



The **KENYA INSTITUTE** for **PUBLIC**
POLICY RESEARCH and **ANALYSIS**

Thinking Policy Together

QUARTERLY MARKET ANALYSIS REPORT

APRIL– JUNE 2022

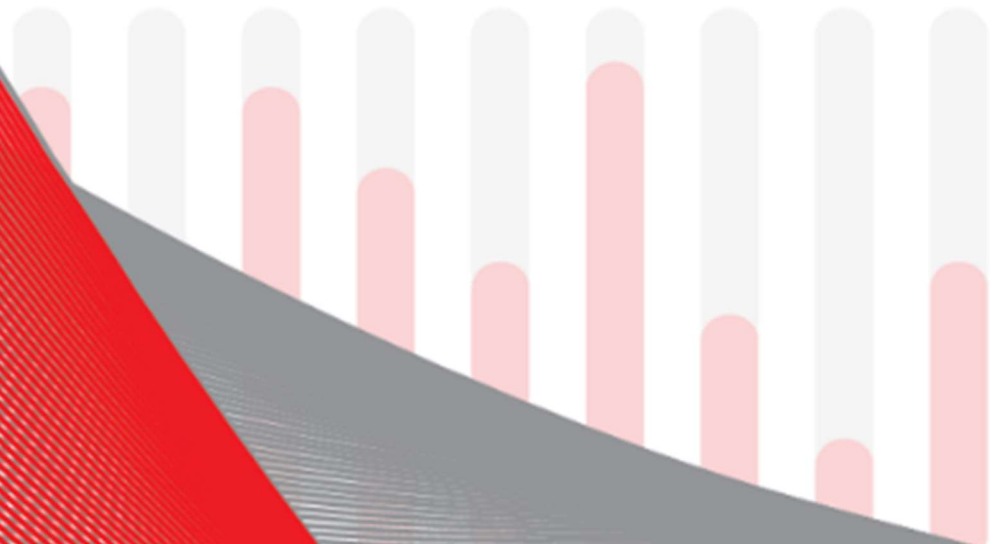


TABLE OF CONTENTS

1. PERFORMANCE IN THE REAL SECTOR	3
2. INTERNATIONAL MARKETS	10
3. MONETARY AND FINANCIAL SECTOR	17
4. FISCAL PERFORMANCE	22
5. CAPITAL MARKETS.....	30
6. RISK-RELATED FACTORS	36

1. PERFORMANCE IN THE REAL SECTOR

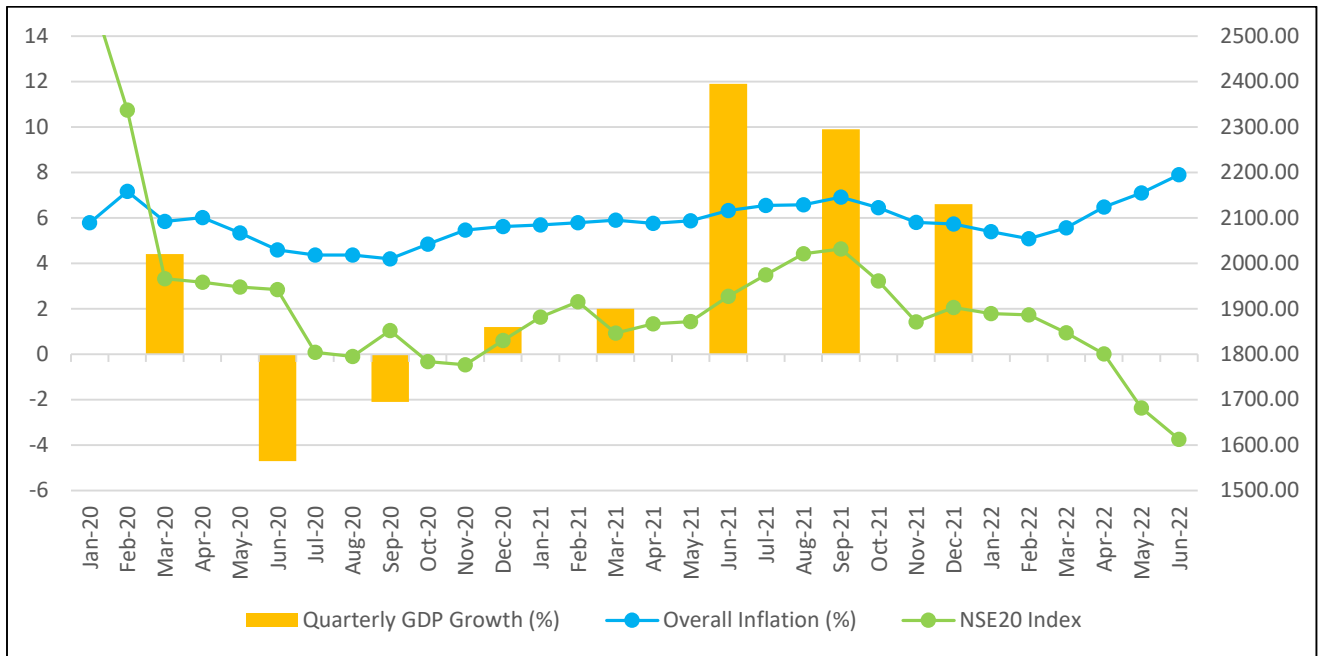
The global economy is projected to grow at 3.2 per cent in 2022 (IMF World Economic Outlook, July 2022). This is a downward revision from the projection of 3.6 per cent in April 2022. The downward revision in global growth projections is informed by the slow growth in early 2022, reduced household purchasing, tighter monetary policy in the United States of America (USA), prolonged lockdown due to COVID-19 pandemic, real estate crisis in China, tighter monetary policy, and spillovers from the Russia-Ukraine war into Europe. The USA and China 2022 growth projections were revised downward by 0.8 and 1.1 percentage points, respectively. The advanced economies are expected to grow by 2.5 per cent, which is a 0.8 per cent revision downward from the April 2022 projections. The 2022 growth projections for emerging and developing economies have also been revised downwards from 3.8 per cent to 3.6 percent. However, the Sub-Saharan Africa growth outlook remain unchanged at 3.8 per cent in 2022.

The Kenyan economy is expected to grow at 6 per cent in 2022 with recovery expected in various sectors (National Treasury Budget Policy Statement). However, the NSE20 Index declined further from 1,846.74 in March 2022 to 1,612.89 in June 2022. This is attributed to net sell-off position by foreign investors compounded by depreciation of the Kenya Shilling, dollar shortage, inflationary pressure, and the forthcoming general elections in August. During the quarter under review, the NSE-20 index fell below the 1,700-mark for the first time since 2002. The construction sector is picking up as witnessed by the rising production and consumption of cement in the first quarter of 2022, and the index value of building plans rising in March and April 2022.

Inflation in the April-June quarter consistently increased from 6.47 per cent in April 2022 to 7.1 per cent in May 2022 and 7.9 per cent in June 2022, which is beyond the government target band of $5 \pm 2.5\%$. The rise in inflation is attributed to increase in prices of commodities under the category of food and non-alcoholic beverages, fuel and transport, and housing and its utilities in the order of magnitude. The price of motor gasoline premium rose from an average of Ksh 136.74 in March 2022 to an average of Ksh 152.14 per liter in June 2022. Similarly, wholesale agricultural commodity prices have been on the rise. Legume price index rose from 95.98 in March 2022 to 110.18 in June 2022, cereals price index increased from 57.47 in March 2022 to 69.69 in June 2022, while fruits and vegetables price index rose from 55.44 to 58.98 in the period.

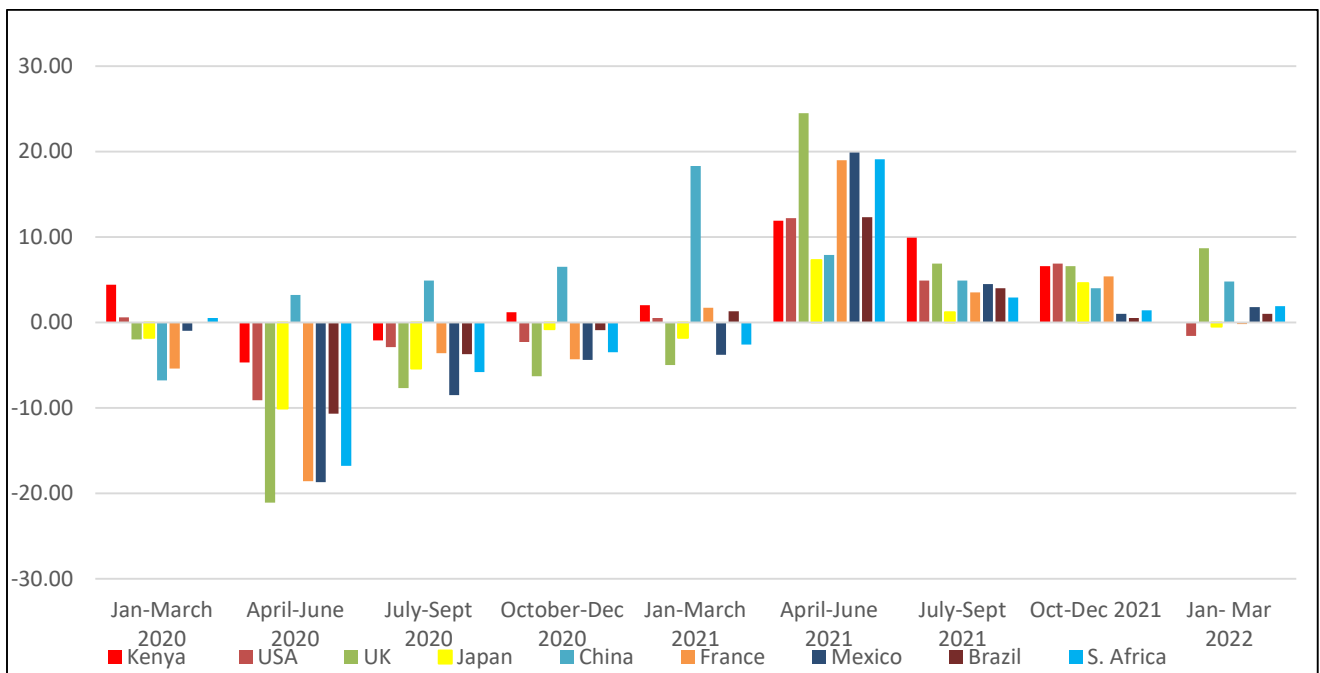
a) GDP performance

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



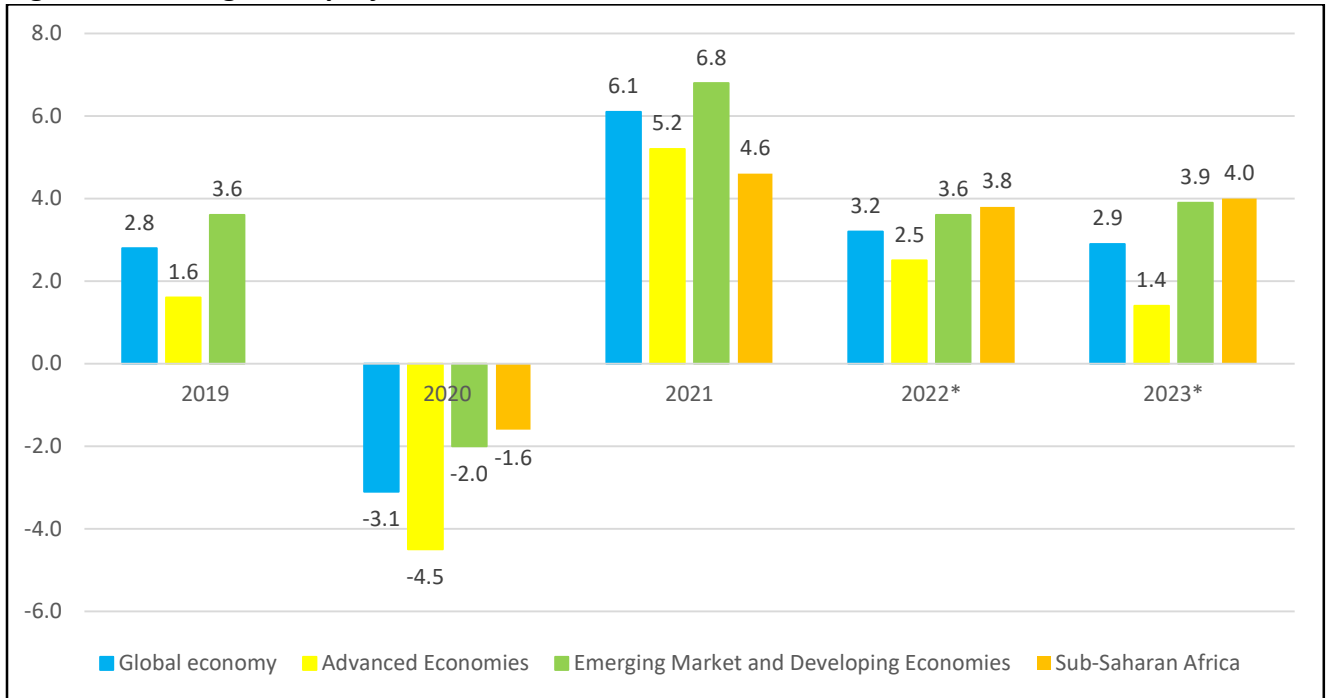
Data Source: Central Bank of Kenya; Kenya National Bureau of Statistics; The National Treasury; Nairobi Securities Exchange

Figure 2: Economic performance of selected advanced and emerging markets



Data Source: Country statistical offices; <https://tradingeconomics.com/>

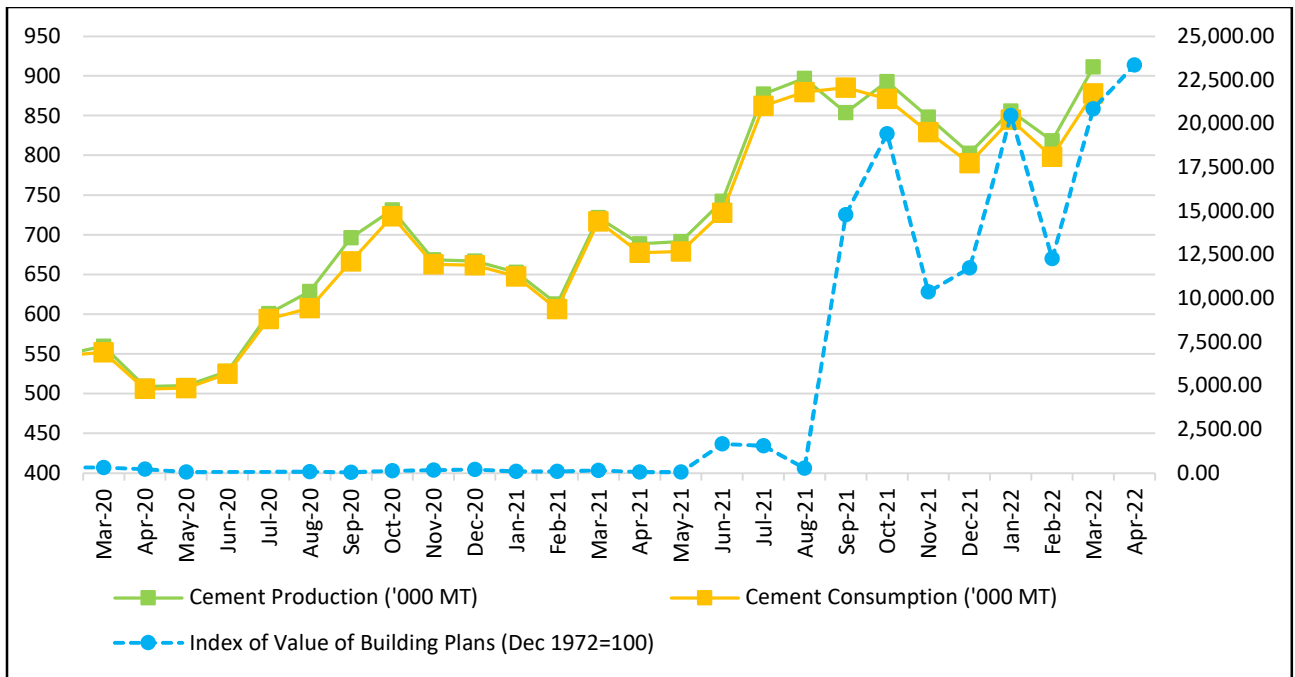
Figure 3: Global growth projections



Data Source: International Monetary Fund World Economic Outlook, April 2022

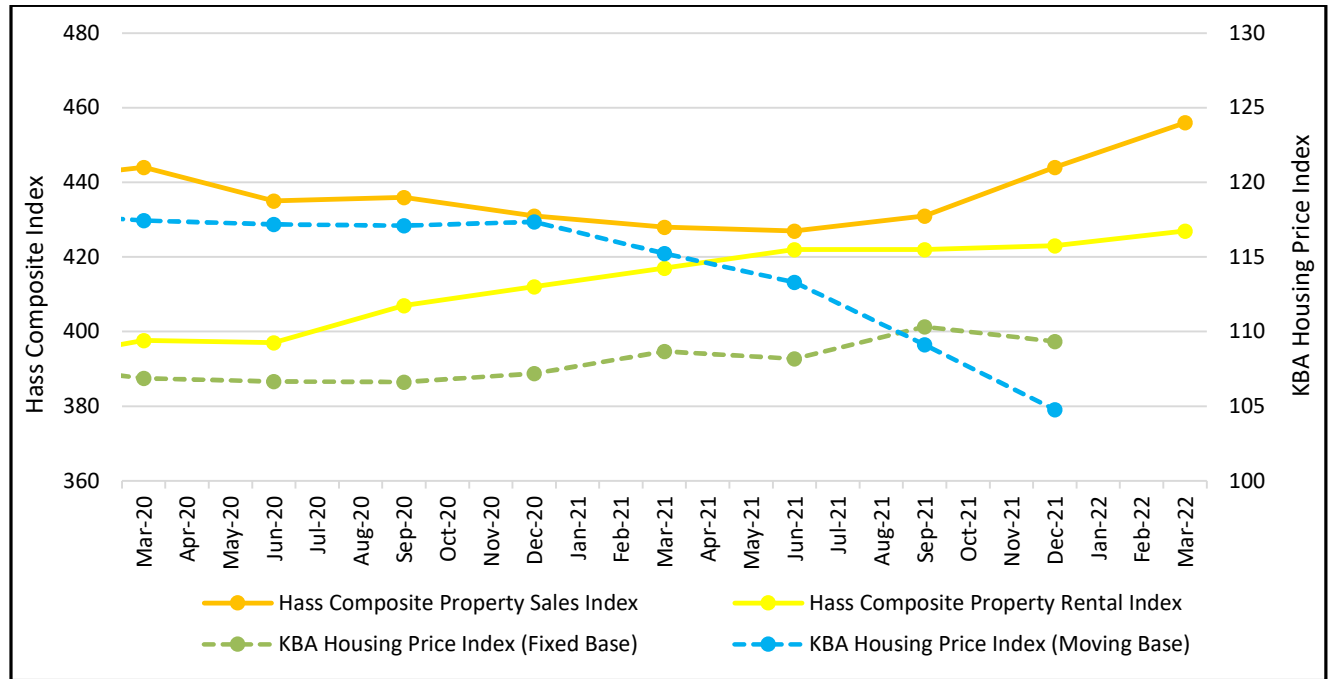
*2022 and 2023 figures are projections

Figure 4: Cement production and consumption ('000 MT) and index of value of building plans



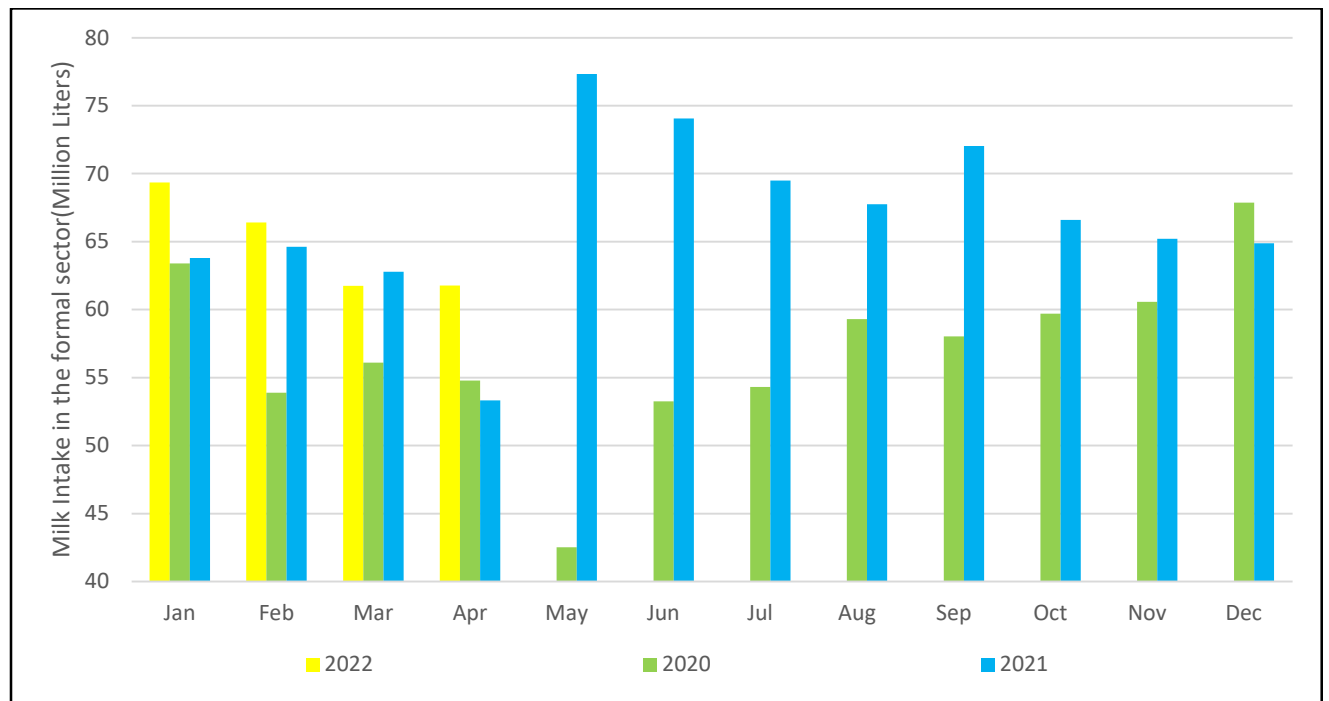
Data Source: Kenya National Bureau of Statistics (Data available up to March 2022 for cement, April 2022 for building plans)

