



Central Bank of Kenya

Weekly Bulletin

November 8, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending November 7. It exchanged at KSh 129.21 per US dollar on November 7, compared to KSh 129.20 per US dollar on October 31 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 9,323 million (4.8 months of import cover) as of November 7. 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, November 7, supported by open market operations. Commercial banks' excess reserves stood at KSh 41.1 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 12.09 on November 7 compared to 12.10 percent on October 31. During the week, the average number of interbank deals increased to 61 from 42 in the previous week, while the average value traded increased to KSh 54.8 billion from KSh 34.6 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of November 7 received bids totalling KSh 98.4 billion against an advertised amount of KSh 24.0 billion, representing a performance of 409.9 percent. Interest rate on the 91-day, 182-day, and 364-day Treasury bills declined (**Table 4**).

During the Treasury bond auction of November 6, the reopened 10-year and 15-year fixed rate Treasury bonds received bids totalling KSh 33.0 billion against an advertised amount of KSh 25.0 billion, representing a performance of 132.2 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, NSE 20 share price index increased by 0.3 percent, while the NASI and NSE 25 share price indices decreased by 1.9 percent and 0.4 percent respectively during the week ending November 7. During the same period, market capitalization, equity turnover and total shares traded decreased by 1.9 percent, 1.8 percent and 49.0 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market decreased by 27.4 percent during the week ending November 7 (**Table 6**). In the international market, yields on Kenya's Eurobonds on average decreased by 4.6 basis points. The yield on the 10- year Eurobond for Angola decreased while that of Zambia increased (**Chart 2**).

Global Trends

Concerns about inflation in advanced economies continued to ease during the week ending November 7, 2024. The US Federal Reserve and Bank of England lowered their policy rates by 25 basis points, respectively. The US dollar index strengthened by 0.51 percent against a basket of major currencies during the week ending November 7, 2024.

International oil prices increased during the week ending November 7, following the conclusion of the US Elections, and draw-down of oil inventories amid easing geopolitical risks in the Middle East and Europe. The price of Murban oil increased to USD 74.83 on November 7, 2024, from USD 72.42 on October 31, 2024.

Table 1: Kenya Shilling Exchange Rates

| | USD | Sterling Pound | Euro | 100 Japanese Yen | Uganda Shilling* | Tanzania Shilling* | Rwandese Franc* | Burundi Franc* |
|------------------|-----------------------|----------------|---------------|------------------|------------------|--------------------|-----------------|----------------|
| 25-Oct-24 | 129.20 | 167.50 | 139.81 | 85.23 | 28.39 | 21.09 | 10.47 | 22.48 |
| 28-Oct-24 | 129.20 | 167.83 | 139.95 | 84.97 | 28.39 | 21.09 | 10.48 | 22.48 |
| 29-Oct-24 | 129.20 | 167.81 | 139.80 | 84.59 | 28.37 | 21.09 | 10.48 | 22.48 |
| 30-Oct-24 | 129.20 | 167.95 | 139.75 | 84.30 | 28.37 | 21.09 | 10.49 | 22.49 |
| 31-Oct-24 | 129.20 | 167.32 | 140.18 | 84.45 | 28.34 | 21.05 | 10.49 | 22.49 |
| Oct 25-31 | 129.20 | 167.68 | 139.90 | 84.71 | 28.37 | 21.08 | 10.48 | 22.48 |
| 1-Nov-24 | Public Holiday | | | | | | | |
| 4-Nov-24 | 129.19 | 167.87 | 140.78 | 85.07 | 28.33 | 20.86 | 10.53 | 22.49 |
| 5-Nov-24 | 129.20 | 167.45 | 140.54 | 84.73 | 28.33 | 20.82 | 10.51 | 22.49 |
| 6-Nov-24 | 129.20 | 166.63 | 138.98 | 84.12 | 28.42 | 20.86 | 10.51 | 22.49 |
| 7-Nov-24 | 129.21 | 167.56 | 139.34 | 84.51 | 28.40 | 20.82 | 10.52 | 22.85 |
| Nov 4-7 | 129.20 | 167.38 | 139.91 | 84.61 | 28.37 | 20.84 | 10.52 | 22.58 |

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Usable Foreign Exchange Reserves (USD Million)

| | 9-Oct-24 | 17-Oct-24 | 24-Oct-24 | 31-Oct-24 | 7-Nov-24 |
|--|----------|-----------|-----------|-----------|----------|
| 1. CBK Usable Foreign Exchange Reserves (USD Million)* | 8,299 | 8,491 | 8,496 | 8,586 | 9,323 |
| 2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)** | 4.3 | 4.4 | 4.4 | 4.4 | 4.8 |

*Excludes encumbered reserves

**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 (%) |
|------------------|-----------------------|------------------|----------------------------|
| 25-Oct-24 | 51 | 42,125.00 | 11.97 |
| 28-Oct-24 | 38 | 36,370.00 | 11.97 |
| 29-Oct-24 | 35 | 30,340.00 | 11.97 |
| 30-Oct-24 | 46 | 33,280.00 | 12.14 |
| 31-Oct-24 | 42 | 31,135.00 | 12.10 |
| Oct 25-31 | 42 | 34,650.00 | 12.03 |
| 1-Nov-24 | Public Holiday | | |
| 4-Nov-24 | 66 | 62,180.00 | 12.06 |
| 5-Nov-24 | 69 | 55,329.00 | 12.07 |
| 6-Nov-24 | 53 | 47,030.00 | 12.08 |
| 7-Nov-24 | 56 | 54,750.00 | 12.09 |
| Nov 4-7 | 61 | 54,822.25 | 12.07 |

