



Central Bank of Kenya

Weekly Bulletin

September 13, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending September 12. It exchanged at KSh 129.18 per US dollar on September 12, compared to KSh 129.19 per US dollar on September 5 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,744 million (4.0 months of import cover) as of September 12. 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 September 12, supported by open market operations. Commercial banks' excess reserves stood at KSh 13.8 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 12.66 percent on September 12 compared to 12.59 percent on September 5. During the week, the average number of interbank deals increased to 52 from 47 in the previous week, while the average value traded increased to KSh 34.2 billion from KSh 25.5 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of September 12 received bids totaling KSh 21.3 billion against an advertised amount of KSh 24.0 billion, representing a performance of 89.1 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, and NSE 20 share price indices increased by 0.06 percent, 0.7 percent while the NSE 25 share price index decreased by 0.4 percent, during the week ending September 12. Market capitalization also increased by 0.06 percent while total shares and equity turnover decline by 30.1 percent and 39.0 percent respectively, (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market increased by 6.5 percent during the week ending September 12 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 24.0 basis points. The yield on the 10- Year Eurobonds for Angola and Zambia also increased (**Chart 2**).

Global Trends

Global inflation concerns have continued to ease. The US headline inflation declined to 2.5 percent in August 2024 from 2.9 percent in July. The European Central Bank lowered its policy rate by 25 basis points to 3.5 percent. The US dollar index weakened by 0.3 percent against a basket of major currencies during the week ending September 12.

International oil prices declined marginally during the week ending September 12, reflecting a slowdown in global oil demand. The Murban oil price declined to USD 72.34 per barrel on September 12 from USD 72.99 per barrel on September 5.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
30-Aug-24	129.17	169.94	143.04	88.91	28.76	20.98	10.29	22.35
2-Sep-24	129.18	169.55	142.80	88.16	28.81	21.06	10.30	22.36
3-Sep-24	129.19	169.67	142.79	88.38	28.78	21.04	10.30	22.38
4-Sep-24	129.19	169.42	142.84	88.99	28.87	21.05	10.30	22.36
5-Sep-24	129.19	169.90	143.13	90.03	28.80	21.05	10.30	22.36
Aug 30-Sep 5	129.18	169.70	142.92	88.90	28.80	21.04	10.30	22.36
6-Sep-24	129.19	170.23	143.61	90.61	28.78	21.05	10.31	22.36
9-Sep-24	129.20	169.46	143.08	90.36	28.75	21.05	10.31	22.36
10-Sep-24	129.19	168.96	142.63	90.27	28.77	21.09	10.32	22.42
11-Sep-24	129.19	169.29	142.73	91.66	28.75	21.09	10.32	22.42
12-Sep-24	129.18	168.55	142.30	90.46	28.80	21.06	10.33	22.43
Sep 6-12	129.19	169.30	142.87	90.67	28.77	21.07	10.32	22.40

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Usable Foreign Exchange Reserves (USD Million)

	15-Aug-24	22-Aug-24	29-Aug-24	5-Sep-24	12-Sep-24
1. CBK Usable Foreign Exchange Reserves (USD Million)*	7,316	7,404	7,349	7,503	7,744
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	3.8	3.8	3.8	3.9	4.0

*Excludes encumbered reserves

**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 (%)
30-Aug-24	29	9,830.00	12.74
2-Sep-24	64	37,200.00	12.69
3-Sep-24	56	28,350.00	12.69
4-Sep-24	52	29,130.00	12.63
5-Sep-24	34	22,960.00	12.59
Aug 30-Sept 5	47	25,494.00	12.67
6-Sep-24	35	25,650.00	12.59
9-Sep-24	51	33,865.00	12.62
10-Sep-24	50	30,785.00	12.61
11-Sep-24	70	41,910.00	12.65
12-Sep-24	55	38,571.00	12.66
Sep 6-Sept 12	52	34,156.20	12.63