Figure 5: Kenya Housing and Property Indices



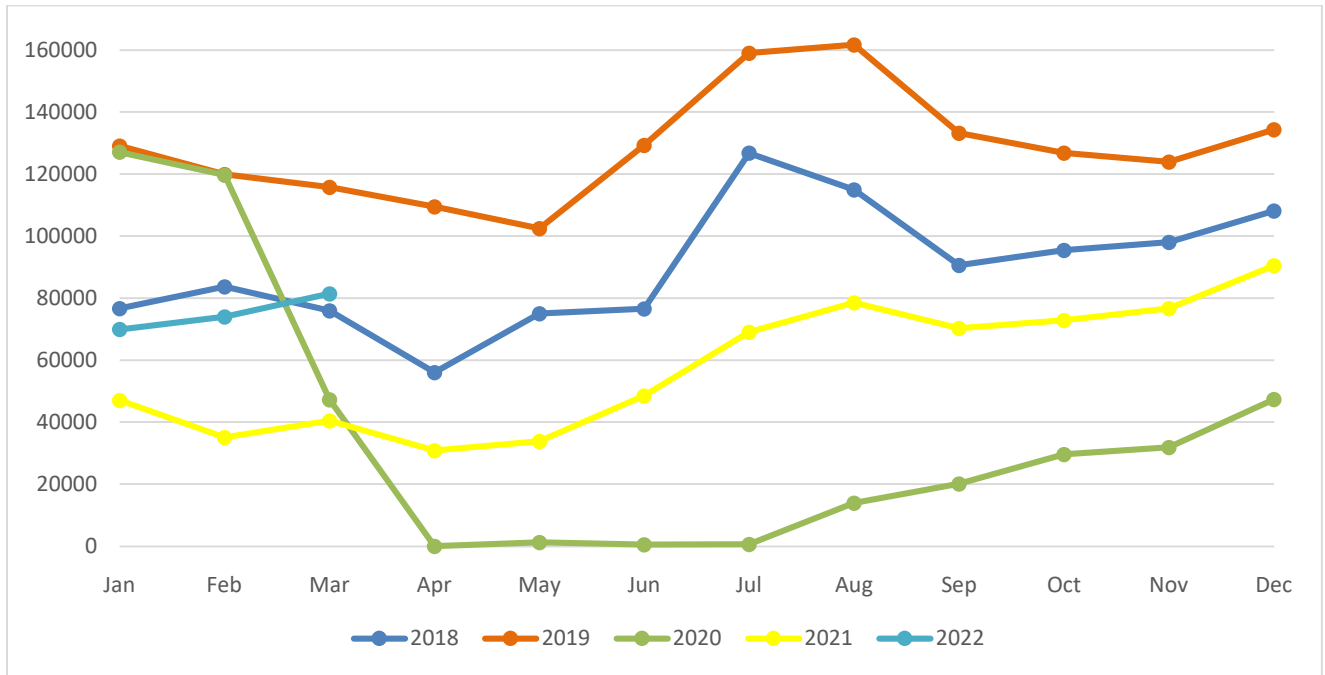
Hass Composite Property Sales Index: Year 2000 = 100; KBA Housing Price Index (fixed base): Q1 – 2013 = 100. *Data Source: Hass Property Index (<http://hassconsult.co.ke/real-estate/hass-index/>); Kenya Bankers Association (<https://www.kba.co.ke/wp-content/uploads/2022/06/KBA-HPI-Q4-December-2021.pdf>)*

Figure 6: Intake of processed milk in the formal sector (million litres)



*Data Source: Kenya National Bureau of Statistics. *Data for May and June not available*

Figure 7: Monthly tourist arrivals (number)

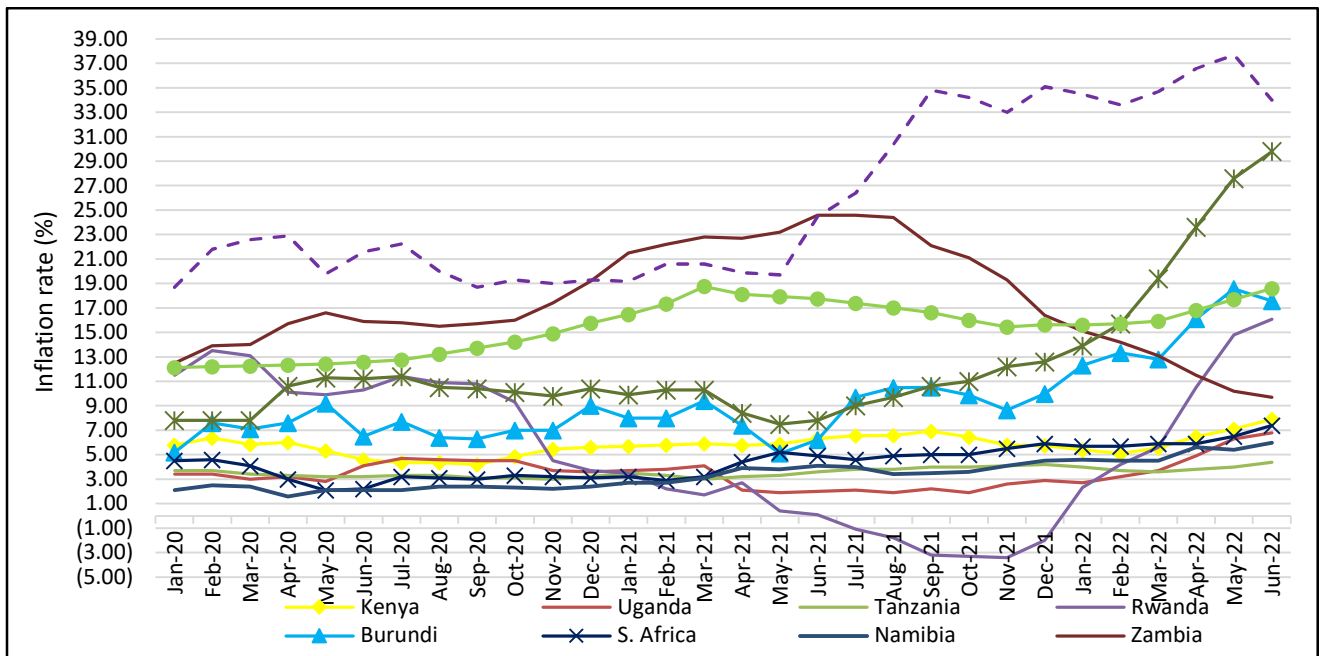


Data Source: Kenya National Bureau of Statistics (Various), Economic Surveys

*April- June data not available

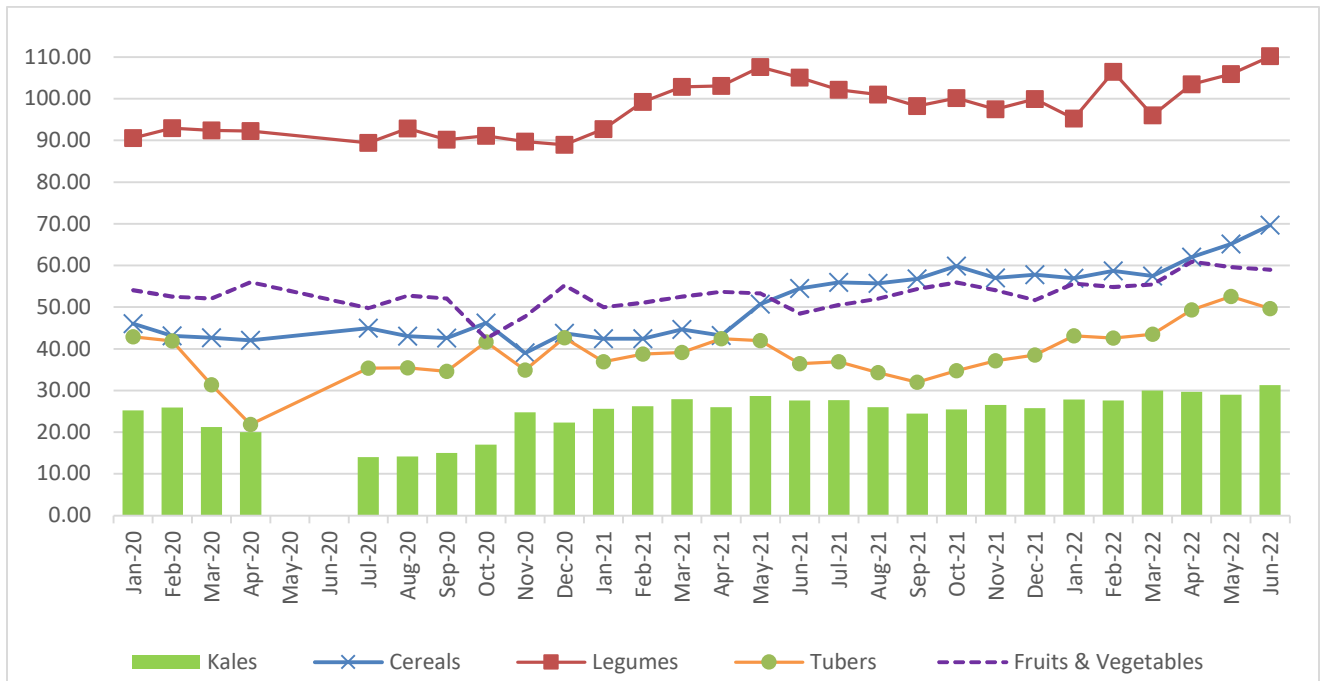
b) Price movement

Figure 8: Comparative inflation for selected countries in Africa



Data Source: Country statistical offices; <https://tradingeconomics.com>

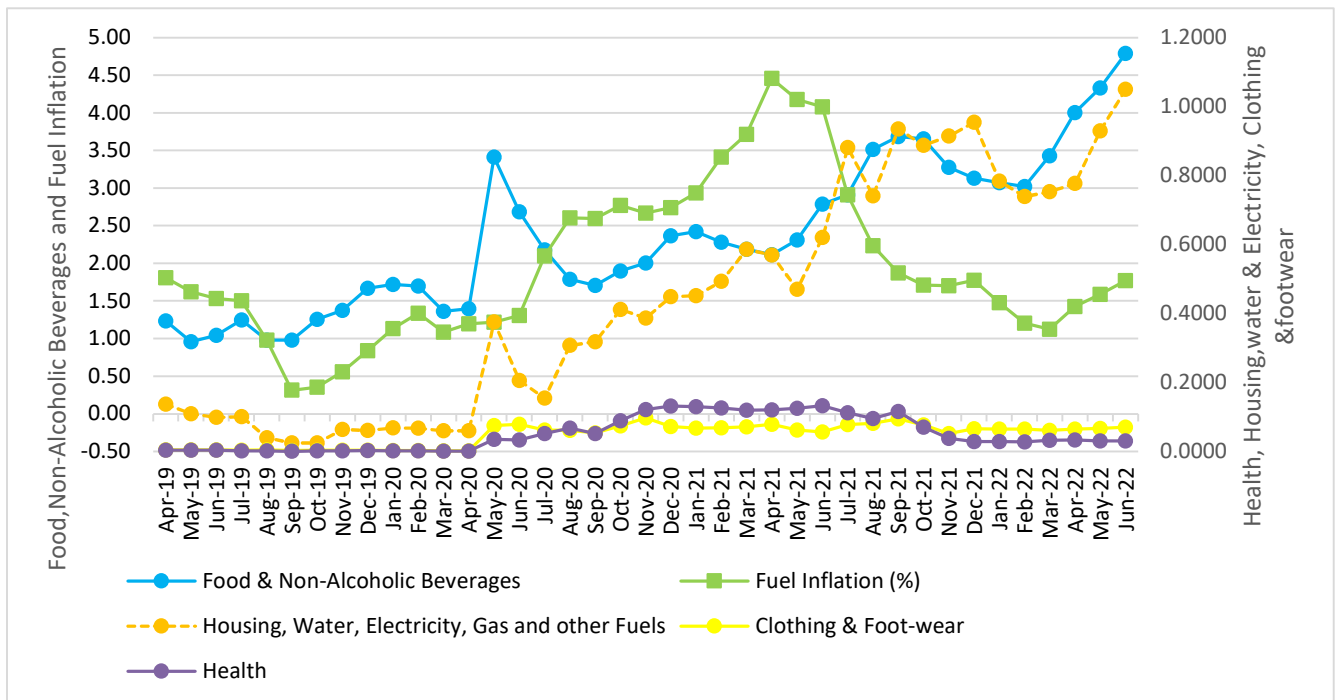
Figure 9: Domestic wholesale agriculture commodity prices (Ksh/Kg)



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

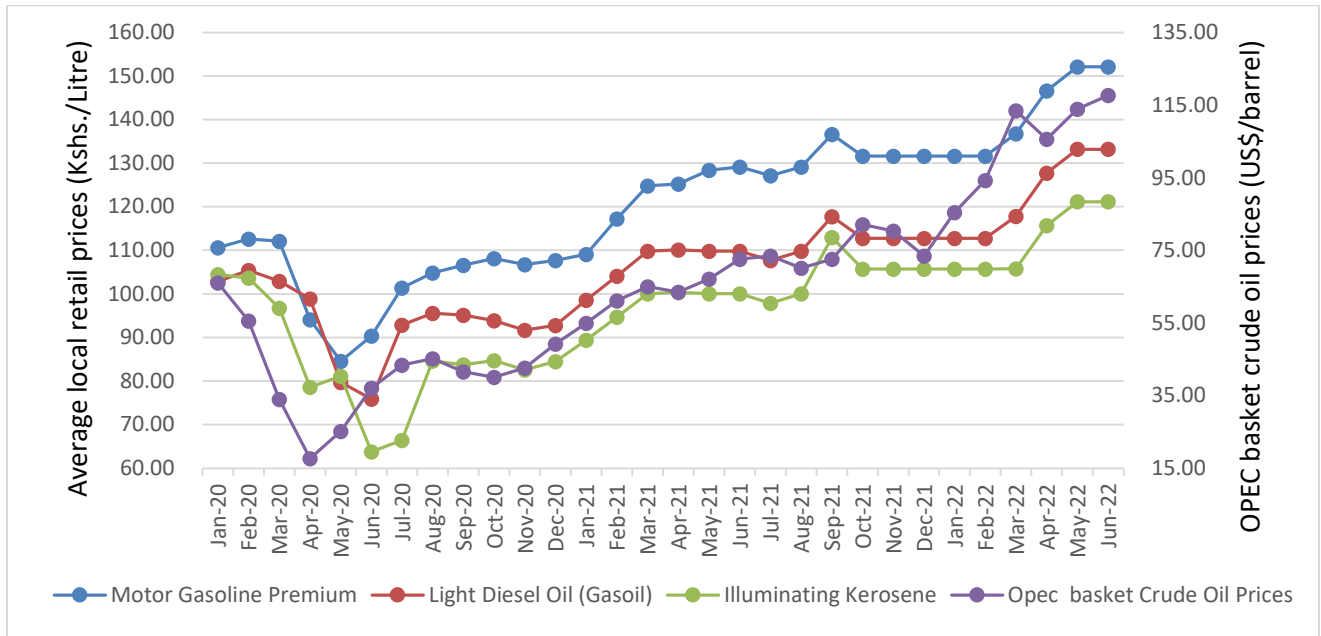
*There was no data from the Ministry of Agriculture for May and June 2020

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



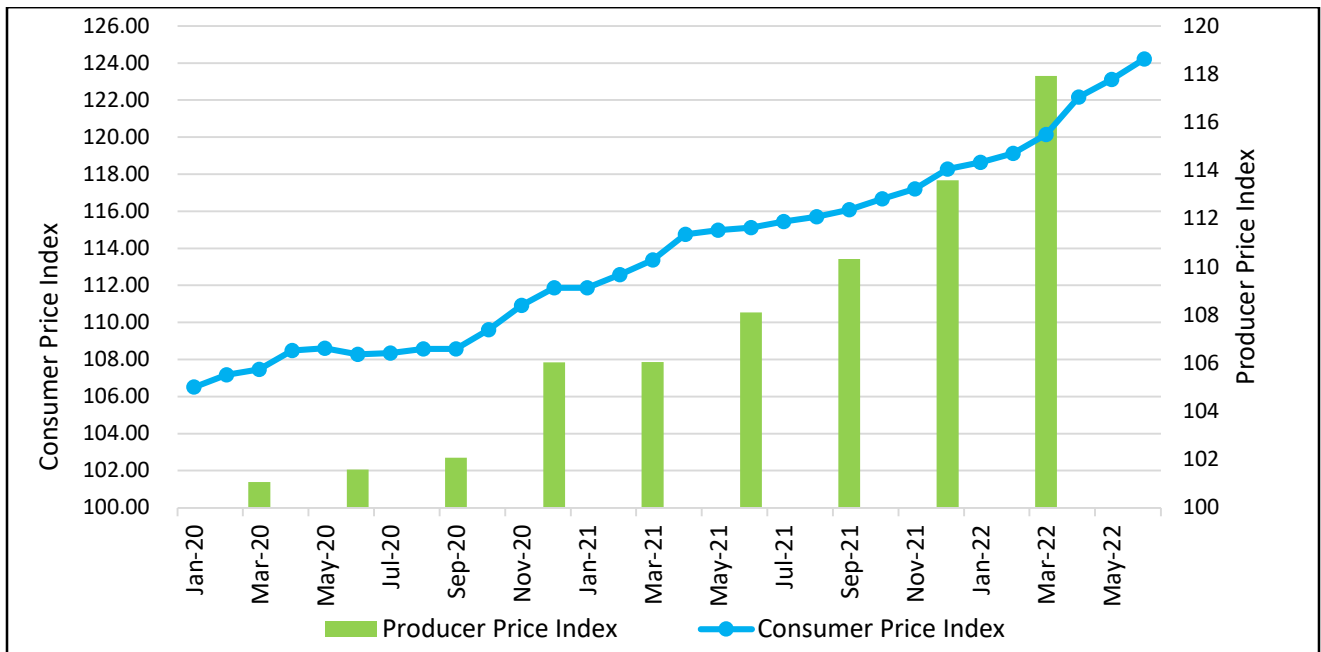
Data Source: Kenya National Bureau of Statistics and Central Bank of Kenya

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



Data Source: Kenya National Bureau of Statistics; Energy and Petroleum Regulatory Authority; <https://www.statista.com/>

Figure 12: 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 *Producer Price Index data for Jan-Mar not available

2. INTERNATIONAL MARKETS

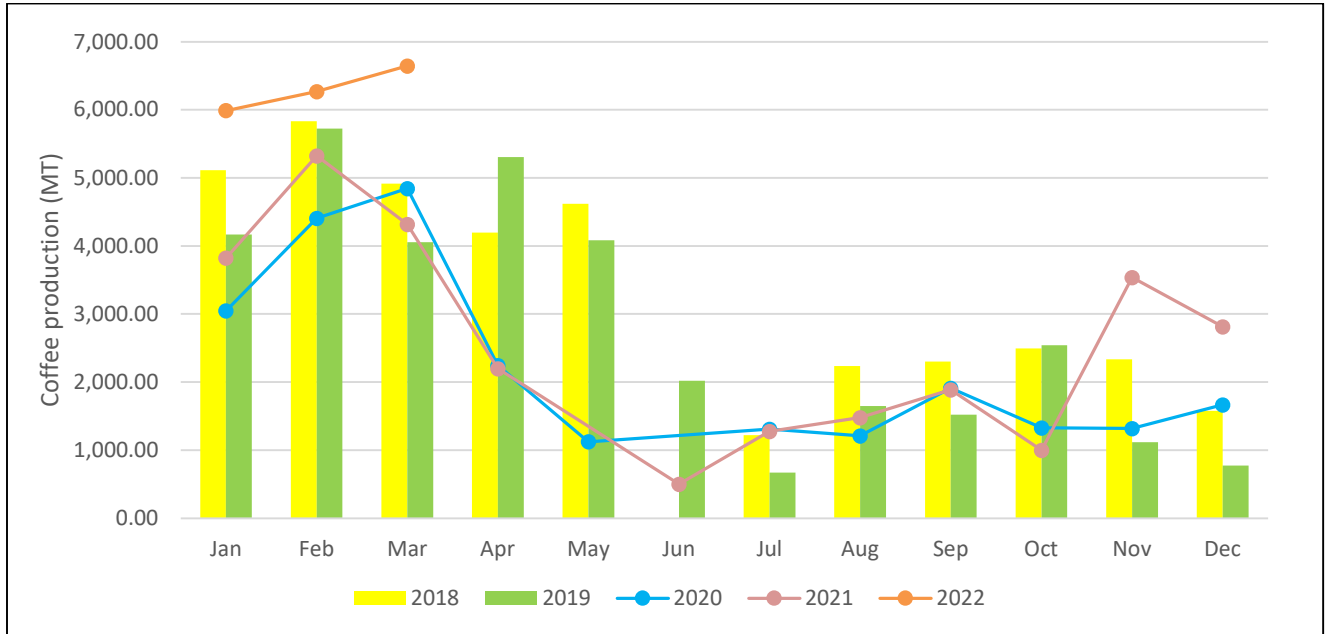
The volume of coffee produced increased from 5,990 metric tons in January 2022 to 6,645 metric tons in March 2022, while the value of exports grew from Ksh 2,633.5 million in January 2022 to Ksh 3,415.52 million in March 2022. The global coffee composite prices rose from US\$ 194.78/lb in March 2022 to US\$ 202.46/lb in June 2022. The value of tea exports similarly rose from Ksh 12,628 million to Ksh 13,558 million in January 2022 to March 2022 following a similar pattern as that observed in January to March 2021.

The Kenyan Shilling weakened against the US Dollar, depreciating by 9.28 per cent between June 2021 and June 2022. Similarly, majority of the regional currencies depreciated against the US Dollar over the same period except for the South Rand, which appreciated against the US Dollar by 2.39 per cent. The Ugandan Shilling, Tanzanian Shilling, Rwandan Franc, and Burundian Franc all depreciated against the US Dollar by 5.85 per cent, 0.56 per cent, 1.68 per cent and 3.97 per cent, respectively. At the start of April-June 2022 quarter, the Kenya Shilling was exchanging at 114.95 and at the end of the quarter, the exchange rose to 117.83 per US Dollar, representing a 2.5 per cent depreciation. The US\$ Index rose above the 100-mark during the quarter to close at 104.46, implying that the US Dollar appreciated by 4.46 per cent against a basket of currencies comprising the US\$ index. The currencies included in the index include the Euro, Japanese Yen, Canadian Dollar, British Pound, Swedish Krona and Swiss Franc.

The remittances to Kenya declined from US\$ 355.0 million in April 2022 to US\$ 339.7 million in April 2022 and a further decline to US\$ 326.1 million in May 2022. During the same period in 2021, remittances to Kenya were on an increasing trend from US\$ 299.3 million in April 2021 to US\$ 305.9 million June 2021. Kenya had foreign reserve equivalent to 4.9 months of import cover in March 2022. This increased to 5.2 months in April 2022 before declining slightly to 5.1 months in May 2022. Foreign Reserves in the months of import cover remained above the CBK's statutory requirement of at least 4 months.

