



Central Bank of Kenya

Weekly Bulletin

August 16, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending August 15. It exchanged at KSh 129.20 per US dollar on August 15, compared to KSh 129.41 per US dollar on August 8 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,316 million (3.8 months of import cover) as of August 15. This meets the CBK's statutory requirement to endeavour to maintain at least 4 months of import cover (**Table 2**).

Remittances

Remittance inflows in July 2024 totalled USD 414.3 million compared to USD 378.1 million in July 2023, an increase of 9.6 percent (**Chart 1**). The cumulative inflows for the 12 months to July 2024 remained steady at USD 4,572 million compared to USD 4,076 million in a similar period in 2023, an increase of 12.2 percent. The remittance inflows continue to support the current account and the foreign exchange market. The US remains the largest source of remittances to Kenya, accounting for 52 percent in July 2024.

Money Market

Liquidity in the money market remained adequate during the week ending August 15, supported by open market operations. Commercial banks' excess reserves stood at KSh 10.8 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 12.84 percent on August 15 compared to 13.13 percent on August 8. During the week, the average number of interbank deals increased to 55 from 52 in the previous week, while the average value traded decreased to KSh 28.3 billion from KSh 33.1 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of August 15 received bids totaling KSh 25.7 billion against an advertised amount

of KSh 24.0 billion, representing a performance of 107.3 percent. Interest rate on the 91-day, 182-day, and 364-day Treasury bills declined (**Table 4**).

During the Treasury bond auction of August 14, the re-opened 6.5-year and 17-year fixed rate infrastructure bonds received bids totaling KSh 126.3 billion against an advertised amount of KSh 50.0 billion, representing a performance rate of 252.6 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 0.6 percent, 1.1 percent and 0.3 percent, respectively during the week ending August 15. Market capitalization also increased by 0.6 percent while total shares traded and equity turnover declined by 57.1 percent and 69.6 percent respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market increased by 6.6 percent during the week ending August 5 (**Table 6**). In the international market, yields on Kenya's Eurobonds on average declined by 58.9 basis point. The yield on the 10- year Eurobond for Angola declined while for Zambia increased (**Chart 3**).

Global Trends

Global inflation concerns have eased. The U.S inflation declined to 2.9 percent in July 2024 compared to 3.0 percent in June. U.K inflation rose slightly to 2.2 percent in July from 2.0 percent in June. The US dollar index weakened by 0.2 percent against a basket of major currencies during the week ending August 15.

