



# QUARTERLY MARKET ANALYSIS REPORT

January – March 2020

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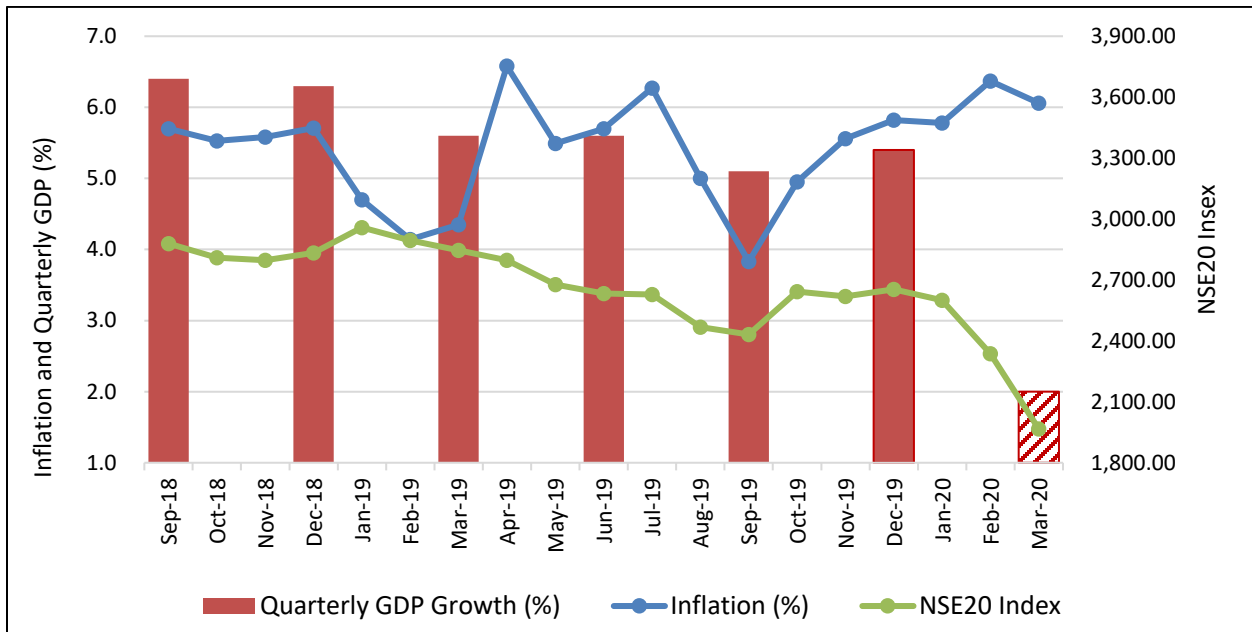
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# 1. Performance in the Real Sector

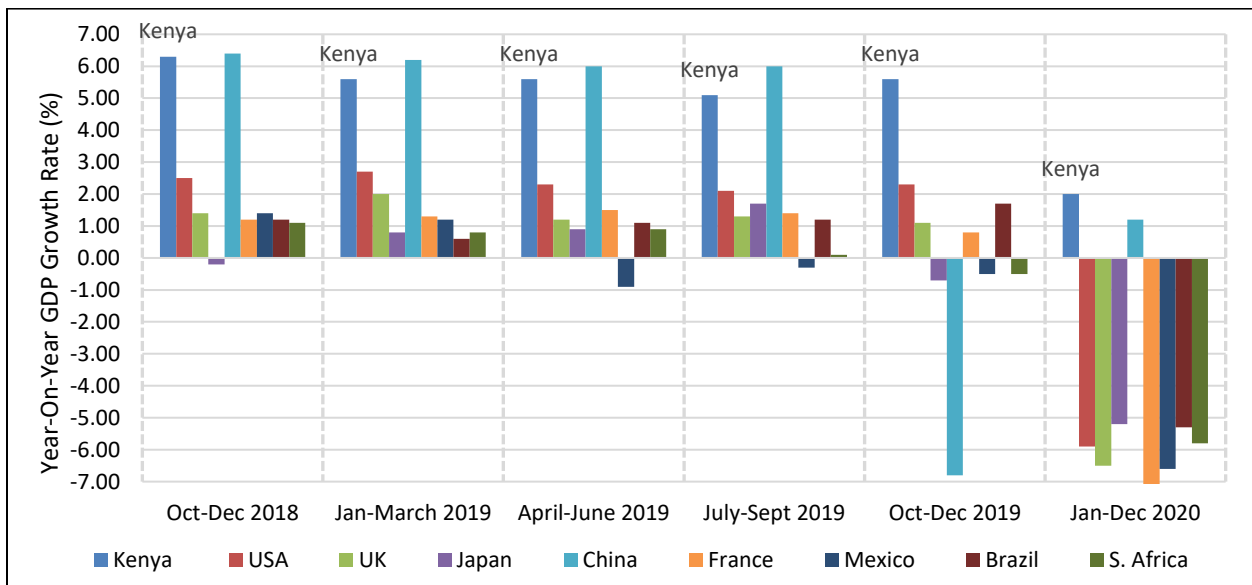
## a) GDP Performance

**Figure 1: GDP growth, inflation and stock market performance**



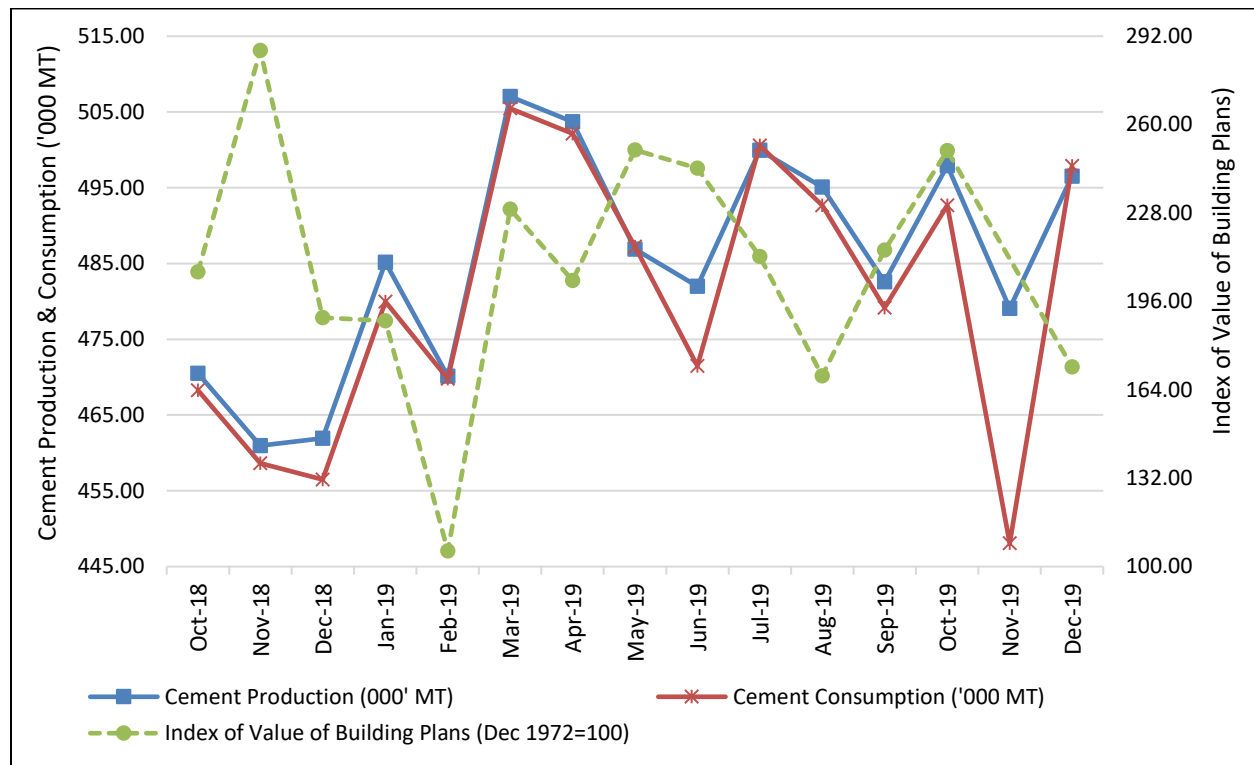
Data source: Central Bank of Kenya; Kenya National Bureau of Statistics; Figure for March 2020 from the World Economic Outlook, April 2020

**Figure 2: Economic performance of selected advanced and emerging markets**



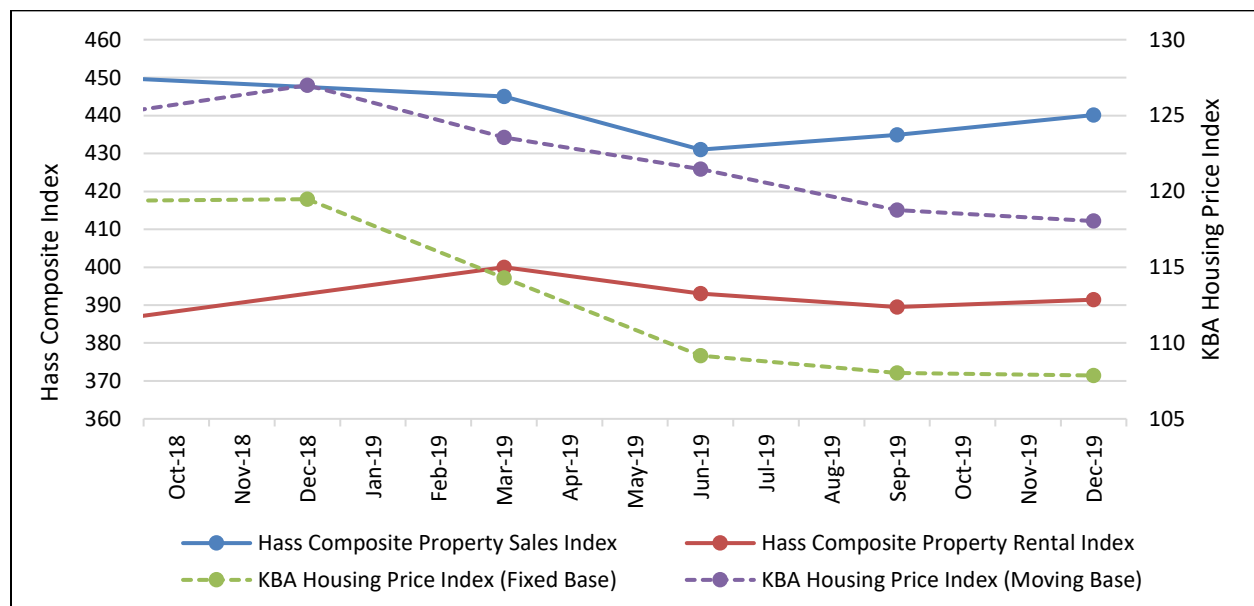
Data Source: Country statistical offices; <https://tradingeconomics.com/> Figures January-December 2020 from the World Economic Outlook, April 2020

**Figure 3: Cement production and consumption ('000 MT) and index of value of building plans**



Data source: Kenya National Bureau of Statistics

**Figure 4: Kenya Housing and Property Indices**

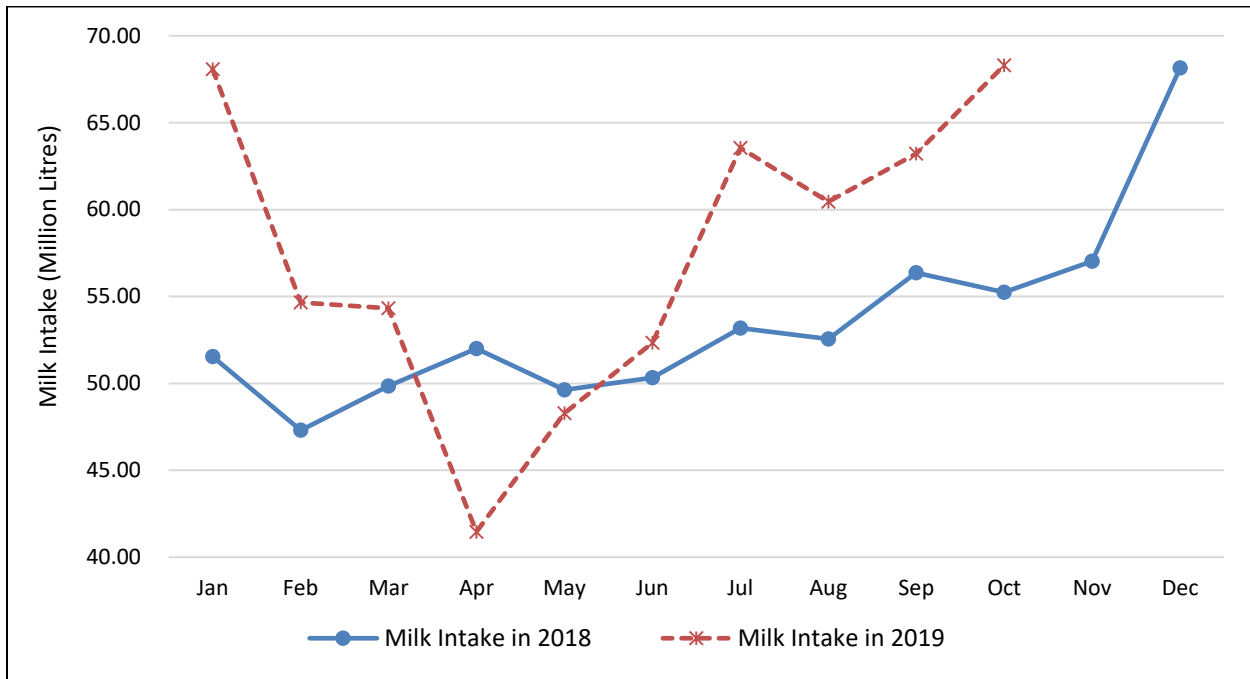


Hass Composite Property Sales Index: Year 2000 = 100; KBA Housing Price Index (fixed base): Q1 – 2013 = 100.

Data Source: Hass Property Index (<http://hassconsult.co.ke/real-estate/hass-index/>)

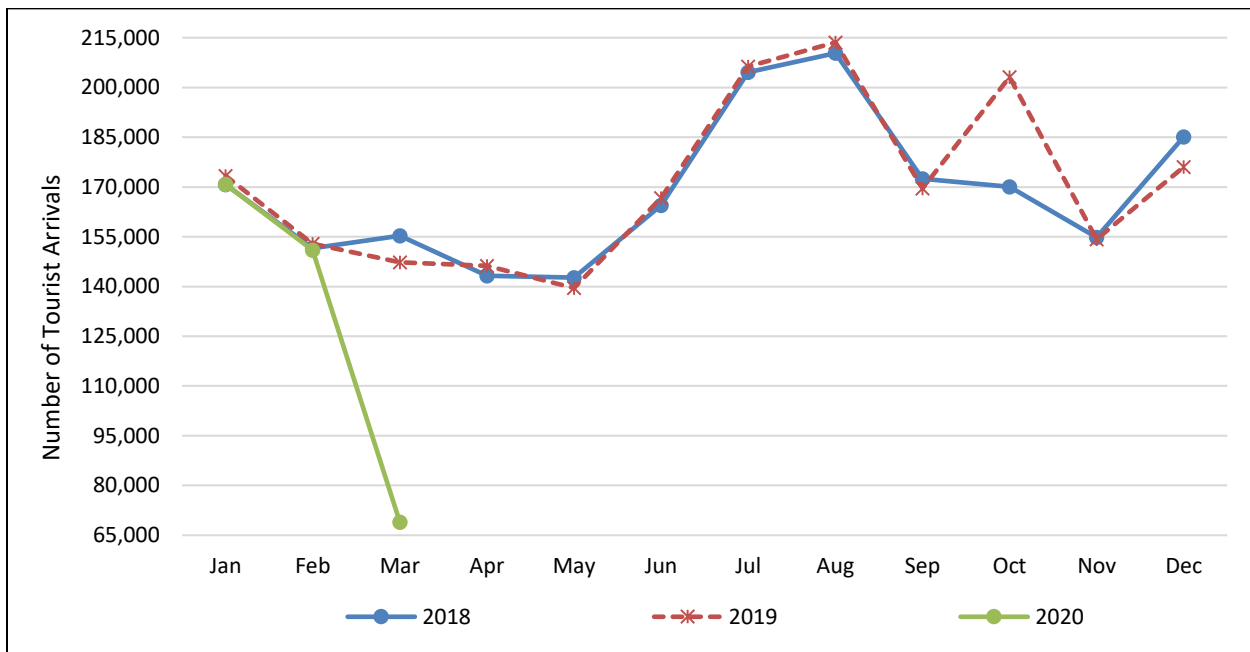
Kenya Bankers Association ([https://www.kba.co.ke/house\\_price.php](https://www.kba.co.ke/house_price.php))

**Figure 5: Intake of processed milk in the formal sector (million litres)**



Data source: Kenya National Bureau of Statistics

**Figure 6: Monthly tourist arrivals\* (number)**

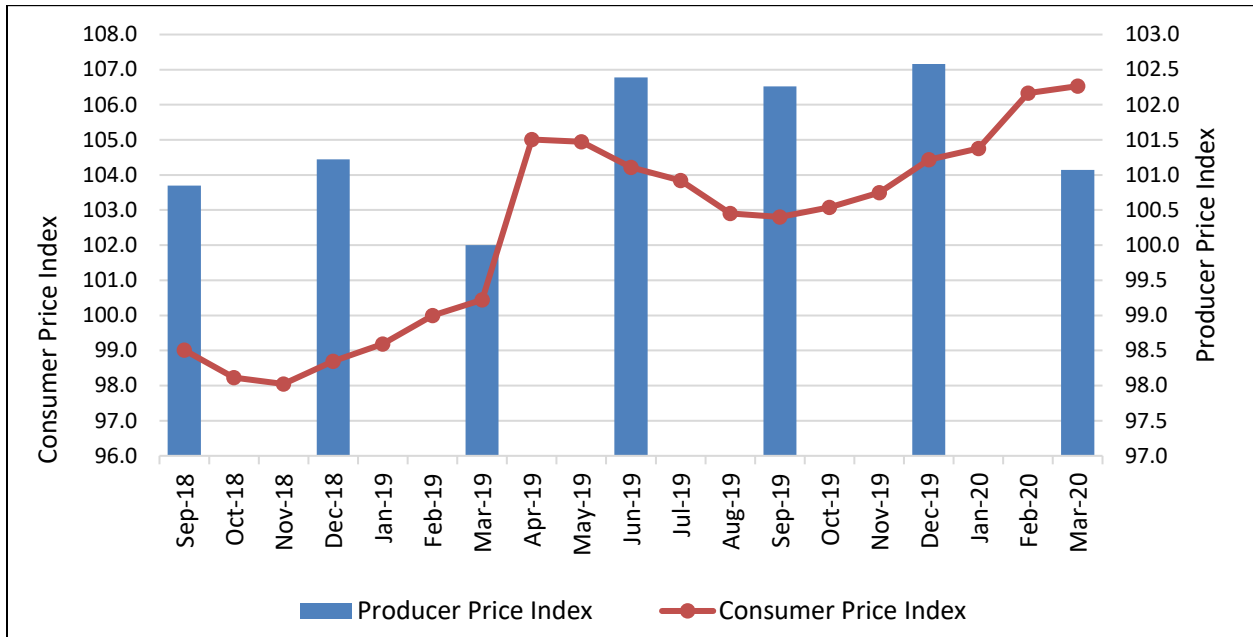


Data source: Kenya National Bureau of Statistics; Kenya Tourism Research Institute; Central Bank of Kenya.

