



Central Bank of Kenya

Weekly Bulletin

February 7, 2025



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Monetary Policy Committee Meeting

The Monetary Policy Committee (MPC) met on February 5, 2025, and decided to lower the Central Bank Rate (CBR) from 11.25 percent to 10.75 percent and to reduce the Cash Reserve Ratio (CRR) from 4.25 percent to 3.25 percent. The MPC noted that overall inflation was expected to remain below the midpoint of the target range in the near term, supported by a low and stable core inflation, low energy prices inflation, and exchange rate stability. Additionally, the Committee noted that central banks in the major economies have continued to lower their interest rates, but at different paces. Further, the Committee noted that economic growth decelerated in 2024, and therefore there was scope for a further easing of the monetary policy stance to support economic activity, while ensuring exchange rate stability. The Committee also noted that the reduction of the CRR will release additional liquidity to banks. This is expected to lower the cost of funds and lending rates, and support lending to the private sector.

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending February 6. It exchanged at KSh 129.19 per US dollar on February 6, compared to KSh 129.25 per US dollar on January 30, 2025 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 9,219 million (4.7 months of import cover) as of February 6. 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 improved during the week ending February 6, following reduction in CRR. Commercial banks' excess reserves stood at KSh 17.3 billion in relation to the 3.25 percent cash reserves requirement (CRR). The average interbank rate was at 10.70 percent on February 6 compared to 11.23 percent on January 30. During the week, the average number of interbank deals declined

to 27 from 34 the previous week, while the average value traded declined to KSh 11.9 billion from KSh 23.4 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of February 6 received bids totalling KSh 71.2 billion against an advertised amount of KSh 24.0 billion, representing a performance of 296.6 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, NSE 25 and the NSE 20 share price indices increased by 1.2 percent, 0.5 percent and 0.3 percent, respectively, during the week ending 6, 2025. Market capitalization, equity turnover and total shares increased by 1.2 percent, 49.4 percent and 62.5 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market increased by 12.4 percent during the week ending February 6, 2025 (**Table 6**). In the international market, yields on Kenya's Eurobonds on average decreased by 21.0 basis points. The yield on Eurobond for Angola and Ivory Coast also decreased (**Chart 2**).

Global Trends

Inflation concerns remained during the week ending February 6. The Euro Area inflation rate rose to 2.5 percent in January 2025 from 2.4 percent in December 2024, while the core inflation rate remained unchanged at 2.7 percent. The Bank of England cut its key interest rate by 0.25 percentage points to 4.50 percent. The US Dollar Index weakened by 0.1 percent during the week ending February 6.

International oil prices declined, with Murban oil falling to USD 76.87 per barrel on February 6, from USD 78.54 per barrel on January 30, following the OPEC+ group of oil exporters restating their policy of a gradual unwinding of production cuts from April 2025.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
24-Jan-25	129.26	159.21	134.39	82.69	28.51	19.46	10.71	22.89
27-Jan-25	129.26	160.38	135.36	82.64	28.54	19.71	10.79	22.89
28-Jan-25	129.25	160.80	134.81	82.92	28.55	19.69	10.73	22.90
29-Jan-25	129.25	160.60	134.78	83.14	28.55	19.52	10.87	22.90
30-Jan-25	129.25	160.37	134.37	83.17	28.55	19.69	10.74	22.90
Jan 24-30	129.25	160.27	134.74	82.91	28.54	19.61	10.77	22.90
31-Jan-25	129.23	160.72	134.49	83.86	28.52	19.81	10.98	22.90
3-Feb-25	129.20	160.16	132.97	83.28	28.52	19.54	10.75	22.91
4-Feb-25	129.22	158.54	132.30	83.05	28.46	19.73	10.94	22.91
5-Feb-25	129.21	161.10	134.06	84.18	28.48	19.93	10.75	22.91
6-Feb-25	129.19	161.37	134.21	84.82	28.48	19.85	10.76	22.91
Jan 31-Feb 6	129.21	160.38	133.61	83.84	28.49	19.77	10.84	22.91

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Usable Foreign Exchange Reserves (USD Million)

	9-Jan-25	16-Jan-25	23-Jan-25	30-Jan-25	6-Feb-25
1. CBK Usable Foreign Exchange Reserves (USD Million)*	9,178	9,143	8,652	8,877	9,219
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.7	4.7	4.4	4.5	4.7

*Excludes encumbered reserves

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

Source: Central Bank of Kenya

Table 3: Money Market

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
24-Jan-25	26	14,550.00	11.24
27-Jan-25	36	25,716.00	11.25
28-Jan-25	33	24,633.00	11.24
29-Jan-25	44	33,532.00	11.24
30-Jan-25	30	18,420.00	11.23
Jan 24-30	34	23,370.20	11.24
31-Jan-25	21	8,950.00	11.15
3-Feb-25	34	16,300.00	11.11
4-Feb-25	31	13,250.00	11.05
5-Feb-25	24	10,650.00	11.01
6-Feb-25	23	10,500.00	10.70
Jan 31-Feb 6	27	11,930.00	11.00

