



Central Bank of Kenya

# Weekly Bulletin

August 23, 2024



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies. During the week ending August 22, it exchanged at KSh 129.08 per US dollar on August 15, compared to KSh 129.20 per US dollar on August 15 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,404 million (3.8 months of import cover) as of August 22. 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 remained adequate during the week ending August 22, supported by open market operations. Commercial banks' excess reserves stood at KSh 26.7 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 12.94 percent on August 22 compared to 12.84 percent on August 15. During the week, the average number of interbank deals decreased to 35 from 55 in the previous week, while the average value traded decreased to KSh 16.6 billion from KSh 28.3 billion in the previous week (**Table 3**).

### Government Securities Market

The Treasury bill auction of August 22 received bids totaling KSh 19.2 billion against an advertised amount of KSh 24.0 billion, representing a performance of 79.9 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 NSE 20 share price indices increased by 3.1 percent, 4.1 percent and 3.8 percent, respectively during the week ending August 22. Market capitalization, equity turnover and total shares traded increased by 3.1 percent, 86.7 percent and 38.5 percent, respectively (**Table 6**).

### Bond Market

Bond turnover in the domestic secondary market increased by 324.4 percent during the week ending August 22 (**Table 6**). In the international market, yields on Kenya's Eurobonds declined by an average of 30.3 basis points. The yield on the 10- Year Eurobonds for Angola declined while that of Zambia increased (**Chart 2**).

### Global Trends

Global inflation concerns have eased, while prospects for an interest rate cut by the US Fed in September have increased. Japan's headline inflation was 2.8 percent in July, unchanged from June. The US dollar index weakened by 1.4 percent against a basket of major currencies during the week ending August 22.

International oil prices declined during the week ending August 22, driven by concerns over weakening demand particularly from China. The Murban oil price declined to USD 77.69 on August 22 from USD 84.15 on August 15.

**Table 1: Kenya Shilling Exchange Rates**

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
9-Aug-24	129.25	164.84	141.14	87.95	28.83	20.89	10.19	22.30
12-Aug-24	129.54	165.36	141.45	88.01	28.75	20.84	10.22	22.26
13-Aug-24	129.35	165.31	141.50	87.56	28.84	20.95	10.19	22.29
14-Aug-24	129.06	165.77	141.60	87.94	28.87	21.00	10.22	22.34
15-Aug-24	129.20	165.93	142.27	87.82	28.83	20.90	10.22	22.32
<b>Aug 9-15</b>	<b>129.28</b>	<b>165.44</b>	<b>141.59</b>	<b>87.86</b>	<b>28.83</b>	<b>20.92</b>	<b>10.21</b>	<b>22.30</b>
16-Aug-24	129.14	166.32	141.85	86.69	28.83	20.99	10.22	22.34
19-Aug-24	129.06	167.20	142.51	88.45	28.84	21.00	10.32	22.31
20-Aug-24	129.09	167.55	142.98	87.69	28.84	20.99	10.24	22.34
21-Aug-24	128.98	168.02	143.42	88.53	28.87	21.01	10.26	22.38
22-Aug-24	129.08	168.89	143.83	88.92	28.80	20.96	10.26	22.38
<b>Aug 16-22</b>	<b>129.07</b>	<b>167.60</b>	<b>142.92</b>	<b>88.05</b>	<b>28.84</b>	<b>20.99</b>	<b>10.26</b>	<b>22.35</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

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

	25-Jul-24	1-Aug-24	8-Aug-24	15-Aug-24	22-Aug-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,311	7,274	7,340	7,316	7,404
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 (%)
9-Aug-24	62	34,500.00	13.04
12-Aug-24	71	38,175.00	12.93
13-Aug-24	58	32,110.00	12.88
14-Aug-24	38	13,150.00	12.84
15-Aug-24	47	23,450.00	12.84
<b>Aug 9-15</b>	<b>55</b>	<b>28,277.00</b>	<b>12.91</b>
16-Aug-24	44	22,710.00	13.85
19-Aug-24	31	16,100.00	12.86
20-Aug-24	29	14,100.00	12.90
21-Aug-24	30	11,850.00	12.91
22-Aug-24	39	18,180.00	12.94
<b>Aug 16-22</b>	<b>35</b>	<b>16,588.00</b>	<b>13.09</b>