\*Total tourist arrivals (air, cruise and cross-border);

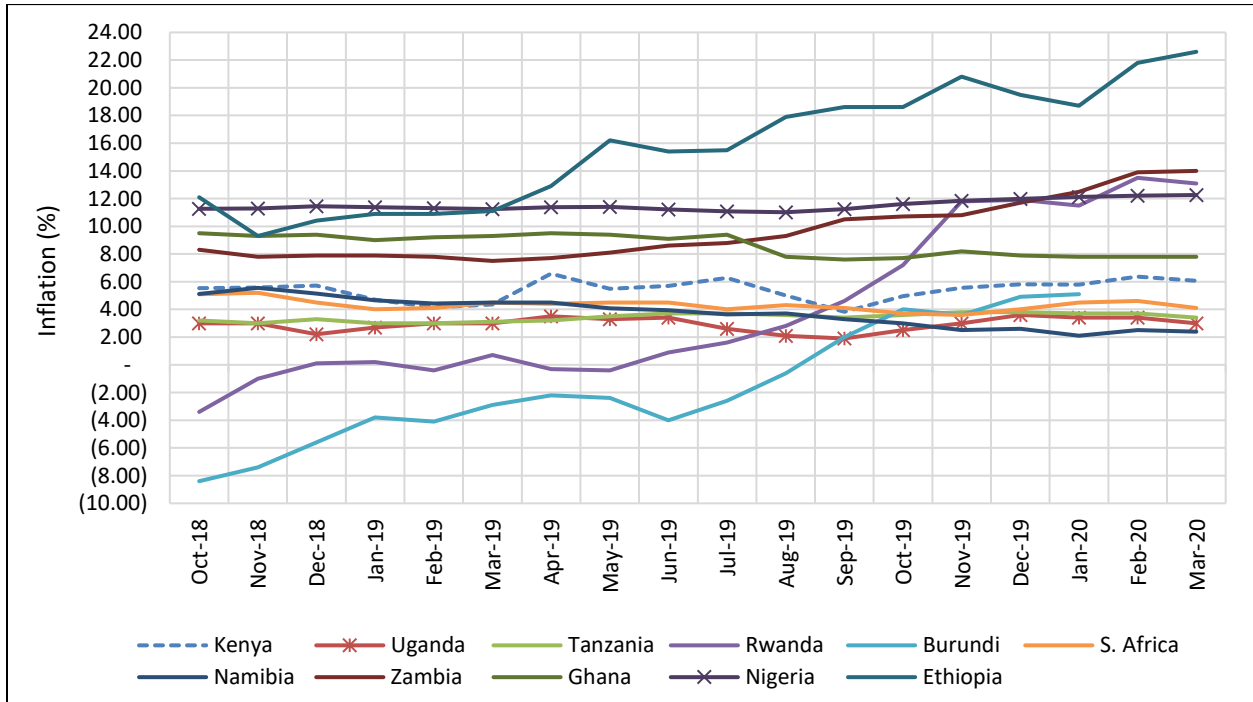
b) Price movement

Figure 7: Consumer Price Index and Producer Price Index



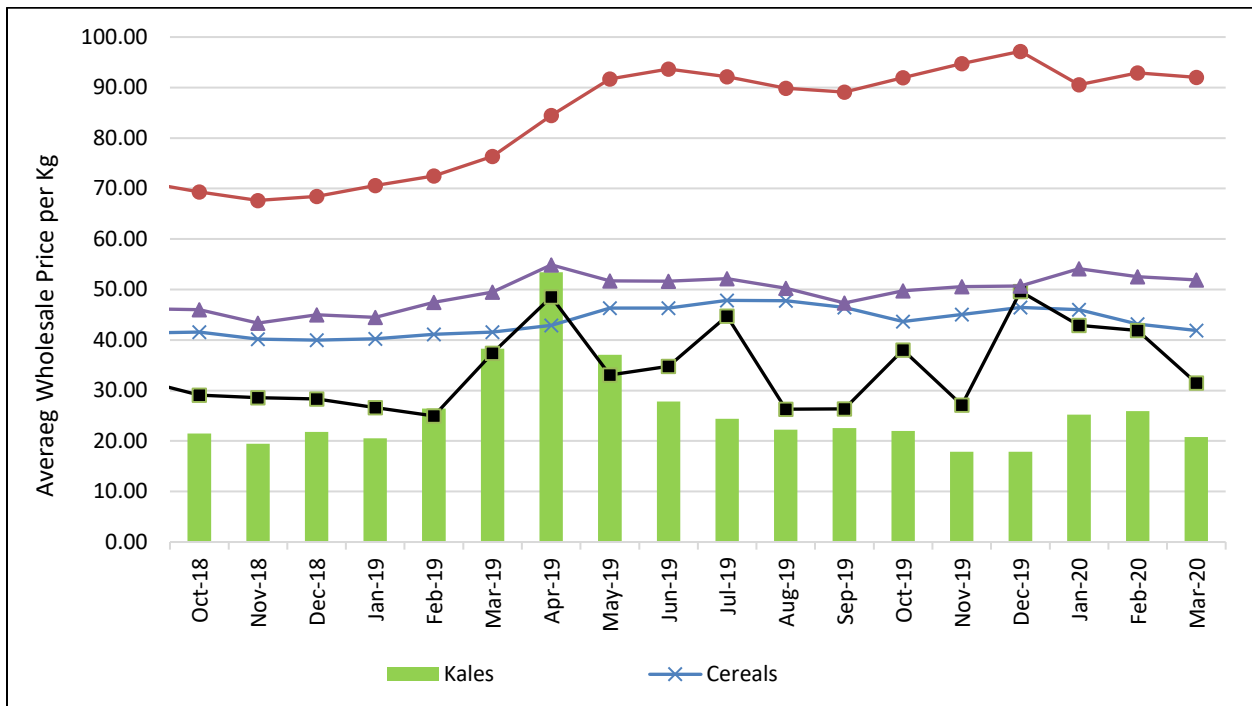
Data source: Kenya National Bureau of Statistics  
 CPI base year: February 2019 = 100; PPI base year: March 2019 = 100

Figure 8: Comparative Inflation for selected Countries in Africa



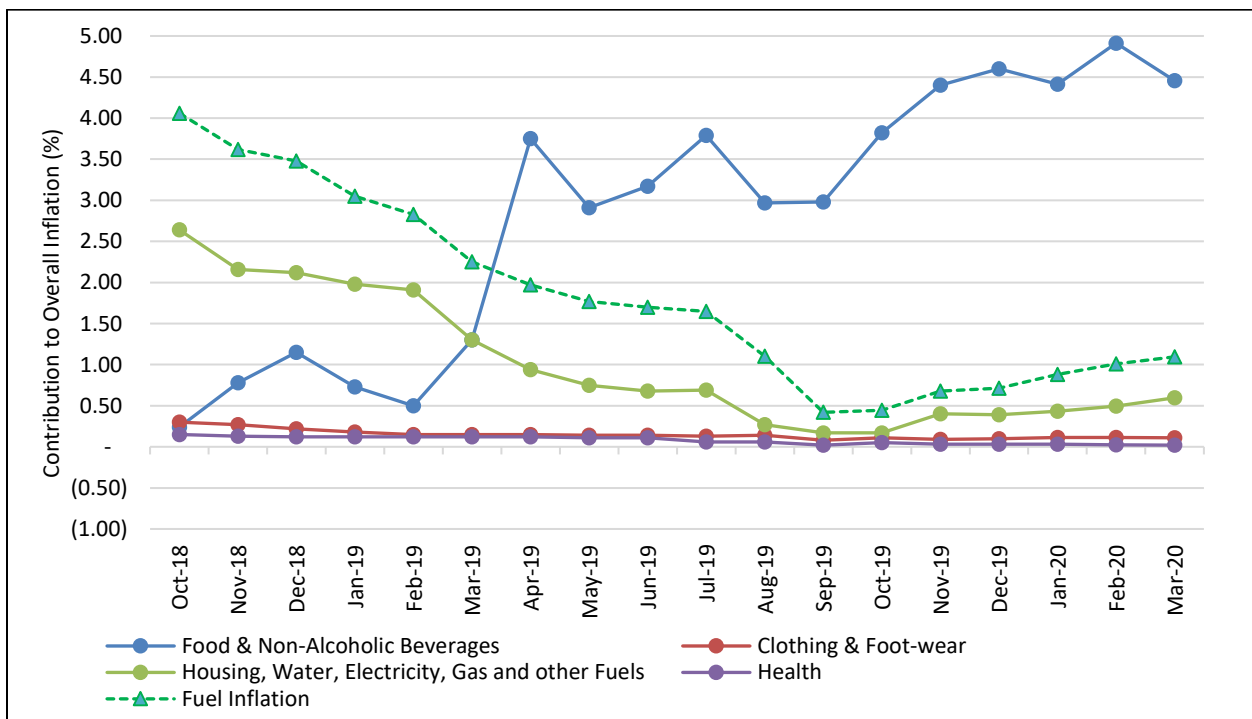
Data Source: Country statistical offices

**Figure 9: Domestic wholesale agriculture commodity prices (KSh./Kg)**



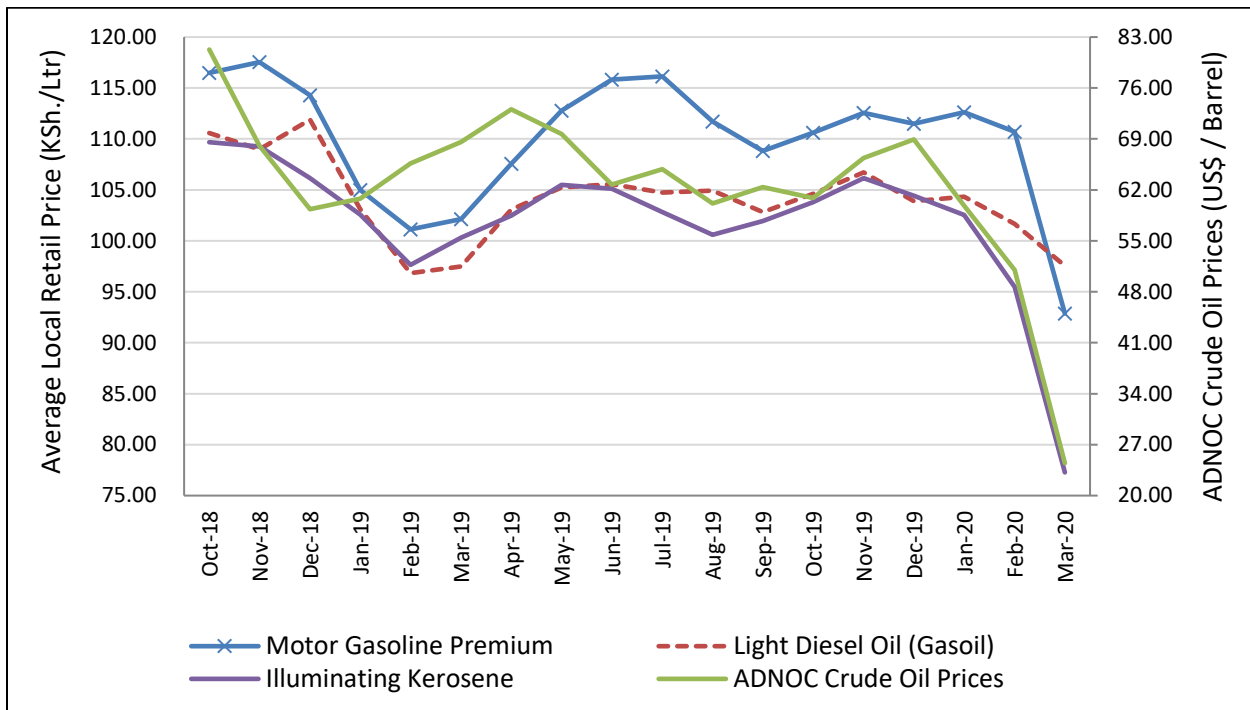
Data source: Calculated by KIPPRA using data from Ministry of Agriculture

**Figure 10: Contribution of selected CPI Baskets to overall Inflation (%)**



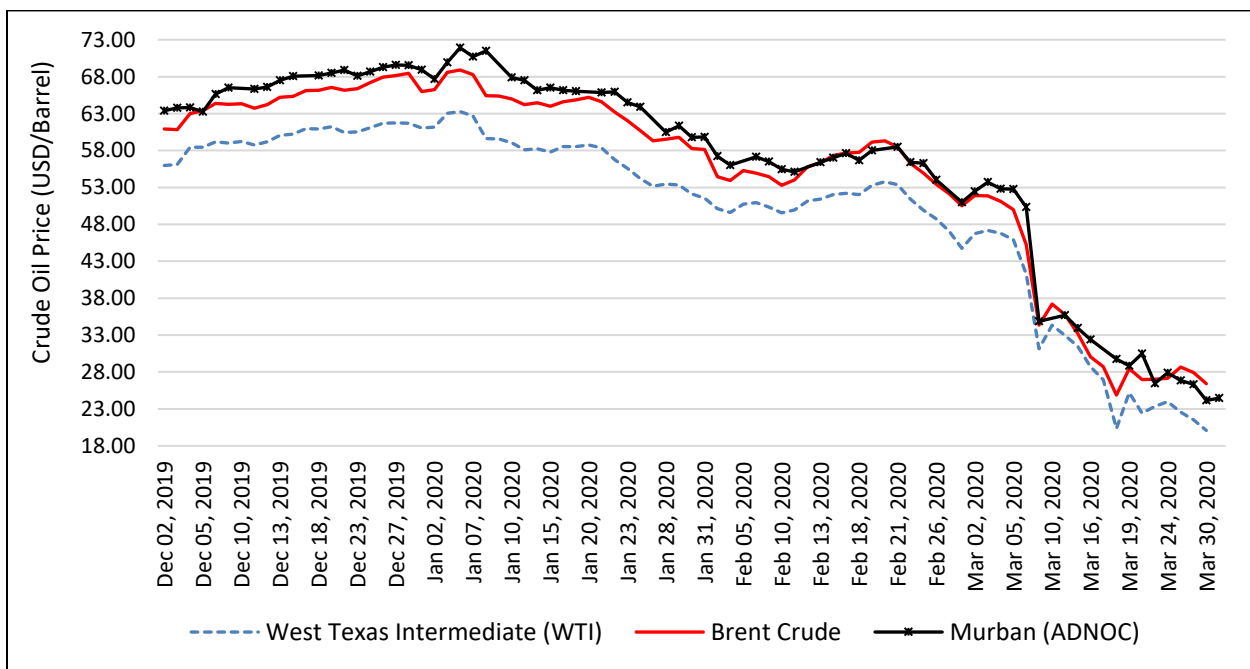
Data Source: Kenya National Bureau of Statistics and the Central Bank of Kenya

**Figure 11: Average domestic pump prices and global crude oil prices**



Data Source: Kenya National Bureau of Statistics; Energy and Petroleum Regulatory Authority; <https://oilprice.com/oil-price-charts/block/50>

**Figure 12: Global crude oil prices, December 2019 – March 2020**

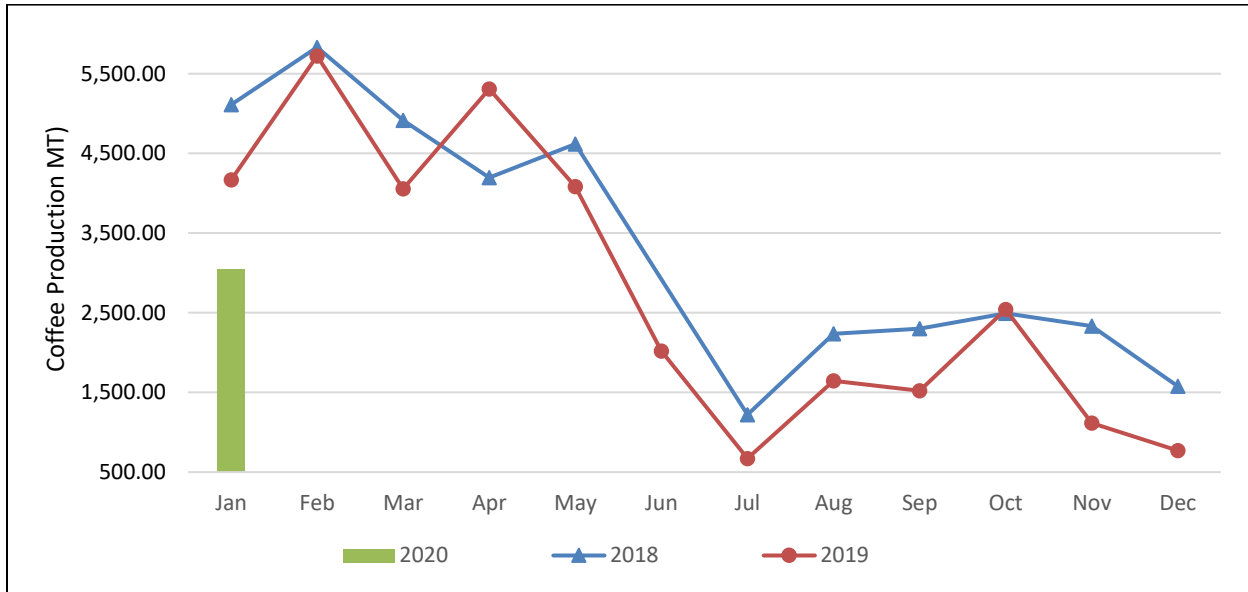


Data Source: <https://oilprice.com/oil-price-charts/block/50>

## 2. International Markets

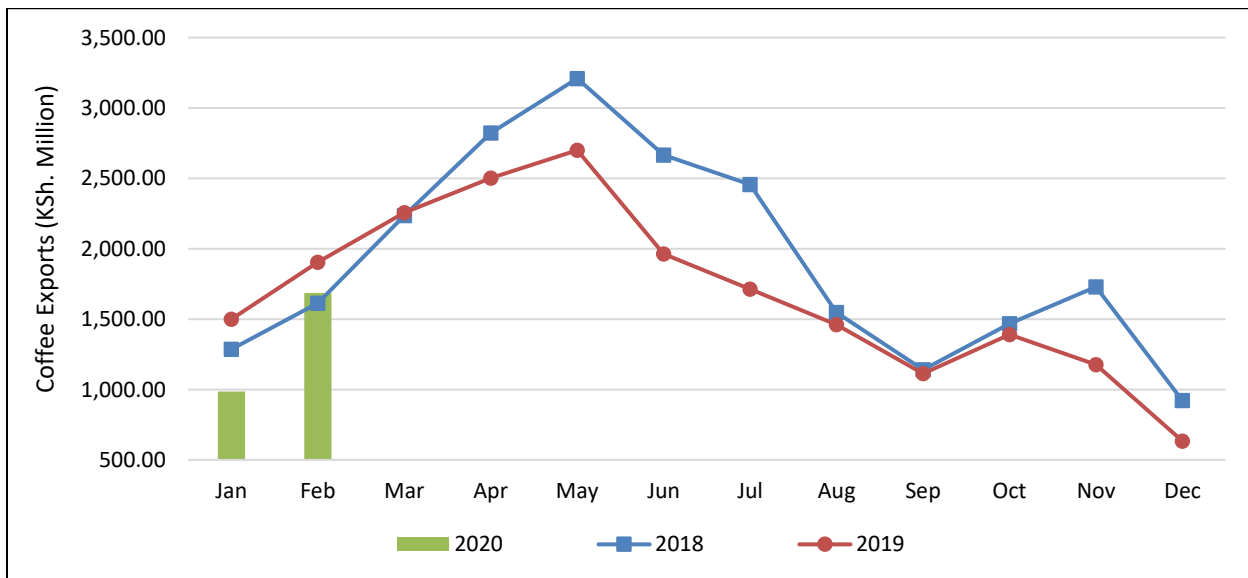
**Figure 13: Trends in coffee and tea production (metric tonnes), exports (Ksh millions) and auction prices (KSh/Kg)**

