



Central Bank of Kenya

Weekly Bulletin

November 11, 2022



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending November 10. It exchanged at KSh 121.74 per US dollar on November 10, compared to KSh 121.45 per US dollar on November 3 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,235 million (4.05 months of import cover) as at November 10. 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 November 10, as government payments more than offset government receipts. Commercial banks' excess reserves stood at KSh 28.8 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 4.20 percent on November 10 compared to 4.54 percent on November 3. During the week, the average number of interbank deals decreased to 19 from 33 in the previous week, while the average value traded decreased to KSh 13.1 billion from KSh 20.4 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of November 10, received bids totaling KSh 49.1 billion against an advertised amount of KSh 24.0 billion, representing a performance of 204.5 percent. Interest rates remained stable, with 91-day, 182-day and 364-day Treasury bill rates increasing marginally (**Table 4**).

During the Treasury bond auction of November 9, the fourteen-year fixed rate infrastructure bond issued received

bids totaling KSh 91.8 billion against an advertised amount of KSh 60.0 billion, representing a performance rate of 153.1 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, the NASI increased by 0.7 percent, while NSE 25 and NSE 20 share price indices declined by 0.3 percent and 0.9 percent, respectively. Market capitalization increased by 0.7 percent, while equity turnover and total shares traded declined by 8.1 percent and 12.8 percent, respectively, during the week ending November 10 (**Table 6**).

Bonds Market

Bond turnover in the domestic secondary market increased by 44.0 percent during the week ending November 10 (**Table 6**). In the international market, yields on Kenya's Eurobonds declined by an average of 238.7 basis points, with 2024 maturity declining by 287.1 basis points. The yield on the 10-Year Eurobond for Ghana increased while that of Angola declined by 113.2 basis points (**Chart 2**).

Global Trends

Concerns about inflation persisted during the week ending November 10, despite the US annual inflation rate easing to 7.7 percent in October from 8.2 percent in September. The index of the US dollar against a basket of major currencies weakened by 4.2 percent during the week ending November 10.

International oil prices decreased during the week ending November 10, due to increases in the US oil inventory and concerns about rebound in COVID-19 cases in China. Murban oil price fell to USD 91.00 per barrel on November 10 from USD 93.26 per barrel on November 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-Oct-22	121.31	140.65	121.64	82.94	31.45	19.22	8.79	17.05
31-Oct-22	121.33	140.30	121.09	82.25	31.36	19.22	8.79	17.04
1-Nov-22	121.38	139.79	120.34	81.60	31.22	19.21	8.79	17.04
2-Nov-22	121.41	139.89	120.43	82.29	31.22	19.21	8.79	17.03
3-Nov-22	121.45	139.85	120.34	82.45	31.08	19.20	8.79	17.03
Oct 28-Nov 3	121.38	140.10	120.77	82.31	31.27	19.21	8.79	17.04
4-Nov-22	121.50	136.90	118.85	82.21	31.32	19.19	8.79	17.02
7-Nov-22	121.54	136.70	119.48	82.64	31.14	19.19	8.79	17.02
8-Nov-22	121.61	139.14	121.36	82.84	31.08	19.18	8.78	17.01
9-Nov-22	121.67	139.34	121.59	83.17	31.07	19.17	8.78	17.00
10-Nov-22	121.74	139.69	122.34	83.55	31.01	19.16	8.78	16.99
Nov 4-10	121.61	138.35	120.72	82.88	31.12	19.18	8.79	17.01

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	13-Oct-22	19-Oct-22	27-Oct-22	3-Nov-22	10-Nov-22
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,294	7,316	7,286	7,213	7,235
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.11	4.13	4.11	4.04	4.05

*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-Oct-22	30	21,120.00	5.04
31-Oct-22	30	20,200.00	4.80
1-Nov-22	45	23,950.00	4.72
2-Nov-22	27	18,520.00	4.64
3-Nov-22	33	18,320.00	4.54
Oct 28-Nov 3	33	20,422.00	4.75
4-Nov-22	32	19,820.00	4.41
7-Nov-22	20	13,150.00	4.39
8-Nov-22	13	8,600.00	4.50
9-Nov-22	15	11,250.00	4.29
10-Nov-22	15	12,850.00	4.20
Nov 4-10	19	13,134.00	4.36

