



Central Bank of Kenya

# Weekly Bulletin

May 24, 2024



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### GDP Growth

The economy recorded robust growth of 5.6 percent in 2023 mainly supported by resilient services and strong growth of the agriculture sector. The rebound of the agriculture sector was driven by favourable weather conditions during the year. Service sectors that recorded strong growth, include finance and insurance, transport and storage, real estate, information and communication, and accommodation and food services **(Table 1)**.

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending May 23. It exchanged at KSh 131.36 per US dollar on May 23, compared to KSh 130.48 per US dollar on May 16 **(Table 2)**.

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 6,989 million (3.7 months of import cover) as of May 23. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover **(Table 3)**.

### Money Market

Liquidity in the money market remained adequate during the week ending May 23, supported by open market operations. Commercial banks' excess reserves stood at KSh 19.7 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.64 percent on May 23 compared to 13.60 percent on May 16. During the week, the average number of interbank deals declined to 37 from 42 in the previous week, while the average value traded increased to KSh 20.8 billion from KSh 18.4 billion in the previous week **(Table 4)**.

### Government Securities Market

The Treasury bills auction of May 23 received bids totaling KSh 24.04 billion against an advertised amount of KSh 24.0 billion, representing a performance of 100.2 percent. Interest rates on the 91-day, 182-day, and 364-day Treasury bills remained stable **(Table 5)**.

### Equity Market

At the Nairobi Securities Exchange, the NASI, the NSE 25 and NSE 20 share price indices increased by 4.0 percent, 4.3 percent, and 1.8 percent respectively during the week ending May 23. Market capitalization, equity turnover, and total shares traded also increased by 4.0 percent, 216.8 percent, and 216.7 percent, respectively **(Table 7)**.

### Bond Market

Bond turnover in the domestic secondary market decreased by 21.6 percent during the week ending May 23 **(Table 7)**. In the international market, yields on Kenya's Eurobonds increased by an average of 50.0 basis points, with the 2027 maturity increasing by 66.7 basis points. The yields on the 10- year Eurobonds for Angola and Zambia also increased **(Chart 2)**.

### Global Trends

The UK headline inflation declined from 3.2 percent in March to 2.3 percent in April, but the decline was below expectations. The minutes from the Federal Open Market Committee (FOMC) meeting suggested that the Fed remained concerned about inflation. The US dollar index strengthened by 0.6 percent against a basket of major currencies during the week ending May 23.

International oil prices declined during the week ending May 23, reflecting lower demand. Murban oil price declined to USD 83.60 per barrel on May 23 from USD 84.02 per barrel on May 16.

