45	812.07
Amount Accepted (Ksh M)	3,604.10	3,346.27	4,625.68	1,567.35	773.65
Maturities (Ksh M)	726.15	444.35	1,321.75	510.55	1,063.15
Average interest Rate (%)	8.030	8.118	8.145	8.106	8.089

364-Day Treasury Bills

Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	16,937.18	6,735.47	21,511.97	6,335.57	10,857.34
Amount Accepted (Ksh M)	16,877.17	4,904.30	21,511.97	6,335.57	10,857.16
Maturities (Ksh M)	29,105.80	25,858.15	32,602.25	19,389.20	10,549.25
Average interest Rate (%)	9.051	9.045	9.049	9.040	9.091

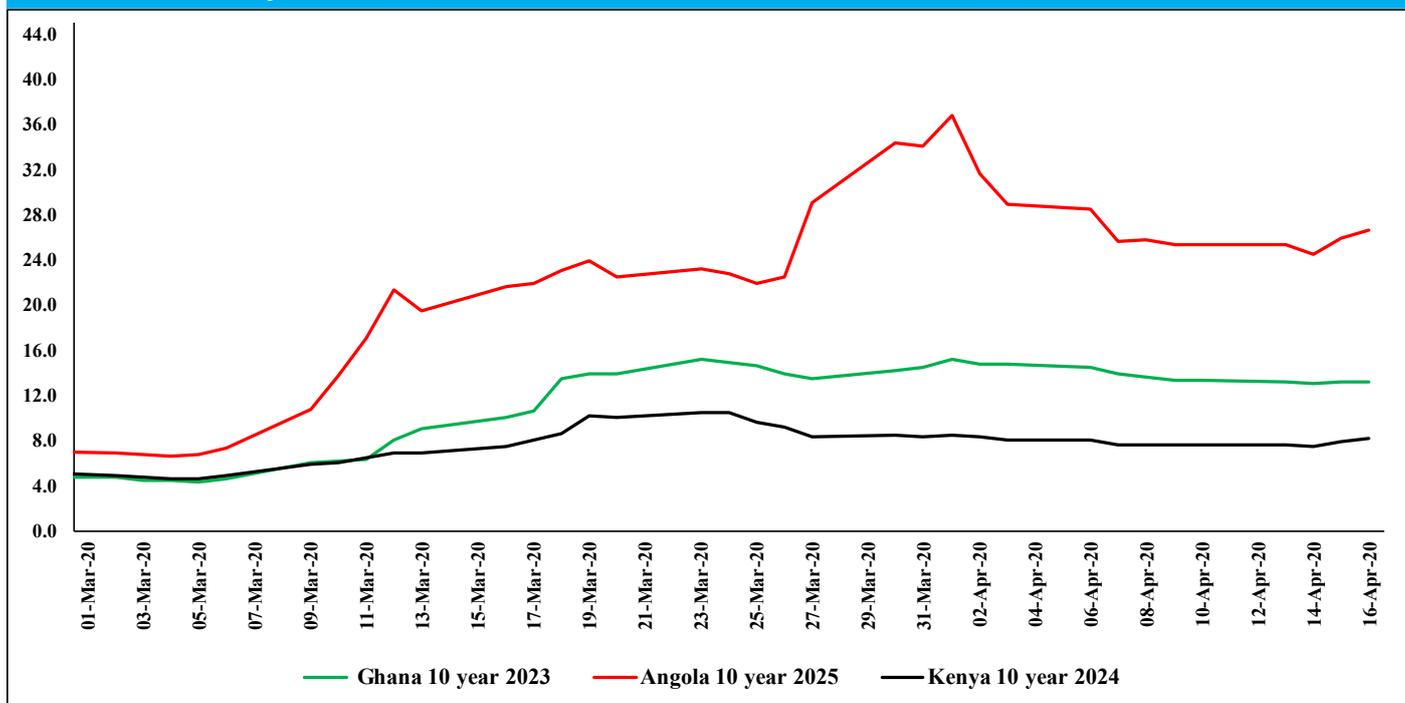
Source: Central Bank of Kenya

Table 5: Treasury Bonds Auctions

Date of Auction	22-Jan-20		19-Feb-20		18-Mar-20		8-Apr-20
	REOPEN		REOPEN		REOPEN		
Tenor	FXD1/2019/5	FXD1/2019/10	FXD1/2020/15	FXD1/2018/25	FXD1/2018/20	FXD1/2018/25	IFB1/2020/9
Amount offered (Ksh M)	50,000.00		50,000.00		50,000.00		60,000.00
Bids received (Ksh M)	69,941.73		42,494.66		35,155.99		68,413.78
Amount Accepted (Ksh M)	44,488.60	19,259.58	5,194.04	22,678.92	8,274.69	14,638.57	39,010.13
Maturities (Ksh M)	0.00		0.00		0.00		0.00
Average interest Rate (%)	11.50	12.43	12.76	13.60	13.29	13.82	12.05