Source: Central Bank of Kenya

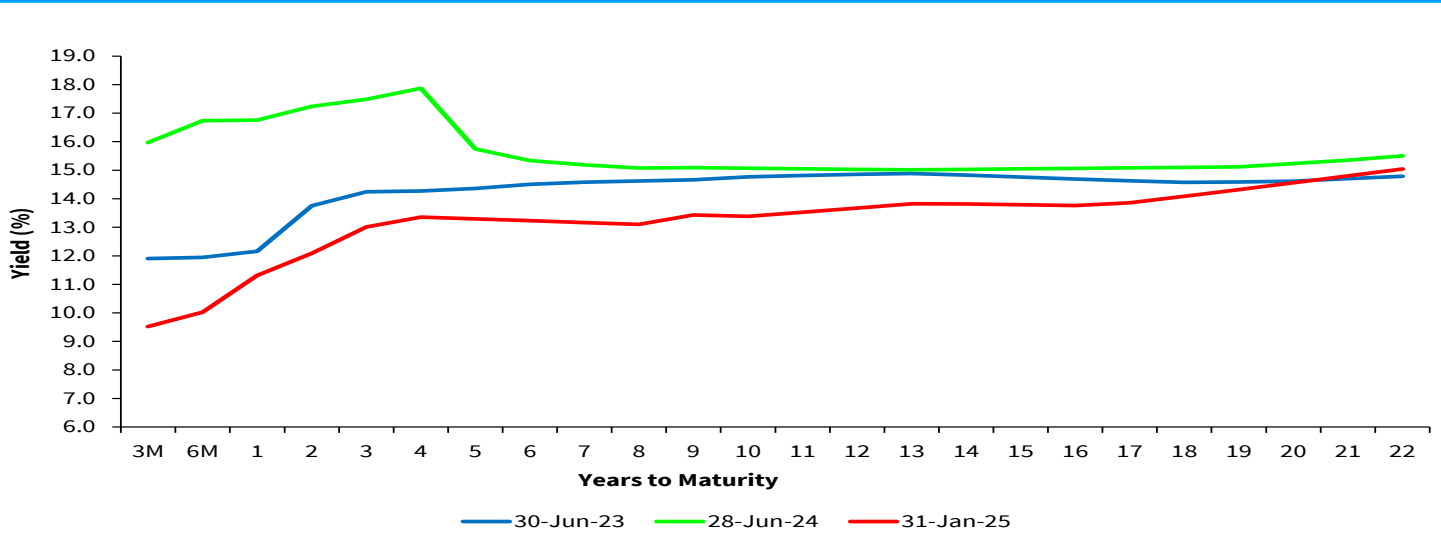
Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	28-Nov-24	27-Dec-24	30-Jan-25	6-Feb-25
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	8,516.51	4,361.03	18,817.44	2,242.28	2,465.23	9,999.95
Amount Accepted (KSh M)	6,986.46	2,745.34	15,938.75	2,208.47	2,450.72	9,933.99
Maturities (KSh M)	3,254.55	3,922.10	17,516.75	3,443.00	7,518.90	10,829.15
Average Interest Rate (%)	15.983	15.977	11.250	9.895	9.522	9.116
182-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	28-Nov-24	27-Dec-24	30-Jan-25	6-Feb-25
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	1,494.42	10,416.04	435.30	2,863.29	23,998.17
Amount Accepted (KSh M)	322.85	1,479.67	4,208.53	435.30	2,520.57	15,076.79
Maturities (KSh M)	1,365.20	293.25	9,724.25	1,534.00	8,280.55	20,303.55
Average Interest Rate (%)	15.967	16.764	11.338	10.022	10.028	9.519
364-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	28-Nov-24	27-Dec-24	30-Jan-25	6-Feb-25
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	1,833.64	21,422.50	2,189.12	8,133.60	37,184.92
Amount Accepted (KSh M)	1,661.91	1,828.51	14,507.31	2,189.12	8,117.07	34,726.86
Maturities (KSh M)	1,858.45	1,679.00	2,102.30	1,918.60	4,035.60	7,069.55
Average Interest Rate (%)	16.100	16.791	12.490	11.410	11.313	10.758

