



Central Bank of Kenya

# Weekly Bulletin

February 19, 2021

## KEY MONETARY AND FINANCIAL INDICATORS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending February 18. It exchanged at KSh 109.55 per US dollar on February 18, compared to KSh 109.45 per US dollar on February 11 (Table 1).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,605 million (4.67 months of import cover) as at February 18. 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 by 7.3 percent to USD 278.4 million in January 2021 from USD 259.4 million in January 2020 (Chart 1). The cumulative inflows in the 12 months to January totalled USD 3,113 million compared to USD 2,811 million in the 12 months to January 2020, an increase of 10.8 percent.

### Money Markets

The money market was liquid during the week ending February 18, partly reflecting government payments which offset tax remittances. Commercial banks' excess reserves stood at KSh 10.9 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 4.03 percent on February 18, compared to 4.08 percent on February 11. The average number of interbank deals per day declined to 24 from 30 in the previous week, while the average value traded reduced to KSh 11.6 billion from KSh 13.4 billion in the previous week (Table 3).

### Government Securities Market

The Treasury bills auction of February 18 received bids totalling KSh 30.0 billion against an advertised amount of KSh 24.0 billion, representing a performance of 124.9 percent. Interest rates remained stable, with the 91-day, 182-day and 364-day Treasury bill rates increasing marginally (Table 4).

The tap sale for the 15-year and 20-year Treasury bonds auctioned on February 17 received bids totalling KSh 11.2 billion against an advertised amount of KSh 18 billion, representing a performance of 62.4 percent (Table 5).

### Equity Market

At the Nairobi Securities Exchange, the NASI and NSE 25 share price indices increased by 1.11 percent and 0.79 percent, respectively, while the NSE 20 share index declined by 0.37 percent during the week ending February 18. Market capitalization, equity turnover and number of deals increased by 1.12 percent, 15.45 percent and 4.48 percent, respectively (Table 6).

### Bonds Market

Turnover of bonds in the domestic secondary market declined by 29.16 percent during the week ending February 18 (Table 6). In the international market, yields on Kenya's Eurobonds declined by an average of 20.5 basis points. Yields on the 10-year Eurobonds for Ghana declined, while that for Angola increased (Chart 3).

### Global Trends

Global financial markets sentiment remained elevated during the week ending February 18 on account of continued optimism for global economic recovery anchored on supportive monetary and fiscal policies and the ongoing vaccine rollout.

International oil prices sustained upward trend during the week following significant decline in U.S. crude oil production arising from freezing temperatures in Texas and other parts of the U.S. resulting in frozen wellheads and pipelines. Murban oil price increased to USD 63.53 per barrel on February 18 from USD 60.85 per barrel on February 11.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
5-Feb-21	109.82	149.74	131.69	104.06	33.37	21.12	9.04	17.69
8-Feb-21	109.66	150.13	131.40	103.71	33.41	21.15	9.05	17.72
9-Feb-21	109.64	150.28	131.76	103.81	33.42	21.15	9.05	17.72
10-Feb-21	109.55	150.87	132.40	104.69	33.48	21.17	9.06	17.74
11-Feb-21	109.45	150.34	132.65	104.47	33.49	21.19	9.07	17.75
<b>Feb 5-11</b>	<b>109.62</b>	<b>150.27</b>	<b>131.98</b>	<b>104.15</b>	<b>33.43</b>	<b>21.15</b>	<b>9.06</b>	<b>17.72</b>
12-Feb-21	109.44	151.44	132.79	104.56	33.48	21.19	9.07	17.76
15-Feb-21	109.45	151.16	132.66	104.23	33.44	21.19	9.07	17.76
16-Feb-21	109.45	151.94	132.76	103.86	33.44	21.19	9.07	17.76
17-Feb-21	109.46	152.14	132.81	103.41	33.42	21.19	9.07	17.76
18-Feb-21	109.55	151.87	132.03	103.42	33.38	21.17	9.07	17.74
<b>Feb 12-18</b>	<b>109.47</b>	<b>151.71</b>	<b>132.61</b>	<b>103.90</b>	<b>33.43</b>	<b>21.18</b>	<b>9.07</b>	<b>17.75</b>

\* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

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

	21-Jan-21	28-Jan-21	4-Feb-21	11-Feb-21	18-Feb-21
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,658	7,663	7,617	7,638	7,605
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.70	4.71	4.68	4.69	4.67

\*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 (%)
5-Feb-21	31	10,535.00	5.33
8-Feb-21	35	15,075.00	5.38
9-Feb-21	24	11,790.00	4.87
10-Feb-21	27	15,410.00	4.57
11-Feb-21	31	14,135.00	4.08
<b>Feb 5-11</b>	<b>30</b>	<b>13,389.00</b>	<b>4.85</b>
12-Feb-21	25	11,580.00	3.55
15-Feb-21	26	12,370.00	3.88
16-Feb-21	26	12,390.00	4.04
17-Feb-21	21	9,390.00	4.06
18-Feb-21	21	12,330.00	4.03
<b>Feb 12-18</b>	<b>24</b>	<b>11,612.00</b>	<b>3.91</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>14-Jan-21</b>	<b>21-Jan-21</b>	<b>28-Jan-21</b>	<b>4-Feb-21</b>	<b>11-Feb-21</b>	<b>18-Feb-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)	5,014.68	2,149.68	508.70	504.73	956.43	4,674.45
Amount Accepted (KSh M)	5,012.96	2,149.68	507.72	489.41	945.08	4,655.48
Maturities (KSh M)	8,235.20	4,120.95	2,536.00	2,309.20	8,697.95	5,641.75
<b>Average Interest Rate (%)</b>	<b>6.884</b>	<b>6.983</b>	<b>6.897</b>	<b>6.873</b>	<b>6.905</b>	<b>6.911</b>
<b>182-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>14-Jan-21</b>	<b>21-Jan-21</b>	<b>28-Jan-21</b>	<b>4-Feb-21</b>	<b>11-Feb-21</b>	<b>18-Feb-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)	8,102.11	916.09	1,969.87	2,085.09	4,697.75	11,403.48
Amount Accepted (KSh M)	8,101.63	910.22	1,969.87	2,020.55	4,216.39	10,681.88
Maturities (KSh M)	10,092.55	1,306.30	1,555.20	9,905.70	7,190.10	899.50
<b>Average Interest Rate (%)</b>	<b>7.522</b>	<b>7.508</b>	<b>7.578</b>	<b>7.594</b>	<b>7.644</b>	<b>7.684</b>
<b>364-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>14-Jan-21</b>	<b>21-Jan-21</b>	<b>28-Jan-21</b>	<b>4-Feb-21</b>	<b>11-Feb-21</b>	<b>18-Feb-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)	13,314.91	17,219.73	13,416.65	14,210.31	16,079.26	13,901.18
Amount Accepted (KSh M)	13,303.48	14,473.40	13,414.35	12,373.61	14,074.59	13,471.78
Maturities (KSh M)	12,433.70	20,267.90	22,392.40	8,680.60	24,209.35	27,650.90
<b>Average Interest Rate (%)</b>	<b>8.445</b>	<b>8.508</b>	<b>8.623</b>	<b>8.716</b>	<b>8.824</b>	<b>8.931</b>

