



Central Bank of Kenya

Weekly Bulletin

December 20, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending December 19. It exchanged at KSh 129.29 per US dollar on December 19, compared to KSh 129.31 per US dollar on December 11 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 9,010 million (4.6 months of import cover) as of December 19. This meets the CBK's statutory requirement to endeavour to maintain at least 4 months of import cover (**Table 2**).

Remittances

Remittance inflows in November 2024 totalled USD 423.2 million compared to USD 355.0 million in November 2023, an increase of 19.2 percent (**Chart 1**). The cumulative inflows for the 12 months to November 2024 increased by 16.7 percent to USD 4,872 million compared to USD 4,175 million in a similar period in 2023. 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 53.4 percent in November 2024.

Money Market

Liquidity in the money market remained adequate during the week ending December 19 supported by open market operations. Commercial banks' excess reserves stood at KSh 39.3 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was at 11.23 percent on December 19 compared to 11.56 on December 11. During the week, the average number of interbank deals decreased to 45 from 70 in the previous week, while the average value traded decreased to KSh 35.5 billion from KSh 55.4 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of December 19 received bids totalling KSh 13.1 billion against an advertised amount of KSh 24.0 billion, representing a performance of 54.5

percent. Interest rate on the 91-day and 364-day Treasury bills declined while that of 182-day Treasury bills remained stable (**Table 4**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 1.5 percent, 0.7 percent and 0.7 percent, respectively, during the week ending December 19. Market capitalization, equity turnover and total shares traded increased by 1.5 percent, 1240.5 percent, and 310.7 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market increased by 7.7 percent during the week ending December 19 (**Table 6**). In the international market, yields on Kenya's Eurobonds on average increased by 47.42 basis points. The yield on Eurobond for Angola and Ivory Coast also increased (**Chart 3**).

Global Trends

Inflation rates in the major economies was volatile amid monetary policy easing. The Federal Reserve further lowered its policy rate by 25 basis points, bringing the rate to a target range of 4.25 percent to 4.5 percent, the same level as December 2022. The US dollar index strengthened by 1.6 percent against a basket of major currencies during the week ending December 19.

International oil prices decreased during the week ending December 19. The price of Murban oil decreased to USD 73.06 on December 19, 2024, from USD 73.30 on December 11 after central banks in advanced economies expressed caution over further easing of monetary policy, signalling weak economic activity.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
6-Dec-24	129.30	164.74	136.53	85.88	28.38	20.26	10.84	22.85
9-Dec-24	129.30	164.95	136.75	86.39	28.35	20.11	10.60	22.86
10-Dec-24	129.31	165.23	136.79	85.72	28.33	20.11	10.76	22.86
11-Dec-24	129.31	165.02	136.16	85.27	28.33	19.26	10.61	22.86
12-Dec-24	Public Holiday							
Dec 6-11	129.31	164.99	136.56	85.82	28.35	19.93	10.70	22.86
13-Dec-24	129.30	165.12	136.08	84.93	28.30	18.79	10.78	22.86
16-Dec-24	129.29	163.38	136.02	84.14	28.24	18.06	10.62	22.86
17-Dec-24	129.28	163.65	135.53	83.71	28.22	18.06	10.63	22.87
18-Dec-24	129.29	164.23	135.77	84.26	28.15	18.37	10.63	22.86
19-Dec-24	129.29	162.68	134.15	83.26	28.15	18.41	10.63	22.86
Dec 13-19	129.29	163.81	135.51	84.06	28.21	18.34	10.66	22.86

