



Central Bank of Kenya

Weekly Bulletin

June 28, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending June 27. It exchanged at KSh 129.15 per US dollar on June 27, compared to KSh 128.65 per US dollar on June 20 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,800 million (4.1 months of import cover) as of June 27. 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 27, supported by open market operations. Commercial banks' excess reserves stood at KSh 12.8 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.30 percent on Jun 27 compared to 13.10 percent on June 20. During the week, the average number of interbank deals decreased to 44 from 51 in the previous week, while the average value traded also decreased to KSh 18.4 billion from KSh 25.1 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of June 27 received bids totaling KSh 7.7 billion against an advertised amount of KSh 24.0 billion, representing a performance of 32.0 percent. Interest rate on the 91-day, 182-day, and 364-day Treasury bills remained stable (**Table 4**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices decreased by 4.8 percent, 4.2 percent and 5.2 percent respectively during the week ending June 27. Similarly, market capitalization, equity turnover and total shares traded declined by 4.8 percent, 12.6 percent and 7.1 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market increased by 23.8 percent during the week ending June 27 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 24.3 basis points. The yield on the 10- Year Eurobonds for Zambia increased while that for Angola decreased (**Chart 2**).

Global Trends

Inflation in advanced economies remained sticky in June 2024. Japan core inflation rose to 2.1 percent in June from 1.9 percent in May. The US dollar index strengthened by 0.3 percent against a basket of major currencies during the week ending June 27.

International oil prices increased during the week ending June 27, reflecting concerns over possible oil supply disruptions as geopolitical tensions increased in the Middle East. Murban oil price rose to USD 85.05 per barrel on June 27 compared to USD 84.78 on June 20.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
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
21-Jun-24	128.55	163.10	137.94	80.99	29.13	20.42	10.14	22.37
24-Jun-24	128.55	163.10	137.94	80.99	29.13	20.42	10.14	22.37
25-Jun-24	128.70	163.42	138.27	80.78	29.00	20.40	10.18	22.35
26-Jun-24	128.76	163.34	137.79	80.66	28.77	20.46	10.13	22.34
27-Jun-24	129.15	163.23	137.85	80.57	28.77	20.40	10.26	22.28
Jun 21-27	128.74	163.24	137.96	80.80	28.96	20.42	10.17	22.34

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	30-May-24	6-Jun-24	13-Jun-24	20-Jun-24	28-Jun-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	6,975	6,981	7,012	8,321	7,800
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.6	3.6	3.7	4.3	4.1

*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 (%)
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
21-Jun-24	58	24,685.00	13.19
24-Jun-24	39	14,780.00	13.22
25-Jun-24	51	26,700.00	13.23
26-Jun-24	37	13,550.00	13.24
27-Jun-24	33	12,245.00	13.30
Jun 21-27	44	18,392.00	13.24

