



Central Bank of Kenya

# Weekly Bulletin

July 26, 2024



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending July 25. It exchanged at KSh 132.22 per US dollar on July 25, compared to KSh 129.99 per US dollar on July 18 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,311 million (3.8 months of import cover) as of July 25. 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 July 25, supported by open market operations. Commercial banks' excess reserves stood at KSh 26.8 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate remained stable at 13.14 percent on July 25. During the week, the average number of interbank deals decreased to 38 from 56 in the previous week, while the average value traded decreased to KSh 21.9 billion from KSh 33.2 billion in the previous week (**Table 3**).

### Government Securities Market

The Treasury bill auctions of July 25 received bids totaling KSh 31.6 billion against an advertised amount of KSh 24.0 billion, representing a performance of 131.9 percent. Interest rates 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 declined by 2.9 percent, 2.6 percent and 0.63 percent, respectively during the week ending July 25. Market capitalization declined by 2.9 percent, while equity turnover and total shares traded increased by 1.9 percent and 33.4 percent, respectively (**Table 6**).

### Bond Market

Bond turnover in the domestic secondary market declined by 46.2 percent during the week ending July 25 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 11.1 basis points. The yields on the 10- Year Eurobonds for Angola and Zambia also increased (**Chart 2**).

### Global Trends

Inflation concerns in advanced economies and some emerging markets continue to ease, with the People's Bank of China cutting its main interest rate since April 2020 to 2.3 percent from 2.5 percent. The US economy expanded at a faster than expected rate by 2.8 percent in the second quarter of 2024. High frequency PMI data for July 2024 shows that the US, Japan and UK economic activities accelerated, largely driven by resilient growth in both services and manufacturing sectors. The US dollar index strengthened by 0.17 percent against a basket of major currencies during the week ending July 25.

International oil prices decreased during the week ending July 25, due to growing concerns over China's weakening demand and increased build-up of oil inventories. Murban oil price decreased to USD 81.38 on July 25 compared to USD 84.45 on July 18.

**Table 1: Kenya Shilling Exchange Rates**

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
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>Jul 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>
19-Jul-24	130.47	168.81	142.06	82.72	28.32	20.58	10.04	22.08
22-Jul-24	130.73	168.84	142.30	83.20	28.26	20.54	10.02	22.02
23-Jul-24	130.89	169.19	142.54	83.73	28.23	20.51	10.01	22.01
24-Jul-24	131.05	168.97	142.19	84.75	28.23	20.49	10.00	21.98
25-Jul-24	132.22	170.45	143.37	86.64	28.16	20.42	9.91	21.79
<b>Jul 19-25</b>	<b>131.07</b>	<b>169.25</b>	<b>142.49</b>	<b>84.21</b>	<b>28.24</b>	<b>20.51</b>	<b>10.00</b>	<b>21.97</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

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

	27-Jun-24	4-Jul-24	11-Jul-24	18-Jul-24	25-Jul-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,800	7,775	7,896	7,409	7,311
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.1	4.0	4.1	3.9	3.8

\*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 (%)
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>Jul 12-18</b>	<b>56</b>	<b>33,225.60</b>	<b>13.14</b>
19-Jul-24	42	26,450.00	13.13
22-Jul-24	30	13,200.00	13.16
23-Jul-24	43	23,860.00	13.15
24-Jul-24	38	21,050.00	13.16
25-Jul-24	36	24,855.00	13.14
<b>Jul 19-25</b>	<b>38</b>	<b>21,883.00</b>	<b>13.15</b>

