



Central Bank of Kenya

Weekly Bulletin

June 14, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending June 13. It exchanged at KSh 128.46 per US dollar on June 13, compared to KSh 130.72 per US dollar on June 6 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,012 million (3.7 months of import cover) as of June 13. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover (**Table 2**).

Remittances

Remittance inflows remained strong amounting to USD 404.4 million in May 2024, compared to USD 352.1 million in May 2023, an increase of 14.9 percent (**Chart 1**). The cumulative inflows for the 12 months to May 2024 totaled USD 4,509 million compared to USD 3,997 million in a similar period in 2023, an increase of 12.8 percent. The US remained the largest source of remittances to Kenya, accounting for 48 percent in May 2024.

Money Markets

Liquidity in the money market remained adequate during the week ending June 13, supported by open market operations. Commercial banks' excess reserves stood at KSh 8.16 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.06 percent on Jun 13 compared to 13.14 percent on June 06. During the week, the average number of interbank deals increased to 47 from 44 in the previous week, while the average value traded declined to KSh 21.6 billion from KSh 28.9 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bills auction of June 13 received bids totaling KSh 22.7 billion against an advertised amount of KSh 24.0

billion, representing a performance of 94.7 percent. Interest rates on the 91-day, 182-day, and 364-day Treasury bills remained stable (**Table 4**).

During the Treasury bonds auction of June 12, the reopened 5-year and 10-year fixed rate Treasury bonds received bids totaling KSh 41.6 billion against an advertised amount of KSh 30.0 billion, representing a performance of 138.5 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange the NASI, NSE 25 and NSE 20 share price indices declined by 1.1 percent, 1.3 percent and 1.2 percent respectively, during the week ending June 13. Market capitalization, equity turnover and total shares traded also declined by 1.0 percent, 39.4 percent and 28.9 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market declined by 39.8 percent during the week ending June 13 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 30.2 basis points, with the 2027 maturity increasing by 39.2 basis points. The yields on the 10- year Eurobonds for Angola and Zambia also increased (**Chart 3**).

Global Trends

Inflation in advanced economies eased in May 2024. The US headline inflation declined to 3.3 percent in May from 3.4 percent in April, while the US Producer Price Index inflation fell to 2.2 percent in May. The US dollar index strengthened by 1.1 percent against a basket of major currencies during the week ending June 13.

International oil prices increased during the week ending June 13, reflecting increased oil demand and drawdown of oil inventories. Murban oil price rose to USD 82.35 per barrel on June 13 compared to USD 79.41 on June 6.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
31-May-24	130.23	165.68	140.89	83.07	29.30	19.96	9.97	22.05
03-Jun-24	130.47	166.22	141.59	82.87	29.25	19.93	9.95	22.01
04-Jun-24	130.74	166.58	141.90	83.44	29.19	19.89	9.93	21.97
05-Jun-24	131.03	167.29	142.40	84.59	29.08	19.92	9.92	21.92
06-Jun-24	130.72	166.85	142.02	83.67	29.07	20.01	9.95	21.98
May 31- Jun 6	130.64	166.52	141.76	83.53	29.18	19.94	9.94	21.99
07-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
June 7-13	129.36	164.88	139.68	82.43	29.17	20.22	10.07	22.23

