



Central Bank of Kenya

# Weekly Bulletin

April 6, 2023



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending April 5. It exchanged at KSh 132.94 per US dollar on April 5, compared to KSh 132.13 per US dollar on March 30 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 6,446 million (3.60 months of import cover) as at April 5. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover (**Table 2**).

### Money Market

Liquidity in the money market increased during the week ending April 5 as government payments more than offset tax remittances. Commercial banks' excess reserves stood at KSh 9.5 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 8.03 percent on April 5 compared to 7.69 percent on March 30. During the week, the average number of interbank deals increased to 39 from 33 in the previous week, while the average value traded increased to KSh 26.1 billion from KSh 20.6 billion (**Table 3**).

### Government Securities Market

The Treasury bill auction of April 5 received bids totaling KSh 32.3 billion against an advertised amount of KSh 24.0 billion, representing a performance of 134.8 percent. Interest rates remained stable, with the 182-day rate declining while the 91-day and 364-day rates increasing marginally (**Table 4**).

During the Treasury bond auction of April 5, the 10-year fixed rate Treasury bond received bids totaling KSh 3.6 billion against an advertised amount of KSh 20 billion, representing a performance rate of 17.9 percent (**Table 5**).

### Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 0.9 percent, 1.1 percent and 0.9 percent, respectively, during the week ending April 5. Market capitalization increased by 1.0 percent, while equity turnover and total shares traded declined by 40.6 percent and 35.9 percent, respectively (**Table 6**).

### Bond Market

Bond turnover in the domestic secondary market declined by 65.5 percent during the week ending April 5 (**Table 6**). In the international market, yields on Kenya's Eurobonds declined by an average of 5.22 basis points, with 2024 maturity increasing by 24.6 basis points. The yields on the 10-Year Eurobond for Ghana increased while that of Angola declined (**Chart 2**).

### Global Trends

Inflation concerns in advanced economies continue to moderate with expectations of slower pace of monetary policy tightening by major central banks. Euro zone inflation declined to 6.9 percent in March from 8.5 percent in February. The US dollar index weakened by 0.3 percent against a basket of major currencies during the week ending April 5.

International oil prices increased during the week, mainly due to plans by OPEC+ producers to reduce output. Murban oil price increased to USD 86.30 per barrel on April 5 from USD 78.71 per barrel on March 30.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
24-Mar-23	131.27	161.73	142.89	100.11	28.74	17.83	8.37	15.84
27-Mar-23	131.40	160.49	141.21	100.99	28.71	17.81	8.36	15.83
28-Mar-23	131.53	161.29	141.75	99.97	28.69	17.79	8.35	15.82
29-Mar-23	131.78	162.22	142.68	100.64	28.67	17.76	8.34	15.79
30-Mar-23	132.13	162.92	143.42	99.71	28.68	17.71	8.32	15.75
<b>Mar 24-30</b>	<b>131.62</b>	<b>161.73</b>	<b>142.39</b>	<b>100.28</b>	<b>28.70</b>	<b>17.78</b>	<b>8.35</b>	<b>15.80</b>
31-Mar-23	132.33	163.67	144.37	99.63	28.56	17.68	8.32	15.72
3-Apr-23	132.52	164.12	144.29	99.23	28.49	17.66	8.30	15.70
4-Apr-23	132.67	164.35	144.34	99.87	28.45	17.64	8.31	15.66
5-Apr-23	132.94	166.04	145.20	100.94	28.40	17.60	8.29	15.65
<b>Mar 31-Apr 5</b>	<b>132.62</b>	<b>164.54</b>	<b>144.55</b>	<b>99.92</b>	<b>28.48</b>	<b>17.65</b>	<b>8.31</b>	<b>15.68</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

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

	9-Mar-23	16-Mar-23	23-Mar-23	30-Mar-23	5-Apr-23
1. CBK Usable Foreign Exchange Reserves (USD Million)	6,566	6,560	6,550	6,426	6,446
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.67	3.66	3.66	3.59	3.60

