



Central Bank of Kenya

Weekly Bulletin

April 14, 2023



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained relatively stable against major international and regional currencies during the week ending April 13. It exchanged at KSh 133.95 per US dollar on April 13, compared to KSh 132.94 per US dollar on April 5 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 6,376 million (3.56 months of import cover) as at April 13. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover (**Table 2**).

Remittances

Remittance inflows in March 2023 totalled USD 357.0 million compared to USD 309.2 million in February, an increase of 15.5 percent (**Chart 1**). The cumulative inflows for the 12 months to March 2023 totalled USD 4,020 million compared to USD 3,912 million in a similar period in 2022. The remittance inflows continue to support the current account and the foreign exchange market. The US remains the largest source of remittances into Kenya, accounting for 58 percent.

Money Market

Liquidity in the money market decreased during the week ending April 13 as tax remittances more than offset government payments. Commercial banks' excess reserves stood at KSh 10.4 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 8.46 percent on April 13 compared to 8.33 percent on April 6. During the week, the average number of interbank deals decreased to 28 from 42 in the previous week, while the average value traded decreased to KSh 23.8 billion from KSh 28.0 billion (**Table 3**).

Government Securities Market

The Treasury bills auction of April 13, received bids totaling KSh 29.4 billion against an advertised amount of KSh 24.0 billion, representing a performance of 122.6 percent. Interest rates remained stable, with 91-day, 182-day and 364-day rates increasing marginally (**Table 4**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices declined by 2.1 percent, 1.7 percent and 1.7 percent, respectively, during the week ending April 13. Similarly, market capitalization, equity turnover and total shares traded declined by 2.1 percent, 44.7 percent and 56.7 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market declined by 38.8 percent during the week ending April 13 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 24.4 basis points, with 2024 maturity increasing by 46.1 basis points. The yield on the 10-Year Eurobond for Angola declined while that for Ghana increased (**Chart 3**).

Global Trends

The IMF's World Economic Outlook (WEO) for April 2023, projects the global output growth to slow down from an estimated 3.4 percent in 2022 to 2.8 percent in 2023, before rising modestly to 3.0 percent in 2024. Risks to the global outlook are heavily skewed to the downside, with rising financial sector risks as the banking sector vulnerabilities come into focus. The side effects of the recent rise of policy rates in advanced economies is also becoming evident even as inflation has remained high. The U.S inflation declined to 5.0 percent in March from 6.0 percent in February. The US dollar index weakened by 0.01 percent against a basket of major currencies during the week ending April 13.

International oil prices increased during the week, mainly due to increased demand. Murban oil price increased to USD 88.52 per barrel on April 13 from USD 85.94 per barrel on April 6.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
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
6-Apr-23	133.30	166.31	145.89	101.92	28.21	17.56	8.28	15.61
March 31-April 6	132.62	164.54	144.55	99.92	28.48	17.65	8.31	15.68
7-Apr-23	Public Holiday (Good Friday)							
10-Apr-23	Public Holiday (Easter Monday)							
11-Apr-23	133.59	166.01	145.66	100.23	27.96	17.52	8.26	15.58
12-Apr-23	133.72	166.24	145.89	99.96	27.86	17.54	8.25	15.56
13-Apr-23	133.95	166.92	146.98	100.48	27.96	17.51	8.24	15.54
April 7-13	133.75	166.39	146.18	100.22	27.92	17.52	8.25	15.56