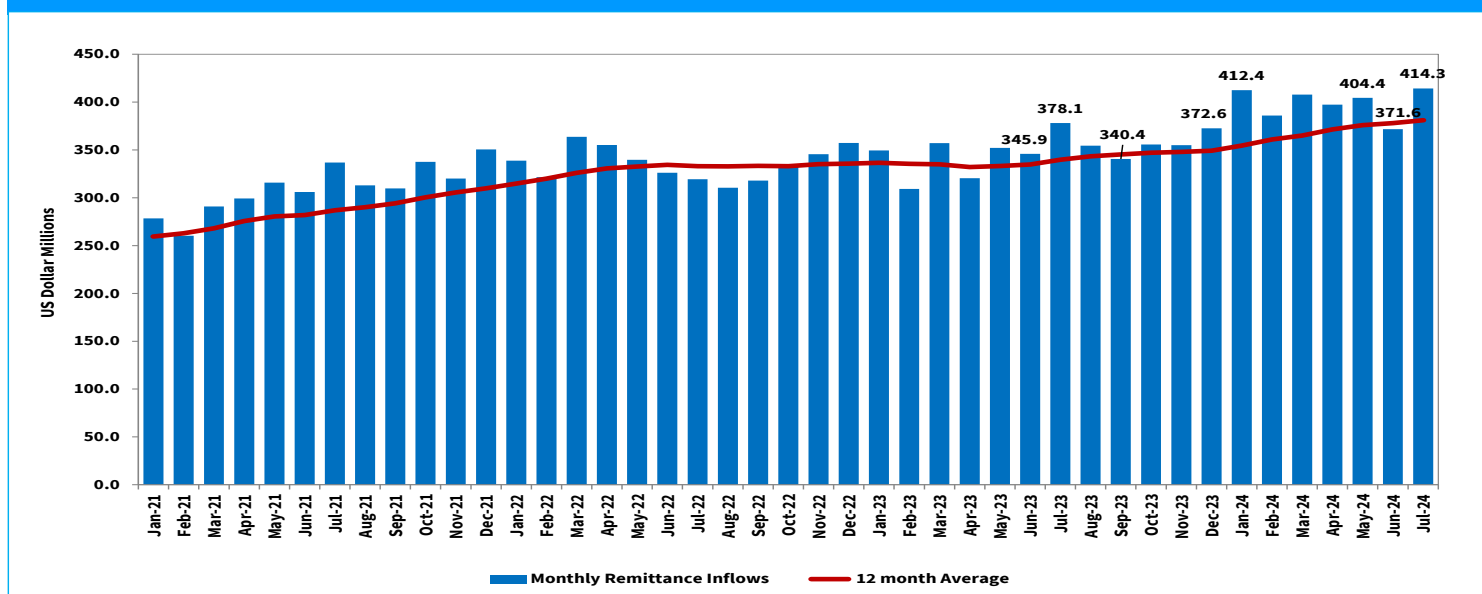
International oil prices rose during the week ending August 15, driven by increased demand reflecting renewed ceasefire talks in Gaza and fading concerns about a U.S. recession. The Murban oil price increased to USD 84.15 on August 15 from USD 81.70 on August 8.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
2-Aug-24	129.95	166.05	140.21	86.65	28.74	20.78	10.11	22.18
5-Aug-24	130.16	166.60	142.32	90.94	28.59	20.74	10.10	22.14
6-Aug-24	130.11	166.17	142.42	89.21	28.67	20.75	10.11	22.15
7-Aug-24	129.79	164.65	141.68	89.89	28.70	20.80	10.34	22.21
8-Aug-24	129.41	164.28	141.46	88.50	28.82	20.83	10.17	22.27
Aug 2 - 8	129.88	165.55	141.62	89.04	28.70	20.78	10.16	22.19
9-Aug-24	129.25	164.84	141.14	87.95	28.83	20.89	10.19	22.30
12-Aug-24	129.54	165.36	141.45	88.01	28.75	20.84	10.22	22.26
13-Aug-24	129.35	165.31	141.50	87.56	28.84	20.95	10.19	22.29
14-Aug-24	129.06	165.77	141.60	87.94	28.87	21.00	10.22	22.34
15-Aug-24	129.20	165.93	142.27	87.82	28.83	20.90	10.22	22.32
Aug 9-15	129.28	165.44	141.59	87.86	28.83	20.92	10.21	22.30

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Chart 1: Monthly Remittance Inflows (USD Million)

Source: Central Bank of Kenya

Table 2: Usable Foreign Exchange Reserves (USD Million)

	18-Jul-24	25-Jul-24	1-Aug-24	8-Aug-24	15-Aug-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,409	7,311	7,274	7,340	7,316
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.9	3.8	3.8	3.8	3.8

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

Source: Central Bank of Kenya

Table 3: Money Markets

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
2-Aug-24	51	31,755.00	13.20
5-Aug-24	58	42,900.00	13.19
6-Aug-24	55	33,750.00	13.19
7-Aug-24	47	30,700.00	13.17
8-Aug-24	48	26,610.00	13.13
Aug 2-8	52	33,143.00	13.18
9-Aug-24	62	34,500.00	13.04
12-Aug-24	71	38,175.00	12.93
13-Aug-24	58	32,110.00	12.88
14-Aug-24	38	13,150.00	12.84
15-Aug-24	47	23,450.00	12.84
Aug 9-15	55	28,277.00	12.91

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	28-Mar-24	30-May-24	27-Jun-24	25-Jul-24	8-Aug-24	15-Aug-24
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)	5,380.72	17,863.94	4,361.03	25,810.20	12,549.08	10,517.03
Amount Accepted (KSh M)	3,867.98	17,437.83	2,745.34	19,642.88	8,575.71	10,471.56
Maturities (KSh M)	7,215.65	12,607.70	3,922.10	5,729.00	17,600.55	13,189.10
Average Interest Rate (%)	16.729	15.955	15.977	16.000	15.818	15.809
182-Day Treasury Bills						
Date of Auction	28-Mar-24	30-May-24	27-Jun-24	25-Jul-24	8-Aug-24	15-Aug-24
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)	2,702.14	9,171.79	1,494.42	4,147.37	19,313.49	11,038.74
Amount Accepted (KSh M)	2,049.15	9,012.98	1,479.67	1,622.70	18,813.68	11,032.62
Maturities (KSh M)	552.85	2,805.50	293.25	5,592.95	10,116.60	10,603.20
Average Interest Rate (%)	16.888	16.608	16.764	16.851	16.715	16.708
364-Day Treasury Bills						
Date of Auction	28-Mar-24	30-May-24	27-Jun-24	25-Jul-24	8-Aug-24	15-Aug-24
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)	7,753.83	6,474.59	1,833.64	1,688.45	7,436.22	4,184.93
Amount Accepted (KSh M)	7,596.50	6,339.81	1,828.51	1,676.37	6,938.61	4,114.61
Maturities (KSh M)	1,915.90	2,867.20	1,679.00	352.75	862.65	2,576.10
Average Interest Rate (%)	16.990	16.706	16.791	16.921	16.914	16.866

