



Central Bank of Kenya

Weekly Bulletin

May 9, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending May 9. It exchanged at KSh 131.25 per US dollar on May 9, compared to KSh 133.20 per US dollar on May 2 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,180 million (3.8 months of import cover) as of May 9. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover (**Table 2**).

Remittances

Remittance inflows amounted to USD 397.3 million in April 2024, compared to USD 320.3 million in April 2023, an increase of 24.0 percent (**Chart 1**). The cumulative inflows for the 12 months to April 2024 totaled USD 4,457 million compared to USD 3,985 million in a similar period in 2023, an increase of 11.9 percent. The US remained the largest source of remittances to Kenya, accounting for 49 percent April 2024.

Money Market

Liquidity in the money market remained adequate during the week ending May 9, supported by open market operations. Commercial banks' excess reserves stood at KSh 11.8 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.74 percent on May 8 compared to 13.83 percent on May 2. During the week, the average number of interbank deals increased to 41 from 38 in the previous week, while the average value traded declined to KSh 20.0 billion from KSh 23.3 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of May 9 received bids totaling KSh 53.7 billion against an advertised amount of KSh 24.0 billion, representing a performance of 223.6 percent. Interest rate on the 91-day, 182-day, and 364-day Treasury bills remained relatively stable (**Table 4**).

During the Treasury bond Tap sale of May 9, the 10-year fixed rate Treasury bonds received bids totaling KSh 7.1 billion against an advertised amount of KSh 15.0 billion, representing a performance rate of 47.3 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, the NASI, the NSE 25 and NSE 20 share price indices increased by 1.5 percent, 0.50 and 0.04 percent respectively during the week ending May 9. Market capitalization equity turnover and total shares traded increased by 1.5 percent, 23.4 and 13.7 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market decreased by 10.2 percent during the week ending May 9 (**Table 6**). In the international market, yields on Kenya's Eurobonds decreased by an average of 29.8 basis points, with the 2027 maturity decreasing by 33.7 basis points. The yield on the 10-year Eurobond for Angola declined while that of Zambia increased (**Chart 3**).

Global Trends

The Bank of England retained the policy rate at 5.25 percent during its meeting of May 9, 2024. The US labor market remained tight with unemployment for April rising by 3.9 percent. The US dollar index strengthened by 0.2 percent against a basket of major currencies during the week ending May 8.

International oil prices declined during the week ending May 8, supported by balanced oil demand and supply, and build-up of oil inventories amid increased geopolitical uncertainties. Murban oil prices dropped to USD 83.28 per barrel on May 8 from USD 88.64 per barrel on May 2.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
26-Apr-24	133.47	166.37	142.63	85.85	28.51	19.41	9.67	21.48
29-Apr-24	133.34	166.75	142.87	85.01	28.61	19.42	9.68	21.50
30-Apr-24	133.28	167.05	142.58	84.99	28.62	19.46	9.69	21.52
1-May-24	Public Holiday							
2-May-24	133.20	166.82	142.63	84.59	28.59	19.41	9.69	21.53
Apr 25- May 2	133.32	166.75	142.68	85.11	28.58	19.42	9.68	21.51
3-May-24	133.08	166.36	142.31	86.01	28.52	19.47	9.71	21.55
6-May-24	133.05	167.48	143.47	87.24	28.43	19.43	9.71	21.55
7-May-24	133.04	167.04	143.25	86.16	28.26	19.47	9.72	21.56
8-May-24	132.40	166.26	142.75	85.71	28.44	19.52	9.77	21.66
9-May-24	131.25	163.76	141.12	84.33	28.84	19.77	9.85	21.86
Apr 3- May 9	132.57	166.18	142.58	85.89	28.50	19.53	9.75	21.64