Source: Central Bank of Kenya

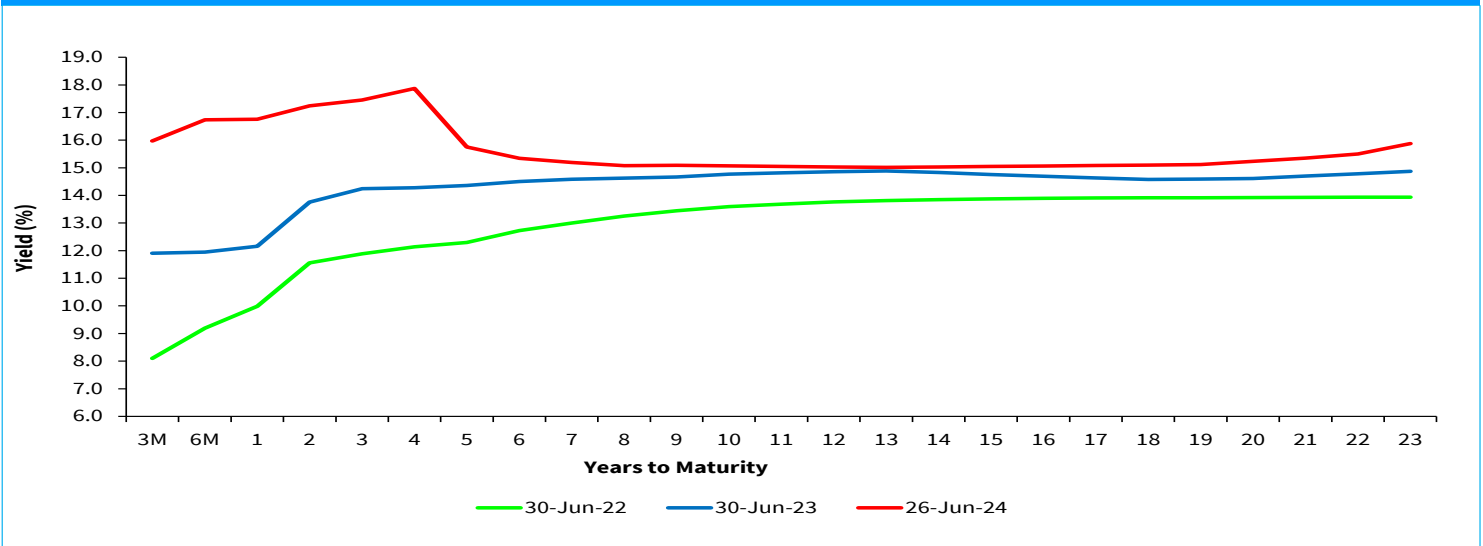
Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	30-May-24	20-Jun-24	27-Jun-24
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	5,779.97	8,516.51	5,380.72	17,863.94	5,918.24	4,361.03
Amount Accepted (KSh M)	2,705.12	6,986.46	3,867.98	17,437.83	5,083.77	2,745.34
Maturities (KSh M)	2,814.15	3,254.55	7,215.65	12,607.70	9,373.10	3,922.10
Average Interest Rate (%)	11.904	15.983	16.729	15.955	15.972	15.977
182-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	30-May-24	20-Jun-24	27-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	3,932.99	1,494.42
Amount Accepted (KSh M)	1,300.96	322.85	2,049.15	9,012.98	3,856.40	1,479.67
Maturities (KSh M)	442.15	1,365.20	552.85	2,805.50	2,428.65	293.25
Average Interest Rate (%)	11.947	15.967	16.888	16.608	16.738	16.764
364-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	30-May-24	20-Jun-24	27-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	4,553.01	1,833.64
Amount Accepted (KSh M)	1,514.41	1,661.91	7,596.50	6,339.81	4,448.52	1,828.51
Maturities (KSh M)	2,417.65	1,858.45	1,915.90	2,867.20	2,459.20	1,679.00
Average Interest Rate (%)	12.157	16.100	16.990	16.706	16.755	16.791

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)

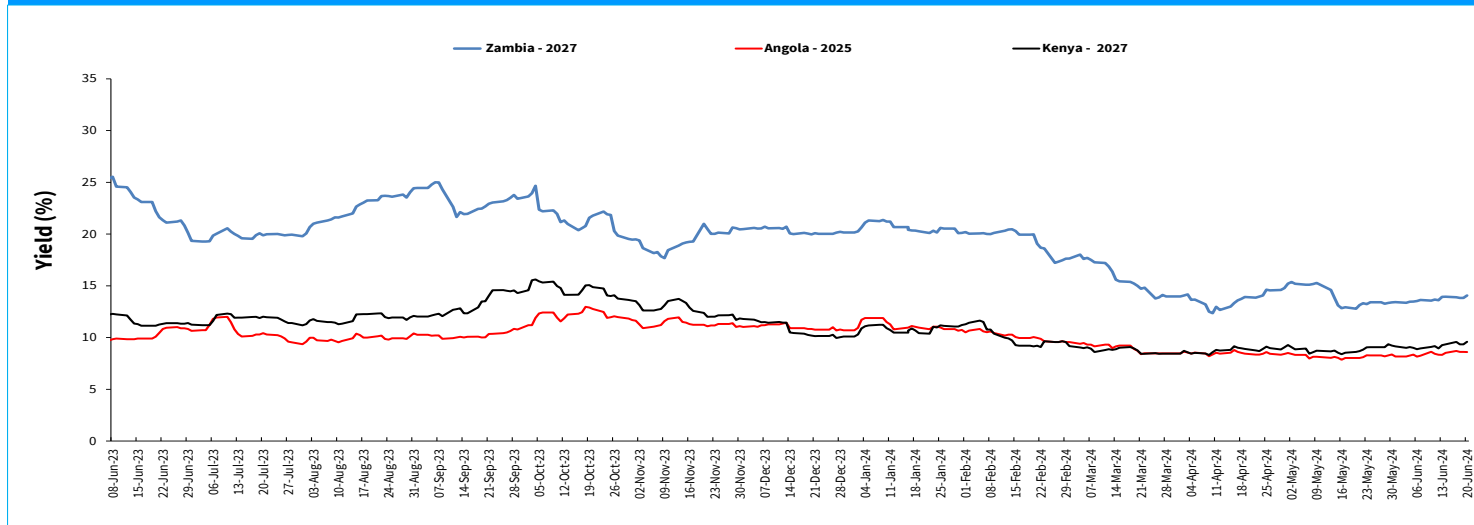
Table 6: Performance of Key Market Indicators

