



Central Bank of Kenya

Weekly Bulletin

May 31, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending May 30. It exchanged at KSh 131.87 per US dollar on May 30, compared to KSh 131.36 per US dollar on May 23 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 6,975 million (3.6 months of import cover) as of May 29. 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 30, supported by open market operations. Commercial banks' excess reserves stood at KSh 15.7 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.41 percent on May 30 compared to 13.64 percent on May 23. During the week, the average number of interbank deals increased to 39 from 37 in the previous week, while the average value traded declined to KSh 18.1 billion from KSh 20.8 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bills auction of May 30 received bids totaling KSh 33.5 billion against an advertised amount of KSh 24.0 billion, representing a performance of 139.6 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 NSE 25 and NSE 20 share price indices increased by 0.1 percent and 0.4 percent respectively, while the NASI declined by 0.4 percent during the week ending May 30. Equity turnover and total shares traded increased by 443.8 percent, and 200.5 percent, while Market capitalization decreased by 0.4 percent (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market increased by 16.1 percent during the week ending May 30 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 12.2 basis points, with the 2027 maturity increasing by 160.0 basis points. The yield on the 10- year Eurobonds for Angola and Zambia also increased (**Chart 2**).

Global Trends

Inflation has remained sticky in advanced countries, with headline inflation in Germany rising to 2.4 percent in May 2024 from 2.2 percent in April while France's inflation remained unchanged at 2.2 percent. The US dollar index weakened by 0.4 percent against a basket of major currencies during the week ending May 30.

International oil prices rose during the week ending May 30 attributed to growing global demand. Murban oil price increased to USD 84.75 per barrel on May 30 compared to USD 83.60 per barrel on May 23 in anticipation of the OPEC+ meeting scheduled for June 2, 2024.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
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
May 17-23	131.08	166.42	142.26	83.94	28.92	19.79	9.88	21.89
24-May-24	132.03	168.22	143.23	84.21	28.86	19.68	9.89	21.73
27-May-24	131.73	167.80	143.03	84.04	29.04	19.74	9.84	21.79
28-May-24	132.41	169.19	144.01	84.48	28.74	19.64	9.79	21.68
29-May-24	132.71	169.56	144.14	84.59	28.73	19.63	9.77	21.64
30-May-24	131.87	167.39	142.33	83.91	28.91	19.72	9.84	21.78
May 24-30	132.15	168.43	143.35	84.25	28.85	19.68	9.83	21.72

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	2-May-24	9-May-24	16-May-24	23-May-24	29-May-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,179	7,180	7,130	6,989	6,975
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.8	3.8	3.8	3.7	3.6

*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 (%)
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
May 17-23	37	20,766.00	13.65
24-May-24	46	25,030.00	13.58
27-May-24	37	17,535.00	13.59
28-May-24	37	15,130.00	13.52
29-May-24	35	14,120.00	13.51
30-May-24	39	18,630.00	13.41
May 24-30	39	18,089.00	13.52