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

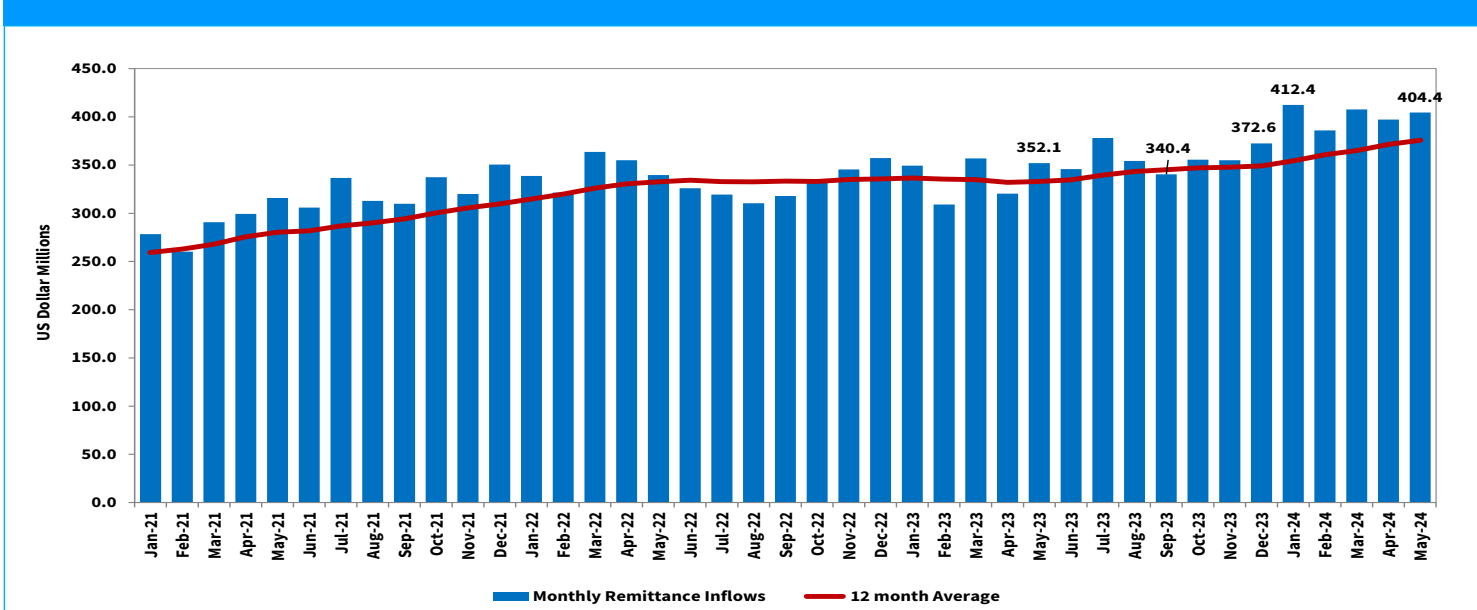
Table 2: Official Foreign Exchange Reserves (USD Million)

	16-May-24	23-May-24	30-May-24	06-Jun-24	13-Jun-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,130	6,989	6,975	6,981	7,012
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.8	3.7	3.6	3.6	3.7

*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 (%)
31-May-24	44	21,800.00	13.33
3-Jun-24	47	30,750.00	13.25
4-Jun-24	40	28,330.00	13.22
5-Jun-24	46	32,191.00	13.21
6-Jun-24	42	31,600.00	13.14
May 30-June 6	44	28,934.20	13.23
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
June 6-13	47	21,553.00	13.07

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	06-Jun-24	13-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	25,061.08	10,286.03
Amount Accepted (KSh M)	2,705.12	6,986.46	3,867.98	17,437.83	24,002.50	9,007.80
Maturities (KSh M)	2,814.15	3,254.55	7,215.65	12,607.70	21,285.00	14,253.00
Average Interest Rate (%)	11.904	15.983	16.729	15.955	15.965	15.972
182-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	30-May-24	06-Jun-24	13-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	5,973.07	9,930.68
Amount Accepted (KSh M)	1,300.96	322.85	2,049.15	9,012.98	5,968.46	9,924.53
Maturities (KSh M)	442.15	1,365.20	552.85	2,805.50	5,725.65	3,078.10
Average Interest Rate (%)	11.947	15.967	16.888	16.608	16.641	16.700
364-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	30-May-24	06-Jun-24	13-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	5,199.86	2,502.04
Amount Accepted (KSh M)	1,514.41	1,661.91	7,596.50	6,339.81	4,187.76	2,293.46
Maturities (KSh M)	2,417.65	1,858.45	1,915.90	2,867.20	2,416.90	1,914.40
Average Interest Rate (%)	12.157	16.100	16.990	16.706	16.731	16.754