Source: Central Bank of Kenya

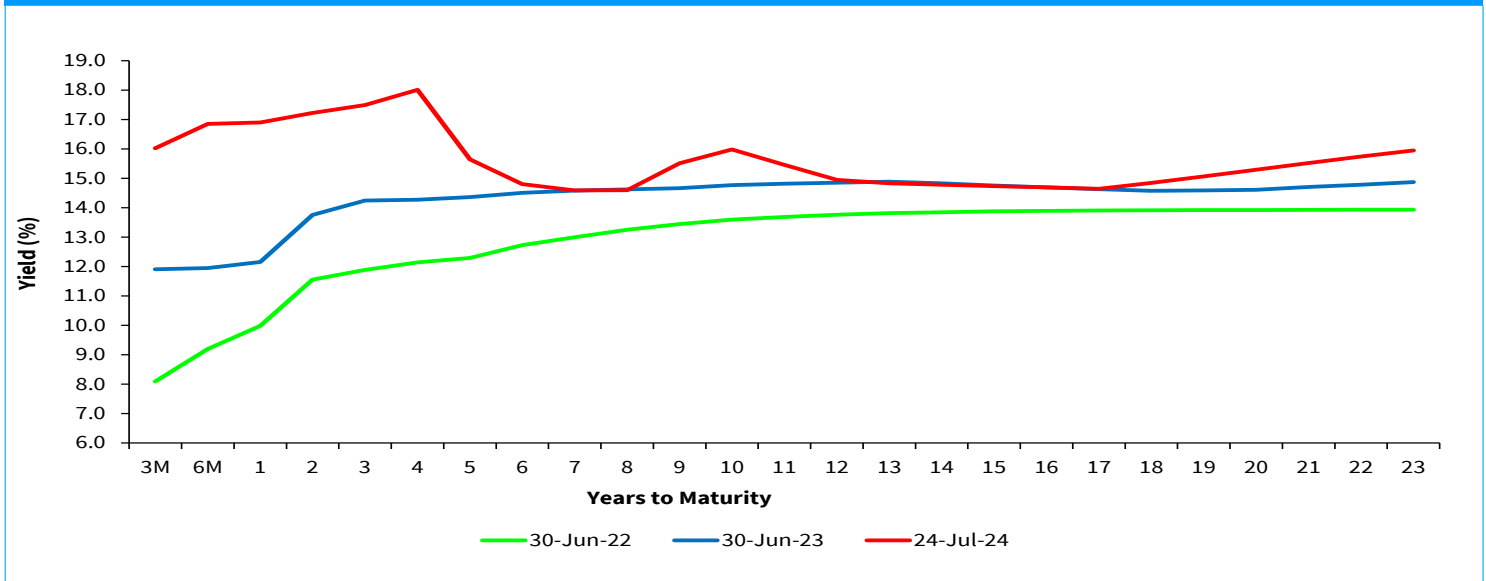
<b>Table 4: Performance of Treasury Bill Auctions</b>						
<b>91-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>28-Dec-23</b>	<b>28-Mar-24</b>	<b>30-May-24</b>	<b>27-Jun-24</b>	<b>18-Jul-24</b>	<b>25-Jul-24</b>
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	8,516.51	5,380.72	17,863.94	4,361.03	10,882.53	25,810.20
Amount Accepted (KSh M)	6,986.46	3,867.98	17,437.83	2,745.34	9,824.66	19,642.88
Maturities (KSh M)	3,254.55	7,215.65	12,607.70	3,922.10	5,904.40	5,729.00
<b>Average Interest Rate (%)</b>	<b>15.983</b>	<b>16.729</b>	<b>15.955</b>	<b>15.977</b>	<b>16.022</b>	<b>16.000</b>
<b>182-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>28-Dec-23</b>	<b>28-Mar-24</b>	<b>30-May-24</b>	<b>27-Jun-24</b>	<b>18-Jul-24</b>	<b>25-Jul-24</b>
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	7,264.90	4,147.37
Amount Accepted (KSh M)	322.85	2,049.15	9,012.98	1,479.67	6,084.98	1,622.70
Maturities (KSh M)	1,365.20	552.85	2,805.50	293.25	6,295.10	5,592.95
<b>Average Interest Rate (%)</b>	<b>15.967</b>	<b>16.888</b>	<b>16.608</b>	<b>16.764</b>	<b>16.852</b>	<b>16.851</b>
<b>364-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>28-Dec-23</b>	<b>28-Mar-24</b>	<b>30-May-24</b>	<b>27-Jun-24</b>	<b>18-Jul-24</b>	<b>25-Jul-24</b>
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	2,836.87	1,688.45
Amount Accepted (KSh M)	1,661.91	7,596.50	6,339.81	1,828.51	2,832.41	1,676.37
Maturities (KSh M)	1,858.45	1,915.90	2,867.20	1,679.00	2,629.85	352.75
<b>Average Interest Rate (%)</b>	<b>16.100</b>	<b>16.990</b>	<b>16.706</b>	<b>16.791</b>	<b>16.897</b>	<b>16.921</b>

Source: Central Bank of Kenya

<b>Table 5: Performance of Treasury Bond Auctions</b>									
<b>Date of Auction</b>	<b>12-Jun-24</b>		<b>20-Jun-24</b>				<b>4-Jul-24</b>	<b>17-Jul-24</b>	
	<b>RE-OPEN</b>		<b>TAP</b>				<b>TAP</b>	<b>RE-OPEN</b>	
<b>Tenor</b>	<b>FXD1/ 2023/005</b>	<b>FXD1/ 2023/010</b>	<b>FXD1/ 2023/002</b>	<b>FXD1/ 2024/003</b>	<b>FXD1/ 2023/005</b>	<b>FXD1/ 2023/010</b>	<b>FXD1/ 2023/002</b>	<b>FXD1/ 2024/010</b>	<b>FXD1/ 2008/020</b>
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 1: Government Securities Yield Curve**