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions								
Date of Auction	6-Nov-24		13-Nov-24	4-Dec-24		13-Dec-24	15-Jan-25	
	RE-OPEN		RE-OPEN	RE-OPEN		RE-OPEN	RE-OPEN	
Tenor	FXD1/ 2023/010	FXD1/ 2022/015	FXD1/ 2024/010	FXD1/ 2023/010	FXD1/ 2018/020	FXD1/ 2024/10	FXD1/ 2018/015	FXD1/ 2022/025
Amount offered (KSh M)	25,000.00		20,000.00	25,000.00		20,000.00	30,000.00	
Bids received (KSh M)	16,331.02	16,717.40	55,575.58	47,395.28	23,922.30	53,628.95	30,576.60	28,421.50
Amount Accepted (KSh M)	10,286.04	15,397.04	30,515.91	34,922.07	18,488.38	43,448.79	23,753.07	24,728.62
Maturities (KSh M)								
Average interest Rate (%)	15.97	16.30	15.86	14.69	15.11	14.69	14.21	15.68

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

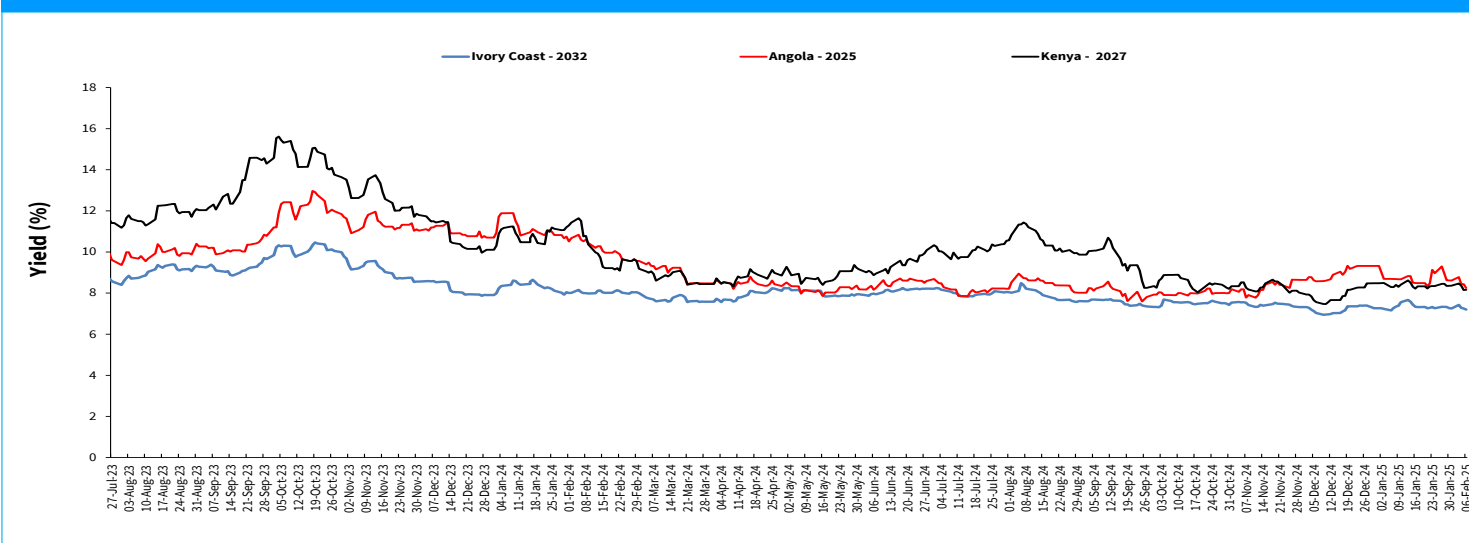
Table 6: Performance of Key Market Indicators

INDICATOR	NASI 100=2008	NSE 25 Share Index	NSE 20 Share Index 100=1996	Total Deals (Equity)	Total Shares Traded (Million)	Equity Turn- over (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
24-Jan-25	132.48	3569.73	2185.88	2226.00	27.03	445.24	2081.16	7265.75	8.342	8.948	9.941	9.870	9.935	10.205
27-Jan-25	132.11	3570.86	2195.12	2393.00	14.13	170.47	2075.36	6007.01	8.450	9.047	10.071	10.014	10.038	10.272
28-Jan-25	132.28	3569.94	2190.92	2179.00	24.92	590.60	2077.93	6626.50	8.453	8.951	10.006	9.928	9.962	10.222
29-Jan-25	130.66	3544.38	2194.57	1896.00	29.31	549.14	2052.44	5233.25	8.347	8.902	9.941	9.899	9.936	10.206
30-Jan-25	128.48	3496.44	2181.86	2080.00	22.02	244.97	2018.30	6965.80	8.355	8.907	9.974	9.873	9.939	10.206
Jan 24-30	128.48	3496.44	2181.86	10774.00	117.40	2000.43	2018.30	32098.31	8.355	8.907	9.974	9.873	9.939	10.206
31-Jan-25	128.28	3436.04	2162.58	2876.00	55.82	686.64	1983.70	3211.30	8.358	8.908	10.007	9.902	9.965	10.223
3-Feb-25	127.71	3464.70	2159.74	2471.00	24.81	412.67	2006.10	5057.81	8.468	9.057	10.073	10.077	10.095	10.290
4-Feb-25	128.96	3484.60	2181.38	2375.00	45.26	668.57	2025.86	8247.70	8.363	8.911	10.008	9.874	9.993	10.240
5-Feb-25	130.69	3517.65	2190.99	2577.00	34.00	634.61	2052.98	9165.10	8.151	8.524	9.716	9.646	9.738	10.092
6-Feb-25	130.01	3513.25	2188.21	2224.00	30.94	586.43	2042.32	10379.05	8.159	8.576	9.749	9.676	9.74	10.092
Jan 31-Feb 6	130.01	3513.25	2188.21	12523.00	190.83	2988.92	2042.32	36060.96	8.159	8.576	9.749	9.676	9.740	10.092
Weekly Changes (%)	1.19	0.48	0.29	16.23	62.54	49.41	1.19	12.35	-0.196*	-0.331*	-0.225*	-0.197*	-0.199*	-0.114*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

