



Central Bank of Kenya

# Weekly Bulletin

May 17, 2024



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending May 16. It exchanged at KSh 130.48 per US dollar on May 16, compared to KSh 131.25 per US dollar on May 9 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,130 million (3.8 months of import cover) as of May 16. 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 May 16, supported by open market operations. Commercial banks' excess reserves stood at KSh 10.9 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.60 percent on May 16 compared to 13.74 percent on May 9. During the week, the average number of interbank deals increased to 42 from 39 in the previous week, while the average value traded remained relatively stable at KSh 18.4 billion compared to KSh 18.8 billion in the previous week (**Table 3**).

### Government Securities Market

The Treasury bill auction of May 16 received bids totaling KSh 46.7 billion against an advertised amount of KSh 24.0 billion, representing a performance of 194.8 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, the NSE 25 and NSE 20 share price indices increased by 2.5 percent, 2.2 percent and 1.6 percent, respectively during the week ending May 16. Market capitalization increased by 2.5 percent while equity turnover and total shares traded decreased by 45.7 percent, and 37.9 percent, respectively (**Table 6**).

### Bond Market

Bond turnover in the domestic secondary market decreased by 18.2 percent during the week ending May 16 (**Table 6**). In the international market, yields on Kenya's Eurobonds decreased by an average of 16.9 basis points, with the 2027 maturity decreasing by 34.0 basis points. The yield on the 10-year Eurobond for Angola and Zambia increased (**Chart 2**).

### Global Trends

Concerns about inflation in major economies remained in the week ending May 16. The US headline inflation rate declined marginally to 3.4 percent in April from 3.5 percent in April in March. The US dollar index weakened by 0.7 percent against a basket of major currencies during the week ending May 16.

International oil prices moderated during the week ending May 16, reflecting reduced risk premium from the Middle East conflict as fears of escalation between Israel and Iran dissipated. Murban oil prices declined to USD 84.02 per barrel on May 16 from USD 84.75 per barrel on May 9.

**Table 1: Kenya Shilling Exchange Rates**

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
3-May-24	133.08	166.36	142.31	86.01	28.52	19.47	9.71	21.55
6-May-24	133.05	167.48	143.47	87.24	28.43	19.43	9.71	21.55
7-May-24	133.04	167.04	143.25	86.16	28.26	19.47	9.72	21.56
8-May-24	132.40	166.26	142.75	85.71	28.44	19.52	9.77	21.66
9-May-24	131.25	163.76	141.12	84.33	28.84	19.77	9.85	21.86
<b>May 3-9</b>	<b>132.57</b>	<b>166.18</b>	<b>142.58</b>	<b>85.89</b>	<b>28.50</b>	<b>19.53</b>	<b>9.75</b>	<b>21.64</b>
10-May-24	PUBLIC HOLIDAY							
13-May-24	131.21	164.16	141.38	84.29	28.81	19.82	9.86	21.86
14-May-24	130.78	164.33	141.29	83.91	28.79	19.80	9.93	21.94
15-May-24	130.60	164.22	141.22	83.46	28.84	19.87	9.91	21.97
16-May-24	130.48	165.52	142.00	84.73	28.89	19.85	9.92	21.99
<b>May 10-16</b>	<b>130.77</b>	<b>164.56</b>	<b>141.47</b>	<b>84.10</b>	<b>28.83</b>	<b>19.83</b>	<b>9.90</b>	<b>21.94</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

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

	18-Apr-24	25-Apr-24	2-May-24	9-May-24	16-May-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,226	7,232	7,179	7,180	7,130
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.8	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

Table 3: Money Markets			
Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
3-May-24	64	31,570.00	13.82
6-May-24	37	18,530.00	13.77
7-May-24	35	19,485.00	13.77
8-May-24	28	10,400.00	13.74
9-May-24	33	14,134.00	13.74
<b>May 3 - 9</b>	<b>39</b>	<b>18,823.80</b>	<b>13.77</b>
10-May-24	Public Holiday		
13-May-24	33	15,380.00	13.55
14-May-24	47	22,720.00	13.24
15-May-24	47	15,670.00	13.50
16-May-24	40	19,870.00	13.60
<b>May 10-16</b>	<b>42</b>	<b>18,410.00</b>	<b>13.47</b>

