



Central Bank of Kenya

Weekly Bulletin

October 31, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Inflation

Overall inflation declined to 2.7 percent in October 2024 from 3.6 percent in September, largely on account of lower fuel and food inflation. Fuel inflation declined to -1.7 percent from 1.1 percent in September. Food inflation declined to 4.3 percent from 5.1 percent in September, mainly reflecting a decline in vegetables inflation. Non-Food Non-Fuel (NFNF) inflation declined to 3.3 percent in October from 3.4 percent in September, reflecting general stability in prices of most components (**Chart 1**).

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending October 31. It exchanged at KSh 129.20 per US dollar on October 31, same rate as that on October 24 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 8,586 million (4.4 months of import cover) as of October 30. 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, October 31, supported by open-market operations. Commercial banks' excess reserves stood at KSh 39.5 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 12.10 percent on October 31 compared to 11.97 percent on October 24. During the week, the average number of interbank deals declined to 42 from 51 in the previous week, while the average value traded decreased to KSh 33.6 billion from KSh 44.4 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of October 31 received bids totaling KSh 62.2 billion against an advertised amount of KSh 24.0 billion, representing a performance of 259.0 percent. Interest rate on the 91-day, 182-day, and 364-day Treasury bills declined (**Table 4**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 3.0 percent, 2.7 percent, and 3.3 percent respectively during the week ending October 31. Over the same period, Market capitalization, equity turnover and total shares traded increased by 3.0 percent, 16.3 percent and 187.5 percent, respectively (**Table 6**).

Bond Market

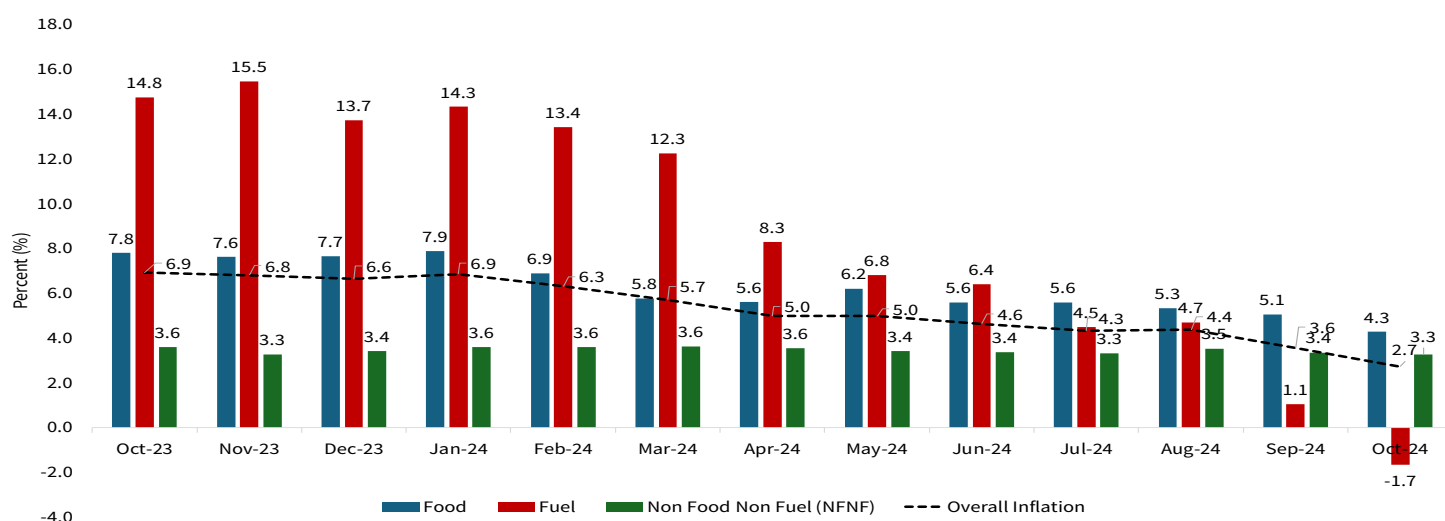
Bond turnover in the domestic secondary market increased by 49.8 percent during the week ending October 31 (**Table 6**). In the international market, yields on Kenya's Eurobonds on average decreased by 18.5 basis points. The yield on the 10- year Eurobond for Angola increased marginally while that of Zambia decreased (**Chart 3**).

