



Central Bank of Kenya

Weekly Bulletin

July 12, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending July 11. It exchanged at KSh 128.98 per US dollar on July 11, compared to KSh 128.71 per US dollar on July 4 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,896 million (4.1 months of import cover) as of July 11. 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 July 11, supported by open market operations and government payments. Commercial banks' excess reserves stood at KSh 18.4 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.17 percent compared to 13.30 percent in the week ending July 4. During the week, the average number of interbank deals increased to 47 from 36 in the previous week, while the average value traded increased to KSh 29.6 billion from KSh 24.2 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bills auction of July 11 received bids totalling KSh 32.9 billion against an advertised amount of KSh 24.0 billion, representing a performance of 137.3 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 NASI, NSE 25 and NSE 20 share price indices increased by 0.9 percent, 2.0 percent and 0.9 percent, respectively during the week ending July 11. Market capitalization increased by 0.9 percent, while equity turnover and total shares traded declined by 8.8 percent and 15.9 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market declined by 24.7 percent during the week ending July 11 (**Table 6**). In the international market, yields on Kenya's Eurobonds declined by an average of 36.4 basis points. The yield on the 10- Year Eurobond for Angola also declined but that of Zambia increased marginally (**Chart 2**).

Global Trends

Inflation concerns in advanced economies continued to ease in June. U.S. inflation declined to 3 percent in June from 3.3 percent in May, driven by lower gasoline prices and moderating rental rates. The US dollar index weakened by 0.66 percent against a basket of major currencies during the week ending July 11.

International oil prices declined during the week ending July 11, reflecting reduced concerns over supply disruptions. Murban oil price declined to USD 85.18 per barrel on July 11 compared to USD 87.44 per barrel on July 4.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
28-Jun-24	129.53	163.90	138.87	80.76	28.64	20.27	10.09	22.21
1-Jul-24	129.52	163.74	138.60	80.80	28.64	20.50	10.09	22.21
2-Jul-24	128.90	163.62	138.69	79.94	28.79	20.52	10.14	22.32
3-Jul-24	128.70	163.11	138.17	79.70	28.75	20.55	10.15	22.36
4-Jul-24	128.71	164.00	138.82	79.68	28.69	20.86	10.16	22.36
Jun 28 - Jul 4	129.07	163.68	138.63	80.18	28.70	20.54	10.13	22.29
5-Jul-24	128.47	164.03	139.00	79.92	28.80	20.67	10.18	22.40
8-Jul-24	128.50	164.39	138.99	79.73	28.79	20.66	10.22	22.39
9-Jul-24	128.53	165.05	139.33	79.95	28.87	20.66	10.18	22.39
10-Jul-24	128.61	164.73	139.14	79.78	28.81	20.64	10.17	22.38
11-Jul-24	128.98	165.50	139.60	79.85	28.72	20.58	10.15	22.32
Jul 5-11	128.62	164.74	139.21	79.85	28.80	20.64	10.18	22.38

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	13-Jun-24	20-Jun-24	27-Jun-24	4-Jul-24	11-Jul-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,012	8,321	7,800	7,775	7,896
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.7	4.3	4.1	4.0	4.1

*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 (%)
28-Jun-24	43	34,875.00	13.30
1-Jul-24	39	31,178.00	13.31
2-Jul-24	41	22,232.00	13.31
3-Jul-24	35	22,568.00	13.33
4-Jul-24	24	10,200.00	13.26
Jun 28- Jul 4	36	24,210.60	13.30
5-Jul-24	32	13,630.00	13.20
8-Jul-24	52	29,106.00	13.22
9-Jul-24	34	19,525.00	13.21
10-Jul-24	55	39,220.00	13.14
11-Jul-24	64	46,421.00	13.09
Jul 4-11	47	29,580.40	13.17