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	28-Sep-23	28-Dec-23	28-Mar-24	2-May-24	9-May-24	16-May-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)	11,007.63	8,516.51	5,380.72	10,103.16	17,253.43	13,014.02
Amount Accepted (KSh M)	3,303.25	6,986.46	3,867.98	9,977.11	17,038.52	12,760.72
Maturities (KSh M)	2,741.45	3,254.55	7,215.65	20,272.95	34,423.20	25,733.85
<b>Average Interest Rate (%)</b>	<b>14.821</b>	<b>15.983</b>	<b>16.729</b>	<b>15.865</b>	<b>15.904</b>	<b>15.937</b>
182-Day Treasury Bills						
Date of Auction	28-Sep-23	28-Dec-23	28-Mar-24	2-May-24	9-May-24	16-May-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)	809.28	322.85	2,702.14	5,203.82	22,963.76	18,043.66
Amount Accepted (KSh M)	542.27	322.85	2,049.15	5,195.56	19,405.31	17,810.73
Maturities (KSh M)	3,616.00	1,365.20	552.85	1,319.45	19,597.85	9,952.65
<b>Average Interest Rate (%)</b>	<b>14.950</b>	<b>15.967</b>	<b>16.888</b>	<b>16.488</b>	<b>16.501</b>	<b>16.518</b>
364-Day Treasury Bills						
Date of Auction	28-Sep-23	28-Dec-23	28-Mar-24	2-May-24	9-May-24	16-May-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)	1,841.12	1,661.91	7,753.83	10,660.71	13,438.86	15,682.86
Amount Accepted (KSh M)	670.62	1,661.91	7,596.50	10,660.71	13,094.28	15,505.49
Maturities (KSh M)	1,229.50	1,858.45	1,915.90	998.50	1,972.30	8,553.30
<b>Average Interest Rate (%)</b>	<b>15.054</b>	<b>16.100</b>	<b>16.990</b>	<b>16.495</b>	<b>16.507</b>	<b>16.530</b>

