



Central Bank of Kenya

# Weekly Bulletin

June 11, 2021

## KEY MONETARY AND FINANCIAL INDICATORS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending June 10. It exchanged at KSh 107.90 per US dollar on June 10, compared to KSh 107.73 per US dollar on June 3 (Table 1).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,506 million (4.59 months of import cover) as at June 10. 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 Markets

The money market was liquid during the week ending June 10, supported by government payments, which offset tax remittances. Commercial banks' excess reserves stood at KSh 14.1 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 4.04 percent on June 10 compared to 4.77 percent on June 3. During the week, the average number of interbank deals per day decreased to 18 from 28 in the previous week, while the average value traded decreased to KSh 10.2 billion compared to KSh 13.6 billion in the previous week (Table 3).

### Government Securities Market

The Treasury bills auction of June 10 received bids totalling KSh 43.6 billion against an advertised amount of KSh 24.0 billion, representing a performance of 181.8 percent. Interest rates on the Treasury bills declined (Table 4).

### Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 0.9 percent, 1.5 percent and 0.2 percent, respectively, during the week ending June 10. Similarly, market capitalization, total shares traded and equity turnover increased by 0.9 percent, 28.4 percent and 41.1 percent, respectively (Table 6).

### Bonds Market

Turnover of bonds in the domestic secondary market declined by 13.3 percent during the week ending June 10 (Table 6). In the international market, yields on Kenya's Eurobonds declined by an average of 9.1 basis points. The yields on the 10-year Eurobonds for Ghana and Angola also declined (Chart 2).

### Global Trends

Global financial markets remained calm during the week ending June 10, as investors balanced the higher than expected US May inflation and ECB's confirmation of an accommodative monetary policy.

International oil prices increased during the week, supported by increase in demand amid concerns on possible return of Iranian supply. Murban oil price increased to USD 71.49 per barrel on June 10 from USD 70.71 per barrel on June 3.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
28-May-21	107.54	152.30	131.20	98.46	33.01	21.56	9.32	18.38
31-May-21	107.59	152.32	130.88	97.75	32.95	21.55	9.31	18.37
1-Jun-21	<b>Public Holiday</b>							
2-Jun-21	107.69	152.72	131.30	98.21	32.92	21.53	9.26	18.30
3-Jun-21	107.73	152.40	131.33	98.11	32.91	21.53	9.30	18.35
<b>May 28-Jun 3</b>	<b>107.64</b>	<b>152.44</b>	<b>131.18</b>	<b>98.13</b>	<b>32.95</b>	<b>21.54</b>	<b>9.30</b>	<b>18.35</b>
4-Jun-21	107.80	152.93	131.44	98.20	32.89	21.51	9.30	18.34
7-Jun-21	107.84	152.67	130.99	98.52	32.87	21.50	9.12	18.25
8-Jun-21	107.90	152.84	131.32	98.80	32.72	21.49	9.29	18.33
9-Jun-21	107.95	152.69	131.44	98.60	32.67	21.48	9.29	18.32
10-Jun-21	107.90	152.73	131.66	98.67	32.64	21.49	9.12	18.25
<b>Jun 4-10</b>	<b>107.88</b>	<b>152.77</b>	<b>131.37</b>	<b>98.56</b>	<b>32.76</b>	<b>21.50</b>	<b>9.22</b>	<b>18.30</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

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

	13-May-21	20-May-21	27-May-21	3-Jun-21	10-Jun-21
1. CBK Usable Foreign Exchange Reserves (USD Million)*	7,594	7,546	7,480	7,510	7,506
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.64	4.61	4.57	4.59	4.59