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	28-Mar-24	30-May-24	27-Jun-24	25-Jul-24	29-Aug-24	12-Sep-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)	5,380.72	17,863.94	4,361.03	25,810.20	17,496.40	14,188.86
Amount Accepted (KSh M)	3,867.98	17,437.83	2,745.34	19,642.88	16,953.43	13,045.05
Maturities (KSh M)	7,215.65	12,607.70	3,922.10	5,729.00	18,029.30	9,102.50
Average Interest Rate (%)	16.729	15.955	15.977	16.000	15.784	15.750
182-Day Treasury Bills						
Date of Auction	28-Mar-24	30-May-24	27-Jun-24	25-Jul-24	29-Aug-24	12-Sep-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)	2,702.14	9,171.79	1,494.42	4,147.37	4,451.13	3,274.03
Amount Accepted (KSh M)	2,049.15	9,012.98	1,479.67	1,622.70	4,443.43	3,257.79
Maturities (KSh M)	552.85	2,805.50	293.25	5,592.95	2,088.35	3,530.75
Average Interest Rate (%)	16.888	16.608	16.764	16.851	16.633	16.625
364-Day Treasury Bills						
Date of Auction	28-Mar-24	30-May-24	27-Jun-24	25-Jul-24	29-Aug-24	12-Sep-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)	7,753.83	6,474.59	1,833.64	1,688.45	2,254.39	3,921.44
Amount Accepted (KSh M)	7,596.50	6,339.81	1,828.51	1,676.37	2,248.06	3,638.71
Maturities (KSh M)	1,915.90	2,867.20	1,679.00	352.75	567.65	919.70
Average Interest Rate (%)	16.990	16.706	16.791	16.921	16.842	16.817

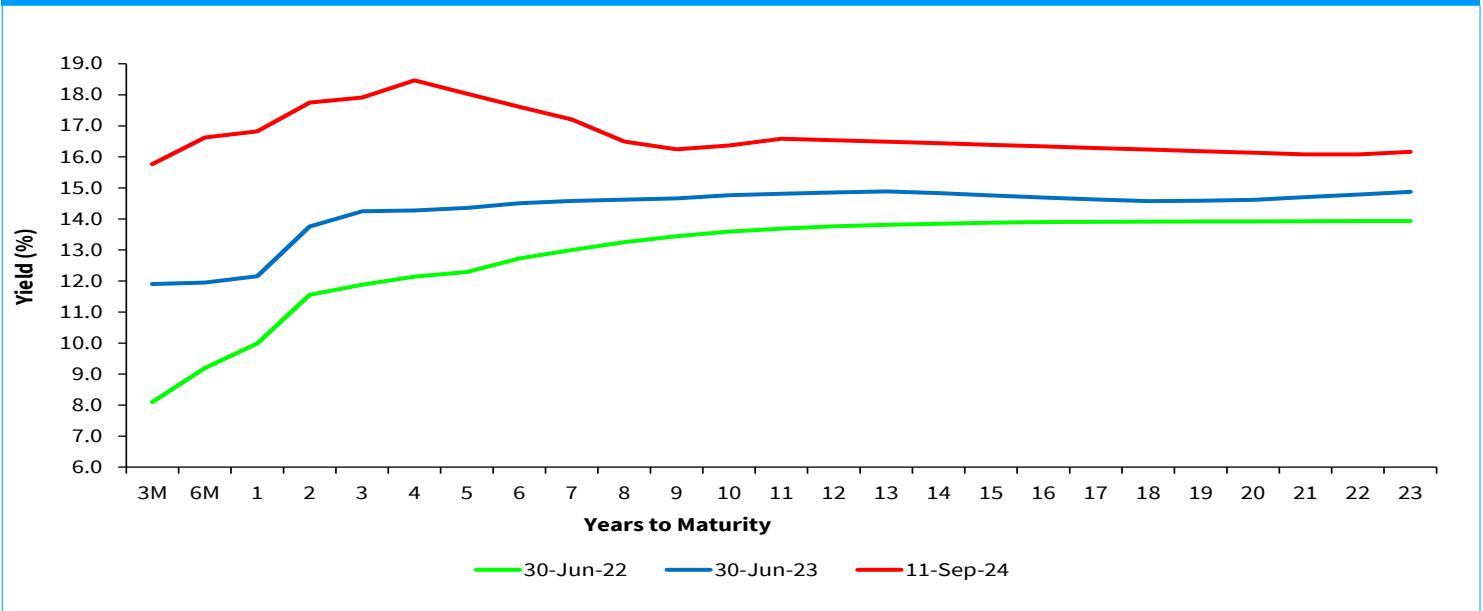
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	20-Jun-24				4-Jul-24	17-Jul-24		14-Aug-24		29-Aug-24
	TAP				TAP	RE-OPEN		RE-OPEN		TAP
Tenor	FXD1/ 2023/002	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2023/010	FXD1/ 2023/002	FXD1/ 2024/010	FXD1/ 2008/020	IFB1/ 2023/6.5	IFB1/ 2023/17	IFB1/ 2023/17
Amount offered (KSh M)	20,000.00				20,000.00	30,000.00		50,000.00		15,000.00
Bids received (KSh M)	1,799.80	3,265.80	11,228.55	8,840.10	487.50	7,067.73	7,614.51	96,861.91	29,460.52	35,185.70
Amount Accepted (KSh M)	1,795.73	3,316.47	10,811.16	7,936.60	486.48	6,752.15	3,014.08	74,167.60	14,530.92	32,024.23
Maturities (KSh M)	0.00				0.00					
Average interest Rate (%)	17.12	17.59	18.16	16.39	17.12	16.59	18.29	18.30	17.73	17.73

