



Central Bank of Kenya

# Weekly Bulletin

July 19, 2024



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending July 18. It exchanged at KSh 129.99 per US dollar on July 18, compared to KSh 128.98 per US dollar on July 11 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,409 million (3.9 months of import cover) as of July 18. This meets the CBK's statutory requirement to endeavour to maintain at least 4 months of import cover (**Table 2**).

### Remittances

Remittance inflows in June 2024 totalled USD 371.6 million compared to USD 345.9 million in June 2023, an increase of 7.4 percent (**Chart 1**). The cumulative inflows for the 12 months to June remained steady at USD 4,535 million compared to USD 4,017 million in a similar period in 2023, an increase of 12.9 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 54 percent in June 2024.

### Money Market

Liquidity in the money market remained adequate during the week ending July 18, supported by open market operations. Commercial banks' excess reserves stood at KSh 41.1 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.14 percent on July 18 compared to 13.09 percent on July 11. During the week, the average number of interbank deals increased to 56 from 47 in the previous week, while the average value traded increased to KSh 33.2 billion from KSh 29.6 billion in the previous week (**Table 3**).

### Government Securities Market

The Treasury bills auction of July 18 received bids totalling KSh 21.0 billion against an advertised amount of KSh 24.0 billion, representing a performance of 87.4 percent. Interest rates on the 91-day, 182-day, and 364-day Treasury bills remained stable (**Table 4**).

During the Treasury bond auction of July 17, the reopened 10-year and 20-year fixed rate Treasury bonds received bids totalling KSh 14.7 billion against an advertised amount of KSh 30.0 billion, representing a performance of 48.9 percent (**Table 5**).

### Equity Market

At the Nairobi Securities Exchange, the NASI and NSE 25 share price indices increased by 0.86 percent and 0.03 percent, respectively, while the NSE 20 share price index decreased by 0.7 percent during the week ending July 18. Market capitalization increased by 0.87 percent, while equity turnover and total shares traded decreased by 27.85 percent and 7.89 percent, respectively (**Table 6**).

### Bond Market

Bond turnover in the domestic secondary market increased by 3.03 percent during the week ending July 18 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 26.3 basis points. The yields on the 10-Year Eurobonds for Angola and Zambia also increased (**Chart 3**).