**Table 1: Real GDP Growth by Sector (Percent)**

	2022				Annual 2022	2023				Annual 2023
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
<b>Agriculture</b>	-0.9	-2.1	-1.1	-1.7	-1.5	6.4	7.8	5.1	6.2	6.5
<b>2. Non-Agriculture (o/w)</b>	7.6	6.7	5.6	5.2	6.3	5.3	5.1	6.2	4.9	5.4
<b>2.1 Industry</b>	5.2	4.9	3.9	1.7	3.9	1.7	1.4	3.1	1.3	1.9
Mining & Quarrying	18.2	16.3	16.5	-9.8	9.3	-11.0	-8.3	0.8	-6.9	-6.5
Manufacturing	3.6	3.6	1.9	1.5	2.6	2.0	1.6	2.7	1.7	2.0
Electricity & water supply	3.2	5.9	6.7	6.2	5.5	3.8	2.8	3.3	1.3	2.8
Construction	6.0	4.5	3.5	2.5	4.1	3.0	2.7	4.0	2.2	3.0
<b>2.2 Services</b>	8.3	7.5	6.0	6.2	7.0	6.8	6.8	7.8	6.5	7.0
Wholesale & Retail Trade	4.5	3.7	3.3	2.7	3.5	2.9	2.1	3.1	2.8	2.7
Accommodation & Food Services	35.9	40.1	16.0	21.9	26.8	47.1	42.7	34.5	18.1	33.6
Transport & Storage	6.7	6.5	5.4	4.8	5.8	6.6	4.6	5.1	8.5	6.2
Information & Communication	8.1	10.1	10.7	7.4	9.0	9.5	7.6	8.8	11.0	9.3
Financial & Insurance	16.4	15.3	8.7	8.8	12.0	5.9	13.2	15.5	6.3	10.1
Public administration	6.5	4.3	4.2	5.7	5.1	7.6	3.2	4.6	3.4	4.6
Professional, Administration & Support Services	13.3	11.1	9.1	5.3	9.5	8.6	6.6	9.7	12.8	9.5
Real estate	4.8	4.1	4.1	4.8	4.5	7.3	8.1	7.7	6.2	7.3
Education	4.5	4.6	4.4	7.0	5.2	2.0	3.1	3.5	3.9	3.1
Health	4.8	3.2	2.4	3.3	3.4	5.1	4.7	5.0	4.8	4.9
Other services	9.2	5.0	6.6	5.4	6.5	4.6	2.4	6.4	2.9	4.1
FISIM	0.4	0.3	0.1	0.2	0.2	0.6	4.9	2.9	2.5	2.7
<b>2.3 Taxes on products</b>	8.3	5.4	6.8	6.2	6.7	3.0	1.8	1.9	2.0	2.2
<b>Real GDP Growth</b>	5.9	4.9	4.6	4.1	4.9	5.5	5.6	6.0	5.1	5.6

Source: Kenya National Bureau of Statistics

**Table 2: Kenya Shilling Exchange Rates**

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
10-May-24	<b>Public Holiday</b>							
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 13-16</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>
17-May-24	130.73	165.46	141.93	83.90	28.78	19.81	9.90	21.95
20-May-24	130.99	165.93	142.17	84.09	28.86	19.81	9.89	21.91
21-May-24	131.20	166.73	142.47	83.90	28.96	19.78	9.87	21.88
22-May-24	131.14	166.72	142.36	83.90	29.05	19.79	9.88	21.89
23-May-24	131.36	167.25	142.35	83.93	28.93	19.75	9.87	21.85
<b>May 17-23</b>	<b>131.08</b>	<b>166.42</b>	<b>142.26</b>	<b>83.94</b>	<b>28.92</b>	<b>19.79</b>	<b>9.88</b>	<b>21.89</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

**Table 3: Official Foreign Exchange Reserves (USD Million)**

	25-Apr-24	2-May-24	9-May-24	16-May-24	23-May-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,232	7,179	7,180	7,130	6,989
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.8	3.8	3.8	3.8	3.7

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

Source: Central Bank of Kenya

**Table 4: Money Markets**

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
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>
17-May-24	38	18,550.00	13.65
20-May-24	35	22,120.00	13.69
21-May-24	37	27,070.00	13.65
22-May-24	36	16,370.00	13.64
23-May-24	37	19,720.00	13.64
<b>May 17-23</b>	<b>37</b>	<b>20,766.00</b>	<b>13.65</b>