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

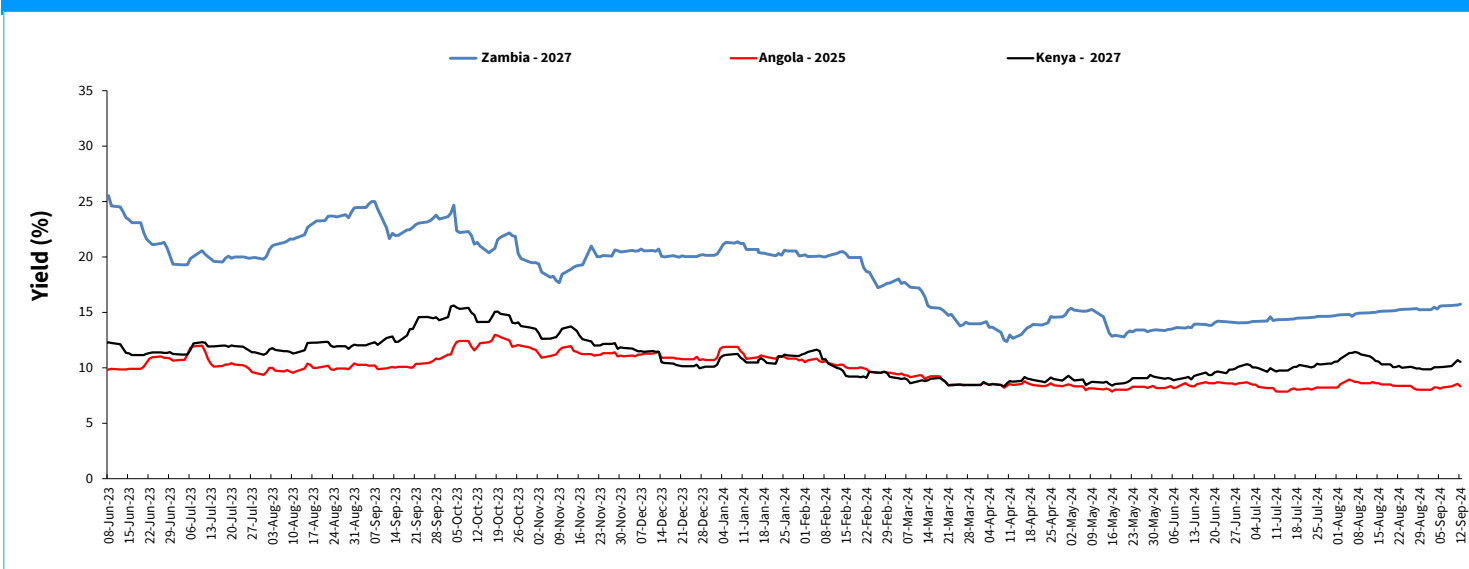
Table 6: Performance of Key Market Indicators

INDICATOR	NASI 100=2008	NSE 25 Share Index	NSE 20 Share Index 100=1996	Total Deals (Equity)	Total Shares Traded (Mil- lion)	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
30-Aug-24	103.67	2,812.75	1,678.21	1,391.00	50	625	1619.780	3,991	9.869	10.210	10.519	10.398	10.316	10.747
2-Sep-24	104.50	2,830.01	1,690.96	1,246.00	11	138	1632.724	5,243	9.869	10.210	10.519	10.398	10.316	10.747
3-Sep-24	105.10	2,856.39	1,705.44	1,241.00	20	271	1642.099	13,644	10.044	10.304	10.677	10.542	10.447	10.801
4-Sep-24	105.20	2,856.07	1,708.47	1,407.00	27	571	1646.839	5,915	10.049	10.352	10.709	10.572	10.422	10.819
5-Sep-24	105.73	2,861.85	1,702.68	1,180.00	13	182	1655.030	1,975	10.064	10.312	10.646	10.517	10.399	10.783
Aug 30- Sep 5	105.73	2,861.85	1,702.68	6,465.00	120.75	1,787.67	1,655.03	30,768.55	10.064	10.312	10.646	10.517	10.399	10.783
6-Sep-24	105.58	2,861.28	1,707.37	1,486.00	11.37	129.42	1,652.78	4,596.20	10.069	10.314	10.678	10.547	10.426	10.819
9-Sep-24	105.84	2,867.65	1,712.96	1,368.00	17.32	313.85	1,656.83	4,783.21	10.160	10.362	10.742	10.605	10.479	10.837
10-Sep-24	106.67	2,884.60	1,722.83	1,321.00	18.16	177.49	1,669.73	9,143.00	10.427	10.504	10.871	10.693	10.638	10.910
11-Sep-24	107.07	2,884.06	1,720.37	1,425.00	28.53	384.45	1,676.10	6,429.80	10.695	10.647	11.000	10.870	10.772	11.021
12-Sep-24	105.79	2,850.47	1,714.57	1,181.00	9.00	85.84	1,656.02	7,802.65	10.537	10.466	10.840	10.784	10.642	10.892
Septem- ber 6- 12	105.79	2,850.47	1,714.57	6,781.00	84.39	1,091.06	1,656.02	32,754.86	10.537	10.466	10.840	10.784	10.642	10.892
Weekly Changes (%)	0.06	-0.40	0.70	4.89	-30.11	-38.97	0.06	6.46	0.473*	0.154*	0.194*	0.267*	0.243*	0.109*