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	29-Sep-22	13-Oct-22	19-Oct-22	27-Oct-22	3-Nov-22	10-Nov-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)	5,129.43	10,151.89	19,518.51	11,992.46	18,550.41	26,513.04
Amount Accepted (KSh M)	2,487.10	10,150.23	13,847.84	11,971.45	16,535.55	18,647.13
Maturities (KSh M)	4,035.00	13,348.35	13,744.80	14,352.85	7,622.45	12,237.60
Average Interest Rate (%)	8.952	9.058	9.100	9.127	9.139	9.173
182-Day Treasury Bills						
Date of Auction	29-Sep-22	13-Oct-22	19-Oct-22	27-Oct-22	4-Nov-22	10-Nov-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)	3,049.07	13,946.23	4,819.96	2,153.68	8,336.78	13,891.83
Amount Accepted (KSh M)	3,039.53	12,944.68	4,672.62	2,067.25	6,400.13	11,010.05
Maturities (KSh M)	3,248.05	2,695.45	9,384.25	9,040.65	3,873.55	8,264.05
Average Interest Rate (%)	9.631	9.656	9.664	9.678	9.691	9.706
364-Day Treasury Bills						
Date of Auction	29-Sep-22	13-Oct-22	19-Oct-22	27-Oct-22	4-Nov-22	10-Nov-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)	1,133.80	3,918.82	3,965.45	4,044.29	16,764.88	8,683.43
Amount Accepted (KSh M)	1,124.70	3,918.64	3,965.45	3,590.62	16,537.96	8,681.53
Maturities (KSh M)	1,775.15	6,290.80	5,117.10	6,278.35	20,896.55	7,966.30
Average Interest Rate (%)	9.905	9.910	9.928	9.965	10.109	10.186

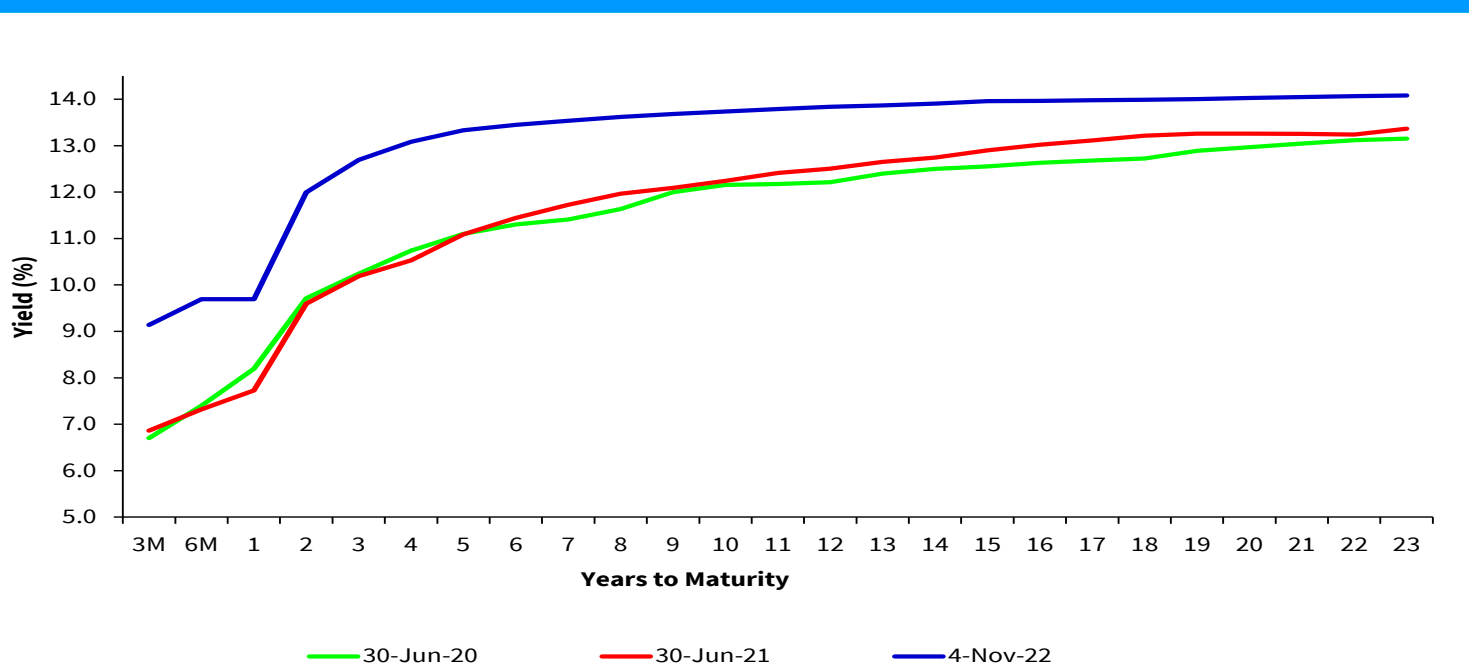
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	14-Sep-22		5-Oct-22		19-Oct-22	9-Nov-22
	RE-OPEN		RE-OPEN			
Tenor	FXD1/ 2022/10	FXD1/ 2022/15	FXD1/ 2017/10	FXD1/ 2020/15	FXD1/ 2022/25	IFB1/ 2022/14
Amount offered (KSh M)	50,000.00		40,000.00		20,000.00	60,000.00
Bids received (KSh M)	28,516.06	17,617.97	17,256.31	1,543.83	14,894.85	91,849.42
Amount Accepted (KSh M)	25,619.45	13,406.37	14,109.57	1,006.54	13,665.80	75,572.16
Maturities (KSh M)						
Average interest Rate (%)	13.95	13.98	13.37	13.97	14.19	13.94