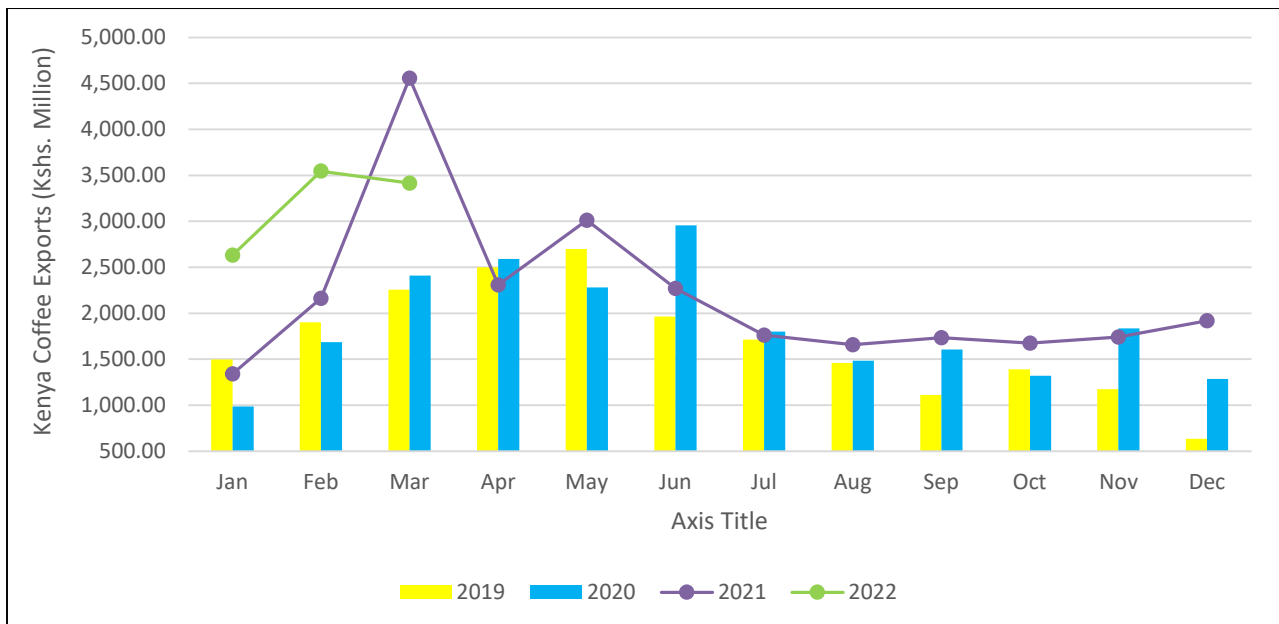
Figure 13: Trends in coffee and tea production (MT), exports (Ksh millions) and auction prices (Ksh/Kg)

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



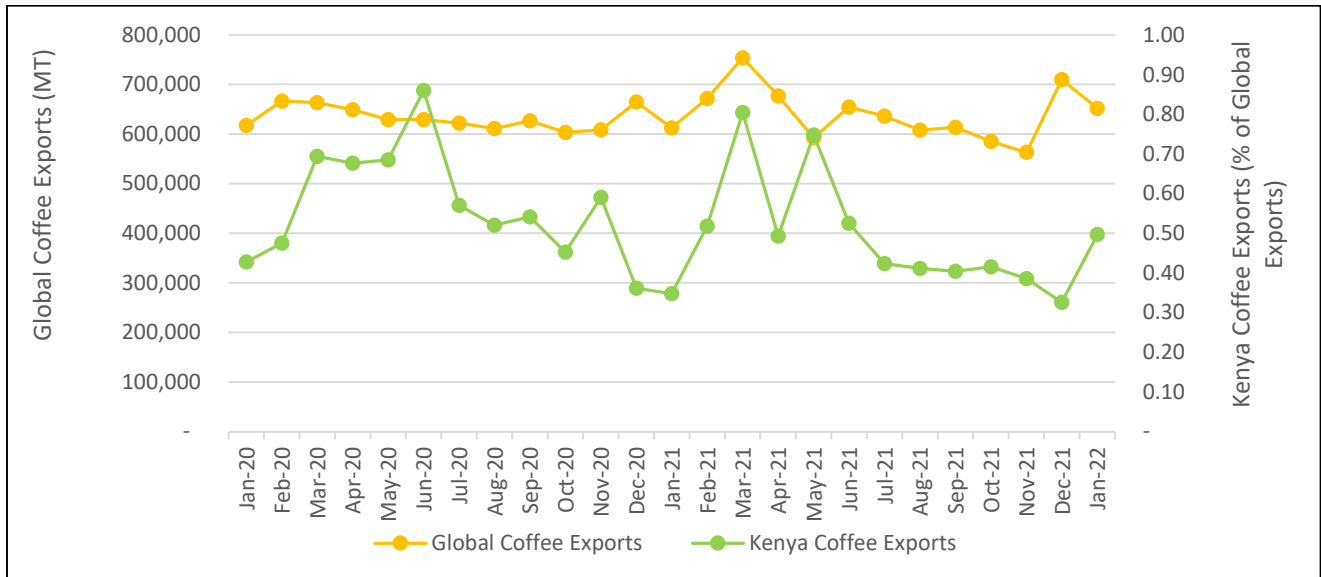
Data Source: Kenya National Bureau of Statistics; Nairobi Coffee Exchange (<http://nairobicoffeexchange.co.ke/>)

Figure 13(b): Monthly coffee exports (Ksh million)



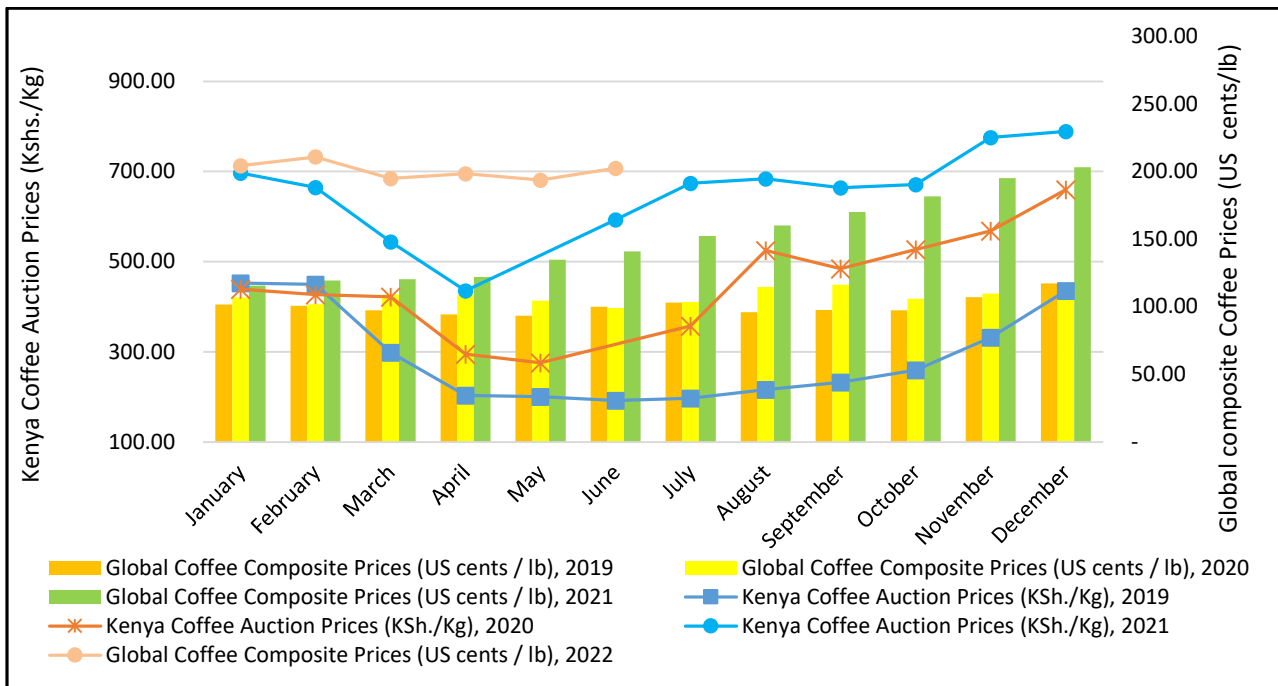
Data Source: Kenya National Bureau of Statistics; Nairobi Coffee Exchange (<http://nairobicoffeexchange.co.ke/>). April-June 2022 data not available

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



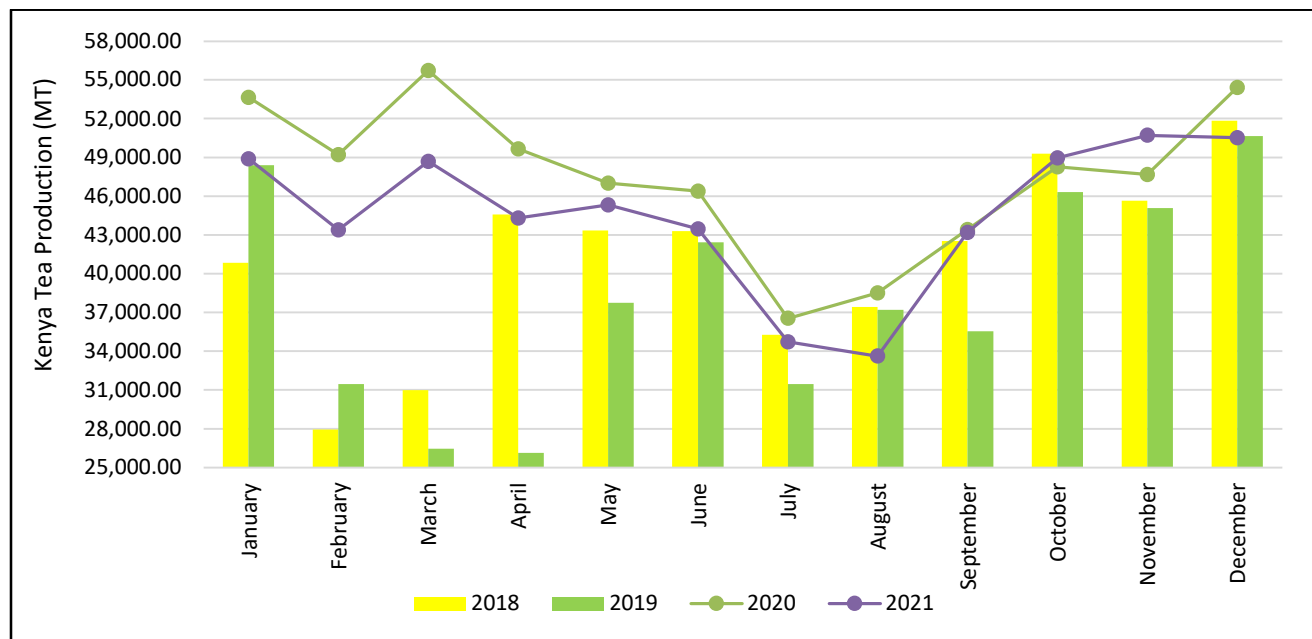
Data Source: Kenya National Bureau of Statistics; Nairobi Coffee Exchange (<http://nairobicoffeexchange.co.ke/>); International Coffee Organization (http://www.ico.org/coffee_prices.asp) *Data available up to January 2022

Figure 13(d): Monthly Kenya coffee auction prices (Ksh/Kg) and global composite prices (US cents/lb)



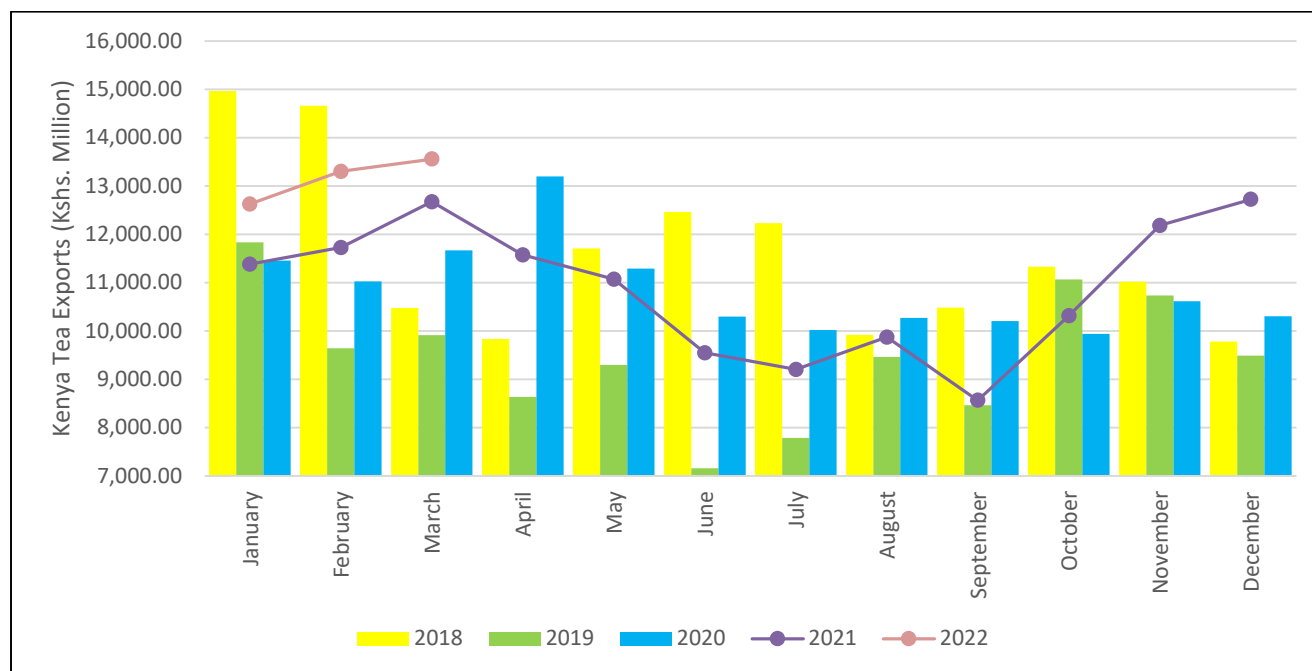
Data Source: Kenya National Bureau of Statistics; Nairobi Coffee Exchange (<http://nairobicoffeexchange.co.ke/>); International Coffee Organization (http://www.ico.org/coffee_prices.asp)

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



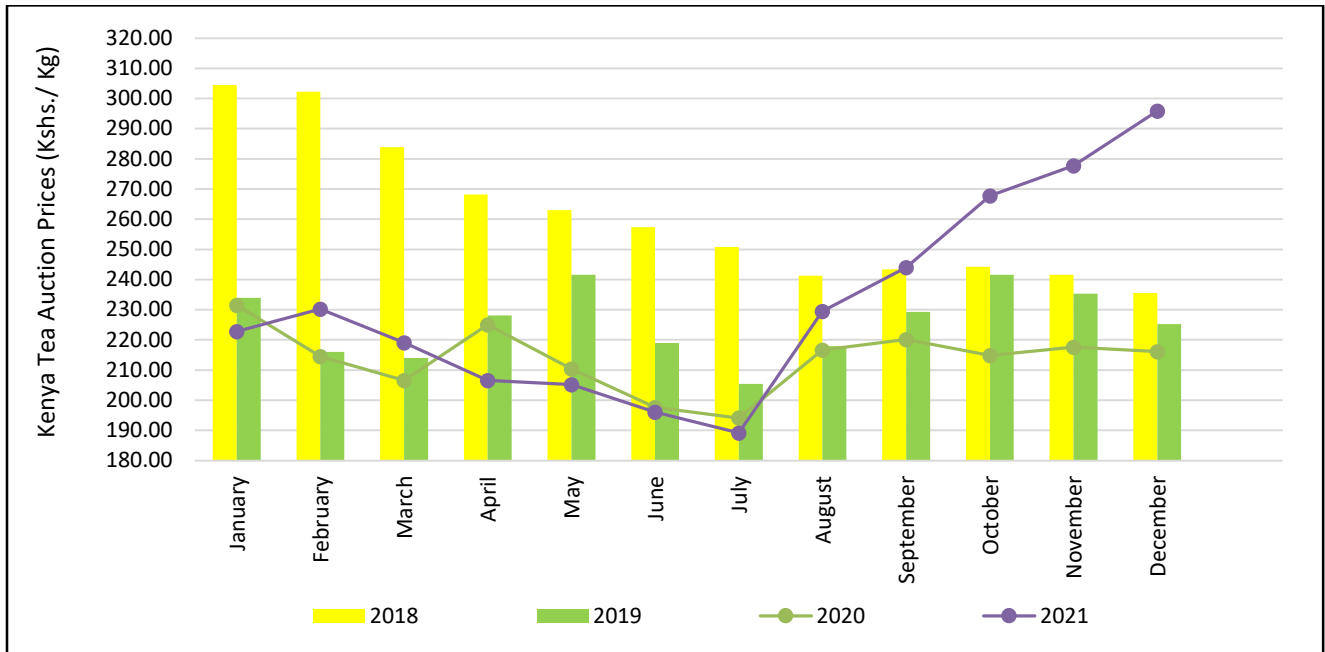
Data Source: Kenya National Bureau of Statistics; East African Tea Trade Association
 *January-June 2022 data not available

Figure 13(f): Monthly tea exports (Ksh million)



Data Source: Kenya National Bureau of Statistics; East African Tea Trade Association
 *April -June 2022 data not yet available

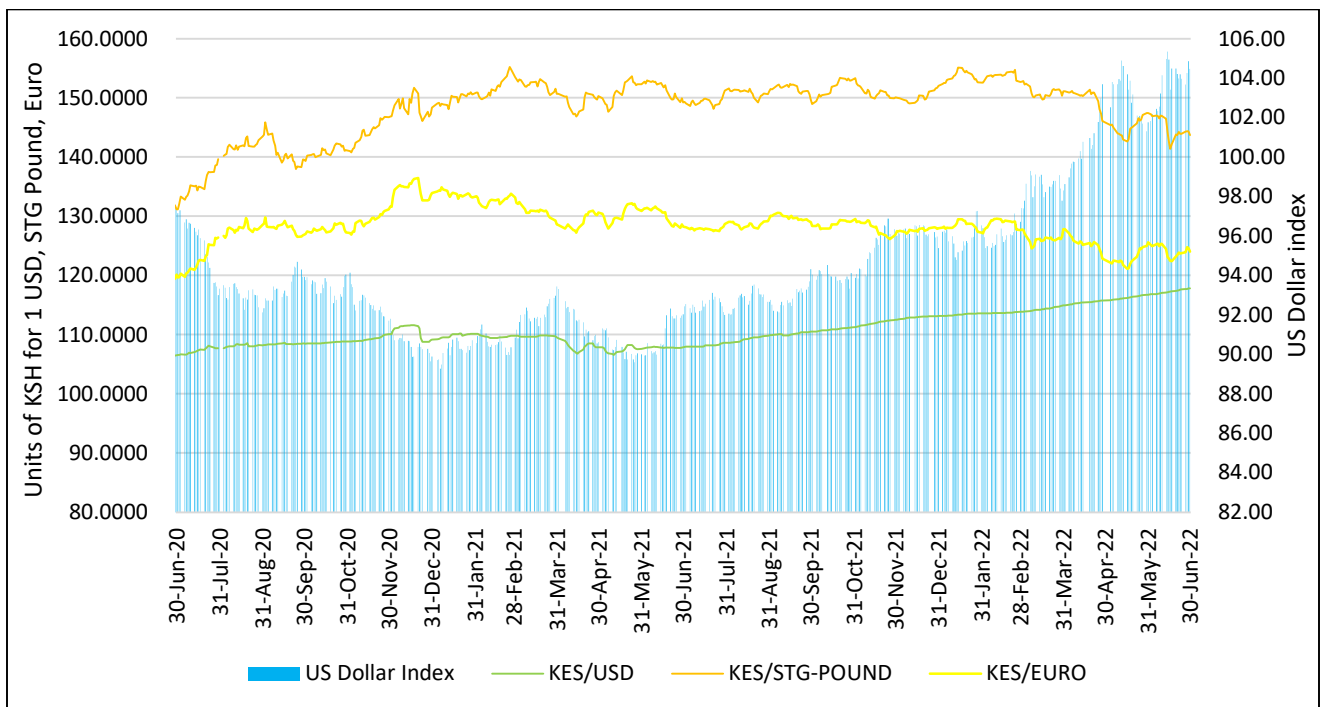
Figure 13(g): Monthly Kenya tea auction prices (Ksh/Kg)



Data Source: Kenya National Bureau of Statistics; East Africa Tea Trade Association; Mombasa Tea Auction

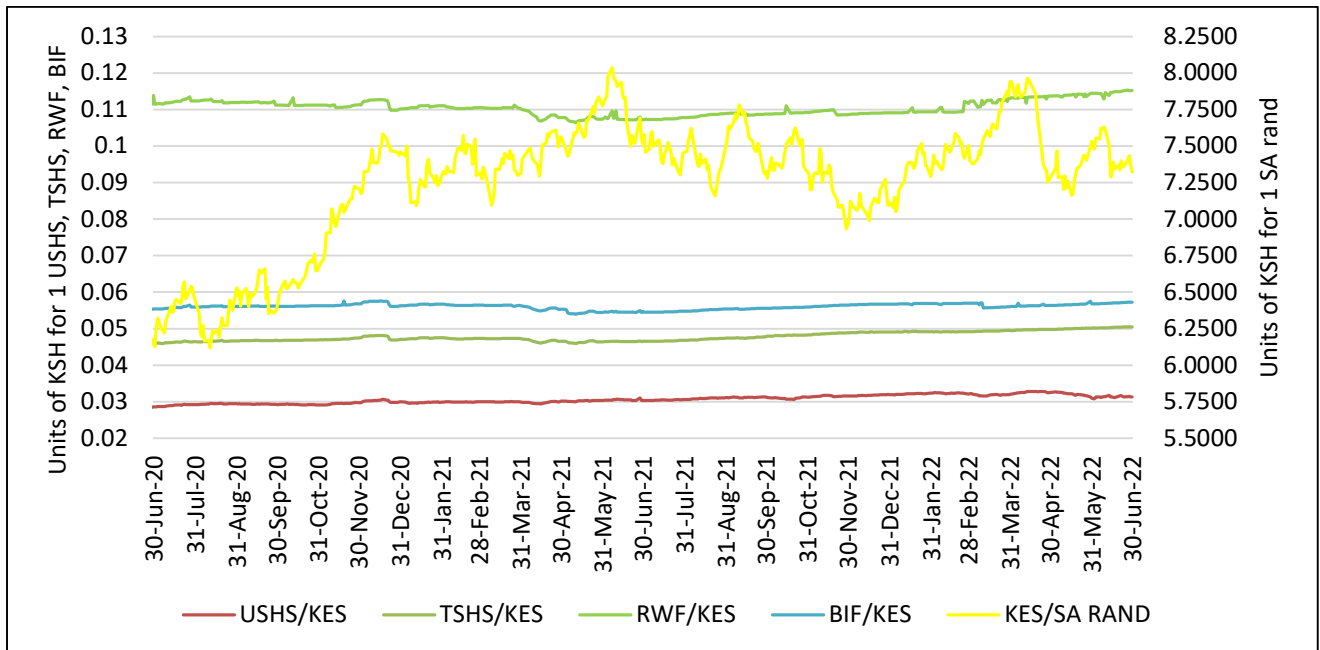
*January -June 2022 data not available

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



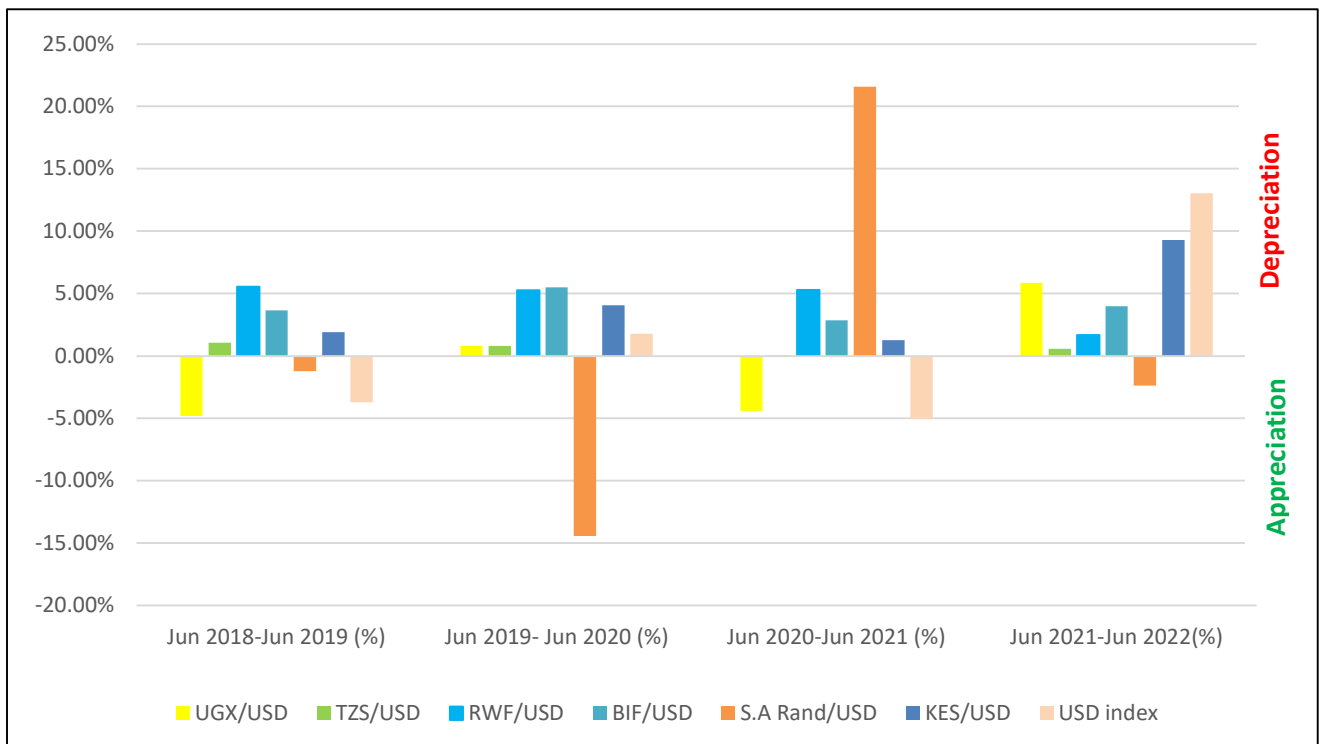
Data Source: Central Bank of Kenya; Kenya National Bureau of Statistics; <https://www.investing.com/quotes/us-dollar-index-historical-data>