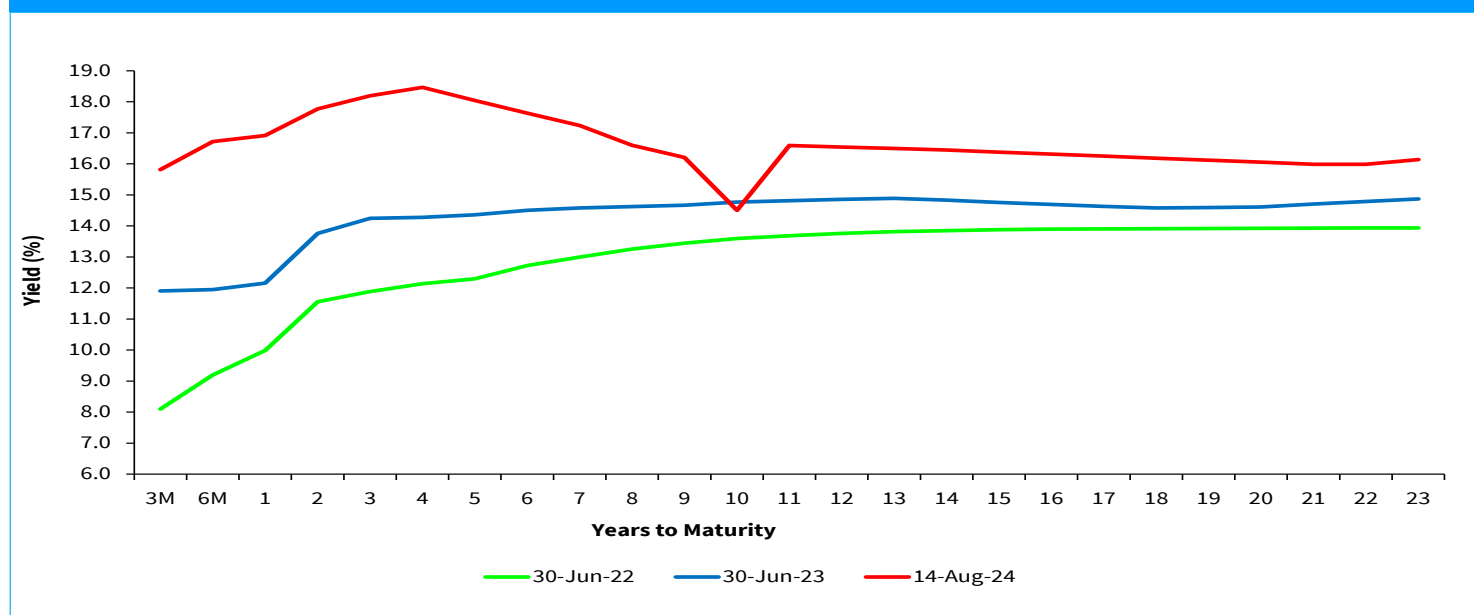
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	20-Jun-24				4-Jul-24	17-Jul-24		14-Aug-24	
Tenor	FXD1/ 2023/002	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2023/010	FXD1/ 2023/002	FXD1/ 2024/010	FXD1/ 2008/020	IFB1/ 2023/6.5	IFB1/ 2023/17
Amount offered (KSh M)	20,000.00				20,000.00	30,000.00		50,000.00	
Bids received (KSh M)	1,799.80	3,265.80	11,228.55	8,840.10	487.50	7,067.73	7,614.51	96,861.91	29,460.52
Amount Accepted (KSh M)	1,795.73	3,316.47	10,811.16	7,936.60	486.48	6,752.15	3,014.08	74,167.60	14,530.92
Maturities (KSh M)	0.00				0.00				
Average interest Rate (%)	17.12	17.59	18.16	16.39	17.12	16.00	13.75	18.30	17.73