Source: Central Bank of Kenya

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

<b>Date of Auction</b>	<b>23-Dec-20</b>		<b>6-Jan-21</b>	<b>20-Jan-21</b>	<b>3-Feb-21</b>		<b>17-Feb-21</b>	
	<b>TAP</b>				<b>REOPEN</b>		<b>TAP</b>	
<b>Tenor</b>	<b>FXD1/ 2012/15</b>	<b>FXD2/ 2019/15</b>	<b>FXD1/ 2021/02</b>	<b>IFB1/ 2021/016</b>	<b>FXD1/ 2013/15</b>	<b>FXD1/ 2012/20</b>	<b>FXD1/ 2013/15</b>	<b>FXD1/ 2012/20</b>
Amount offered (KSh M)	22,000.00		25,000.00	50,000.00	50,000.00		18,000.00	
Bids received (KSh M)	2,578.40	7,433.65	61,150.39	125,472.82	13,553.50	28,308.65	7,164.85	4,071.20
Amount Accepted (KSh M)	2,522.81	7,396.48	55,860.26	81,052.52	9,408.58	22,713.42	6,985.73	3,924.84
Maturities (KSh M)	0.00		0.00	31,120.85	7,868.37		0.00	
Average interest Rate (%)	11.00	12.73	9.49	12.26	11.78	12.59	11.78	12.59

Source: Central Bank of Kenya

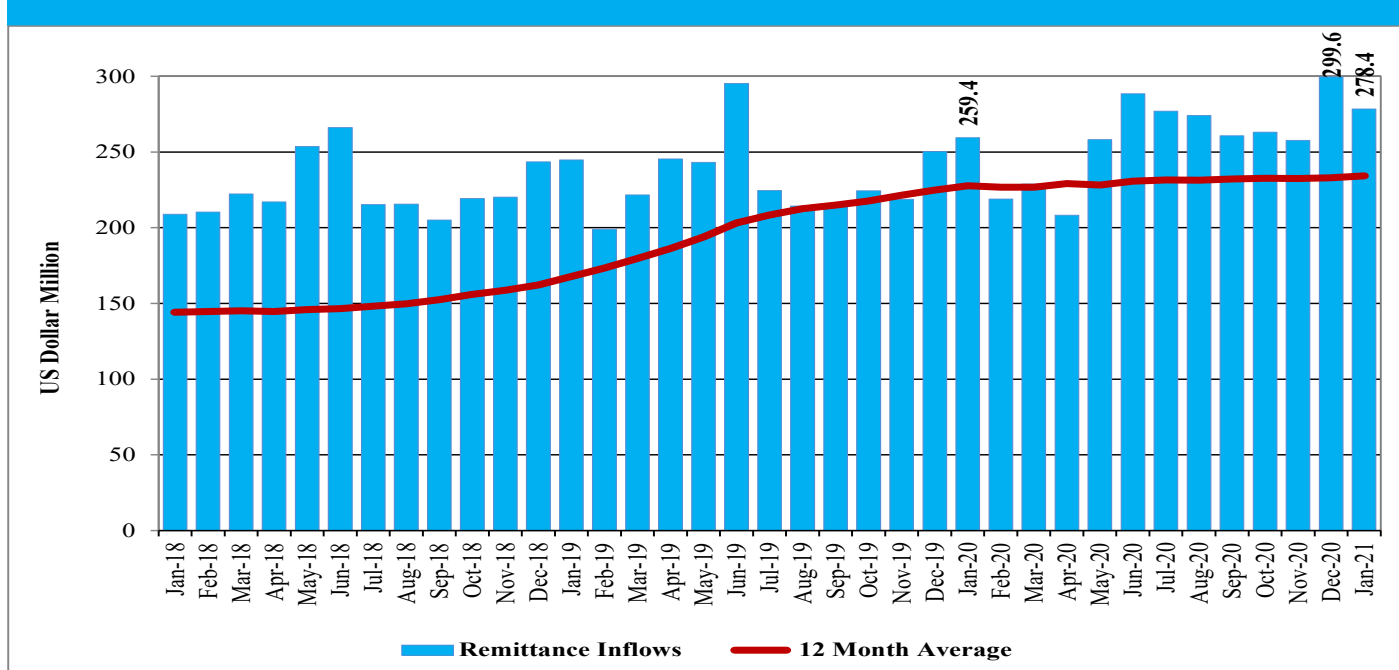
**Table 6: Key Weekly Market Indicators**