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 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
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 14-21	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
21-Jun-24	112.75	2,924.81	1,730.28	1,153.00	9.83	188.42	1761.55	3907.90	9.672	10.199	10.711	10.746	10.616	10.865
24-Jun-24	112.76	2,926.42	1,726.96	1,315.00	6.16	72.89	1761.70	8281.05	9.522	10.113	10.681	10.661	10.591	10.828
25-Jun-24	111.76	2,888.68	1,711.94	851.00	9.23	117.50	1746.05	5055.32	9.834	10.336	10.774	10.805	10.724	10.883
26-Jun-24	111.00	2,885.87	1,651.93	1,011.00	18.21	358.37	1734.26	3024.20	9.837	10.338	10.775	10.835	10.778	10.920
27-Jun-24	109.02	2,847.05	1,642.39	1,070.00	9.15	182.08	1703.35	8396.55	9.927	10.344	10.745	10.779	10.755	10.920
Jun 21-27	109.02	2,847.05	1,642.39	5,400.00	52.57	919.26	1,703.35	28,665.02	9.927	10.344	10.745	10.779	10.755	10.920
Weekly Changes (%)	-4.8	-4.2	-5.2	6.9	-7.1	-12.6	-4.8	23.8	0.335*	0.278*	0.219*	0.233*	0.244*	0.146*

* 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	19-Jun-24	26-Jun-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	546.90	549.07	557.01	588.92	615.64	615.89
<i>(As % of total securities)</i>	15.32	13.28	11.35	11.00	11.06	11.48	11.80	11.75
2. Treasury Bonds	3,710.62	4,013.89	4,271.82	4,442.10	4,478.54	4,539.76	4,602.04	4,627.12
<i>(As % of total securities)</i>	84.68	86.72	88.65	89.00	88.94	88.52	88.20	88.25
3. Total Securities (1+2)	4,382.13	4,628.62	4,818.72	4,991.17	5,035.54	5,128.68	5,217.68	5,243.01
4. Overdraft at Central Bank	58.50	76.46	94.13	94.32	92.18	80.56	83.22	61.02
5. Other Domestic debt*	32.76	127.04	137.26	128.84	107.46	107.46	105.08	105.08
<i>of which IMF funds on-lent to Government</i>		95.52	104.24	106.49	84.70	84.70	83.54	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	5,405.98	5,409.11

* 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	19-Jun-24	26-Jun-24
Treasury bills (Excluding Repos)	15.01	12.72	10.83	10.53	10.64	11.08	11.39	11.39
Treasury bonds	82.95	83.07	84.59	85.19	85.55	85.39	85.13	85.54
Overdraft at Central Bank	1.31	1.58	1.86	1.81	1.76	1.52	1.54	1.13
Other domestic debt	0.73	2.63	2.72	2.47	2.05	2.02	1.94	1.94
<i>of which IMF fund on lent to government</i>		1.98	2.06	2.04	1.62	1.59	1.55	1.54
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	19-Jun-24	26-Jun-24
Banking Institutions	46.84	46.17	46.07	46.25	45.78	45.59	45.38	45.11
Insurance Companies	7.37	7.31	7.23	7.16	7.13	7.19	7.19	7.23
Parastatals	6.06	5.98	5.47	5.29	5.25	5.19	5.13	5.13
Pension Funds*	33.31	33.42	29.93	29.06	29.35	29.43	29.39	29.61
Other Investors	6.43	7.13	11.30	12.24	12.50	12.59	12.92	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	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)	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