Source: Central Bank of Kenya

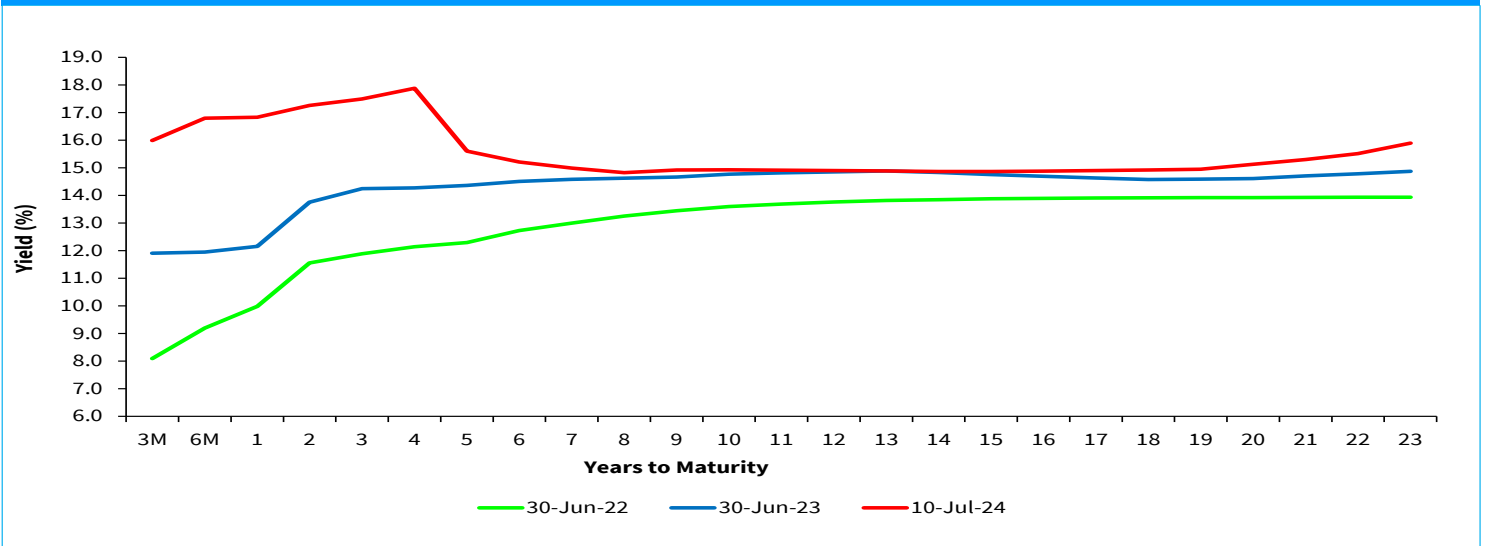
Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	28-Dec-23	28-Mar-24	30-May-24	27-Jun-24	4-Jul-24	11-Jul-24
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	8,516.51	5,380.72	17,863.94	4,361.03	14,803.88	14,588.20
Amount Accepted (KSh M)	6,986.46	3,867.98	17,437.83	2,745.34	12,842.87	13,069.60
Maturities (KSh M)	3,254.55	7,215.65	12,607.70	3,922.10	8,128.05	16,923.60
Average Interest Rate (%)	15.983	16.729	15.955	15.977	15.987	15.995
182-Day Treasury Bills						
Date of Auction	28-Dec-23	28-Mar-24	30-May-24	27-Jun-24	4-Jul-24	11-Jul-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)	322.85	2,702.14	9,171.79	1,494.42	9,419.93	10,064.72
Amount Accepted (KSh M)	322.85	2,049.15	9,012.98	1,479.67	9,419.93	9,041.04
Maturities (KSh M)	1,365.20	552.85	2,805.50	293.25	5,005.65	9,320.20
Average Interest Rate (%)	15.967	16.888	16.608	16.764	16.795	16.822
364-Day Treasury Bills						
Date of Auction	28-Dec-23	28-Mar-24	30-May-24	27-Jun-24	4-Jul-24	11-Jul-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)	1,661.91	7,753.83	6,474.59	1,833.64	5,632.46	8,296.85
Amount Accepted (KSh M)	1,661.91	7,596.50	6,339.81	1,828.51	5,632.46	8,137.32
Maturities (KSh M)	1,858.45	1,915.90	2,867.20	1,679.00	2,528.60	1,985.80
Average Interest Rate (%)	16.100	16.990	16.706	16.791	16.830	16.880

