



Central Bank of Kenya

# Weekly Bulletin

February 16, 2024



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling strengthened against major international and regional currencies during the week ending February 15. It exchanged at KSh 153.20 per US dollar on February 15, compared to KSh 160.09 per US dollar on February 8 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,031 million (3.8 months of import cover) as of February 15. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover (**Table 2**).

### Remittances

Remittance inflows increased to USD 412.4 million in January 2024 compared to USD 372.6 million in December 2023, and were 18.0 percent higher than in January 2023 (**Chart 1**). The cumulative inflows for the 12 months to January 2024 totaled USD 4,253 million compared to USD 4,039 million in the same period in 2023, an increase of 5.3 percent. The US remained the largest source of remittances into Kenya, accounting for 54 percent in January 2024.

### Money Market

Liquidity in the money market remained adequate during the week ending February 15, supported by open market operations. Commercial banks' excess reserves stood at KSh 27.3 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.54 percent on February 15 compared to 13.22 percent on February 8. During the week, the average number of interbank deals increased to 46 from 40 in the previous week, while the average value traded increased to KSh 38.2 billion from KSh 22.5 billion in the previous week (**Table 3**).

### Government Securities Market

The Treasury bills auction of February 15 received bids totaling KSh 42.7 billion against an advertised amount of KSh 24.0 billion, representing a performance of 177.8 percent. Interest rates remained stable, with the 91-day, 182-day and 364-day rates increasing marginally (**Table 4**).

During the Treasury bond auction of February 14, the 8.5-year Infrastructure bond received bids totaling KSh 288.7 billion against an advertised amount of KSh 70 billion, representing a performance of 412.4 percent (**Table 5**).

### Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices declined by 1.1 percent, 1.2 percent and 0.6 percent, respectively, during the week ending February 15. Market capitalization and equity turnover declined by 1.1 percent and 2.1 percent, respectively, while total shares traded increased by 49.8 percent (**Table 6**).

### Bond Market

Bond turnover in the domestic secondary market increased by 30.1 percent during the week ending February 15 (**Table 6**). In the international market, yields on Kenya's Eurobonds decreased by an average of 86.9 basis points, with the 2024 maturity decreasing by 92.1 basis points. The yield on the 10-Year Eurobonds for Angola declined while that of Zambia increased (**Chart 3**).

The Kenya Government successfully issued a new six year Eurobond of USD 1.5 billion, to be used to finance liability management operations relating to the Eurobond set to mature in June 2024. The Eurobond was issued at a coupon rate of 9.75 percent, with a yield of 10.3 percent.

### Global Trends

Concerns about inflation in advanced economies continued to ease in the week ending February 15. The US inflation rates declined to 3.1 percent in January 2024 from 3.4 percent in December 2023, while UK inflation remained unchanged at 4.0 percent in January 2024. The US dollar index strengthened by 0.1 percent against a basket of major currencies during the week ending February 15.

International oil prices increased during the week ending February 15, supported by increased demand and draw-down of inventories. Murban oil price increased to USD 80.79 per barrel on February 15 compared to USD 79.41 per barrel on February 8.

**Table 1: Kenya Shilling Exchange Rates**

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
2-Feb-24	160.57	203.30	173.66	109.47	23.78	15.85	7.91	17.76
5-Feb-24	160.51	202.39	172.99	108.14	23.78	15.76	7.92	17.78
6-Feb-24	160.36	201.34	172.25	107.99	23.84	15.75	7.93	17.80
7-Feb-24	160.32	201.37	172.06	107.88	23.85	15.87	7.99	17.80
8-Feb-24	160.09	202.00	172.43	107.16	23.99	16.14	7.94	17.83
<b>Feb 2- 8</b>	<b>160.37</b>	<b>202.08</b>	<b>172.68</b>	<b>108.13</b>	<b>23.85</b>	<b>15.87</b>	<b>7.94</b>	<b>17.80</b>
9-Feb-24	160.09	202.00	172.43	107.16	23.99	16.14	7.94	17.83
12-Feb-24	159.56	201.39	172.07	106.83	24.18	15.82	7.97	17.89
13-Feb-24	158.66	200.17	170.85	106.28	24.34	16.10	8.02	17.99
14-Feb-24	156.71	197.48	167.90	104.11	24.70	16.24	8.13	18.22
15-Feb-24	153.20	192.55	164.42	102.07	25.26	16.55	8.30	18.64
<b>Feb 9- 15</b>	<b>157.64</b>	<b>198.72</b>	<b>169.53</b>	<b>105.29</b>	<b>24.49</b>	<b>16.17</b>	<b>8.07</b>	<b>18.11</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