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

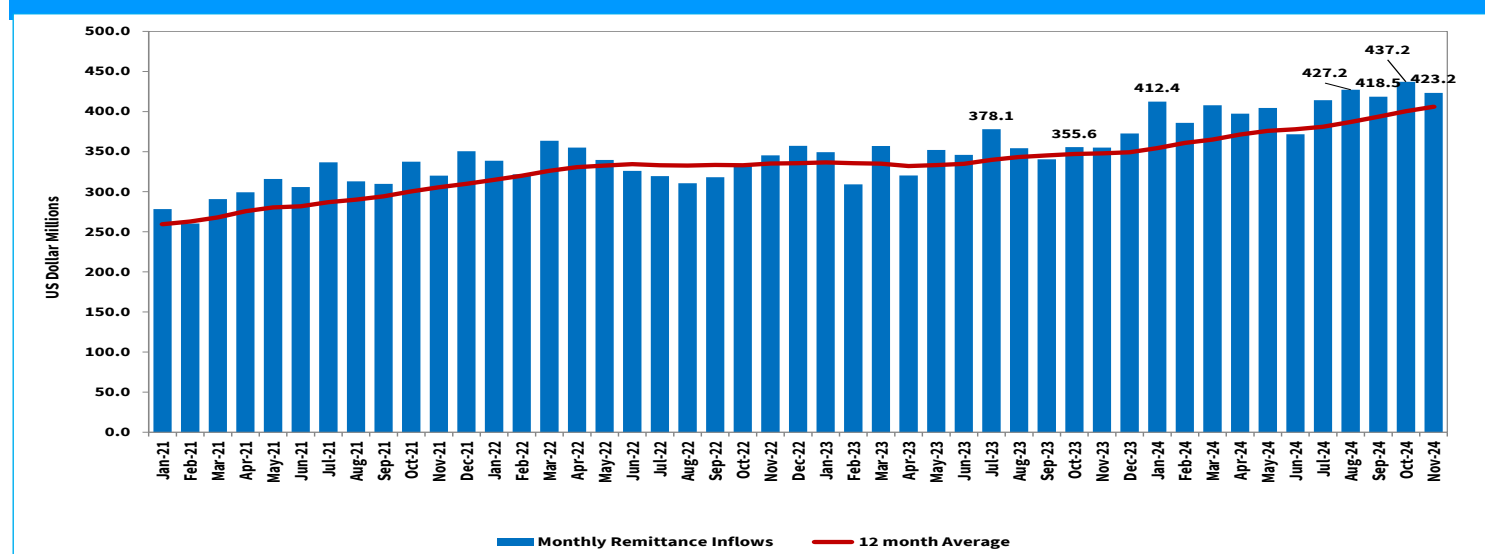
Table 2: Usable Foreign Exchange Reserves (USD Million)

	21-Nov-24	28-Nov-24	5-Dec-24	11-Dec-24	19-Dec-24
1. CBK Usable Foreign Exchange Reserves (USD Million)*	9,144	9,007	8,969	9,029	9,010
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.7	4.6	4.6	4.6	4.6

*Excludes encumbered reserves

**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 Market			
Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
6-Dec-24	60	45,800.00	11.57
9-Dec-24	71	57,630.00	11.38
10-Dec-24	70	53,230.00	11.32
11-Dec-24	77	64,740.00	11.56
12-Dec-24	Public Holiday		
Dec 6 -12	70	55,350.00	11.46
13-Dec-24	59	41,480.00	11.54
16-Dec-24	50	35,240.00	11.51
17-Dec-24	45	37,280.00	11.41
18-Dec-24	40	37,190.00	11.34
19-Dec-24	33	26,470.00	11.23
Dec 13-19	45	35,532.00	11.41

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	31-Oct-24	28-Nov-24	11-Dec-24	19-Dec-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)	8,516.51	4,361.03	15,007.98	18,817.44	5,848.41	6,314.68
Amount Accepted (KSh M)	6,986.46	2,745.34	7,366.03	15,938.75	5,834.00	6,285.41
Maturities (KSh M)	3,254.55	3,922.10	13,721.90	17,516.75	13,487.30	9,716.15
Average Interest Rate (%)	15.983	15.977	13.966	11.250	10.031	9.955
182-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	31-Oct-24	28-Nov-24	11-Dec-24	19-Dec-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)	322.85	1,494.42	23,241.04	10,416.04	3,084.86	3,035.47
Amount Accepted (KSh M)	322.85	1,479.67	5,783.01	4,208.53	3,084.86	3,035.47
Maturities (KSh M)	1,365.20	293.25	5,518.70	9,724.25	10,719.40	4,108.60
Average Interest Rate (%)	15.967	16.764	14.523	11.338	10.002	10.022
364-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	31-Oct-24	28-Nov-24	11-Dec-24	19-Dec-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)	1,661.91	1,833.64	23,917.48	21,422.50	7,668.66	3,728.60
Amount Accepted (KSh M)	1,661.91	1,828.51	14,990.38	14,507.31	7,666.88	3,720.80
Maturities (KSh M)	1,858.45	1,679.00	978.25	2,102.30	655.65	2,154.80
Average Interest Rate (%)	16.100	16.791	14.968	12.490	11.757	11.537