Source: Nairobi Securities Exchange (NSE)

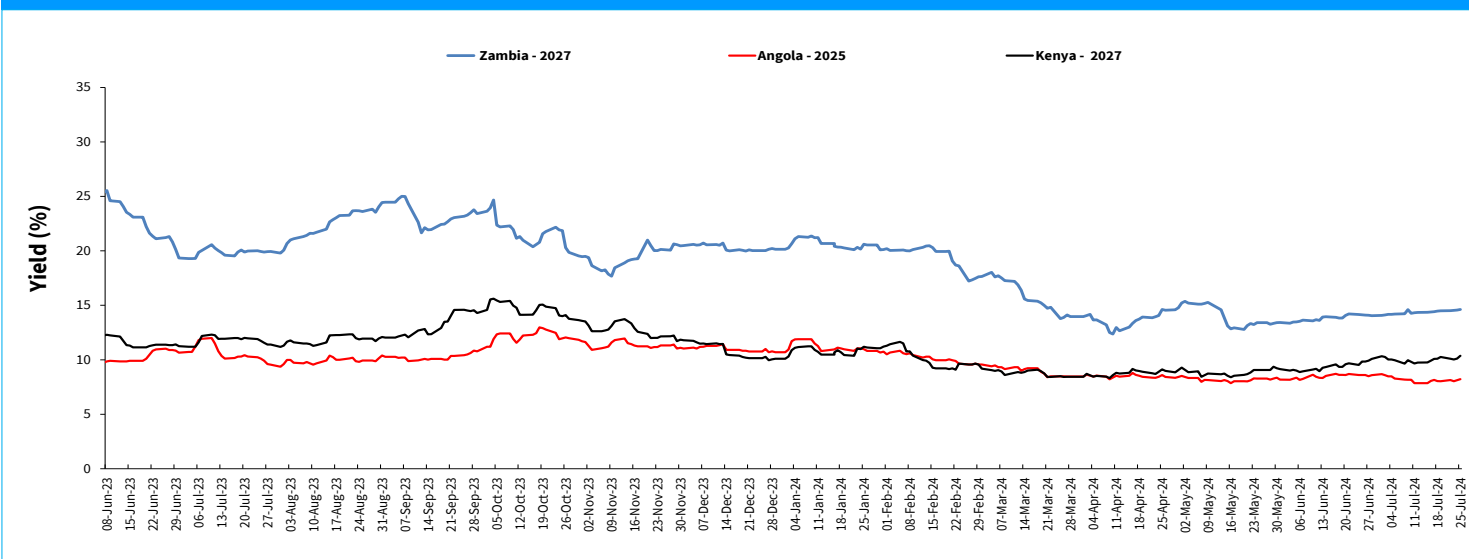
**Table 6: Performance of Key Market Indicators**

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
12-Jul-24	110.03	2908.93	1695.78	1,046	12.03	272.37	1,719.12	4,898.35	9.75	9.978	10.534	10.562	10.533	10.562
15-Jul-24	110.13	2914.51	1697.13	1,089	14.37	250.48	1,720.64	4,586.70	9.754	10.158	10.566	10.534	10.535	10.534
16-Jul-24	110.23	2912.28	1710.92	1,182	13.97	310.87	1,722.24	13,766.60	9.917	10.294	10.659	10.649	10.641	10.649
17-Jul-24	109.95	2919.54	1711.65	1,048	3.70	77.51	1,717.76	14,710.90	10.081	10.39	10.753	10.736	10.721	10.736
18-Jul-24	108.74	2895.98	1694.11	1,190	10.12	408.21	1,698.84	6,377.12	10.094	10.438	10.786	10.767	10.724	10.767
<b>Jul 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>10.094</b>	<b>10.438</b>	<b>10.786</b>	<b>10.767</b>	<b>10.724</b>	<b>10.767</b>
19-Jul-24	108.61	2,886.90	1,701.7	999.0	7.9	208.1	1,696.9	5,436.7	10.261	10.35	10.85	10.798	10.805	10.855
22-Jul-24	107.73	2,871.46	1,691.6	1,218.0	9.8	137.9	1,683.1	2,752.4	10.103	10.262	10.788	10.597	10.753	10.798
23-Jul-24	107.42	2,860.99	1,688.8	1,180.0	15.2	375.7	1,678.3	4,373.8	10.027	10.309	10.663	10.598	10.621	10.597
24-Jul-24	106.59	2,837.80	1,689.1	1,134.0	11.6	142.9	1,665.3	5,659.2	10.112	10.542	10.694	10.831	10.596	10.598
25-Jul-24	105.57	2,821.26	1,683.4	1,228.0	27.8	479.9	1,649.4	5,631.2	10.371	10.542	10.885	10.831	10.784	10.831
<b>Jul 19-25</b>	<b>105.57</b>	<b>2,821.26</b>	<b>1,683.44</b>	<b>5,759.00</b>	<b>72.27</b>	<b>1,344.58</b>	<b>1,649.42</b>	<b>23,853.25</b>	<b>10.371</b>	<b>10.542</b>	<b>10.885</b>	<b>10.831</b>	<b>10.784</b>	<b>10.831</b>
<b>Weekly Changes (%)</b>	<b>-2.92</b>	<b>-2.58</b>	<b>-0.63</b>	<b>3.67</b>	<b>33.38</b>	<b>1.91</b>	<b>-2.91</b>	<b>-46.20</b>	<b>0.277*</b>	<b>0.104*</b>	<b>0.099*</b>	<b>0.064*</b>	<b>0.060*</b>	<b>0.064*</b>

