



Central Bank of Kenya

Weekly Bulletin

September 27, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending September 26. It exchanged at KSh 129.19 per US dollar on September 26, compared to KSh 129.20 per US dollar on September 19 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 8,027 million (4.1 months of import cover) as of September 26. This meets the CBK's statutory requirement to endeavour to maintain at least 4 months of import cover (**Table 2**).

Money Market

Liquidity in the money market remained adequate during the week ending September 26, supported by open market operations. Commercial banks' excess reserves stood at KSh 12.4 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 12.75 percent on September 26 compared to 12.70 percent on September 19. During the week, the average number of interbank deals decreased to 42 from 45 in the previous week, while the average value traded decreased to KSh 19.5 billion from KSh 26.7 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of September 26 received bids totaling KSh 20.9 billion against an advertised amount of KSh 24.0 billion, representing a performance of 87.2 percent. Interest rate on the 91-day, 182-day, and 364-day Treasury bills remained relatively stable (**Table 4**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 20 and NSE 25 share price indices increased by 0.02 percent, 0.76 percent and 0.04 percent respectively, during the week ending September 26. Market capitalization, increased by 0.02 percent, while equity turnover and total shares traded declined by 11.3 percent and 11.7 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market increased by 2.9 percent during the week ending September 26 (**Table 6**). In the international market, yields on Kenya's Eurobonds decreased by an average of 62.07 basis points. However, yields on the 10- Year Eurobonds for Angola and Zambia increased (**Chart 2**).

Global Trends

Concerns about inflation continue to ease in advanced economies. According to Interim Report on OECD Economic Outlook, September 2024, global growth is projected to stabilize at 3.1 percent in 2024 and 3.2 percent in 2025 with advanced economies following a similar trend at 3.4 percent and 3.2 percent, respectively. The Euro area shows modest growth of 0.7 percent, with Germany experiencing stagnation at 0.1 percent. China's growth is projected to ease to 4.9 percent, and India's growth is expected to remain strong at 6.7 percent. The U.S. dollar index weakened by 0.09 percent against a basket of major currencies during the week ending September 26.

International oil prices declined during the week ending September 26, mainly driven by calls for a ceasefire between Israel and Lebanon. The price of Murban oil decreased to USD 72.64 on September 26, from USD 75.35 on September 19.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
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
Sep 13-19	129.25	170.40	143.64	91.65	28.76	21.08	10.37	22.43
20-Sep-24	129.18	171.68	144.20	90.76	28.74	21.09	10.34	22.44
23-Sep-24	129.20	172.04	144.24	89.62	28.58	21.09	10.39	22.44
24-Sep-24	129.18	172.40	143.80	89.63	28.62	21.13	10.35	22.44
25-Sep-24	129.19	173.28	144.63	90.14	28.64	21.14	10.36	22.45
26-Sep-24	129.19	172.62	144.17	89.46	28.58	21.05	10.36	22.45
Sep 20-26	129.19	172.41	144.21	89.92	28.63	21.10	10.36	22.44

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Usable Foreign Exchange Reserves (USD Million)

	29-Aug-24	5-Sep-24	12-Sep-24	19-Sep-24	26-Sep-24
1. CBK Usable Foreign Exchange Reserves (USD Million)*	7,349	7,503	7,744	7,856	8,027
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	3.8	3.9	4.0	4.1	4.1

*Excludes encumbered reserves

**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 (%)
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
Sep 13-19	45	26,721.80	12.68
20-Sep-24	42	20,950.00	12.71
23-Sep-24	44	21,550.00	12.72
24-Sep-24	44	19,250.00	12.73
25-Sep-24	41	17,900.00	12.75
26-Sep-24	40	17,800.00	12.75
Sep 20-26	42	19,490.00	12.73