Source: Central Bank of Kenya

**Table 4: Performance of Treasury Bill Auctions**

91-Day Treasury Bills						
Date of Auction	28-Mar-24	30-May-24	27-Jun-24	25-Jul-24	15-Aug-24	22-Aug-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)	5,380.72	17,863.94	4,361.03	25,810.20	10,517.03	7,911.73
Amount Accepted (KSh M)	3,867.98	17,437.83	2,745.34	19,642.88	10,471.56	7,786.83
Maturities (KSh M)	7,215.65	12,607.70	3,922.10	5,729.00	13,189.10	7,203.20
<b>Average Interest Rate (%)</b>	<b>16.729</b>	<b>15.955</b>	<b>15.977</b>	<b>16.000</b>	<b>15.809</b>	<b>15.794</b>
182-Day Treasury Bills						
Date of Auction	28-Mar-24	30-May-24	27-Jun-24	25-Jul-24	15-Aug-24	22-Aug-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)	2,702.14	9,171.79	1,494.42	4,147.37	11,038.74	5,760.01
Amount Accepted (KSh M)	2,049.15	9,012.98	1,479.67	1,622.70	11,032.62	3,840.00
Maturities (KSh M)	552.85	2,805.50	293.25	5,592.95	10,603.20	7,361.10
<b>Average Interest Rate (%)</b>	<b>16.888</b>	<b>16.608</b>	<b>16.764</b>	<b>16.851</b>	<b>16.708</b>	<b>16.669</b>
364-Day Treasury Bills						
Date of Auction	28-Mar-24	30-May-24	27-Jun-24	25-Jul-24	15-Aug-24	22-Aug-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)	7,753.83	6,474.59	1,833.64	1,688.45	4,184.93	5,498.14
Amount Accepted (KSh M)	7,596.50	6,339.81	1,828.51	1,676.37	4,114.61	5,492.24
Maturities (KSh M)	1,915.90	2,867.20	1,679.00	352.75	2,576.10	2,441.80
<b>Average Interest Rate (%)</b>	<b>16.990</b>	<b>16.706</b>	<b>16.791</b>	<b>16.921</b>	<b>16.866</b>	<b>16.859</b>