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

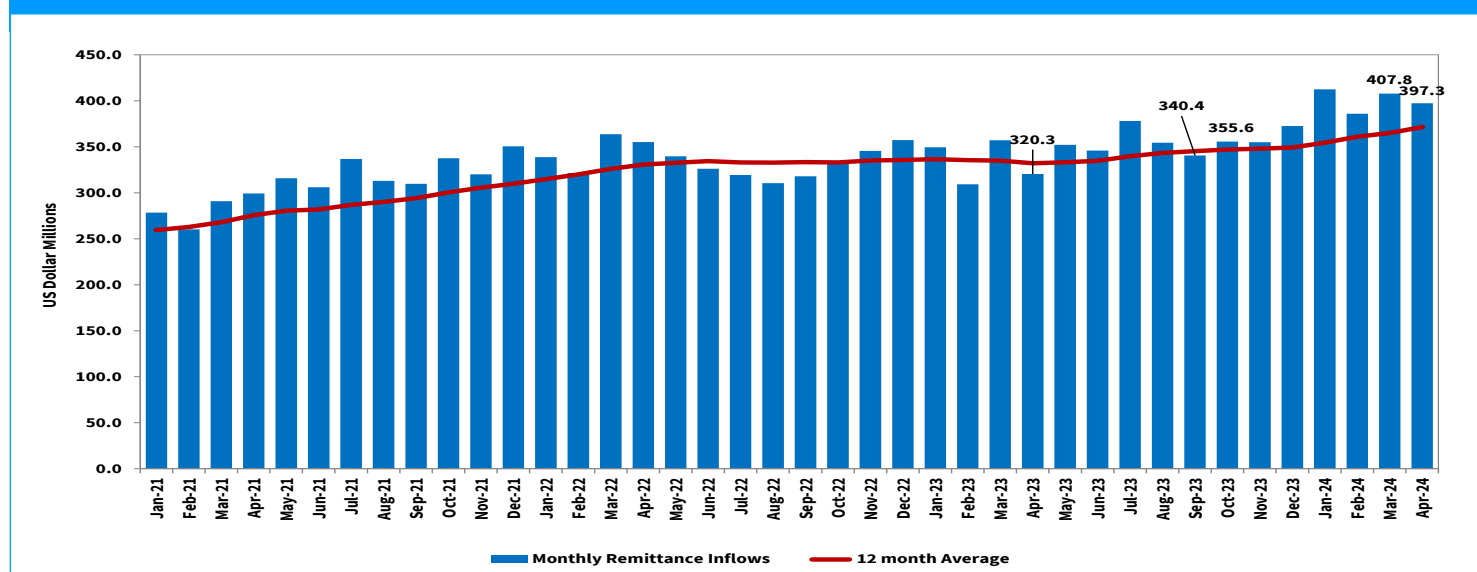
Table 2: Official Foreign Exchange Reserves (USD Million)

	11-Apr-24	18-Apr-24	25-Apr-24	2-May-24	9-May-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,291	7,226	7,232	7,179	7,180
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.8	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

Chart 1: Monthly Remittance Inflows (USD Million)



Source: Central Bank of Kenya

Table 3: Money Markets			
Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
26-Apr-24	32	16,150.00	13.91
29-Apr-24	26	17,300.00	13.91
30-Apr-24	42	24,155.00	13.89
1-May-24	Public Holiday		
2-May-24	50	35,669.00	13.83
Apr 26-May 2	38	23,318.50	13.89
3-May-24	64	31,570.00	13.82
6-May-24	37	18,530.00	13.77
7-May-24	35	19,485.00	13.77
8-May-24	28	10,400.00	13.74
May 3 - 8	41	19,996.25	13.77

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	28-Mar-24	2-May-24	9-May-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)	5,779.97	11,007.63	8,516.51	5,380.72	10,103.16	17,253.43
Amount Accepted (KSh M)	2,705.12	3,303.25	6,986.46	3,867.98	9,977.11	17,038.52
Maturities (KSh M)	2,814.15	2,741.45	3,254.55	7,215.65	20,272.95	34,423.20
Average Interest Rate (%)	11.904	14.821	15.983	16.729	15.865	15.904
182-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	28-Mar-24	2-May-24	9-May-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)	2,195.96	809.28	322.85	2,702.14	5,203.82	22,963.76
Amount Accepted (KSh M)	1,300.96	542.27	322.85	2,049.15	5,195.56	19,405.31
Maturities (KSh M)	442.15	3,616.00	1,365.20	552.85	1,319.45	19,597.85
Average Interest Rate (%)	11.947	14.950	15.967	16.888	16.488	16.501
364-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	28-Mar-24	2-May-24	9-May-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)	1,514.41	1,841.12	1,661.91	7,753.83	10,660.71	13,438.86
Amount Accepted (KSh M)	1,514.41	670.62	1,661.91	7,596.50	10,660.71	13,094.28
Maturities (KSh M)	2,417.65	1,229.50	1,858.45	1,915.90	998.50	1,972.30
Average Interest Rate (%)	12.157	15.054	16.100	16.990	16.495	16.507