Source: Central Bank of Kenya

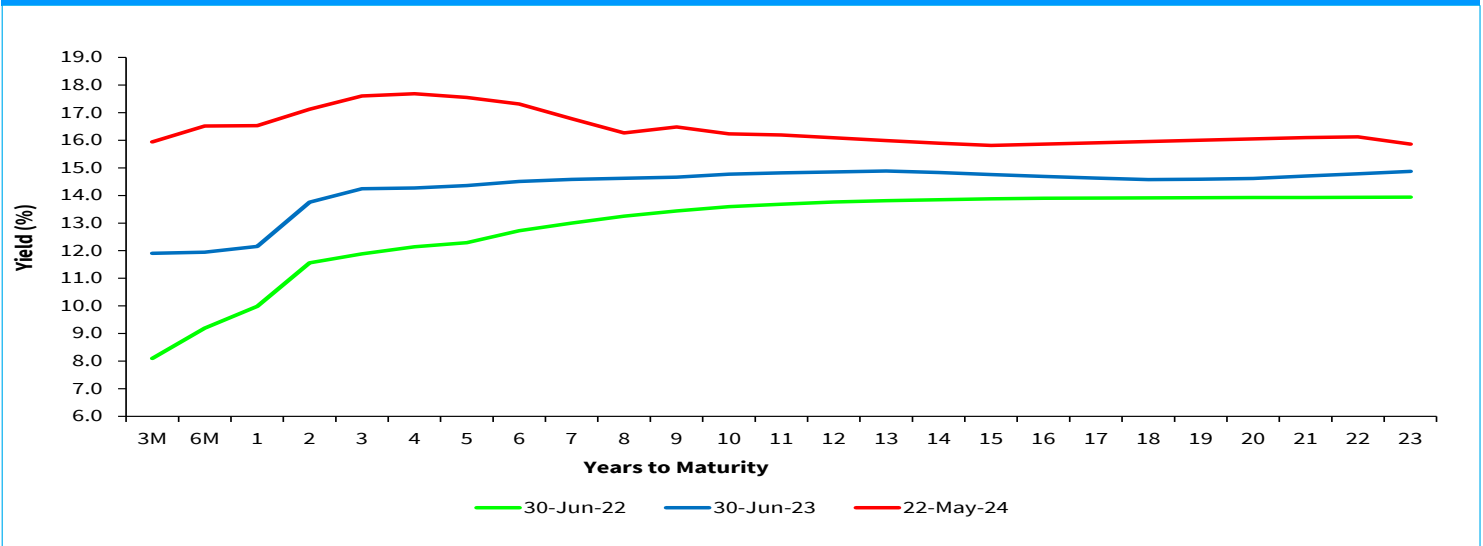
Table 5: Performance of Treasury Bill Auctions						
<b>91-Day Treasury Bills</b>						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	25-Apr-24	16-May-24	23-May-24
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	5,779.97	8,516.51	5,380.72	5,985.83	13,014.02	7,104.38
Amount Accepted (KSh M)	2,705.12	6,986.46	3,867.98	5,732.45	12,760.72	7,024.59
Maturities (KSh M)	2,814.15	3,254.55	7,215.65	14,412.70	25,733.85	5,736.15
<b>Average Interest Rate (%)</b>	<b>11.904</b>	<b>15.983</b>	<b>16.729</b>	<b>15.823</b>	<b>15.937</b>	<b>15.945</b>
<b>182-Day Treasury Bills</b>						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	25-Apr-24	16-May-24	23-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)	2,195.96	322.85	2,702.14	6,932.54	18,043.66	11,649.75
Amount Accepted (KSh M)	1,300.96	322.85	2,049.15	6,924.47	17,810.73	11,412.51
Maturities (KSh M)	442.15	1,365.20	552.85	6,072.00	9,952.65	2,459.95
<b>Average Interest Rate (%)</b>	<b>11.947</b>	<b>15.967</b>	<b>16.888</b>	<b>16.460</b>	<b>16.518</b>	<b>16.564</b>
<b>364-Day Treasury Bills</b>						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	25-Apr-24	16-May-24	23-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)	1,514.41	1,661.91	7,753.83	10,644.22	15,682.86	5,280.88
Amount Accepted (KSh M)	1,514.41	1,661.91	7,596.50	10,644.22	15,505.49	5,276.60
Maturities (KSh M)	2,417.65	1,858.45	1,915.90	1,588.15	8,553.30	4,178.15
<b>Average Interest Rate (%)</b>	<b>12.157</b>	<b>16.100</b>	<b>16.990</b>	<b>16.492</b>	<b>16.530</b>	<b>16.623</b>

Source: Central Bank of Kenya

Table 6: 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)