\*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 (%)
24-Mar-23	33	14,350.00	7.41
27-Mar-23	35	22,470.00	7.41
28-Mar-23	29	22,620.00	7.47
29-Mar-23	34	21,920.00	7.55
30-Mar-23	35	21,430.00	7.69
<b>Mar 24 - 30</b>	<b>33</b>	<b>20,558.00</b>	<b>7.51</b>
31-Mar-23	36	21,350.00	7.86
3-Apr-23	40	30,400.00	7.91
4-Apr-23	39	25,170.00	7.95
5-Apr-23	39	27,420.00	8.03
<b>Mar 31-Apr 5</b>	<b>39</b>	<b>26,085.00</b>	<b>7.94</b>

Source: Central Bank of Kenya

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

91-Day Treasury Bills						
Date of Auction	29-Dec-22	26-Jan-23	16-Mar-23	23-Mar-23	30-Mar-23	5-Apr-23
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)	2,180.21	18,357.67	7,291.16	7,177.46	2,904.04	25,731.57
Amount Accepted (KSh M)	2,120.42	16,154.81	7,095.88	7,176.92	2,765.00	25,678.34
Maturities (KSh M)	2,539.95	12,234.40	7,813.70	11,222.05	2,158.40	19,680.40
<b>Average Interest Rate (%)</b>	<b>9.369</b>	<b>9.538</b>	<b>9.780</b>	<b>9.829</b>	<b>9.907</b>	<b>10.004</b>
182-Day Treasury Bills						
Date of Auction	29-Dec-22	26-Jan-23	16-Mar-23	23-Mar-23	30-Mar-23	5-Apr-23
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)	434.69	10,264.50	17,466.21	3,691.85	3,547.05	580.20
Amount Accepted (KSh M)	434.69	10,263.50	17,256.71	3,406.42	3,457.80	580.20
Maturities (KSh M)	1,660.95	1,934.70	11,900.65	5,546.80	3,176.30	7,197.90
<b>Average Interest Rate (%)</b>	<b>9.834</b>	<b>9.954</b>	<b>10.285</b>	<b>10.353</b>	<b>10.399</b>	<b>10.368</b>
364-Day Treasury Bills						
Date of Auction	29-Dec-22	26-Jan-23	16-Mar-23	23-Mar-23	30-Mar-23	5-Apr-23
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)	1,691.33	5,676.29	4,432.78	930.04	1,810.42	6,029.84
Amount Accepted (KSh M)	1,691.33	5,676.29	4,432.11	920.89	1,810.42	6,029.84
Maturities (KSh M)	5,396.40	19,296.80	9,706.40	7,723.95	2,660.05	8,904.65
<b>Average Interest Rate (%)</b>	<b>10.308</b>	<b>10.504</b>	<b>10.777</b>	<b>10.787</b>	<b>10.800</b>	<b>10.857</b>