*Units of currency per Kenya Shilling

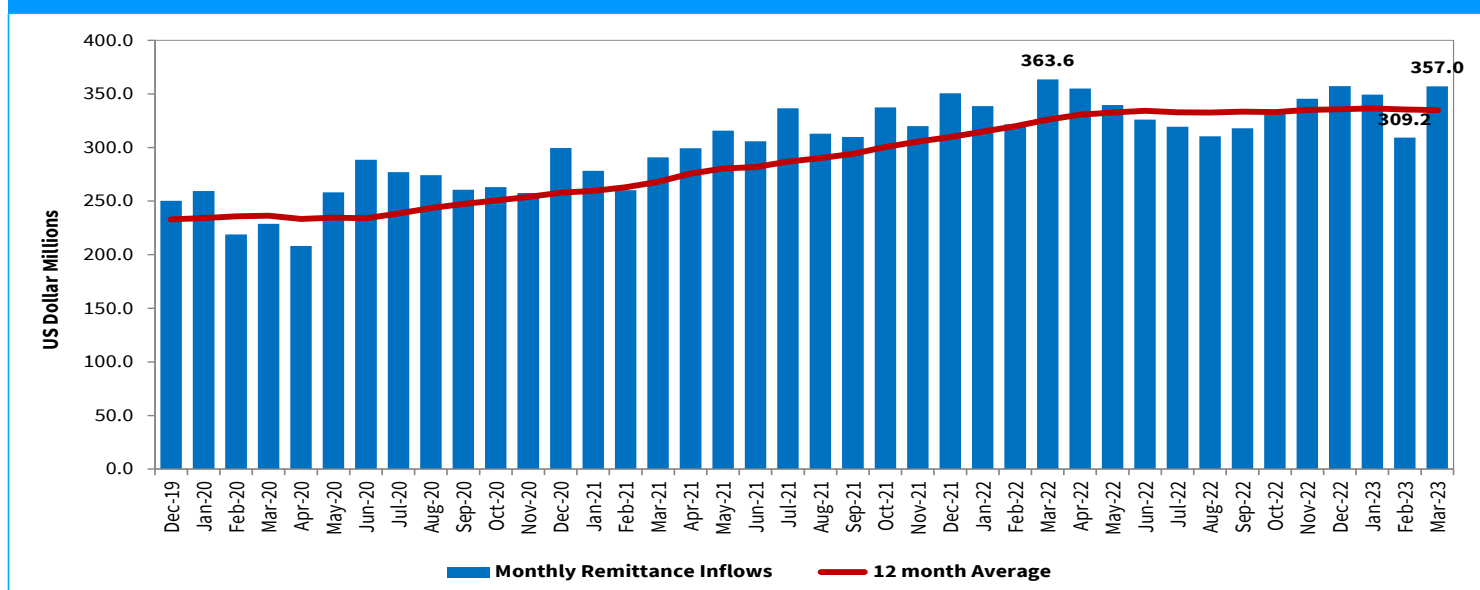
Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	16-Mar-23	23-Mar-23	30-Mar-23	5-Apr-23	13-Apr-23
1. CBK Usable Foreign Exchange Reserves (USD Million)	6,560	6,550	6,426	6,446	6,376
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.66	3.66	3.59	3.60	3.56

*Based on 36 months average of imports of goods and non-factor services

Source: Central Bank of Kenya

Chart 1: Monthly Remittance Inflows (USD Million)

Source: Central Bank of Kenya

Table 3: Money Markets			
Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
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
6-Apr-23	56	35,560.00	8.33
Mar 31-Apr 6	42	27,980.00	8.02
7-Apr-23	Public Holiday (Good Friday)		
10-Apr-23	Public Holiday (Easter Monday)		
11-Apr-23	30	28,350.00	8.37
12-Apr-23	33	21,820.00	8.44
13-Apr-23	21	21,200.00	8.46
April 7-13	28	23,790.00	8.42

