



Central Bank of Kenya

# Weekly Bulletin

November 20, 2020

## KEY MONETARY AND FINANCIAL INDICATORS

### Exchange Rates

The Kenya Shilling remained relatively stable against major international and regional currencies during the week ending November 19. It exchanged at KSh 109.32 per US dollar on November 19, compared to KSh 109.03 per US dollar on November 12 (Table 1).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,928 million (4.87 months of import cover) as at November 19. 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).

### Remittances

Remittance inflows remained strong in October 2020 amounting to USD 263.1 million compared to USD 224.3 million in October 2019, a significant increase of 17.3 percent (Chart 1). The cumulative inflows in the 12 months to October totaled USD 3,006 million compared to USD 2,791 million in the 12 months to October 2019.

### Money Markets

The money market was relatively liquid during the week ending November 19, supported by government payments, which offset tax receipts. Commercial banks' excess reserves stood at KSh 8.2 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 3.05 percent on November 19 compared to 2.85 percent on November 12. The average number of interbank deals per day declined to 12 from 19 in the previous week and the average value traded also declined to KSh 4.7 billion from KSh 8.2 billion in the previous week (Table 3).

### Government Securities Market

The Treasury bills auction of November 19 received bids totalling KSh 25.0 billion against an advertised amount of KSh 24.0 billion, representing a performance of 104.2 percent. Interest rates on all the Treasury bills tenures remained stable, only rising marginally (Table 4).

The re-opened 15-year and 20-year Treasury bond auctions of November 18 received bids totalling KSh 56.0 billion against an advertised amount of KSh 40.0 billion, representing a performance of 140.0 percent. Interest rate on the 15-year Treasury bond was lower compared to the March 2018 instrument of similar tenure. The rate on the 20-year bond remained virtually unchanged from that of the March 2020 bond of similar tenure (Table 5).

### Equity Market

At the Nairobi Securities Exchange, the NSE 20 share index increased marginally by 0.2 percent during the week ending November 19. However, the NASI and NSE 25 share indices, market capitalization, total shares traded and total equity turnover declined by 0.6 percent, 0.9 percent, 0.6 percent, 28.1 percent and 20.8 percent, respectively (Table 6).

### Bond Market

Turnover of bonds traded in the domestic secondary market increased by 57.0 percent during the week ending November 19 (Table 6). In the international market, yields on Kenya's Eurobonds declined by an average of 5.0 basis points. The yields on the 10-year Eurobonds for Ghana and Angola also declined marginally (Chart 3).

### Global Trends

Global financial markets sentiment was subdued during the week ending November 19 as the positive vaccine headlines were overshadowed by the renewed surge in COVID-19 infections that led to new lockdowns in major economies.

International oil prices increased marginally during the week. Murban oil price increased to USD 44.56 per barrel on November 19 from USD 44.51 per barrel on November 12.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
6-Nov-20	108.91	142.41	128.85	105.03	34.34	21.30	8.99	17.77
9-Nov-20	108.92	142.86	129.29	105.38	34.11	21.29	9.01	17.78
10-Nov-20	108.93	143.37	129.21	103.79	33.97	21.29	8.99	17.77
11-Nov-20	108.97	144.46	128.63	103.53	33.96	21.26	8.99	17.77
12-Nov-20	109.03	144.64	128.32	103.59	33.96	21.27	8.99	17.76
<b>Nov 6-12</b>	<b>108.95</b>	<b>143.55</b>	<b>128.86</b>	<b>104.26</b>	<b>34.07</b>	<b>21.28</b>	<b>8.99</b>	<b>17.77</b>
13-Nov-20	109.11	143.59	128.75	103.60	33.86	21.25	9.05	17.75
16-Nov-20	109.11	143.59	128.75	103.60	33.86	21.25	9.05	17.75
17-Nov-20	109.23	144.17	129.36	104.41	33.83	21.23	9.04	17.73
18-Nov-20	109.26	144.68	129.70	105.02	33.84	21.22	9.04	17.73
19-Nov-20	109.32	145.05	129.77	105.32	33.94	21.21	9.04	17.72
<b>Nov 13-19</b>	<b>109.21</b>	<b>144.22</b>	<b>129.27</b>	<b>104.39</b>	<b>33.87</b>	<b>21.23</b>	<b>9.04</b>	<b>17.73</b>