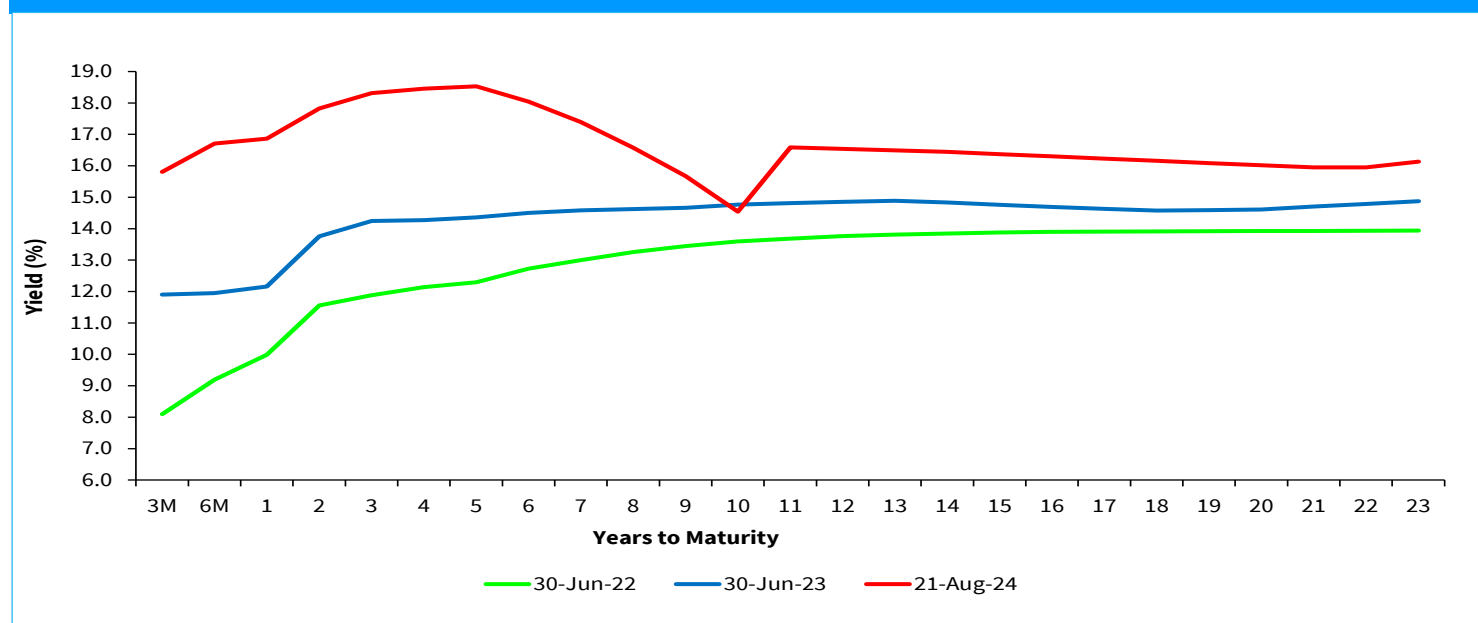
Source: Central Bank of Kenya

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

Date of Auction	20-Jun-24				4-Jul-24	17-Jul-24		14-Aug-24	
Tenor	FXD1/ 2023/002	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2023/010	FXD1/ 2023/002	FXD1/ 2024/010	FXD1/ 2008/020	IFB1/ 2023/6.5	IFB1/ 2023/17
Amount offered (KSh M)	20,000.00				20,000.00	30,000.00		50,000.00	
Bids received (KSh M)	1,799.80	3,265.80	11,228.55	8,840.10	487.50	7,067.73	7,614.51	96,861.91	29,460.52
Amount Accepted (KSh M)	1,795.73	3,316.47	10,811.16	7,936.60	486.48	6,752.15	3,014.08	74,167.60	14,530.92
Maturities (KSh M)	0.00				0.00				
Average interest Rate (%)	17.12	17.59	18.16	16.39	17.12	16.00	13.75	18.30	17.73

Source: Central Bank of Kenya

**Chart 1: Government Securities Yield Curve**



Source: Nairobi Securities Exchange (NSE)

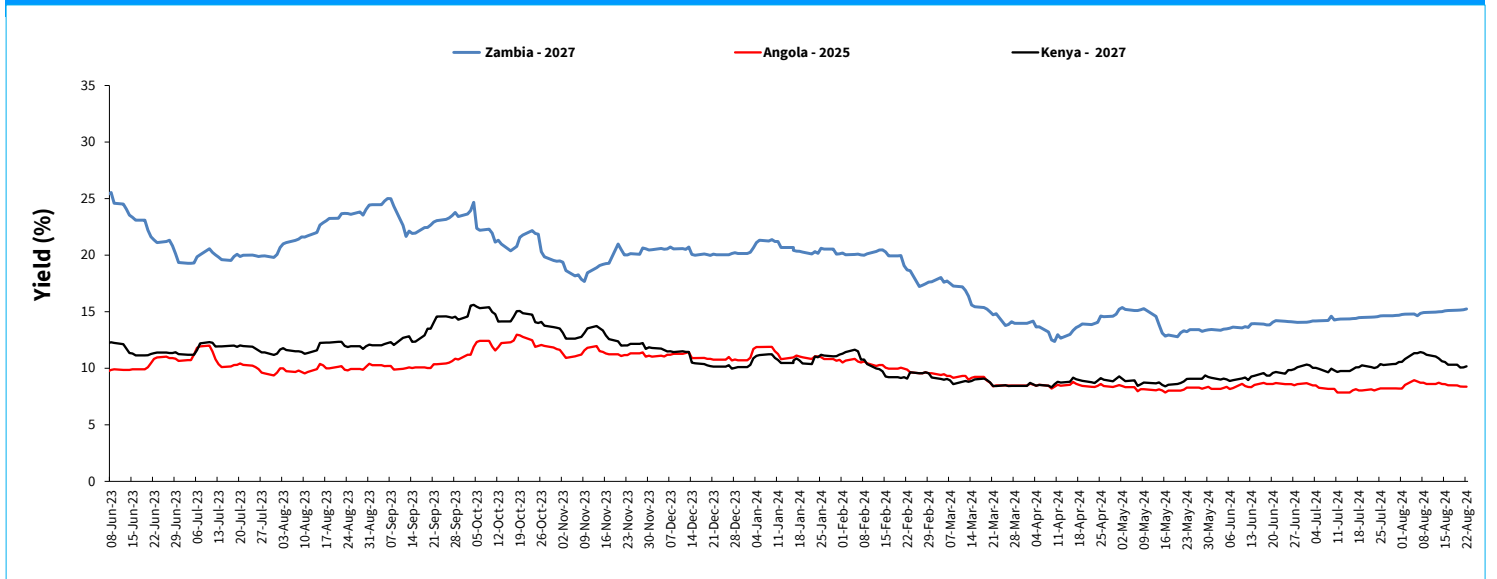
**Table 6: Performance of Key Market Indicators**