Global Trends

The US economy grew by 2.8 percent in Q3 2024 which shows its resilience. Concerns about inflation in advanced economies have eased. The Euro Area headline inflation rose marginally to 2.0 percent in October from 1.7 percent in September. The US dollar index weakened marginally by 0.08 percent against a basket of major currencies during the week ending October 31, 2024.

International oil prices decreased during the week ending October 31, partly reflecting easing geopolitical risks, mostly in the Middle East. The price of Murban oil decreased to USD 72.42 on October 31, 2024, from USD 76.66 on October 24, 2024.

Chart 1: Inflation



Source: Central Bank of Kenya and Kenya National Bureau of Statistics

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
18-Oct-24	129.21	168.25	140.05	86.25	28.44	21.09	10.51	22.51
21-Oct-24	Public Holiday							
22-Oct-24	129.21	168.00	139.82	85.63	28.37	21.09	10.45	22.47
23-Oct-24	129.18	167.84	139.58	84.95	28.37	21.09	10.47	22.48
24-Oct-24	129.20	167.02	139.41	84.85	28.38	21.09	10.46	22.48
Oct 18-24	129.20	167.78	139.71	85.42	28.39	21.09	10.47	22.48
25-Oct-24	129.20	167.50	139.81	85.23	28.39	21.09	10.47	22.48
28-Oct-24	129.20	167.83	139.95	84.97	28.39	21.09	10.48	22.48
29-Oct-24	129.20	167.81	139.80	84.59	28.37	21.09	10.48	22.48
30-Oct-24	129.20	167.95	139.75	84.30	28.37	21.09	10.49	22.49
31-Oct-24	129.20	167.32	140.18	84.45	28.34	21.05	10.49	22.49
Oct 25-31	129.20	167.68	139.90	84.71	28.37	21.08	10.48	22.48

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Usable Foreign Exchange Reserves (USD Million)

	03-Oct-24	09-Oct-24	17-Oct-24	24-Oct-24	30-Oct-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	8,186	8,299	8,491	8,496	8,586
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.2	4.3	4.4	4.4	4.4

*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 (%)
18-Oct-24	59	52,196.00	11.95
21-Oct-24	Public Holiday		
22-Oct-24	51	45,142.00	11.95
23-Oct-24	55	43,680.00	11.97
24-Oct-24	39	36,510.00	11.97
Oct 18-24	51	44,382.00	11.96
25-Oct-24	51	42,125.00	11.97
28-Oct-24	38	36,370.00	11.97
29-Oct-24	35	30,340.00	11.97
30-Oct-24	46	28,040.00	11.98
31-Oct-24	42	31,135.00	12.10
Oct 25-31	42	33,602.00	12.00

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	29-Aug-24	26-Sep-24	24-Oct-24	31-Oct-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	4,361.03	17,496.40	6,919.23	34,228.16	15,007.98
Amount Accepted (KSh M)	6,986.46	2,745.34	16,953.43	3,370.90	19,345.23	7,366.03
Maturities (KSh M)	3,254.55	3,922.10	18,029.30	2,377.75	20,263.85	13,721.90
Average Interest Rate (%)	15.983	15.977	15.784	15.718	14.432	13.966
182-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	29-Aug-24	26-Sep-24	24-Oct-24	31-Oct-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	1,494.42	4,451.13	5,437.90	28,147.21	23,241.04
Amount Accepted (KSh M)	322.85	1,479.67	4,443.43	3,330.51	10,934.24	5,783.01
Maturities (KSh M)	1,365.20	293.25	2,088.35	2,144.40	7,440.75	5,518.70
Average Interest Rate (%)	15.967	16.764	16.633	16.589	15.147	14.523
364-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	29-Aug-24	26-Sep-24	24-Oct-24	31-Oct-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	1,833.64	2,254.39	8,567.15	23,384.15	23,917.48
Amount Accepted (KSh M)	1,661.91	1,828.51	2,248.06	5,764.78	11,476.72	14,990.38
Maturities (KSh M)	1,858.45	1,679.00	567.65	522.70	2,099.35	978.25
Average Interest Rate (%)	16.100	16.791	16.842	16.800	15.469	14.968