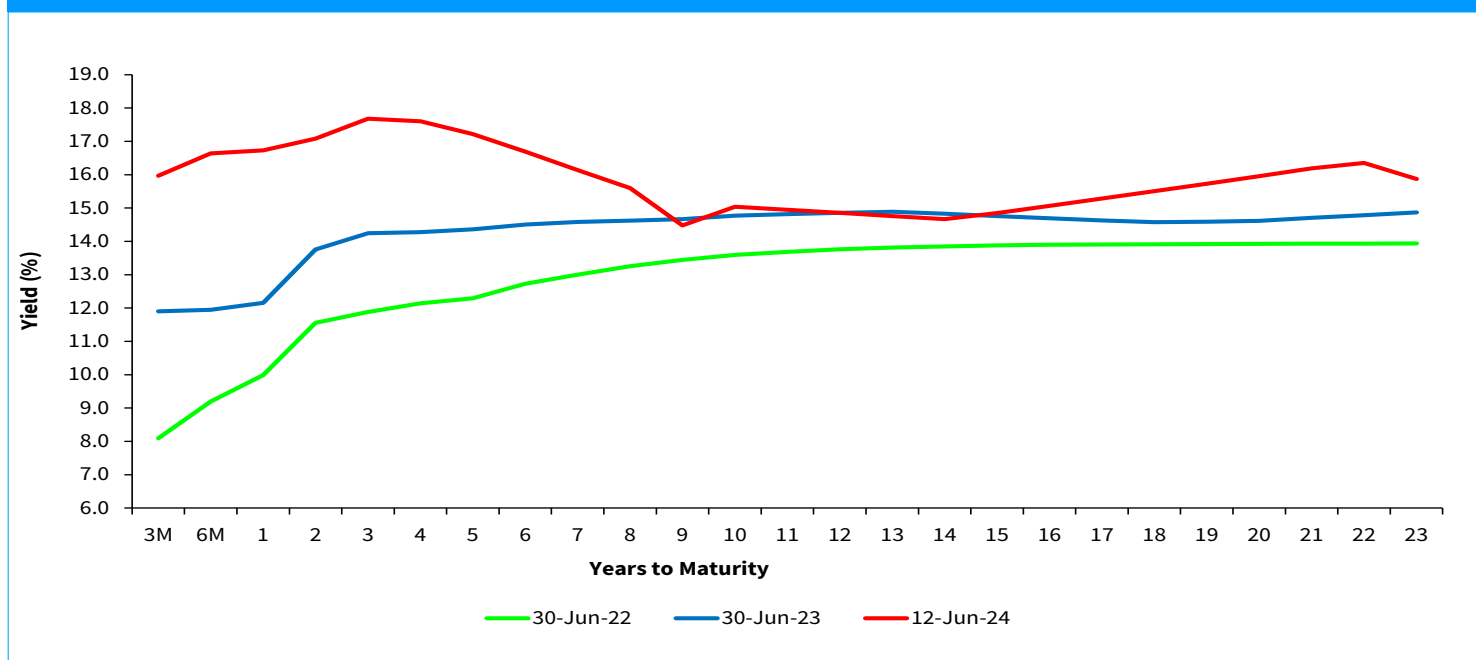
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	17-Apr-24	2-May-24	9-May-24	05-Jun-24		12-Jun-24	
	RE-OPEN	RE-OPEN	TAP	RE-OPEN		RE-OPEN	
Tenor	FXD1/2023/02	FXD1/2024/10	FXD1/2024/10	FXD1/2023/002	FXD1/2024/003	FXD1/2023/005	FXD1/2023/010
Amount offered (KSh M)	40,000.00	25,000.00	15,000.00	30,000.00		30,000.00	
Bids received (KSh M)	47,192.00	14,979.42	7,025.02	8,445.84	24,393.57	31,942.72	9,616.66
Amount Accepted (KSh M)	34,762.40	10,995.34	7,025.02	7,075.38	23,808.75	22,586.77	7,583.81
Maturities (KSh M)	0.00	39,201.40	0.00	0.00		0.00	
Average interest Rate (%)	16.99	16.23	16.23	17.12	17.59	18.16	16.39

Source: Central Bank of Kenya

Chart 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

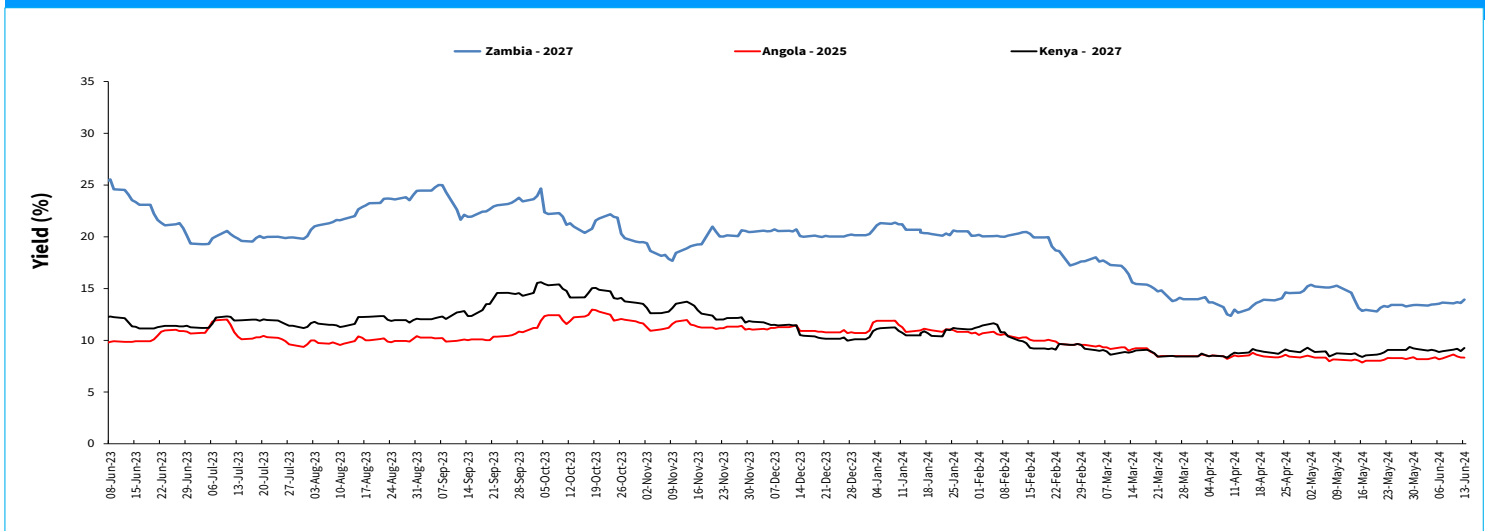
Table 6: Performance of Key Market Indicators

