



Central Bank of Kenya

# Weekly Bulletin

September 20, 2024



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending September 19. It exchanged at KSh 129.20 per US dollar on September 19, compared to KSh 129.18 per US dollar on September 12 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,856 million (4.1 months of import cover) as of September 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 August 2024 totalled USD 427.2 million compared to USD 354.3 million in August 2023, an increase of 20.6 percent (**Chart 1**). The cumulative inflows for the 12 months to August 2024 remained steady at USD 4,645 million compared to USD 4,120 million in a similar period in 2023, an increase of 12.7 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 56.0 percent in August 2024.

### Money Market

Liquidity in the money market remained adequate during the week ending September 19, supported by open market operations. Commercial banks' excess reserves stood at KSh 11.9 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 12.70 percent on September 19 compared to 12.66 percent on September 12. During the week, the average number of interbank deals decreased to 45 from 52 in the previous week, while the average value traded decreased to KSh 26.7 billion from KSh 34.2 billion in the previous week (**Table 3**).

### Government Securities Market

The Treasury bill auction of September 19 received bids totaling KSh 30.3 billion against an advertised amount of KSh 24.0 billion, representing a performance of 126.4

percent. Interest rate on the 91-day, 182-day, and 364-day Treasury bills remained relatively stable (**Table 4**).

During the Treasury bond auction of September 18, the reopened 10-year and 20-year fixed rate Treasury bonds received bids totalling KSh 22.6 billion against an advertised amount of KSh 30.0 billion, representing a performance of 75.5 percent (**Table 5**).

### Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 20 and NSE 25 share price indices increased by 1.23 percent, 3.30 percent and 1.11 percent respectively, during the week ending September 19. Market capitalization, equity turnover and total shares traded also increased by 1.23 percent, 21.38 percent and 3.41 percent respectively, (**Table 6**).

### Bond Market

Bond turnover in the domestic secondary market decreased by 9.67 percent during the week ending September 19 (**Table 6**). In the international market, yields on Kenya's Eurobonds decreased by an average of 78.7 basis points. The yield on the 10-Year Eurobonds for Angola and Zambia also decreased (**Chart 3**).

### Global Trends

Global inflation concerns have continued to ease. Headline inflation in the UK remained unchanged at 2.2 percent in July and August 2024. The U.S. Federal Reserve lowered its benchmark policy rate by 50 basis points to a range of 4.75 percent to 5.00 percent, while the Bank of England kept its interest rates steady at 5.0 percent. The U.S. dollar index weakened by 0.7 percent against a basket of major currencies during the week ending September 19.

International oil prices rose during the week ending September 19, mainly driven by U.S. interest rate cuts which helped ease concerns regarding weak demand from China. The price of Murban oil increased to USD 75.35 on September 19, up from USD 72.43 on September 12.

**Table 1: Kenya Shilling Exchange Rates (Indicative Mean Rates)**

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
06-Sep-24	129.19	170.23	143.61	90.61	28.78	21.05	10.31	22.36
09-Sep-24	129.20	169.46	143.08	90.36	28.75	21.05	10.31	22.36
10-Sep-24	129.19	168.96	142.63	90.27	28.77	21.09	10.32	22.42
11-Sep-24	129.19	169.29	142.73	91.66	28.75	21.09	10.32	22.42
12-Sep-24	129.18	168.55	142.30	90.46	28.80	21.06	10.33	22.43
<b>Sep 6-12</b>	<b>129.19</b>	<b>169.30</b>	<b>142.87</b>	<b>90.67</b>	<b>28.77</b>	<b>21.07</b>	<b>10.32</b>	<b>22.40</b>
13-Sep-24	129.20	169.85	143.20	91.58	28.79	21.09	10.32	22.43
16-Sep-24	129.27	170.05	143.46	92.22	28.74	21.08	10.41	22.42
17-Sep-24	129.30	170.75	143.85	91.91	28.73	21.08	10.41	22.41
18-Sep-24	129.29	170.12	143.77	91.46	28.73	21.08	10.33	22.42
19-Sep-24	129.20	171.22	143.90	91.09	28.79	21.09	10.38	22.45
<b>Sep 13-19</b>	<b>129.25</b>	<b>170.40</b>	<b>143.64</b>	<b>91.65</b>	<b>28.76</b>	<b>21.08</b>	<b>10.37</b>	<b>22.43</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