\* Units of currency per Kenya Shilling

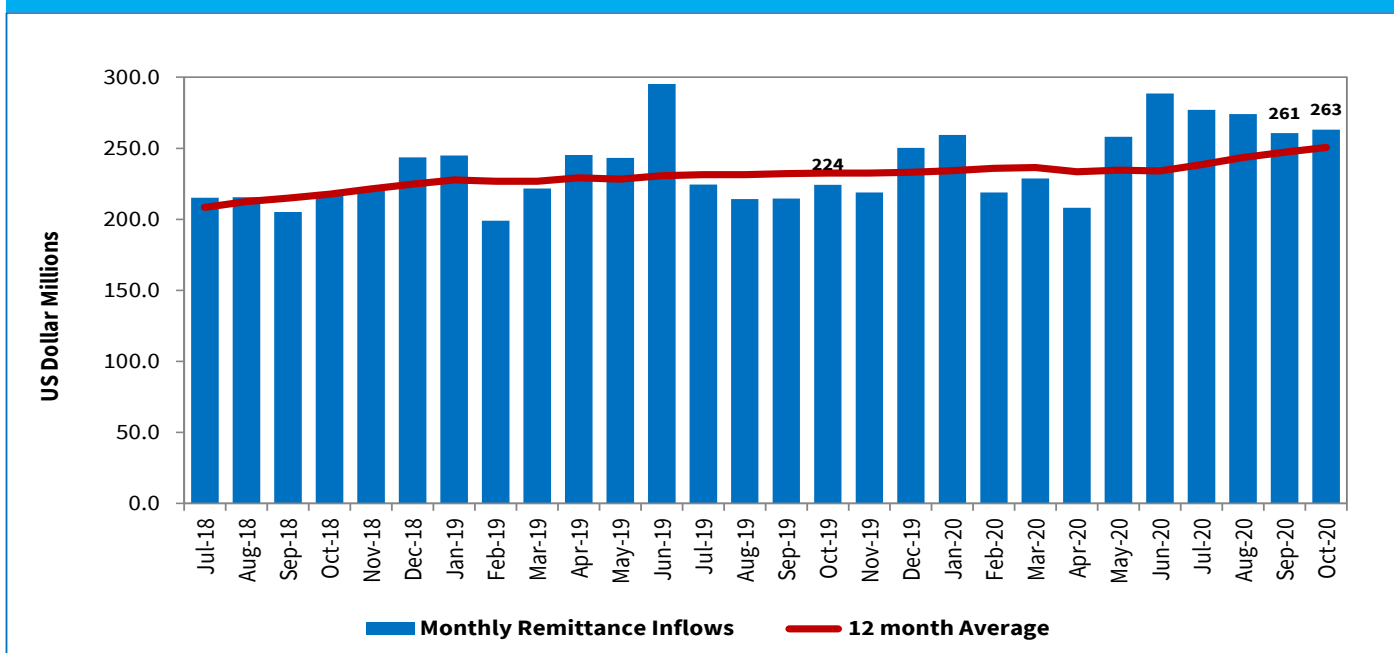
Source: Central Bank of Kenya

**Table 2: Official Usable Foreign Exchange Reserves**

	22-Oct-20	29-Oct-20	5-Nov-20	12-Nov-20	19-Nov-20
1. CBK Usable Foreign Exchange Reserves (USD Million)	8,223	8,121	8,128	8,142	7,928
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.99	4.93	4.93	4.94	4.87

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

Source: Central Bank of Kenya

**Chart 1: Remittances**

Source: Central Bank of Kenya

<b>Table 3: Money Market</b>			
<b>Date</b>	<b>Number of Deals</b>	<b>Value (KSh M)</b>	<b>Average Interbank Rate (%)</b>
6-Nov-20	17	7,080.00	3.34
9-Nov-20	24	7,620.00	3.32
10-Nov-20	17	6,080.00	3.24
11-Nov-20	18	10,200.00	3.00
12-Nov-20	18	10,250.00	2.85
<b>Nov 6-12</b>	<b>19</b>	<b>8,246.00</b>	<b>3.15</b>
13-Nov-20	10	5,200.00	2.74
16-Nov-20	14	6,050.00	2.90
17-Nov-20	12	4,190.00	2.95
18-Nov-20	13	3,705.00	3.00
19-Nov-20	12	4,225.00	3.05
<b>Nov 13-19</b>	<b>12</b>	<b>4,674.00</b>	<b>2.93</b>