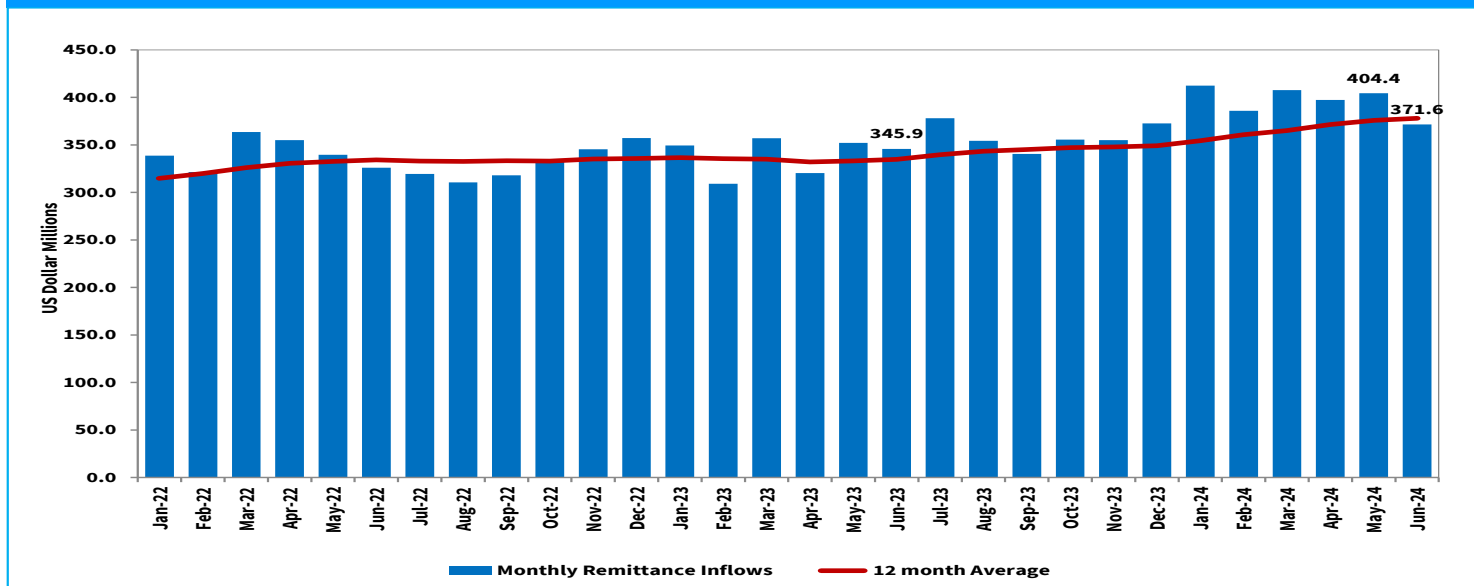
### Global Trends

According to IMF's July update of the World Economic Outlook (WEO), global growth for 2024 is projected at 3.2 percent which is in line with the April WEO forecast. The downward revision for the US was offset by an upward revision in the Euro area, China and India.

Inflation concerns in advanced economies continue to ease. UK headline inflation remained unchanged at 2.0 percent in May and June 2024. The US dollar index weakened by 0.26 percent against a basket of major currencies during the week ending July 18.

International oil prices increased during the week ending July 18, mainly due to concerns over reduced global oil supply by major oil exporters. Murban oil price remained fairly stable and stood at USD 84.45 on July 18 compared to USD 84.41 on July 11.

**Chart 1: Monthly Remittance Inflows (USD Million)**



Source: Central Bank of Kenya

**Table 1: Kenya Shilling Exchange Rates**

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
5-Jul-24	128.47	164.03	139.00	79.92	28.80	20.67	10.18	22.40
8-Jul-24	128.50	164.39	138.99	79.73	28.79	20.66	10.22	22.39
9-Jul-24	128.53	165.05	139.33	79.95	28.87	20.66	10.18	22.39
10-Jul-24	128.61	164.73	139.14	79.78	28.81	20.64	10.17	22.38
11-Jul-24	128.98	165.50	139.60	79.85	28.72	20.58	10.15	22.32
<b>July 5-11</b>	<b>128.62</b>	<b>164.74</b>	<b>139.21</b>	<b>79.85</b>	<b>28.80</b>	<b>20.64</b>	<b>10.18</b>	<b>22.38</b>
12-Jul-24	129.26	166.88	140.50	81.25	28.63	20.54	10.14	22.27
15-Jul-24	129.56	168.09	141.15	82.01	28.56	20.49	10.11	22.23
16-Jul-24	129.63	167.98	141.16	81.66	28.54	20.48	10.10	22.21
17-Jul-24	129.59	167.87	141.01	81.67	28.51	20.49	10.11	22.22
18-Jul-24	129.99	169.06	142.15	83.19	28.45	20.42	10.08	22.15
<b>July 12-18</b>	<b>129.60</b>	<b>167.98</b>	<b>141.19</b>	<b>81.95</b>	<b>28.54</b>	<b>20.49</b>	<b>10.11</b>	<b>22.22</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

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

	20-Jun-24	27-Jun-24	4-Jul-24	11-Jul-24	18-Jul-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	8,321	7,800	7,775	7,896	7,409
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.3	4.1	4.0	4.1	3.9