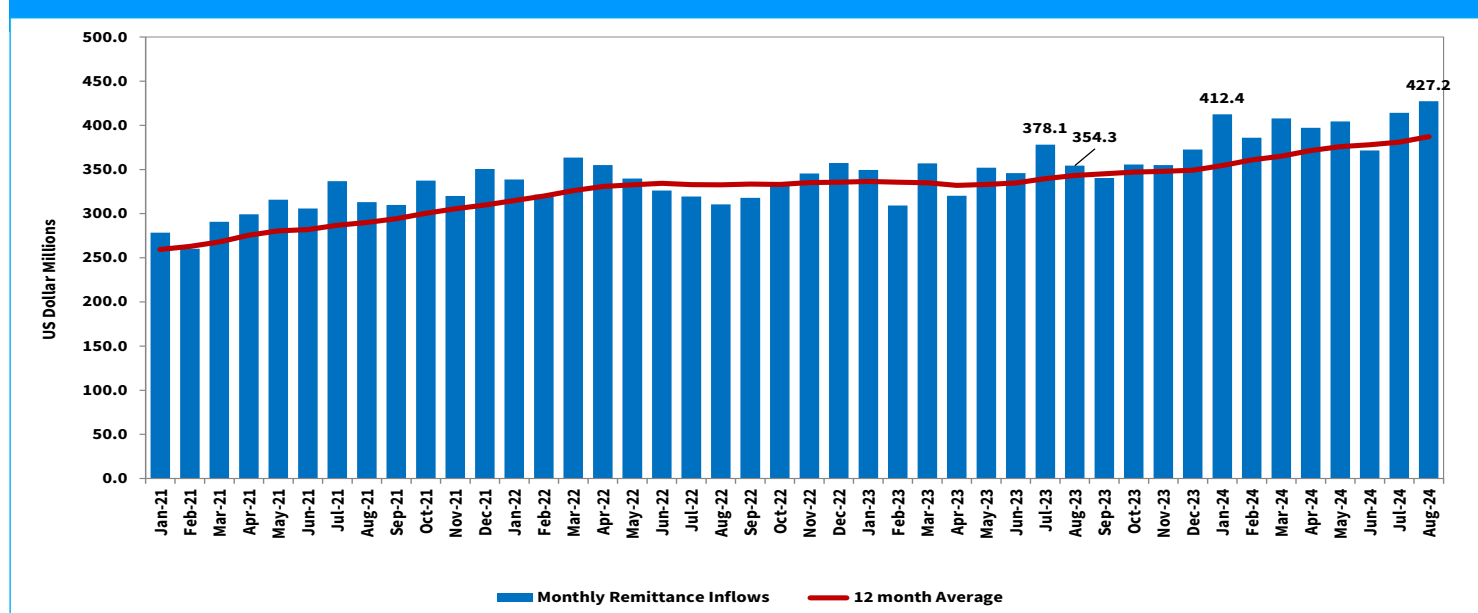
**Table 2: Official Foreign Exchange Reserves (USD Million)**

	29-Aug-24	29-Aug-24	05-Sep-24	12-Sep-24	19-Sep-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,404	7,349	7,503	7,744	7,856
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.8	3.8	3.9	4.0	4.1

\*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)**



### Table 3: Money Markets

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
6-Sep-24	35	25,650.00	12.59
9-Sep-24	51	33,865.00	12.62
10-Sep-24	50	30,785.00	12.61
11-Sep-24	70	41,910.00	12.65
12-Sep-24	55	38,571.00	12.66
<b>Sep 6-12</b>	<b>52</b>	<b>34,156.20</b>	<b>12.63</b>
13-Sep-24	55	30,462.00	12.64
16-Sep-24	44	25,912.00	12.68
17-Sep-24	49	37,112.00	12.68
18-Sep-24	40	20,723.00	12.68
19-Sep-24	39	19,400.00	12.70
<b>Sep 13-19</b>	<b>45</b>	<b>26,721.80</b>	<b>12.68</b>