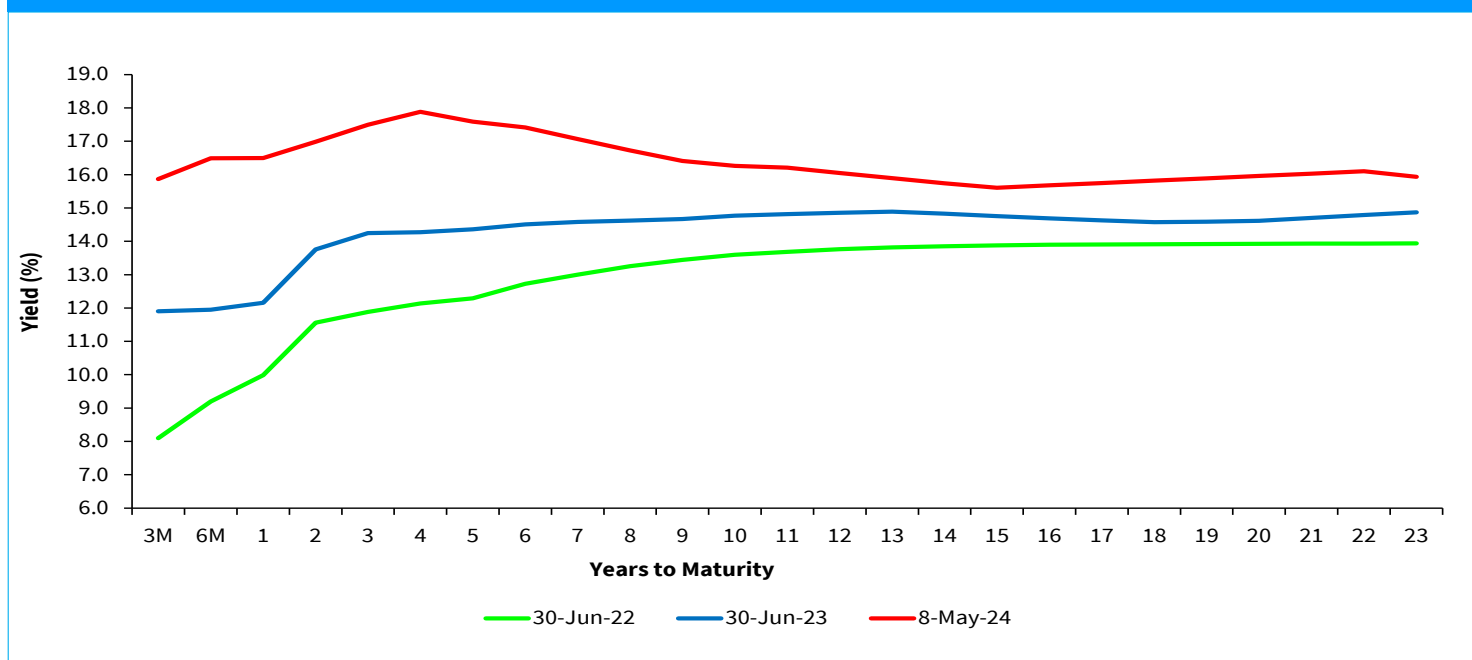
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	18-Jan-23		20-Mar-24		4-Apr-24		17-Apr-24	2-May-24	9-May-24
	TAP		RE-OPEN		TAP		RE-OPEN	RE-OPEN	TAP
Tenor	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2023/005	FXD1/ 2024/010	FXD1/ 2023/005	FXD1/ 2024/010	FXD1/ 2023/02	FXD1/ 2024/10	FXD1/ 2024/10
Amount offered (KSh M)	15,000.00		40,000.00		25,000.00		40,000.00	25,000.00	15,000.00
Bids received (KSh M)	9,308.35	2,552.31	35,848.61	23,885.31	35,585.30	12,203.35	47,192.00	14,979.42	7,025.02
Amount Accepted (KSh M)	9,339.89	2,415.58	17,766.82	4,838.59	33,952.75	11,896.17	34,762.40	10,995.34	7,025.02
Maturities (KSh M)	0.00		0.0	0.0	0.00	0.00	0.00	39,201.40	0.00
Average interest Rate (%)	18.39	16.84	18.41	16.52	18.41	16.52	16.99	16.23	16.23