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



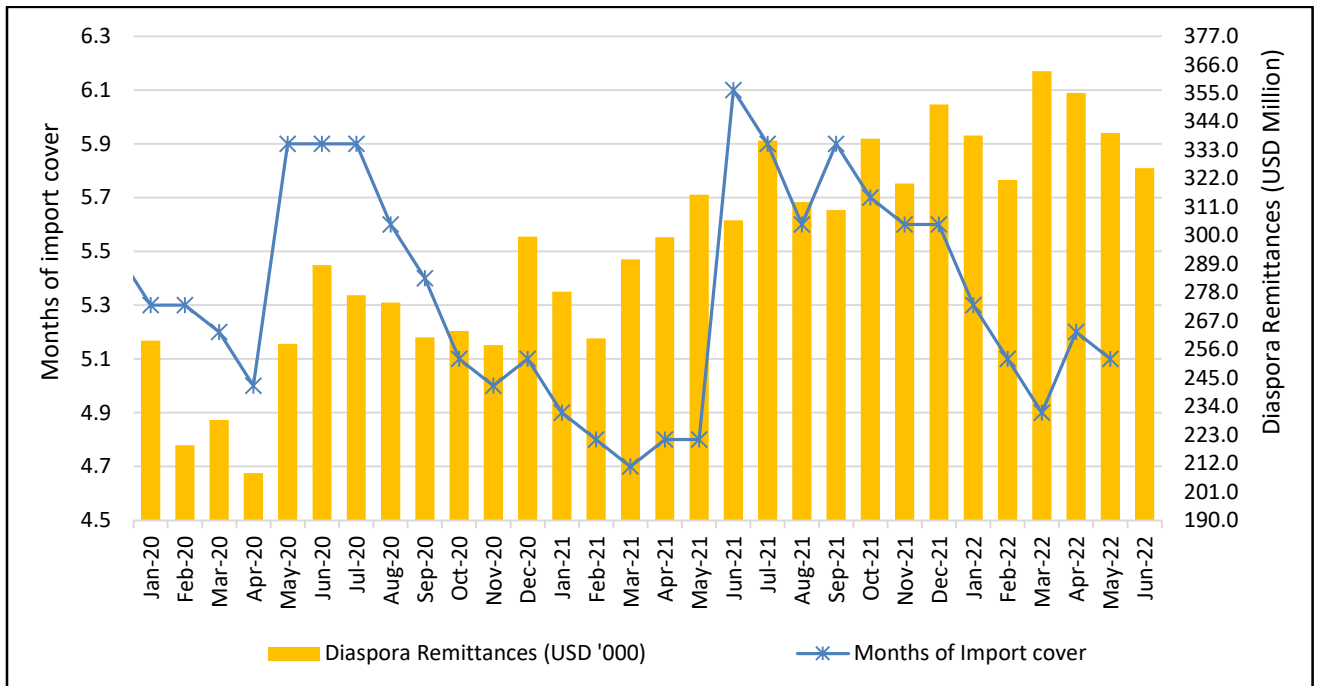
Data Source: Central Bank of Kenya

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

Figure 17: Months of import cover and diaspora remittances



Data Source: Central Bank of Kenya

3. MONETARY AND FINANCIAL SECTOR

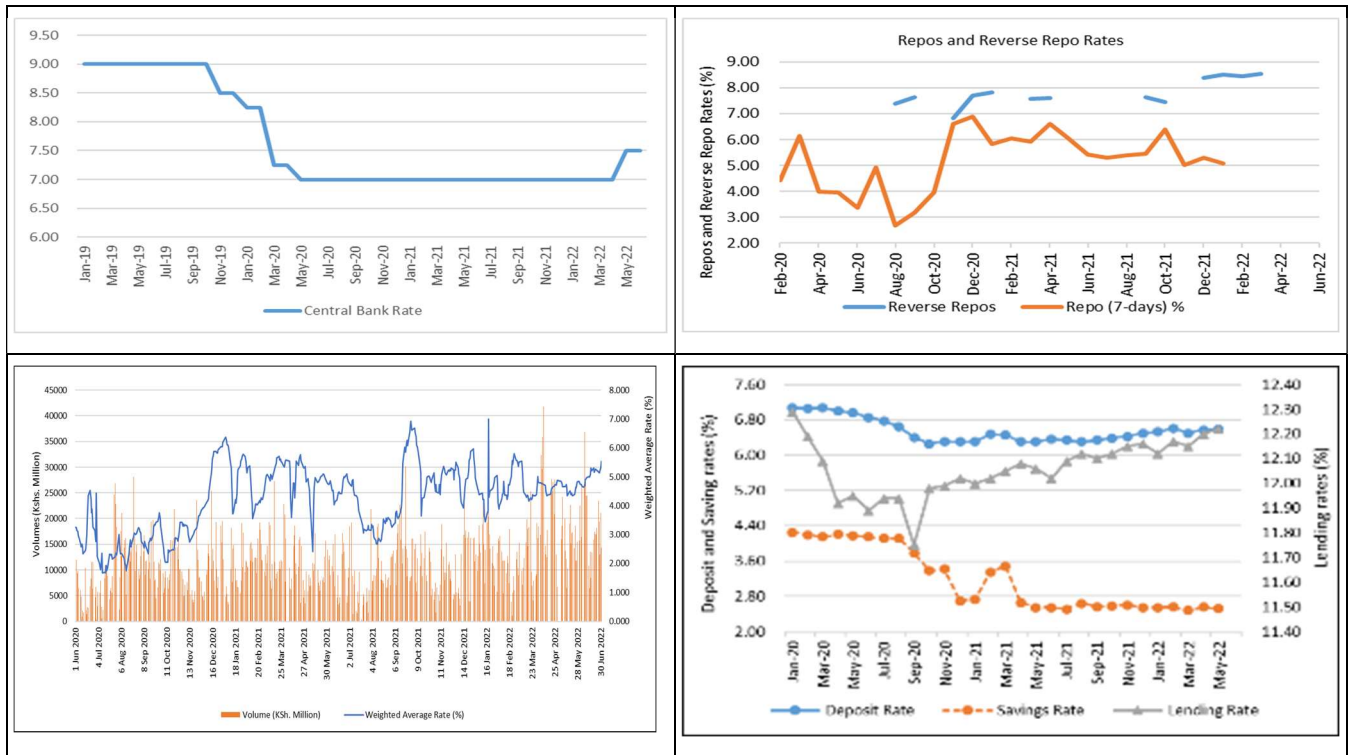
Kenya increased its Central Bank Rate to 7.5 per cent in April 2022 and further maintained it in July 2022. The increase in the rate from 7.0 per cent was informed by the elevated inflation outlook due to global commodity prices and supply chain disruptions. Ghana, Nigeria, Uganda, and South Africa also increased their Policy Rates as they aim to anchor inflationary pressures while supporting economic growth and financial stability amidst the global crisis.

The Treasury bill rate continued to rise in Q2 compared to Q1. The 91-day Treasury bill rate averaged 7.45 per cent, 7.76 per cent and 8.01 per cent for April, May, and June 2022, respectively. The 182-day, averaged 8.37 per cent, 8.90 per cent and 9.16 per cent while the 364-day averaged 9.76 per cent, 9.89 per cent and 9.98 per cent in April, May, and June 2022, respectively. The banking sector lending interest rates increased in the quarter under review, with April and May 2022 recording 12.20 and 12.22 per cent, respectively. The deposit rates also rose from 2.56 per cent in April 2022 to 6.59 per cent in May 2022. However, the savings rate declined from 2.56 per cent in April 2022 to 2.52 per cent in May 2022.

The banking sector continued to record impressive results on Return on Assets. The Return on Assets as of April 2022 and May 2022 was 1.23 and 1.57 per cent, respectively, compared to 1.07 and 1.36 per cent in the same period last year. The annual private sector credit increased from 10.90 per cent in March 2022 to 11.50 and 11.90 per cent in April and May 2022, respectively. During the same period in 2021, the trend was declining due to the constrained economy activity occasioned by COVID-19 then. The proportion of credit to the public sector declined from 36.74 per cent in March 2022 to 36.17 per cent in April 2022 and further to 36.57 per cent in May 2022, indicating an increased uptake of credit by private sector players following recovery from the COVID-19 pandemic. The increased uptake of credit has also seen the proportion of credit to the manufacturing sector increase from 9.39 per cent in March 2022 to 9.43 per cent in April 2022 and further to 9.47 per cent in May 2022.

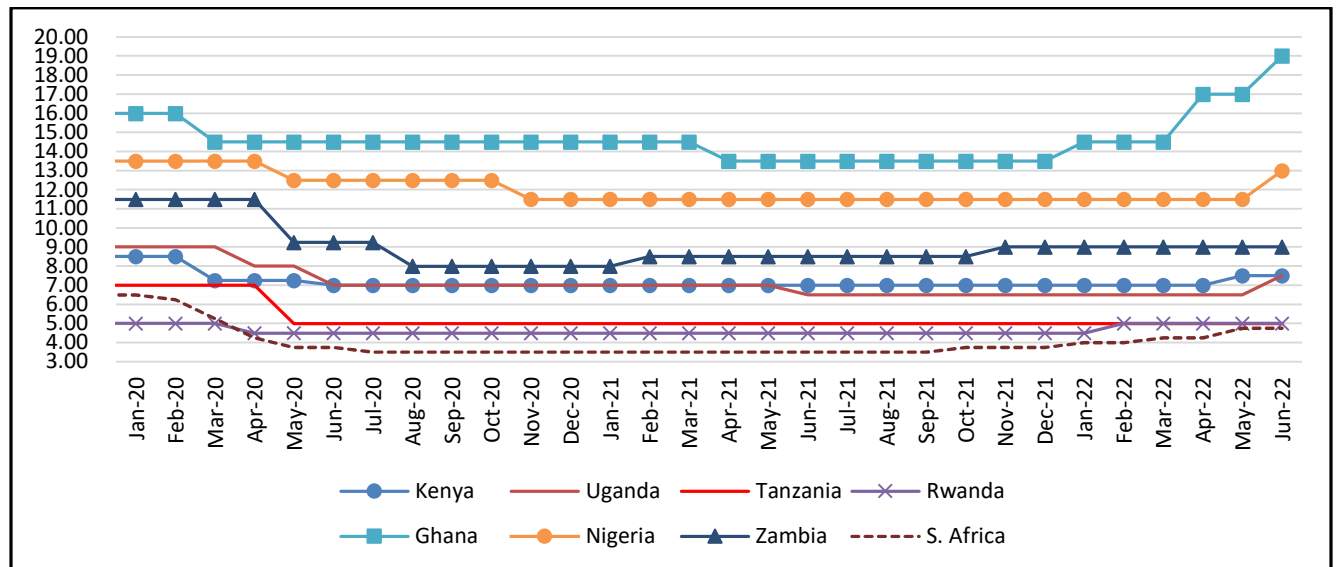
Increased uptake of credit has seen the liquidity of the banking sector decline from 55.0 per cent in March 2022, to 54.30 per cent in April 2022 and further decline to 53.10 per cent in May 2022. Even as the private sector continues to take up credit, the credit risk is continually rising as shown by the increasing ratio of gross Non-Performing Loans (NPLs) to Gross Loans. The ratio of NPLs to Gross Loans increased from 14.00 per cent in March 2022 to 14.11 per cent in April 2022, but slightly declined to 14.06 per cent in May 2022.

Figure 18: Interbank rate and volume, Repos, and other interest rates (%)



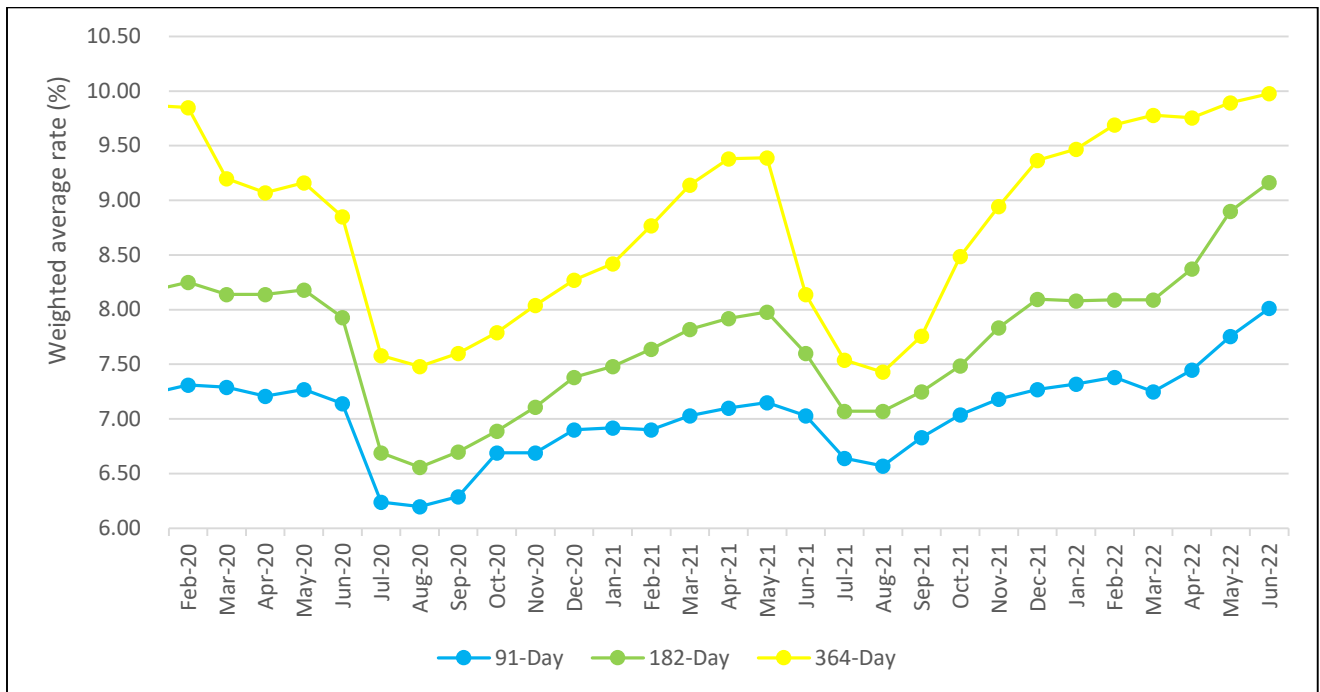
Data Source: Central Bank of Kenya

Figure 19: Monetary policy stance for selected countries in Africa



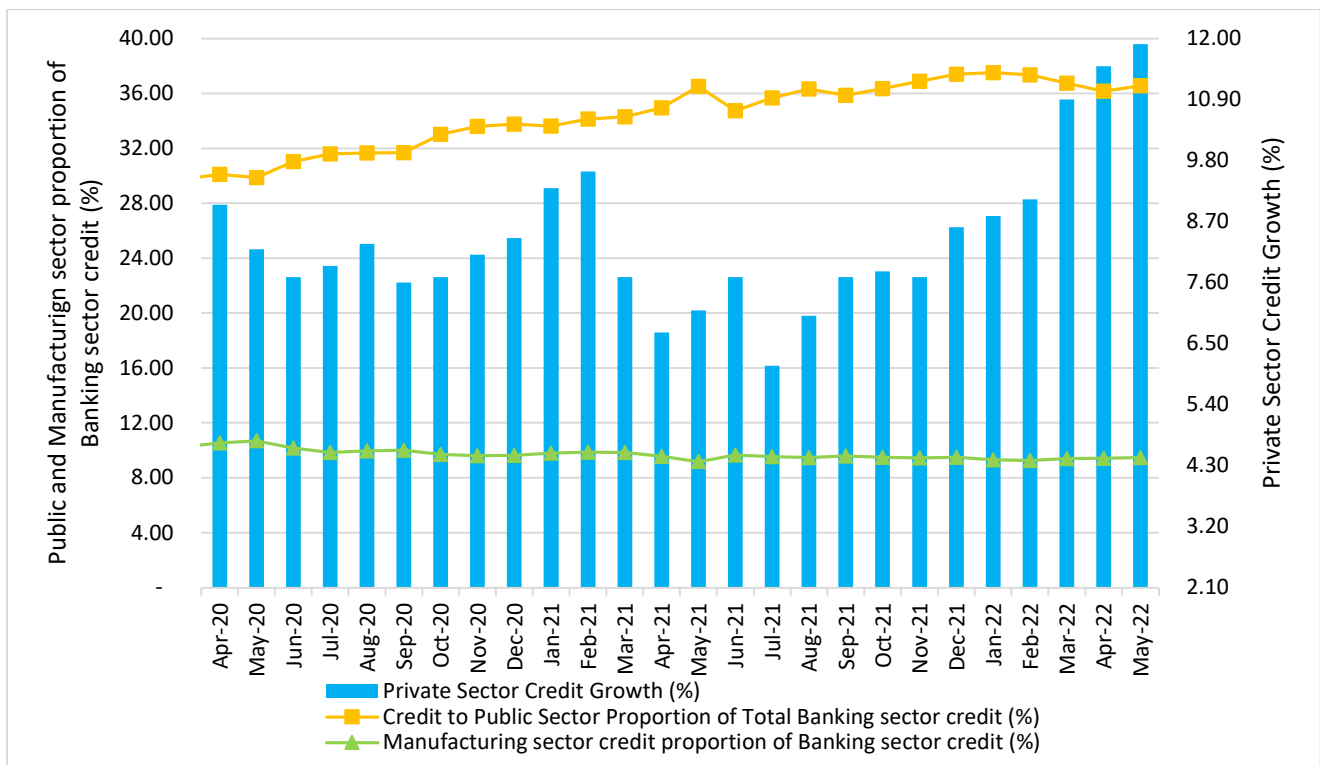
Data Source: Country Central Banks

Figure 20: Treasury bill weighted average rate (%)