Source: Central Bank of Kenya

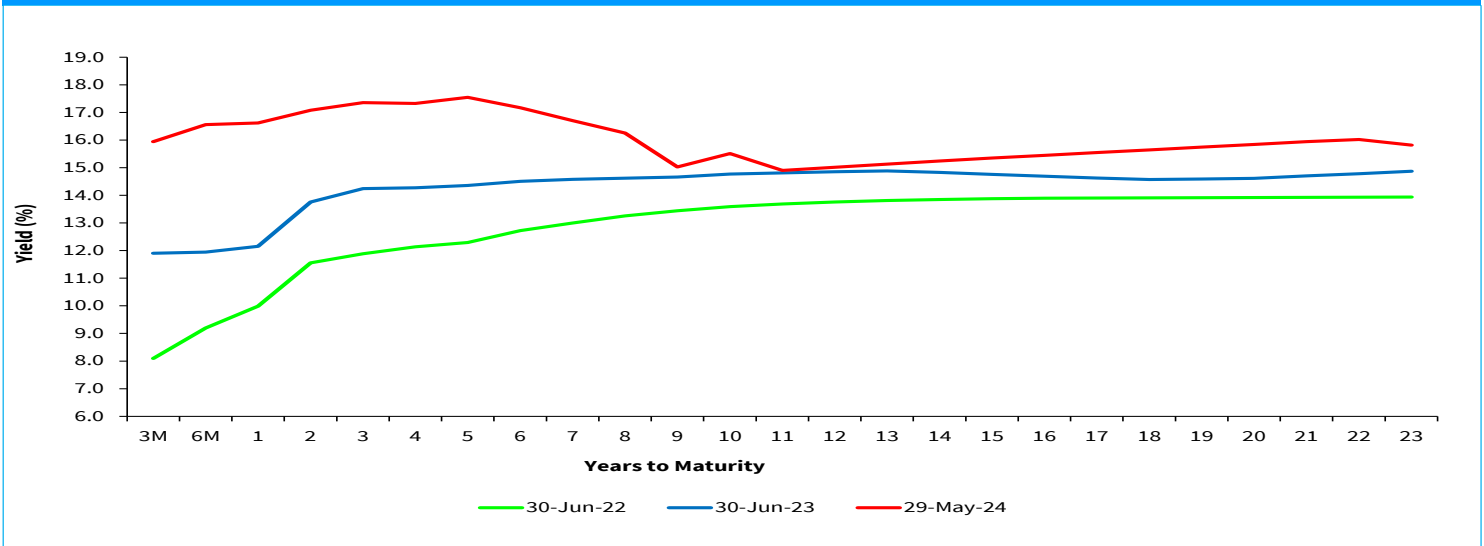
Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	25-Apr-24	23-May-24	30-May-24
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	5,779.97	8,516.51	5,380.72	5,985.83	7,104.38	17,863.94
Amount Accepted (KSh M)	2,705.12	6,986.46	3,867.98	5,732.45	7,024.59	17,437.83
Maturities (KSh M)	2,814.15	3,254.55	7,215.65	14,412.70	5,736.15	12,607.70
Average Interest Rate (%)	11.904	15.983	16.729	15.823	15.945	15.955
182-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	25-Apr-24	23-May-24	30-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	11,649.75	9,171.79
Amount Accepted (KSh M)	1,300.96	322.85	2,049.15	6,924.47	11,412.51	9,012.98
Maturities (KSh M)	442.15	1,365.20	552.85	6,072.00	2,459.95	2,805.50
Average Interest Rate (%)	11.947	15.967	16.888	16.460	16.564	16.608
364-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	25-Apr-24	23-May-24	30-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	5,280.88	6,474.59
Amount Accepted (KSh M)	1,514.41	1,661.91	7,596.50	10,644.22	5,276.60	6,339.81
Maturities (KSh M)	2,417.65	1,858.45	1,915.90	1,588.15	4,178.15	2,867.20
Average Interest Rate (%)	12.157	16.100	16.990	16.492	16.623	16.706

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)

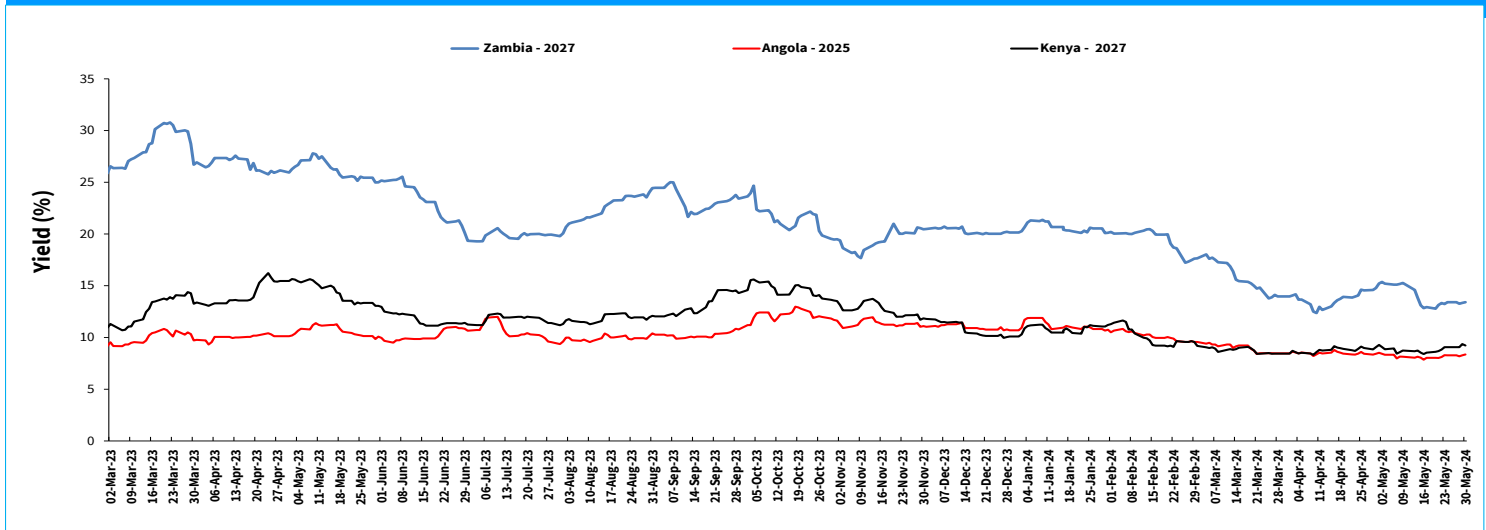
Table 6: Performance of Key Market Indicators