Source: Central Bank of Kenya

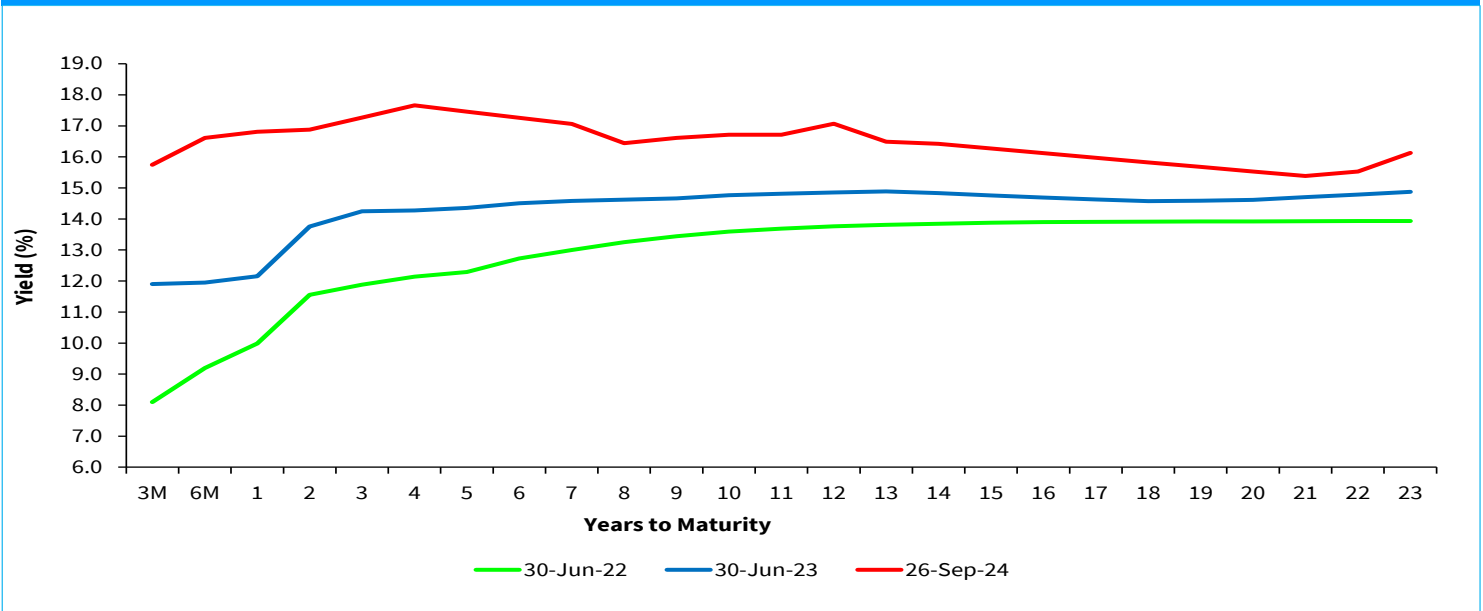
Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	28-Dec-23	28-Mar-24	27-Jun-24	29-Aug-24	19-Sep-24	26-Sep-24
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	8,516.51	5,380.72	4,361.03	17,496.40	11,354.93	6,919.23
Amount Accepted (KSh M)	6,986.46	3,867.98	2,745.34	16,953.43	9,410.85	3,370.90
Maturities (KSh M)	3,254.55	7,215.65	3,922.10	18,029.30	5,231.15	2,377.75
Average Interest Rate (%)	15.983	16.729	15.977	15.784	15.746	15.718
182-Day Treasury Bills						
Date of Auction	28-Dec-23	28-Mar-24	27-Jun-24	29-Aug-24	19-Sep-24	26-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	8,405.24	5,437.90
Amount Accepted (KSh M)	322.85	2,049.15	1,479.67	4,443.43	7,104.44	3,330.51
Maturities (KSh M)	1,365.20	552.85	293.25	2,088.35	3,426.45	2,144.40
Average Interest Rate (%)	15.967	16.888	16.764	16.633	16.616	16.589
364-Day Treasury Bills						
Date of Auction	28-Dec-23	28-Mar-24	27-Jun-24	29-Aug-24	19-Sep-24	26-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	10,584.13	8,567.15
Amount Accepted (KSh M)	1,661.91	7,596.50	1,828.51	2,248.06	9,068.23	5,764.78
Maturities (KSh M)	1,858.45	1,915.90	1,679.00	567.65	1,818.65	522.70
Average Interest Rate (%)	16.100	16.990	16.791	16.842	16.813	16.800

