



Central Bank of Kenya

Weekly Bulletin

April 8, 2022



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending April 7. It exchanged at KSh 115.19 per US dollar on April 7, compared to KSh 114.95 per US dollar on March 31 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 8,373 million (4.98 months of import cover) as of April 7. 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 relatively liquid during the week ending April 7 partly reflecting government payments, which offset tax remittances. Commercial banks' excess reserves stood at KSh 14.6 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 4.76 percent on April 7 compared to 5.02 percent on March 31. During the week, the average number of interbank deals increased to 35 from 20 in the previous week, while the average value traded increased to KSh 26.7 billion compared with KSh 12.2 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of April 7, received bids totalling KSh 14.5 billion against an advertised amount of KSh 24.0 billion, representing a performance of 60.4 percent. Interest rates increased for the 91-day and 182-day Treasury bills rates, but declined marginally for the 364-day Treasury bill (**Table 4**).

During the Treasury bond auction of April 7, the three-year fixed rated Treasury bond issued received bids totaling KSh 34.0 billion against an advertised amount of KSh 40.0 billion, representing a performance rate of 85.1 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, NASI, NSE 20 and NSE 25 share price indices increased by 1.1 percent, 0.5 percent, and 0.1 percent, respectively. Market capitalization and total shares traded increased by 1.1 percent and 2.3 percent, respectively while equity turnover declined by 30.4 percent, for the week ending April 7 (**Table 6**).

Bonds Market

Bond turnover in the domestic secondary market rose by 95.2 percent during the week ending April 7 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 20.7 basis points. The yield on the 10-Year Eurobond for Angola and Ghana also increased (**Chart 2**).

Global Trends

Concerns over the invasion of Ukraine by Russia dominated the week ending April 7. Advanced economy sovereign bond yields increased, with 10-year US Treasury bonds trading above 2.6 percent.

International oil prices declined during the week ending April 7, attributed to an inventory buildup and a planned release of oil from strategic reserves of International Energy Agency members. Murban oil prices declined to USD 99.06 per barrel on April 7 compared to USD 108.99 per barrel on March 31.

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*
25-Mar-22	114.69	151.30	125.94	94.26	31.35	20.22	8.92	17.88
28-Mar-22	114.75	151.41	126.33	93.97	31.33	20.21	8.86	17.87
29-Mar-22	114.83	151.06	126.14	92.62	31.31	20.20	8.92	17.86
30-Mar-22	114.87	150.34	126.54	92.89	31.30	20.20	8.84	17.85
31-Mar-22	114.95	151.13	127.80	94.33	31.23	20.18	8.85	17.85
Mar 25-31	114.82	151.05	126.55	93.62	31.30	20.20	8.88	17.86
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
Apr 1-7	115.08	150.92	126.84	93.76	30.96	20.18	8.84	17.83

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	10-Mar-22	17-Mar-22	24-Mar-22	31-Mar-22	7-Apr-22
1. CBK Usable Foreign Exchange Reserves (USD Million)	8,011	7,979	7,856	7,840	8,373
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.90	4.88	4.80	4.66	4.98

*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 (%)
25-Mar-22	11	7,925.00	4.34
28-Mar-22	16	8,760.00	4.35
29-Mar-22	15	9,200.00	4.38
30-Mar-22	30	19,110.00	4.54
31-Mar-22	30	16,210.00	5.02
Mar 25-31	20	12,241.00	4.53
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
Apr 1-7	35	26,654.00	4.78