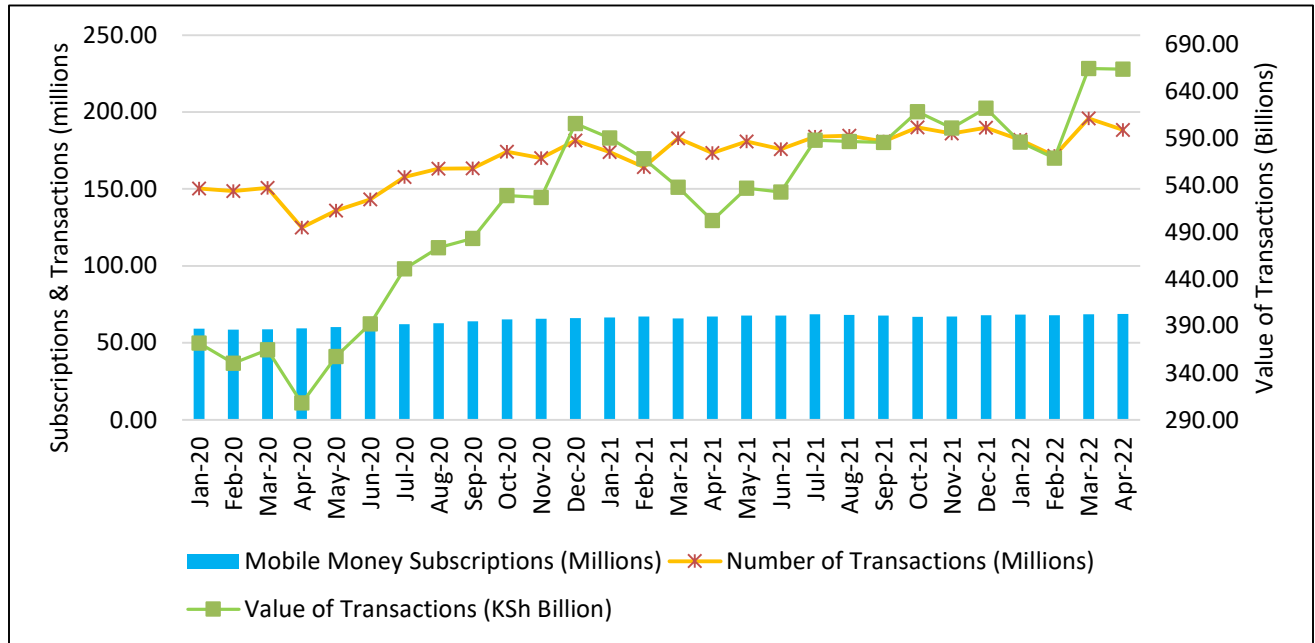
Data Source: Central Bank of Kenya

Figure 21: Banking sector credit



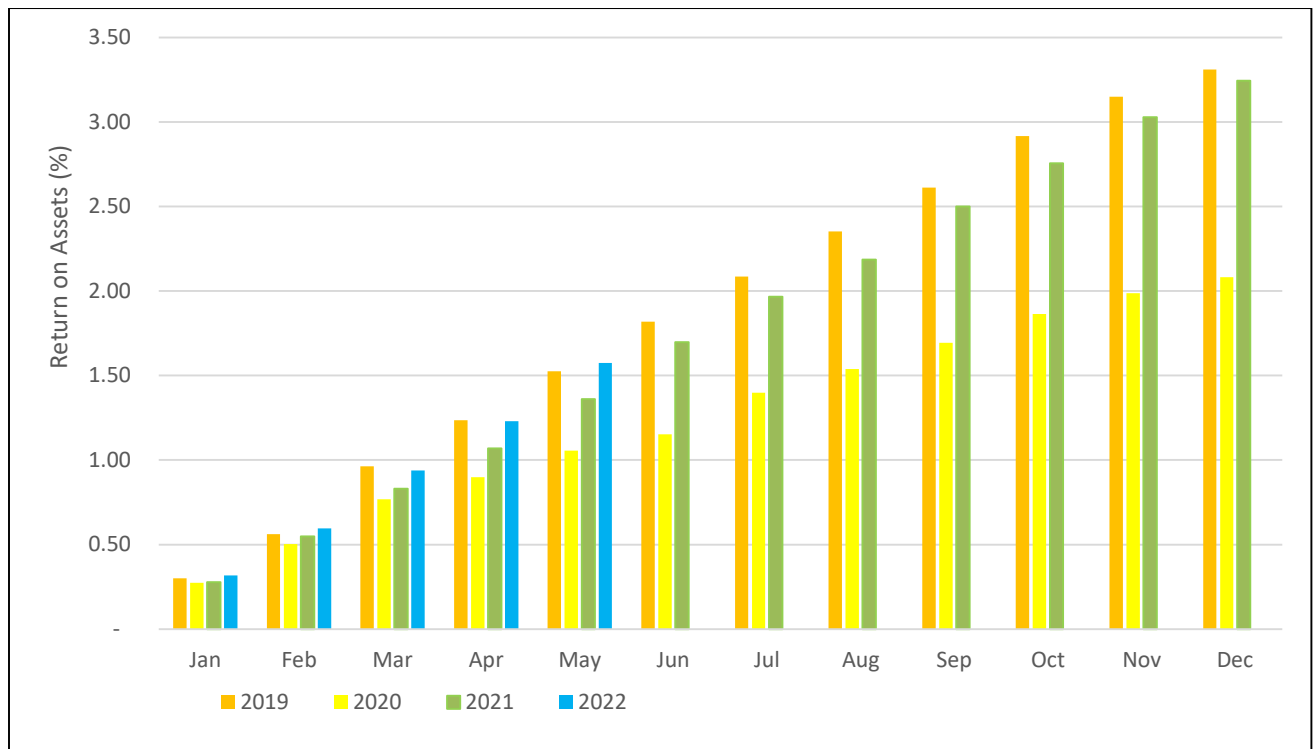
Data Source: Central Bank of Kenya

Figure 22: Mobile money transactions



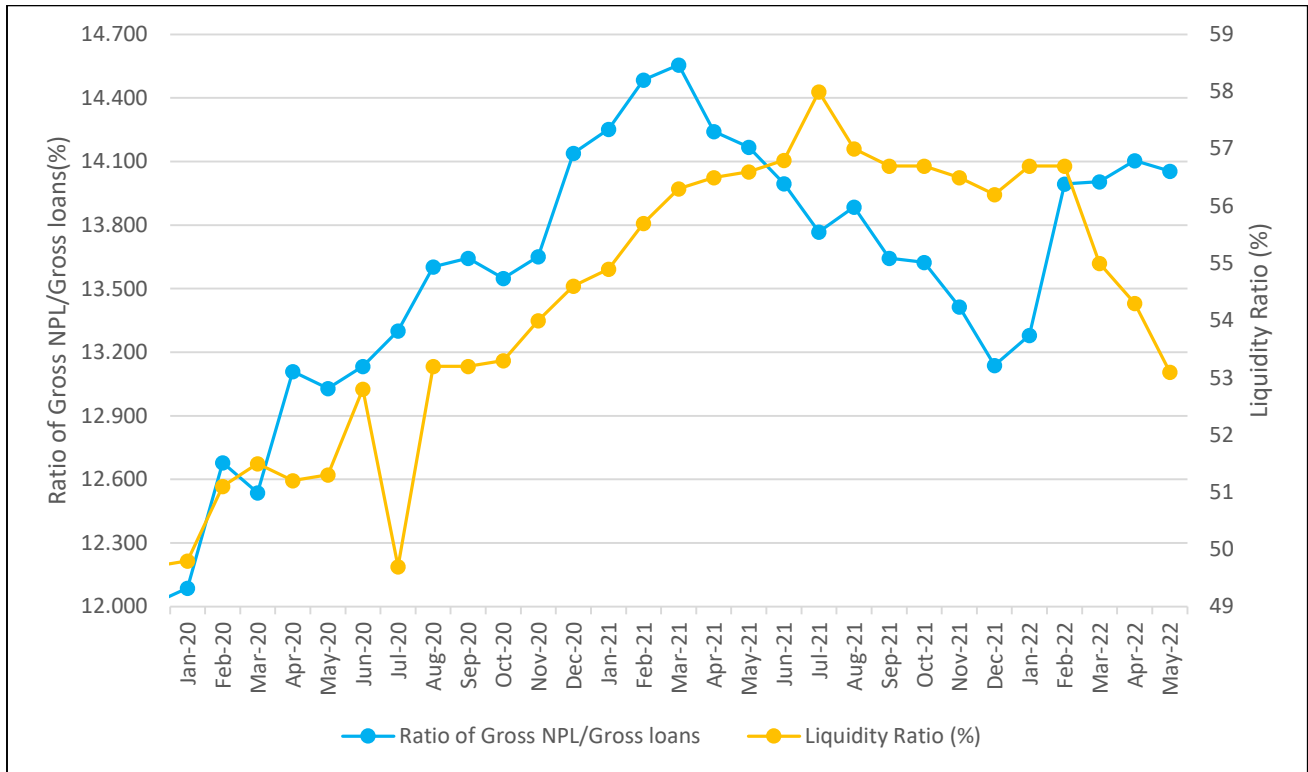
Data Source: Kenya National Bureau of Statistics

Figure 23: Kenya banking sector performance
Figure 23(a): Return on asset (%)



Data Source: Calculated using data from Central Bank of Kenya

Figure 23(b): Liquidity ratio and ratio of gross NPL to gross loans



Data Source: Calculated using data from Central Bank of Kenya

4. FISCAL PERFORMANCE

The Cabinet Secretary, the National Treasury and Planning, read the FY2022/23 budget statement on 7th April 2022. The budget is estimated at Ksh 3.30 trillion, an 8.9 per cent increase from FY2021/22 budget of Ksh 3.03 trillion. A fiscal deficit of Ksh 862.50 billion in FY2022/23 is projected to be financed through external borrowing of Ksh 280.70 billion (32.5%) and domestic borrowing of Ksh 581.7 billion (67.5%).

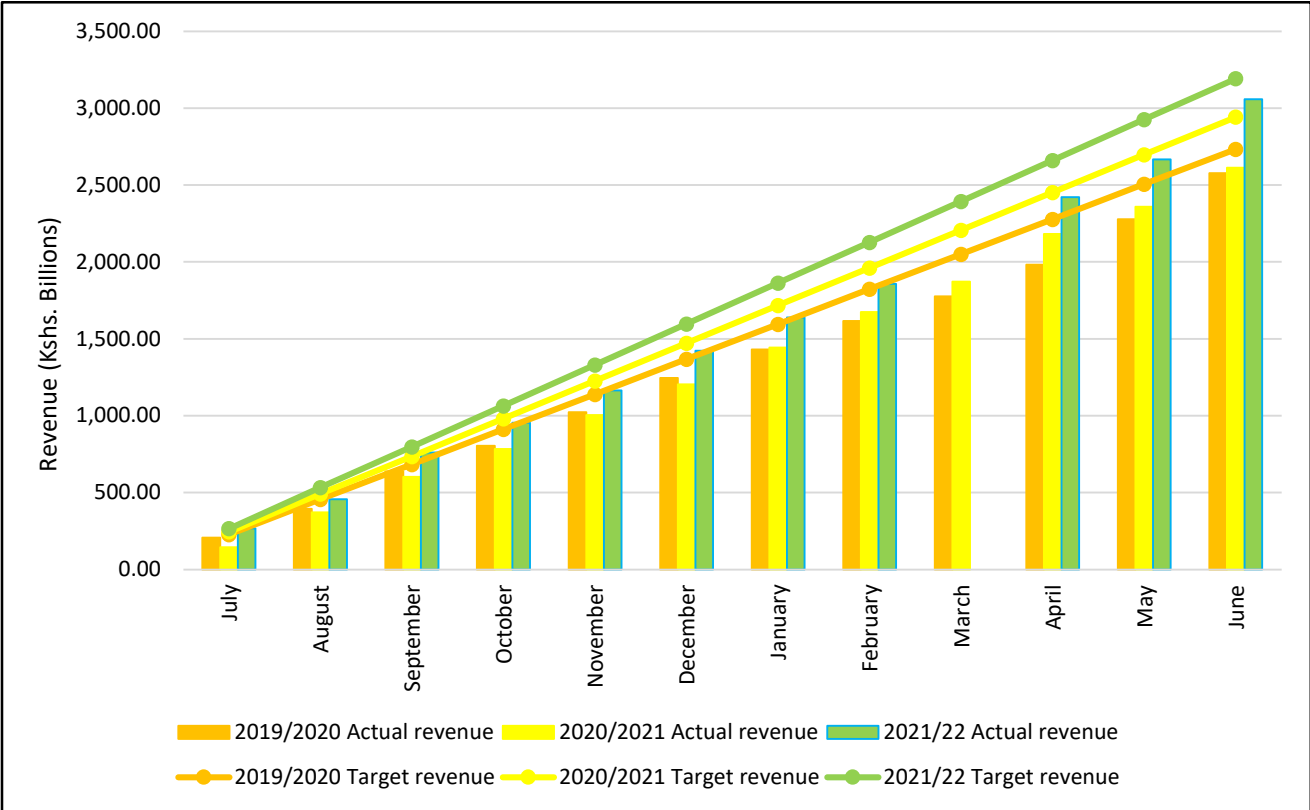
Growth in actual national revenue receipts was witnessed in the last quarter of FY 2021/2022. The cumulative receipts increased from Ksh 2.42 trillion in April 2022 to Ksh 2.67 trillion in May 2022 and to Ksh 3.06 trillion in June 2022. However, revenue receipts were lower than the target of Ksh 2.66 trillion, Ksh 2.93 trillion and Ksh 3.19 trillion for April, May, and June 2022, respectively. The cumulative exchequer issues to national government increased in Q2 2022 from Ksh 2.15 trillion issued as of April 2022 to Ksh 2.35 trillion and Ksh 2.74 issued as of May and June 2022, respectively. This was below the targeted cumulative exchequer issues to the National government of Ksh 2.35 trillion, Ksh 2.59 trillion and Ksh 2.82 trillion for April, May, and June 2022, respectively.

Transfers to county governments also increased in the quarter under review, even though it was still below the targeted issues. The National Treasury had targeted to issue counties a cumulative Ksh 308.30 billion, Ksh 339.13 billion and Ksh 370.00 billion in April, May, and June 2022, respectively. However, the actual cumulative exchequer issues to the county governments stood at Ksh 261.00 billion, Ksh 286.5 billion and Ksh 340.40 billion as at April and May 2022, respectively. The exchequer balance represented 1.23 per cent, 1.91 per cent and 0.02 per cent of cumulative revenues as at April, May, and June 2022, respectively. The fiscal deficit in May 2022 stood at Ksh 622.17, increasing from Ksh 577.9 billion in April 2022. Compared to April and May 2021, the fiscal deficit decreased by 1.44 per cent and 4.97 per cent in April 2022 and May 2022, respectively.

The Ministry of Health exchequer allocations have stabilized, with no major variations between subsequent months. The development exchequer allocation to the Ministry of Health as a percentage of total issues to Ministries, Agencies and Departments (MDAs) was 12.79 per cent, 13.82 per cent and 14.14 per cent in April, May, and June 2022, respectively. The recurrent expenditure issues to the Ministry of Health as a percentage of total recurrent expenditures to MDAs was 3.57 per cent, 3.83 per cent and 4.00 per cent in April, May 2022, and June 2022, respectively.

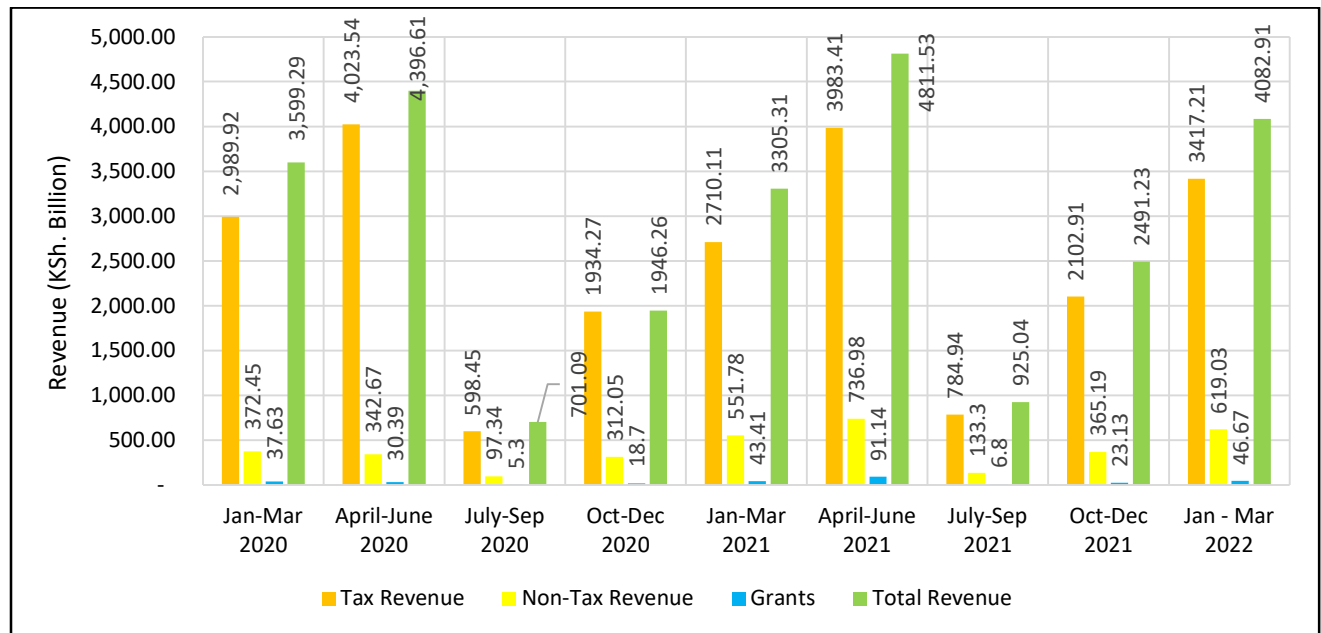
Banking institutions hold the largest share of domestic debt. Their share, however, declined from 49.68 per cent in January-March 2022 to 48.86 per cent in April-June 2022. Pension funds have the second largest share of domestic debt at 32.03 per cent, followed by insurance companies and parastatals at 7.00 per cent and 5.77 per cent, respectively, at the end of April-June 2022 quarter. Treasury Bonds have grown to become the largest debt instrument, representing 82.92 per cent of total domestic debt, having increased over time from 68.94 per cent in April-June 2020, 76.85 per cent in April-June 2021 and to 82.92 per cent in April-June 2022. Treasury Bills represent 15.00 per cent of the domestic debt, having declined from 28.58 per cent in April-June 2020 and from 20.78 per cent in April-June 2021. The overdraft provided by the Central Bank of Kenya accounts for 1.44 per cent of domestic debt, the remainder of 0.64 per cent representing other instruments of the debt.

Figure 24: National revenue (Ksh billion)



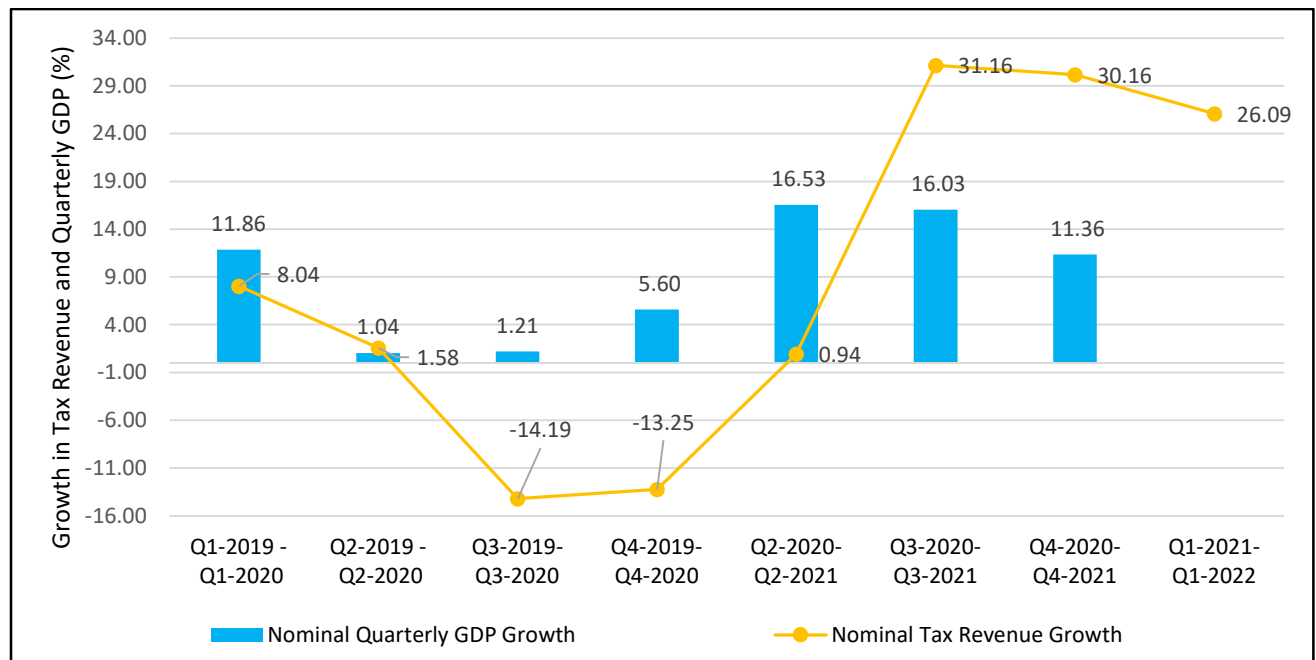
Data Source: Monthly Gazette Notices, The National Treasury and Planning
 Data for June 2022 not available

Figure 25: Composition of government revenue (Ksh billion)



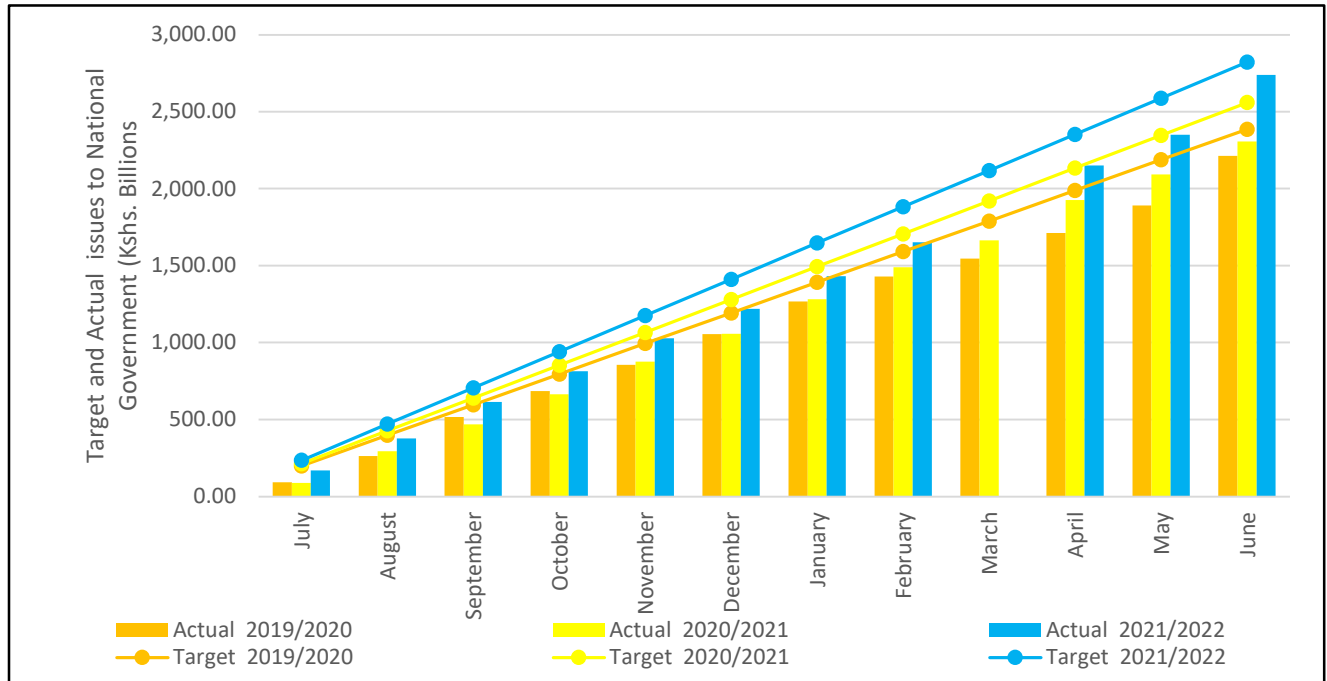
Data Source: Calculated using data from Central Bank of Kenya and The National Treasury data published on monthly Kenya Gazette Notices.