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions								
Date of Auction	4-Jul-24	17-Jul-24		14-Aug-24		29-Aug-24	18-Sep-24	
	TAP	RE-OPEN		RE-OPEN		TAP	RE-OPEN	
Tenor	FXD1/ 2023/002	FXD1/ 2024/010	FXD1/ 2008/020	IFB1/ 2023/6.5	IFB1/ 2023/17	IFB1/ 2023/17	FXD1/ 2024/010	FXD1/ 2016/020
Amount offered (KSh M)	20,000.00	30,000.00		50,000.00		15,000.00	30,000.00	
Bids received (KSh M)	487.50	7,067.73	7,614.51	96,861.91	29,460.52	35,185.70	13,396.00	9,246.10
Amount Accepted (KSh M)	486.48	6,752.15	3,014.08	74,167.60	14,530.92	32,024.23	11,565.37	7,711.12
Maturities (KSh M)	0.00							
Average interest Rate (%)	17.12	16.59	18.29	18.30	17.73	17.73	16.87	17.29

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

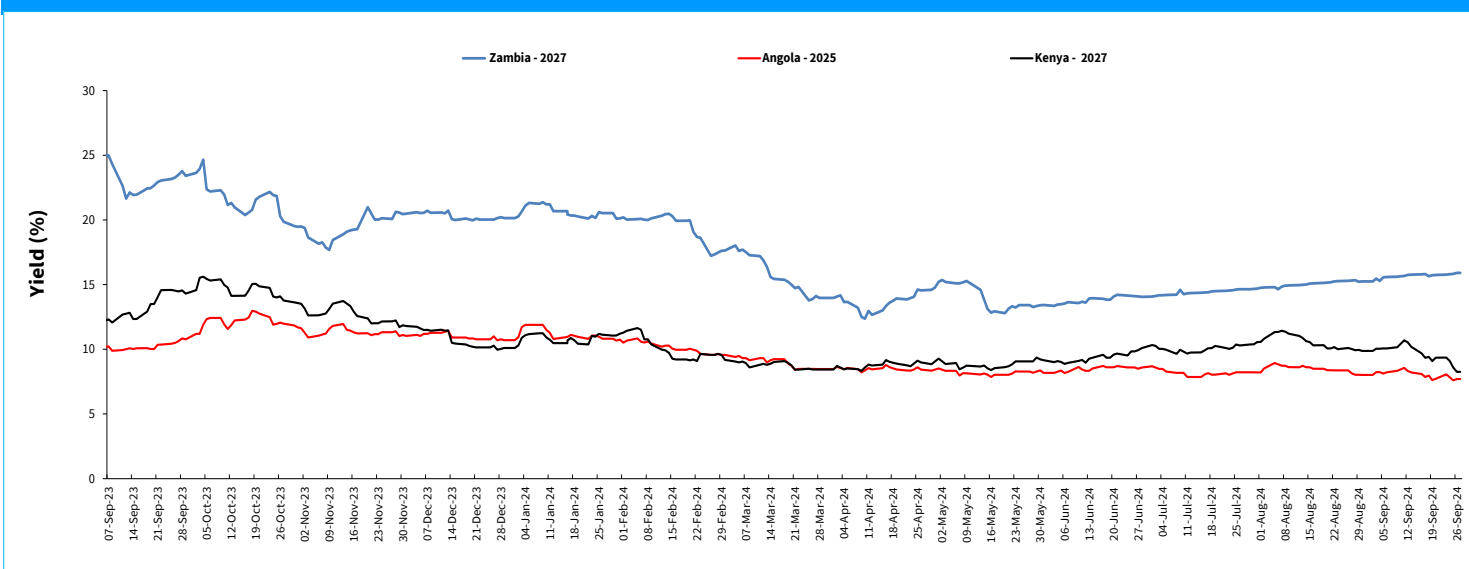
Table 6: Performance of Key Market Indicators