Source :Central Bank of Kenya

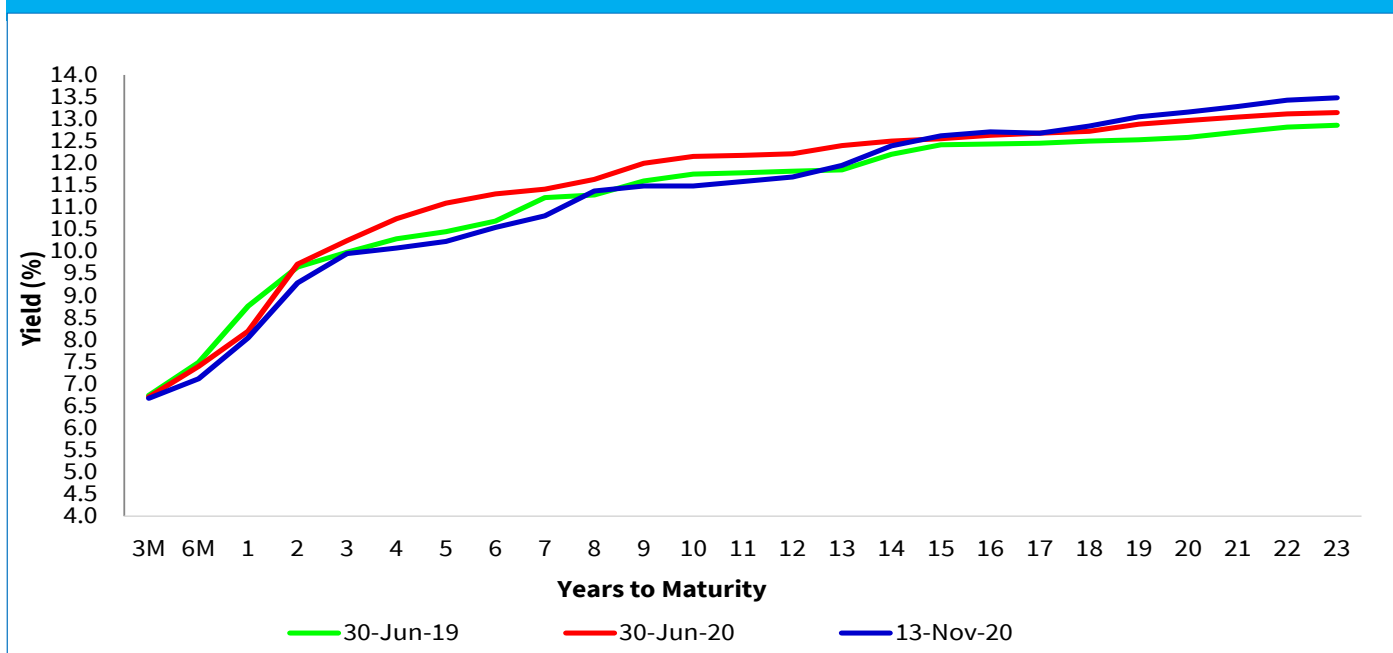
<b>Table 4: Performance of Treasury Bills Auctions</b>						
<b>91-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>15-Oct-20</b>	<b>22-Oct-20</b>	<b>29-Oct-20</b>	<b>5-Nov-20</b>	<b>12-Nov-20</b>	<b>19-Nov-20</b>
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	8,606.77	4,122.47	2,996.75	2,277.60	8,812.03	5,581.88
Amount Accepted (KSh M)	8,114.99	4,121.49	2,505.10	2,277.01	8,566.26	5,560.64
Maturities (KSh M)	30,310.30	10,965.75	12,075.95	7,630.90	6,446.35	2,647.55
<b>Average Interest Rate (%)</b>	<b>6.520</b>	<b>6.589</b>	<b>6.653</b>	<b>6.666</b>	<b>6.674</b>	<b>6.706</b>
<b>182-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>15-Oct-20</b>	<b>22-Oct-20</b>	<b>29-Oct-20</b>	<b>5-Nov-20</b>	<b>12-Nov-20</b>	<b>19-Nov-20</b>
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)	7,096.82	7,227.81	3,306.60	4,550.59	8,025.50	6,502.84
Amount Accepted (KSh M)	6,130.87	6,744.88	3,305.83	4,550.59	8,025.31	6,498.06
Maturities (KSh M)	772.55	4,619.10	2,621.45	3,938.85	4,604.35	5,732.95
<b>Average Interest Rate (%)</b>	<b>6.909</b>	<b>6.967</b>	<b>7.038</b>	<b>7.072</b>	<b>7.114</b>	<b>7.152</b>
<b>364-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>15-Oct-20</b>	<b>22-Oct-20</b>	<b>29-Oct-20</b>	<b>5-Nov-20</b>	<b>12-Nov-20</b>	<b>19-Nov-20</b>
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)	15,888.06	8,173.50	11,010.11	20,995.11	13,534.57	12,931.81
Amount Accepted (KSh M)	15,744.90	8,140.63	10,721.36	20,726.82	13,071.40	12,098.00
Maturities (KSh M)	8,371.60	14,261.45	14,027.10	24,619.30	12,275.85	5,308.05
<b>Average Interest Rate (%)</b>	<b>7.800</b>	<b>7.840</b>	<b>7.933</b>	<b>7.994</b>	<b>8.042</b>	<b>8.094</b>

