



Central Bank of Kenya

Weekly Bulletin

June 21, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending June 20. It exchanged at KSh 128.65 per US dollar on June 20, compared to KSh 128.46 per US dollar on June 13 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 8,321 million (4.3 months of import cover) as of June 20. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover (**Table 2**).

Money Market

Liquidity in the money market remained adequate during the week ending June 20, supported by open market operations. Commercial banks' excess reserves stood at KSh 11.3 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.10 percent on Jun 20 compared to 13.06 percent on June 13. During the week, the average number of interbank deals increased to 51 from 47 in the previous week, while the average value traded also increased to KSh 25.1 billion from KSh 21.6 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of June 20 received bids totaling KSh 14.4 billion against an advertised amount of KSh 24.0 billion, representing a performance of 60.0 percent. Interest rate on the 91-day, 182-day, and 364-day Treasury bills remained stable (**Table 4**).

During the Treasury bond tap sale of June 20, the 2-year, 3-year, 5-year and 10-year fixed rate Treasury bonds received bids totaling KSh 25.1 billion against an advertised amount of KSh 20.0 billion, representing a performance rate of 125.7 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, the NASI and NSE 25 share price indices increased by 1.0 percent and 0.7 percent, respectively, while NSE 20 share price index declined by 0.6 percent during the week ending June 20. Market capitalization increased by 0.9 percent while equity turnover and total shares traded declined by 21.4 percent and 27.0 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market increased by 30.9 percent during the week ending June 20 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 40.2 basis points. The yield on the 10- Year Eurobonds for Angola and Zambia also increased (**Chart 2**).

Global Trends

Headline inflation in the UK declined to 2.0 percent in May 2024 from 2.3 percent in April. The Bank of England kept its main interest rate unchanged at 5.25 percent during the week. The US dollar index strengthened by 0.4 percent against a basket of major currencies during the week ending June 20.

International oil prices increased during the week ending June 20, reflecting draw down of inventories arising from improved demand. Murban oil price rose to USD 84.78 per barrel on June 20 compared to USD 82.35 on June 13.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
7-Jun-24	130.04	166.16	141.46	83.23	29.16	20.15	10.00	22.13
10-Jun-24	129.40	164.65	139.95	82.45	29.27	20.21	10.09	22.23
11-Jun-24	129.65	165.12	139.63	82.44	29.12	20.13	10.04	22.16
12-Jun-24	129.23	164.37	138.55	82.28	29.13	20.23	10.07	22.24
13-Jun-24	128.46	164.12	138.79	81.74	29.17	20.36	10.14	22.37
Jun 7-13	129.36	164.88	139.68	82.43	29.17	20.22	10.07	22.23
14-Jun-24	128.66	164.11	138.50	81.95	28.99	20.33	10.14	22.34
17-Jun-24	Public Holiday							
18-Jun-24	128.78	163.33	137.76	81.90	28.81	20.23	10.14	22.39
19-Jun-24	128.78	163.68	138.27	81.61	28.89	20.31	10.12	22.33
20-Jun-24	128.65	163.75	138.30	81.48	29.06	20.40	10.13	22.35
Jun 14-20	128.72	163.72	138.21	81.74	28.94	20.32	10.13	22.35

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	23-May-24	30-May-24	6-Jun-24	13-Jun-24	20-Jun-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	6,989	6,975	6,981	7,012	8,321
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.7	3.6	3.6	3.7	4.3

*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 (%)
7-Jun-24	51	27,800.00	13.08
10-Jun-24	51	24,425.00	13.07
11-Jun-24	72	28,940.00	13.08
12-Jun-24	36	11,750.00	13.08
13-Jun-24	26	14,850.00	13.06
Jun 6-13	47	21,553.00	13.07
14-Jun-24	37	18,150.00	12.92
17-Jun-24	Public Holiday		
18-Jun-24	57	31,400.00	12.97
19-Jun-24	50	24,250.00	13.00
20-Jun-24	61	26,570.00	13.10
Jun 14-20	51	25,092.50	13.00