Figure 26: Growth in tax revenue (%) and quarterly GDP growth (%)



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

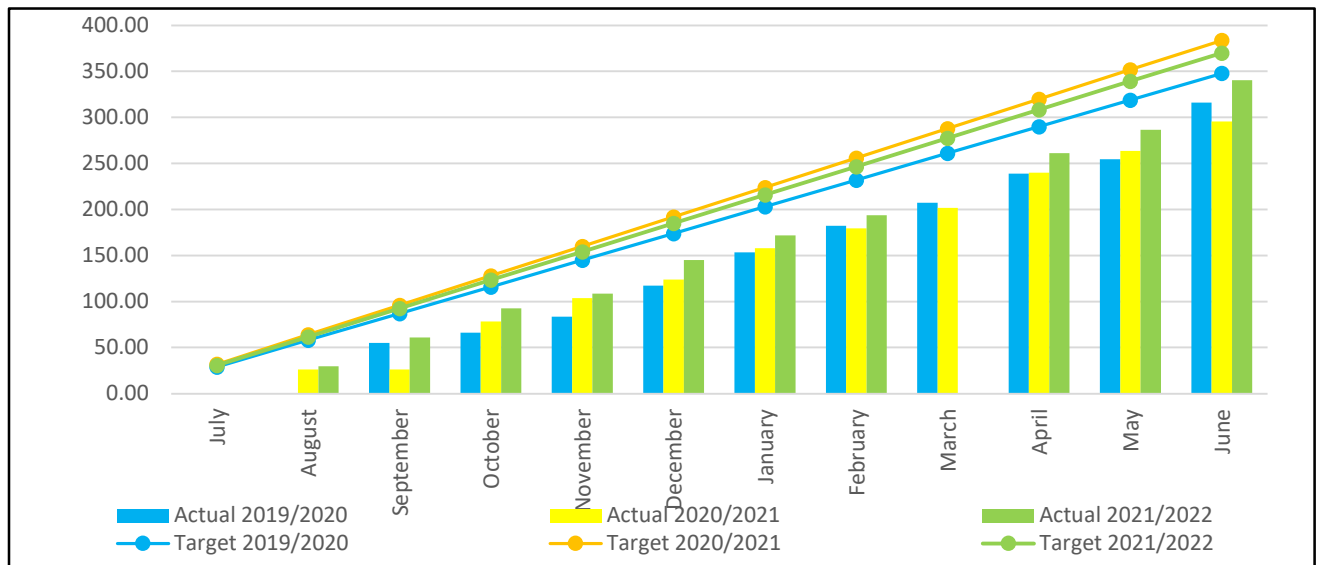
Figure 27: Exchequer issues to national government (Ksh billion)



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

*March 2022 Data missing

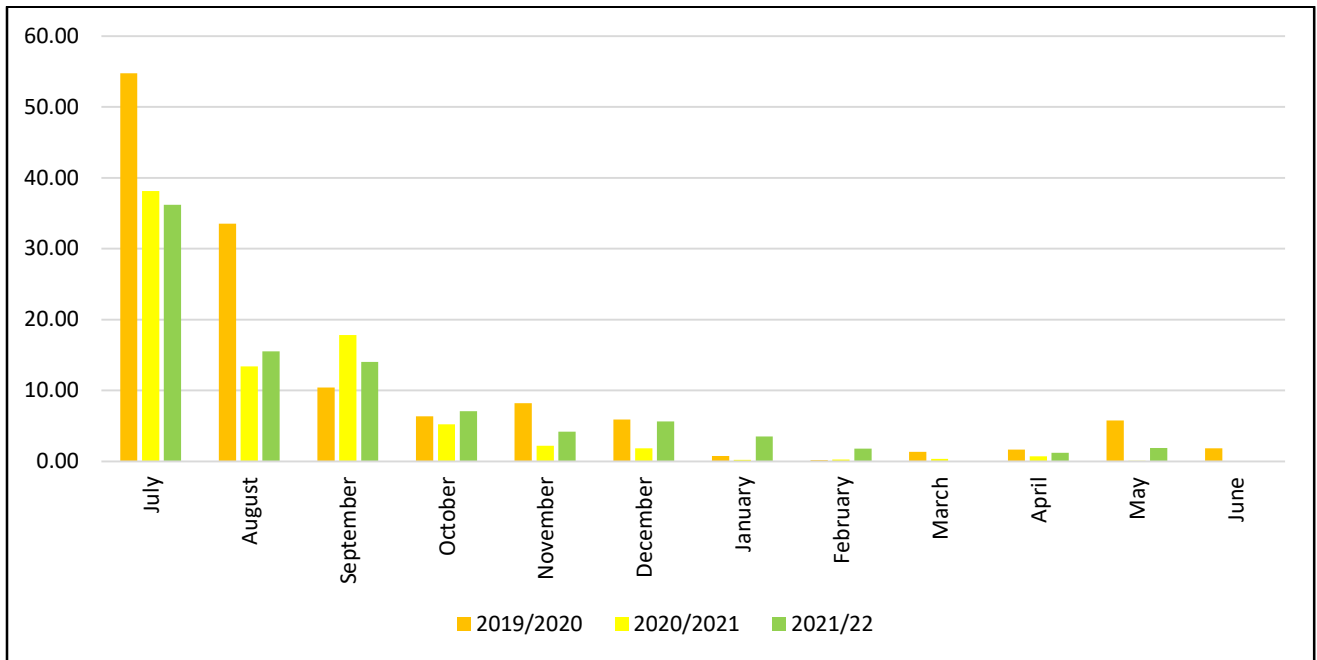
Figure 28: Exchequer issues to county governments (Ksh billion)



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

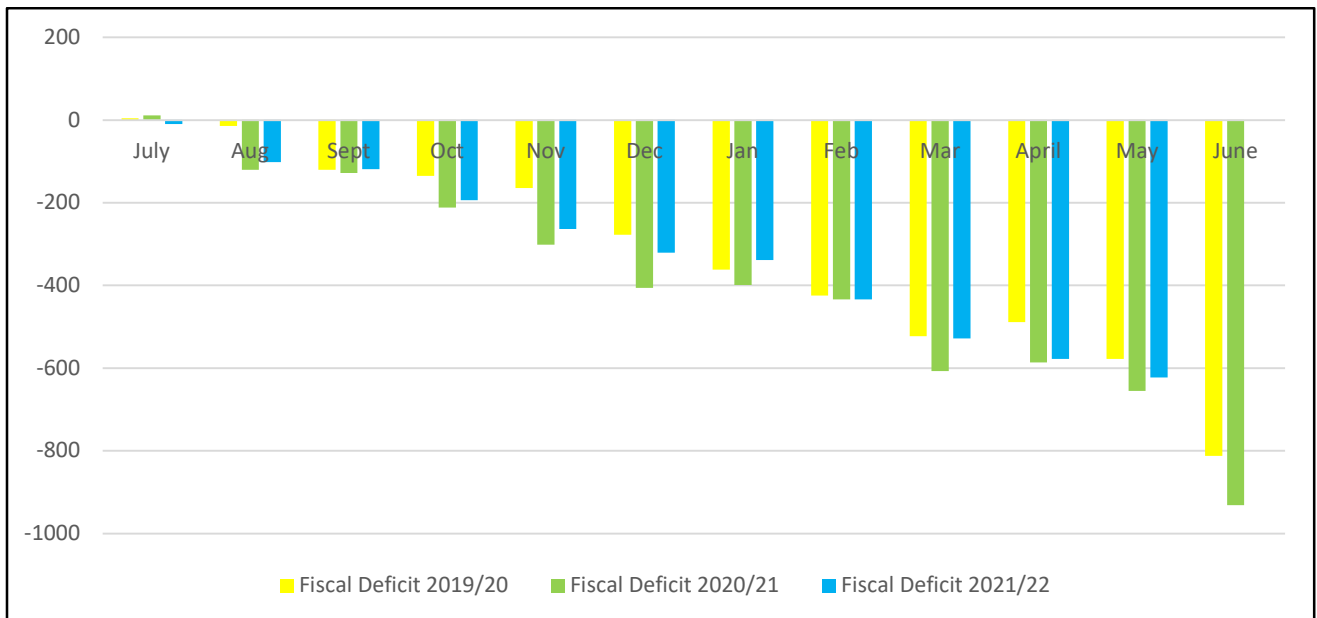
*March 2022 Data missing

Figure 29: Exchequer balance as a percentage of actual revenue (%)



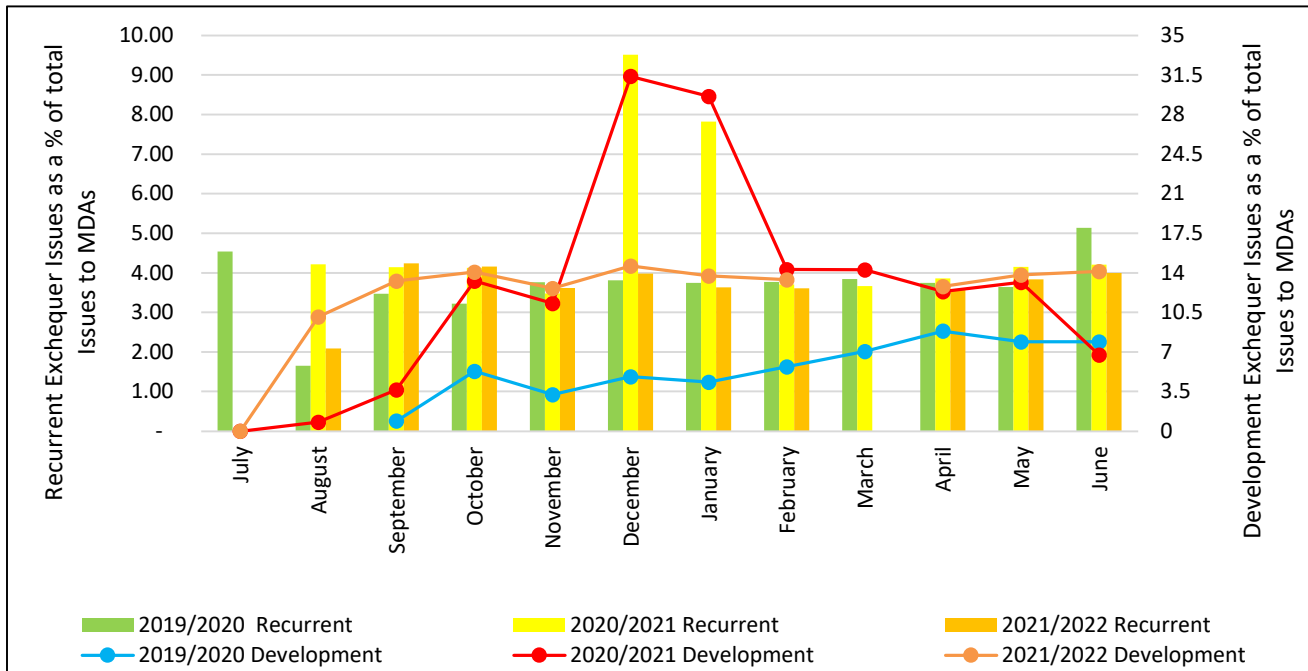
Data Source: Monthly Gazette Notices, The National Treasury and Planning
 * March 22 Data missing

Figure 30: Fiscal deficit (Ksh billion)



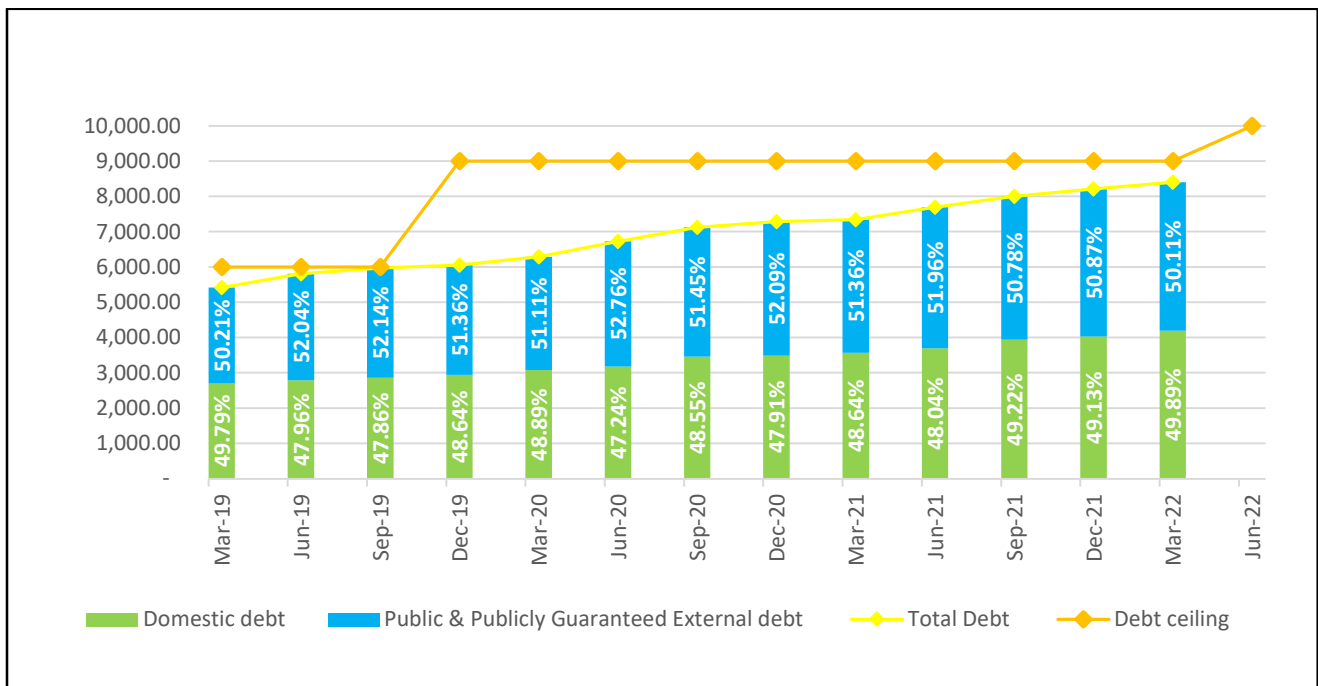
Data Source: Calculated using data from Central Bank of Kenya and The National Treasury data published on monthly Kenya Gazette Notices

Figure 31: Exchequer allocation to Ministry of Health as a % of total issues to Ministries, Agencies and Departments



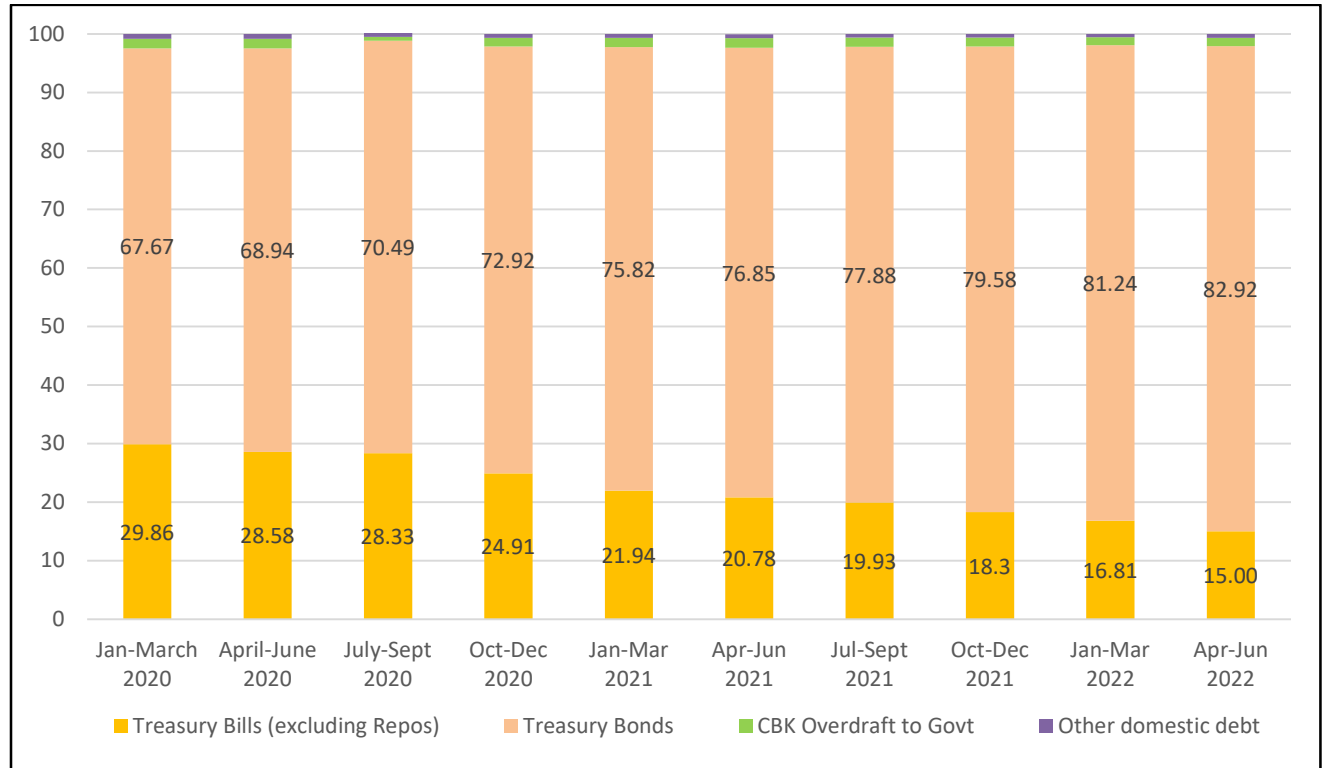
Data Source: Monthly Gazette Notices, The National Treasury and Planning

Figure 32: Total debt (Ksh billion) and proportionate shares of domestic and foreign debt



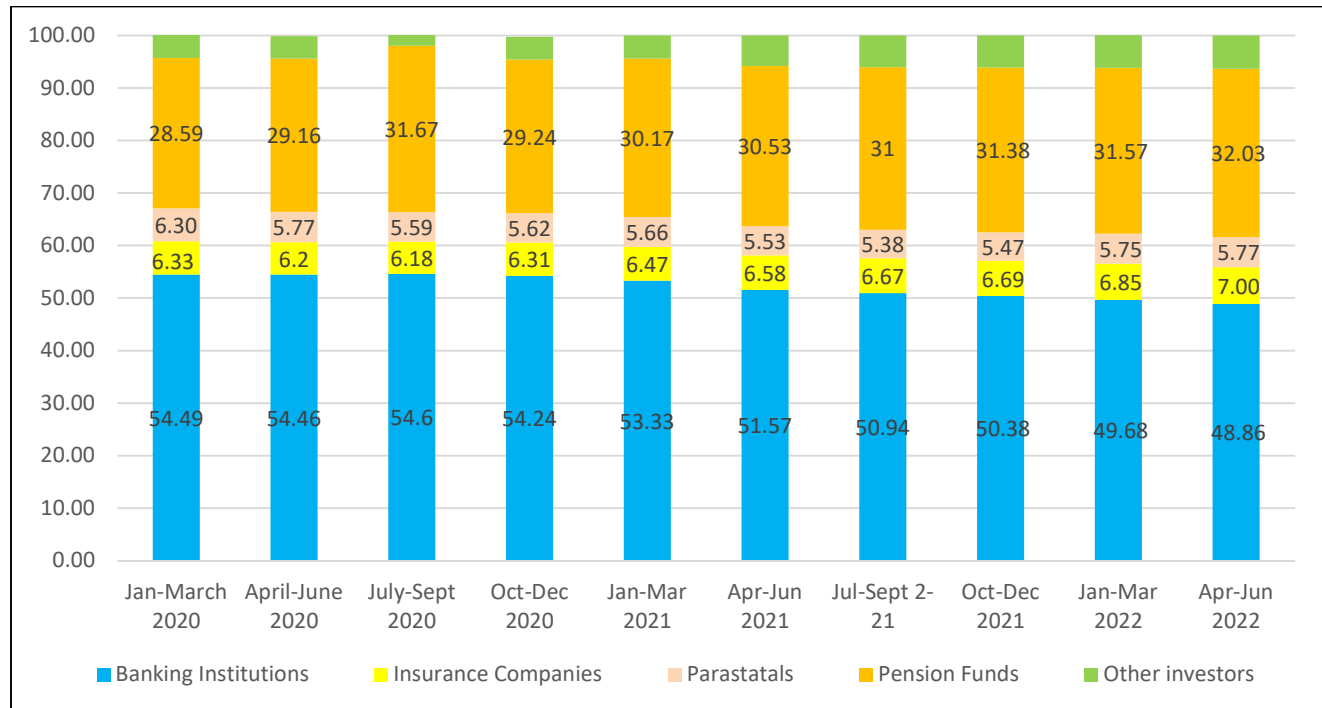
Data Source: Calculated using data from Central Bank of Kenya

Figure 33: Composition of government domestic debt by instrument (%)



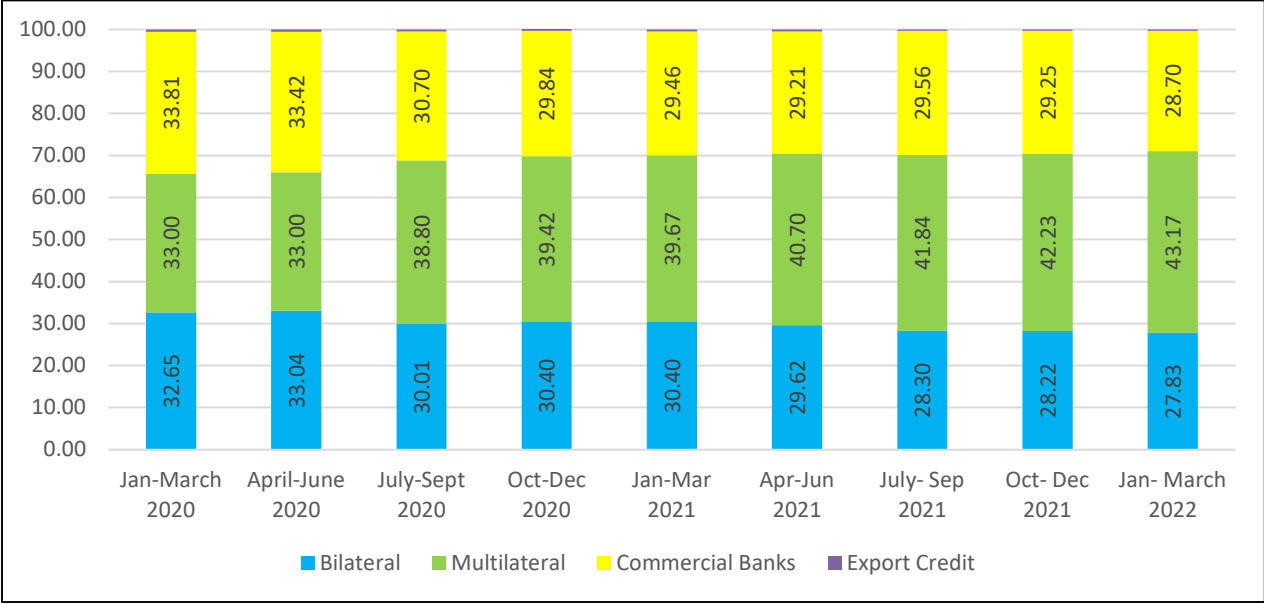
Data Source: Calculated using data from Central Bank of Kenya

Figure 34: Composition of government domestic debt by holder (%)



Data Source: Calculated using data from Central Bank of Kenya

Figure 35: Composition of external debt: Proportionate shares of bilateral, multilateral, commercial bank, and export credit (%)



Data Source: Calculated using data from Central bank of Kenya

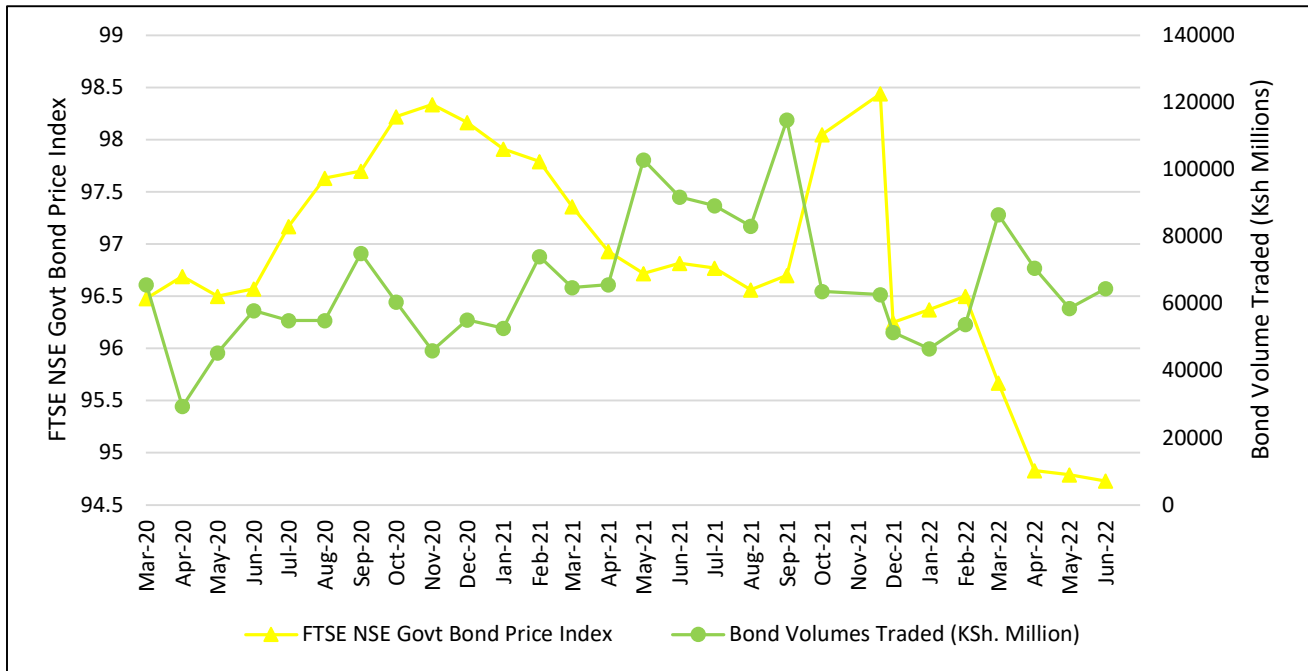
5. CAPITAL MARKETS

Capital market indicators point to a shrinking market in the April-June quarter 2022. Bond volumes in the Nairobi Securities Exchange declined from Ksh 70.63 billion in April 2022 to 58.58 billion in May 2022, before rising slightly to Ksh 64.51 billion in June 2022. The FTSE government bond index also declined from 94.83 in April 2022 to 94.83 in June 2022. The market interest rate of the 10-year 2024 Eurobond rose from 6.68 per cent at the start of April 2022 to 16.99 per cent at the end of the quarter.