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	10-Feb-22	24-Feb-22	17-Mar-22	24-Mar-22	31-Mar-22	7-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)	2,890.10	2,011.72	1,978.39	2,319.78	1,522.59	2,384.49
Amount Accepted (KSh M)	2,759.58	1,990.21	1,755.26	2,319.68	1,522.59	2,382.72
Maturities (KSh M)	4,058.25	3,985.10	3,591.35	1,605.00	576.15	5,747.85
Average Interest Rate (%)	7.285	7.254	7.252	7.283	7.302	7.38
182-Day Treasury Bills						
Date of Auction	10-Feb-22	24-Feb-22	17-Mar-22	24-Mar-22	31-Mar-22	7-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)	6,397.70	4,034.77	8,238.10	3,842.26	3,131.62	3,932.29
Amount Accepted (KSh M)	6,397.60	3,929.72	8,235.99	3,842.12	3,131.62	3,931.23
Maturities (KSh M)	3,242.85	2,087.50	7,030.85	4,812.40	5,526.25	4,102.45
Average Interest Rate (%)	8.108	8.062	8.093	8.134	8.164	8.219
364-Day Treasury Bills						
Date of Auction	10-Feb-22	24-Feb-22	17-Mar-22	24-Mar-22	31-Mar-22	7-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)	10,758.16	9,224.33	9,662.16	7,219.36	2,470.75	8,173.05
Amount Accepted (KSh M)	10,758.07	6,768.66	8,857.28	7,082.09	2,446.61	8,122.32
Maturities (KSh M)	15,300.20	15,793.15	12,810.30	13,805.10	4,749.75	15,850.30
Average Interest Rate (%)	9.668	9.764	9.763	9.767	9.752	9.743

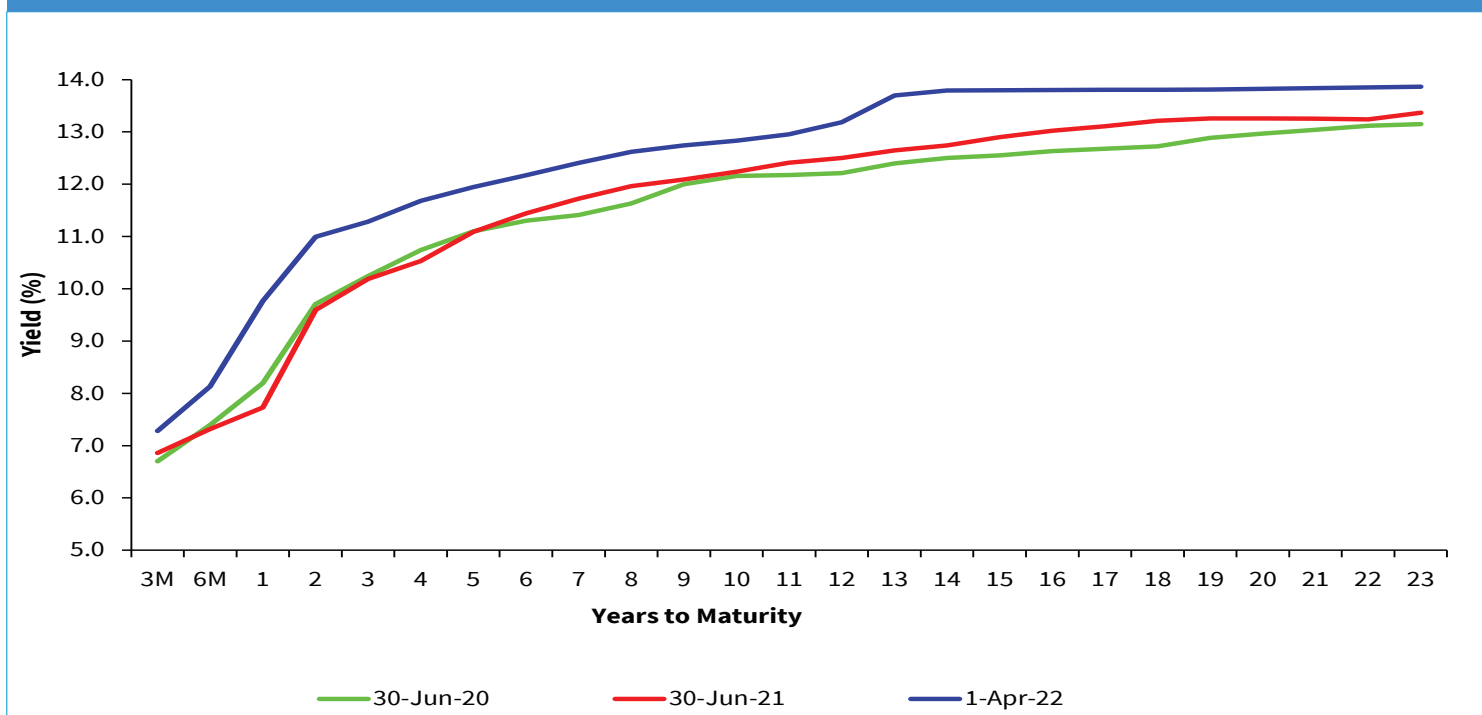
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	16-Feb-22	9-Mar-22			18-Mar-22			7-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)