**Figure 13(a): Monthly coffee production (MT)**



Data source: Kenya National Bureau of Statistics; Nairobi Coffee Exchange (<http://nairobicoffeexchange.co.ke/>);

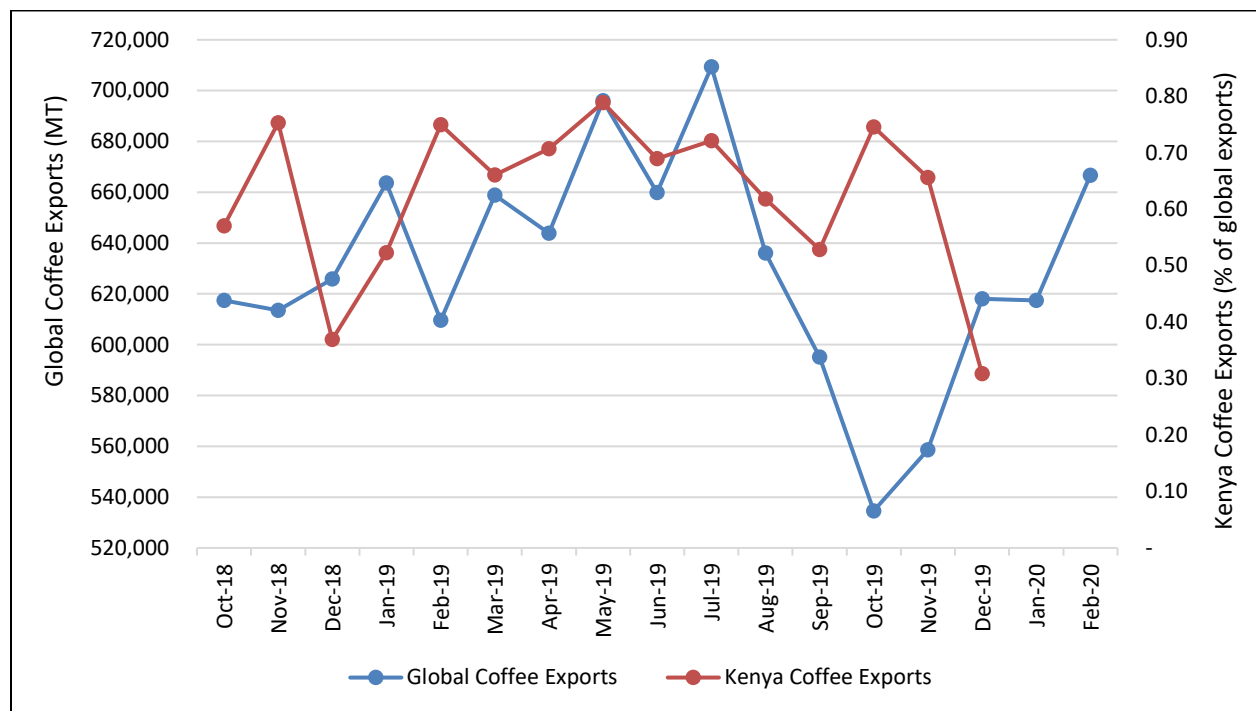
**Figure 13(b): Monthly coffee exports (KSh. Million)**



Data source: Kenya National Bureau of Statistics; Nairobi Coffee Exchange (<http://nairobicoffeexchange.co.ke/>); Figures for January and February 2020 are provisional.

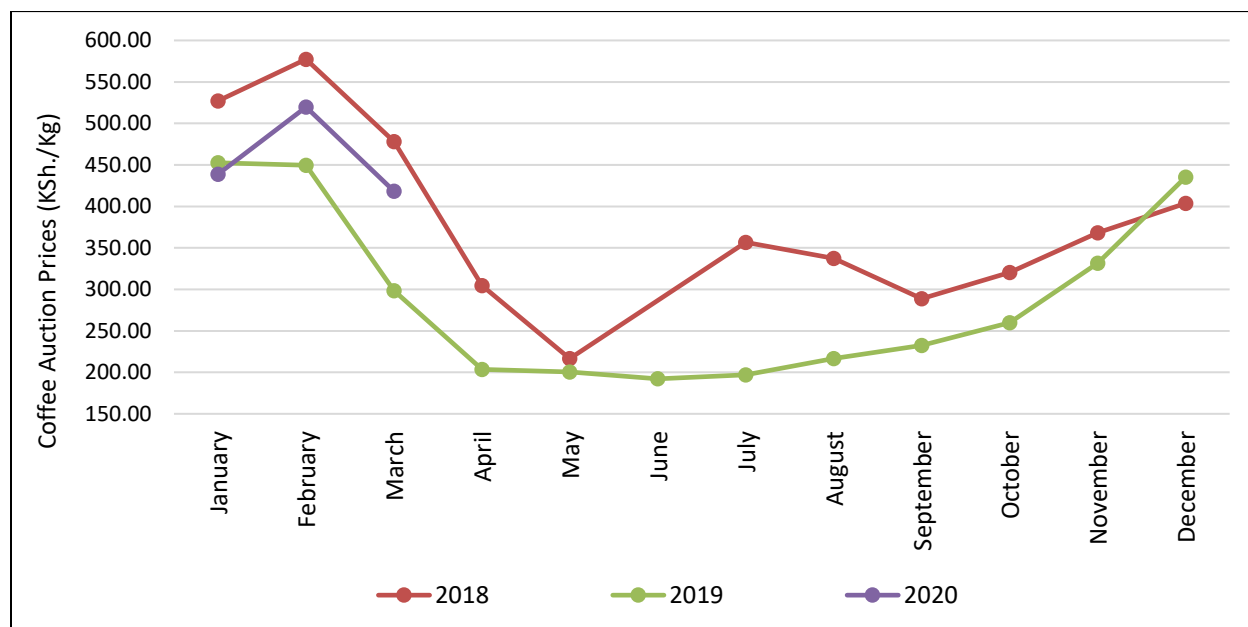


**Figure 13(c): Comparison between global coffee exports (MT) and Kenya coffee exports (% of global total exports)**



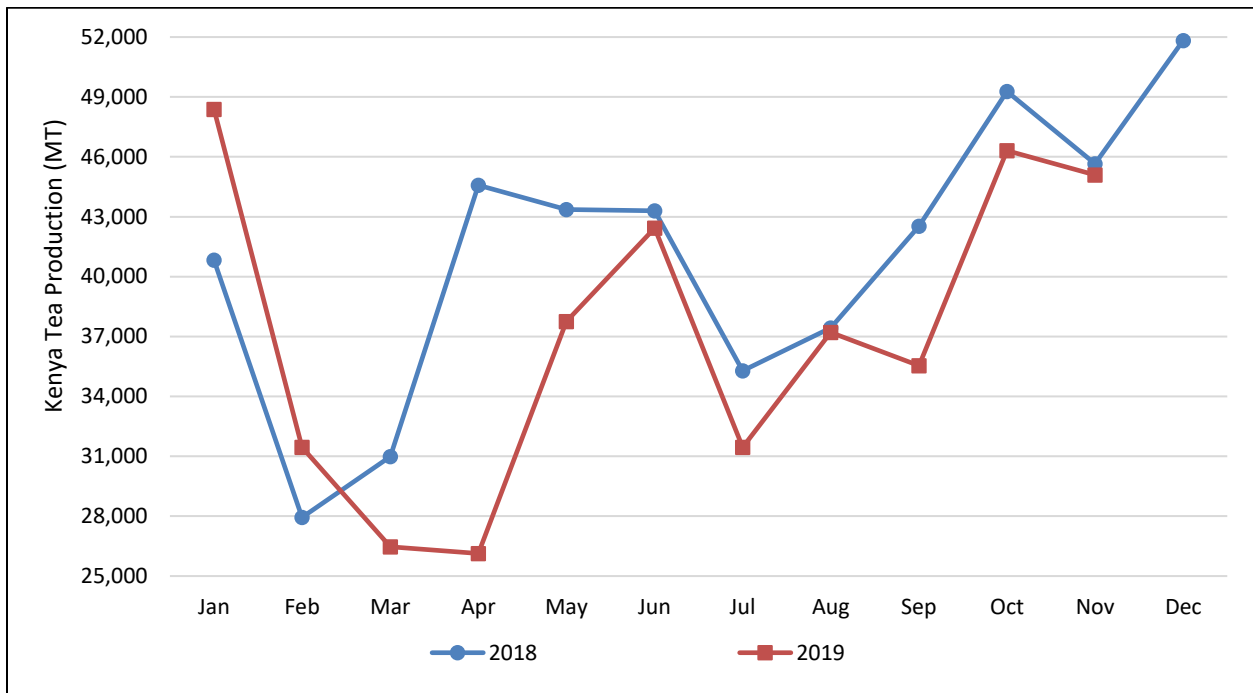
Data source: Kenya National Bureau of Statistics; Nairobi Coffee Exchange (<http://nairobicoffeexchange.co.ke/>); International Coffee Organization ([http://www.ico.org/coffee\\_prices.asp](http://www.ico.org/coffee_prices.asp))

**Figure 13(d): Monthly Kenya coffee auction prices (KSh/Kg)**



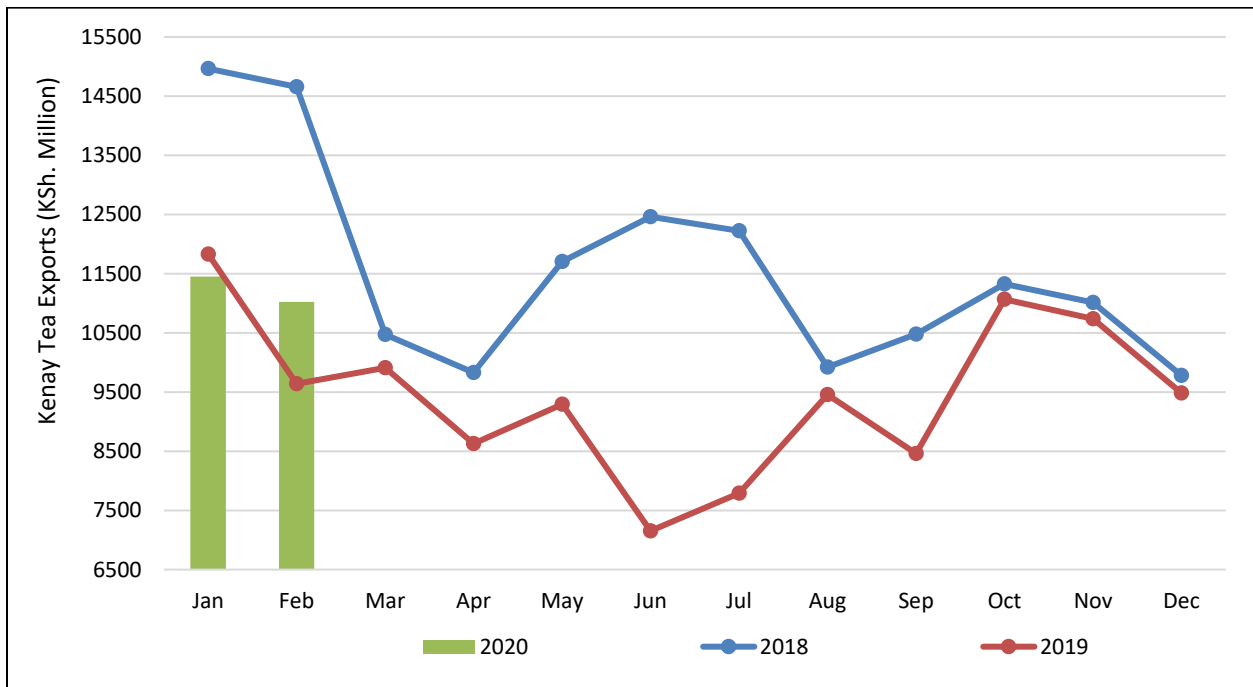
Data source: Kenya National Bureau of Statistics; Nairobi Coffee Exchange (<http://nairobicoffeexchange.co.ke/>).

**Figure 13(e): Monthly tea production (MT)**



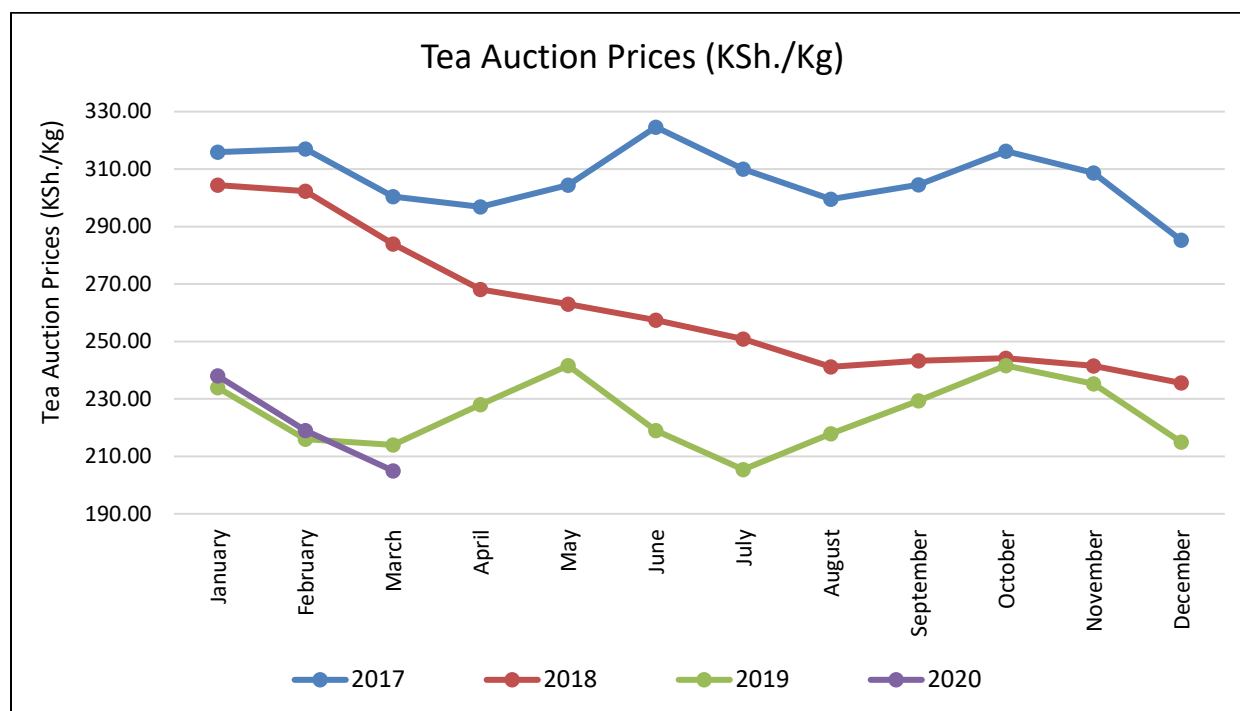
Data source: Kenya National Bureau of Statistics; East African Tea Trade Association

**Figure 13(f): Monthly tea exports (KSh. Million)**



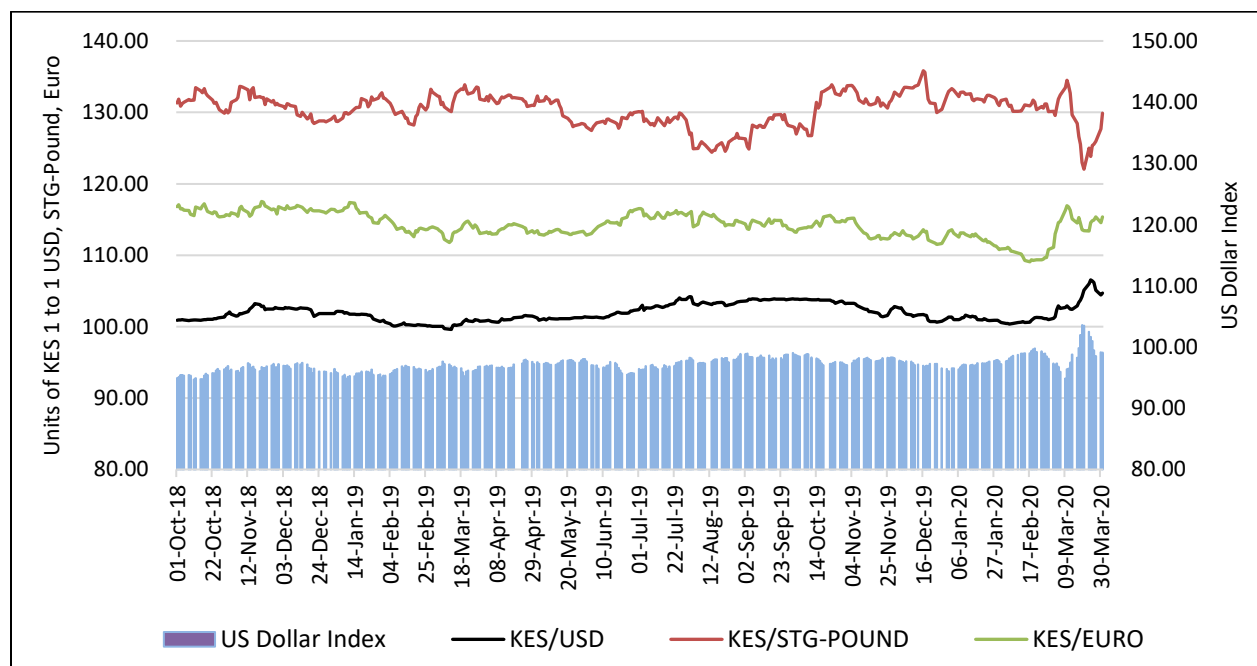
Data source: Kenya National Bureau of Statistics; East African Tea Trade Association