The market capitalization declined from Ksh 2,430.87 billion at the start of the quarter to 1,939.21 at the end of the quarter. For the first time since 2002, the NSE 20 Index dropped below the 1700 mark. The NSE 20 Index declined from 1,844.89 at the start of the quarter to close at 1,612.89 at the end of the quarter. The average foreign participation to equity turnover rose slightly from 58.55 per cent April 2022 to 63.96 per cent in May 2022 before declining to 57.76 per cent in June 2022. Generally, since the start of 2022, foreign investors' participation has been declining as shown by foreign sales and purchases, assuming a net selling position. Foreign purchases declined from Ksh 4.87 billion at the start of the year 2022 to Ksh 3.03 billion in June 2022, but foreign sales increased from Ksh 5.57 billion to Ksh 8.06 billion in June 2022. This has been attributable to the difficult business environment occasioned by global crisis, and uncertain political environment due to the forthcoming August 2022 general elections.

The global crisis has affected the capital markets across the world. The USA stock market major indices including NYSE Composite Index, NASDAQ 100 index and Dow Jones Industrial Average have all declined during Q2 of 2022. Similarly, the European stock market also declined as reflected by London Stock Exchange FTSE 100 and Euronext 100. The Asian market showed mixed results, with Shanghai Composite (SSEC) And SZSE Composite rising, and Nikkei 225 falling over the quarter.

Figure 36: Bond volumes traded (Ksh million) and FTSE NSE Kenya government bond price Index



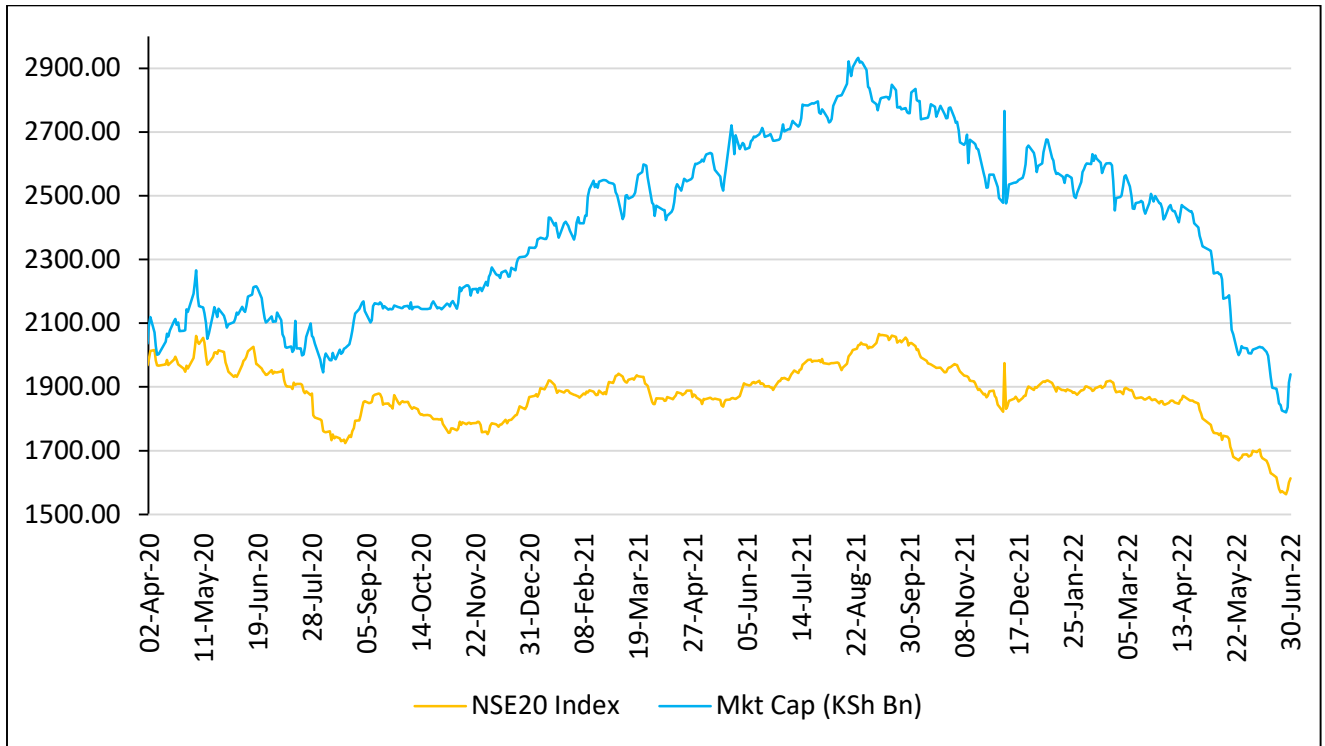
Data Source: Nairobi Securities Exchange; Central Bank of Kenya

Figure 37: The 10-year Kenya Eurobond (2024) yield (%)



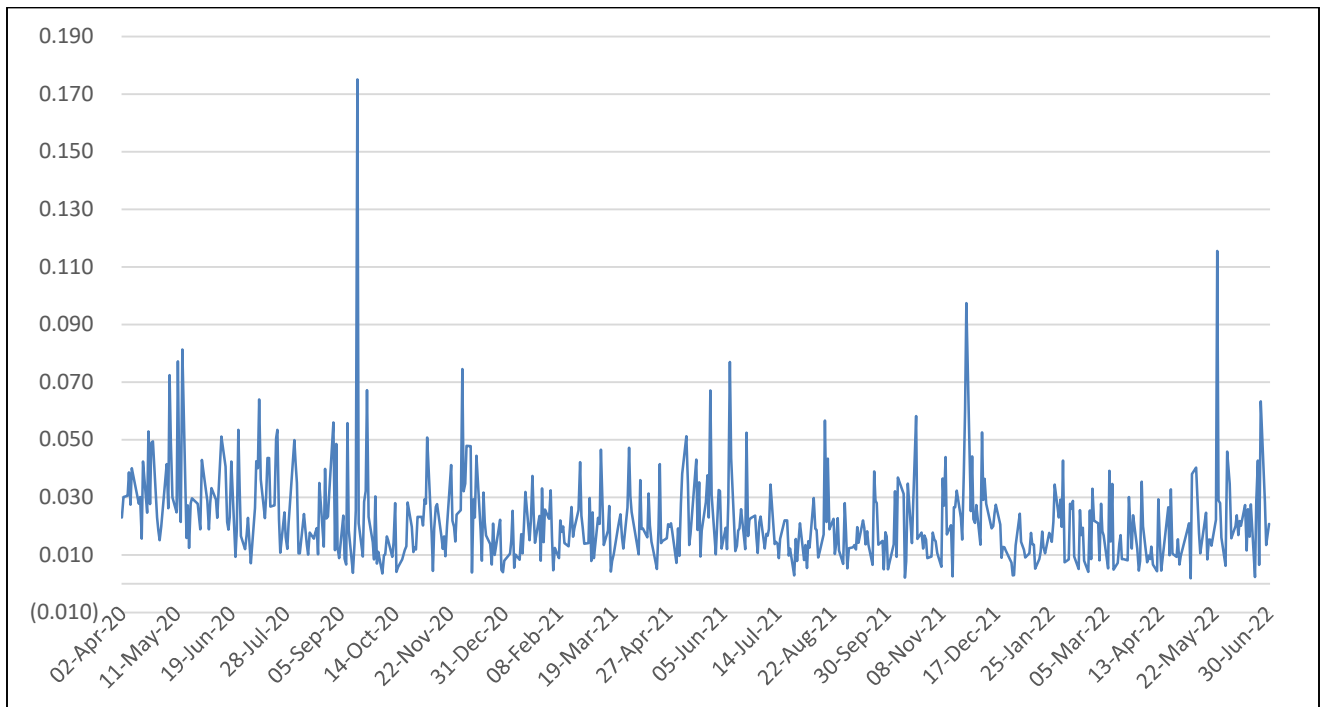
Data Source: Central Bank of Kenya

Figure 38: Stock market performance



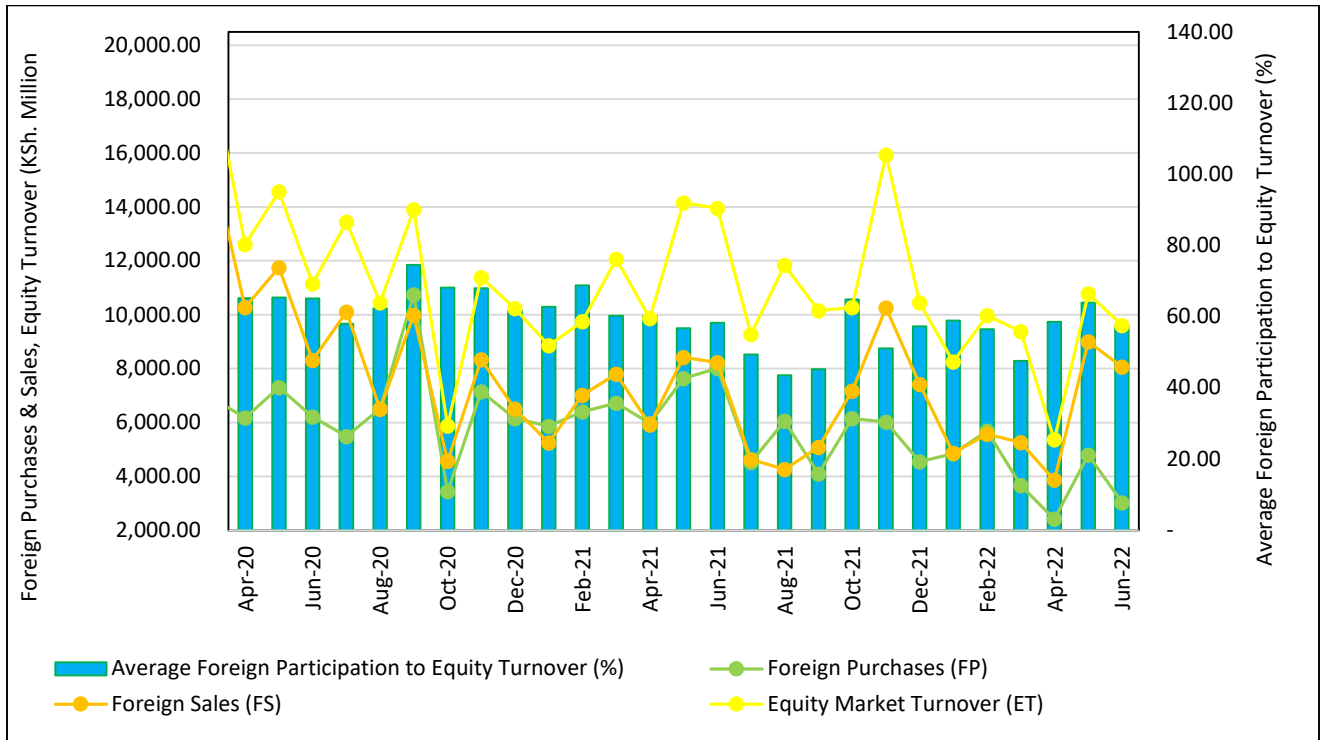
Data Source: Nairobi Securities Exchange

Figure 39: Stock value turnover ratio (%)



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

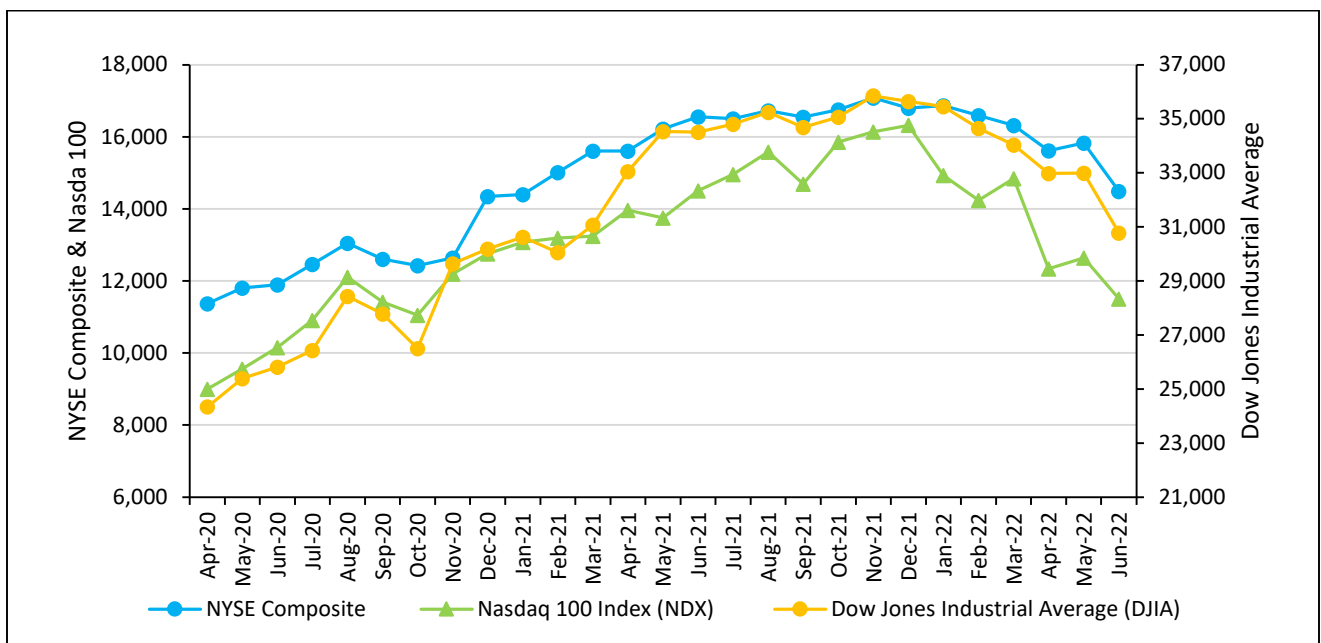
Figure 40: Foreign trading in the stock market



Data Source: Central Bank of Kenya; Sterling Capital Ltd (<https://www.sterlingib.com>)

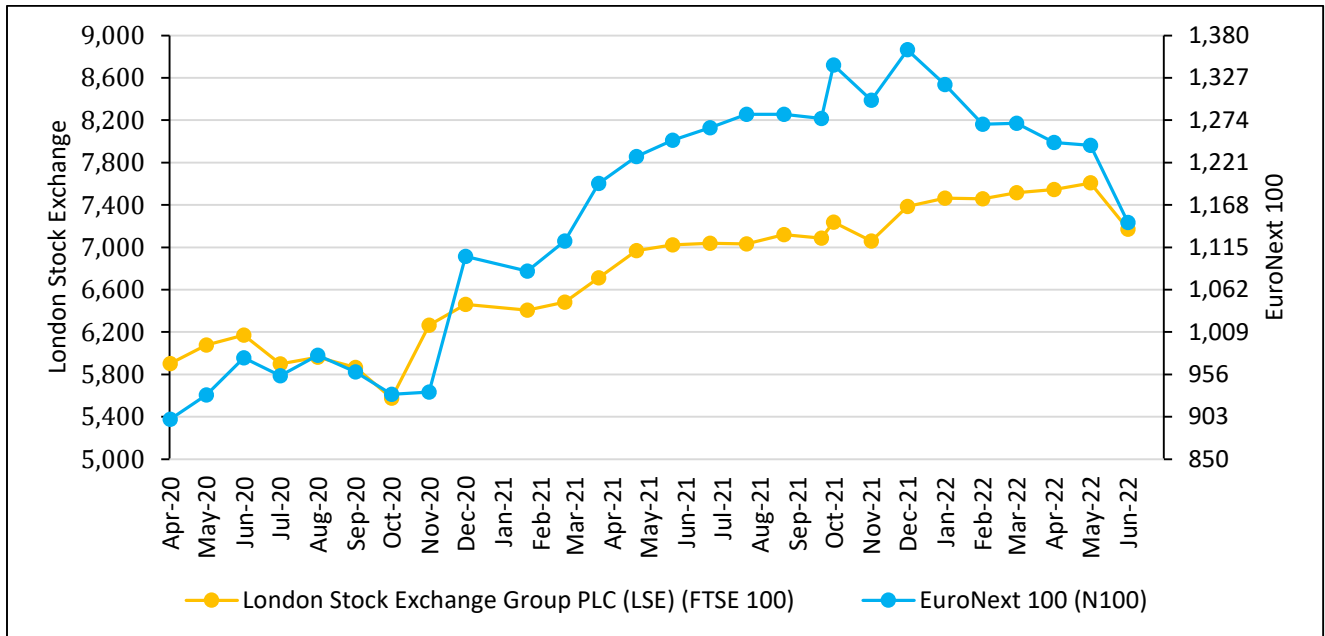
Figure 41: Stock market performance of selected advanced and emerging markets

(a): USA stock markets



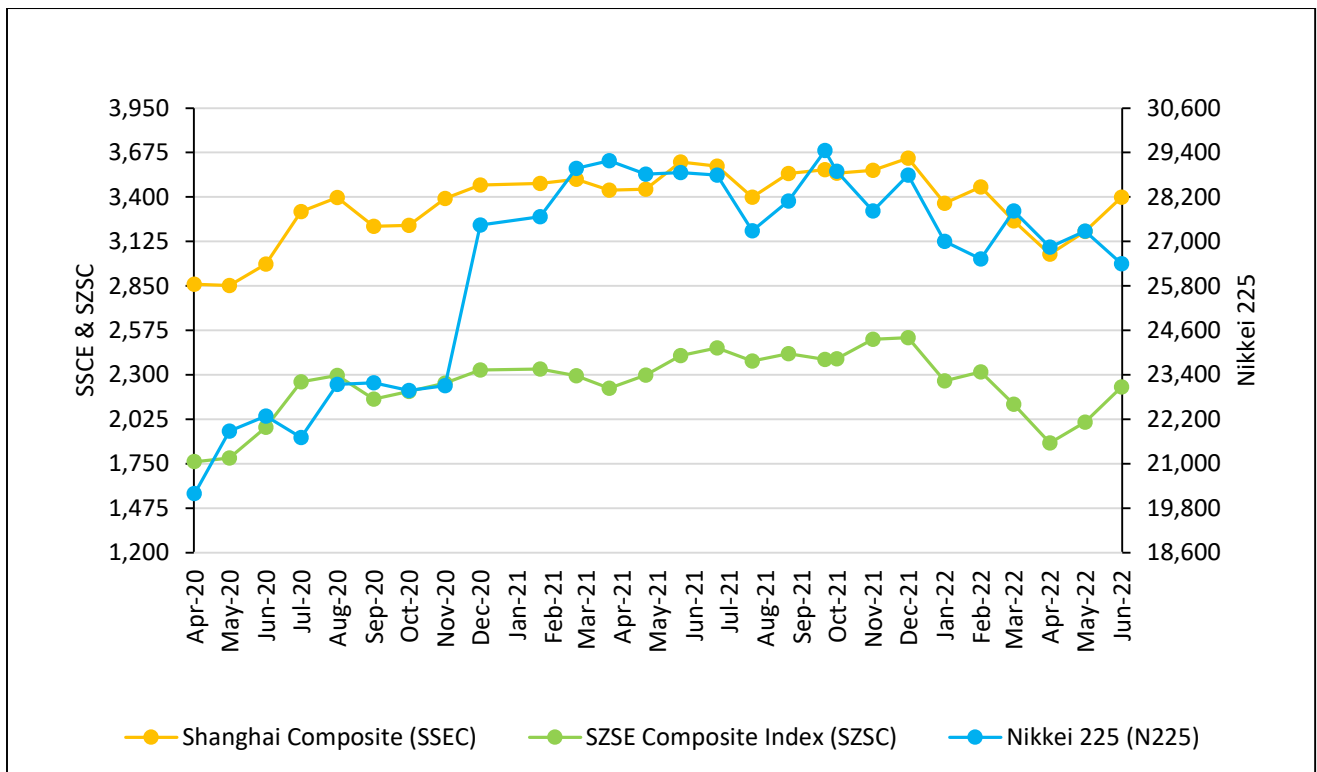
Data Source: Country Stock Exchanges; <http://www.investing.com>

(b): European stock markets



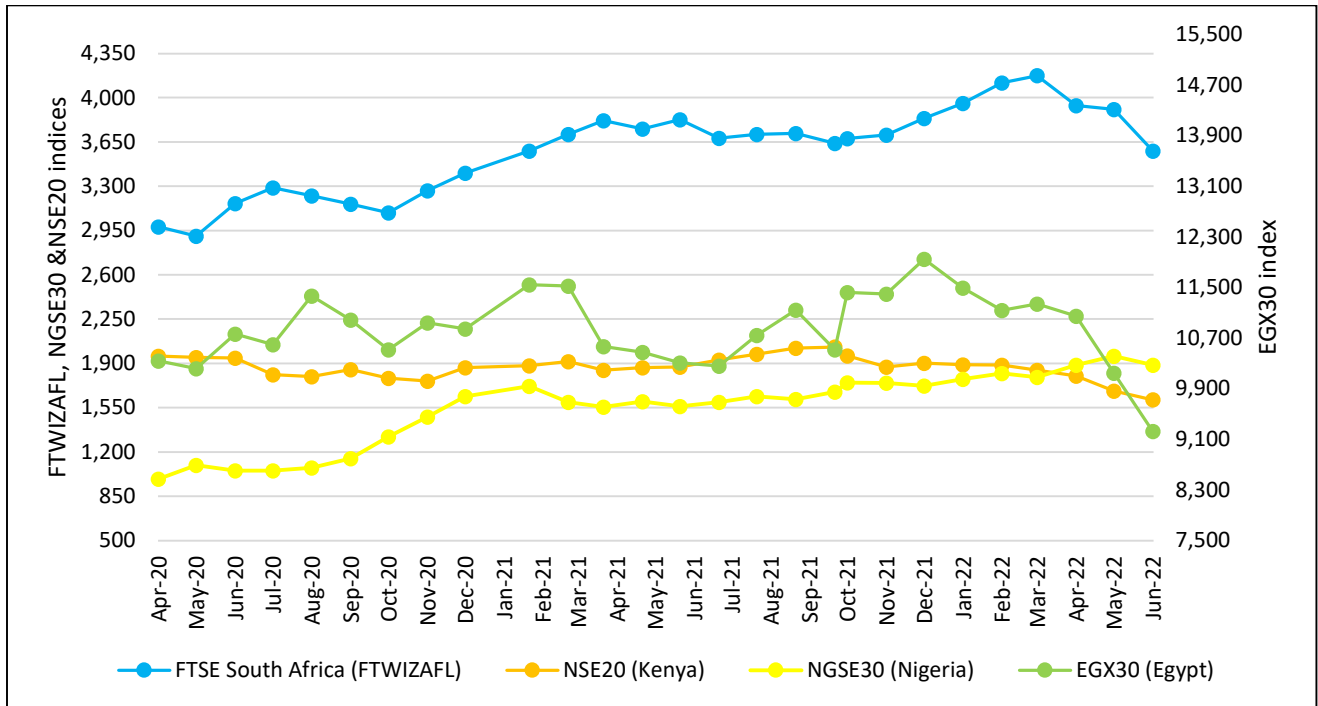
Data Source: Country Stock Exchanges; <http://www.investing.com>