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	29-Sep-22	29-Dec-22	26-Jan-23	30-Mar-23	5-Apr-23	13-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)	5,129.43	2,180.21	18,357.67	2,904.04	25,731.57	24,877.74
Amount Accepted (KSh M)	2,487.10	2,120.42	16,154.81	2,765.00	25,678.34	22,825.19
Maturities (KSh M)	4,035.00	2,539.95	12,234.40	2,158.40	19,680.40	16,017.95
Average Interest Rate (%)	8.952	9.369	9.538	9.907	10.004	10.072
182-Day Treasury Bills						
Date of Auction	29-Sep-22	29-Dec-22	26-Jan-23	30-Mar-23	5-Apr-23	13-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)	3,049.07	434.69	10,264.50	3,547.05	580.20	2,471.59
Amount Accepted (KSh M)	3,039.53	434.69	10,263.50	3,457.80	580.20	2,471.11
Maturities (KSh M)	3,248.05	1,660.95	1,934.70	3,176.30	7,197.90	13,460.15
Average Interest Rate (%)	9.631	9.834	9.954	10.399	10.368	10.428
364-Day Treasury Bills						
Date of Auction	29-Sep-22	29-Dec-22	26-Jan-23	30-Mar-23	5-Apr-23	13-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)	1,133.80	1,691.33	5,676.29	1,810.42	6,029.84	2,072.73
Amount Accepted (KSh M)	1,124.70	1,691.33	5,676.29	1,810.42	6,029.84	2,072.73
Maturities (KSh M)	1,775.15	5,396.40	19,296.80	2,660.05	8,904.65	4,525.75
Average Interest Rate (%)	9.905	10.308	10.504	10.800	10.857	10.932