INDICATOR	NASI 100=2008	NSE 25 Share Index	NSE 20 Share Index 100=1996	Total Deals (Equity)	Total Shares Traded (Mil- lion)	Equity Turnover (KSh Million)	Market Capitaliza- tion (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
13-Sep-24	106.31	2,856.19	1,714.31	1,204.00	13.56	233.44	1664.16	4485.15	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	2473.6	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	5699.9	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	10569.55	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	6358.1	9.089	9.285	10.052	9.989	9.875	10.364
Sep 13- 19	107.09	2,882.23	1,771.09	6,170.00	87.27	1,324.33	1,676.32	29,586.30	9.089	9.285	10.052	9.989	9.875	10.364
20-Sep-24	106.44	2866.55	1790.64	1576.00	26.78	319.11	1666.15	10111.15	9.352	9.377	10.146	10.073	9.976	10.415
23-Sep-24	106.35	2867.49	1775.33	1531.00	19.23	372.35	1664.85	5124.60	9.356	9.378	10.208	10.102	10.002	10.449
24-Sep-24	106.65	2880.97	1774.33	1357.00	7.62	74.61	1669.53	3983.70	9.100	9.065	9.929	9.879	9.728	10.214
25-Sep-24	107.49	2916.66	1778.48	1366.00	9.95	106.23	1682.68	6509.25	8.587	8.710	9.593	9.577	9.436	10.002
26-Sep-24	107.11	2904.16	1771.80	1361.00	13.48	302.22	1676.68	4714.40	8.252	8.536	9.442	9.443	9.366	9.891
Sep 20-26	107.11	2904.16	1771.80	7191.00	77.06	1,174.53	1,676.68	30,443.10	8.252	8.536	9.442	9.443	9.366	9.891
Weekly Changes (%)	0.02	0.76	0.04	16.55	-11.70	-11.31	0.02	2.90	-0.837*	-0.749*	-0.610*	-0.546*	-0.509*	-0.473*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

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



Source: Bloomberg, London Stock Exchange

Table 7: Government Domestic Debt (KSh Billion)

	30-Jun-23	29-Dec-23	31-May-24	28-Jun-24	31-Jul-24	28-Aug-24	18-Sep-24	25-Sep-24
1. Treasury Bills (Excluding Repos)	614.73	546.90	588.92	615.89	651.89	673.95	686.33	703.76
<i>(As % of total securities)</i>	13.28	11.35	11.48	11.75	12.32	12.47	12.59	12.82
2. Treasury Bonds	4,013.89	4,271.82	4,539.76	4,627.12	4,637.89	4,729.22	4,764.35	4,785.62
<i>(As % of total securities)</i>	86.72	88.65	88.52	88.25	87.68	87.53	87.41	87.18
3. Total Securities (1+2)	4,628.62	4,818.72	5,128.68	5,243.01	5,289.78	5,403.17	5,450.68	5,489.38
4. Overdraft at Central Bank	76.46	94.13	84.96	61.02	60.53	49.43	74.12	63.36
5. Other Domestic debt*	127.04	137.26	106.25	106.25	103.06	103.07	104.73	104.73
of which IMF funds on-lent to Government	95.52	104.24	83.54	83.54	82.61	82.61	83.52	83.52
6. Gross Domestic Debt (3+4+5)	4,832.11	5,050.11	5,319.89	5,410.28	5,453.37	5,555.66	5,629.53	5,657.46

* 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	18-Sep-24	25-Sep-24
Treasury bills (Excluding Repos)	12.72	10.83	10.64	11.38	11.95	12.13	12.19	12.44
Treasury bonds	83.07	84.59	85.55	85.52	85.05	85.12	84.63	84.59
Overdraft at Central Bank	1.58	1.86	1.76	1.13	1.11	0.89	1.32	1.12
Other domestic debt	2.63	2.72	2.05	1.96	1.89	1.86	1.86	1.85
of which IMF fund on lent to government	1.98	2.06	1.62	1.54	1.51	1.49	1.48	1.48
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-Dec-23	28-Mar-24	28-Jun-24	31-Jul-24	28-Aug-24	18-Sep-24	25-Sep-24
Banking Institutions	46.17	46.07	45.78	45.12	45.12	44.81	45.16	45.00
Insurance Companies	7.31	7.23	7.13	7.23	7.21	7.20	7.15	7.15
Parastatals	5.98	5.47	5.25	5.13	5.08	5.34	5.26	5.30
Pension Funds*	33.42	29.93	29.35	29.60	29.39	29.14	28.94	29.12
Other Investors	7.13	11.30	12.50	12.92	13.19	13.50	13.48	13.43
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

	Jun-22	Dec-22	Jun-23	Sep-23	Dec-23	Mar-24	Apr-24	May-24	June-24*
Domestic debt (KSh Bn)	4,288.33	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)	36.58	37.88	38.76	38.27	38.92	39.18	39.01	39.30	39.77
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	5,198.81	5,118.31	5,150.84
Public debt (KSh Bn)	8,579.06	9,145.98	10,278.67	10,585.27	11,139.69	10,398.61	10,522.52	10,438.19	10,561.12

* Provisional

Source: The National Treasury and Central Bank of Kenya