* 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	31-May-24	28-Jun-24	31-Jul-24	28-Aug-24	11-Sep-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	546.90	588.92	615.89	651.89	673.95	678.68
<i>(As % of total securities)</i>	15.32	13.28	11.35	11.48	11.75	12.32	12.47	12.47
2. Treasury Bonds	3,710.62	4,013.89	4,271.82	4,539.76	4,627.12	4,637.89	4,729.22	4,764.35
<i>(As % of total securities)</i>	84.68	86.72	88.65	88.52	88.25	87.68	87.53	87.53
3. Total Securities (1+2)	4,382.13	4,628.62	4,818.72	5,128.68	5,243.01	5,289.78	5,403.17	5,443.03
4. Overdraft at Central Bank	58.50	76.46	94.13	84.96	61.02	60.53	49.43	70.68
5. Other Domestic debt*	32.21	127.04	137.26	106.25	106.25	103.06	103.07	102.68
of which IMF funds on-lent to Government		95.52	104.24	83.54	83.54	82.61	82.61	83.52
6. Gross Domestic Debt (3+4+5)	4,472.84	4,832.11	5,050.11	5,319.89	5,410.28	5,453.37	5,555.66	5,616.39

* 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	28-Jun-24	31-Jul-24	28-Aug-24	11-Sep-24
Treasury bills (Excluding Repos)	15.01	12.72	10.83	10.64	11.38	11.95	12.13	12.08
Treasury bonds	82.95	83.07	84.59	85.55	85.52	85.05	85.12	84.83
Overdraft at Central Bank	1.31	1.58	1.86	1.76	1.13	1.11	0.89	1.26
Other domestic debt	0.73	2.63	2.72	2.05	1.96	1.89	1.86	1.83
of which IMF fund on lent to government		1.98	2.06	1.62	1.54	1.51	1.49	1.49
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	28-Mar-24	28-Jun-24	31-Jul-24	28-Aug-24	11-Sep-24
Banking Institutions	46.84	46.17	46.07	45.78	45.12	45.12	44.81	45.13
Insurance Companies	7.37	7.31	7.23	7.13	7.23	7.21	7.20	7.17
Parastatals	6.06	5.98	5.47	5.25	5.13	5.08	5.34	5.28
Pension Funds*	33.31	33.42	29.93	29.35	29.60	29.39	29.14	28.94
Other Investors	6.43	7.13	11.30	12.50	12.92	13.19	13.50	13.48
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

	Jun-22	Dec-22	Jun-23	Sep-23	Dec-23	Mar-24	Apr-24	May-24	June-24*
Domestic debt (KSh Bn)	4,288.33	4,472.84	4,832.11	4,917.47	5,050.11	5,235.19	5,323.71	5,319.89	5,410.28
Public & Publicly Guaranteed External debt (USD Bn)	36.58	37.88	38.76	38.27	38.92	39.18	39.01	39.30	39.77
Public & Publicly Guaranteed External debt (KSh Bn)	4,290.73	4,673.14	5,446.56	5,667.80	6,089.58	5,163.42	5,198.81	5,118.31	5,150.84
Public debt (KSh Bn)	8,579.06	9,145.98	10,278.67	10,585.27	11,139.69	10,398.61	10,522.52	10,438.19	10,561.12

* Provisional

Source: The National Treasury and Central Bank of Kenya