\*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 (%)
5-Jul-24	32	13,630.00	13.20
8-Jul-24	52	29,106.00	13.22
9-Jul-24	34	19,525.00	13.21
10-Jul-24	55	39,220.00	13.14
11-Jul-24	64	46,421.00	13.09
<b>July 5-11</b>	<b>47</b>	<b>29,580.40</b>	<b>13.17</b>
12-Jul-24	82	57,863.00	13.09
15-Jul-24	55	29,550.00	13.14
16-Jul-24	52	30,425.00	13.16
17-Jul-24	49	27,700.00	13.17
18-Jul-24	44	20,590.00	13.14
<b>July 12-18</b>	<b>56</b>	<b>33,225.60</b>	<b>13.14</b>

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions						
<b>91-Day Treasury Bills</b>						
Date of Auction	28-Dec-23	28-Mar-24	30-May-24	27-Jun-24	11-Jul-24	18-Jul-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	17,863.94	4,361.03	14,588.20	10,882.53
Amount Accepted (KSh M)	6,986.46	3,867.98	17,437.83	2,745.34	13,069.60	9,824.66
Maturities (KSh M)	3,254.55	7,215.65	12,607.70	3,922.10	16,923.60	5,904.40
<b>Average Interest Rate (%)</b>	<b>15.983</b>	<b>16.729</b>	<b>15.955</b>	<b>15.977</b>	<b>15.995</b>	<b>16.022</b>
<b>182-Day Treasury Bills</b>						
Date of Auction	28-Dec-23	28-Mar-24	30-May-24	27-Jun-24	11-Jul-24	18-Jul-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	9,171.79	1,494.42	10,064.72	7,264.90
Amount Accepted (KSh M)	322.85	2,049.15	9,012.98	1,479.67	9,041.04	6,084.98
Maturities (KSh M)	1,365.20	552.85	2,805.50	293.25	9,320.20	6,295.10
<b>Average Interest Rate (%)</b>	<b>15.967</b>	<b>16.888</b>	<b>16.608</b>	<b>16.764</b>	<b>16.822</b>	<b>16.852</b>
<b>364-Day Treasury Bills</b>						
Date of Auction	28-Dec-23	28-Mar-24	30-May-24	27-Jun-24	11-Jul-24	18-Jul-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	6,474.59	1,833.64	8,296.85	2,836.87
Amount Accepted (KSh M)	1,661.91	7,596.50	6,339.81	1,828.51	8,137.32	2,832.41
Maturities (KSh M)	1,858.45	1,915.90	2,867.20	1,679.00	1,985.80	2,629.85
<b>Average Interest Rate (%)</b>	<b>16.100</b>	<b>16.990</b>	<b>16.706</b>	<b>16.791</b>	<b>16.880</b>	<b>16.897</b>