Source: Central Bank of Kenya

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

Date of Auction	16-Sept-20			14-Oct-20		11-Nov-20	18-Nov-20	
	REOPEN			REOPEN		TAP	REOPEN	
Tenor	FXD1/ 2011/20	FXD1/ 2020/15	FXD2/ 2010/15	FXD1/ 2011/20	FXD1/ 2018/25	FXD1/ 2018/25	FXD2/ 2013/15	FXD1/ 2018/20
Amount offered (KSh M)	50,000.00			50,000.00		20,000.00	40,000.00	
Bids received (KSh M)	14,044.33	49,791.29	17,841.15	23,155.69	45,981.50	7,959.90	27,102.68	28,877.58
Amount Accepted (KSh M)	7,465.13	45,691.75	11,019.41	16,992.04	43,034.10	7,904.66	26,226.46	27,490.59
Maturities (KSh M)	0.00			33,387.90		0.00	30,673.85	
Average interest Rate (%)	11.87	12.51	10.46	11.99	13.49	13.49	11.45	13.25

Source: Central Bank of Kenya

**Chart2: Government Securities Yield Curve**

Source: Nairobi Securities Exchange (NSE)

Table 6: Key Weekly Market Indicators													
INDICATOR	NASI	NSE 25 Share Index	NSE 20 Share Index 100=1996	Total Deals (Equity)	Total Shares Traded (Million)	Equity Turnover (KSh Million)	Market Capitalization (KSh Billion)	Bonds Turnover (KSh Million)	Eurobond Yields (%)				
									7-Year 2027	10-Year 2024	10-Year 2028	12-Year 2032	30-Year 2048
6-Nov-20	141.3	3,200.4	1,769.5	705.0	15.3	373.9	2,169.8	1,180.9	5.602	4.710	6.089	6.884	7.687
9-Nov-20	139.8	3,179.5	1,763.9	717.0	5.4	94.4	2,145.5	1,530.8	5.272	4.418	5.802	6.661	7.501
10-Nov-20	140.9	3,211.1	1,769.0	946.0	20.2	413.2	2,163.4	2,553.2	5.409	4.416	5.944	6.708	7.635
11-Nov-20	144.1	3,282.1	1,791.4	871.0	16.4	587.9	2,212.6	1,471.5	5.403	5.000	5.862	6.740	7.593
12-Nov-20	143.3	3,268.6	1,780.6	761.0	24.0	608.7	2,200.3	1,392.3	5.548	4.592	5.984	6.723	7.634
<b>Nov 6-12</b>	<b>143.3</b>	<b>3,268.6</b>	<b>1,780.6</b>	<b>4,000.0</b>	<b>81.3</b>	<b>2,078.1</b>	<b>2,200.3</b>	<b>8,128.5</b>	<b>5.548</b>	<b>4.592</b>	<b>5.984</b>	<b>6.723</b>	<b>7.634</b>
13-Nov-20	143.9	3,280.7	1,789.5	831.0	16.4	371.9	2,209.9	2,617.8	5.451	4.700	6.086	6.851	7.739
16-Nov-20	144.5	3,283.5	1,783.2	706.0	7.9	266.8	2,218.2	4,095.8	5.536	4.699	5.962	6.723	7.729
17-Nov-20	144.5	3,290.2	1,787.5	855.0	14.1	362.8	2,218.8	2,614.8	5.608	4.734	6.003	6.755	7.707
18-Nov-20	144.1	3,278.3	1,788.5	797.0	6.6	209.8	2,212.3	2,372.0	5.401	4.696	6.003	6.802	7.676
19-Nov-20	142.4	3,241.0	1,784.4	750.0	13.4	435.3	2,186.1	1,063.0	5.370	4.691	5.899	6.627	7.645