**Figure 13(g): Monthly Kenya tea auction prices (KSh/Kg)**



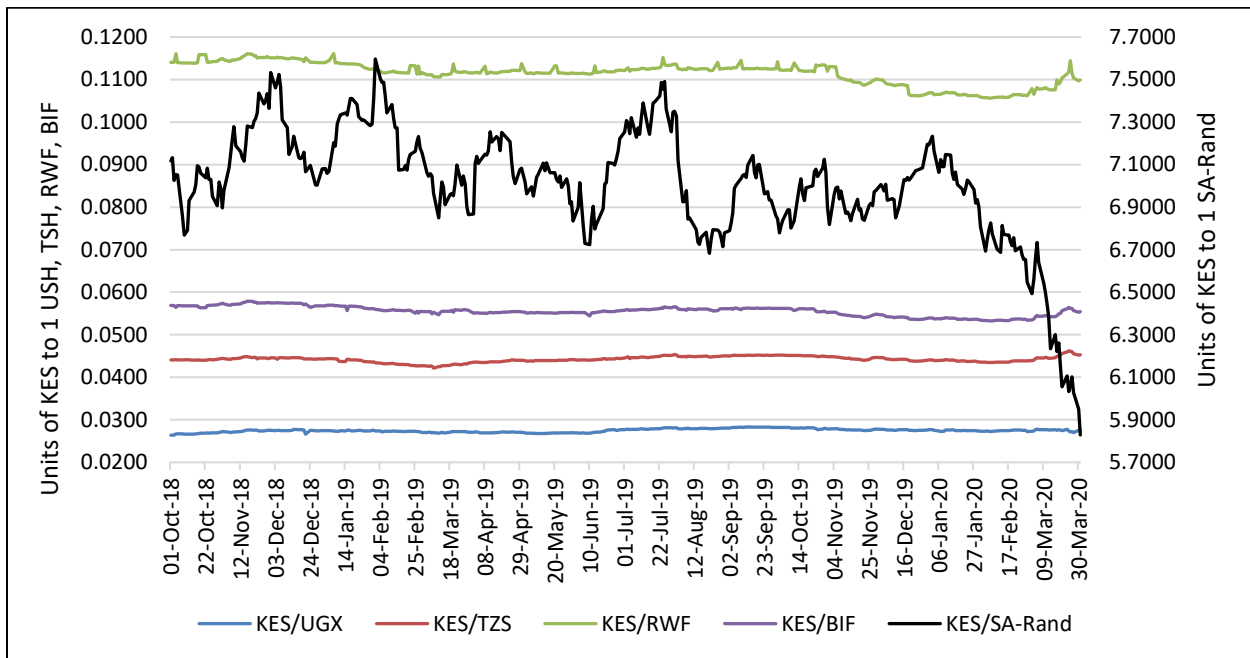
Data Source: KNBS; East Africa Tea Trade Association; Mombasa Tea Auction

**Figure 14: The exchange rate of Kenya shilling to global currencies**



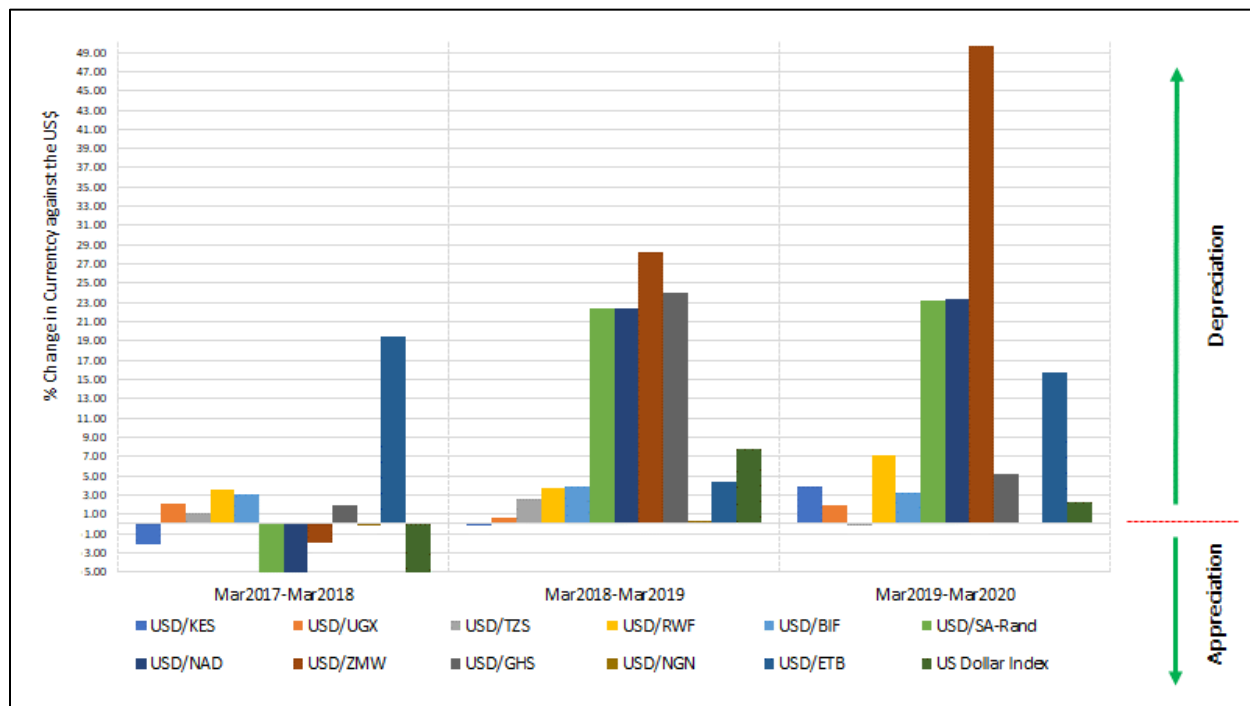
Data source: Central Bank of Kenya; Kenya National Bureau of Statistics; <https://www.investing.com/quotes/us-dollar-index-historical-data>

**Figure 15: The exchange rate of Kenya shilling to regional currencies**



Data source: Central Bank of Kenya

**Figure 16: Performance of select currencies against the US Dollar**

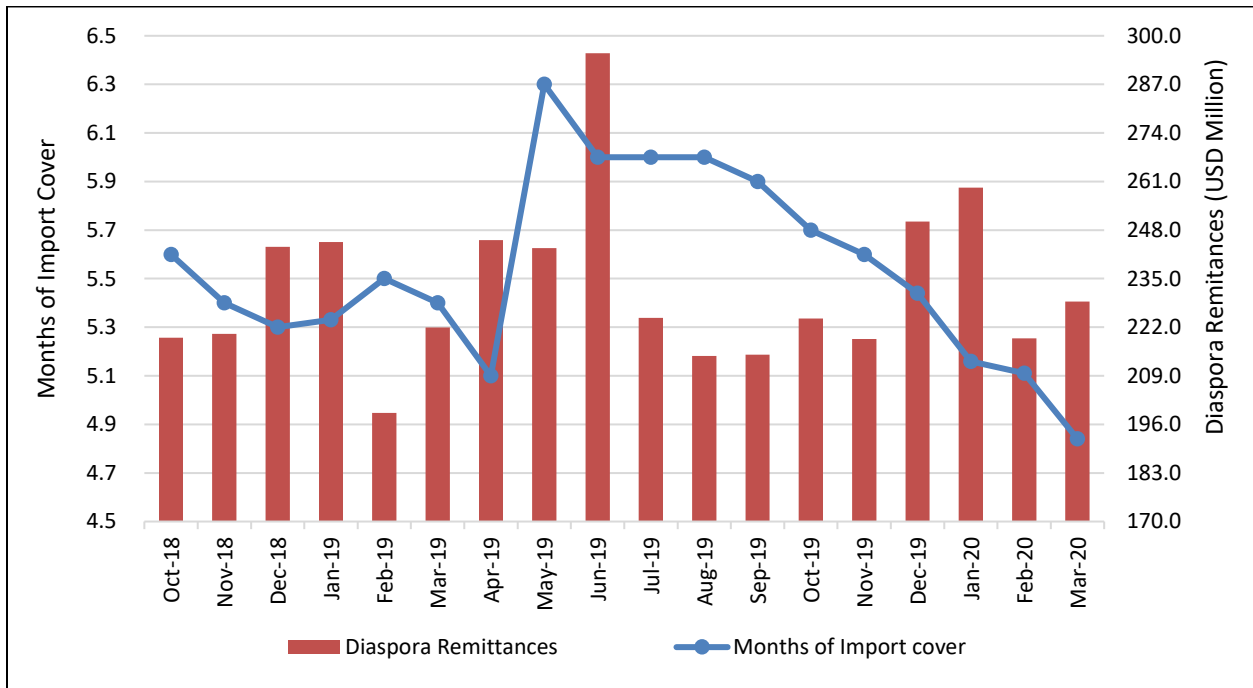


Data source: Country Statistics Offices; <https://www.investing.com>

Percentage change in currencies against the US Dollar measured as end of period changes.

USD-US Dollar; KES - Kenyan Shilling; UGX-Ugandan Shilling; TZS-Tanzanian Shilling; RWF-Rwandan Franc; BIF-Burundian Franc; SA-South Africa; NAD-Namibian Dollar; ZMW-Zambian Kwacha; GHS-Ghanaian Cedi; NGN-Nigerian Naira; ETB-Ethiopian Birr.

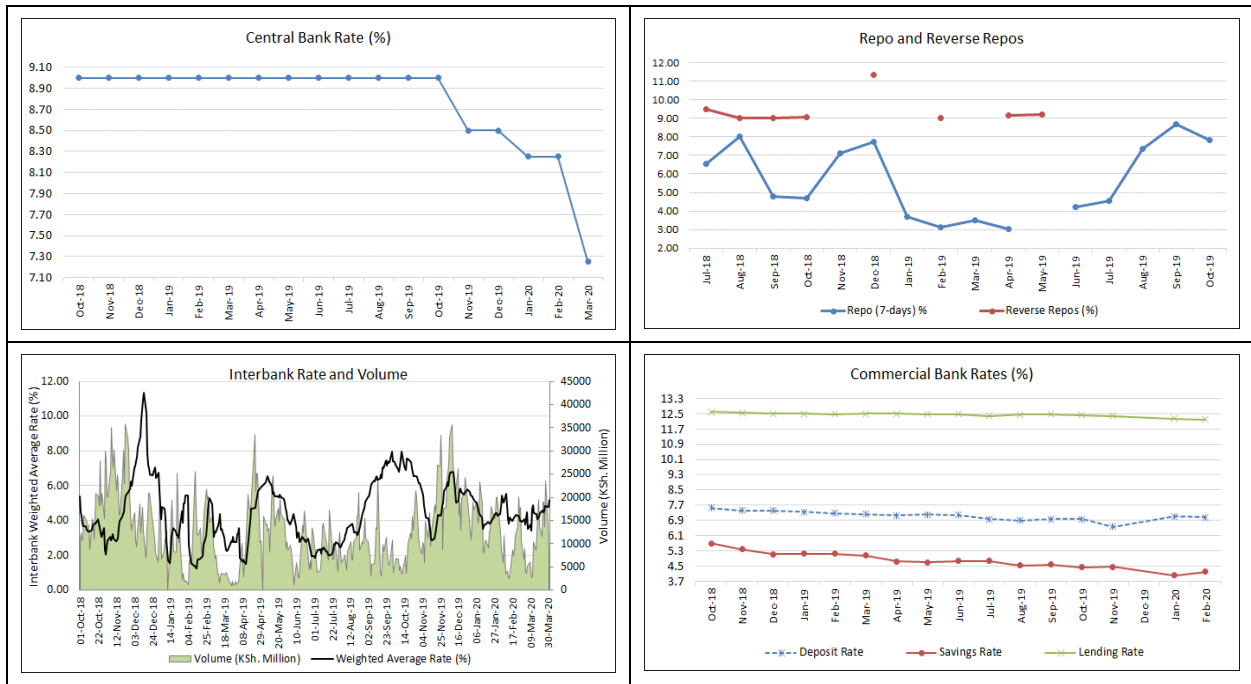
**Figure 17: Months of import cover and diaspora remittances**



Data Source: Central Bank of Kenya

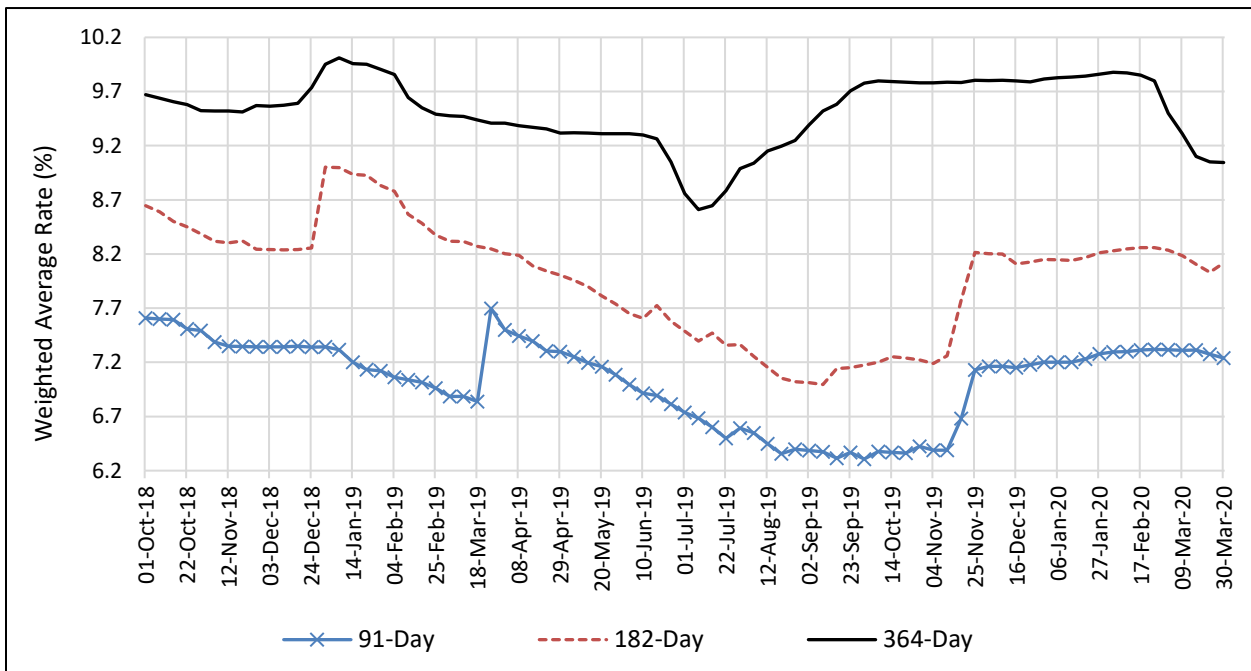
### 3. Money Market

Figure 18: Interbank rate and volume, Repo and interest rates



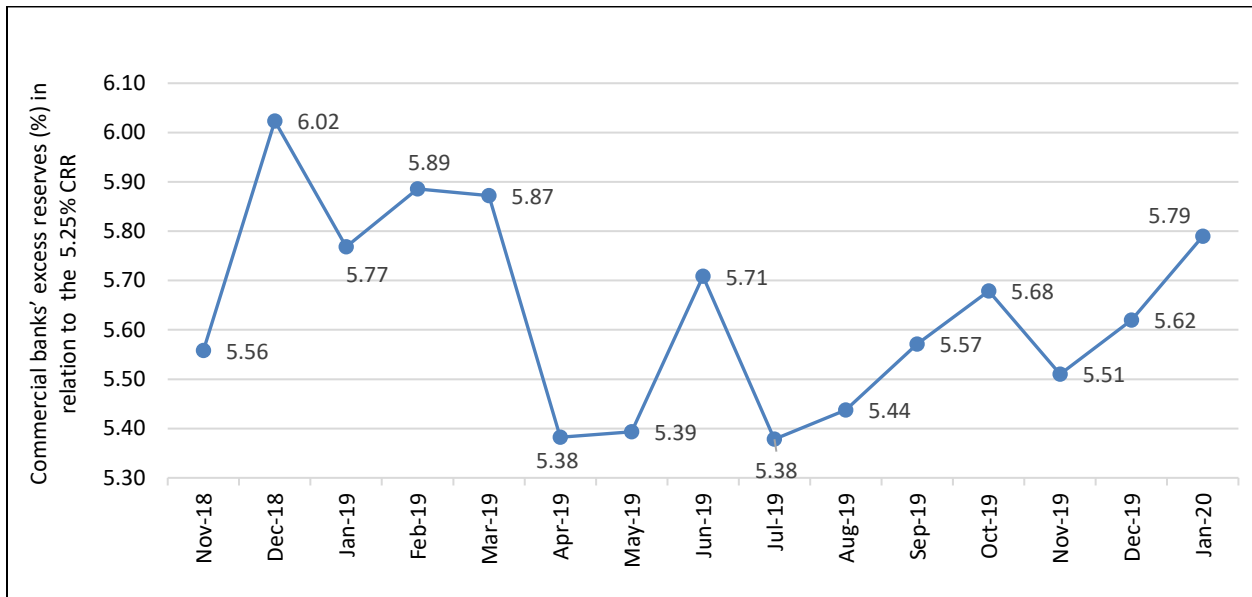
Data source: Central Bank of Kenya

Figure 19: Treasury bill weighted average rate (%)