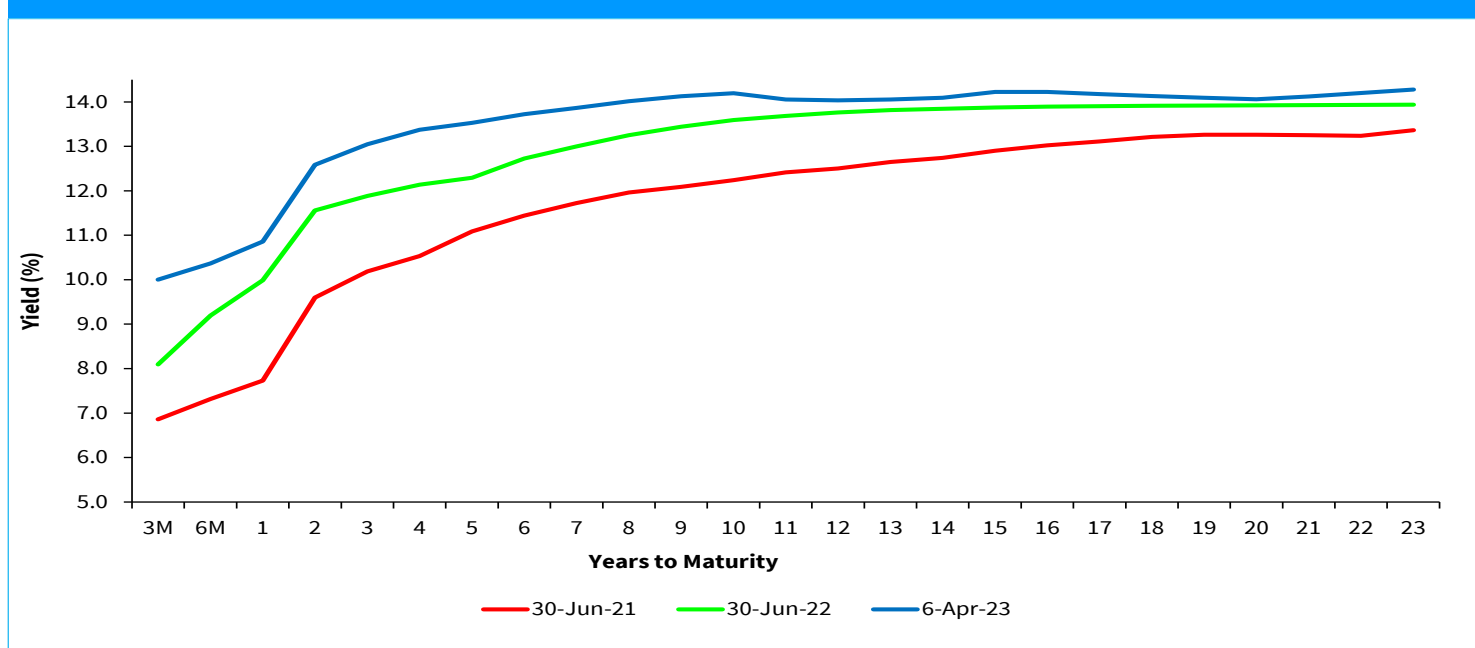
Source: Central Bank of Kenya

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 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

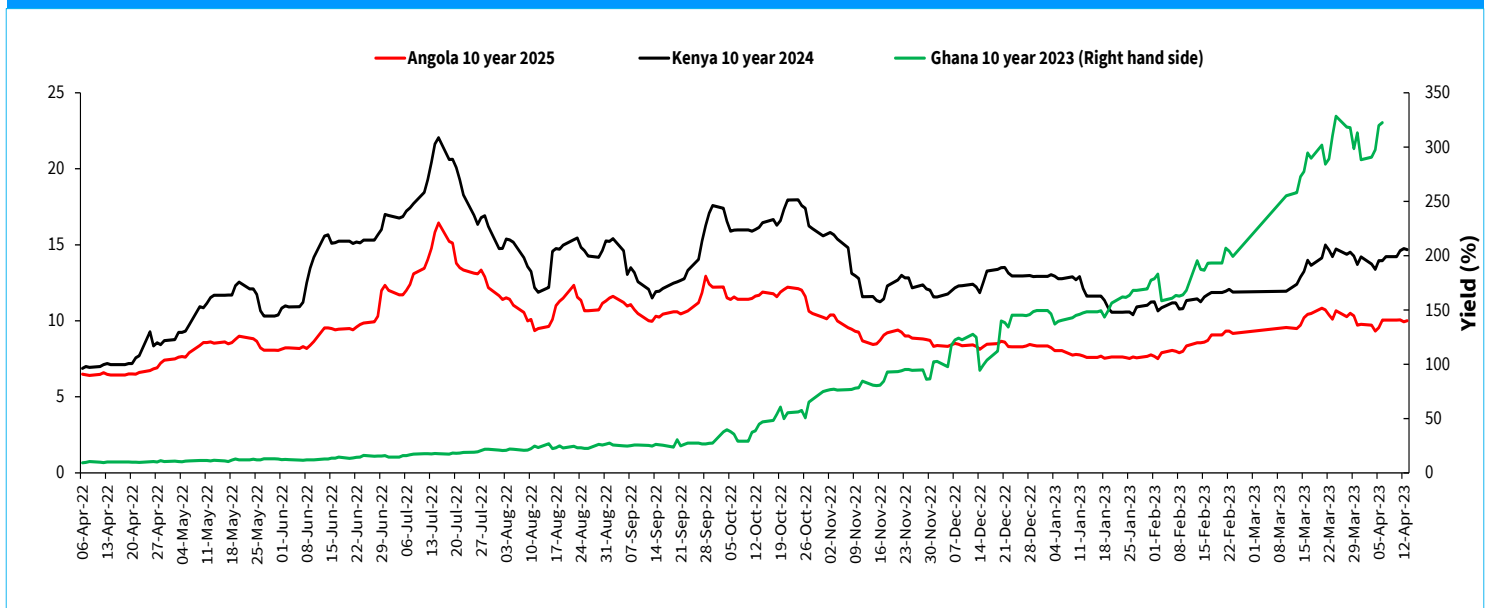
Table 6: Performance of Key Market Indicators