<b>Nov 13-19</b>	<b>142.4</b>	<b>3241.0</b>	<b>1784.4</b>	<b>3939.0</b>	<b>58.4</b>	<b>1646.6</b>	<b>2186.1</b>	<b>12,763.3</b>	<b>5.370</b>	<b>4.691</b>	<b>5.899</b>	<b>6.627</b>	<b>7.645</b>
<b>Weekly Changes (%)</b>	<b>-0.64</b>	<b>-0.85</b>	<b>0.21</b>	<b>-1.53</b>	<b>-28.11</b>	<b>-20.76</b>	<b>-0.64</b>	<b>57.02</b>	<b>-0.178*</b>	<b>0.099*</b>	<b>-0.085*</b>	<b>-0.096*</b>	<b>0.011*</b>

\* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thompson Reuters

Table 7: Government Domestic Debt (KSh Billion)							
	28-Jun-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	30-Oct-20	13-Nov-20
1. Treasury Bills (Excluding Repos)	954.25	878.94	900.62	887.14	894.73	858.68	840.61
<i>(As % of total securities)</i>	<b>35.29</b>	<b>30.80</b>	<b>30.09</b>	<b>28.55</b>	<b>26.50</b>	<b>25.48</b>	<b>25.08</b>
2. Treasury Bonds	1,749.71	1,974.69	2,092.64	2,220.34	2,482.24	2,511.27	2,511.27
<i>(As % of total securities)</i>	<b>64.71</b>	<b>69.20</b>	<b>69.91</b>	<b>71.45</b>	<b>73.50</b>	<b>74.52</b>	<b>74.92</b>
3. Total Securities (1+2)	2,703.96	2,853.63	2,993.26	3,107.48	3,376.98	3,369.95	3,351.88
4. Overdraft at Central Bank	57.33	63.72	54.18	47.15	56.21	63.53	59.58
5. Other Domestic debt*	25.76	24.75	25.10	23.24	23.92	23.94	23.94
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>2,787.04</b>	<b>2,942.10</b>	<b>3,072.54</b>	<b>3,177.87</b>	<b>3,457.11</b>	<b>3,457.42</b>	<b>3,435.40</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: Government Domestic Debt by Instrument (percent)**

	28-Jun-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	30-Oct-20	13-Nov-20
Treasury bills (Excluding Repos)	34.24	29.87	29.31	27.92	25.88	24.84	24.47
Treasury bonds	62.78	67.12	68.11	69.87	71.80	72.63	73.10
Overdraft at Central Bank	2.06	2.17	1.76	1.48	1.63	1.84	1.73
Other domestic debt	0.92	0.84	0.82	0.73	0.69	0.69	0.70
<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)**

	28-Jun-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	30-Oct-20	13-Nov-20
Banking Institutions	54.38	54.33	54.33	54.86	55.15	54.66	54.64
Insurance Companies	6.13	6.42	6.30	6.05	6.16	6.30	6.33
Parastatals	6.97	6.49	6.13	5.73	5.47	5.56	5.64
Pension Funds	28.24	28.60	29.04	29.05	28.52	28.75	28.63
Other Investors	4.28	4.17	4.20	4.32	4.71	4.73	4.76
<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>