(c): Asian stock markets



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

(d): African stock markets



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

6. RISK-RELATED FACTORS

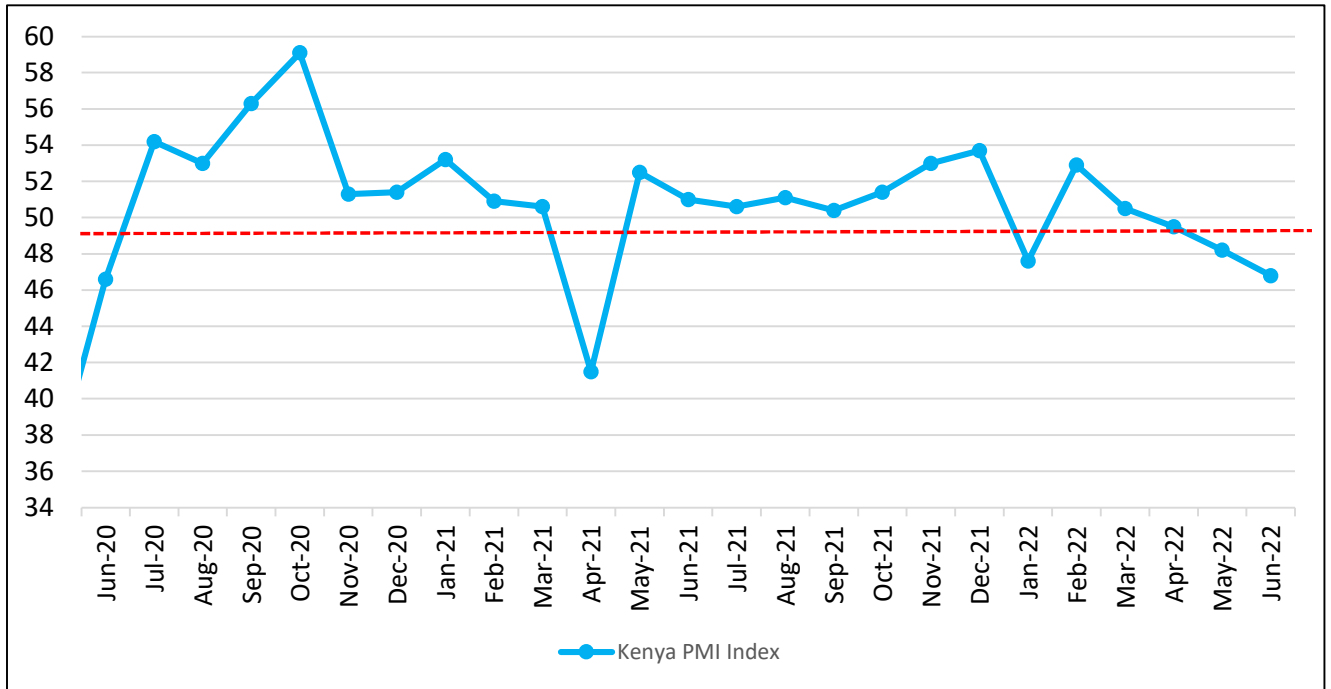
Geopolitical risks at the global level impact on business operations in the domestic market. The Purchasing Managers' Index (PMI) declined in the quarter from 49.5 in April 2022 to 48.2 in May 2022, and further to 46.8 in June. The decline in Kenya's PMI is attributed to contraction in the private sector following a decline in new orders and weaker demand due to persistent inflationary pressures. Increasing output costs driven by high fuel prices, strong US dollar against Kenyan Shilling, and the upcoming general elections are also cited as contributing to the decline in PMI.

Mean Annual Rainfall during the March-April-May (MAM) 2022 averaged 268 mm, which is slightly below that recorded in MAM 2021. At the same time, MAM 2022 recorded rainfall was consistently below the Long-Term Means (LTM) for MAM periods across all meteorological stations in Kenya. April-June 2022 remained the coldest compared with the same periods in 2018, 2019, 2020, and 2021.

The credit rating for Kenya remained the same as that issued in March 2022. March 2022 fitch rating was a B+ with negative outlook for long-term issuer default rating and local currency long-term issuer default rating. B+ rating reflects a track record of strong growth and relative macroeconomic stability. However, these positive factors are balanced against high net external indebtedness, rising public debt levels, GDP per capita and governance indicators that were below the 'B' range medians. S&P Global Ratings affirmed the "B" Foreign Currency LT credit rating of Kenya in March 2022, with a stable outlook.

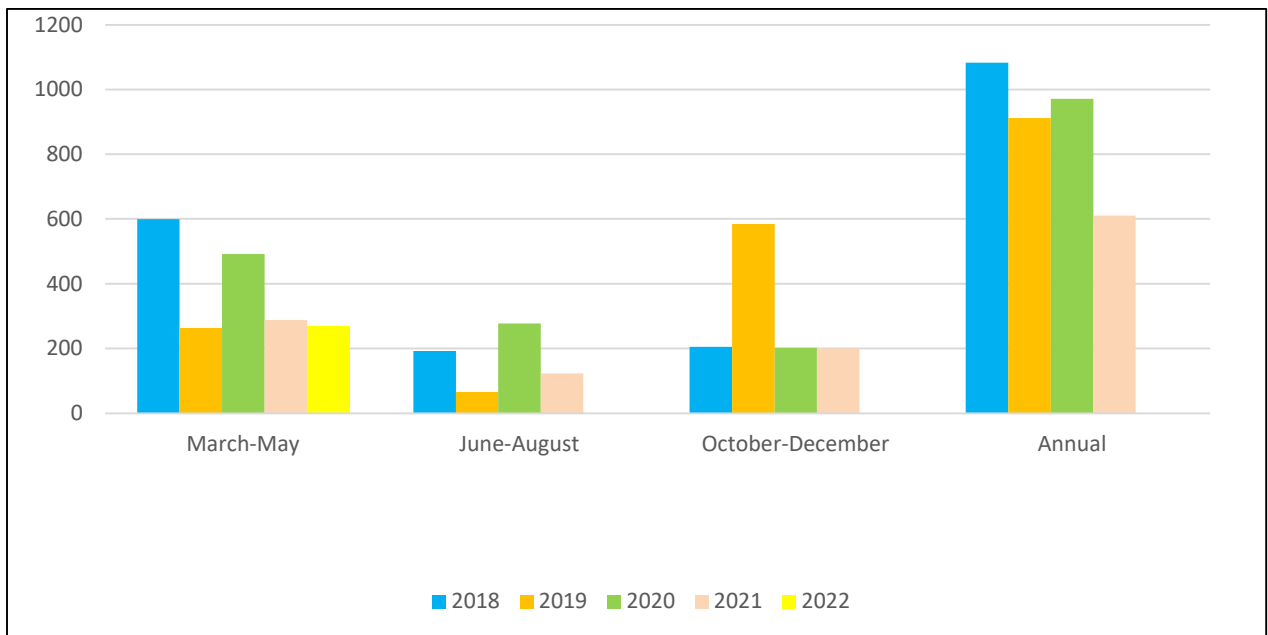
The COVID-19 positivity rate in April-June 2022 remained relatively high compared with the last quarter. Positivity rates rose from 0.29 per cent at the start of April 2022 to 13.14 per cent as at the end of June 2022. Even though the positivity rates are rising, there are fewer deaths recorded, with the deaths plateauing at 5652 deaths as at the end of June 2022. The percentage of people vaccinated stood at 17.6 per cent of the total population, with 31.8 per cent of adult population (above 18 years) fully vaccinated.

Figure 42: Kenya purchasing managers' index



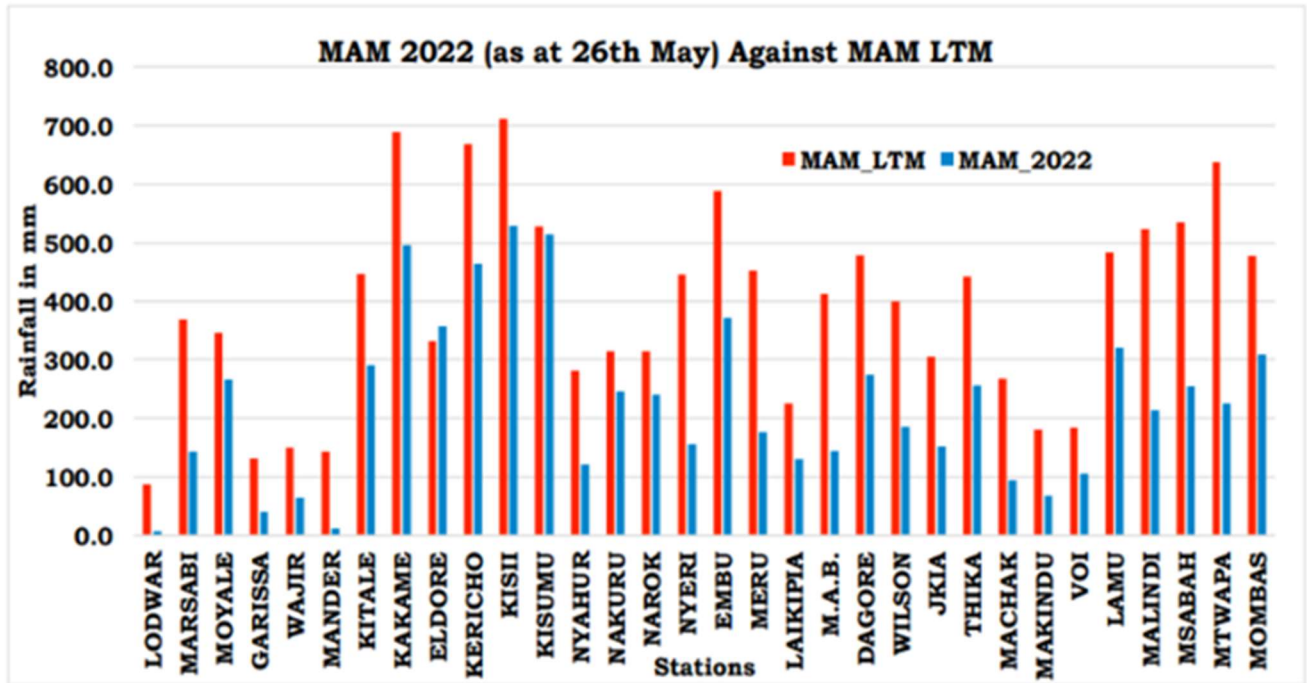
Data Source: Stanbic Bank (<https://www.stanbicbank.co.ke>); IHS-Markit (<https://ihsmarkit.com>)
 Key: 50.0 = Neutral; Above 50.0 = Expansion; Below 50.0 = Contraction

Figure 43: Mean annual and seasonal rainfall (millimeters)



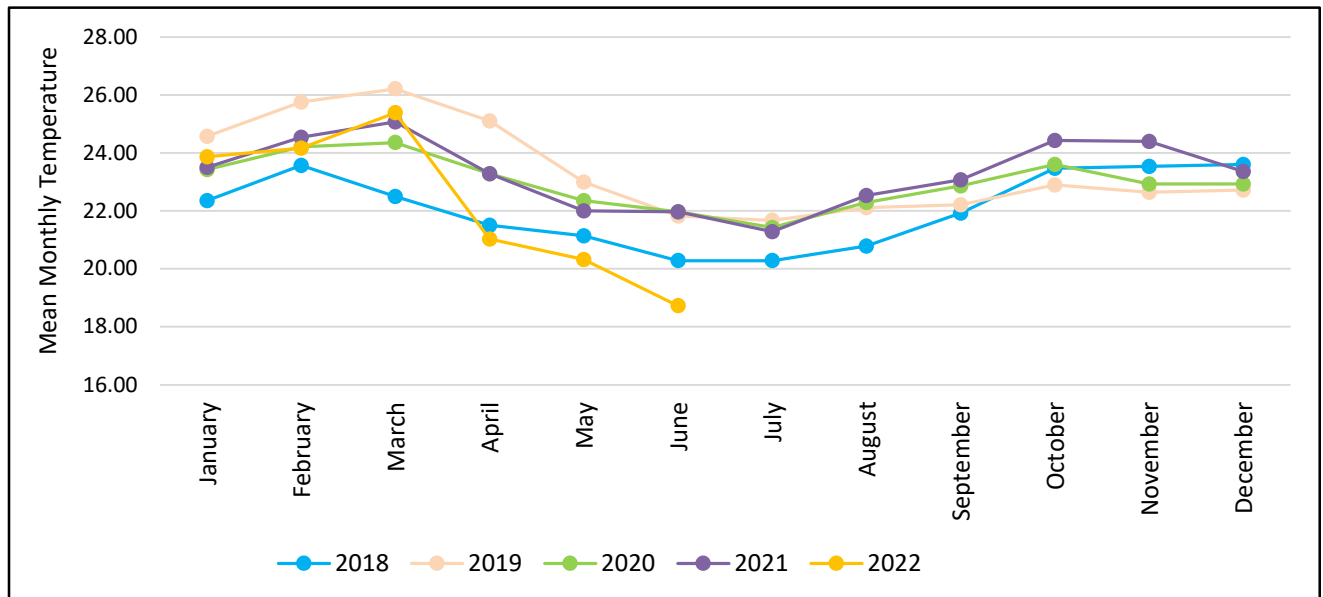
Data Source: Kenya National Bureau of Statistics; Kenya Meteorological Department

Figure 44: March-April-May (MAM) 2022 recorded rainfall against seasonal long-term means (millimeters)



Data Source: Kenya Meteorological Department

Figure 45: Mean monthly temperature (degrees Celsius)



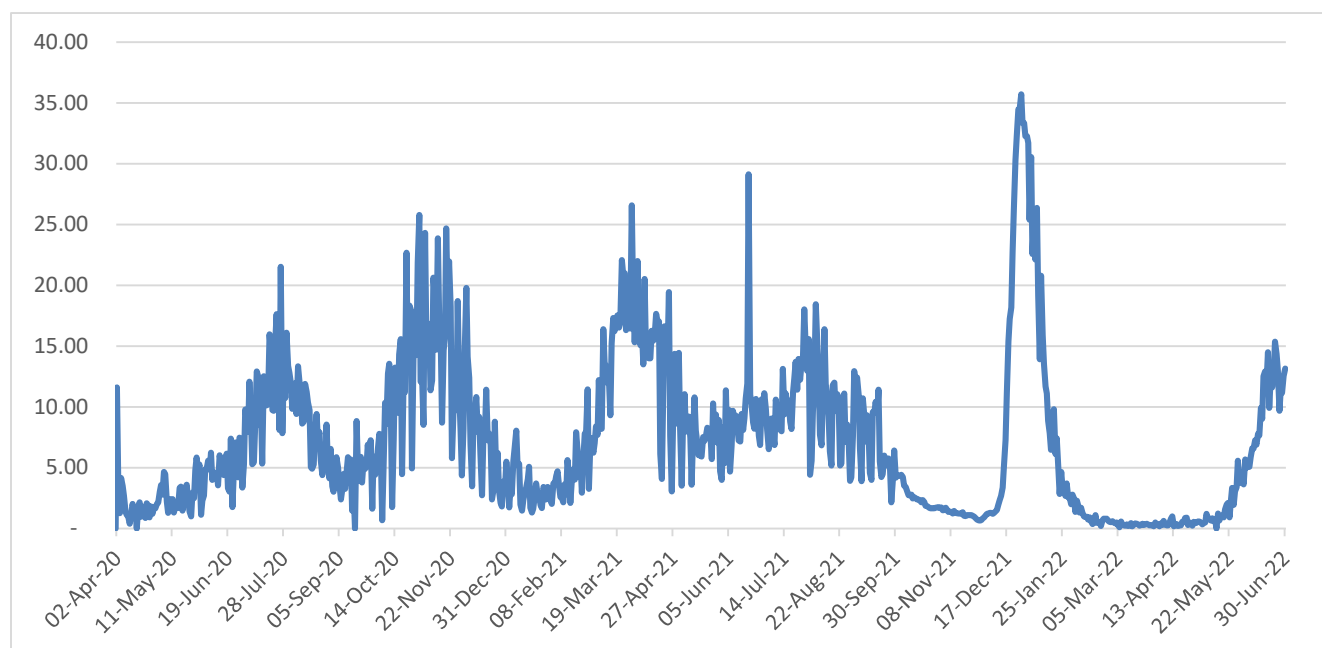
Data Source: Kenya Meteorological Department; <https://www.worldweatheronline.com/>; www.accuweather.com

Table 1: Fitch rating for Kenya

Type	Current Rating (as at 22 March 2022)			Prior Rating (as at 26 March 2021)		
	Rating	Outlook	Action	Rating	Outlook	Action
LTR (Long-term Issuer default rating)	B+	Negative	Affirmed	B+	Negative	Affirmed
STR (Short-term Issuer default rating)	B		Affirmed	B		Affirmed
Local Currency Short-term Issuer Default Rating	B		Affirmed	B		Affirmed
Country Ceiling	B+		Affirmed	B+		Affirmed
Local Currency Long-term Issuer Default Rating	B+	Negative	Affirmed	B+	Negative	Affirmed

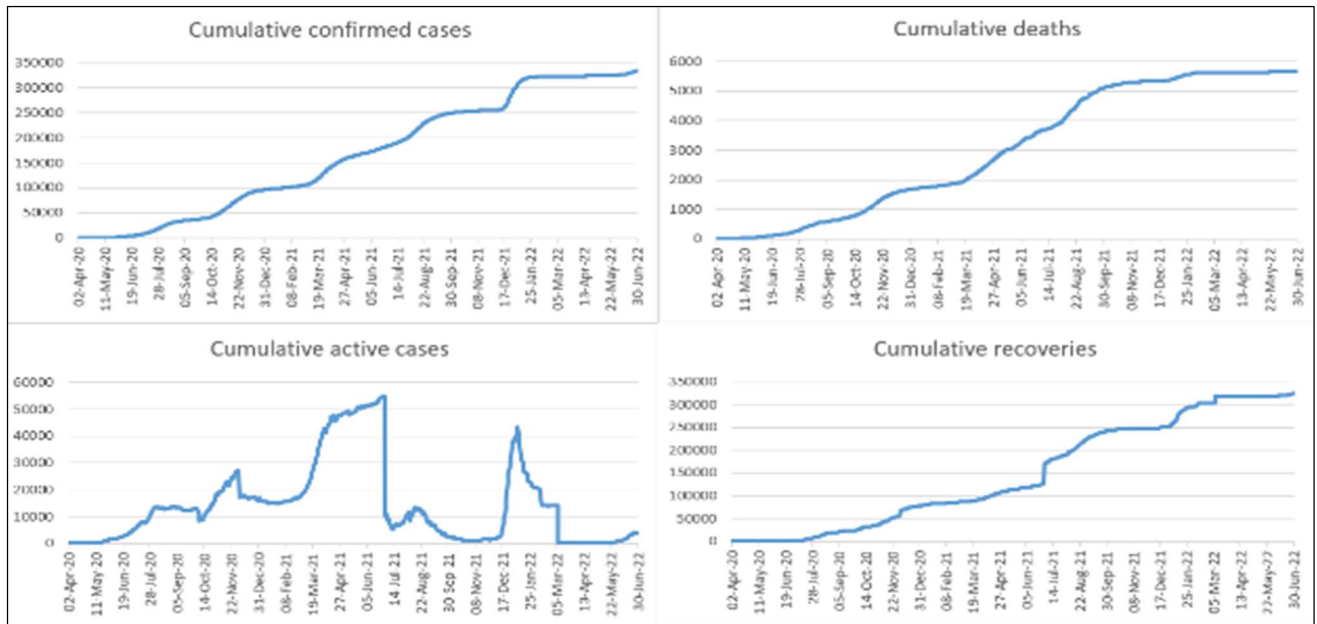
Data Source: <https://www.fitchratings.com/entity/kenya-86485911#ratings>

Figure 46: Kenya COVID-19 positivity rate (%)



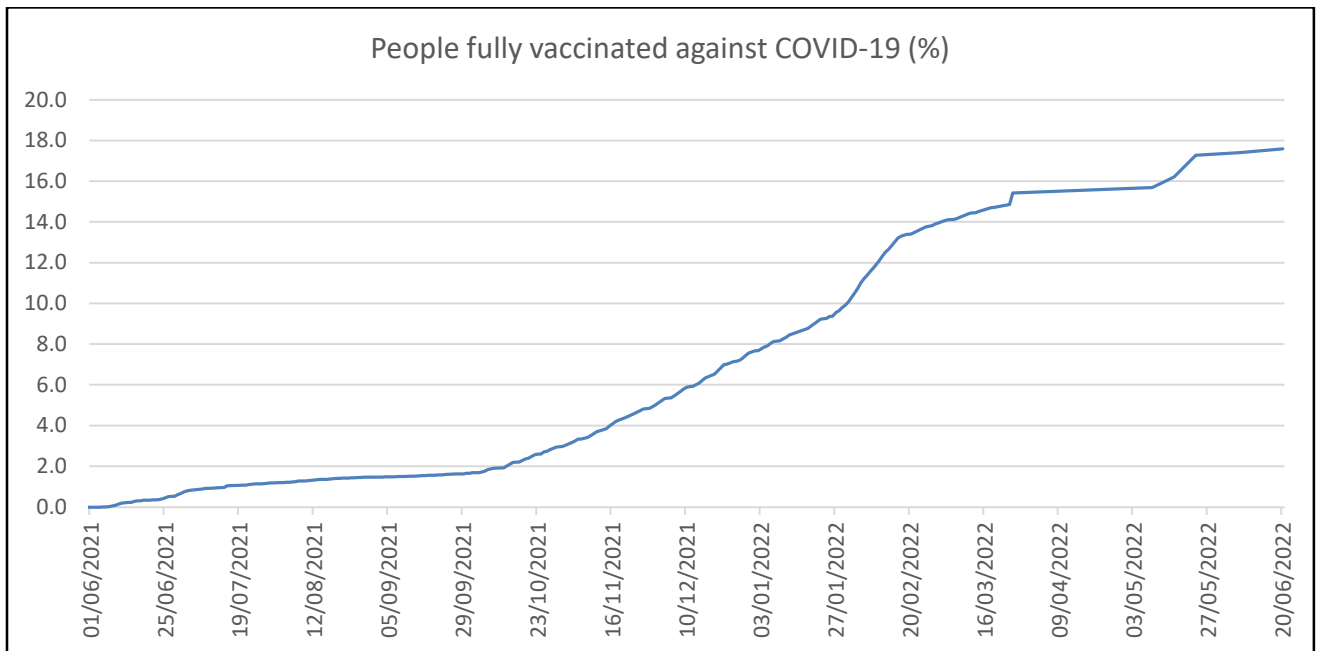
Data Source: <https://ourworldindata.org/coronavirus/country/kenya>

Figure 47: Other COVID-19 statistics for Kenya, April 2020- June 2022



Data Source: World Health Organization,
<https://www.worldometers.info/coronavirus/country/kenya/> ;
<https://ourworldindata.org/coronavirus/country/kenya>

Figure 48: COVID-19 vaccination statistics for Kenya, May-June 2022



Data Source: <https://ourworldindata.org/coronavirus/country/kenya>