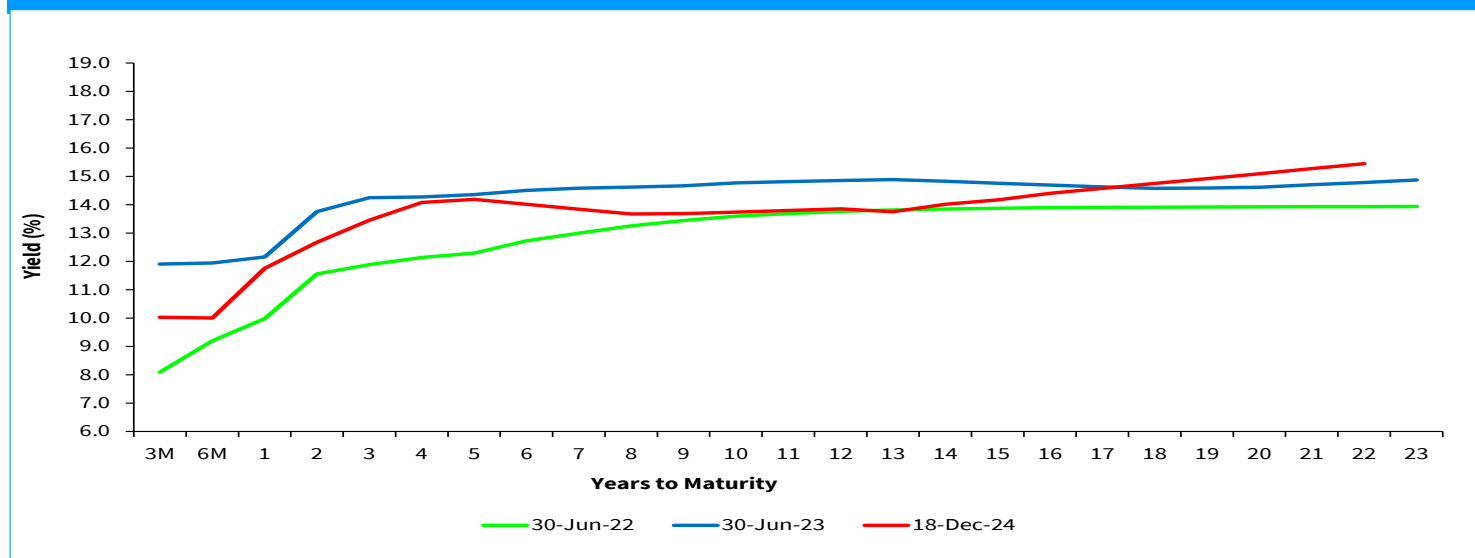
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	17-Oct-24	6-Nov-24		13-Nov-24	4-Dec-24		13-Dec-24
	TAP	RE-OPEN		RE-OPEN	RE-OPEN		RE-OPEN
Tenor	FXD1/ 2022/010	FXD1/ 2023/010	FXD1/ 2022/015	FXD1/ 2024/010	FXD1/ 2023/010	FXD1/ 2018/020	FXD1/ 2024/10
Amount offered (KSh M)	15,000.00	25,000.00		20,000.00	25,000.00		20,000.00
Bids received (KSh M)	16,497.15	16,331.02	16,717.40	55,575.58	47,395.28	23,922.30	53,628.95
Amount Accepted (KSh M)	15,092.95	10,286.04	15,397.04	30,515.91	34,922.07	18,488.38	43,448.79
Maturities (KSh M)							
Average interest Rate (%)	16.95	15.97	16.30	15.86	14.69	15.11	14.69