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions									
Date of Auction	5-Jun-24		12-Jun-24		20-Jun-24				4-Jul-24
	RE-OPEN		RE-OPEN		TAP				TAP
Tenor	FXD1/ 2023/002	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2023/010	FXD1/ 2023/002	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2023/010	FXD1/ 2023/002
Amount offered (KSh M)	30,000.00		30,000.00		20,000.00				20,000.00
Bids received (KSh M)	8,445.84	24,393.57	31,942.72	9,616.66	1,799.80	3,265.80	11,228.55	8,840.10	487.50
Amount Accepted (KSh M)	7,075.38	23,808.75	22,586.77	7,583.81	1,795.73	3,316.47	10,811.16	7,936.60	486.48
Maturities (KSh M)	0.00		0.00		0.00				0.00
Average interest Rate (%)	17.12	17.59	18.16	16.39	17.12	17.59	18.16	16.39	17.12

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

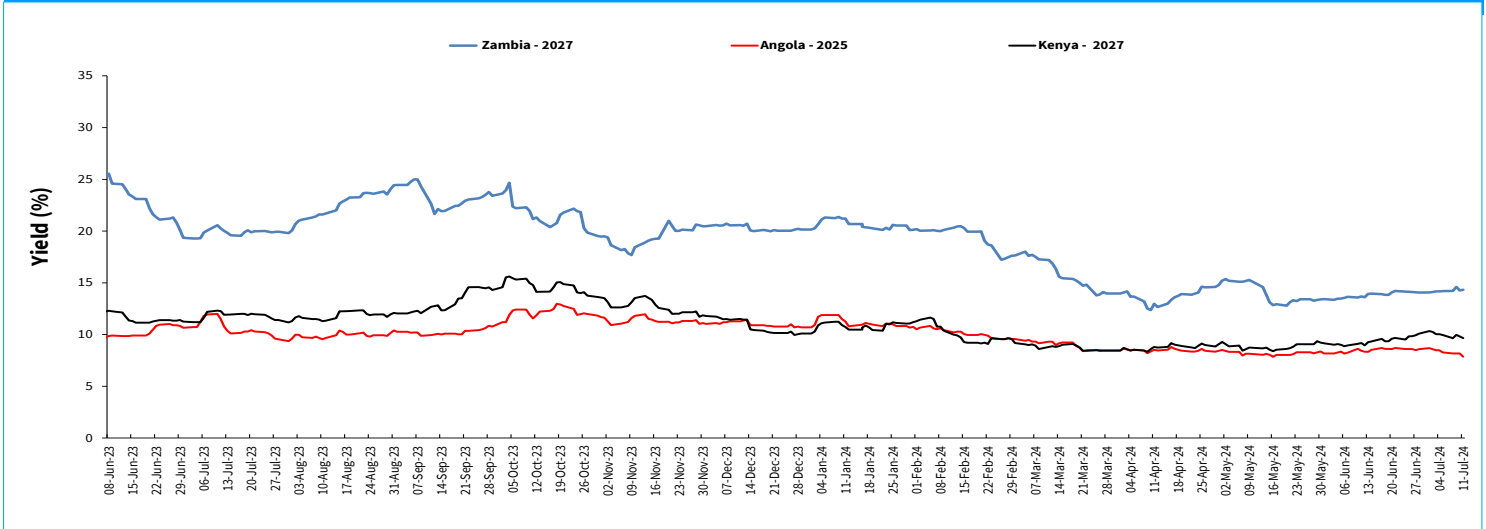
Table 6: Performance of Key Market Indicators