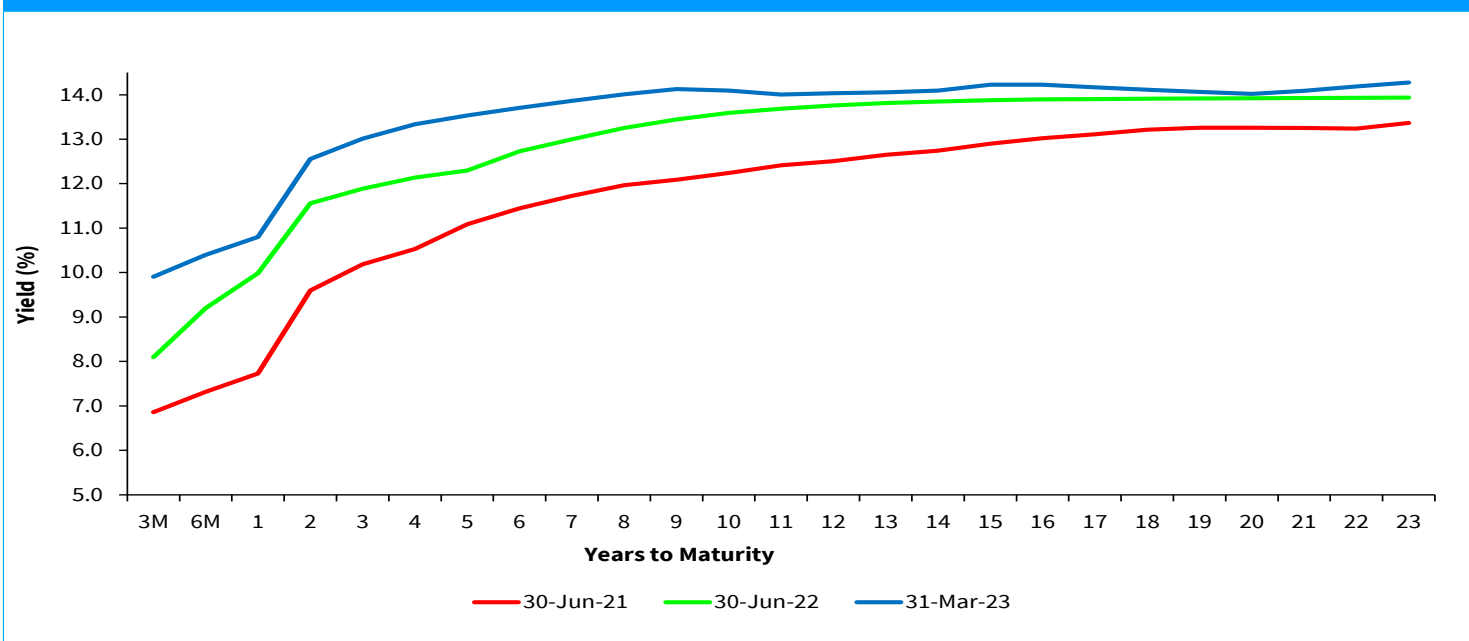
Source: Central Bank of Kenya

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

Date of Auction	22-Dec-22	20-Jan-23		17-Feb-23		17-Mar-23	5-Apr-23
	TAP	TAP		TAP		TAP	
Tenor	IFB1/ 2022/06	FXD1/ 2020/005	FXD1/ 2022/015	FXD1/ 2017/10	FXD1/ 2023/10	IFB1/ 2023/017	FXD2/ 2018/10
Amount offered (KSh M)	20,000.00	10,000.00		10,000.00		20,000.00	20,000.00
Bids received (KSh M)	10,814.55	13,902.65	4,119.30	8,855.70	3,607.55	12,712.30	3,570.55
Amount Accepted (KSh M)	10,812.28	13,571.35	4,056.03	8,593.57	3,607.23	12,711.16	3,360.37
Maturities (KSh M)							
Average interest Rate (%)	13.22	12.88	14.19	13.88	14.15	14.40	14.37