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 Million)	Eurobond Yields (%)				
									7-Year 2027	10-Year 2024	10-Year 2028	12-Year 2032	30-Year 2048
5-Feb-21	157.11	3477.49	1865.93	855.00	8.61	298.93	2,413.71	1,805.35	4.364	3.322	4.879	5.736	6.969
8-Feb-21	157.06	3494.82	1879.71	913.00	6.59	211.99	2,413.00	3,062.90	4.398	3.356	4.859	5.720	6.969
9-Feb-21	158.68	3512.68	1876.19	1043.00	22.76	535.12	2,437.97	6,405.90	4.476	3.428	4.937	5.779	6.996
10-Feb-21	158.60	3527.97	1885.83	861.00	18.40	436.58	2,436.65	6,009.25	4.452	3.426	4.936	5.793	6.996
11-Feb-21	162.50	3588.76	1882.68	946.00	10.39	496.53	2,496.78	2,694.55	4.477	3.453	4.933	5.792	7.005
<b>Feb 5-11</b>	<b>162.50</b>	<b>3588.76</b>	<b>1882.68</b>	<b>4,618.00</b>	<b>66.75</b>	<b>1,979.15</b>	<b>2,496.78</b>	<b>19,977.95</b>	<b>4.477</b>	<b>3.453</b>	<b>4.933</b>	<b>5.792</b>	<b>7.005</b>
12-Feb-21	164.02	3612.06	1889.77	831.00	9.71	353.25	2,520.09	3,136.65	4.514	3.525	4.952	5.821	6.996
15-Feb-21	165.79	3633.08	1885.15	976.00	10.63	328.74	2,547.35	2,764.40	4.547	3.525	5.051	5.955	6.996
16-Feb-21	164.48	3618.75	1879.19	1086.00	15.38	517.54	2,527.25	2,423.05	4.590	3.485	5.011	5.940	7.005
17-Feb-21	165.04	3624.62	1874.67	1009.00	15.92	673.74	2,535.87	3,446.15	4.732	3.671	5.270	6.167	7.156
18-Feb-21	164.31	3617.11	1875.71	923.00	12.37	411.70	2,524.67	2,381.70	4.651	3.475	5.228	6.166	7.165
<b>Feb 12-18</b>	<b>164.31</b>	<b>3617.11</b>	<b>1875.71</b>	<b>4825.00</b>	<b>64.01</b>	<b>2,284.97</b>	<b>2,524.67</b>	<b>14,151.95</b>	<b>4.651</b>	<b>3.475</b>	<b>5.228</b>	<b>6.166</b>	<b>7.165</b>
<b>Weekly Changes (%)</b>	<b>1.11</b>	<b>0.79</b>	<b>-0.37</b>	<b>4.48</b>	<b>-4.11</b>	<b>15.45</b>	<b>1.12</b>	<b>-29.16</b>	<b>3.89</b>	<b>0.64</b>	<b>5.98</b>	<b>6.46</b>	<b>2.28</b>