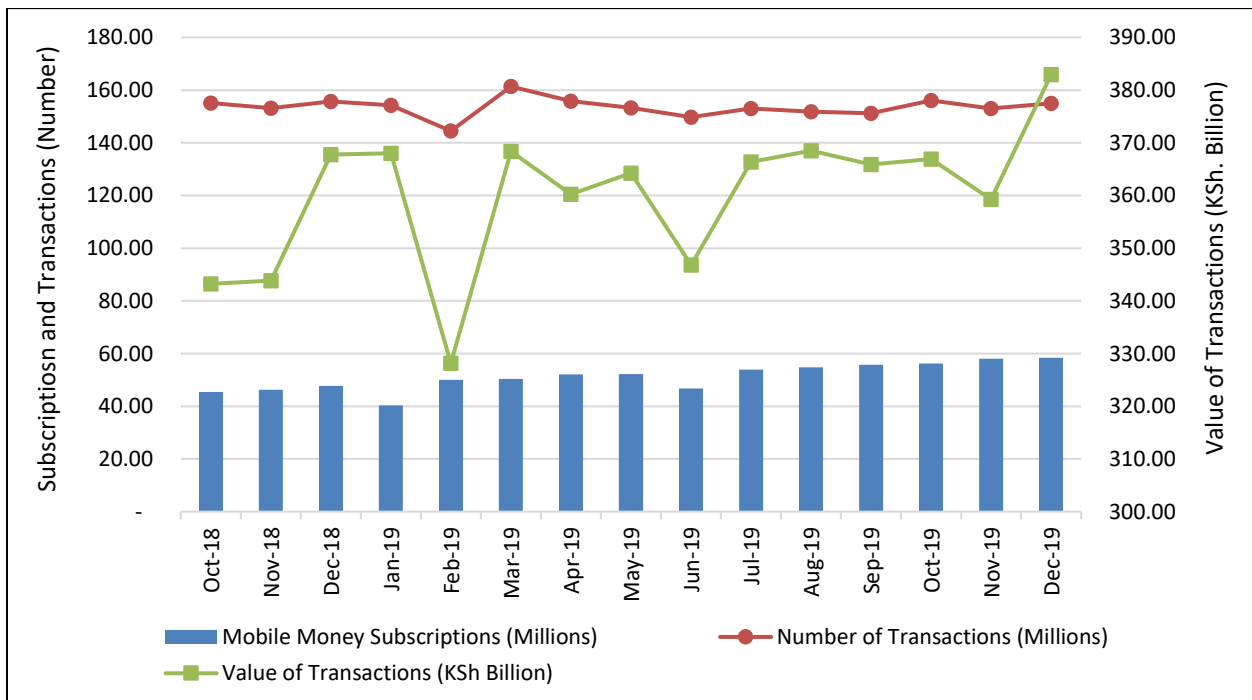
Data source: Central Bank of Kenya

**Figure 20: Commercial banks' excess reserves (%) in relation to the 5.25% CRR**



Data source: Central Bank of Kenya;  
CRR = Cash Reserves Requirement

**Figure 21: Mobile money transactions**

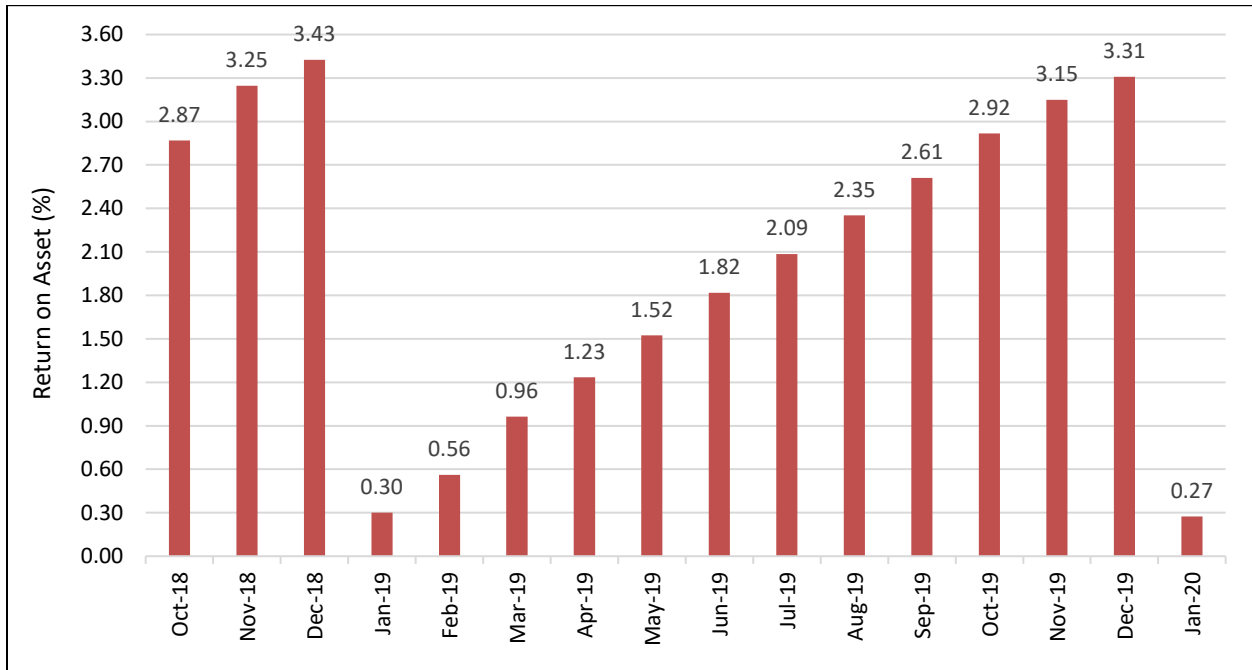


Data source: Kenya National Bureau of Statistics;

Note: The mobile money subscriptions exceed total adult population since this is based on registered SIM Cards in transacting electronic gadgets (Individual mobile phones and Point of Sale gadgets). In addition, 30% of mobile users in Kenya own more than 1 SIM Card (<https://www.ca.go.ke>).

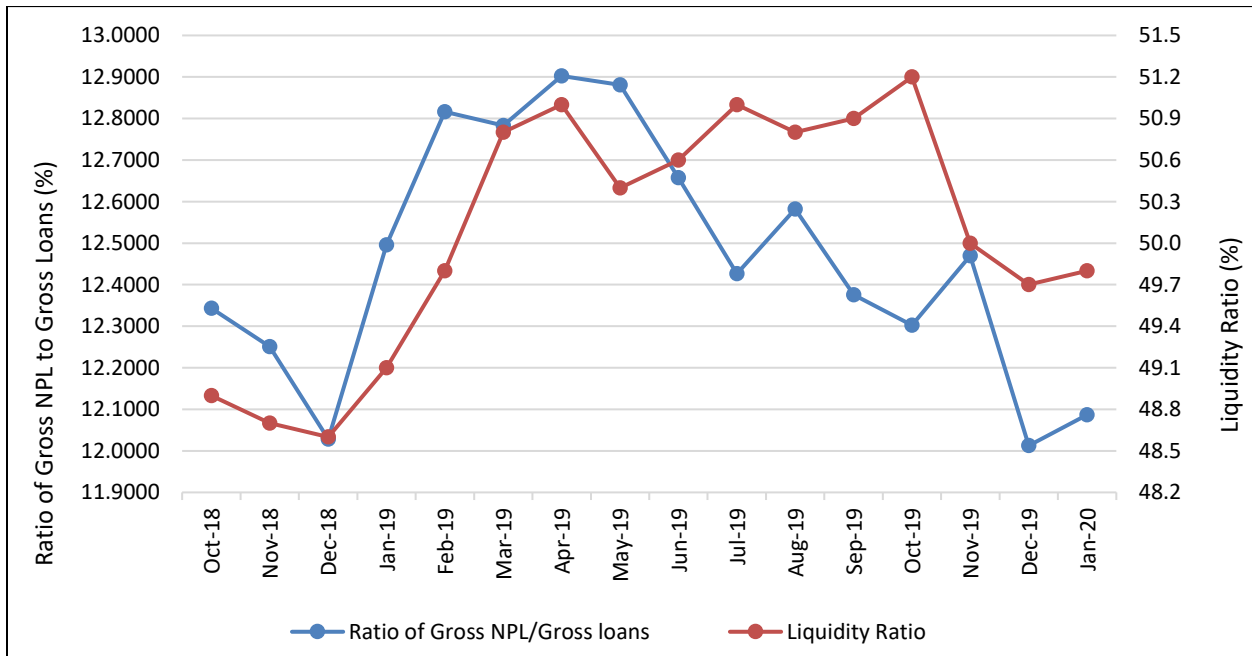
**Figure 22: Kenyan banking sector performance**

**Figure 22 (a) Return on asset (%)**



Data Source: Calculated using data from Central Bank of Kenya

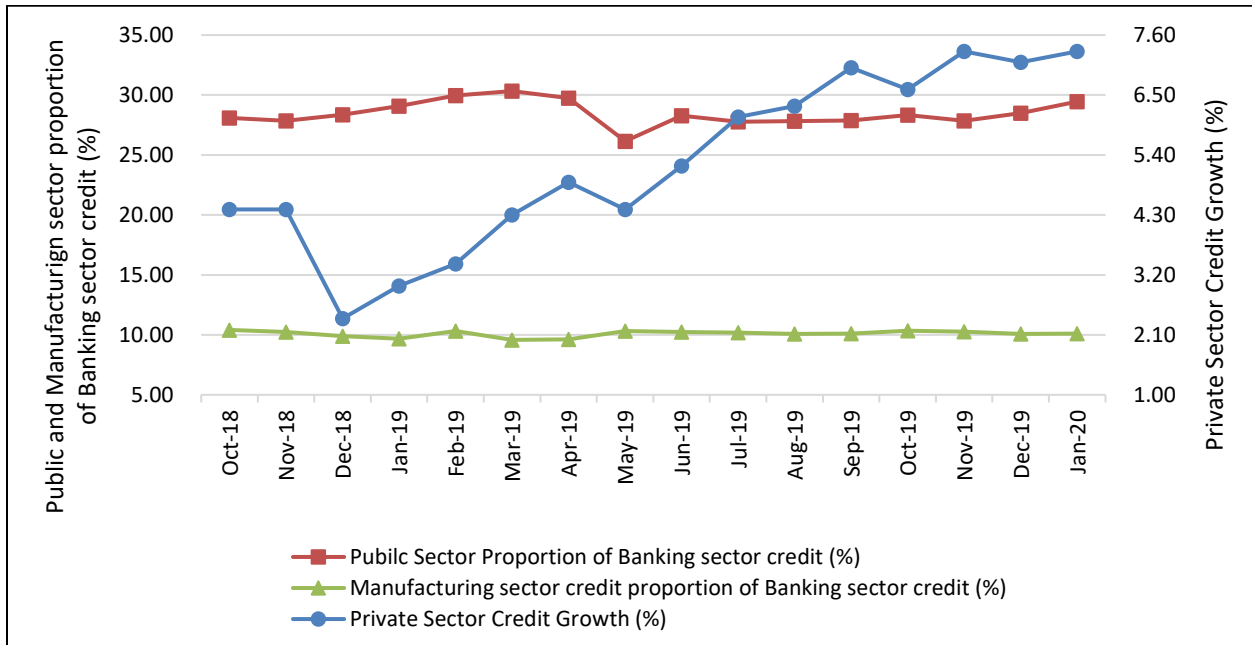
**Figure 22 (b) Liquidity ratio and ratio of gross NPL to gross loans, (%)**



Data Source: Calculated using data from Central Bank of Kenya

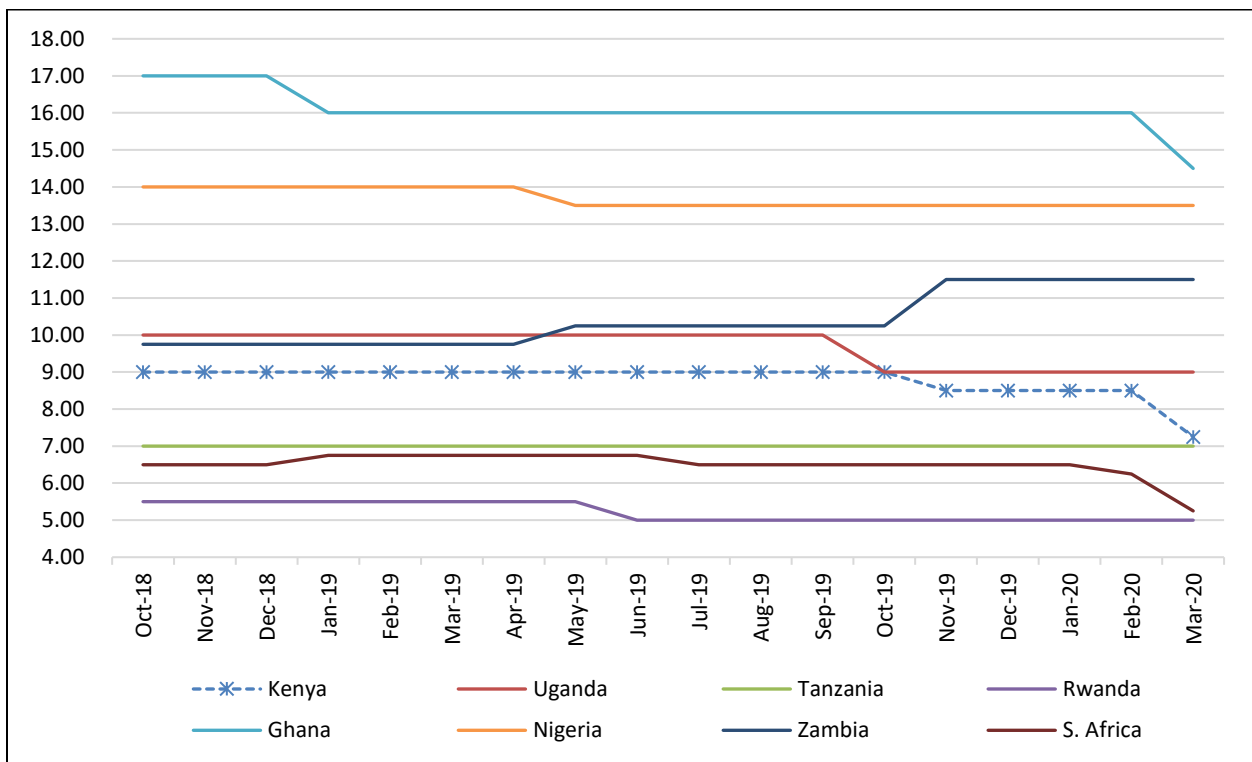


**Figure 23: Banking sector credit**



Data Source: Central Bank of Kenya

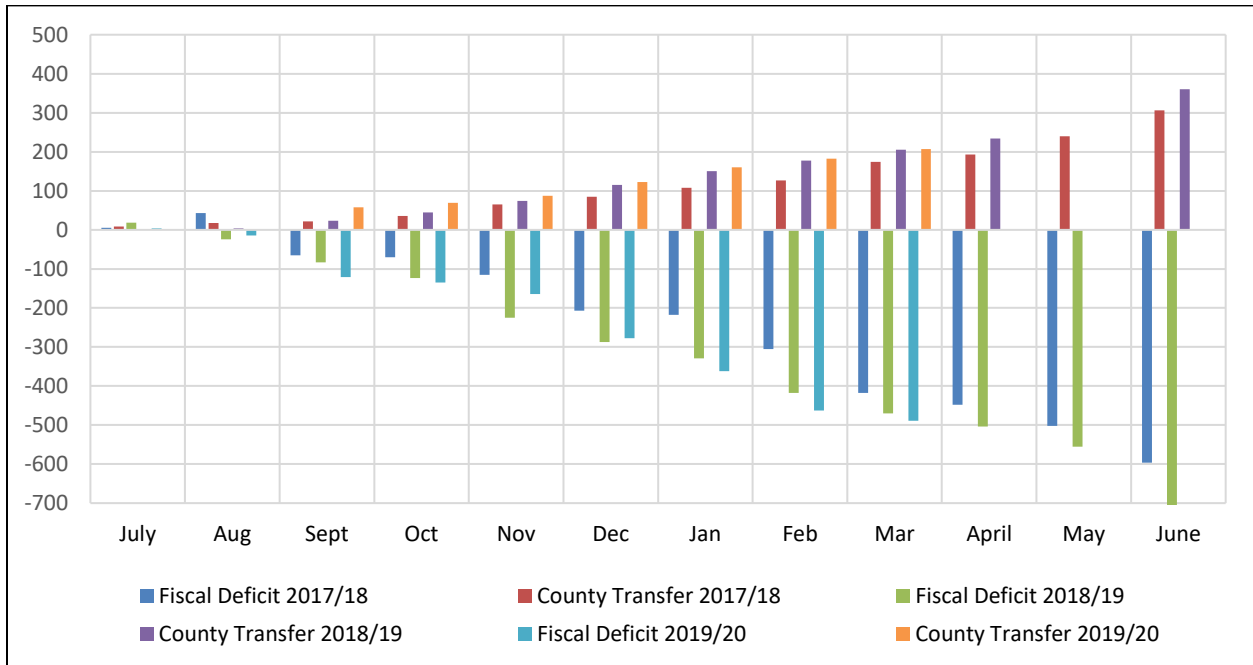
**Figure 24: Monetary policy stance for selected countries in Africa**



Source: Country Central Banks

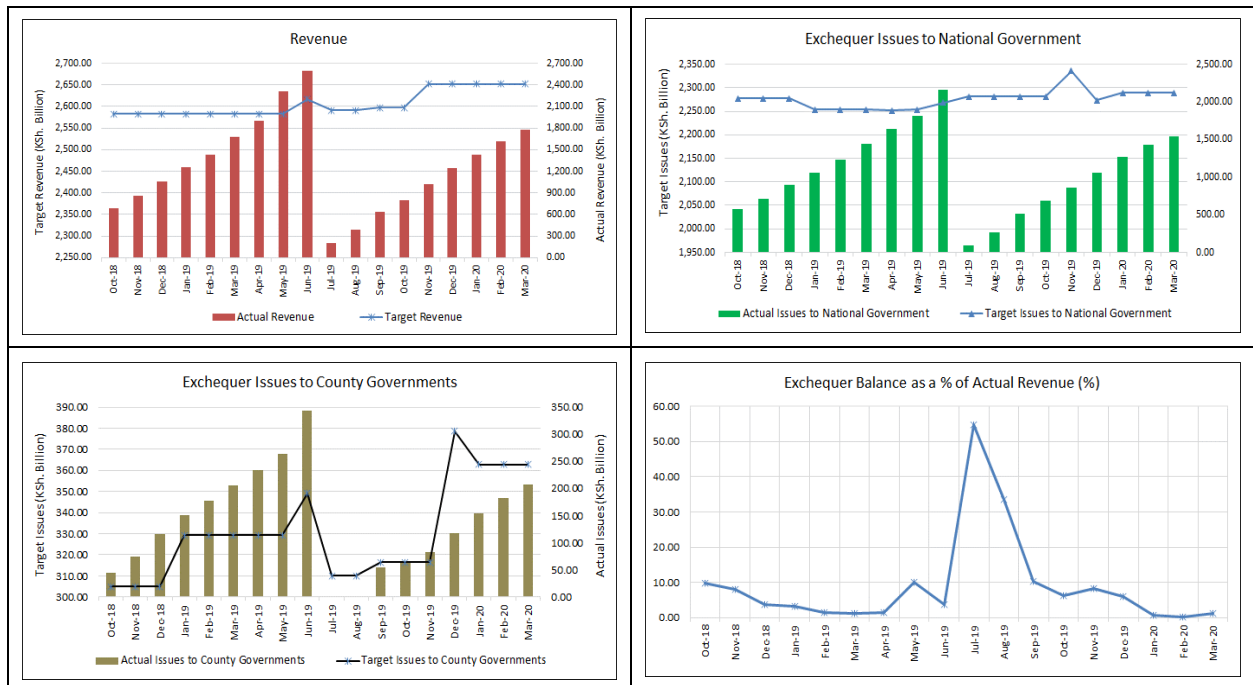
## 4. Fiscal Performance

**Figure 25: Fiscal deficit and county transfers (KSh. Billion)**



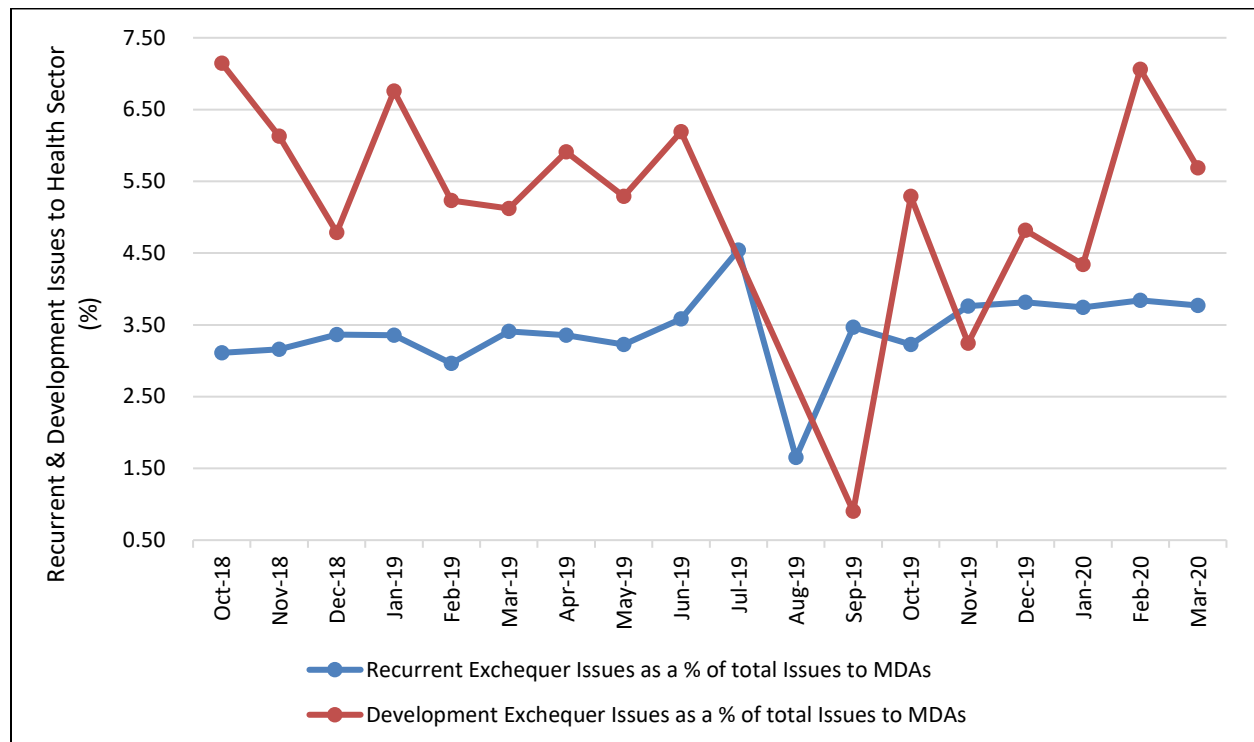
Data Source: Central Bank of Kenya; Figures for February and March 2020 are provisional