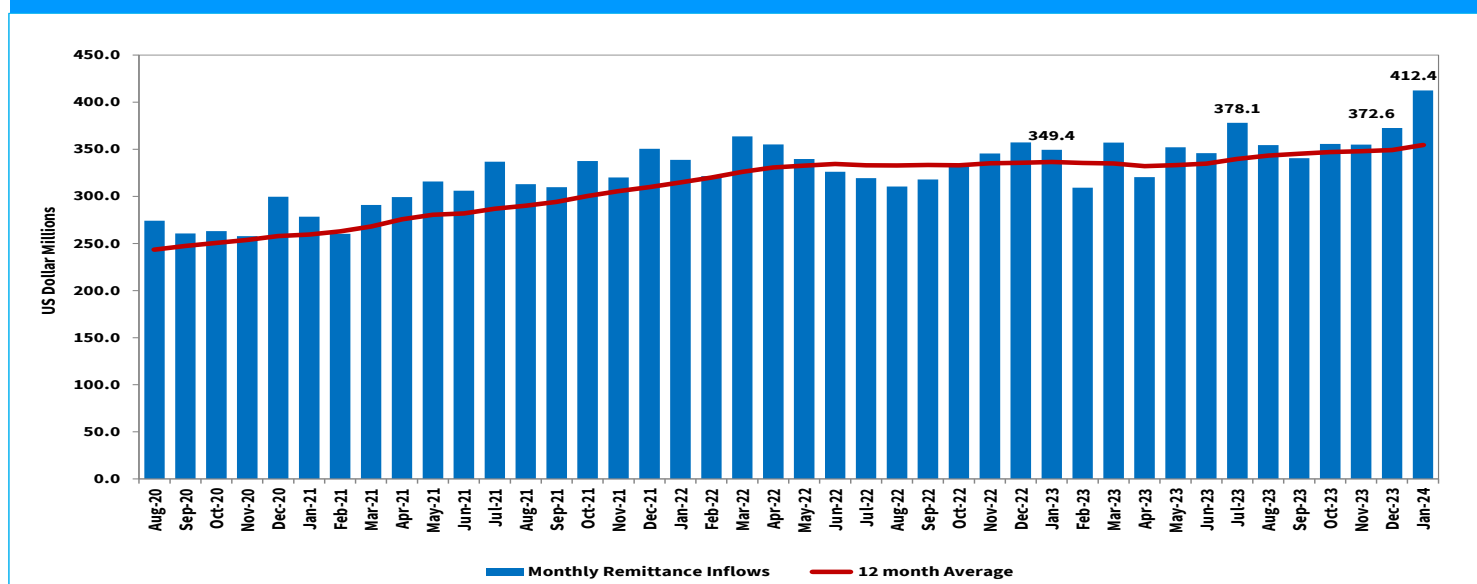
**Table 2: Official Foreign Exchange Reserves (USD Million)**

	18-Jan-24	25-Jan-24	1-Feb-24	8-Feb-24	15-Feb-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	6,814	7,017	7,134	7,131	7,031
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.6	3.8	3.8	3.8	3.8

\*Based on 36 months average of imports of goods and non-factor services

Source: Central Bank of Kenya

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



Source: Central Bank of Kenya

**Table 3: Money Markets**

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
2-Feb-24	46	20,020.00	13.26
5-Feb-24	44	23,720.00	13.34
6-Feb-24	34	20,450.00	13.32
7-Feb-24	36	23,600.00	13.31
8-Feb-24	42	24,800.00	13.22
<b>Feb 2-8</b>	<b>40</b>	<b>22,518.00</b>	<b>13.29</b>
9-Feb-24	42	31,830.00	13.14
12-Feb-24	54	45,320.00	13.23
13-Feb-24	52	35,125.00	13.35
14-Feb-24	39	32,785.00	13.41
15-Feb-24	45	46,000.00	13.54
<b>Feb 9-15</b>	<b>46</b>	<b>38,212.00</b>	<b>13.33</b>