\* Percentage points

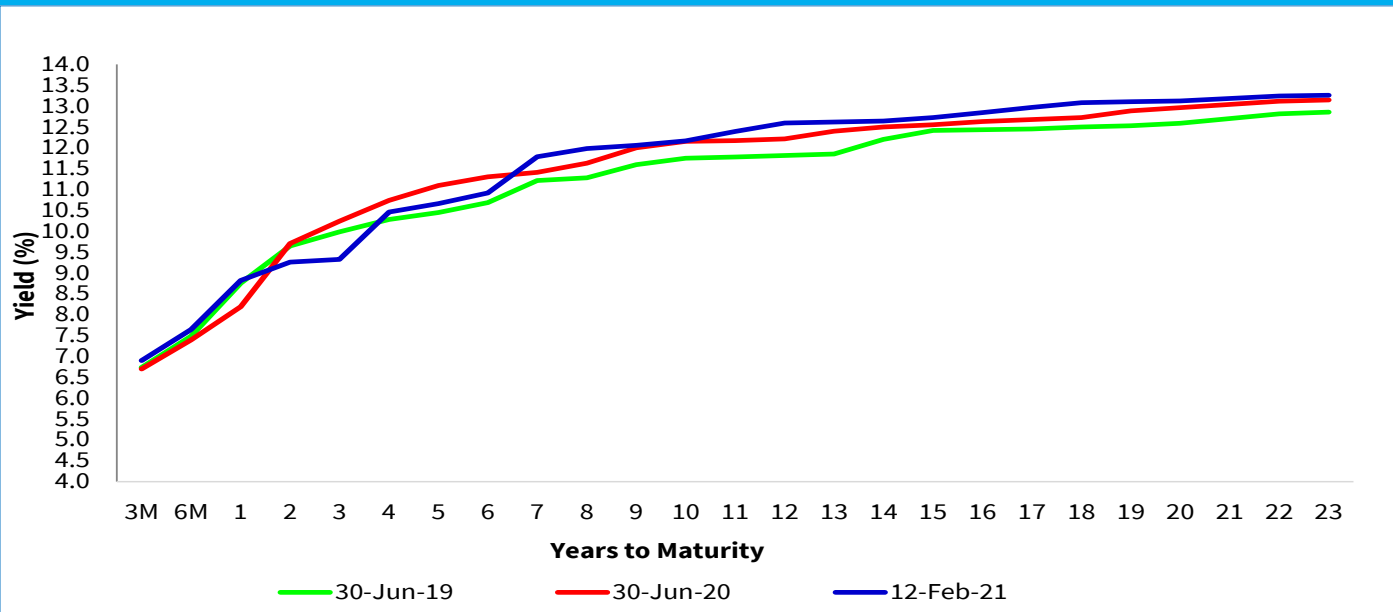
Source: Nairobi Securities Exchange (NSE) and Thompson Reuters

**Chart 1: Remittances**



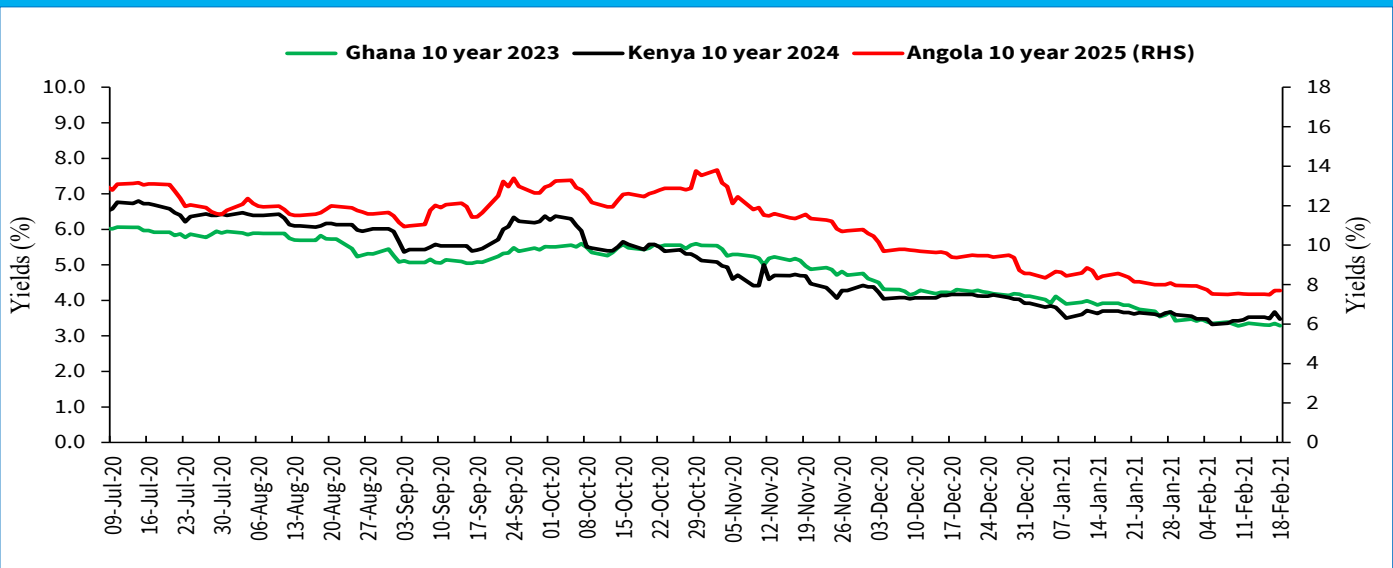
Source: Nairobi Securities Exchange (NSE)