Source: Central Bank of Kenya

### Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	28-Dec-23	28-Mar-24	27-Jun-24	29-Aug-24	12-Sep-24	19-Sep-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	5,380.72	4,361.03	17,496.40	14,188.86	11,354.93
Amount Accepted (KSh M)	6,986.46	3,867.98	2,745.34	16,953.43	13,045.05	9,410.85
Maturities (KSh M)	3,254.55	7,215.65	3,922.10	18,029.30	9,102.50	5,231.15
<b>Average Interest Rate (%)</b>	<b>15.983</b>	<b>16.729</b>	<b>15.977</b>	<b>15.784</b>	<b>15.750</b>	<b>15.746</b>
182-Day Treasury Bills						
Date of Auction	28-Dec-23	28-Mar-24	27-Jun-24	29-Aug-24	12-Sep-24	19-Sep-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	2,702.14	1,494.42	4,451.13	3,274.03	8,405.24
Amount Accepted (KSh M)	322.85	2,049.15	1,479.67	4,443.43	3,257.79	7,104.44
Maturities (KSh M)	1,365.20	552.85	293.25	2,088.35	3,530.75	3,426.45
<b>Average Interest Rate (%)</b>	<b>15.967</b>	<b>16.888</b>	<b>16.764</b>	<b>16.633</b>	<b>16.625</b>	<b>16.616</b>
364-Day Treasury Bills						
Date of Auction	28-Dec-23	28-Mar-24	27-Jun-24	29-Aug-24	12-Sep-24	19-Sep-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	7,753.83	1,833.64	2,254.39	3,921.44	10,584.13
Amount Accepted (KSh M)	1,661.91	7,596.50	1,828.51	2,248.06	3,638.71	9,068.23
Maturities (KSh M)	1,858.45	1,915.90	1,679.00	567.65	919.70	1,818.65
<b>Average Interest Rate (%)</b>	<b>16.100</b>	<b>16.990</b>	<b>16.791</b>	<b>16.842</b>	<b>16.817</b>	<b>16.813</b>