Source: Central Bank of Kenya

**Table 4: Performance of Treasury Bill Auctions**

91-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	25-Jan-24	8-Feb-24	15-Feb-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	11,007.63	8,516.51	16,558.38	34,704.71	26,162.76
Amount Accepted (KSh M)	2,705.12	3,303.25	6,986.46	14,027.44	33,258.15	24,944.94
Maturities (KSh M)	2,814.15	2,741.45	3,254.55	8,291.40	38,239.20	34,204.25
<b>Average Interest Rate (%)</b>	<b>11.904</b>	<b>14.821</b>	<b>15.983</b>	<b>16.290</b>	<b>16.504</b>	<b>16.554</b>
182-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	25-Jan-24	8-Feb-24	15-Feb-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	809.28	322.85	5,243.25	9,447.34	11,229.01
Amount Accepted (KSh M)	1,300.96	542.27	322.85	5,224.77	9,385.86	9,826.43
Maturities (KSh M)	442.15	3,616.00	1,365.20	1,281.40	5,494.40	4,035.80
<b>Average Interest Rate (%)</b>	<b>11.947</b>	<b>14.950</b>	<b>15.967</b>	<b>16.376</b>	<b>16.633</b>	<b>16.716</b>
364-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	25-Jan-24	8-Feb-24	15-Feb-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	1,841.12	1,661.91	2,672.03	6,968.07	5,278.44
Amount Accepted (KSh M)	1,514.41	670.62	1,661.91	2,657.86	6,113.03	4,879.93
Maturities (KSh M)	2,417.65	1,229.50	1,858.45	6,216.15	4,740.05	6,943.20
<b>Average Interest Rate (%)</b>	<b>12.157</b>	<b>15.054</b>	<b>16.100</b>	<b>16.523</b>	<b>16.857</b>	<b>16.919</b>