Source: Central Bank of Kenya

Chart 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

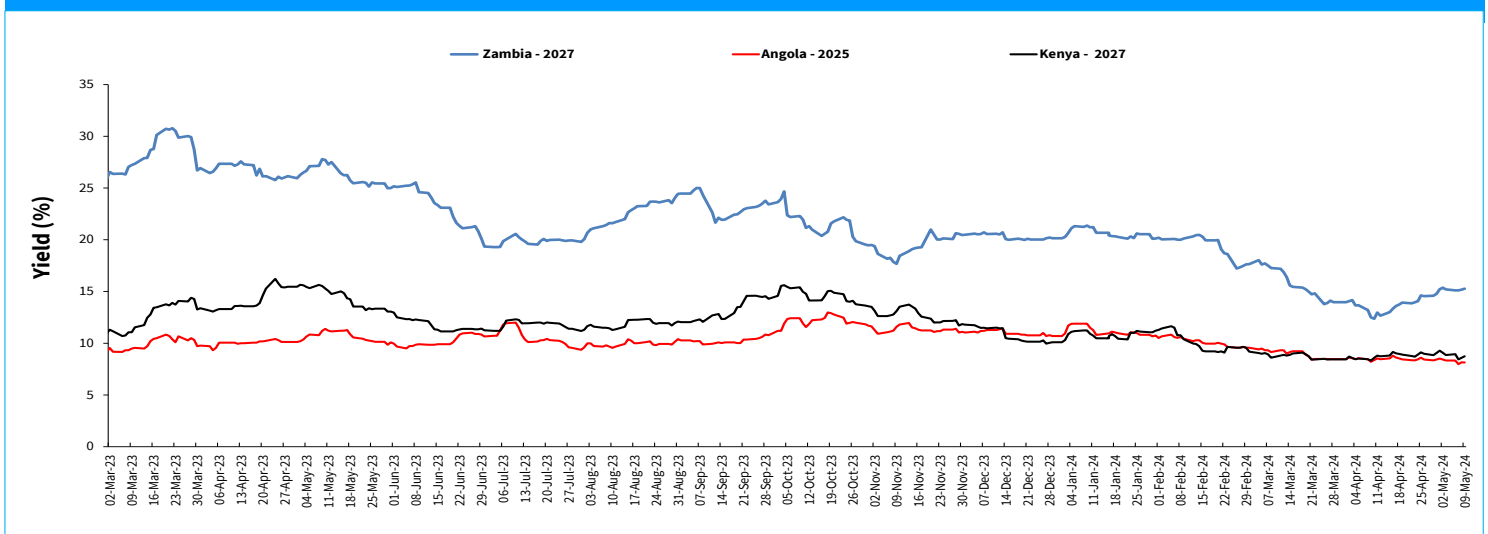
Table 6: Performance of Key Market Indicators

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 Mil- lion)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2028	6-Year 2031	12-Year 2032	13-Year 2034	30-Year 2048
26-Apr-24	107.57	2,858.18	1,688.32	1,151.00	20.30	411.49	1,680.56	6,098.30	8.987	9.055	9.686	9.720	9.786	10.008
29-Apr-24	106.80	2,853.06	1,685.32	1,349.00	11.70	283.32	1,668.64	3,384.62	8.851	8.935	9.543	9.590	9.642	9.897
30-Apr-24	106.54	2,850.92	1,690.98	1,303.00	8.18	225.40	1,664.54	9,385.01	9.066	9.099	9.743	9.801	9.812	10.024
1-May-24	PUBLIC HOLIDAY								9.28	9.346	9.976	9.989	9.984	10.154
2-May-24	104.90	2,776.42	1,659.45	1,303.00	4.19	63.59	1,638.97	8,413.85	9.075	9.226	9.830	9.883	9.888	10.073
Apr 26- May 2, 2024	104.90	2776.42	1659.45	5106.00	44.37	983.81	1638.97	27,281.78	9.075	9.226	9.83	9.883	9.888	10.073
3-May-24	104.64	2762.13	1647.80	1209.00	4.07	76.44	1634.832	7,007.20	8.864	8.981	9.628	9.592	9.67	9.913
6-May-24	104.37	2759.02	1656.77	1227.00	4.19	72.27	1630.571	7,644.45	8.938	9.023	9.679	9.593	9.695	9.913
7-May-24	103.93	2748.00	1645.36	1332.00	9.54	194.48	1623.790	5,011.65	8.446	8.699	9.39	9.359	9.433	9.727
8-May-24	105.11	2773.87	1659.01	1247.00	22.65	538.28	1642.227	7,439.90	8.589	8.781	9.436	9.437	9.505	9.789
9-May-24	106.48	2791.53	1660.10	1243.00	10.01	332.57	1663.622	4,422.10	8.738	8.824	9.47	9.491	9.53	9.835
May 3-9 2024	106.48	2791.53	1660.10	6258.00	50.46	1214.04	1663.62	31,525.30	8.74	8.82	9.47	9.49	9.53	9.84
Weekly Changes (%)	1.5	0.5	0.039	22.6	13.7	23.4	1.5	-10.2	-0.337*	-0.402*	-0.360*	-0.392*	-0.358*	-0.238*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