\*Excludes Encumbered Reserves

\*\*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 (%)
28-May-21	33	15,710.00	4.96
31-May-21	31	13,890.00	4.76
1-Jun-21	<b>Public Holiday</b>		
2-Jun-21	25	11,930.00	4.73
3-Jun-21	22	12,840.00	4.77
<b>May 27-June 3, 2021</b>	<b>28</b>	<b>13,592.50</b>	<b>4.81</b>
4-Jun-21	24	8,940.00	4.87
7-Jun-21	15	10,700.00	4.51
8-Jun-21	21	15,050.00	4.53
9-Jun-21	17	9,660.00	4.31
10-Jun-21	14	6,810.00	4.04
<b>June 4-10, 2021</b>	<b>18</b>	<b>10,232.00</b>	<b>4.45</b>

Source: Central Bank of Kenya

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

91-Day Treasury Bills						
Date of Auction	6-May-21	13-May-21	20-May-21	27-May-21	3-Jun-21	10-Jun-21
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)	1,857.92	1,428.41	4,642.35	2,448.51	1,373.41	8,387.84
Amount Accepted (KSh M)	1,856.84	1,398.16	4,641.86	2,407.70	1,342.36	6,821.87
Maturities (KSh M)	494.10	960.75	4,731.60	4,895.40	6,160.55	4,398.95
<b>Average Interest Rate (%)</b>	<b>7.152</b>	<b>7.156</b>	<b>7.155</b>	<b>7.139</b>	<b>7.137</b>	<b>7.104</b>
182-Day Treasury Bills						
Date of Auction	6-May-21	13-May-21	20-May-21	27-May-21	3-Jun-21	10-Jun-21
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)	4,263.95	2,885.98	10,107.40	10,309.46	9,993.82	10,932.94
Amount Accepted (KSh M)	3,772.41	2,856.63	6,927.82	4,418.60	9,873.01	7,882.40
Maturities (KSh M)	4,700.85	8,297.90	6,722.40	6,080.55	2,776.55	3,078.80
<b>Average Interest Rate (%)</b>	<b>7.990</b>	<b>7.995</b>	<b>7.953</b>	<b>7.865</b>	<b>7.818</b>	<b>7.731</b>
364-Day Treasury Bills						
Date of Auction	6-May-21	13-May-21	20-May-21	27-May-21	3-Jun-21	10-Jun-21
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)	25,319.39	22,262.05	24,129.65	23,820.65	27,625.89	24,301.07
Amount Accepted (KSh M)	15,190.96	16,197.55	10,801.74	13,757.11	11,657.75	3,799.06
Maturities (KSh M)	9,320.75	12,970.40	14,384.15	12,497.80	5,091.05	13,391.50
<b>Average Interest Rate (%)</b>	<b>9.424</b>	<b>9.365</b>	<b>9.284</b>	<b>9.156</b>	<b>8.973</b>	<b>8.648</b>