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
28-Jun-24	109.49	2861.04	1656.50	1,033.00	9.6	163.9	1710.6	8470.5	10.088	10.391	10.839	10.838	10.809	10.976
1-Jul-24	109.62	2856.21	1655.48	1,130.00	5.5	75.4	1712.6	5656.4	10.328	10.572	11.074	11.042	10.998	11.069
2-Jul-24	109.25	2847.32	1649.15	1,139.00	11.2	211.7	1706.9	6123.3	10.258	10.532	11.093	11.044	11	11.051
3-Jul-24	109.00	2842.28	1648.98	1,104.00	18.0	293.7	1702.9	8351.2	10.034	10.359	10.936	10.872	10.869	10.903
4-Jul-24	108.68	2839.69	1666.76	1,009.00	15.0	298.8	1698.0	8030.8	10.034	10.359	10.936	10.872	10.869	10.903
Jun 28- Jul 4	108.68	2,839.69	1,666.76	5,415.00	59.32	1,043.60	1,698.04	36,632.10	10.034	10.359	10.936	10.872	10.869	10.903
5-Jul-24	109.02	2,854.75	1,659.68	907	4.71	97.14	1703.30	6,262.95	9.959	10.139	10.717	10.671	10.684	10.794
8-Jul-24	109.96	2,891.35	1,678.00	1,278	11.08	169.79	1718.03	13,182.95	9.648	9.876	10.501	10.501	10.475	10.669
9-Jul-24	109.98	2,890.38	1,676.04	1,198	6.78	133.74	1718.25	11,161.45	9.967	10.143	10.687	10.672	10.633	10.776
10-Jul-24	110.05	2,908.01	1,675.22	1,127	10.57	234.73	1719.36	9,478.50	9.813	10.012	10.563	10.559	10.555	10.705
11-Jul-24	109.68	2,896.75	1,682.21	1,033	16.77	316.65	1713.64	5,597.70	9.667	9.93	10.503	10.504	10.480	10.705
July 5-11	109.68	2,896.75	1,682.21	5,543.00	49.91	952.04	1,713.64	45,683.55	9.667	9.930	10.503	10.504	10.480	10.705
Weekly Changes (%)	0.9	2.0	0.9	2.4	-15.9	-8.8	0.9	24.7	-0.327*	-0.429*	-0.433*	-0.368*	-0.389*	-0.198*

* 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	29-May-24	26-Jun-24	3-Jul-24	10-Jul-24
1. Treasury Bills (Excluding Repos)	614.73	546.90	549.07	557.01	588.92	615.89	616.00	630.01
<i>(As % of total securities)</i>	13.28	11.35	11.00	11.06	11.48	11.75	11.75	11.98
2. Treasury Bonds	4,013.89	4,271.82	4,442.10	4,478.54	4,539.76	4,627.12	4,627.12	4,627.57
<i>(As % of total securities)</i>	86.72	88.65	89.00	88.94	88.52	88.25	88.25	88.02
3. Total Securities (1+2)	4,628.62	4,818.72	4,991.17	5,035.54	5,128.68	5,243.01	5,243.12	5,257.58
4. Overdraft at Central Bank	76.46	94.13	94.32	92.18	80.56	61.02	61.42	50.03
5. Other Domestic debt*	127.04	137.26	128.84	107.46	107.46	105.08	106.24	106.24
<i>of which IMF funds on-lent to Government</i>	95.52	104.24	106.49	84.70	84.70	83.54	83.54	83.54
6. Gross Domestic Debt (3+4+5)	4,832.11	5,050.11	5,214.33	5,235.19	5,316.70	5,409.11	5,410.79	5,413.86

* 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-Jun-23	29-Dec-23	29-Feb-24	28-Mar-24	29-May-24	26-Jun-24	3-Jul-24	10-Jul-24
Treasury bills (Excluding Repos)	12.72	10.83	10.53	10.64	11.08	11.39	11.38	11.64
Treasury bonds	83.07	84.59	85.19	85.55	85.39	85.54	85.52	85.48
Overdraft at Central Bank	1.58	1.86	1.81	1.76	1.52	1.13	1.14	0.92
Other domestic debt	2.63	2.72	2.47	2.05	2.02	1.94	1.96	1.96
<i>of which IMF fund on lent to government</i>	1.98	2.06	2.04	1.62	1.59	1.54	1.54	1.54
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-Jun-23	29-Dec-23	23-Feb-24	28-Mar-24	29-May-24	26-Jun-24	3-Jul-24	10-Jul-24
Banking Institutions	46.17	46.07	46.25	45.78	45.59	45.11	45.12	45.08
Insurance Companies	7.31	7.23	7.16	7.13	7.19	7.23	7.22	7.23
Parastatals	5.98	5.47	5.29	5.25	5.19	5.13	5.12	5.10
Pension Funds*	33.42	29.93	29.06	29.35	29.43	29.61	29.60	29.58
Other Investors	7.13	11.30	12.24	12.50	12.59	12.92	12.94	13.00
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	Mar-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