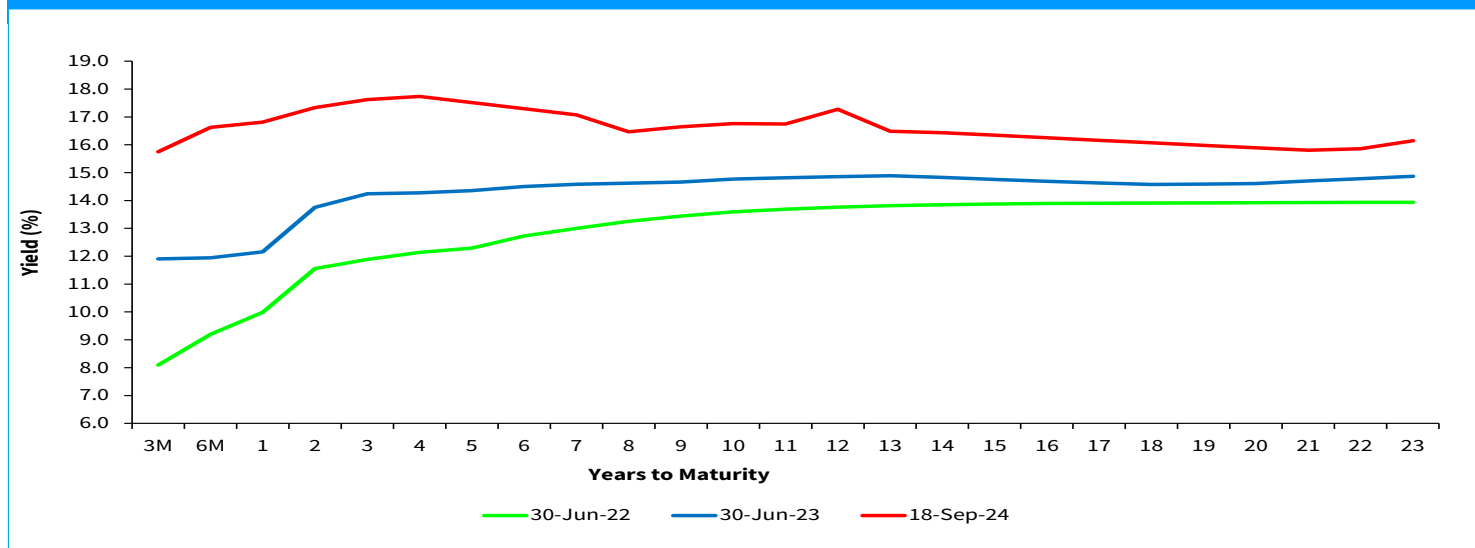
Source: Central Bank of Kenya

**Table 5: Performance of Treasury Bond Auctions**

Date of Auction	14-Aug-24		29-Aug-24	18-Sep-24	
	RE-OPEN		TAP	RE-OPEN	
Tenor	IFB1/2023/6.5	IFB1/2023/17	IFB1/2023/17	FXD1/2024/010	FXD1/2016/020
Amount offered (KSh M)	50,000.00		15,000.00	30,000.00	
Bids received (KSh M)	96,861.91	29,460.52	35,185.70	13,396.00	9,246.10
Amount Accepted (KSh M)	74,167.60	14,530.92	32,024.23	11,565.37	7,711.12
Maturities (KSh M)					
Average interest Rate (%)	18.30	17.73	17.73	16.87	17.29

Source: Central Bank of Kenya

**Chart 2: Government Securities Yield Curve**



Source: Nairobi Securities Exchange (NSE)

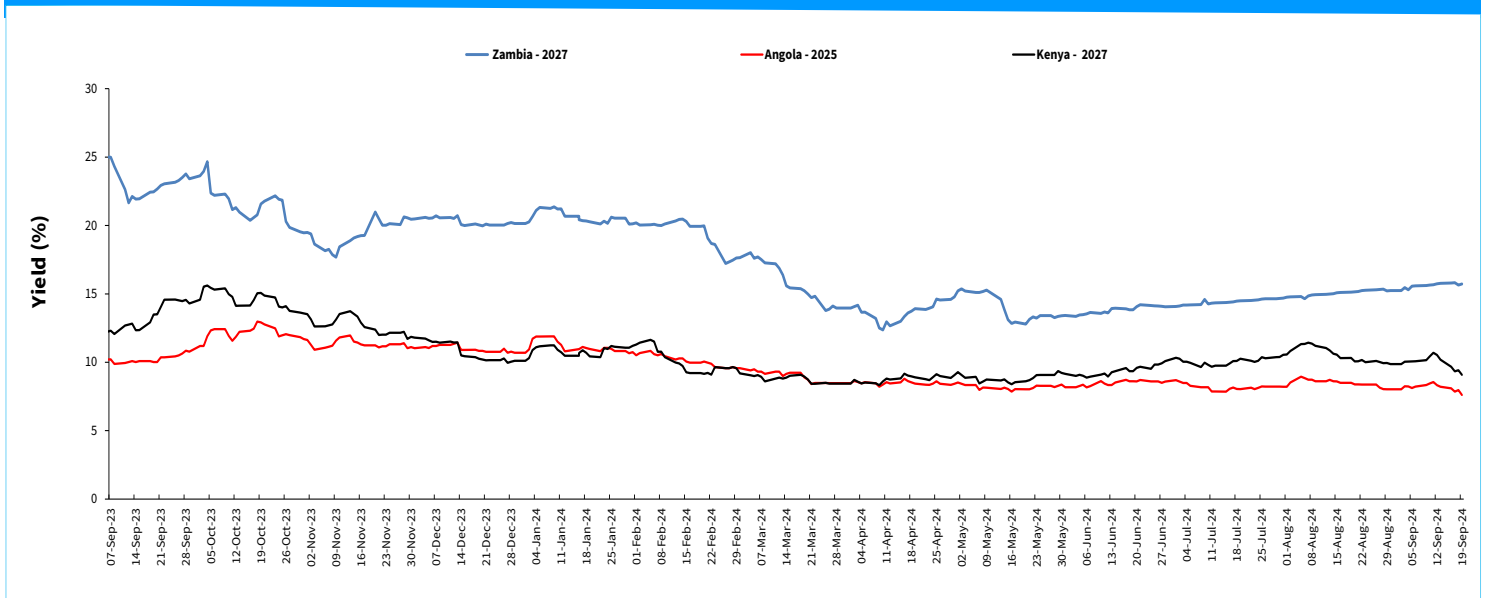
**Table 6: Performance of Key Market Indicators**