Source: Central Bank of Kenya

Chart 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

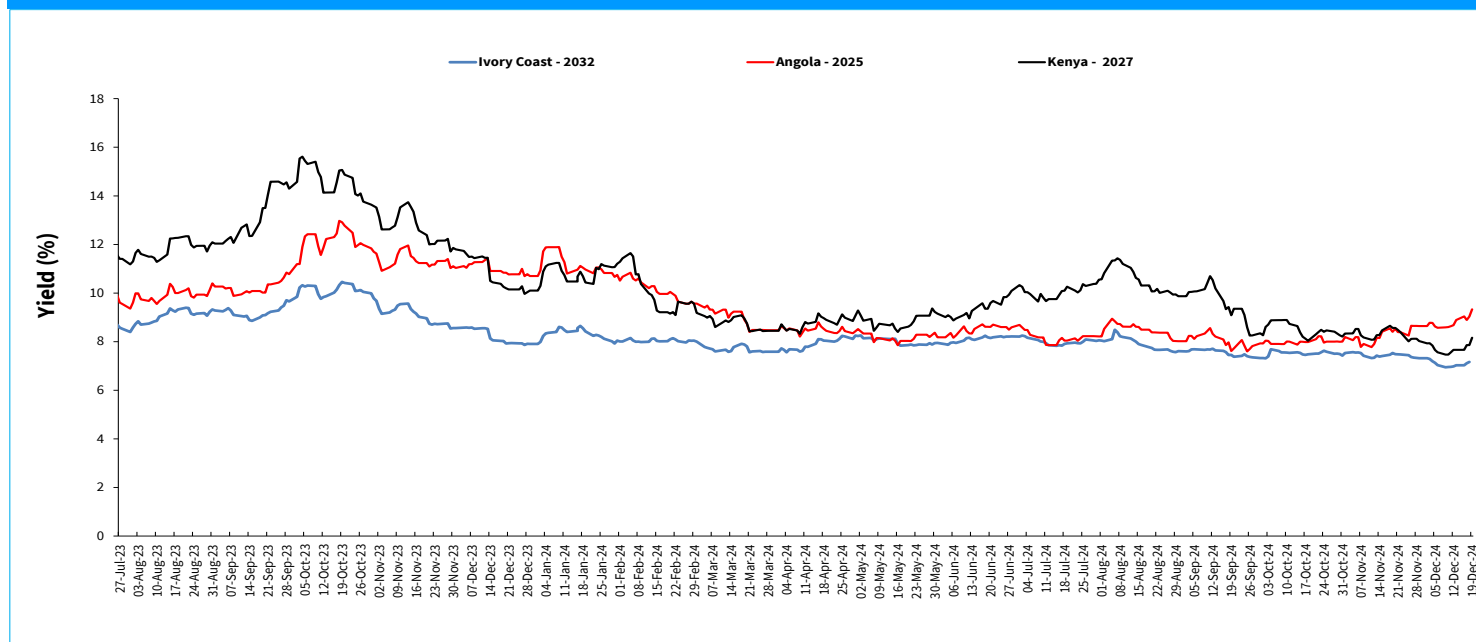
Table 6: Performance of Key Market Indicators

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 Capitalization (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
6-Dec-24	115.2	3,139.06	1,831.0	1,342	11.99	138.40	1803.48	13334.45	7.561	8.280	9.308	9.341	9.296	9.800
9-Dec-24	116.1	3,145.35	1,840.6	1,256	8.31	82.54	1817.38	4695.50	7.467	8.235	9.247	9.259	9.248	9.785
10-Dec-24	119.3	3,206.20	1,854.4	1,567	40.94	639.94	1867.85	6716.85	7.467	8.281	9.339	9.314	9.297	9.816
11-Dec-24	118.5	3,217.61	1,867.5	1,372	52.11	952.20	1854.84	9164.15	7.563	8.282	9.339	9.342	9.323	9.816
12-Dec-24	PUBLIC HOLIDAY								7.661	8.377	9.400	9.426	9.398	9.847
Dec 6-12	118.5	3,217.61	1,867.5	5,537	113	1,813	1,855	33,911	7.661	8.377	9.400	9.426	9.398	9.847
13-Dec-24	119.08	3,244.93	1,880.25	1,214	18.18	264.09	1864.09	4432.45	7.662	8.47	9.462	9.482	9.448	9.879
16-Dec-24	119.11	3,226.66	1,887.53	1,417	7.66	122.10	1864.58	7022.75	7.664	8.425	9.462	9.454	9.448	9.879
17-Dec-24	119.98	3,255.16	1,888.29	1,330	8.89	152.48	1878.91	8129.55	7.858	8.519	9.587	9.566	9.572	9.942
18-Dec-24	120.31	3,238.89	1,880.62	2,202	174.60	9381.36	1883.30	9460.75	7.859	8.52	9.555	9.566	9.573	9.942
19-Dec-24	121.34	3,282.20	1,908.86	1,209	256.19	14384.83	1899.37	7465.6	8.158	8.852	9.934	9.906	9.902	10.202
Dec 13-19	120.3	3,238.89	1,880.6	7,372	466	24304.86	1,883	36,511	8.158	8.852	9.934	9.906	9.902	10.202
Weekly Changes (%)	1.54	0.66	0.70	33.14	310.72	1240.53	1.53	7.67	0.497*	0.475*	0.534*	0.480*	0.504*	0.355*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