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
9-Aug-24	102.06	2,734.60	1,633.69	968	7	61	1594.6	3,021	11.202	11.370	11.641	11.467	11.428	11.482
12-Aug-24	101.95	2,729.48	1,630.25	1,029	11	146	1592.8	1,117	11.038	11.278	11.477	11.347	11.262	11.403
13-Aug-24	101.64	2,726.71	1,630.00	1,094	9	179	1588.0	2,776	10.874	11.140	11.379	11.258	11.179	11.324
14-Aug-24	101.67	2,732.23	1,632.33	1,037	12	162	1588.5	1,401	10.626	10.908	11.088	11.021	10.880	11.132
15-Aug-24	102.01	2,737.02	1,630.00	952	10	95	1593.7	738	10.558	10.823	11.057	10.936	10.803	11.057
<b>Aug 9- 15</b>	<b>102.0</b>	<b>2,737.02</b>	<b>1,630.00</b>	<b>5,080</b>	<b>49</b>	<b>643</b>	<b>1,594</b>	<b>9,052.75</b>	<b>10.558</b>	<b>10.823</b>	<b>11.057</b>	<b>10.936</b>	<b>10.803</b>	<b>11.057</b>
16-Aug-24	102.47	2,740.42	1,643.81	863	19	201	1600.9	902	10.310	10.640	10.801	10.761	10.644	10.946
19-Aug-24	102.37	2,738.39	1,636.83	951	12	164	1599.4	2,926	10.315	10.550	10.801	10.675	10.618	10.909
20-Aug-24	103.03	2,758.85	1,638.95	949	7	226	1609.7	16,604	10.067	10.414	10.674	10.589	10.514	10.854
21-Aug-24	104.64	2,839.96	1,682.59	1,015	23	473	1634.8	7,720	10.072	10.370	10.675	10.561	10.515	10.855
22-Aug-24	105.13	2,848.74	1,692.07	1,199	7	138	1642.6	10,268	10.171	10.424	10.739	10.622	10.570	10.892
<b>Aug 16- 23</b>	<b>105.1</b>	<b>2,848.74</b>	<b>1,692.1</b>	<b>4,977</b>	<b>68</b>	<b>1,201</b>	<b>1,643</b>	<b>38,420.33</b>	<b>10.171</b>	<b>10.424</b>	<b>10.739</b>	<b>10.622</b>	<b>10.570</b>	<b>10.892</b>
<b>Weekly Changes (%)</b>	<b>3.06</b>	<b>4.08</b>	<b>3.81</b>	<b>-2.03</b>	<b>38.53</b>	<b>86.68</b>	<b>3.07</b>	<b>324.41</b>	<b>-0.387*</b>	<b>-0.399*</b>	<b>-0.318*</b>	<b>-0.314*</b>	<b>-0.233*</b>	<b>-0.185*</b>

\* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

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



Source: Bloomberg, London Stock Exchange

**Table 7: Government Domestic Debt (KSh Billion)**

	30-Dec-22	30-Jun-23	29-Dec-23	31-May-24	28-Jun-24	31-Jul-24	16-Aug-24	23-Aug-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	546.90	588.92	615.89	651.89	671.53	672.51
<i>(As % of total securities)</i>	<b>15.32</b>	<b>13.28</b>	<b>11.35</b>	<b>11.48</b>	<b>11.75</b>	<b>12.32</b>	<b>12.71</b>	<b>12.45</b>
2. Treasury Bonds	3,710.62	4,013.89	4,271.82	4,539.76	4,627.12	4,637.89	4,612.98	4,729.22
<i>(As % of total securities)</i>	<b>84.68</b>	<b>86.72</b>	<b>88.65</b>	<b>88.52</b>	<b>88.25</b>	<b>87.68</b>	<b>87.29</b>	<b>87.55</b>
3. Total Securities (1+2)	4,382.13	4,628.62	4,818.72	5,128.68	5,243.01	5,289.78	5,284.51	5,401.73
4. Overdraft at Central Bank	58.50	76.46	94.13	84.96	61.02	60.53	63.64	49.43
5. Other Domestic debt*	32.76	127.04	137.26	106.25	106.25	103.61	103.06	103.07
<b>of which IMF funds on-lent to Government</b>		<b>95.52</b>	<b>104.24</b>	<b>83.54</b>	<b>83.54</b>	<b>82.61</b>	<b>82.61</b>	<b>82.61</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>5,319.89</b>	<b>5,410.28</b>	<b>5,453.92</b>	<b>5,451.21</b>	<b>5,554.22</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)**

	30-Dec-22	30-Jun-23	29-Dec-23	31-May-24	28-Jun-24	31-Jul-24	16-Aug-24	23-Aug-24
Treasury bills (Excluding Repos)	15.01	12.72	10.83	11.07	11.38	11.95	12.32	12.11
Treasury bonds	82.95	83.07	84.59	85.34	85.52	85.05	84.62	85.15
Overdraft at Central Bank	1.31	1.58	1.86	1.60	1.13	1.11	1.17	0.89
Other domestic debt	0.73	2.63	2.72	2.00	1.96	1.89	1.89	1.86
of which IMF fund on lent to government		1.98	2.06	1.57	1.54	1.51	1.52	1.49
<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>

Source: Central Bank of Kenya

**Table 9: Government Domestic Debt by Holder (Percent)**

	30-Dec-22	30-Jun-23	29-Dec-23	31-May-24	28-Jun-24	31-Jul-24	16-Aug-24	23-Aug-24
Banking Institutions	46.84	46.17	46.07	45.63	45.12	45.12	44.80	44.77
Insurance Companies	7.37	7.31	7.23	7.19	7.23	7.22	7.33	7.20
Parastatals	6.06	5.98	5.47	5.19	5.13	5.08	5.47	5.28
Pension Funds*	33.31	33.42	29.93	29.41	29.60	29.39	29.33	29.23
Other Investors	6.43	7.13	11.30	12.58	12.92	13.19	13.07	13.53
<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: Public Debt**

	Jun-22	Dec-22	Jun-23	Sep-23	Dec-23	Mar-24	Apr-24	May-24*	June-24*
Domestic debt (KSh Bn)	4,288.33	4,472.84	4,832.11	4,917.47	5,050.11	5,235.19	5,323.71	5,319.89	5,410.28
Public & Publicly Guaranteed External debt (USD Bn)	36.58	37.88	38.76	38.27	38.92	39.18	39.01	39.30	39.77
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	5,198.81	5,118.31	5,150.84
Public debt (KSh Bn)	<b>8,579.06</b>	<b>9,145.98</b>	<b>10,278.67</b>	<b>10,585.27</b>	<b>11,139.69</b>	<b>10,398.61</b>	<b>10,522.52</b>	<b>10,438.19</b>	<b>10,561.12</b>

\* Provisional

Source: The National Treasury and Central Bank of Kenya