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 Million)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2028	6-Year 2031	12-Year 2032	13-Year 2034	30-Year 2048
17-May-24	110.51	2,893.34	1,704.97	1,311.00	16.01	222.50	1,726.50	3,090.28	8.54	8.79	9.40	9.37	9.39	9.77
20-May-24	112.12	2,926.04	1,693.83	1,416.00	13.45	350.39	1,751.73	4,279.65	8.62	8.83	9.43	9.42	9.47	9.84
21-May-24	113.58	2,960.50	1,703.07	1,201.00	19.82	360.46	1,751.73	3,163.60	8.69	8.96	9.51	9.50	9.56	9.90
22-May-24	115.33	2,985.71	1,712.49	1,287.00	29.36	743.06	1,801.83	2,702.45	8.84	9.04	9.60	9.58	9.66	9.96
23-May-24	113.60	2,976.15	1,716.87	1,368.00	20.57	411.00	1,774.80	6,986.20	9.07	9.17	9.77	9.76	9.83	10.11
May 17-23	113.60	2,976.15	1,716.87	6,583.00	99.23	2,087.41	1,774.80	20,222.18	9.07	9.17	9.77	9.76	9.83	10.11
24-May-24	113.10	2,972.58	1,717.43	1,250.00	15.31	366.70	1,767.05	5,315.95	9.07	9.21	9.77	9.79	9.86	10.11
27-May-24	111.82	2,915.24	1,687.35	1,501.00	8.50	309.14	1,747.02	4,236.20	9.07	9.21	9.77	9.79	9.86	10.11
28-May-24	114.39	2,967.69	1,717.56	1,514.00	47.40	1,141.10	1,787.12	6,561.05	9.07	9.22	9.77	9.79	9.86	10.11
29-May-24	114.23	2,978.84	1,721.81	1,285.00	29.14	669.44	1,785.54	2,289.80	9.37	9.38	9.92	9.90	10.01	10.22
30-May-24	113.09	2,978.84	1,724.18	1,496.00	197.86	8,864.35	1,766.85	5,077.00	9.23	9.39	9.86	9.85	9.94	10.19
May 24-30	113.09	2,978.84	1,724.18	7,046.00	298.21	11,350.72	1,766.85	23,480.00	9.23	9.39	9.86	9.85	9.94	10.19
Weekly Changes (%)	-0.4	0.1	0.4	7.0	200.5	443.8	-0.4	16.1	0.160*	0.217*	0.088*	0.083*	0.103*	0.082*

* 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)

	30-Jun-23	29-Dec-23	29-Feb-24	28-Mar-24	30-Apr-24	16-May-24	22-May-24	29-May-24
1. Treasury Bills (Excluding Repos)	614.73	546.90	549.07	557.01	566.66	569.60	575.68	588.92
<i>(As % of total securities)</i>	13.28	11.35	11.00	11.06	11.05	11.15	11.25	11.48
2. Treasury Bonds	4,013.89	4,271.82	4,442.10	4,478.54	4,561.02	4,539.76	4,539.76	4,539.76
<i>(As % of total securities)</i>	86.72	88.65	89.00	88.94	88.95	88.85	88.75	88.52
3. Total Securities (1+2)	4,628.62	4,818.72	4,991.17	5,035.54	5,127.67	5,109.36	5,115.44	5,128.68
4. Overdraft at Central Bank	76.46	94.13	94.32	92.18	89.31	93.29	91.72	80.56
5. Other Domestic debt*	127.04	137.26	128.84	107.46	107.46	107.46	107.46	107.46
<i>of which IMF funds on-lent to Government</i>	95.52	104.24	106.49	84.70	84.70	84.70	84.70	84.70
6. Gross Domestic Debt (3+4+5)	4,832.11	5,050.11	5,214.33	5,235.19	5,324.44	5,310.11	5,314.62	5,316.70

* 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	29-Feb-24	28-Mar-24	30-Apr-24	22-May-24	29-May-24
Treasury bills (Excluding Repos)	15.01	12.72	10.83	10.53	10.64	10.64	10.83	11.08
Treasury bonds	82.95	83.07	84.59	85.19	85.55	85.66	85.42	85.39
Overdraft at Central Bank	1.31	1.58	1.86	1.81	1.76	1.68	1.73	1.52
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	1.59	1.59
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	23-Feb-24	28-Mar-24	30-Apr-24	22-May-24	29-May-24
Banking Institutions	46.84	46.17	46.07	46.25	45.78	46.03	45.66	45.59
Insurance Companies	7.37	7.31	7.23	7.16	7.13	7.15	7.19	7.19
Parastatals	6.06	5.98	5.47	5.29	5.25	5.12	5.28	5.19
Pension Funds*	33.31	33.42	29.93	29.06	29.35	29.29	29.37	29.43
Other Investors	6.43	7.13	11.30	12.24	12.50	12.42	12.49	12.59
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

	Dec-21	Jun-22	Dec-22	Jun-23	Sep-23	Nov-23	Dec-23	Feb-24	March-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)	8,206.74	8,579.06	9,145.98	10,278.67	10,585.27	10,887.25	11,139.69	10,868.22	10,398.61

* Provisional

Source: The National Treasury and Central Bank of Kenya