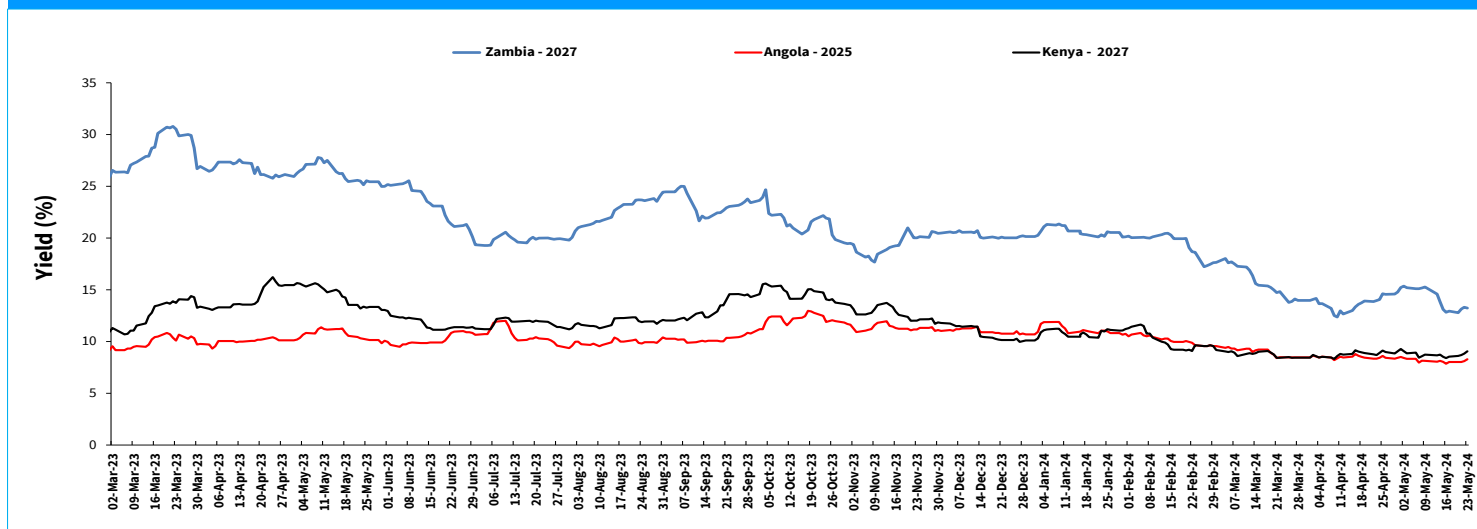
### Table 7: Performance of Key Market Indicators

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
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>
17-May-24	110.51	2893.34	1704.97	1311.00	16.01	222.50	1726.50	3,090.3	8.54	8.79	9.40	9.37	9.39	9.77
20-May-24	112.12	2926.04	1693.83	1416.00	13.45	350.39	1751.73	4,279.7	8.62	8.83	9.43	9.42	9.47	9.84
21-May-24	113.58	2960.50	1703.07	1201.00	19.82	360.46	1751.73	3,163.6	8.69	8.96	9.51	9.50	9.56	9.90
22-May-24	115.33	2985.71	1712.49	1287.00	29.36	743.06	1801.83	2,702.5	8.84	9.04	9.60	9.58	9.66	9.96
23-May-24	113.60	2976.15	1716.87	1368.00	20.57	411.00	1774.80	6,986.2	9.07	9.17	9.77	9.76	9.83	10.11
<b>May 17-23</b>	<b>113.60</b>	<b>2976.15</b>	<b>1716.87</b>	<b>6583.00</b>	<b>99.23</b>	<b>2087.41</b>	<b>1774.80</b>	<b>20,222.18</b>	<b>9.07</b>	<b>9.17</b>	<b>9.77</b>	<b>9.76</b>	<b>9.83</b>	<b>10.11</b>
<b>Weekly Changes (%)</b>	<b>4.0</b>	<b>4.3</b>	<b>1.8</b>	<b>37.4</b>	<b>216.7</b>	<b>216.8</b>	<b>4.0</b>	<b>-21.6</b>	<b>0.667*</b>	<b>0.502*</b>	<b>0.466*</b>	<b>0.501*</b>	<b>0.485*</b>	<b>0.379*</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 8: Government Domestic Debt (KSh Billion)**