Source: Central Bank of Kenya

Chart 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

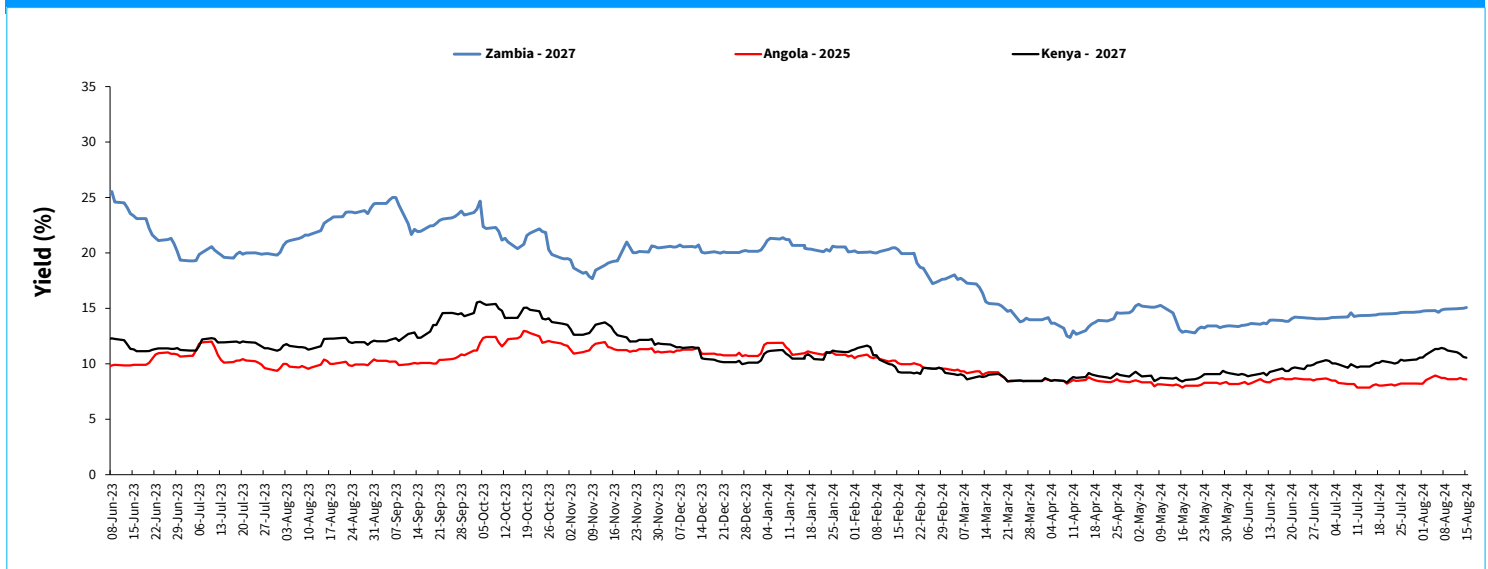
Table 6: Performance of Key Market Indicators

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 Capitaliza- tion (KSh Billion)	Bonds Turnover (KSh Million)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2028	6-Year 2031	12-Year 2032	13-Year 2034	30-Year 2048
2-Aug-24	103.36	2770.07	1658.96	1,260	17.54	253.96	1,613.31	987.20	10.822	11.021	11.274	11.249	11.170	11.323
5-Aug-24	101.15	2725.28	1642.76	1,494	22.24	386.27	1,580.26	1,235.50	11.334	11.541	11.816	11.644	11.563	11.663
6-Aug-24	102.15	2733.52	1633.94	1,426	32.12	518.34	1,595.99	2,006.25	11.34	11.544	11.803	11.675	11.621	11.643
7-Aug-24	101.40	2710.66	1634.65	1,324	19.95	401.68	1,584.22	2,554.55	11.432	11.500	11.737	11.615	11.509	11.562
8-Aug-24	101.40	2706.81	1624.99	1,134	22.37	553.08	1,584.31	1,708.15	11.367	11.509	11.740	11.619	11.540	11.582
Aug 2- 8	101.40	2,706.81	1,624.99	6,638.00	114.22	2,113.33	1,584.31	8,491.65	11.367	11.509	11.740	11.619	11.540	11.582
9-Aug-24	102.06	2734.60	1633.69	968	6.92	60.90	1594.558	3,020.55	11.202	11.370	11.641	11.467	11.428	11.482
12-Aug-24	101.95	2729.48	1630.25	1,029	10.95	146.45	1592.837	1,117.05	11.038	11.278	11.477	11.347	11.262	11.403
13-Aug-24	101.64	2726.71	1630.00	1,094	8.81	178.99	1587.981	2,775.70	10.874	11.140	11.379	11.258	11.179	11.324
14-Aug-24	101.67	2732.23	1632.33	1,037	12.36	162.37	1588.533	1,401.45	10.626	10.908	11.088	11.021	10.880	11.132
15-Aug-24	102.01	2737.02	1630.00	952	10.01	94.78	1593.690	738.00	10.558	10.823	11.057	10.936	10.803	11.057
Aug 9-15	102.01	2,737.02	1,630.00	5,080.00	49.04	643.50	1,593.69	9,052.75	10.558	10.823	11.057	10.936	10.803	11.057
Weekly Changes (%)	0.60	1.12	0.31	-23.47	-57.07	-69.55	0.59	6.61	-0.809*	-0.686*	-0.683*	-0.683*	-0.737*	-0.525*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