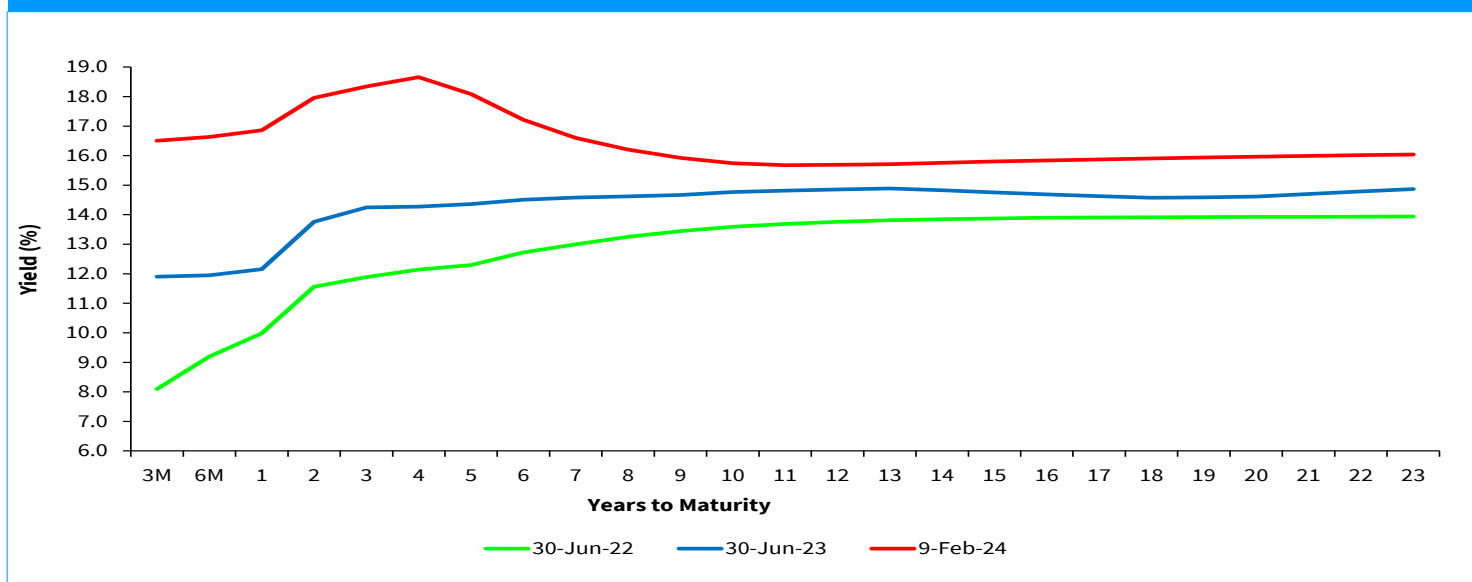
Source: Central Bank of Kenya

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

Date of Auction	12-Oct-23		8-Nov-23	5-Dec-23	10-Jan-24		18-Jan-24		14-Feb-24
	RE-OPEN			TAP			TAP		
Tenor	FXD1/ 2023/002	FXD1/ 2023/005	IFB1/ 2023/6.5	IFB1/ 2023/6.5	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2024/003	FXD1/ 2023/005	IFB1/ 2024/8.5
Amount offered (KSh M)	35,000.00		50,000.00	25,000.00	35,000.00		15,000.00		70,000.00
Bids received (KSh M)	6,506.42	5,791.92	88,899.96	47,238.75	29,089.43	8,062.57	9,308.35	2,552.31	288,661.86
Amount Accepted (KSh M)	4,825.11	1,481.78	67,056.07	47,866.93	22,069.44	2,946.74	9,339.89	2,415.58	240,957.57
Maturities (KSh M)	0.00	0.00	0.00	0.00	35,852.15		0.00		70,490.80
Average interest Rate (%)	17.74	17.99	17.93	17.93	18.39	18.77	18.39	16.84	18.46

Source: Central Bank of Kenya

**Chart 2: Government Securities Yield Curve**



Source: Nairobi Securities Exchange (NSE)

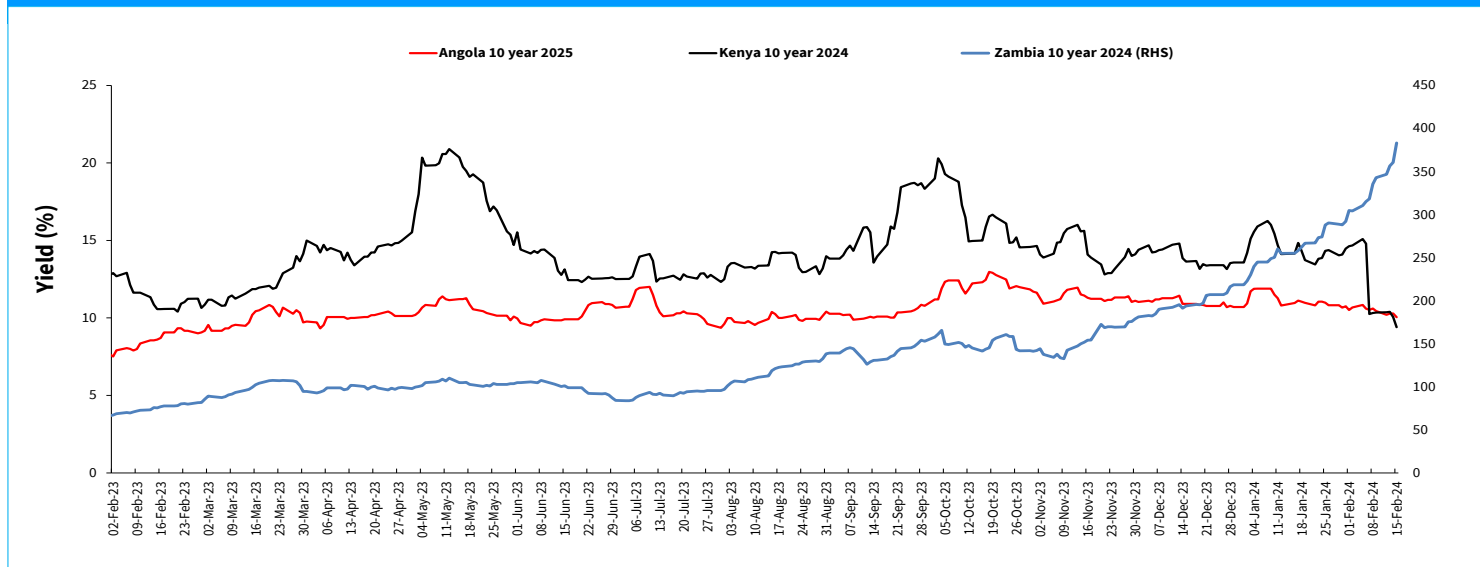
**Table 6: Performance of Key Market Indicators**