\* 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-Dec-22	30-Jun-23	29-Dec-23	28-Mar-24	29-May-24	26-Jun-24	17-Jul-24	24-Jul-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	546.90	557.01	588.92	615.89	634.53	639.68
<i>(As % of total securities)</i>	<b>15.32</b>	<b>13.28</b>	<b>11.35</b>	<b>11.06</b>	<b>11.48</b>	<b>11.75</b>	<b>12.06</b>	<b>12.12</b>
2. Treasury Bonds	3,710.62	4,013.89	4,271.82	4,478.54	4,539.76	4,627.12	4,627.57	4,637.89
<i>(As % of total securities)</i>	<b>84.68</b>	<b>86.72</b>	<b>88.65</b>	<b>88.94</b>	<b>88.52</b>	<b>88.25</b>	<b>87.94</b>	<b>87.88</b>
3. Total Securities (1+2)	4,382.13	4,628.62	4,818.72	5,035.54	5,128.68	5,243.01	5,262.10	5,277.57
4. Overdraft at Central Bank	58.50	76.46	94.13	92.18	80.56	61.02	69.19	91.80
5. Other Domestic debt*	32.76	127.04	137.26	107.46	107.46	105.08	106.24	103.62
<b>of which IMF funds on-lent to Government</b>		<b>95.52</b>	<b>104.24</b>	<b>84.70</b>	<b>84.70</b>	<b>83.54</b>	<b>83.54</b>	<b>82.61</b>
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>4,473.39</b>	<b>4,832.11</b>	<b>5,050.11</b>	<b>5,235.19</b>	<b>5,316.70</b>	<b>5,409.11</b>	<b>5,437.54</b>	<b>5,472.99</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-Dec-22	30-Jun-23	29-Dec-23	28-Mar-24	29-May-24	26-Jun-24	17-Jul-24	24-Jul-24
Treasury bills (Excluding Repos)	15.01	12.72	10.83	10.64	11.08	11.39	11.67	11.69
Treasury bonds	82.95	83.07	84.59	85.55	85.39	85.54	85.10	84.74
Overdraft at Central Bank	1.31	1.58	1.86	1.76	1.52	1.13	1.27	1.68
Other domestic debt	0.73	2.63	2.72	2.05	2.02	1.94	1.95	1.89
<b>of which IMF fund on lent to government</b>		<b>1.98</b>	<b>2.06</b>	<b>1.62</b>	<b>1.59</b>	<b>1.54</b>	<b>1.54</b>	<b>1.51</b>
<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-Dec-22	30-Jun-23	29-Dec-23	28-Mar-24	29-May-24	26-Jun-24	17-Jul-24	24-Jul-24
Banking Institutions	46.84	46.17	46.07	45.78	45.59	45.11	45.32	45.51
Insurance Companies	7.37	7.31	7.23	7.13	7.19	7.23	7.19	7.19
Parastatals	6.06	5.98	5.47	5.25	5.19	5.13	5.12	5.08
Pension Funds*	33.31	33.42	29.93	29.35	29.43	29.61	29.41	29.31
Other Investors	6.43	7.13	11.30	12.50	12.59	12.92	12.96	12.91
<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