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



Source: Bloomberg, London Stock Exchange

Table 7: Government Domestic Debt (KSh Billion)

	30-Dec-22	30-Jun-23	29-Dec-23	28-Mar-24	29-May-24	26-Jun-24	31-Jul-24	14-Aug-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	546.90	557.01	588.92	615.89	651.89	671.53
<i>(As % of total securities)</i>	15.32	13.28	11.35	11.06	11.48	11.75	12.32	12.71
2. Treasury Bonds	3,710.62	4,013.89	4,271.82	4,478.54	4,539.76	4,627.12	4,637.89	4,612.98
<i>(As % of total securities)</i>	84.68	86.72	88.65	88.94	88.52	88.25	87.68	87.29
3. Total Securities (1+2)	4,382.13	4,628.62	4,818.72	5,035.54	5,128.68	5,243.01	5,289.78	5,284.51
4. Overdraft at Central Bank	58.50	76.46	94.13	92.18	80.56	61.02	60.53	63.64
5. Other Domestic debt*	32.76	127.04	137.26	107.46	107.46	105.08	103.61	103.06
of which IMF funds on-lent to Government		95.52	104.24	84.70	84.70	83.54	82.61	82.61
6. Gross Domestic Debt (3+4+5)	4,473.39	4,832.11	5,050.11	5,235.19	5,316.70	5,409.11	5,453.92	5,451.21

* 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)

	30-Dec-22	30-Jun-23	29-Dec-23	28-Mar-24	29-May-24	26-Jun-24	31-Jul-24	14-Aug-24
Treasury bills (Excluding Repos)	15.01	12.72	10.83	10.64	11.08	11.39	11.95	12.32
Treasury bonds	82.95	83.07	84.59	85.55	85.39	85.54	85.04	84.62
Overdraft at Central Bank	1.31	1.58	1.86	1.76	1.52	1.13	1.11	1.17
Other domestic debt	0.73	2.63	2.72	2.05	2.02	1.94	1.90	1.89
of which IMF fund on lent to government		1.98	2.06	1.62	1.59	1.54	1.51	1.52
TOTAL	100.00	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)

	30-Dec-22	30-Jun-23	29-Dec-23	28-Mar-24	29-May-24	26-Jun-24	31-Jul-24	14-Aug-24
Banking Institutions	46.84	46.17	46.07	45.78	45.59	45.11	45.12	44.80
Insurance Companies	7.37	7.31	7.23	7.13	7.19	7.23	7.21	7.33
Parastatals	6.06	5.98	5.47	5.25	5.19	5.13	5.08	5.47
Pension Funds*	33.31	33.42	29.93	29.35	29.43	29.61	29.39	29.33
Other Investors	6.43	7.13	11.30	12.50	12.59	12.92	13.19	13.07
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

* Includes pension funds and custodial/ Nominee Accounts

Source: Central Bank of Kenya

Table 10: Public Debt

	Dec-21	Jun-22	Dec-22	Jun-23	Sep-23	Dec-23	Mar-24	Apr-24	May-24*
Domestic debt (KSh Bn)	4,032.37	4,288.33	4,472.84	4,832.11	4,917.47	5,050.11	5,235.19	5,323.71	5,319.89
Public & Publicly Guaranteed External debt (USD Bn)	36.90	36.58	37.88	38.76	38.27	38.92	39.18	39.01	39.30
Public & Publicly Guaranteed External debt (KSh Bn)	4,174.37	4,290.73	4,673.14	5,446.56	5,667.80	6,089.58	5,163.42	5,198.81	5,118.31
Public debt (KSh Bn)	8,206.74	8,579.06	9,145.98	10,278.67	10,585.27	11,139.69	10,398.61	10,522.52	10,438.19

* Provisional

Source: The National Treasury and Central Bank of Kenya