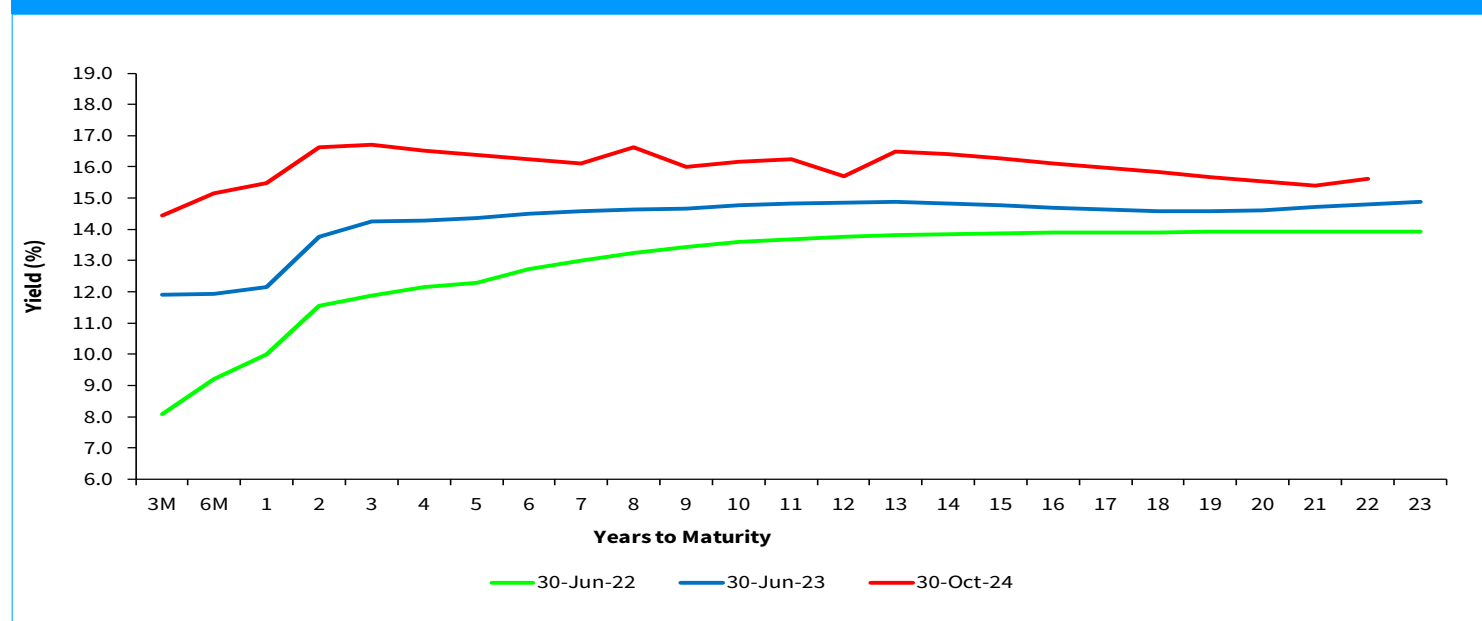
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	14-Aug-24		29-Aug-24	18-Sep-24		9-Oct-24		17-Oct-24
	RE-OPEN		TAP	RE-OPEN		RE-OPEN		TAP
Tenor	IFB1/ 2023/6.5	IFB1/ 2023/17	IFB1/ 2023/17	FXD1/ 2024/010	FXD1/ 2016/020	FXD1/ 2016/010	FXD1/ 2022/010	FXD1/ 2022/010
Amount offered (KSh M)	50,000.00		15,000.00	30,000.00		30,000.00		15,000.00
Bids received (KSh M)	96,861.91	29,460.52	35,185.70	13,396.00	9,246.10	36,615.53	14,349.29	16,497.15
Amount Accepted (KSh M)	74,167.60	14,530.92	32,024.23	11,565.37	7,711.12	28,026.11	3,251.00	15,092.95
Maturities (KSh M)								0.00
Average interest Rate (%)	18.30	17.73	17.73	16.87	17.29	16.98	16.95	16.95