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	30-May-24	13-Jun-24	20-Jun-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	8,516.51	5,380.72	17,863.94	10,286.03	5,918.24
Amount Accepted (KSh M)	2,705.12	6,986.46	3,867.98	17,437.83	9,007.80	5,083.77
Maturities (KSh M)	2,814.15	3,254.55	7,215.65	12,607.70	14,253.00	9,373.10
Average Interest Rate (%)	11.904	15.983	16.729	15.955	15.972	15.972
182-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	30-May-24	13-Jun-24	20-Jun-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	322.85	2,702.14	9,171.79	9,930.68	3,932.99
Amount Accepted (KSh M)	1,300.96	322.85	2,049.15	9,012.98	9,924.53	3,856.40
Maturities (KSh M)	442.15	1,365.20	552.85	2,805.50	3,078.10	2,428.65
Average Interest Rate (%)	11.947	15.967	16.888	16.608	16.700	16.738
364-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	30-May-24	13-Jun-24	20-Jun-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	1,661.91	7,753.83	6,474.59	2,502.04	4,553.01
Amount Accepted (KSh M)	1,514.41	1,661.91	7,596.50	6,339.81	2,293.46	4,448.52
Maturities (KSh M)	2,417.65	1,858.45	1,915.90	2,867.20	1,914.40	2,459.20
Average Interest Rate (%)	12.157	16.100	16.990	16.706	16.754	16.755

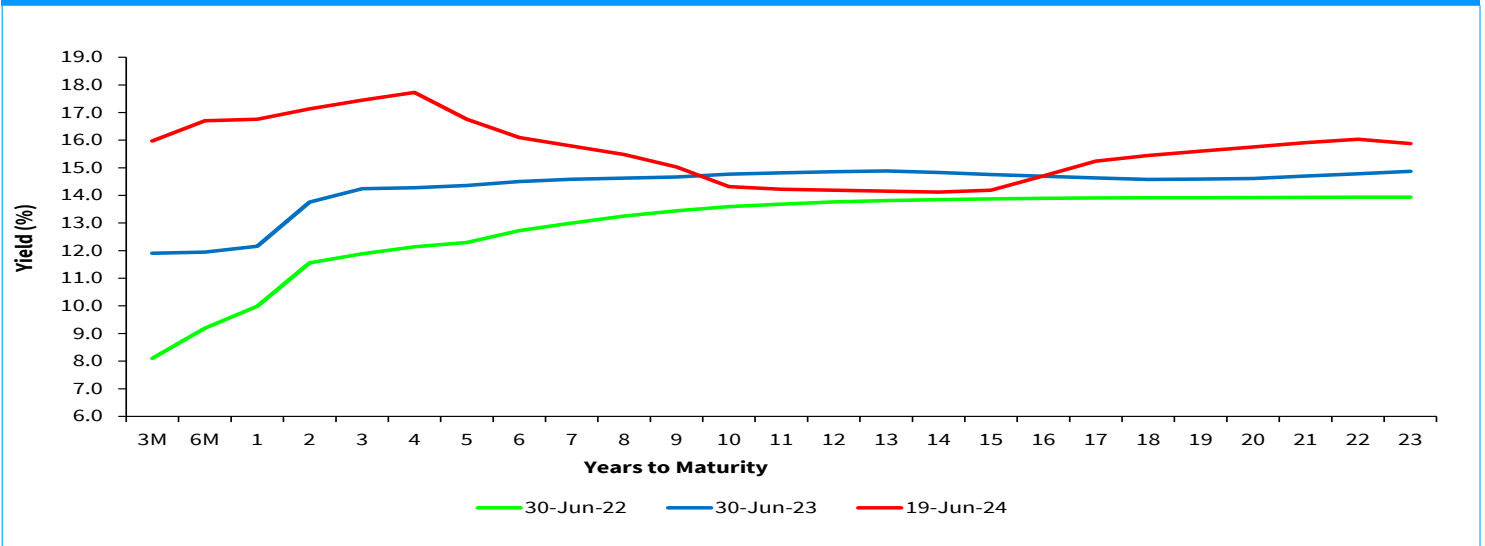
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	9-May-24	5-Jun-24			12-Jun-24		20-Jun-24		
	TAP	RE-OPEN			RE-OPEN		TAP		
Tenor	FXD1/ 2024/10	FXD1/ 2023/002	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2023/010	FXD1/ 2023/002	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2023/010
Amount offered (KSh M)	15,000.00	30,000.00			30,000.00		20,000.00		
Bids received (KSh M)	7,107.55	8,445.84	24,393.57	31,942.72	9,616.66	1,799.80	3,265.80	11,228.55	8,840.10
Amount Accepted (KSh M)	7,025.02	7,075.38	23,808.75	22,586.77	7,583.81	1,795.73	3,316.47	10,811.16	7,936.60
Maturities (KSh M)	0.00	0.00			0.0		0.00		
Average interest Rate (%)	16.23	17.12	17.59	18.16	16.39	17.12	17.59	18.16	16.39