**Figure 26: Monthly utilization of revenue against target**



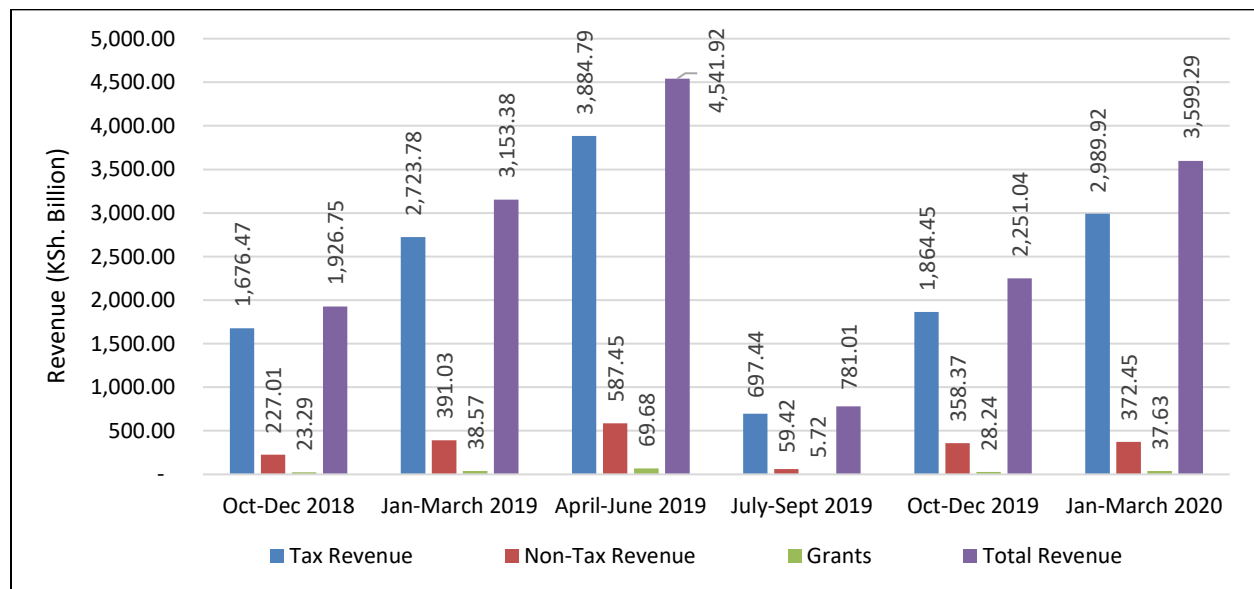
Data Source: Monthly Gazette Notices, The National Treasury and Planning

**Figure 27: Exchequer allocation to Ministry of Health as a % of total Issues to Ministries, Agencies and Departments**



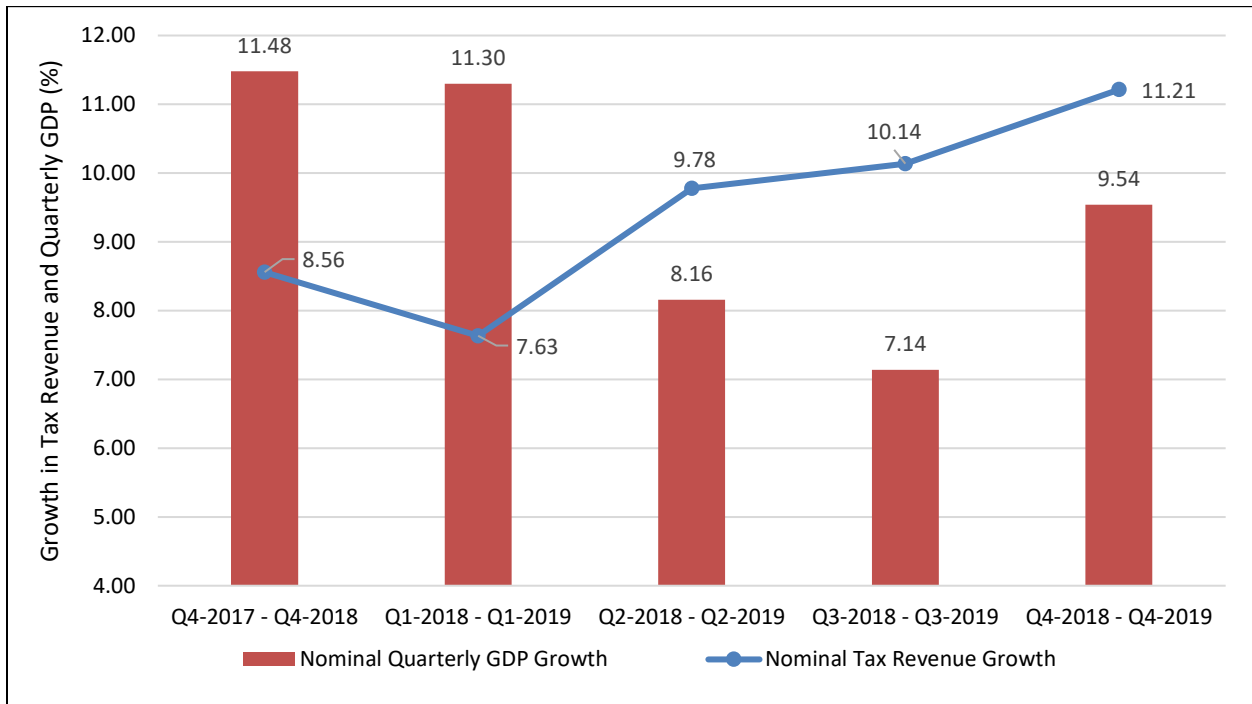
Data Source: Monthly Gazette Notices, The National Treasury and Planning

**Figure 28: Composition of Government Revenue (KSh Billion)**



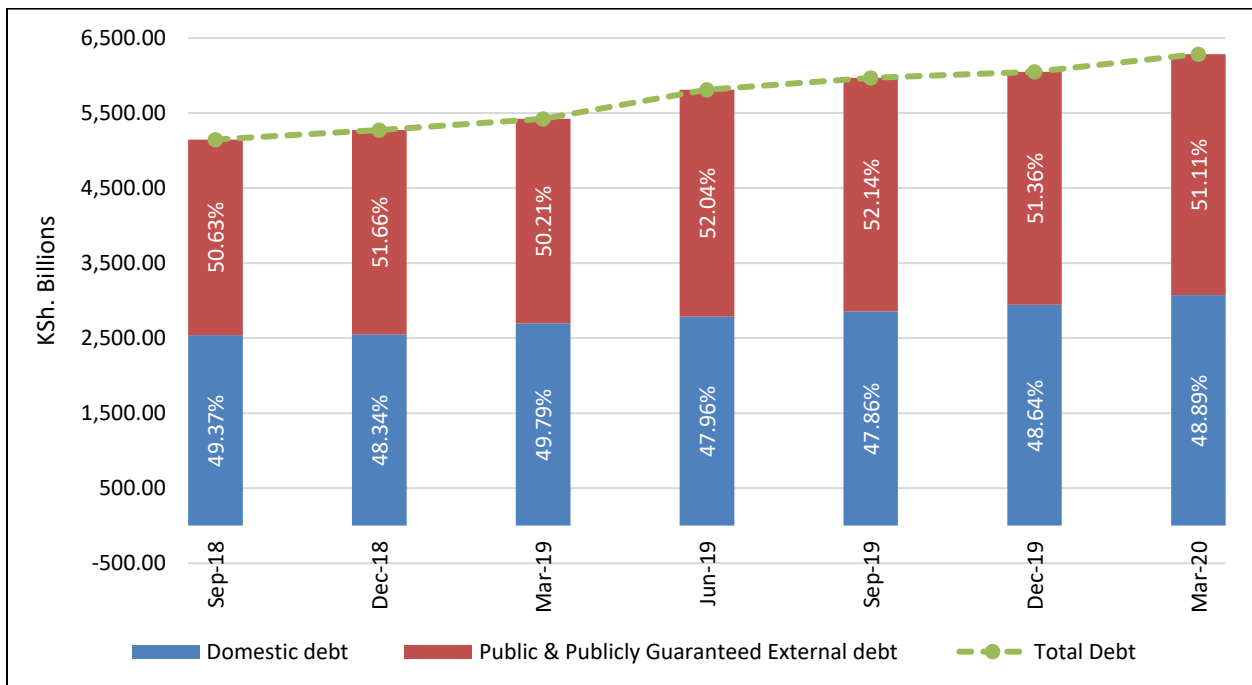
Data Source: Calculated using data from Central Bank of Kenya and The National Treasury data published on monthly Kenya Gazette Notices; figures for January-March 2020 are provisional.

**Figure 29: Growth in tax revenue (%) and quarterly GDP growth (%)**



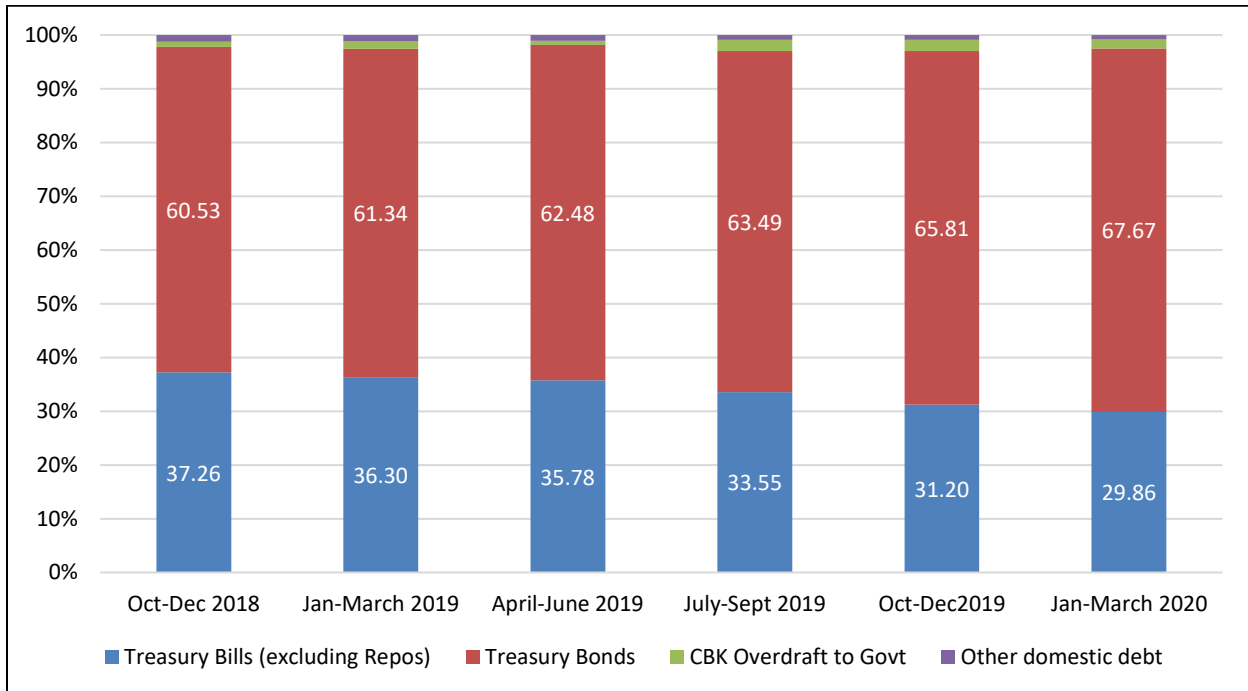
Data Source: Kenya National Bureau of Statistics and Central Bank of Kenya

**Figure 30: Total debt (KSh. Billion) and proportionate shares of domestic and foreign debt**



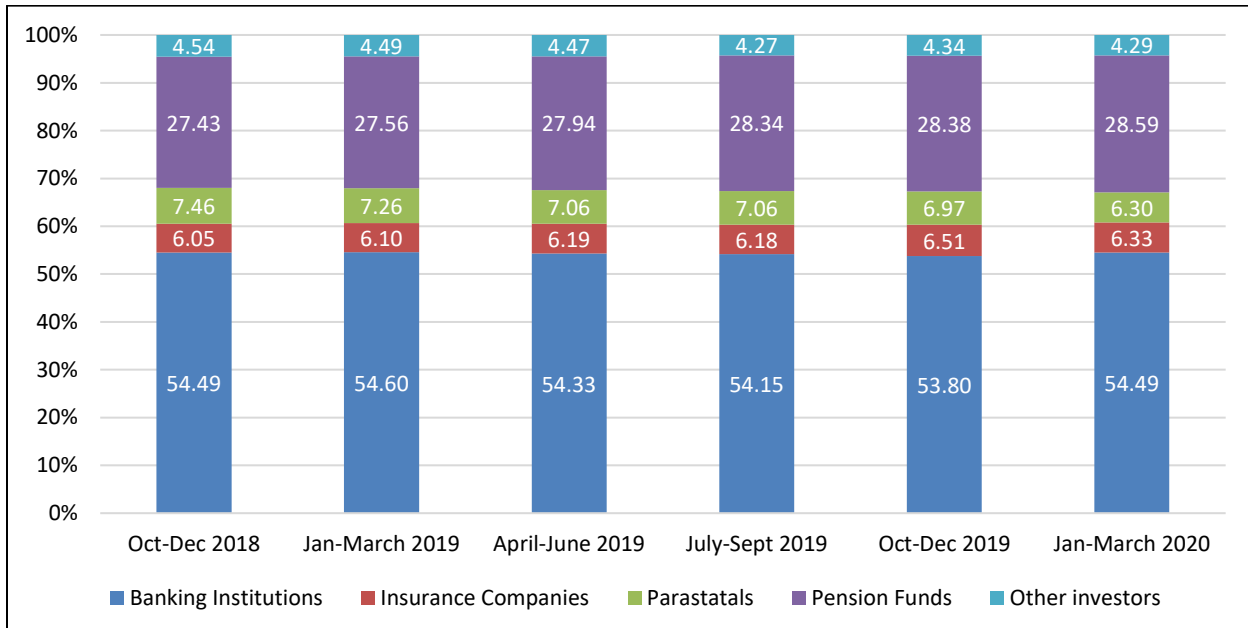
Data Source: Calculated using data from Central Bank of Kenya

**Figure 31: Composition of government domestic debt by instrument (%)**



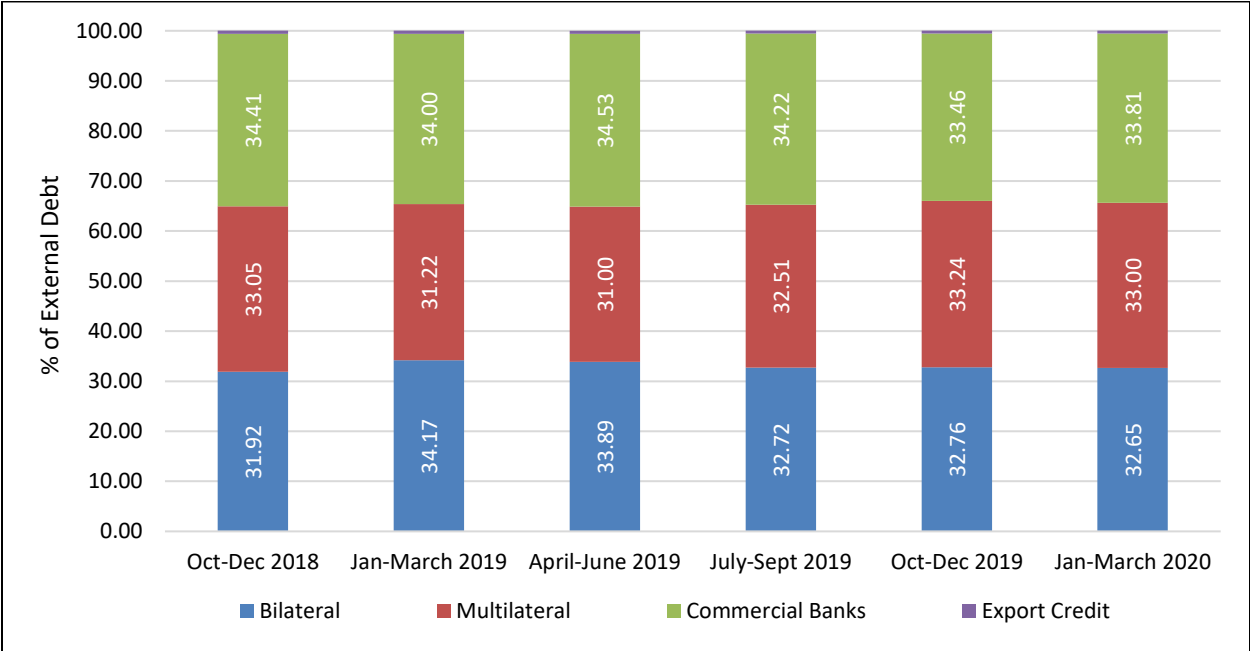
Data Source: Calculated using data from Central Bank of Kenya