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
31-May-24	112.98	2,961.48	1,722.49	1,354.00	26.23	665.65	1,765.15	10,094.05	9.154	9.346	9.83	9.77	9.86	10.123
3-Jun-24	113.19	2,958.78	1,725.60	1,275.00	31.46	661.38	1,768.41	4,136.20	9.009	9.221	9.74	9.71	9.81	10.074
4-Jun-24	113.43	2,968.93	1,740.25	1,214.00	22.72	326.17	1,772.27	5,156.80	9.085	9.306	9.80	9.77	9.89	10.139
5-Jun-24	113.54	2,966.34	1,752.37	1,465.00	13.40	252.88	1,773.91	5,823.00	9.014	9.224	9.71	9.74	9.86	10.156
6-Jun-24	114.61	2,985.70	1,763.55	1,308.00	15.25	303.08	1,790.57	4,169.35	8.873	9.060	9.63	9.63	9.77	10.123
May 31- June 6	114.61	2,985.70	1,763.55	6,616.00	109.04	2,209.15	1,790.57	29,379.40	8.873	9.060	9.627	9.634	9.769	10.123
7-Jun-24	114.60	2,984.23	1,762.74	1,137	13.39	252.95	1,790.41	1,317.10	8.950	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
June 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
Weekly Changes (%)	-1.1	-1.3	-1.2	-4.3	-28.9	-39.4	-1.0	-39.8	0.392*	0.389*	0.353*	0.380*	0.302*	0.301*

* 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-Dec-22	30-Jun-23	29-Dec-23	29-Feb-24	28-Mar-24	29-May-24	5-Jun-24	12-Jun-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	546.90	549.07	557.01	588.92	605.73	612.42
<i>(As % of total securities)</i>	15.32	13.28	11.35	11.00	11.06	11.48	11.77	11.82
2. Treasury Bonds	3,710.62	4,013.89	4,271.82	4,442.10	4,478.54	4,539.76	4,539.76	4,570.18
<i>(As % of total securities)</i>	84.68	86.72	88.65	89.00	88.94	88.52	88.23	88.18
3. Total Securities (1+2)	4,382.13	4,628.62	4,818.72	4,991.17	5,035.54	5,128.68	5,145.49	5,182.60
4. Overdraft at Central Bank	58.50	76.46	94.13	94.32	92.18	80.56	70.63	84.21
5. Other Domestic debt*	32.76	127.04	137.26	128.84	107.46	107.46	106.74	106.73
of which IMF funds on-lent to Government		95.52	104.24	106.49	84.70	84.70	85.20	85.20
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	5,322.86	5,373.54

* 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	05-Jun-24	12-Jun-24
Treasury bills (Excluding Repos)	15.01	12.72	10.83	10.53	10.64	11.08	11.38	11.40
Treasury bonds	82.95	83.07	84.59	85.19	85.55	85.39	85.29	85.05
Overdraft at Central Bank	1.31	1.58	1.86	1.81	1.76	1.52	1.33	1.57
Other domestic debt	0.73	2.63	2.72	2.47	2.05	2.02	2.01	1.99
of which IMF fund on lent to government		1.98	2.06	2.04	1.62	1.59	1.60	1.59
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	05-Jun-24	12-Jun-24
Banking Institutions	46.84	46.17	46.07	46.25	45.78	45.59	45.45	45.47
Insurance Companies	7.37	7.31	7.23	7.16	7.13	7.19	7.18	7.18
Parastatals	6.06	5.98	5.47	5.29	5.25	5.19	5.19	5.15
Pension Funds*	33.31	33.42	29.93	29.06	29.35	29.43	29.38	29.25
Other Investors	6.43	7.13	11.30	12.24	12.50	12.59	12.79	12.94
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

	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