Source: Central Bank of Kenya

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



Source: Thomson Reuters

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 (Mil- lion)	Equity Turnover (KSh Million)	Market Capital- ization (KSh Billion)	Bonds Turnover (KSh Million)	7-Year Euro- bond Yield (%) 2027	10-Year Euro- bond Yield (%) 2024	10- Year Euro- bond Yield (%) 2028	12-Year Euro- bond Yield (%) 2032	30-Year Euro- bond Yield (%) 2048
3-Apr-20	138.68	3208.81	2013.19	946	21.66	636.42	2,118.63	855.52	8.436	8.044	8.345	8.952	8.973
6-Apr-20	135.52	3163.22	2016.20	948	22.25	631.38	2,071.12	1,908.77	8.281	8.044	8.231	8.802	8.805
7-Apr-20	132.72	3100.16	1982.50	1,126	28.10	782.67	2,028.29	461.40	7.674	7.540	7.786	8.509	8.556
8-Apr-20	130.96	3072.17	1968.19	995	23.84	547.94	2,001.25	1,120.69	7.795	7.542	7.852	8.546	8.593
9-Apr-20	131.07	3067.47	1967.13	1,028	26.76	802.10	2,003.02	533.62	7.868	7.578	7.897	8.546	8.655
April 3-9	131.07	3067.47	1967.13	5,043	122.60	3,400.51	2,003.02	4,879.99	7.868	7.578	7.897	8.546	8.655
10-Apr-20	Good Friday												
13-Apr-20	Easter Monday												
14-Apr-20	133.59	3122.51	1970.26	933	18.27	565.31	2,041.67	1,879.57	7.752	7.471	7.852	8.492	8.605
15-Apr-20	135.24	3151.01	1986.62	945	21.70	622.42	2,066.94	996.18	8.380	7.941	8.188	8.878	8.754
16-Apr-20	134.64	3135.39	1968.78	1,199	12.05	322.16	2,057.77	185.42	8.678	8.200	8.486	9.068	8.986
April 10-16	134.64	3135.39	1968.78	3,077	52.01	1,509.89	2,057.77	3,061.18	8.678	8.200	8.486	9.068	8.986
Weekly Changes (%)	2.72	2.21	0.08	-38.98	-57.57	-55.60	2.73	-37.27	0.810*	0.622*	0.589*	0.522*	0.393*

* Percentage points

Source: Nairobi Securities Exchange (NSE)

Table 7: Government Domestic Debt (KSh Billion)

	28-Jun-19	31-Dec-19	31-Jan-20	28-Feb-20	31-Mar-20	09-Apr-20
1. Treasury Bills (Excluding Repos)	954.25	878.94	880.01	917.87	900.62	892.87
(As % of total securities)	35.31	30.80	30.15	30.75	30.11	29.93
2. Treasury Bonds	1,748.15	1,974.69	2,038.71	2,066.89	2,090.29	2,090.14
(As % of total securities)	64.69	69.20	69.85	69.25	69.89	70.07
3. Total Securities (1+2)	2,702.40	2,853.63	2,918.72	2,984.76	2,990.91	2,983.01
4. Overdraft at Central Bank	57.33	63.72	59.19	30.47	54.18	64.05
5. Other Domestic debt*	25.76	24.75	25.79	25.74	25.10	25.10
6. Gross Domestic Debt (3+4+5)	2,785.48	2,942.10	3,003.70	3,040.96	3,070.19	3,072.16

* 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: Government Domestic Debt by Instrument (Percent)

	28-Jun-19	31-Dec-19	31-Jan-20	28-Feb-20	31-Mar-20	9-Apr-20
Treasury bills (Excluding Repos)	34.26	29.87	29.30	30.18	29.37	29.10
Treasury bonds	62.76	67.12	67.87	67.97	68.03	67.98
CBK Overdraft to Government	2.06	2.00	1.97	1.00	1.76	2.08
Other domestic debt	0.92	1.00	0.86	0.85	0.84	0.84
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of Kenya

Table 9: Government Domestic Debt by Holder (Percent)

	28-Jun-19	31-Dec-19	31-Jan-20	28-Feb-20	31-Mar-20	9-Apr-20
Banking Institutions	54.38	54.33	54.65	54.38	54.31	54.45
Insurance Companies	6.13	6.42	6.40	6.29	6.30	6.28
Parastatals	6.97	6.49	6.25	6.23	6.13	6.01
Pension funds	28.24	28.60	28.54	28.86	29.01	28.92
Other investors	4.28	4.17	4.17	4.25	4.25	4.34
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of Kenya

Table 10: Indicators of Total Government Debt

	Jun-18	Jun-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Domestic debt (KSh Billion)	2,478.84	2,785.94	2,917.36	2,942.10	3,003.70	3,040.96	3,072.49
Public & Publicly Guaranteed External debt (US \$ Billion)	25.34	29.55	30.30	30.66	30.95	30.87	30.69
Public & Publicly Guaranteed External debt (KSh Billion)	2,560.20	3,023.14	3,114.96	3,106.82	311.90	3,117.04	3,212.63
Total public debt (KSh Billion)	5,039.03	5,809.08	6,032.32	6,048.93	6,116.60	6,158.00	6,285.12

Source: National Treasury and Central Bank of Kenya