Chart 2: Yields on 10-Year Eurobonds for Selected Countries



Source: London Stock Exchange

Table 7: Government Domestic Debt (KSh Billion)

	30-Jun-23	29-Dec-23	28-Jun-24	30-Sep-24	29-Nov-24	31-Dec-24	24-Jan-25	31-Jan-25
1. Treasury Bills (Excluding Repos)	614.73	546.90	615.89	712.45	834.73	846.10	846.51	856.32
<i>(As % of total securities)</i>	13.28	11.35	11.75	12.96	14.71	14.77	14.64	14.78
2. Treasury Bonds	4,013.89	4,271.82	4,627.12	4,785.63	4,840.35	4,884.05	4,936.77	4,936.77
<i>(As % of total securities)</i>	86.72	88.65	88.25	87.04	85.29	85.23	85.36	85.22
3. Total Securities (1+2)	4,628.62	4,818.72	5,243.01	5,498.08	5,675.08	5,730.15	5,783.28	5,793.08
4. Overdraft at Central Bank	76.46	94.13	61.02	0.00	31.77	37.48	43.09	35.24
5. Other Domestic debt*	127.04	137.26	106.25	103.64	101.95	101.15	100.65	100.66
of which IMF funds on-lent to Government	95.52	104.24	83.54	82.63	81.08	80.29	79.58	79.58
6. Gross Domestic Debt (3+4+5)	4,832.11	5,050.11	5,410.28	5,601.71	5,808.80	5,868.77	5,927.03	5,928.98

* 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	28-Jun-24	30-Sep-24	29-Nov-24	31-Dec-24	24-Jan-25	31-Jan-25
Treasury bills (Excluding Repos)	12.72	10.83	11.38	12.72	14.37	14.42	14.28	14.44
Treasury bonds	83.07	84.59	85.52	85.43	83.33	83.22	83.29	83.27
Overdraft at Central Bank	1.58	1.86	1.13	0.00	0.55	0.64	0.73	0.59
Other domestic debt	2.63	2.72	1.96	1.85	1.76	1.72	1.70	1.70
of which IMF fund on lent to government	1.98	2.06	1.54	1.48	1.40	1.37	1.34	1.34
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	28-Jun-24	30-Sep-24	29-Nov-24	31-Dec-24	24-Jan-25	31-Jan-25
Banking Institutions	46.17	46.07	45.12	44.38	45.36	45.05	45.01	44.96
Insurance Companies	7.31	7.23	7.23	7.22	7.15	7.32	7.33	7.32
Parastatals	5.98	5.47	5.13	5.35	5.43	5.60	5.67	5.93
Pension Funds*	33.42	29.93	29.60	29.44	28.94	28.88	28.83	28.82
Other Investors	7.13	11.30	12.92	13.60	13.13	13.16	13.16	12.97
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	Jun-24	Jul-24	Aug-24	Sep-24*
Domestic debt (KSh Bn)	4,288.33	4,472.84	4,832.11	4,917.47	5,050.11	5,235.19	5,410.28	5,453.00	5,558.35	5,601.71
Public & Publicly Guaranteed External debt (USD Bn)	36.58	37.88	38.76	38.27	38.92	39.18	39.77	39.74	40.07	40.16
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	5,150.84	5,162.85	5,176.10	5,188.37
Public debt (KSh Bn)	8,579.06	9,145.98	10,278.67	10,585.27	11,139.69	10,398.61	10,561.12	10,615.85	10,734.45	10,790.08

* Provisional

Source: The National Treasury and Central Bank of Kenya