Source: Central Bank of Kenya

### Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

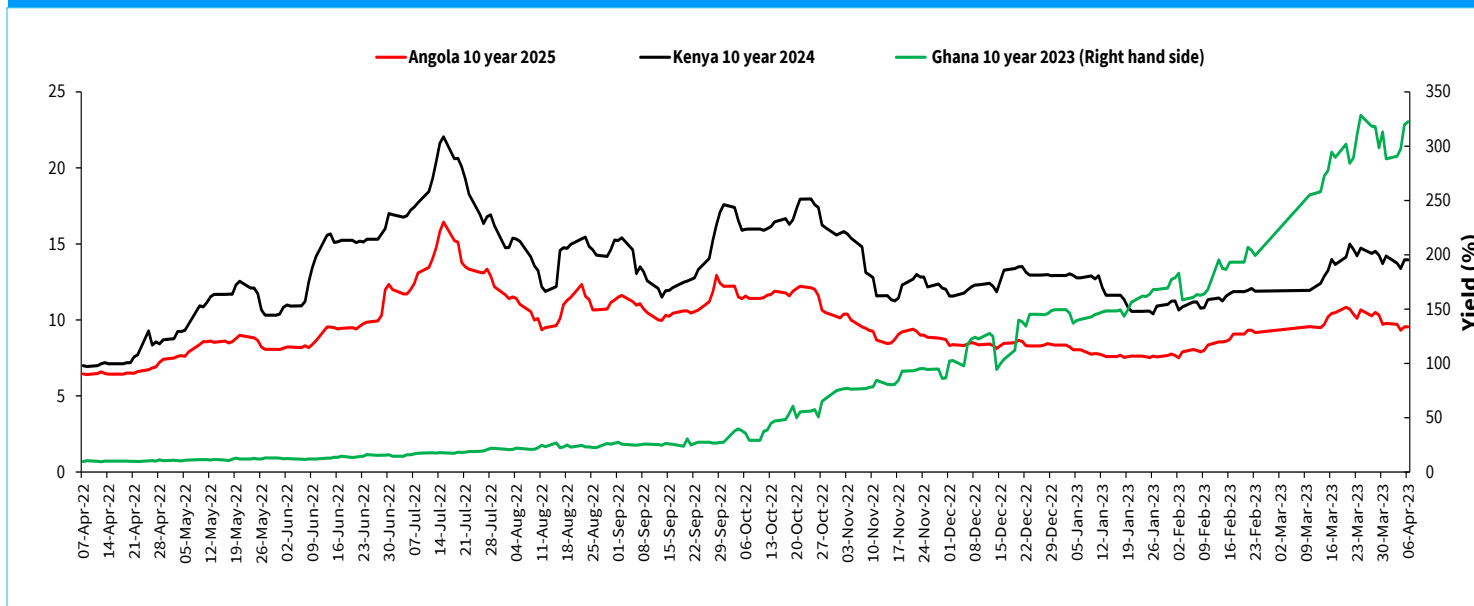
### Table 6: Performance of Key Market Indicators

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	13-Year 2034	30- Year 2048
24-Mar-23	110.93	2829.05	1564.16	1,229	31.56	668.46	1727.69	4999.40	14.091	14.715	13.102	12.605	11.81	12.143
27-Mar-23	111.83	2877.94	1568.94	1,034	7.06	121.79	1741.76	3111.35	14.039	14.37	13.064	12.576	11.728	12.121
28-Mar-23	111.56	2892.19	1581.11	1,271	15.25	380.17	1737.49	2698.50	14.394	14.507	13.19	12.607	11.84	12.187
29-Mar-23	112.48	2933.35	1598.10	1,242	24.86	695.33	1751.91	5149.96	14.277	14.264	12.945	12.459	11.644	12.077
30-Mar-23	111.74	2936.72	1611.15	1,152	19.98	409.00	1740.26	5322.00	13.262	13.707	12.353	11.772	11.249	11.636
<b>Mar 24-30</b>	<b>111.74</b>	<b>2936.72</b>	<b>1611.15</b>	<b>5,928.00</b>	<b>98.71</b>	<b>2,274.74</b>	<b>1,740.26</b>	<b>21,281.21</b>	<b>13.262</b>	<b>13.707</b>	<b>12.353</b>	<b>11.772</b>	<b>11.249</b>	<b>11.636</b>
31-Mar-23	112.76	2965.91	1622.05	1,126	4.55	139.96	1756.26	2952.80	13.380	14.209	12.316	11.745	11.25	11.615
3-Apr-23	113.25	2981.91	1631.74	1,147	6.17	192.57	1763.86	1444.00	13.159	13.737	12.162	11.634	11.172	11.415
4-Apr-23	112.80	2171.01	1632.24	1,459	19.10	373.41	1756.95	932.05	13.052	13.389	12.047	11.58	11.121	11.396
5-Apr-23	112.79	2967.57	1624.92	1,097	33.46	645.19	1756.72	2011.86	13.191	13.953	12.214	11.696	11.177	11.435
<b>Mar 31- Apr 5</b>	<b>112.79</b>	<b>2967.57</b>	<b>1624.92</b>	<b>4,829.00</b>	<b>63.27</b>	<b>1,351.13</b>	<b>1,756.72</b>	<b>7,340.71</b>	<b>13.191</b>	<b>13.953</b>	<b>12.214</b>	<b>11.696</b>	<b>11.177</b>	<b>11.435</b>
<b>Weekly Changes (%)</b>	<b>0.94</b>	<b>1.05</b>	<b>0.85</b>	<b>-18.54</b>	<b>-35.90</b>	<b>-40.60</b>	<b>0.95</b>	<b>-65.51</b>	<b>-0.071*</b>	<b>0.246*</b>	<b>-0.139*</b>	<b>-0.076*</b>	<b>0.072*</b>	<b>-0.201*</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)