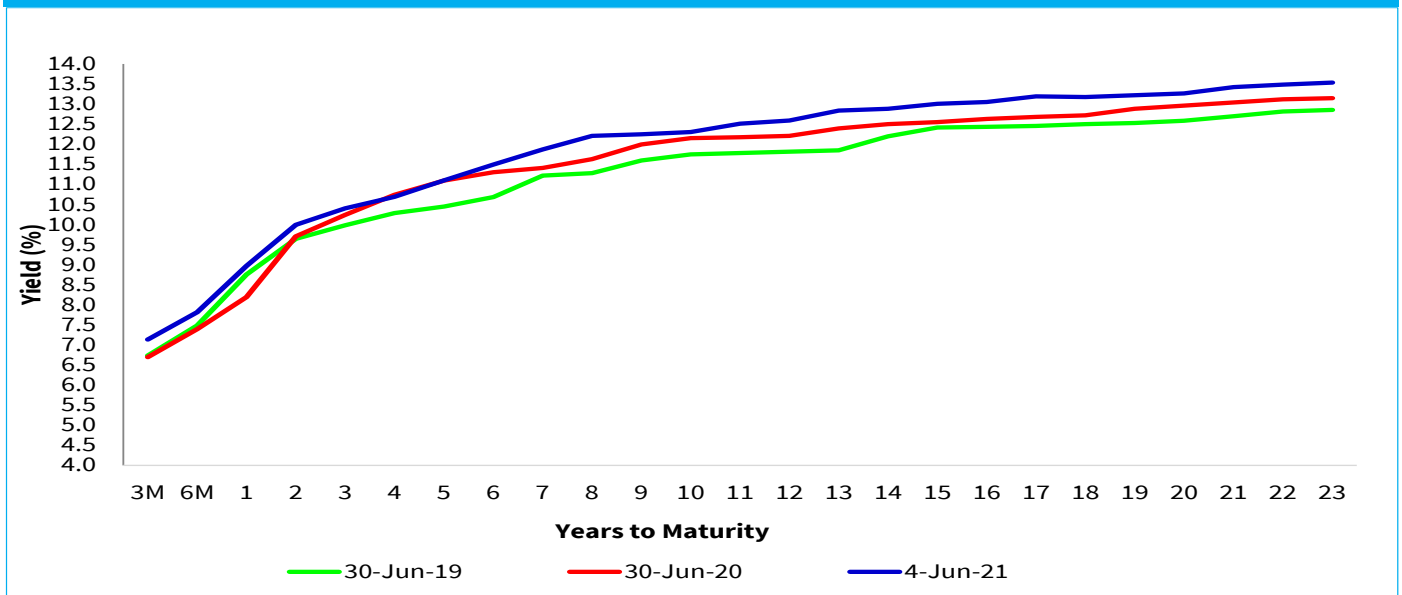
Source: Central Bank of Kenya

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

Date of Auction	10-Mar-21		7-Apr-21	5-May-21		12-May-21	
	REOPEN			REOPEN		TAP	
Tenor	FXD1/ 2019/15	FXD2/ 2018/20	IFB1/ 2021/18	FXD2/ 2019/15	FXD1/ 2021/25	FXD2/ 2019/15	FXD1/ 2021/25
Amount offered (KSh M)	50,000.00		60,000.00	30,000.00		20,000.00	
Bids received (KSh M)	15,897.21	32,809.37	88,577.56	11,581.96	31,003.70	15,897.15	5,036.55
Amount Accepted (KSh M)	15,511.29	32,795.91	81,941.63	6,042.69	14,246.10	15,657.58	5,035.74
Maturities (KSh M)	0.00		0.00	0.00		8,249.90	
Average interest Rate (%)	12.41	13.44	12.67	12.98	13.92	12.98	13.92