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

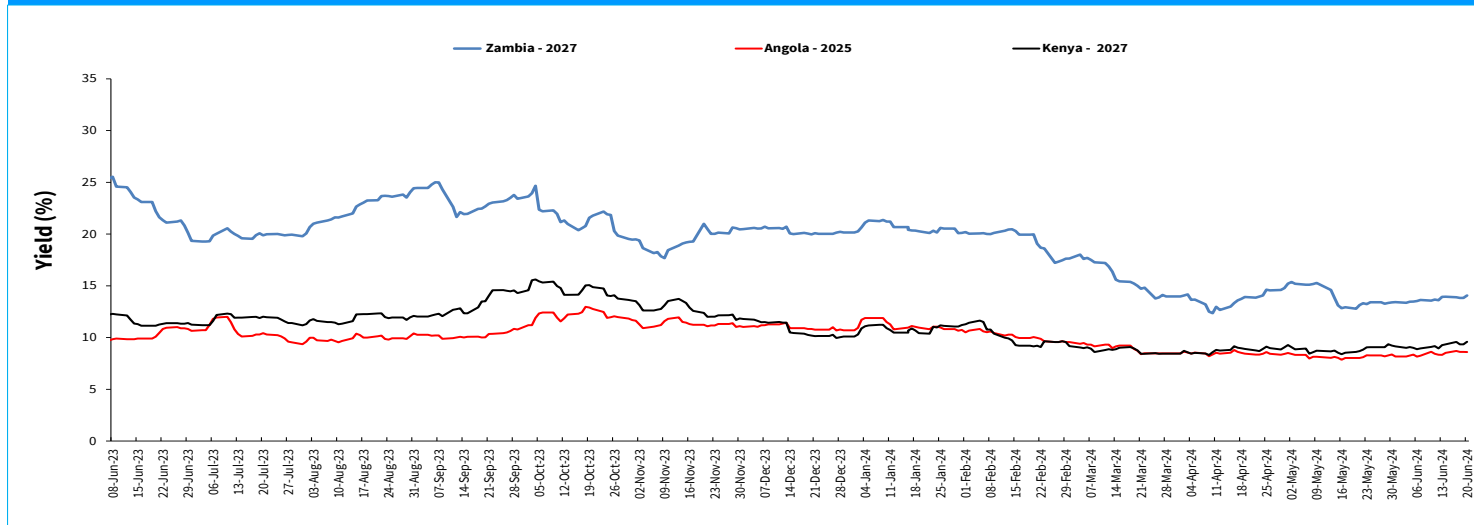
Table 6: Performance of Key Market Indicators

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
7-Jun-24	114.60	2,984.23	1,762.74	1,137	13.39	252.95	1,790.41	1,317.10	9.950	9.187	9.715	9.768	9.843	10.172
10-Jun-24	113.63	2,956.67	1,749.51	1,259	3.26	53.66	1,775.27	2,602.56	9.101	9.272	9.832	9.822	9.917	10.255
11-Jun-24	113.18	2,944.18	1,747.35	1,556	18.12	512.60	1,768.31	3,470.25	9.179	9.316	9.891	9.904	9.943	10.305
12-Jun-24	113.29	2,943.82	1,756.12	1,089	15.03	206.69	1,769.94	7,416.20	8.957	9.191	9.773	9.823	9.845	10.255
13-Jun-24	113.40	2,948.23	1,742.73	1,288	27.71	312.30	1,772.52	2,891.85	9.265	9.449	9.98	10.014	10.071	10.424
Jun 7-13	113.40	2,948.23	1,742.73	6,329.00	77.51	1,338.20	1,772.52	17,697.96	9.265	9.449	9.980	10.014	10.071	10.424
14-Jun-24	113.60	2,948.23	1,744.34	1,124	4.10	42.07	1,775.86	4,484.05	9.344	9.579	10.13	10.179	10.248	10.544
17-Jun-24	Public Holiday								9.578	9.84	10.311	10.403	10.429	10.702
18-Jun-24	113.20	2,935.44	1,732.42	1,423	9.71	170.54	1,770.00	4,545.50	9.353	9.712	10.22	10.320	10.277	10.579
19-Jun-24	113.49	2,930.67	1,730.24	1,415	21.02	465.74	1,773.15	6,651.15	9.353	9.712	10.22	10.320	10.277	10.579
20-Jun-24	114.51	2,970.33	1,732.07	1,090	21.74	373.23	1,789.03	7,480.25	9.592	10.066	10.526	10.546	10.511	10.774
Jun 14-20	114.51	2,970.33	1,732.07	5,052.00	56.57	1,051.58	1,789.03	23,160.95	9.592	10.066	10.526	10.546	10.511	10.774
Weekly Changes (%)	1.0	0.7	-0.6	-20.2	-27.0	-21.4	0.9	30.9	0.327*	0.617*	0.546*	0.532*	0.440*	0.350*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