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

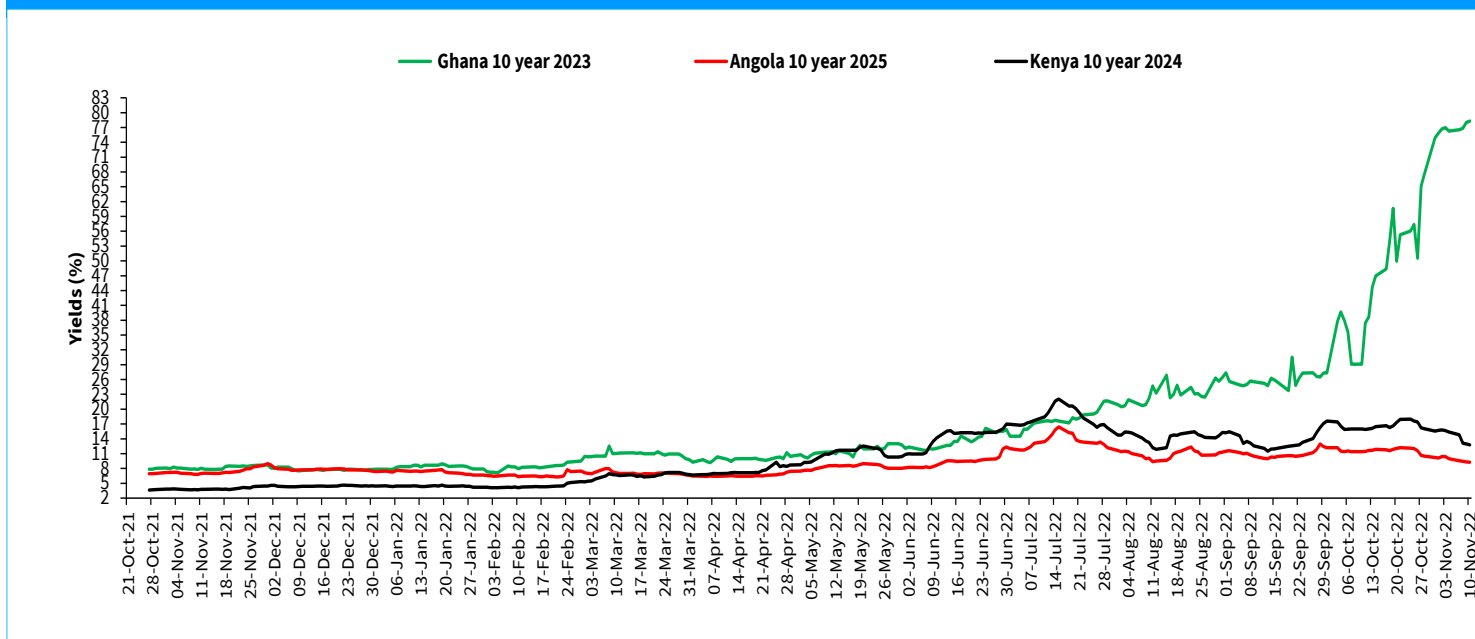
Table 6: Key Weekly Market Indicators

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
28-Oct-22	128.43	3121.68	1680.11	1,286.00	12.41	279.10	2,001.01	2,115.05	14.728	16.059	13.947	14.175	12.743	13.317
31-Oct-22	128.8	3122.13	1677.76	1,107.00	5.32	104.44	2,006.85	2,069.95	14.679	15.587	13.869	14.144	12.656	13.24
1-Nov-22	128.6	3117.98	1680.37	1,162.00	20.08	563.46	2,003.74	2,043.30	14.36	15.698	13.71	14.015	12.452	13.214
2-Nov-22	127.94	3105.06	1684.15	982.00	4.39	144.04	1,993.41	987.20	14.312	15.81	13.673	14.082	12.453	13.087
3-Nov-22	127.82	3103.53	1682.55	1,078.00	4.93	96.18	1,991.58	1,730.65	14.436	15.66	13.601	13.892	12.544	13.189
Oct 28- Nov 3	127.82	3,103.53	1,682.55	5,615.00	47.12	1187.22	1,991.58	8,946.15	14.436	15.658	13.601	13.892	12.544	13.189
4-Nov-22	127.5	3092.65	1675.66	971.00	11.44	204.91	1,987.34	1,531.59	13.748	15.38	13.444	13.797	12.125	12.914
7-Nov-22	127.53	3080.58	1663	1,085.00	6.55	131.58	1,987.07	680.99	13.7	14.811	13.093	13.452	11.452	12.769
8-Nov-22	127.36	3072.4	1664.62	1,001.00	9.40	320.22	1,984.40	2,794.41	12.121	13.111	12.481	12.292	11.154	12.019
9-Nov-22	127.91	3084.14	1669.31	967.00	5.40	217.52	1,992.90	4,730.05	11.938	12.966	11.783	11.903	10.769	11.828
10-Nov-22	128.74	3094.71	1667.34	779.00	8.29	216.86	2,005.92	3,148.71	11.258	12.787	11.531	11.63	10.148	11.642
Nov 4-Nov 10	128.74	3,094.71	1,667.34	4,803.00	41.08	1,091.09	2,005.92	12,885.76	11.258	12.787	11.531	11.630	10.148	11.642
Weekly Changes (%)	0.72	-0.28	-0.90	-14.46	-12.82	-8.10	0.72	44.04	-3.178*	-2.871*	-2.070*	-2.262*	-2.396*	-1.547*

* 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-20	30-Jun-21	31-Dec-21	29-Jul-22	30-Sep-22	28-Oct-22	4-Nov-22
1. Treasury Bills (Excluding Repos)	887.70	765.37	709.15	646.95	672.28	672.55	661.17