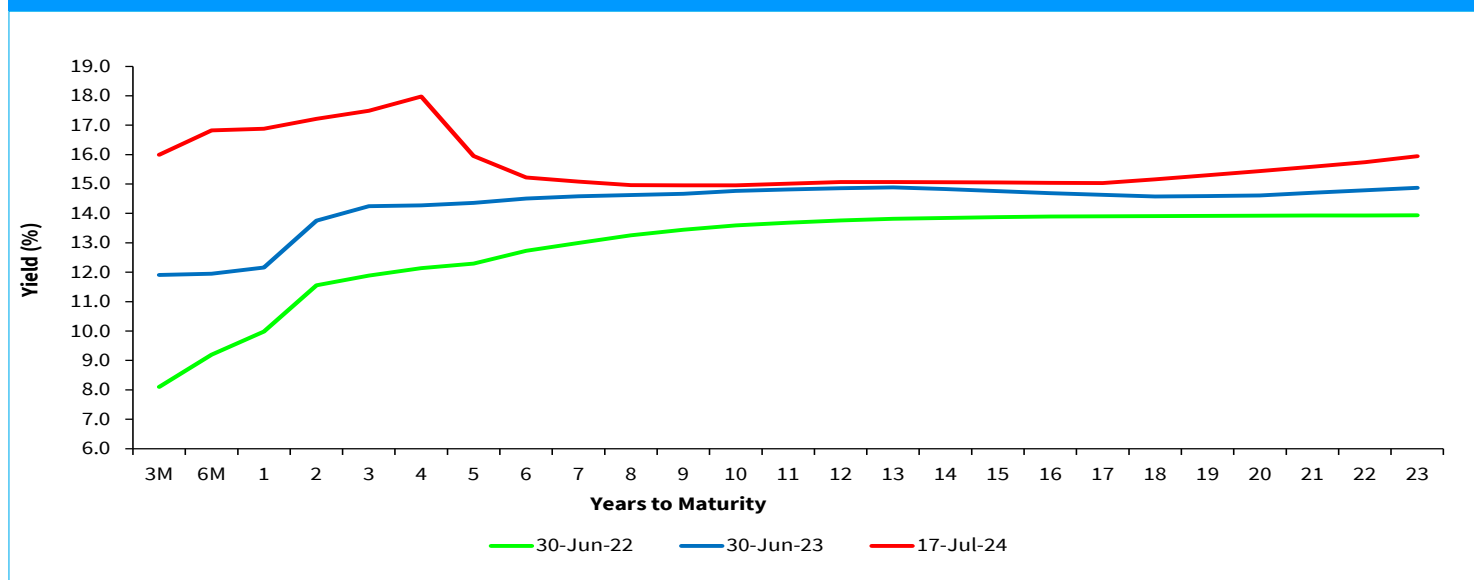
Source: Central Bank of Kenya

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

Date of Auction	12-Jun-24		20-Jun-24				4-Jul-24	17-Jul-24	
	RE-OPEN		TAP				TAP	RE-OPEN	
Tenor	FXD1/ 2023/005	FXD1/ 2023/010	FXD1/ 2023/002	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2023/010	FXD1/ 2023/002	FXD1/ 2024/010	FXD1/ 2008/020
Amount offered (KSh M)	30,000.00		20,000.00				20,000.00	30,000.00	
Bids received (KSh M)	31,942.72	9,616.66	1,799.80	3,265.80	11,228.55	8,840.10	487.50	7,067.73	7,614.51
Amount Accepted (KSh M)	22,586.77	7,583.81	1,795.73	3,316.47	10,811.16	7,936.60	486.48	6,752.15	3,014.08
Maturities (KSh M)	0.00		0.00				0.00		
Average interest Rate (%)	18.16	16.39	17.12	17.59	18.16	16.39	17.12	16.00	13.75

Source: Central Bank of Kenya

**Chart 2: Government Securities Yield Curve**



Source: Nairobi Securities Exchange (NSE)