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 2024	10-Year 2028	12-Year 2032	13-Year 2034	30-Year 2048
2-Feb-24	92.37	2425.69	1512.56	772.00	8.96	135.75	1,443.19	5,015.25	11.43	14.68	10.65	10.61	10.19	10.69
5-Feb-24	92.48	2433.61	1522.92	926.00	13.97	318.81	1,444.83	6,294.40	11.64	15.09	10.82	10.80	10.31	10.80
6-Feb-24	92.52	2432.14	1522.45	960.00	17.34	367.10	1,445.48	2,775.45	11.51	14.79	10.74	10.78	10.29	10.77
7-Feb-24	91.89	2430.50	1523.02	851.00	4.08	89.27	1,435.65	3,495.06	10.76	10.25	10.70	10.80	10.34	10.82
8-Feb-24	91.96	2431.81	1526.48	921.00	4.94	81.57	1,436.72	3,846.95	10.78	10.32	10.67	10.78	10.29	10.78
<b>Feb 2-8</b>	<b>91.96</b>	<b>2431.81</b>	<b>1526.48</b>	<b>4,430.00</b>	<b>49.29</b>	<b>992.50</b>	<b>1,436.72</b>	<b>21,427.11</b>	<b>10.778</b>	<b>10.318</b>	<b>10.667</b>	<b>10.778</b>	<b>10.293</b>	<b>10.784</b>
9-Feb-24	91.18	2415.45	1516.50	799.00	10.65	144.60	1,424.62	6,993.70	10.377	10.343	10.255	10.476	10.070	10.537
12-Feb-24	91.31	2409.91	1511.62	892.00	2.15	18.77	1,426.65	8,541.10	9.981	10.367	10.052	10.368	9.997	10.486
13-Feb-24	127.91	3177.93	1680.96	962.00	28.95	468.68	1,429.49	3,392.40	9.918	10.392	10.014	10.450	10.096	10.590
14-Feb-24	90.82	2404.51	1511.79	865.00	6.28	70.63	1,418.94	2,512.75	9.723	10.052	9.772	10.342	10.023	10.538
15-Feb-24	90.95	2402.80	1517.92	1,045.00	25.79	268.64	1,420.92	6,425.80	9.274	9.397	9.458	10.050	9.807	10.418
<b>Feb 9-15</b>	<b>90.95</b>	<b>2402.80</b>	<b>1517.92</b>	<b>4,563.00</b>	<b>73.82</b>	<b>971.32</b>	<b>1,420.922</b>	<b>27,865.75</b>	<b>9.274</b>	<b>9.397</b>	<b>9.458</b>	<b>10.050</b>	<b>9.807</b>	<b>10.418</b>
<b>Weekly Changes (%)</b>	<b>-1.10</b>	<b>-1.19</b>	<b>-0.56</b>	<b>3.00</b>	<b>49.76</b>	<b>-2.13</b>	<b>-1.10</b>	<b>30.05</b>	<b>-1.504*</b>	<b>-0.921</b>	<b>-1.209*</b>	<b>-0.728*</b>	<b>0.486*</b>	<b>-0.366*</b>

\* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

**Chart 3: Yields on 10-Year Eurobonds for Selected Countries**



Source: Thomson Reuters

**Table 7: Government Domestic Debt (KSh Billion)**

	30-Jun-23	29-Sep-23	30-Nov-23	29-Dec-23	19-Jan-24	26-Jan-24	2-Feb-24	9-Feb-24
1. Treasury Bills (Excluding Repos)	614.73	558.21	555.62	546.90	556.47	558.43	565.63	553.50
<i>(As % of total securities)</i>	<b>13.28</b>	<b>11.86</b>	<b>11.62</b>	<b>11.35</b>	<b>11.55</b>	<b>11.6</b>	<b>11.7</b>	<b>11.5</b>
2. Treasury Bonds	4,013.89	4,149.81	4,224.91	4,271.82	4,261.04	4,272.25	4,272.25	4,272.25
<i>(As % of total securities)</i>	<b>86.72</b>	<b>88.14</b>	<b>88.38</b>	<b>88.65</b>	<b>88.45</b>	<b>88.44</b>	<b>88.31</b>	<b>88.53</b>
3. Total Securities (1+2)	4,628.62	4,708.02	4,780.53	4,818.72	4,817.51	4,830.68	4,837.89	4,825.75
4. Overdraft at Central Bank	76.46	75.70	83.94	94.13	89.18	89.24	83.45	93.68
5. Other Domestic debt*	127.04	133.75	126.28	137.26	136.71	136.70	136.70	136.71
<b>of which IMF funds on-lent to Government</b>	<b>95.52</b>	<b>99.52</b>	<b>101.87</b>	<b>104.24</b>	<b>104.24</b>	<b>104.24</b>	<b>104.24</b>	<b>104.24</b>
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>4,832.11</b>	<b>4,917.47</b>	<b>4,990.75</b>	<b>5,050.11</b>	<b>5,043.40</b>	<b>5,056.63</b>	<b>5,058.04</b>	<b>5,056.13</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-Sep-23	24-Nov-23	29-Dec-23	26-Jan-24	2-Feb-24	9-Feb-24
Treasury bills (Excluding Repos)	15.01	12.72	11.35	11.12	10.83	11.04	11.18	10.95
Treasury bonds	82.95	83.07	84.39	84.74	84.59	84.49	84.46	84.50
Overdraft at Central Bank	1.31	1.58	1.54	1.68	1.86	1.76	1.65	1.85
Other domestic debt	0.73	2.63	2.72	2.46	2.72	2.70	2.70	2.70
of which IMF fund on lent to government		1.98	2.02	1.97	2.06	2.06	2.06	2.06
<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)**

	31-Mar-23	30-Jun-23	29-Sep-23	24-Nov-23	29-Dec-23	26-Jan-24	2-Feb-24	9-Feb-24
Banking Institutions	46.13	46.17	45.18	46.00	45.95	45.88	45.81	45.80
Insurance Companies	7.39	7.31	7.35	7.21	7.25	7.36	7.34	7.35
Parastatals	6.04	5.98	5.95	5.52	5.48	5.56	5.57	5.57
Pension Funds	33.42	33.42	32.23	30.16	29.99	29.85	29.90	29.90
Other Investors	7.01	7.13	9.30	11.10	11.33	11.35	11.38	11.38
<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 10: Government Debt**

	Jun-22	Dec-22	Jun-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23*
Domestic debt (KSh Bn)	4,288.33	4,472.84	4,832.11	4,912.34	4,917.47	4,913.03	4,990.75	5,050.11
Public & Publicly Guaranteed External debt (USD Bn)	36.58	37.88	38.76	38.61	38.27	38.17	38.50	38.92
Public & Publicly Guaranteed External debt (KSh Bn)	4,290.73	4,673.14	5,446.56	5,614.09	5,667.80	5,746.32	5,896.50	6,089.58
Public debt (KSh Bn)	<b>8,579.06</b>	<b>9,145.98</b>	<b>10,278.67</b>	<b>10,526.43</b>	<b>10,585.27</b>	<b>10,659.35</b>	<b>10,887.25</b>	<b>11,139.69</b>

\* Provisional

Source: The National Treasury and Central Bank of Kenya