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



Source: London Stock Exchange

Table 7: Government Domestic Debt (KSh Billion)

	29-Dec-23	28-Jun-24	31-Jul-24	30-Aug-24	30-Sep-24	30-Oct-24	29-Nov-24	11-Dec-24	18-Dec-24
1. Treasury Bills (Excluding Repos)	546.90	615.89	651.89	673.95	712.45	760.13	834.73	857.84	850.48
<i>(As % of total securities)</i>	11.35	11.75	12.32	12.47	12.96	13.66	14.71	15.05	14.83
2. Treasury Bonds	4,271.82	4,627.12	4,637.89	4,729.22	4,785.63	4,802.76	4,840.35	4,843.53	4,884.05
<i>(As % of total securities)</i>	88.65	88.25	87.68	87.53	87.04	86.34	85.29	84.95	85.17
3. Total Securities (1+2)	4,818.72	5,243.01	5,289.78	5,403.17	5,498.08	5,562.89	5,675.08	5,701.37	5,734.53
4. Overdraft at Central Bank	94.13	61.02	60.53	49.52	0.00	28.63	31.77	31.77	76.44
5. Other Domestic debt*	137.26	106.25	103.06	105.66	103.64	103.69	101.95	101.95	101.95
of which IMF funds on-lent to Government	104.24	83.54	82.61	84.44	82.63	82.63	81.08	81.08	81.08
6. Gross Domestic Debt (3+4+5)	5,050.11	5,410.28	5,453.37	5,558.35	5,601.71	5,695.22	5,808.80	5,835.09	5,912.92

* 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)

	29-Dec-23	28-Jun-24	31-Jul-24	30-Aug-24	30-Sep-24	30-Oct-24	29-Nov-24	11-Dec-24	18-Dec-24
Treasury bills (Excluding Repos)	10.83	11.38	11.95	12.12	12.72	13.35	14.37	14.70	14.38
Treasury bonds	84.59	85.52	85.05	85.08	85.43	84.33	83.33	83.01	82.60
Overdraft at Central Bank	1.86	1.13	1.11	0.89	0.00	0.50	0.55	0.54	1.29
Other domestic debt	2.72	1.96	1.88	1.90	1.85	1.82	1.76	1.75	1.72
of which IMF fund on lent to government	2.06	1.54	1.53	1.52	1.48	1.45	1.40	1.39	1.37
TOTAL	100.00	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)

	29-Dec-23	28-Jun-24	31-Jul-24	30-Aug-24	30-Sep-24	30-Oct-24	29-Nov-24	11-Dec-24	18-Dec-24
Banking Institutions	46.07	45.12	45.12	44.81	44.38	45.09	45.36	45.26	45.48
Insurance Companies	7.23	7.23	7.21	7.20	7.22	7.20	7.15	7.21	7.23
Parastatals	5.47	5.13	5.08	5.34	5.35	5.45	5.43	5.60	5.54
Pension Funds*	29.93	29.60	29.39	29.14	29.44	29.16	28.94	28.83	28.67
Other Investors	11.30	12.92	13.19	13.50	13.60	13.11	13.13	13.10	13.08
Total	100.00	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

	Jun-22	Dec-22	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Jul-24	Aug-24	Sep-24*
Domestic debt (KSh Bn)	4,288.33	4,472.84	4,832.11	4,917.47	5,050.11	5,235.19	5,410.28	5,453.00	5,558.35	5,601.71
Public & Publicly Guaranteed External debt (USD Bn)	36.58	37.88	38.76	38.27	38.92	39.18	39.77	39.74	40.07	40.16
Public & Publicly Guaranteed External debt (KSh Bn)	4,290.73	4,673.14	5,446.56	5,667.80	6,089.58	5,163.42	5,150.84	5,162.85	5,176.10	5,188.37
Public debt (KSh Bn)	8,579.06	9,145.98	10,278.67	10,585.27	11,139.69	10,398.61	10,561.12	10,615.85	10,734.45	10,790.08

* Provisional

Source: The National Treasury and Central Bank of Kenya