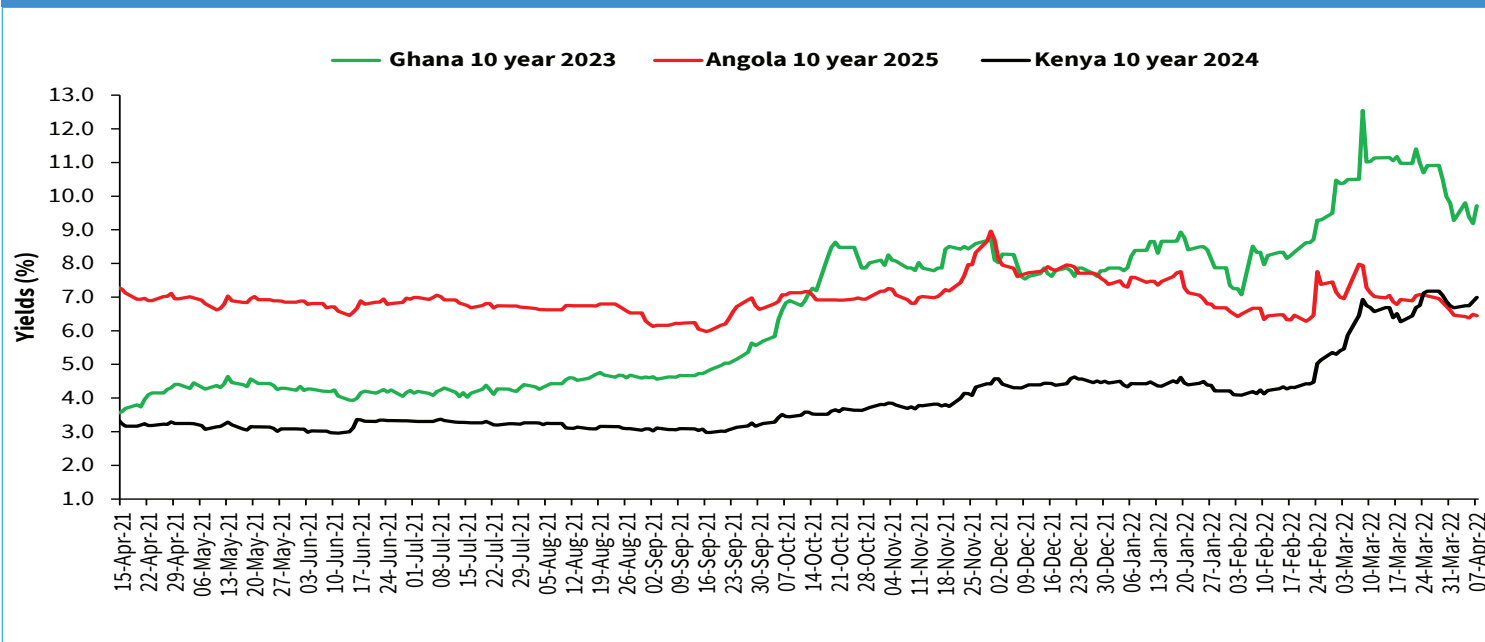
Table 6: Key Weekly Market Indicators

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
25-Mar-22	160.43	3634.42	1861.51	964.00	9.43	593.98	2,498.75	1,509.40	8.721	7.175	8.619	9.060	8.769	9.876
28-Mar-22	159.00	3616.29	1848.25	1,056.00	8.67	300.02	2,476.47	2,365.60	8.680	7.175	8.648	8.996	8.709	9.799
29-Mar-22	158.98	3611.90	1855.35	1,128.00	5.53	111.10	2,476.04	2,475.35	8.357	7.052	8.449	8.932	8.418	9.709
30-Mar-22	157.93	3592.81	1853.03	992.00	7.09	193.75	2,459.74	3,920.10	8.257	6.868	8.225	8.702	8.396	9.531
31-Mar-22	155.74	3565.06	1846.74	1,142.00	20.03	859.53	2,425.53	2,943.50	8.149	6.745	8.142	8.620	8.339	9.487
Mar 25-31	155.74	3,565.06	1,846.74	5,282.00	50.75	2,058.39	2,425.53	13,213.95	8.149	6.745	8.142	8.620	8.339	9.487
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
April 1-7	157.42	3,567.79	1,855.86	4,032.00	51.94	1,431.93	2,451.70	25,797.29	8.328	6.992	8.340	8.830	8.555	9.679
Weekly Changes (%)	1.08	0.08	0.49	-23.67	2.34	-30.43	1.08	95.23	0.179*	0.247*	0.198*	0.210*	0.216*	0.192*

* 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	31-Jan-22	28-Feb-22	25-Mar-22	01-Apr-22
1. Treasury Bills (Excluding Repos)	765.37	763.45	709.15	704.29	679.48	662.60	656.45
<i>(As % of total securities)</i>	21.17	19.78	17.95	17.57	16.65	16.15	16.02
2. Treasury Bonds	2,849.94	3,096.84	3,242.24	3,304.90	3,400.35	3,440.61	3,440.61