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 Capital- ization (KSh Billion)	Bonds Turnover (KSh Million)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2024	10-Year 2028	12-Year 2032	13-Year 2034	30-Year 2048
6-Sep-24	105.58	2,861.28	1,707.37	1,486.00	11.37	129.42	1,652.78	4,596.20	10.069	10.314	10.678	10.547	10.426	10.819
9-Sep-24	105.84	2,867.65	1,712.96	1,368.00	17.32	313.85	1,656.83	4,783.21	10.160	10.362	10.742	10.605	10.479	10.837
10-Sep-24	106.67	2,884.60	1,722.83	1,321.00	18.16	177.49	1,669.73	9,143.00	10.427	10.504	10.871	10.693	10.638	10.910
11-Sep-24	107.07	2,884.06	1,720.37	1,425.00	28.53	384.45	1,676.10	6,429.80	10.695	10.647	11.000	10.870	10.772	11.021
12-Sep-24	105.79	2,850.47	1,714.57	1,181.00	9.00	85.84	1,656.02	7,802.65	10.537	10.466	10.840	10.784	10.642	10.892
<b>September 6- 12</b>	<b>105.79</b>	<b>2,850.47</b>	<b>1,714.57</b>	<b>6,781.00</b>	<b>84.39</b>	<b>1,091.06</b>	<b>1,656.02</b>	<b>32,754.86</b>	<b>10.537</b>	<b>10.466</b>	<b>10.840</b>	<b>10.784</b>	<b>10.642</b>	<b>10.892</b>
13-Sep-24	106.31	2,856.19	1,714.31	1,204.00	13.56	233.44	1664.16	4,485.15	10.191	10.143	10.648	10.495	10.458	10.801
16-Sep-24	107.30	2,884.58	1,734.65	970.00	4.58	106.87	1679.60	2,473.60	9.674	9.777	10.490	10.295	10.226	10.623
17-Sep-24	106.56	2,862.49	1,729.49	1,262.00	23.19	164.65	1668.13	5,699.90	9.333	9.415		10.098	9.972	10.484
18-Sep-24	107.27	2,890.42	1,755.13	1,348.00	34.60	719.26	1679.22	10,569.55	9.423	9.507	10.239	10.155	10.049	10.536
19-Sep-24	107.09	2,882.23	1,771.09	1,386.00	11.33	100.11	1676.32	6,358.10	9.089	9.285	10.052	9.989	9.875	10.364
<b>September 13- 19</b>	<b>107.09</b>	<b>2,882.23</b>	<b>1,771.09</b>	<b>6,170.00</b>	<b>87.27</b>	<b>1,324.33</b>	<b>1,676.32</b>	<b>29,586.30</b>	<b>9.089</b>	<b>9.285</b>	<b>10.052</b>	<b>9.989</b>	<b>9.875</b>	<b>10.364</b>
<b>Weekly Changes (%)</b>	<b>1.23</b>	<b>1.11</b>	<b>3.30</b>	<b>-9.01</b>	<b>3.41</b>	<b>21.38</b>	<b>1.23</b>	<b>-9.67</b>	<b>-1.448*</b>	<b>-1.181*</b>	<b>-0.788*</b>	<b>-0.795*</b>	<b>-0.767*</b>	<b>-0.528*</b>

