



Week ending 30th October 2020

Weekly Fixed Income Note

Key Highlight:

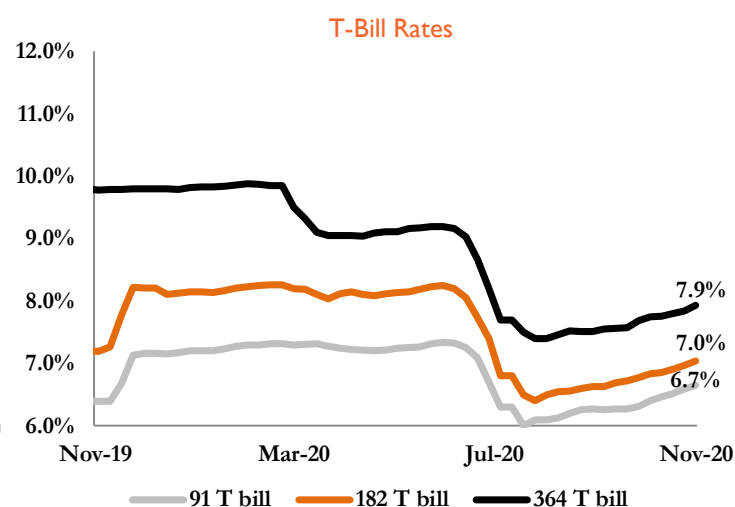
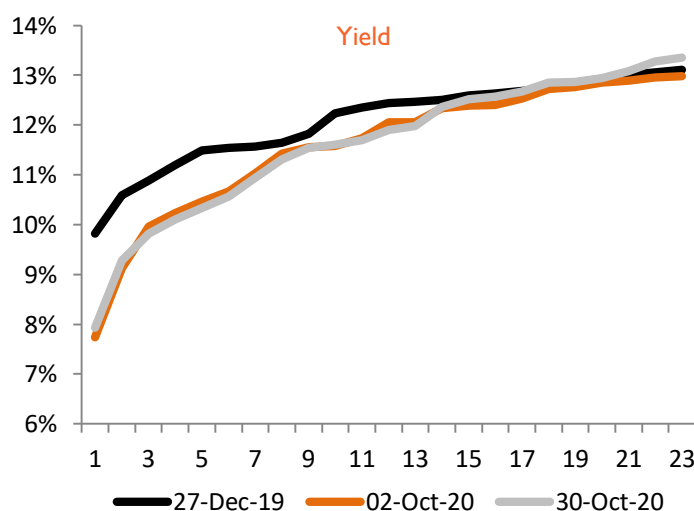
A total of KES **24.0 Billion** worth of T-bills were on offer during the week. The **91-day, 182-day** and **364-day** T-bills were under-subscribed recording subscription rates of **75%, 33%** and **110%** respectively. The CBK accepted KES **2.5B, 3.3B** and **10.7B** respectively of the bids for the **91-day, 182-day** and **364-day** T-bills on offer.

Key Indicators

	Current	Previous	% Change
91- Day	6.65%	6.59%	0.91%
182-Day	7.04%	6.97%	1.00%
364-Day	7.93%	7.84%	1.15%
Interbank Rate	3.42%	2.90%	17.93%

Macroeconomic data	Current	Previous
GDP (2Q20vs. 2Q19)	-5.7%	5.6%
Inflation (October)	4.84%	4.20%
Private sector credit growth (August)	8.30%	7.6%
Money Supply (August)	11.01%	11.29%

Interest Rates



MACROECONOMIC NEWS

Currency

The Kenya shilling lost ground against the USD this past week depreciating by **0.05%** to stand at **108.82**. The CBK's usable forex reserves currently stands at **USD 8,121million (4.93 months of import cover)** as at October 29th a **1.24%** decrease from **USD8,223million(4.99 months of import cover)** as at October 22nd.

Inflation

Inflation rose to **4.84%** in October. The CPI increased by **0.95** from **108.57** in September to **109.60** in October.. This increase occurred on the back of a rise in the housing, water, electricity, gas & other fuels and transport indices which increased by **0.94%** and **0.62%** respectively.

GDP growth

Growth receded to **-5.7%** in 2Q20 from **5.6%** in the corresponding period of 2019. While the agricultural sector grew slightly by **0.3%** to **6.4%** year-on-year, other sectors have had negative growth including manufacturing, education and accommodation that slowed down to **-3.9%**, **-56.2%** and **-83.3%** respectively as a result of the crisis caused by the pandemic. For more information [click here](#).

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