<i>(As % of total securities)</i>	78.83	80.22	82.05	82.43	83.35	83.85	83.98
3. Total Securities (1+2)	3,615.31	3,860.29	3,951.39	4,009.19	4,079.83	4,103.21	4,097.06
4. Overdraft at Central Bank	59.28	55.11	59.31	75.15	74.70	61.36	67.14
5. Other Domestic debt*	22.50	22.37	21.66	25.78	25.77	26.89	26.89
6. Gross Domestic Debt (3+4+5)	3,697.09	3,937.78	4,032.37	4,110.12	4,180.29	4,191.46	4,191.09

* 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	31-Jan-22	28-Feb-22	25-Mar-22	1-Apr-22
Treasury bills (Excluding Repos)	20.70	19.39	17.59	17.14	16.25	15.81	15.66
Treasury bonds	77.09	78.64	80.41	80.41	81.34	82.09	82.09
Overdraft at Central Bank	1.60	1.40	1.47	1.83	1.79	1.46	1.60
Other domestic debt	0.61	0.57	0.54	0.63	0.62	0.64	0.64
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of Kenya

Table 9: Composition of Government Domestic Debt by Holder (Percent)

	30-Jun-21	30-Sep-21	31-Dec-21	31-Jan-22	28-Feb-22	25-Mar-22	1-Apr-22
Banking Institutions	51.24	50.82	50.20	50.15	49.51	49.29	49.28
Insurance Companies	6.66	6.60	6.79	6.83	6.82	6.87	6.86
Parastatals	5.54	5.39	5.57	5.61	5.62	5.72	5.69
Pension Funds	30.60	31.24	31.34	31.26	31.64	31.75	31.75
Other Investors	5.96	5.95	6.10	6.14	6.41	6.37	6.41
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

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
Public debt (KSh Bn)	6,692.78	7,120.60	7,281.83	7,339.71	7,696.63	7,996.30	8,206.74

Source: National Treasury and Central Bank of Kenya