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



Source: Thomson Reuters

Table 7: Government Domestic Debt (KSh Billion)

	30-Jun-23	29-Sep-23	29-Dec-23	31-Jan-24	29-Feb-24	28-Mar-24	30-Apr-24	8-May-24
1. Treasury Bills (Excluding Repos)	614.73	558.21	546.90	565.63	549.07	557.01	566.66	571.93
<i>(As % of total securities)</i>	13.28	11.86	11.35	11.69	11.00	11.06	11.05	11.20
2. Treasury Bonds	4,013.89	4,149.81	4,271.82	4,272.25	4,442.10	4,478.54	4,561.02	4,532.74
<i>(As % of total securities)</i>	86.72	88.14	88.65	88.31	89.00	88.94	88.95	88.80
3. Total Securities (1+2)	4,628.62	4,708.02	4,818.72	4,837.89	4,991.17	5,035.54	5,127.67	5,104.67
4. Overdraft at Central Bank	76.46	75.70	94.13	83.45	94.32	92.18	89.31	92.31
5. Other Domestic debt*	127.04	133.75	137.26	136.71	128.84	128.85	128.84	129.25
of which IMF funds on-lent to Government	95.52	99.52	104.24	104.24	106.49	106.49	106.49	106.49
6. Gross Domestic Debt (3+4+5)	4,832.11	4,917.47	5,050.11	5,058.04	5,214.33	5,256.57	5,345.82	5,326.23

* 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-Jun-23	29-Sep-23	29-Dec-23	31-Jan-24	29-Feb-24	28-Mar-24	30-Apr-24	8-May-24
Treasury bills (Excluding Repos)	12.72	11.35	10.83	11.18	10.53	10.60	10.60	10.74
Treasury bonds	83.07	84.39	84.59	84.46	85.19	85.20	85.32	85.10
Overdraft at Central Bank	1.58	1.54	1.86	1.65	1.81	1.75	1.67	1.73
Other domestic debt	2.63	2.72	2.72	2.70	2.47	2.45	2.41	2.43
of which IMF fund on lent to government	1.98	2.02	2.06	2.06	2.04	2.03	1.99	2.00
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-Jun-23	29-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	28-Mar-24	30-Apr-24	8-May-24
Banking Institutions	46.17	45.18	46.07	45.84	46.25	45.78	46.03	45.91
Insurance Companies	7.31	7.35	7.23	7.34	7.16	7.13	7.15	7.16
Parastatals	5.98	5.95	5.47	5.56	5.29	5.25	5.12	4.98
Pension Funds*	33.42	32.23	29.93	29.89	29.06	29.35	29.29	29.23
Other Investors	7.13	9.30	11.30	11.37	12.24	12.50	12.42	12.72
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: Government Debt

	Jun-22	Dec-22	Jun-23	Aug-23	Sep-23	Nov-23	Dec-23	Jan-24	Feb-24*
Domestic debt (KSh Bn)	4,288.33	4,472.84	4,832.11	4,912.34	4,917.47	4,990.75	5,050.11	5,050.44	5,214.33
Public & Publicly Guaranteed External debt (USD Bn)	36.58	37.88	38.76	38.61	38.27	38.50	38.92	38.51	39.38
Public & Publicly Guaranteed External debt (KSh Bn)	4,290.73	4,673.14	5,446.56	5,614.09	5,667.80	5,896.50	6,089.58	6,189.97	5,653.89
Public debt (KSh Bn)	8,579.06	9,145.98	10,278.67	10,526.43	10,585.27	10,887.25	11,139.69	11,240.41	10,868.22

* Provisional

Source: The National Treasury and Central Bank of Kenya