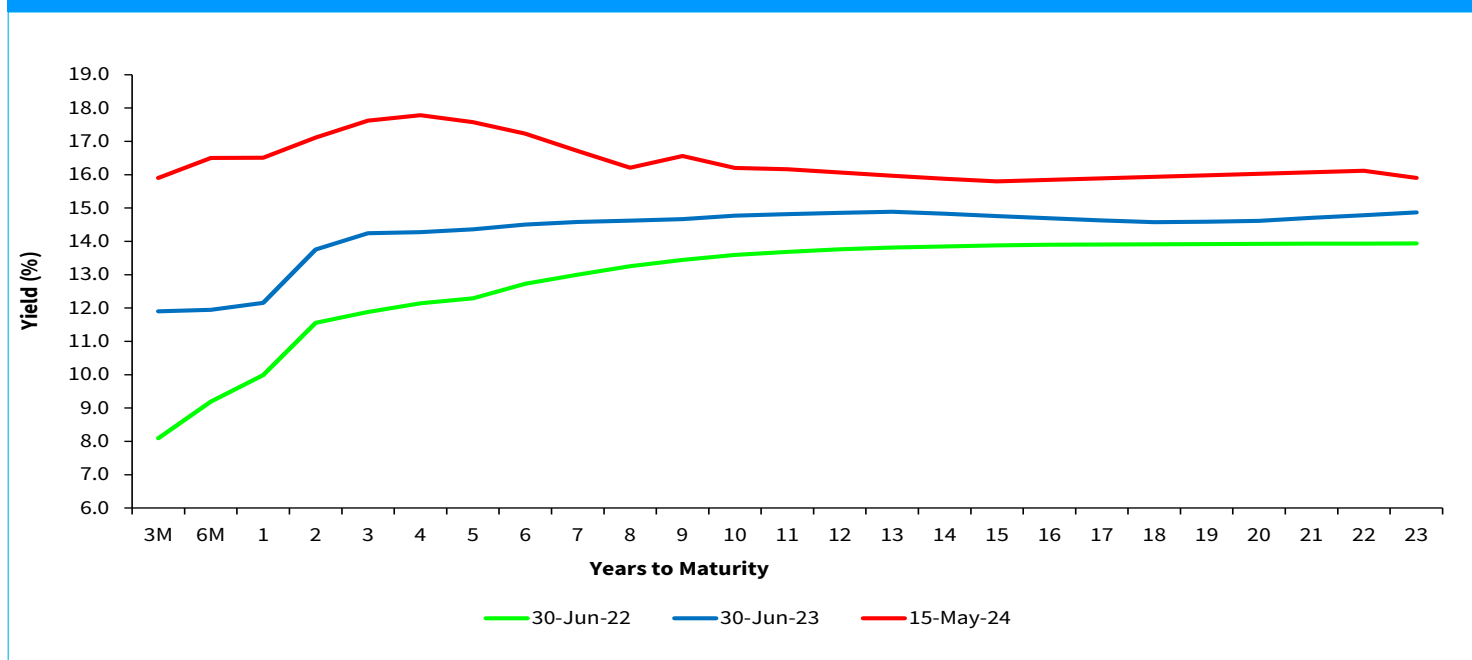
Source: Central Bank of Kenya

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

Date of Auction	18-Jan-23		20-Mar-24		4-Apr-24		17-Apr-24	2-May-24	9-May-24
	TAP		RE-OPEN		TAP		RE-OPEN	RE-OPEN	TAP
Tenor	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2023/005	FXD1/ 2024/010	FXD1/ 2023/005	FXD1/ 2024/010	FXD1/ 2023/02	FXD1/ 2024/10	FXD1/ 2024/10
Amount offered (KSh M)	15,000.00		40,000.00		25,000.00		40,000.00	25,000.00	15,000.00
Bids received (KSh M)	9,308.35	2,552.31	35,848.61	23,885.31	35,585.30	12,203.35	47,192.00	14,979.42	7,025.02
Amount Accepted (KSh M)	9,339.89	2,415.58	17,766.82	4,838.59	33,952.75	11,896.17	34,762.40	10,995.34	7,025.02
Maturities (KSh M)	0.00		0.0	0.0	0.00	0.00	0.00	39,201.40	0.00
Average interest Rate (%)	18.39	16.84	18.41	16.52	18.41	16.52	16.99	16.23	16.23

Source: Central Bank of Kenya

**Chart 1: Government Securities Yield Curve**



Source: Nairobi Securities Exchange (NSE)

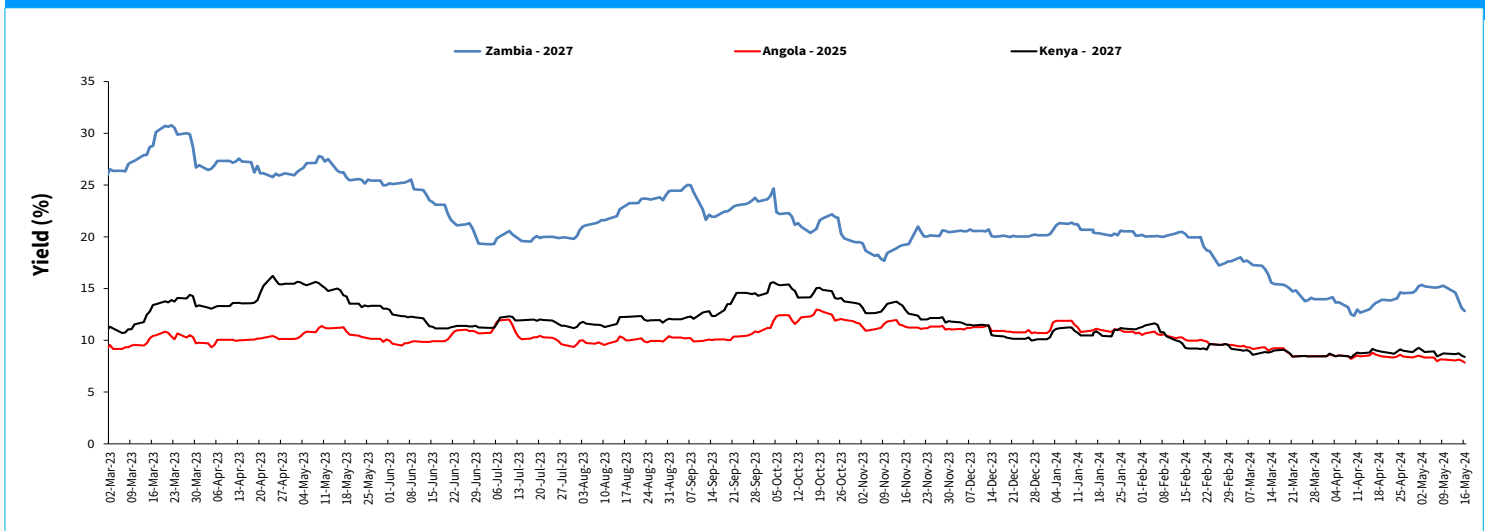
**Table 6: Performance of Key Market Indicators**