Source: Central Bank of Kenya

Chart 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

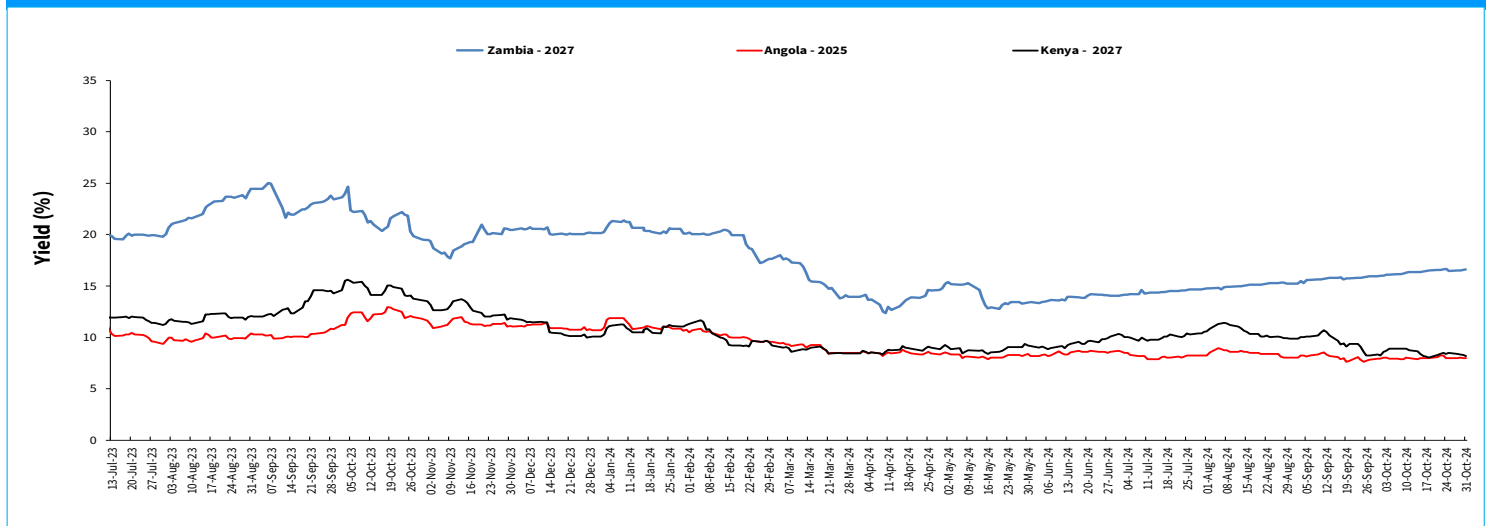
Table 6: Performance of Key Market Indicators

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
18-Oct-24	114.52	3142.23	1861.54	1288.00	5.85	111.83	1792.61	4343.40	8.037	8.825	9.743	9.813	9.650	10.100
21-Oct-24	Public Holiday								8.305	9.007	9.898	9.953	9.799	10.198
22-Oct-24	114.65	3149.14	1849.75	1709.00	30.88	637.13	1794.63	5274.95	8.396	9.100	10.023	10.095	9.901	10.298
23-Oct-24	115.13	3149.10	1849.68	1353.00	10.29	247.37	1802.153	3887.42	8.488	9.147	10.023	10.125	9.927	10.315
24-Oct-24	114.14	3105.58	1845.08	1214.00	9.70	122.19	1786.695	7112.10	8.406	9.105	9.992	10.099	9.879	10.298
Oct 18-24	114.14	3105.58	1845.08	5564.00	56.72	1,118.52	1,786.70	20,617.87	8.406	9.105	9.992	10.099	9.879	10.298
25-Oct-24	115.49	3,131.71	1,853.76	1,424.00	14.09	166.07	1,807.88	2,967.05	8.466	9.049	9.909	9.966	9.806	10.221
28-Oct-24	116.50	3,154.93	1,864.72	1,527.00	9.04	144.20	1,823.61	4,372.15	8.413	9.031	9.896	9.959	9.798	10.210
29-Oct-24	119.33	3,205.82	1,942.74	2,210.00	57.06	476.00	1,867.96	10,068.65	8.341	8.997	9.861	9.930	9.771	10.188
30-Oct-24	118.73	3,190.37	1,921.02	2,353.00	31.37	308.69	1,858.55	6,022.50	8.261	8.953	9.817	9.891	9.733	10.160
31-Oct-24	117.61	3,190.72	1,905.51	2,228.00	51.54	205.62	1,840.97	7,459.10	8.207	8.932	9.797	9.870	9.716	10.148
Oct 25-31	117.61	3190.72	1,905.51	9,742.00	163.09	1,300.58	1,840.97	30,889.45	8.207	8.932	9.797	9.870	9.716	10.148
Weekly Changes (%)	3.04	2.74	3.28	75.09	187.54	16.28	3.04	49.82	-0.199*	-0.173*	-0.195*	-0.229*	-0.163*	-0.150*