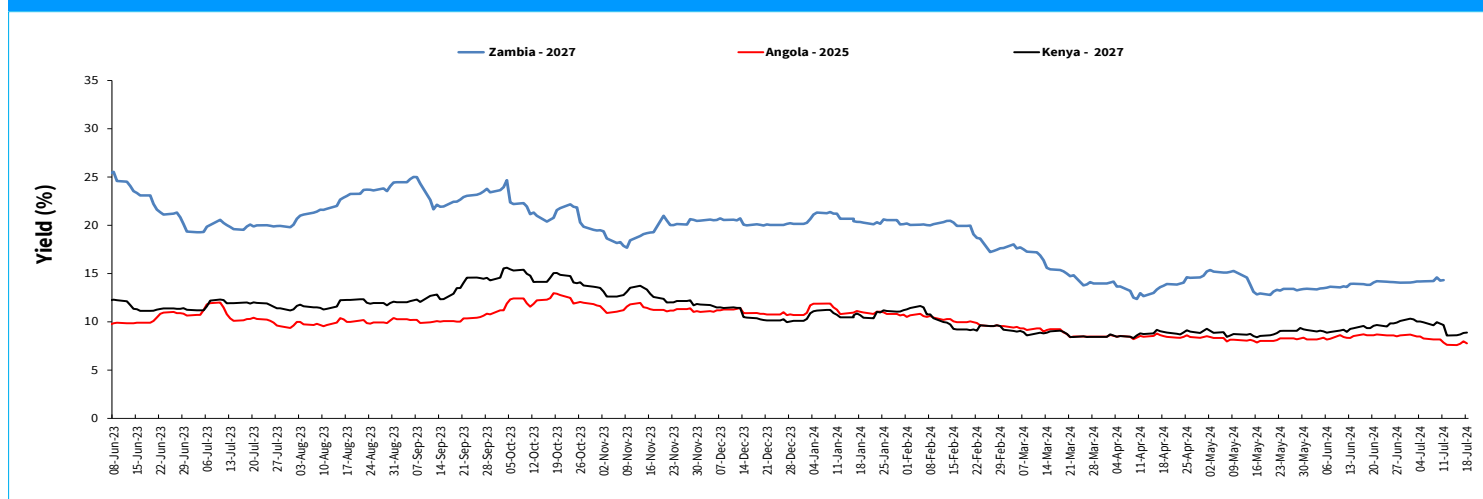
**Table 6: Performance of Key Market Indicators**

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 Million)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2028	6-Year 2031	12-Year 2032	13-Year 2034	30-Year 2048
5-Jul-24	109.02	2854.75	1659.68	907	4.71	97.14	1703.3	6,262.95	8.716	9.972	10.503	10.361	10.449	10.762
8-Jul-24	109.96	2891.35	1678	1,278	11.08	169.79	1,718.03	13,182.95	8.605	9.816	10.294	10.213	10.293	10.622
9-Jul-24	109.98	2890.38	1676.04	1,198	6.78	133.74	1,718.25	11,161.45	8.748	9.933	10.422	10.351	10.351	10.714
10-Jul-24	110.05	2908.01	1675.22	1,127	10.57	234.73	1,719.36	9,478.50	8.738	9.952	10.371	10.276	10.276	10.659
11-Jul-24	109.68	2896.75	1682.21	1,033	16.77	316.65	1,713.64	5,597.70	8.526	9.718	10.279	10.144	10.205	10.624
<b>July 5-11</b>	<b>109.68</b>	<b>2,896.75</b>	<b>1,682.21</b>	<b>5,543.00</b>	<b>49.91</b>	<b>952.04</b>	<b>1,713.64</b>	<b>45,683.55</b>	<b>8.526</b>	<b>9.718</b>	<b>10.279</b>	<b>10.144</b>	<b>10.205</b>	<b>10.624</b>
12-Jul-24	110.03	2908.93	1695.78	1,046	12.03	272.37	1,719.12	4,898.35	8.589	9.799	10.386	10.232	10.301	10.301
15-Jul-24	110.13	2914.51	1697.13	1,089	14.37	250.48	1,720.64	4,586.70	8.605	9.817	10.374	10.213	10.296	10.296
16-Jul-24	110.23	2912.28	1710.92	1,182	13.97	310.87	1,722.24	13,766.60	8.7	9.925	10.415	10.253	10.34	10.34
17-Jul-24	109.95	2919.54	1711.65	1,048	3.7	77.51	1,717.76	14,710.90	8.847	10.104	10.511	10.337	10.435	10.435
18-Jul-24	108.74	2895.98	1694.11	1,190	10.12	408.21	1,698.84	6,377.12	8.897	10.201	10.599	10.411	10.483	10.483
<b>July 12-18</b>	<b>108.74</b>	<b>2,895.98</b>	<b>1,694.11</b>	<b>5,555.00</b>	<b>54.19</b>	<b>1,319.45</b>	<b>1,698.84</b>	<b>44,339.67</b>	<b>8.897</b>	<b>10.201</b>	<b>10.599</b>	<b>10.411</b>	<b>10.483</b>	<b>10.483</b>
<b>Weekly Changes (%)</b>	<b>0.86</b>	<b>0.03</b>	<b>-0.7</b>	<b>-0.22</b>	<b>-7.89</b>	<b>-27.85</b>	<b>0.87</b>	<b>3.03</b>	<b>0.371*</b>	<b>0.483*</b>	<b>0.320*</b>	<b>0.267*</b>	<b>0.278*</b>	<b>-0.141*</b>

\* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

**Chart 3: 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	29-Feb-24	28-Mar-24	29-May-24	26-Jun-24	10-Jul-24	17-Jul-24
1. Treasury Bills (Excluding Repos)	614.73	546.90	549.07	557.01	588.92	615.89	630.01	634.53
<i>(As % of total securities)</i>	<b>13.28</b>	<b>11.35</b>	<b>11.00</b>	<b>11.06</b>	<b>11.48</b>	<b>11.75</b>	<b>11.98</b>	<b>12.06</b>
2. Treasury Bonds	4,013.89	4,271.82	4,442.10	4,478.54	4,539.76	4,627.12	4,627.57	4,627.57
<i>(As % of total securities)</i>	<b>86.72</b>	<b>88.65</b>	<b>89.00</b>	<b>88.94</b>	<b>88.52</b>	<b>88.25</b>	<b>88.02</b>	<b>87.94</b>
3. Total Securities (1+2)	4,628.62	4,818.72	4,991.17	5,035.54	5,128.68	5,243.01	5,257.58	5,262.10
4. Overdraft at Central Bank	76.46	94.13	94.32	92.18	80.56	61.02	50.03	69.19
5. Other Domestic debt*	127.04	137.26	128.84	107.46	107.46	105.08	106.24	106.24
<b>of which IMF funds on-lent to Government</b>	<b>95.52</b>	<b>104.24</b>	<b>106.49</b>	<b>84.70</b>	<b>84.70</b>	<b>83.54</b>	<b>83.54</b>	<b>83.54</b>
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>4,832.11</b>	<b>5,050.11</b>	<b>5,214.33</b>	<b>5,235.19</b>	<b>5,316.70</b>	<b>5,409.11</b>	<b>5,413.86</b>	<b>5,437.54</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	29-Feb-24	28-Mar-24	29-May-24	26-Jun-24	10-Jul-24	17-Jul-24
Treasury bills (Excluding Repos)	12.72	10.83	10.53	10.64	11.08	11.39	11.64	11.67
Treasury bonds	83.07	84.59	85.19	85.55	85.39	85.54	85.48	85.10
Overdraft at Central Bank	1.58	1.86	1.81	1.76	1.52	1.13	0.92	1.27
Other domestic debt	2.63	2.72	2.47	2.05	2.02	1.94	1.96	1.95
of which IMF fund on lent to government	1.98	2.06	2.04	1.62	1.59	1.54	1.54	1.54
<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	23-Feb-24	28-Mar-24	29-May-24	26-Jun-24	10-Jul-24	17-Jul-24
Banking Institutions	46.17	46.07	46.25	45.78	45.59	45.11	45.08	45.32
Insurance Companies	7.31	7.23	7.16	7.13	7.19	7.23	7.23	7.19
Parastatals	5.98	5.47	5.29	5.25	5.19	5.13	5.10	5.12
Pension Funds*	33.42	29.93	29.06	29.35	29.43	29.61	29.58	29.41
Other Investors	7.13	11.30	12.24	12.50	12.59	12.92	13.00	12.96
<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>

\* 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	Mar-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)	<b>8,206.74</b>	<b>8,579.06</b>	<b>9,145.98</b>	<b>10,278.67</b>	<b>10,585.27</b>	<b>10,887.25</b>	<b>11,139.69</b>	<b>10,868.22</b>	<b>10,398.61</b>

\* Provisional

Source: The National Treasury and Central Bank of Kenya