	30-Dec-22	30-Jun-23	29-Dec-23	29-Feb-24	28-Mar-24	30-Apr-24	16-May-24	22-May-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	546.90	549.07	557.01	566.66	569.60	575.68
<i>(As % of total securities)</i>	<b>15.32</b>	<b>13.28</b>	<b>11.35</b>	<b>11.00</b>	<b>11.06</b>	<b>11.05</b>	<b>11.15</b>	<b>11.25</b>
2. Treasury Bonds	3,710.62	4,013.89	4,271.82	4,442.10	4,478.54	4,561.02	4,539.76	4,539.76
<i>(As % of total securities)</i>	<b>84.68</b>	<b>86.72</b>	<b>88.65</b>	<b>89.00</b>	<b>88.94</b>	<b>88.95</b>	<b>88.85</b>	<b>88.75</b>
3. Total Securities (1+2)	4,382.13	4,628.62	4,818.72	4,991.17	5,035.54	5,127.67	5,109.36	5,115.44
4. Overdraft at Central Bank	58.50	76.46	94.13	94.32	92.18	89.31	93.29	91.72
5. Other Domestic debt*	32.76	127.04	137.26	128.84	107.46	107.46	107.46	107.46
<i>of which IMF funds on-lent to Government</i>		<b>95.52</b>	<b>104.24</b>	<b>106.49</b>	<b>84.70</b>	<b>84.70</b>	<b>84.70</b>	<b>84.70</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>5,214.33</b>	<b>5,235.19</b>	<b>5,324.44</b>	<b>5,310.11</b>	<b>5,314.62</b>

\* Other domestic debt includes clearing items in transit, advances from commercial banks and Pre-1997 Government Overdraft.

Source: Central Bank of Kenya

**Table 9: Composition of Government Domestic Debt by Instrument (Percent)**

	30-Dec-22	30-Jun-23	29-Dec-23	29-Feb-24	28-Mar-24	30-Apr-24	16-May-24	22-May-24
Treasury bills (Excluding Repos)	15.01	12.72	10.83	10.53	10.64	10.64	10.73	10.83
Treasury bonds	82.95	83.07	84.59	85.19	85.55	85.66	85.49	85.42
Overdraft at Central Bank	1.31	1.58	1.86	1.81	1.76	1.68	1.76	1.73
Other domestic debt	0.73	2.63	2.72	2.47	2.05	2.02	2.02	2.02
<i>of which IMF fund on lent to government</i>		1.98	2.06	2.04	1.62	1.59	1.60	1.59
<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 Domestic Debt by Holder (Percent)**

	30-Dec-22	30-Jun-23	29-Dec-23	23-Feb-24	28-Mar-24	30-Apr-24	16-May-24	22-May-24
Banking Institutions	46.84	46.17	46.07	46.25	45.78	46.03	45.67	45.66
Insurance Companies	7.37	7.31	7.23	7.16	7.13	7.15	7.20	7.19
Parastatals	6.06	5.98	5.47	5.29	5.25	5.12	5.10	5.28
Pension Funds*	33.31	33.42	29.93	29.06	29.35	29.29	29.40	29.37
Other Investors	6.43	7.13	11.30	12.24	12.50	12.42	12.62	12.49
<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 11: Public Debt**

	Jun-22	Dec-22	Jun-23	Sep-23	Nov-23	Dec-23	Jan-24	Feb-24	March-24*
Domestic debt (KSh Bn)	4,288.33	4,472.84	4,832.11	4,917.47	4,990.75	5,050.11	5,050.44	5,214.33	5,235.19
Public & Publicly Guaranteed External debt (USD Bn)	36.58	37.88	38.76	38.27	38.50	38.92	38.51	39.38	39.18
Public & Publicly Guaranteed External debt (KSh Bn)	4,290.73	4,673.14	5,446.56	5,667.80	5,896.50	6,089.58	6,189.97	5,653.89	5,163.42
<b>Public debt (KSh Bn)</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>11,240.41</b>	<b>10,868.22</b>	<b>10,398.61</b>

\* Provisional

Source: The National Treasury and Central Bank of Kenya