Chart 2: Yields on 10-Year Eurobonds for Selected Countries



Source: Thomson Reuters

Table 7: Government Domestic Debt (KSh Billion)

	30-Dec-22	30-Jun-23	29-Dec-23	29-Feb-24	28-Mar-24	29-May-24	12-Jun-24	19-Jun-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	546.90	549.07	557.01	588.92	612.42	615.64
<i>(As % of total securities)</i>	15.32	13.28	11.35	11.00	11.06	11.48	11.82	11.80
2. Treasury Bonds	3,710.62	4,013.89	4,271.82	4,442.10	4,478.54	4,539.76	4,570.18	4,602.04
<i>(As % of total securities)</i>	84.68	86.72	88.65	89.00	88.94	88.52	88.18	88.20
3. Total Securities (1+2)	4,382.13	4,628.62	4,818.72	4,991.17	5,035.54	5,128.68	5,182.60	5,217.68
4. Overdraft at Central Bank	58.50	76.46	94.13	94.32	92.18	80.56	84.21	83.22
5. Other Domestic debt*	32.76	127.04	137.26	128.84	107.46	107.46	106.73	105.08
<i>of which IMF funds on-lent to Government</i>		95.52	104.24	106.49	84.70	84.70	85.20	83.54
6. Gross Domestic Debt (3+4+5)	4,473.39	4,832.11	5,050.11	5,214.33	5,235.19	5,316.70	5,373.54	5,405.98

* 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	29-Feb-24	28-Mar-24	29-May-24	12-Jun-24	19-Jun-24
Treasury bills (Excluding Repos)	15.01	12.72	10.83	10.53	10.64	11.08	11.40	11.39
Treasury bonds	82.95	83.07	84.59	85.19	85.55	85.39	85.05	85.13
Overdraft at Central Bank	1.31	1.58	1.86	1.81	1.76	1.52	1.57	1.54
Other domestic debt	0.73	2.63	2.72	2.47	2.05	2.02	1.99	1.94
<i>of which IMF fund on lent to government</i>		1.98	2.06	2.04	1.62	1.59	1.59	1.55
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	23-Feb-24	28-Mar-24	29-May-24	12-Jun-24	19-Jun-24
Banking Institutions	46.84	46.17	46.07	46.25	45.78	45.59	45.47	45.38
Insurance Companies	7.37	7.31	7.23	7.16	7.13	7.19	7.18	7.19
Parastatals	6.06	5.98	5.47	5.29	5.25	5.19	5.15	5.13
Pension Funds*	33.31	33.42	29.93	29.06	29.35	29.43	29.25	29.39
Other Investors	6.43	7.13	11.30	12.24	12.50	12.59	12.94	12.92
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	Nov-23	Dec-23	Feb-24	March-24*
Domestic debt (KSh Bn)	4,032.37	4,288.33	4,472.84	4,832.11	4,917.47	4,990.75	5,050.11	5,214.33	5,235.19
Public & Publicly Guaranteed External debt (USD Bn)	36.90	36.58	37.88	38.76	38.27	38.50	38.92	39.38	39.18
Public & Publicly Guaranteed External debt (KSh Bn)	4,174.37	4,290.73	4,673.14	5,446.56	5,667.80	5,896.50	6,089.58	5,653.89	5,163.42
Public debt (KSh Bn)	8,206.74	8,579.06	9,145.98	10,278.67	10,585.27	10,887.25	11,139.69	10,868.22	10,398.61

* Provisional

Source: The National Treasury and Central Bank of Kenya