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 Mil- lion)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2028	6-Year 2031	12-Year 2032	13-Year 2034	30-Year 2048
3-May-24	104.64	2762.13	1647.80	1209.00	4.07	76.44	1634.832	7,007.20	8.864	8.981	9.628	9.592	9.67	9.913
6-May-24	104.37	2759.02	1656.77	1227.00	4.19	72.27	1630.571	7,644.45	8.938	9.023	9.679	9.593	9.695	9.913
7-May-24	103.93	2748.00	1645.36	1332.00	9.54	194.48	1623.790	5,011.65	8.446	8.699	9.39	9.359	9.433	9.727
8-May-24	105.11	2773.87	1659.01	1247.00	22.65	538.28	1642.227	7,439.90	8.589	8.781	9.436	9.437	9.505	9.789
9-May-24	106.48	2791.53	1660.10	1243.00	10.01	332.57	1663.622	4,422.10	8.738	8.824	9.47	9.491	9.53	9.835
<b>May 3-9</b>	<b>106.48</b>	<b>2791.53</b>	<b>1660.10</b>	<b>6258.00</b>	<b>50.46</b>	<b>1214.04</b>	<b>1663.62</b>	<b>31,525.30</b>	<b>8.74</b>	<b>8.82</b>	<b>9.47</b>	<b>9.49</b>	<b>9.53</b>	<b>9.84</b>
10-May-24	PUBLIC HOLIDAY													
13-May-24	109.01	2836.42	1670.05	1179.00	3.09	59.11	1,703.12	2,927.95	8.67	8.83	9.49	9.47	9.53	9.85
14-May-24	108.96	2839.90	1675.17	1132.00	4.95	89.47	1,702.38	3,408.40	8.75	8.87	9.52	9.49	9.53	9.87
15-May-24	108.98	2846.02	1679.05	1266.00	17.87	379.89	1,702.59	11,130.50	8.53	8.71	9.36	9.34	9.39	9.77
16-May-24	109.19	2853.71	1686.75	1213	5.41	130.48	1,705.95	8,327.20	8.398	8.668	9.307	9.261	9.347	9.727
<b>May 10-16</b>	<b>109.19</b>	<b>2853.71</b>	<b>1686.75</b>	<b>4790.00</b>	<b>31.33</b>	<b>658.95</b>	<b>1705.95</b>	<b>25,794.05</b>	<b>8.40</b>	<b>8.67</b>	<b>9.31</b>	<b>9.26</b>	<b>9.35</b>	<b>9.73</b>
<b>Weekly Changes (%)</b>	<b>2.5</b>	<b>2.2</b>	<b>1.6</b>	<b>-23.5</b>	<b>-37.9</b>	<b>-45.7</b>	<b>2.5</b>	<b>-18.2</b>	<b>-0.340*</b>	<b>-0.156*</b>	<b>-0.163*</b>	<b>-0.230*</b>	<b>-0.183*</b>	<b>-0.108*</b>