	31-Mar-22	24-Jun-22	30-Sep-22	30-Dec-22	28-Feb-23	24-Mar-23	31-Mar-23
1. Treasury Bills (Excluding Repos)	656.45	620.28	672.28	671.51	675.41	678.45	665.86
<i>(As % of total securities)</i>	<b>16.02</b>	<b>14.88</b>	<b>15.61</b>	<b>15.32</b>	<b>15.18</b>	<b>15.25</b>	<b>15.01</b>
2. Treasury Bonds	3,440.61	3,549.53	3,634.86	3,710.62	3,773.45	3,771.03	3,771.03
<i>(As % of total securities)</i>	<b>83.98</b>	<b>85.12</b>	<b>84.39</b>	<b>84.68</b>	<b>84.82</b>	<b>84.75</b>	<b>84.99</b>
3. Total Securities (1+2)	4,097.06	4,169.81	4,307.14	4,382.13	4,448.85	4,449.48	4,436.89
4. Overdraft at Central Bank	68.40	65.86	27.25	58.50	68.73	69.94	69.94
5. Other Domestic debt*	26.32	30.55	30.90	32.76	33.98	33.97	33.97
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>4,191.77</b>	<b>4,266.23</b>	<b>4,365.29</b>	<b>4,473.39</b>	<b>4,551.56</b>	<b>4,553.39</b>	<b>4,540.80</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)

	25-Mar-22	24-Jun-22	30-Sep-22	30-Dec-22	28-Feb-23	24-Mar-23	31-Mar-23
Treasury bills (Excluding Repos)	15.81	14.54	15.40	15.01	14.84	14.90	14.66
Treasury bonds	82.09	83.20	83.27	82.95	82.90	82.82	83.05
Overdraft at Central Bank	1.46	1.54	0.62	1.31	1.51	1.54	1.54
Other domestic debt	0.64	0.72	0.71	0.73	0.75	0.75	0.75
<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: Government Domestic Debt by Holder (Percent)**

	25-Mar-22	24-Jun-22	30-Sep-22	30-Dec-22	28-Feb-23	24-Mar-23	31-Mar-23
Banking Institutions	49.29	48.74	47.60	46.84	46.79	45.95	46.13
Insurance Companies	6.87	7.14	7.32	7.37	7.35	7.36	7.39
Parastatals	5.72	5.84	6.09	6.06	6.05	6.04	6.04
Pension Funds	31.75	32.39	32.75	33.31	33.10	33.69	33.42
Other Investors	6.37	5.89	6.24	6.43	6.70	6.96	7.01
<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: Government Debt**

	Dec-21	Mar-22	Jun-22	Sep-22	Nov-22	Dec-22	Jan-23
Domestic debt (KSh Bn)	4,032.37	4,191.77	4,288.33	4,366.30	4,435.57	4,472.84	4,501.71
Public & Publicly Guaranteed External debt (USD Bn)	36.90	36.82	36.58	36.00	36.45	37.88	37.63
Public & Publicly Guaranteed External debt (KSh Bn)	4,174.37	4,209.56	4,290.73	4,334.80	4,462.89	4,673.14	4,681.12
<b>Public debt (KSh Bn)</b>	<b>8,206.74</b>	<b>8,401.33</b>	<b>8,579.06</b>	<b>8,701.10</b>	<b>8,898.46</b>	<b>9,145.98</b>	<b>9,182.83</b>

\* Provisional

Source: The National Treasury and Central Bank of Kenya