\* 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)**

	29-Dec-23	31-May-24	28-Jun-24	31-Jul-24	28-Aug-24	11-Sep-24	18-Sep-24
1. Treasury Bills (Excluding Repos)	546.90	588.92	615.89	651.89	673.95	678.68	686.33
<i>(As % of total securities)</i>	<b>11.35</b>	<b>11.48</b>	<b>11.75</b>	<b>12.32</b>	<b>12.47</b>	<b>12.47</b>	<b>12.59</b>
2. Treasury Bonds	4,271.82	4,539.76	4,627.12	4,637.89	4,729.22	4,764.35	4,764.35
<i>(As % of total securities)</i>	<b>88.65</b>	<b>88.52</b>	<b>88.25</b>	<b>87.68</b>	<b>87.53</b>	<b>87.53</b>	<b>87.41</b>
3. Total Securities (1+2)	4,818.72	5,128.68	5,243.01	5,289.78	5,403.17	5,443.03	5,450.68
4. Overdraft at Central Bank	94.13	84.96	61.02	60.53	49.43	70.68	74.12
5. Other Domestic debt*	137.26	106.25	106.25	103.06	103.07	102.68	102.68
of which IMF funds on-lent to Government	104.24	83.54	83.54	82.61	82.61	83.52	83.52
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>5,050.11</b>	<b>5,319.89</b>	<b>5,410.28</b>	<b>5,453.37</b>	<b>5,555.66</b>	<b>5,616.39</b>	<b>5,627.48</b>

\* 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-Dec-23	28-Mar-24	28-Jun-24	31-Jul-24	28-Aug-24	11-Sep-24	18-Sep-24
Treasury bills (Excluding Repos)	12.72	10.83	10.64	11.38	11.95	12.13	12.08	12.20
Treasury bonds	83.07	84.59	85.55	85.52	85.05	85.12	84.83	84.66
Overdraft at Central Bank	1.58	1.86	1.76	1.13	1.11	0.89	1.26	1.32
Other domestic debt	2.63	2.72	2.05	1.96	1.89	1.86	1.83	1.82
of which IMF fund on lent to government	1.98	2.06	1.62	1.54	1.51	1.49	1.49	1.48
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Central Bank of Kenya

**Table 9: Government Domestic Debt by Holder (Percent)**

	30-Jun-23	29-Dec-23	28-Mar-24	28-Jun-24	31-Jul-24	28-Aug-24	11-Sep-24	18-Sep-24
Banking Institutions	46.17	46.07	45.78	45.12	45.12	44.81	45.13	45.14
Insurance Companies	7.31	7.23	7.13	7.23	7.21	7.20	7.17	7.16
Parastatals	5.98	5.47	5.25	5.13	5.08	5.34	5.28	5.27
Pension Funds	33.42	29.93	29.35	29.60	29.39	29.14	28.94	28.95
Other Investors	7.13	11.30	12.50	12.92	13.19	13.50	13.48	13.49
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Central Bank of Kenya

**Table 10: Government Debt**

	<b>Dec-22</b>	<b>Jun-23</b>	<b>Sep-23</b>	<b>Dec-23</b>	<b>Mar-24</b>	<b>Apr-24</b>	<b>May-24</b>	<b>June-24*</b>
Domestic debt (KSh Bn)	4,472.84	4,832.11	4,917.47	5,050.11	5,235.19	5,323.71	5,319.89	5,410.28
Public & Publicly Guaranteed External debt (USD Bn)	37.88	38.76	38.27	38.92	39.18	39.01	39.30	39.77
Public & Publicly Guaranteed External debt (KSh Bn)	4,673.14	5,446.56	5,667.80	6,089.58	5,163.42	5,198.81	5,118.31	5,150.84
Public debt (KSh Bn)	<b>9,145.98</b>	<b>10,278.67</b>	<b>10,585.27</b>	<b>11,139.69</b>	<b>10,398.61</b>	<b>10,522.52</b>	<b>10,438.19</b>	<b>10,561.12</b>

\* Provisional

Source: The National Treasury and Central Bank of Kenya