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
31-Mar-23	112.76	2965.91	1622.05	1,126	4.55	139.96	1756.26	2,952.80	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	1,444.00	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	2,011.86	13.191	13.953	12.214	11.696	11.177	11.435
6-Apr-23	114.26	2981.80	1645.65	1,111	12.99	312.59	1779.67	1,646.85	13.309	14.217	12.453	12.007	11.363	11.616
Mar 3-April 5	114.26	2981.80	1645.65	5,940.00	76.26	1,663.72	1,779.67	8,987.56	13.309	14.217	12.453	12.007	11.363	11.616
7-Apr-23	Public Holiday (Good Friday)								13.309	14.217	12.453	12.007	11.363	11.616
10-Apr-23	Public Holiday (Easter Monday)								13.309	14.217	12.453	12.007	11.363	11.616
11-Apr-23	113.61	2970.06	1632.30	1,409	11.68	303.65	1759.59	1,621.05	13.601	14.607	12.696	12.152	11.524	11.739
12-Apr-23	113.20	2955.79	1624.79	1,062	7.12	155.64	1763.11	1,305.90	13.606	14.75	12.698	12.125	11.552	11.759
13-Apr-23	111.90	2930.05	1618.15	1,343	14.26	461.38	1742.82	2,577.40	13.623	14.678	12.705	12.128	11.555	11.739
April 7-13	111.90	2930.05	1618.15	3,814.00	33.06	920.67	1,742.82	5,504.35	13.623	14.678	12.705	12.128	11.555	11.739
Weekly Changes (%)	-2.07	-1.74	-1.67	-35.79	-56.65	-44.66	-2.07	-38.76	0.314*	0.461*	0.252*	0.121*	0.192*	0.123*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

Chart 3: Yields on 10-Year Eurobonds for Selected Countries



Source: Thomson Reuters

*Published yields data on Ghana is 10 year 2023 Euro bond, were last updated on 5th April 2023.

Table 7: Government Domestic Debt (KSh Billion)

	31-Mar-22	24-Jun-22	30-Sep-22	30-Dec-22	28-Feb-23	31-Mar-23	06-Apr-23
1. Treasury Bills (Excluding Repos)	656.45	620.28	672.28	671.51	675.41	665.86	666.21
<i>(As % of total securities)</i>	16.02	14.88	15.61	15.32	15.18	15.01	15.01
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>	83.98	85.12	84.39	84.68	84.82	84.99	84.99
3. Total Securities (1+2)	4,097.06	4,169.81	4,307.14	4,382.13	4,448.85	4,436.89	4,437.24
4. Overdraft at Central Bank	68.40	65.86	27.25	58.50	68.73	69.94	78.06
5. Other Domestic debt*	26.32	30.55	30.90	32.76	33.98	33.97	33.98
6. Gross Domestic Debt (3+4+5)	4,191.77	4,266.23	4,365.29	4,473.39	4,551.56	4,540.80	4,549.28

* 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	31-Mar-23	6-Apr-23
Treasury bills (Excluding Repos)	15.81	14.54	15.40	15.01	14.84	14.66	14.64
Treasury bonds	82.09	83.20	83.27	82.95	82.90	83.05	82.89
Overdraft at Central Bank	1.46	1.54	0.62	1.31	1.51	1.54	1.72
Other domestic debt	0.64	0.72	0.71	0.73	0.75	0.75	0.75
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00

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	31-Mar-23	6-Apr-23
Banking Institutions	49.29	48.74	47.60	46.84	46.79	46.13	46.12
Insurance Companies	6.87	7.14	7.32	7.37	7.35	7.39	7.44
Parastatals	5.72	5.84	6.09	6.06	6.05	6.04	6.00
Pension Funds	31.75	32.39	32.75	33.31	33.10	33.42	33.32
Other Investors	6.37	5.89	6.24	6.43	6.70	7.01	7.12
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

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
Public debt (KSh Bn)	8,206.74	8,401.33	8,579.06	8,701.10	8,898.46	9,145.98	9,182.83

* Provisional

Source: The National Treasury and Central Bank of Kenya