\* 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)**

	29-Sep-23	29-Dec-23	31-Jan-24	29-Feb-24	28-Mar-24	30-Apr-24	8-May-24	16-May-24
1. Treasury Bills (Excluding Repos)	558.21	546.90	565.63	549.07	557.01	566.66	571.93	569.60
<i>(As % of total securities)</i>	<b>11.86</b>	<b>11.35</b>	<b>11.69</b>	<b>11.00</b>	<b>11.06</b>	<b>11.05</b>	<b>11.20</b>	<b>11.15</b>
2. Treasury Bonds	4,149.81	4,271.82	4,272.25	4,442.10	4,478.54	4,561.02	4,532.74	4,539.76
<i>(As % of total securities)</i>	<b>88.14</b>	<b>88.65</b>	<b>88.31</b>	<b>89.00</b>	<b>88.94</b>	<b>88.95</b>	<b>88.80</b>	<b>88.85</b>
3. Total Securities (1+2)	4,708.02	4,818.72	4,837.89	4,991.17	5,035.54	5,127.67	5,104.67	5,109.36
4. Overdraft at Central Bank	75.70	94.13	83.45	94.32	92.18	89.31	92.31	93.29
5. Other Domestic debt*	133.75	137.26	129.11	128.84	128.85	128.84	129.25	107.46
<b>of which IMF funds on-lent to Government</b>	<b>99.52</b>	<b>104.24</b>	<b>106.49</b>	<b>106.49</b>	<b>106.49</b>	<b>106.49</b>	<b>106.49</b>	<b>84.70</b>
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>4,917.47</b>	<b>5,050.11</b>	<b>5,050.44</b>	<b>5,214.33</b>	<b>5,256.57</b>	<b>5,345.82</b>	<b>5,326.23</b>	<b>5,310.11</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)**

	29-Sep-23	29-Dec-23	31-Jan-24	29-Feb-24	28-Mar-24	30-Apr-24	8-May-24	16-May-24
Treasury bills (Excluding Repos)	11.35	10.83	11.18	10.53	10.60	10.60	10.74	10.73
Treasury bonds	84.39	84.59	84.46	85.19	85.20	85.32	85.10	85.49
Overdraft at Central Bank	1.54	1.86	1.65	1.81	1.75	1.67	1.73	1.76
Other domestic debt	2.72	2.72	2.70	2.47	2.45	2.41	2.43	2.02
of which IMF fund on lent to government	2.02	2.06	2.06	2.04	2.03	1.99	2.00	1.60
<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)**

	29-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	28-Mar-24	30-Apr-24	8-May-24	16-May-24
Banking Institutions	45.18	46.07	45.84	46.25	45.78	46.03	45.91	45.67
Insurance Companies	7.35	7.23	7.34	7.16	7.13	7.15	7.16	7.20
Parastatals	5.95	5.47	5.56	5.29	5.25	5.12	4.98	5.10
Pension Funds*	32.23	29.93	29.89	29.06	29.35	29.29	29.23	29.40
Other Investors	9.30	11.30	11.37	12.24	12.50	12.42	12.72	12.62
<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: Government Debt**

	Jun-22	Dec-22	Jun-23	Aug-23	Sep-23	Nov-23	Dec-23	Jan-24	Feb-24*
Domestic debt (KSh Bn)	4,288.33	4,472.84	4,832.11	4,912.34	4,917.47	4,990.75	5,050.11	5,050.44	5,214.33
Public & Publicly Guaranteed External debt (USD Bn)	36.58	37.88	38.76	38.61	38.27	38.50	38.92	38.51	39.38
Public & Publicly Guaranteed External debt (KSh Bn)	4,290.73	4,673.14	5,446.56	5,614.09	5,667.80	5,896.50	6,089.58	6,189.97	5,653.89
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>10,887.25</b>	<b>11,139.69</b>	<b>11,240.41</b>	<b>10,868.22</b>

\* Provisional

Source: The National Treasury and Central Bank of Kenya