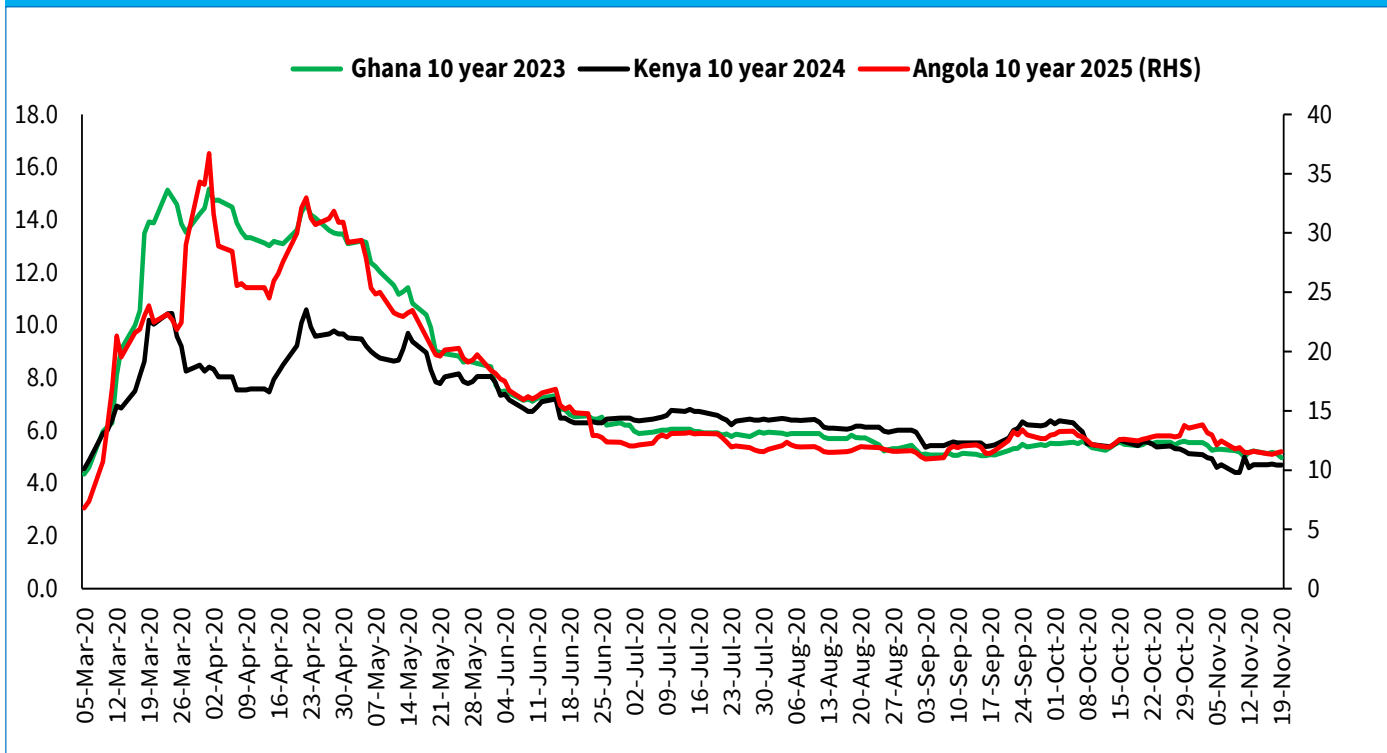
Source: Central Bank of Kenya

**Table 10: Indicators of Government Debt**

	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Aug-20	Sep-20
Domestic debt (KSh Bn)	2,787.04	2,851.64	2,942.10	3,072.54	3,177.87	3,401.61	3,457.11
Public & Publicly Guaranteed External debt (US \$ Bn)	29.55	29.95	30.66	30.69	33.01	33.88	33.77
Public & Publicly Guaranteed External debt (KSh Bn)	3,023.14	3,111.80	3,106.82	3,212.63	3,515.81	3,666.32	3,663.49
Public debt (KSh Bn)	<b>5,810.18</b>	<b>5,963.44</b>	<b>6,048.93</b>	<b>6,285.18</b>	<b>6,693.68</b>	<b>7,067.93</b>	<b>7,120.60</b>

Source: National Treasury and Central Bank of Kenya

**Chart 3: Yields on 10 year Eurobonds for Selected African Countries**



Source: Thomson Reuters