**Figure 32: Composition of government domestic debt by holder (%)**



Data Source: Calculated using data from Central bank of Kenya

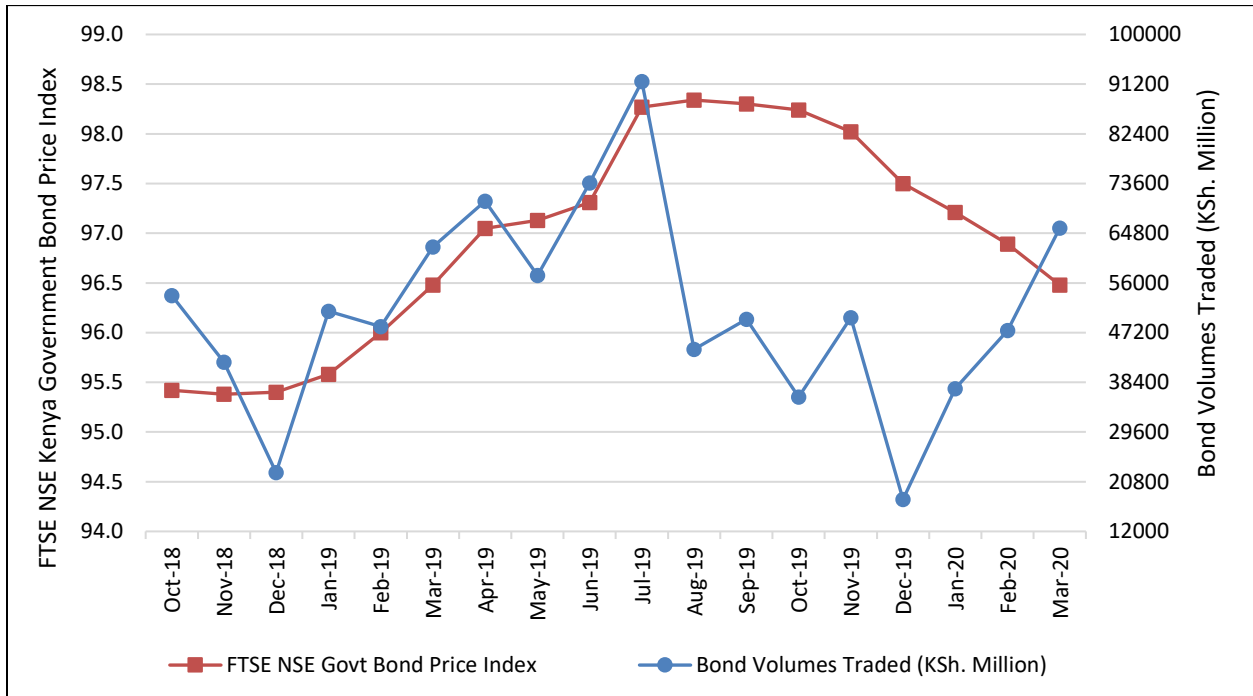
**Figure 33: Composition of external debt: proportionate shares of bilateral, multilateral, commercial bank and export credit**



Data Source: Calculated using data from Central bank of Kenya

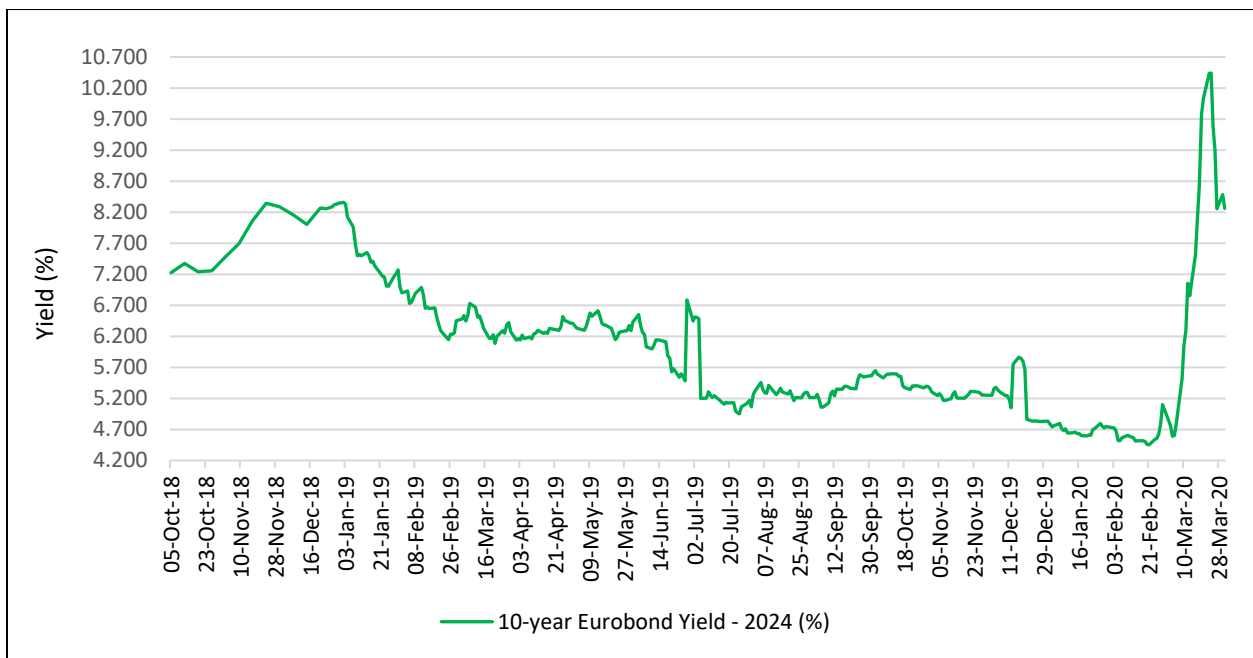
## 5. Capital Markets

**Figure 34: Bond volumes traded (Ksh millions) and FTSE NSE Kenya government bond price Index**



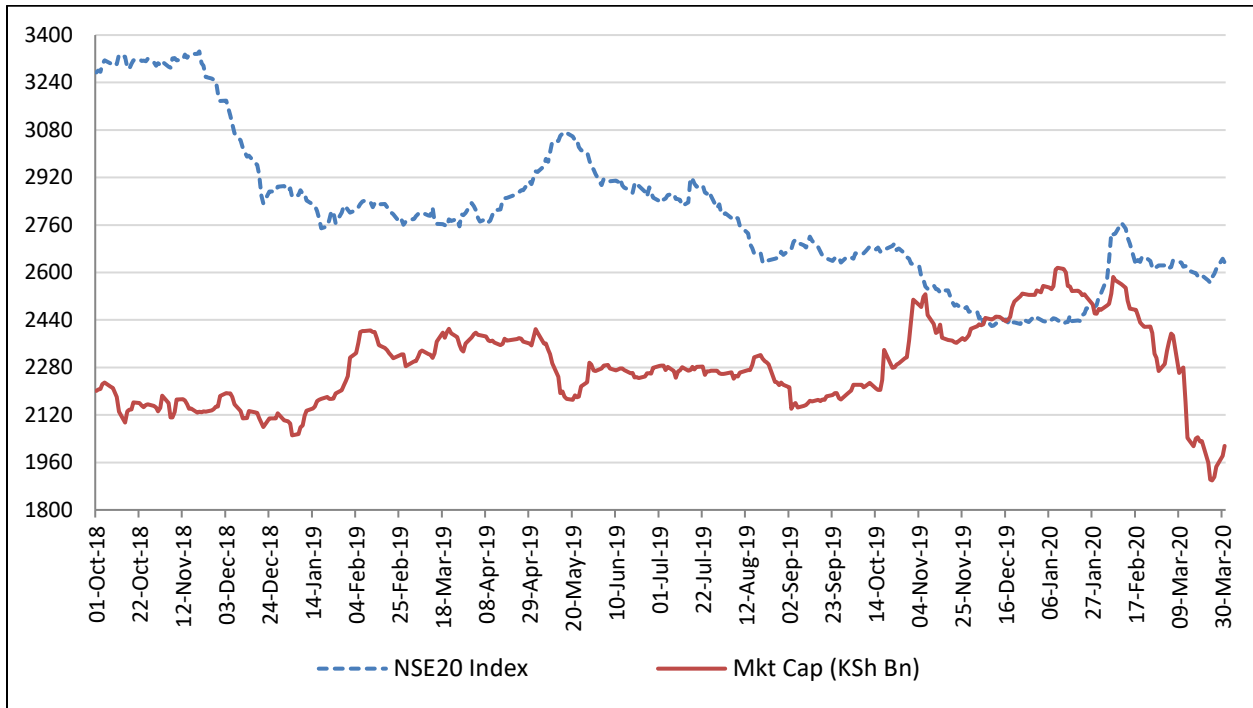
Data Source: Nairobi Securities Exchange; Central Bank of Kenya

**Figure 35: The 10-year Kenya Eurobond (2024) yield (%)**



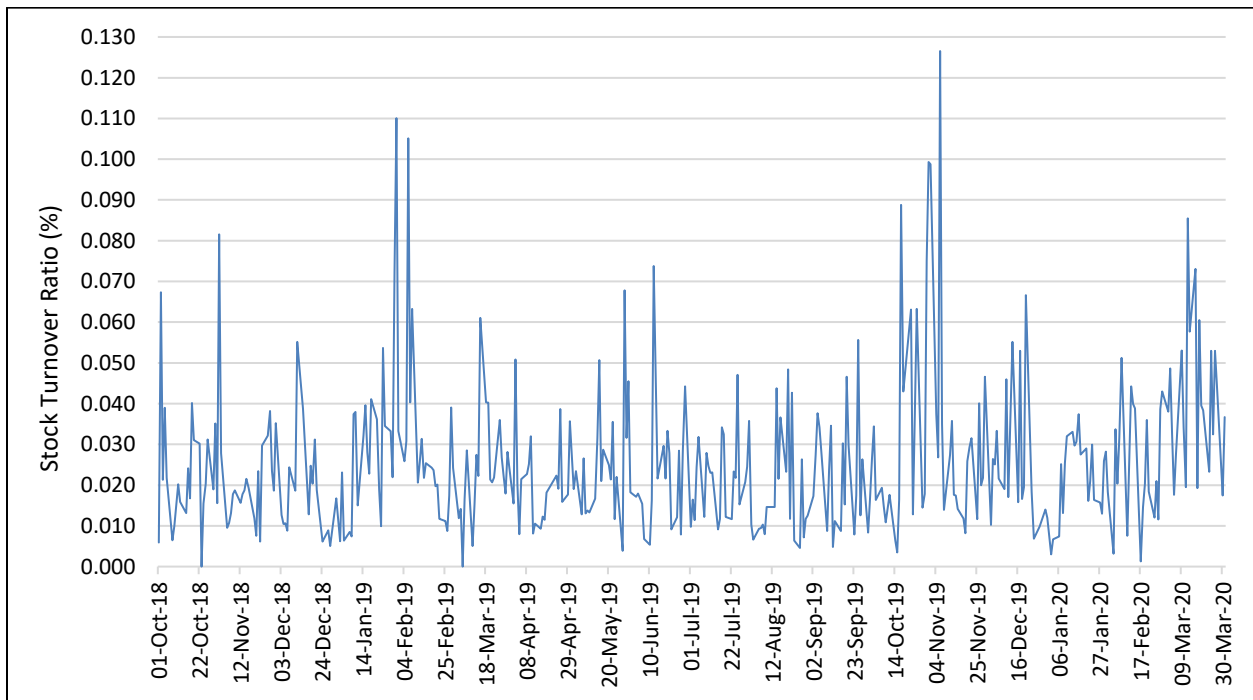
Data Source: Central Bank of Kenya

**Figure 36: Stock market performance**



Data Source: Nairobi Securities Exchange

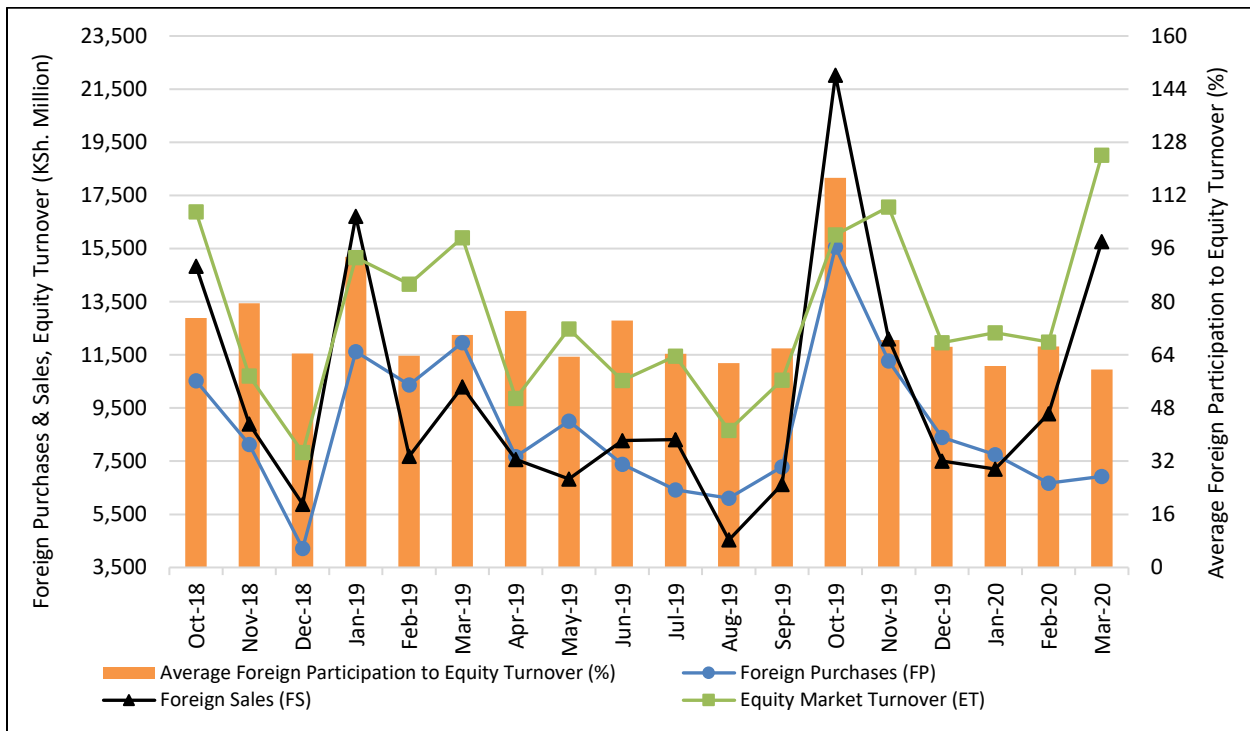
**Figure 37: Stock value turnover ratio (%)**



Data Source: Nairobi Securities Exchange; Calculated as equity turnover value (Ksh million)/ Market capitalization (Ksh million)



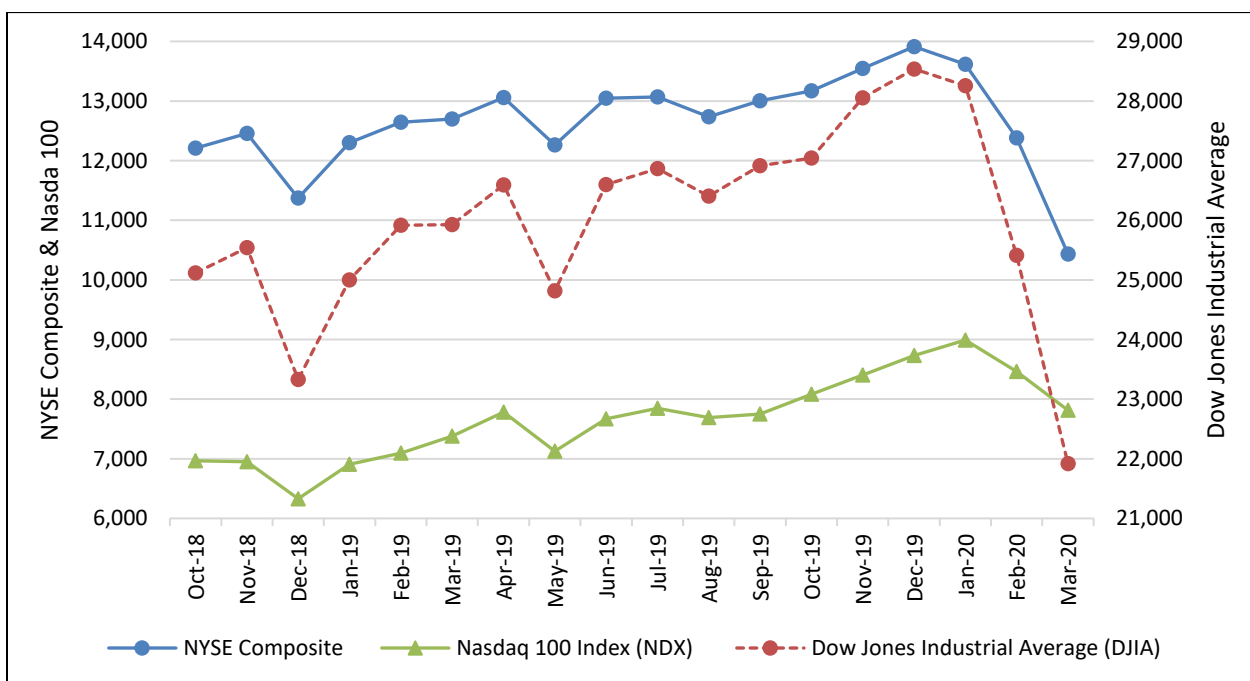
**Figure 38: Foreign trading in the stock market**



Data Source: Central Bank of Kenya; AIB Capital Ltd (<http://www.aibcapital.com/research>).