* 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	28-Jun-24	31-Jul-24	28-Aug-24	25-Sep-24	23-Oct-24	30-Oct-24
1. Treasury Bills (Excluding Repos)	614.73	546.90	615.89	651.89	673.95	703.76	745.06	760.13
<i>(As % of total securities)</i>	13.28	11.35	11.75	12.32	12.47	12.82	13.43	13.66
2. Treasury Bonds	4,013.89	4,271.82	4,627.12	4,637.89	4,729.22	4,785.62	4,802.76	4,802.76
<i>(As % of total securities)</i>	86.72	88.65	88.25	87.68	87.53	87.18	86.57	86.34
3. Total Securities (1+2)	4,628.62	4,818.72	5,243.01	5,289.78	5,403.17	5,489.38	5,547.81	5,562.89
4. Overdraft at Central Bank	76.46	94.13	61.02	60.53	49.43	63.36	75.50	28.63
5. Other Domestic debt*	127.04	137.26	106.25	103.06	103.07	104.73	103.86	103.69
of which IMF funds on-lent to Government	95.52	104.24	83.54	82.61	82.61	83.52	82.63	82.63
6. Gross Domestic Debt (3+4+5)	4,832.11	5,050.11	5,410.28	5,453.37	5,555.66	5,657.47	5,727.17	5,695.22

* 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-Jun-24	31-Jul-24	28-Aug-24	25-Sep-24	23-Oct-24	30-Oct-24
Treasury bills (Excluding Repos)	12.72	10.83	11.38	11.95	12.13	12.44	13.01	13.35
Treasury bonds	83.07	84.59	85.52	85.05	85.12	84.59	83.86	84.33
Overdraft at Central Bank	1.58	1.86	1.13	1.11	0.89	1.12	1.32	0.50
Other domestic debt	2.63	2.72	1.96	1.89	1.86	1.85	1.81	1.82
of which IMF fund on lent to government	1.98	2.06	1.54	1.51	1.49	1.48	1.44	1.45
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-Jun-24	31-Jul-24	28-Aug-24	25-Sep-24	23-Oct-24	30-Oct-24
Banking Institutions	46.17	46.07	45.12	45.12	44.81	45.00	45.56	45.09
Insurance Companies	7.31	7.23	7.23	7.21	7.20	7.15	7.16	7.20
Parastatals	5.98	5.47	5.13	5.08	5.34	5.30	5.41	5.45
Pension Funds*	33.42	29.93	29.60	29.39	29.14	29.12	28.97	29.16
Other Investors	7.13	11.30	12.92	13.19	13.50	13.43	12.90	13.11
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	Dec-23	Mar-24	May-24	June-24*
Domestic debt (KSh Bn)	4,032.37	4,288.33	4,472.84	4,832.11	4,917.47	5,050.11	5,235.19	5,319.89	5,410.28
Public & Publicly Guaranteed External debt (USD Bn)	36.90	36.58	37.88	38.76	38.27	38.92	39.18	39.30	39.77
Public & Publicly Guaranteed External debt (KSh Bn)	4,174.37	4,290.73	4,673.14	5,446.56	5,667.80	6,089.58	5,163.42	5,118.31	5,150.84
Public debt (KSh Bn)	8,206.74	8,579.06	9,145.98	10,278.67	10,585.27	11,139.69	10,398.61	10,438.19	10,561.12

* Provisional

Source: The National Treasury and Central Bank of Kenya