**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)**

	28-Jun-19	31-Dec-19	30-Jun-20	30-Sep-20	31-Dec-20	5-Feb-21	12-Feb-21
1. Treasury Bills (Excluding Repos)	954.25	878.94	887.14	894.73	855.71	776.08	771.18
<i>(As % of total securities)</i>	<b>35.29</b>	<b>30.80</b>	<b>28.55</b>	<b>26.50</b>	<b>25.04</b>	<b>22.54</b>	<b>22.27</b>
2. Treasury Bonds	1,749.71	1,974.69	2,220.34	2,482.24	2,561.33	2,667.02	2,692.36
<i>(As % of total securities)</i>	<b>64.71</b>	<b>69.20</b>	<b>71.45</b>	<b>73.50</b>	<b>74.96</b>	<b>77.46</b>	<b>77.73</b>
3. Total Securities (1+2)	2,703.96	2,853.63	3,107.48	3,376.98	3,417.05	3,443.10	3,463.53
4. Overdraft at Central Bank	57.33	63.72	47.15	56.21	47.60	61.05	45.57
5. Other Domestic debt*	25.76	24.75	23.24	23.92	24.16	23.90	23.34
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>2,787.04</b>	<b>2,942.10</b>	<b>3,177.87</b>	<b>3,457.11</b>	<b>3,488.81</b>	<b>3,528.05</b>	<b>3,532.45</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)**

	28-Jun-19	31-Dec-19	30-Jun-20	30-Sep-20	31-Dec-20	5-Feb-21	12-Feb-21
Treasury bills (Excluding Repos)	34.24	29.87	27.92	25.88	24.53	22.00	21.83
Treasury bonds	62.78	67.12	69.87	71.80	73.42	75.59	76.22
Overdraft at Central Bank	2.06	2.17	1.48	1.63	1.36	1.73	1.29
Other domestic debt	0.92	0.84	0.73	0.69	0.69	0.68	0.66
<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-19	31-Dec-19	30-Jun-20	30-Sep-20	31-Dec-20	5-Feb-21	12-Feb-21
Banking Institutions	54.38	54.33	54.86	55.15	53.29	53.36	53.23
Insurance Companies	6.13	6.42	6.05	6.16	6.44	6.41	6.46
Parastatals	6.97	6.49	5.73	5.47	5.68	5.57	5.63
Pension Funds	28.24	28.60	29.05	28.52	30.32	30.36	30.19
Other Investors	4.28	4.17	4.32	4.71	4.27	4.30	4.50
<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**

	<b>Jun-19</b>	<b>Dec-19</b>	<b>Jun-20</b>	<b>Sep-20</b>	<b>Oct-20</b>	<b>Nov-20</b>	<b>Dec-20</b>
Domestic debt (KSh Bn)	2,785.94	2,942.10	3,176.97	3,457.11	3,457.64	3,482.65	3,488.54
Public & Publicly Guaranteed External debt (USD Bn)	29.55	30.66	33.01	33.77	34.05	34.27	34.75
Public & Publicly Guaranteed External debt (KSh Bn)	3,023.14	3,106.82	3,515.81	3,663.49	3,705.64	3,771.81	3,793.29
Public debt (KSh Bn)	<b>5,809.08</b>	<b>6,048.93</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>

Source: National Treasury and Central Bank of Kenya