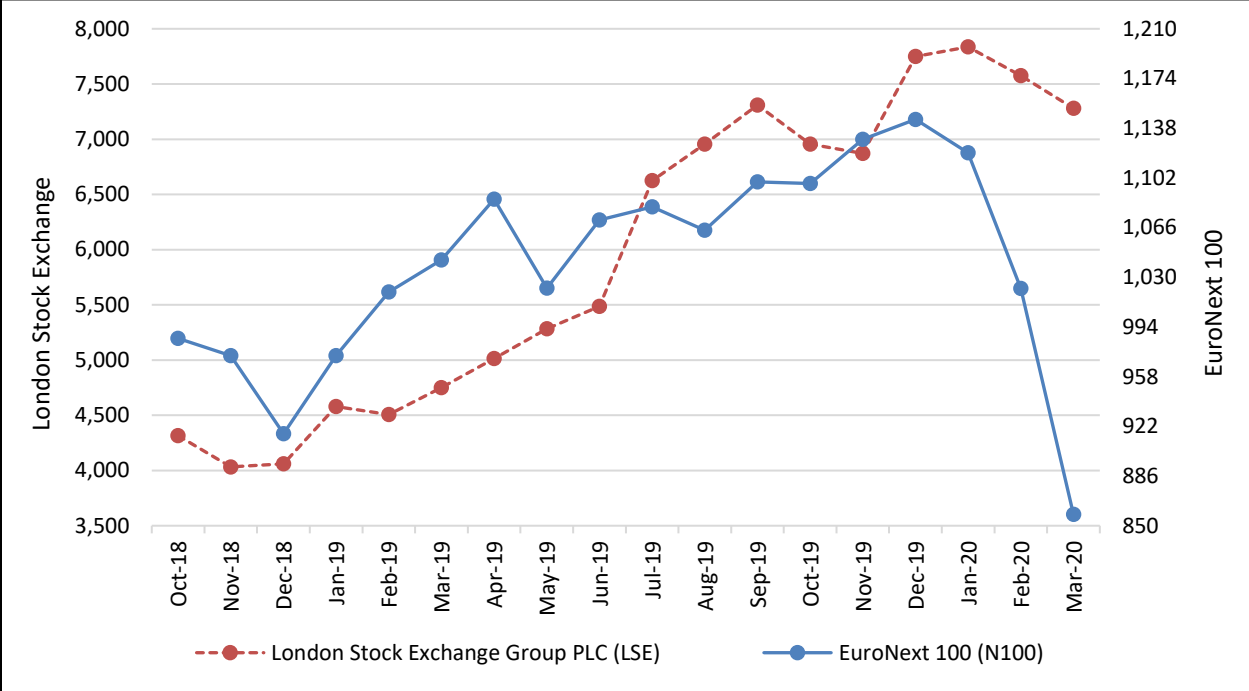
**Figure 39: Stock market performance of selected advanced and emerging markets**

**Figure 39(a): USA stock markets**



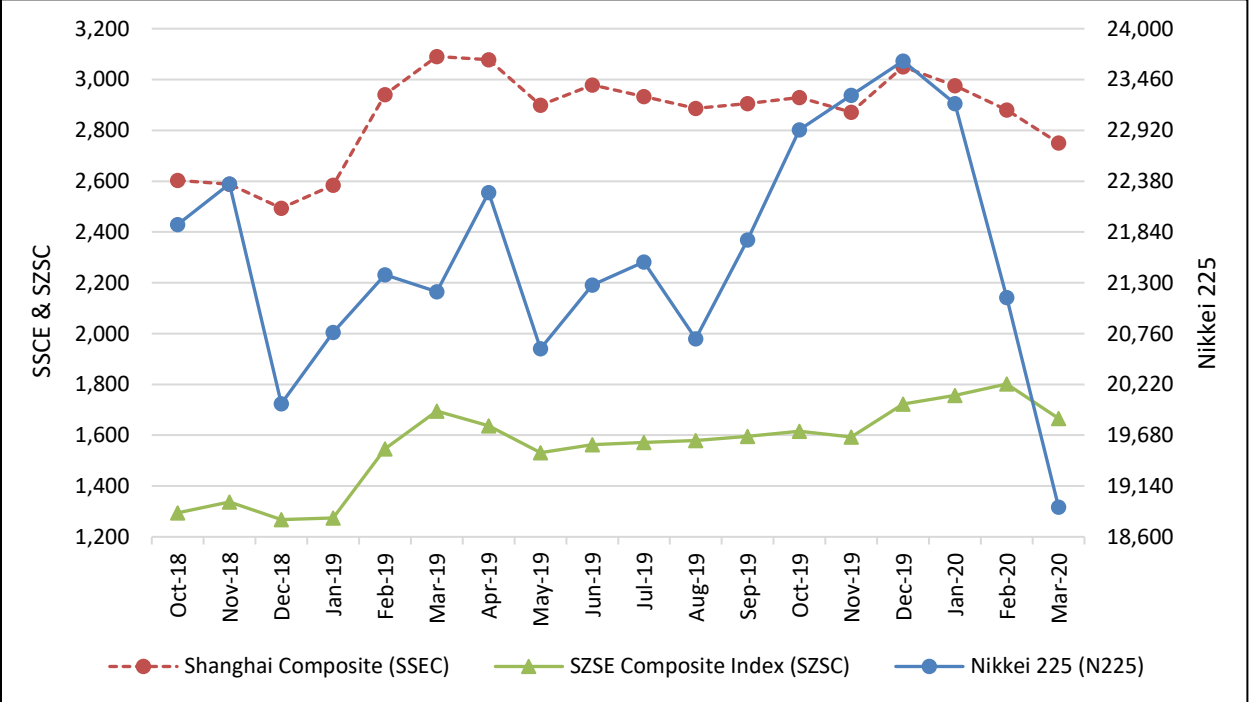
Data source: Country Stock Exchanges; <http://www.investing.com>

**Figure 39(b): European stock markets**



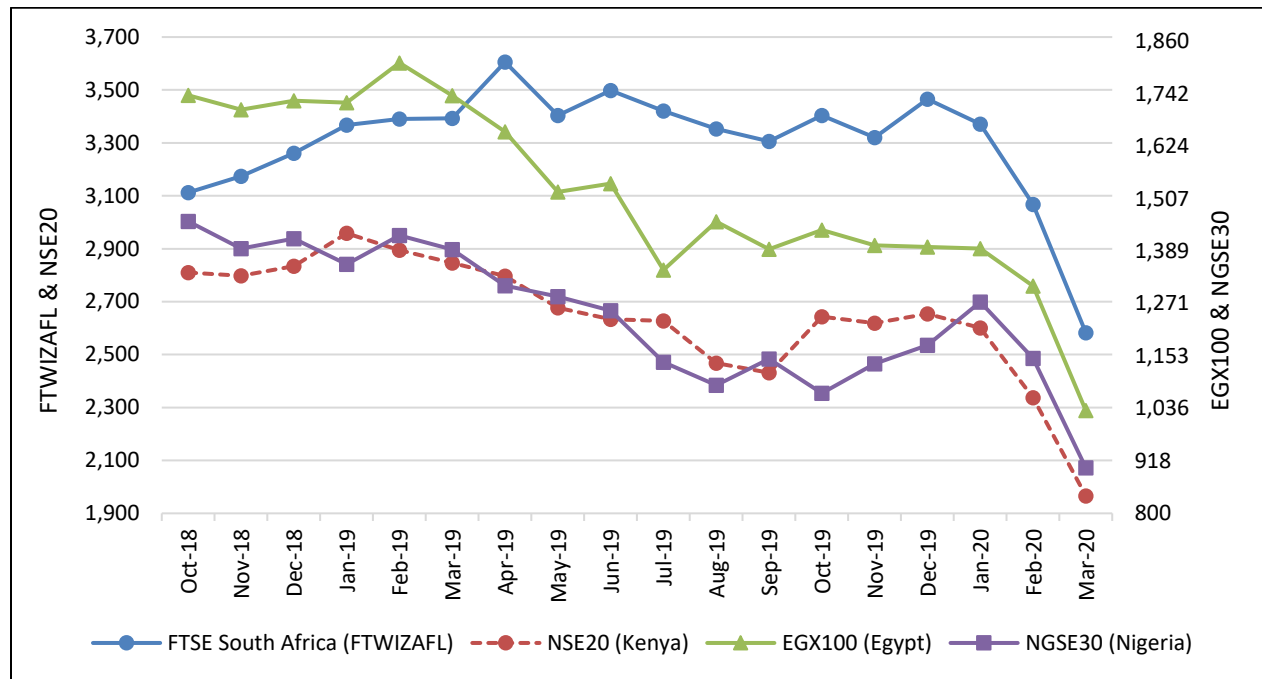
Data source: Country Stock Exchanges; <http://www.investing.com>

**Figure 39(c): Asian stock markets**



Data source: Country Stock Exchanges; <http://www.investing.com>

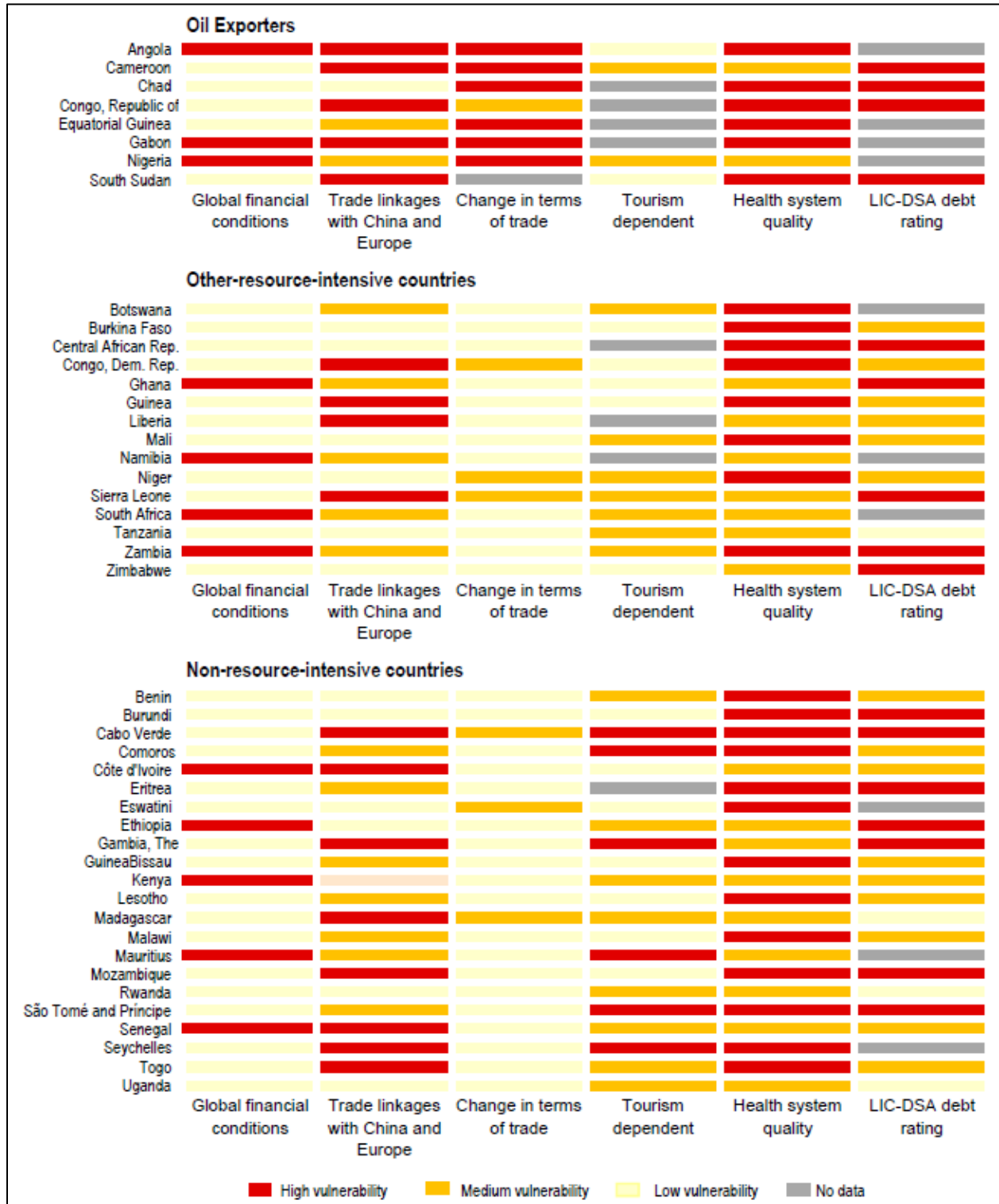
**Figure 39(d): African stock markets**



Data source: Country Stock Exchanges; <http://www.investing.com>

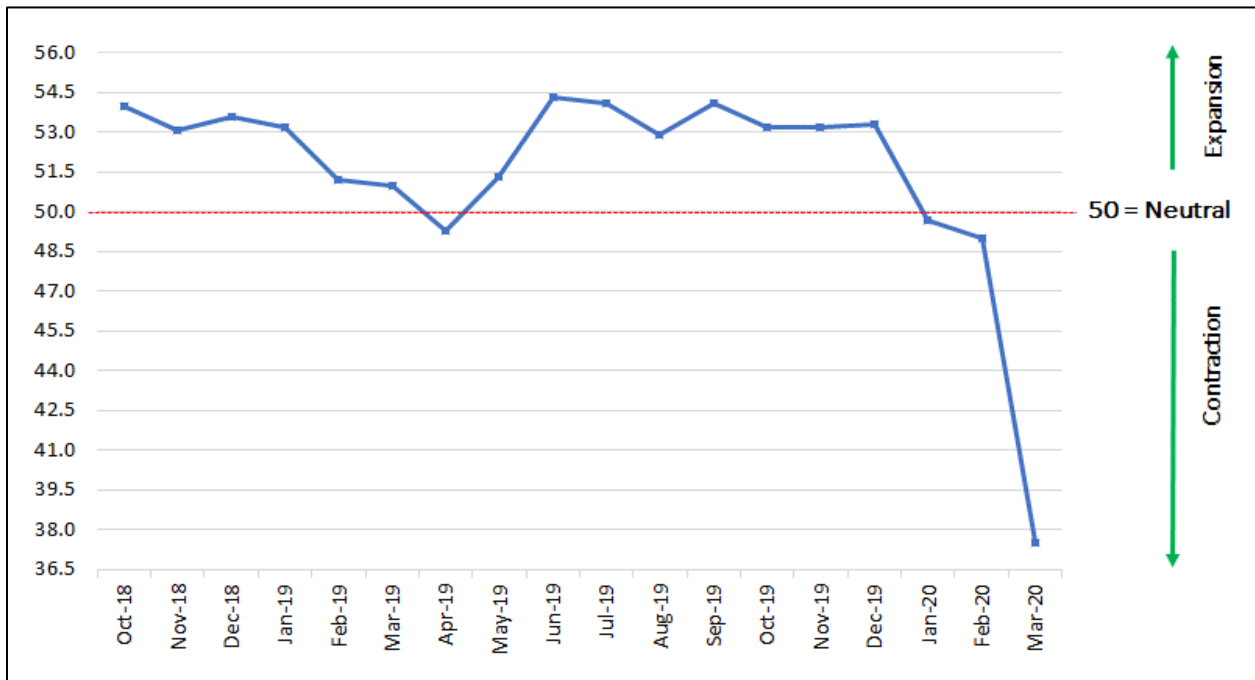
## 6. Risk-related Factors

Figure 40: Vulnerability of Sub-Saharan Africa countries to COVID-19 shock in 2020



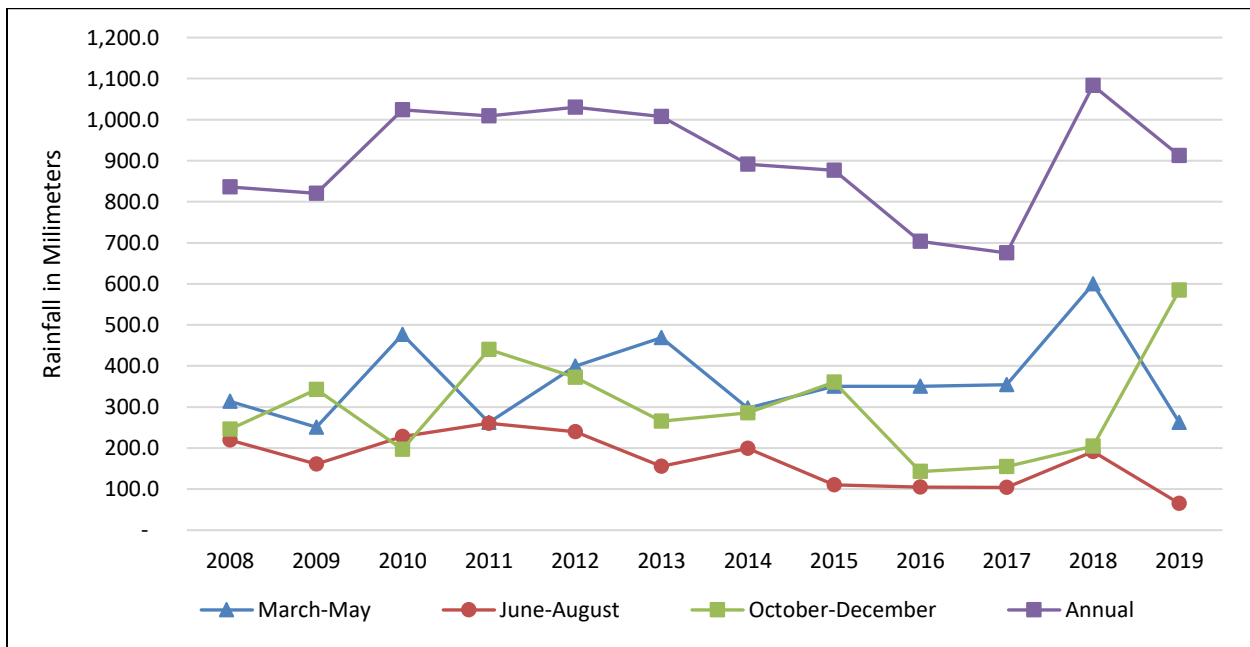
Source: International Monetary Fund, World Economic Outlook, April 2020

**Figure 41: Kenya purchasing managers' index**



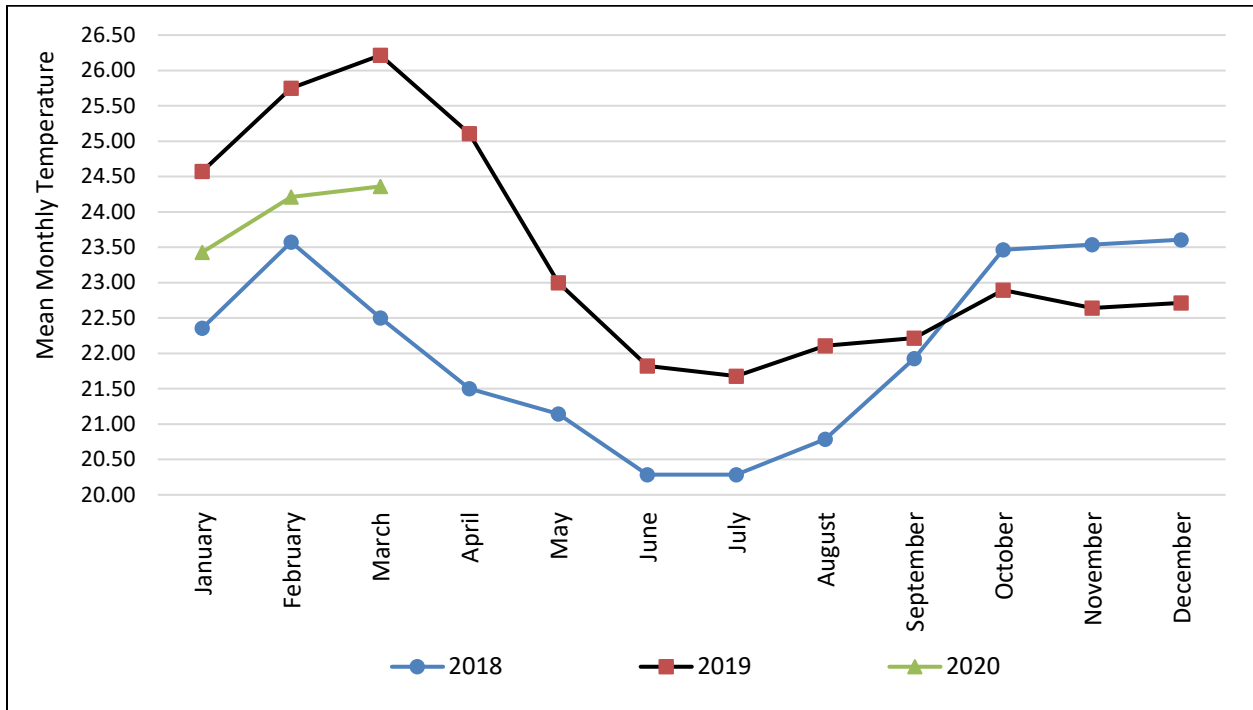
Data Source: Stanbic Bank (<https://www.stanbicbank.co.ke>); IHS-Markit (<https://ihsmarkit.com>)  
 Key: 50.0 = Neutral; Above 50.0 = Expansion; Below 50.0 = Contraction

**Figure 42: Mean annual and seasonal rainfall**



Data Source: Kenya National Bureau of Statistics; Kenya Meteorological Department; <https://www.worldweatheronline.com/>

**Figure 43: Mean monthly temperature (Degrees Celsius)**



Data Source: Kenya Meteorological Department; <https://www.worldweatheronline.com/>