Source: Central Bank of Kenya

**Chart 1: Government Securities Yield Curve**



Source: Kenya National Bureau of Statistics and Central Bank of Kenya

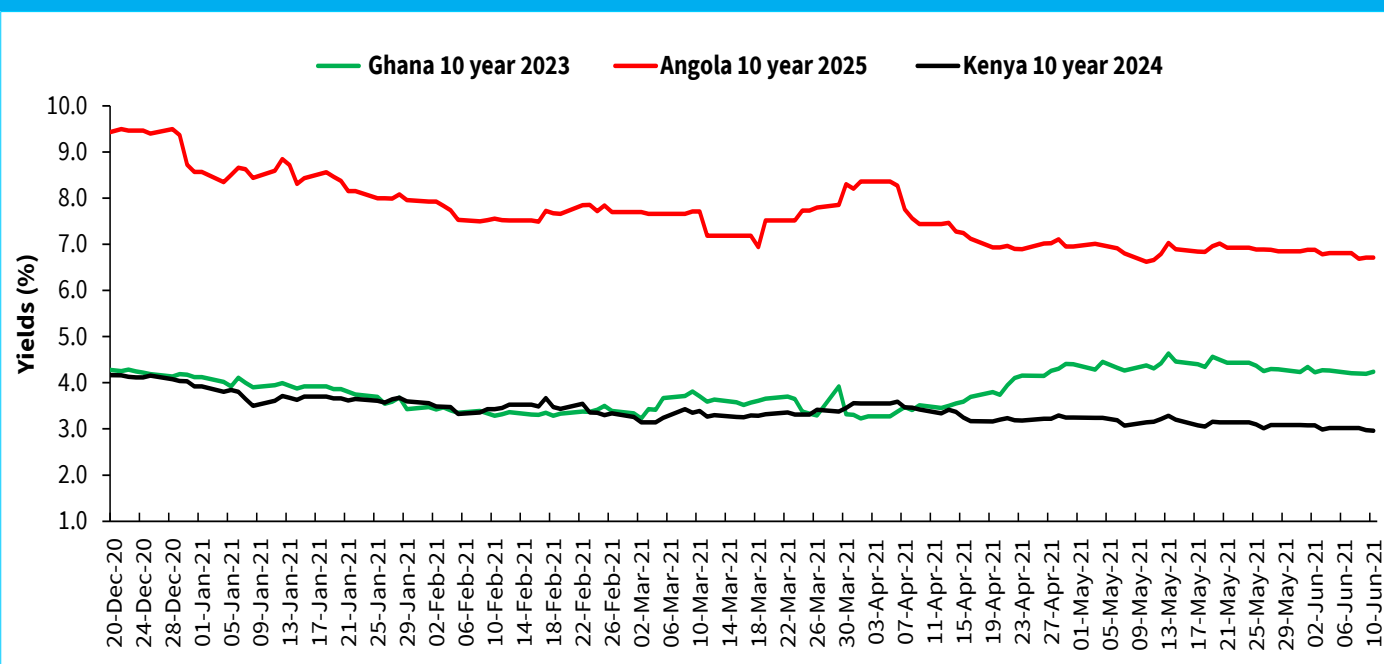
**Table 6: Key Weekly Market Indicators**

INDICATOR	NASI 100=2008	NSE 25 Share Index	NSE 20 Share Index 100=1996	Total Deals (Equity)	Total Shares Traded (Mil- lion)	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
28-May-21	172.69	3712.70	1862.15	1,093.00	29.60	825.92	2,689.04	6,117.35	4.687	3.081	5.307	6.243	7.346
31-May-21	169.97	3669.57	1871.55	1,032.00	14.35	270.04	2,646.71	6,268.10	4.634	3.081	5.307	6.243	7.326
1-Jun-21	Public Holiday								4.583	3.078	5.307	6.243	7.326
2-Jun-21	171.19	3701.41	1899.68	1,260.00	16.44	866.06	2,665.68	2,664.10	4.591	3.075	5.285	6.242	7.306
3-Jun-21	170.94	3694.54	1911.64	1,344.00	30.29	856.69	2,661.75	2,785.95	4.591	2.984	5.241	6.225	7.306
<b>May 21-27</b>	<b>170.94</b>	<b>3694.54</b>	<b>1911.64</b>	<b>4,729.00</b>	<b>90.68</b>	<b>2,818.71</b>	<b>2,661.75</b>	<b>17,835.50</b>	<b>4.591</b>	<b>2.984</b>	<b>5.241</b>	<b>6.225</b>	<b>7.306</b>
4-Jun-21	169.87	3692.00	1908.82	1,067.00	9.85	322.48	2,645.16	1,601.70	4.573	3.022	5.262	6.187	7.291
7-Jun-21	170.18	3700.23	1904.14	1,155.00	11.23	513.79	2,650.01	4,412.40	4.570	3.019	5.240	6.193	7.296
8-Jun-21	171.54	3730.55	1907.05	1,160.00	9.19	319.52	2,671.19	2,773.45	4.560	3.016	5.177	6.146	7.247
9-Jun-21	171.77	3739.16	1913.13	1,081.00	18.57	754.91	2,674.70	3,589.50	4.499	2.972	5.114	6.114	7.218
10-Jun-21	172.48	3750.06	1915.98	1,094.00	67.61	2,066.59	2,685.76	3,093.45	4.463	2.962	5.153	6.097	7.218
<b>June 4-10</b>	<b>172.48</b>	<b>3750.06</b>	<b>1915.98</b>	<b>5,557.00</b>	<b>116.45</b>	<b>3,977.29</b>	<b>2,685.76</b>	<b>15,470.50</b>	<b>4.463</b>	<b>2.962</b>	<b>5.153</b>	<b>6.097</b>	<b>7.218</b>
<b>Weekly Changes (%)</b>	<b>0.90</b>	<b>1.50</b>	<b>0.23</b>	<b>17.51</b>	<b>28.42</b>	<b>41.10</b>	<b>0.90</b>	<b>-13.26</b>	<b>-0.128*</b>	<b>-0.022*</b>	<b>-0.088*</b>	<b>-0.128*</b>	<b>-0.088*</b>

\* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thompson Reuters

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



Source: Thomson Reuters

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

	30-Sep-20	31-Dec-20	31-Mar-21	30-Apr-21	21-May-21	28-May-21	04-Jun-21
1. Treasury Bills (Excluding Repos)	894.73	855.71	761.90	747.16	761.28	759.10	757.67
<i>(As % of total securities)</i>	<b>26.50</b>	<b>25.04</b>	<b>21.79</b>	<b>21.08</b>	<b>21.32</b>	<b>21.15</b>	<b>21.12</b>
2. Treasury Bonds	2,482.24	2,561.33	2,734.47	2,796.71	2,808.82	2,829.73	2,829.73
<i>(As % of total securities)</i>	<b>73.50</b>	<b>74.96</b>	<b>78.21</b>	<b>78.92</b>	<b>78.68</b>	<b>78.85</b>	<b>78.88</b>
3. Total Securities (1+2)	3,376.98	3,417.05	3,496.37	3,543.87	3,570.09	3,588.83	3,587.40
4. Overdraft at Central Bank	56.21	47.60	49.28	65.84	56.64	60.17	63.08
5. Other Domestic debt*	23.92	23.90	24.19	23.20	23.22	23.20	23.20
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>3,457.11</b>	<b>3,488.54</b>	<b>3,569.84</b>	<b>3,632.91</b>	<b>3,649.95</b>	<b>3,672.20</b>	<b>3,673.68</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)**

	30-Sep-20	31-Dec-20	31-Mar-21	30-Apr-21	21-May-21	28-May-21	4-Jun-21
Treasury bills (Excluding Repos)	25.88	24.53	21.34	20.57	20.86	20.67	20.62
Treasury bonds	71.80	73.42	76.60	76.98	76.95	77.06	77.03
Overdraft at Central Bank	1.63	1.36	1.38	1.81	1.55	1.64	1.72
Other domestic debt	0.69	0.69	0.68	0.64	0.64	0.63	0.63
<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-Sep-20	31-Dec-20	31-Mar-21	30-Apr-21	21-May-21	28-May-21	4-Jun-21
Banking Institutions	54.55	52.83	51.75	51.23	51.24	51.45	51.47
Insurance Companies	6.16	6.44	6.57	6.54	6.59	6.64	6.63
Parastatals	5.47	5.69	5.62	5.59	5.41	5.43	5.59
Pension Funds	28.53	30.32	30.46	30.59	30.64	30.59	30.41
Other Investors	5.30	4.73	5.59	6.06	6.12	5.90	5.89
<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-19	Jun-20	Sep-20	Dec-20	Jan-21	Feb-21	Mar-21
Domestic debt (KSh Bn)	2,785.94	3,176.97	3,457.11	3,488.54	3,532.56	3,531.18	3,569.84
Public & Publicly Guaranteed External debt (USD Bn)	29.55	33.01	33.77	34.75	34.68	34.74	34.42
Public & Publicly Guaranteed External debt (KSh Bn)	3,023.14	3,515.81	3,663.49	3,793.29	3,819.70	3,814.29	3,769.87
Public debt (KSh Bn)	<b>5,809.08</b>	<b>6,692.78</b>	<b>7,120.60</b>	<b>7,281.83</b>	<b>7,352.26</b>	<b>7,345.47</b>	<b>7,339.71</b>

Source: National Treasury and Central Bank of Kenya