<i>(As % of total securities)</i>	28.56	21.17	17.95	15.29	15.61	15.62	15.40
2. Treasury Bonds	2,220.34	2,849.94	3,242.24	3,585.11	3,634.86	3,632.71	3,632.71
<i>(As % of total securities)</i>	71.44	78.83	82.05	84.71	84.39	84.38	84.60
3. Total Securities (1+2)	3,108.04	3,615.31	3,951.39	4,232.07	4,307.14	4,305.26	4,293.88
4. Overdraft at Central Bank	47.15	59.28	59.31	45.44	27.25	55.47	42.26
5. Other Domestic debt*	23.24	22.50	21.66	33.18	30.90	31.89	31.90
6. Gross Domestic Debt (3+4+5)	3,178.42	3,697.09	4,032.37	4,310.69	4,365.29	4,392.61	4,368.03

* 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-20	30-Jun-21	31-Dec-21	29-Jul-22	30-Sep-22	28-Oct-22	4-Nov-22
Treasury bills (Excluding Repos)	27.93	20.70	17.59	15.01	15.40	15.31	15.14
Treasury bonds	69.86	77.09	80.41	83.17	83.27	82.70	83.17
Overdraft at Central Bank	1.48	1.60	1.47	1.05	0.62	1.26	0.97
Other domestic debt	0.73	0.61	0.54	0.77	0.71	0.73	0.73
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-20	30-Jun-21	31-Dec-21	29-Jul-22	30-Sep-22	28-Oct-22	4-Nov-22
Banking Institutions	54.18	51.24	50.20	48.28	47.60	47.51	47.11
Insurance Companies	6.05	6.66	6.79	7.20	7.32	7.34	7.38
Parastatals	5.73	5.54	5.57	5.96	6.09	6.18	6.24
Pension Funds	29.04	30.60	31.34	32.56	32.75	32.69	32.96
Other Investors	5.00	5.96	6.10	6.01	6.24	6.28	6.31
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

	Dec-20	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Aug-22	Sep-22
Domestic debt (KSh Bn)	3,488.54	3,697.09	3,937.80	4,032.37	4,191.77	4,288.33	4,335.30	4,366.30
Public & Publicly Guaranteed External debt (USD Bn)	34.75	37.08	36.73	36.90	36.82	36.58	39.62	39.36
Public & Publicly Guaranteed External debt (KSh Bn)	3,793.29	3,999.54	4,058.50	4,174.37	4,209.56	4,290.73	4,327.90	4,334.80
Public debt (KSh Bn)	7,281.83	7,696.63	7,996.30	8,206.74	8,401.33	8,579.06	8,663.20	8,701.10

* Provisional

Source: The National Treasury and Central Bank of Kenya