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

| 91-Day Treasury Bills | | | | | | |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Date of Auction | 27-Jun-24 | 29-Aug-24 | 26-Sep-24 | 24-Oct-24 | 31-Oct-24 | 7-Nov-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) | 4,361.03 | 17,496.40 | 6,919.23 | 34,228.16 | 15,007.98 | 27,444.84 |
| Amount Accepted (KSh M) | 2,745.34 | 16,953.43 | 3,370.90 | 19,345.23 | 7,366.03 | 10,575.43 |
| Maturities (KSh M) | 3,922.10 | 18,029.30 | 2,377.75 | 20,263.85 | 13,721.90 | 8,809.70 |
| Average Interest Rate (%) | 15.977 | 15.784 | 15.718 | 14.432 | 13.966 | 13.450 |
| 182-Day Treasury Bills | | | | | | |
| Date of Auction | 27-Jun-24 | 29-Aug-24 | 26-Sep-24 | 24-Oct-24 | 31-Oct-24 | 7-Nov-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) | 1,494.42 | 4,451.13 | 5,437.90 | 28,147.21 | 23,241.04 | 42,779.62 |
| Amount Accepted (KSh M) | 1,479.67 | 4,443.43 | 3,330.51 | 10,934.24 | 5,783.01 | 22,941.17 |
| Maturities (KSh M) | 293.25 | 2,088.35 | 2,144.40 | 7,440.75 | 5,518.70 | 20,939.20 |
| Average Interest Rate (%) | 16.764 | 16.633 | 16.589 | 15.147 | 14.523 | 13.840 |
| 364-Day Treasury Bills | | | | | | |
| Date of Auction | 27-Jun-24 | 29-Aug-24 | 26-Sep-24 | 24-Oct-24 | 31-Oct-24 | 7-Nov-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) | 1,833.64 | 2,254.39 | 8,567.15 | 23,384.15 | 23,917.48 | 28,148.47 |
| Amount Accepted (KSh M) | 1,828.51 | 2,248.06 | 5,764.78 | 11,476.72 | 14,990.38 | 20,226.70 |
| Maturities (KSh M) | 1,679.00 | 567.65 | 522.70 | 2,099.35 | 978.25 | 6,274.90 |
| Average Interest Rate (%) | 16.791 | 16.842 | 16.800 | 15.469 | 14.968 | 14.448 |

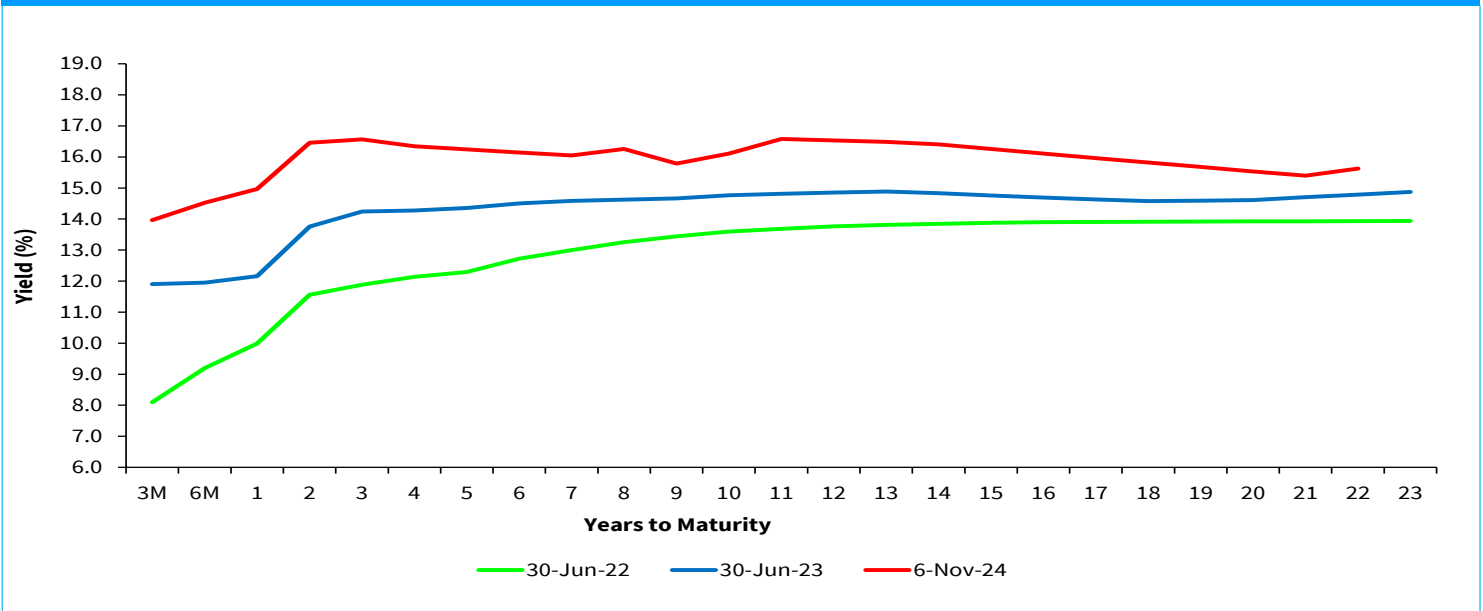
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

| Date of Auction | 29-Aug-24 | 18-Sep-24 | | 09-Oct-24 | | 17-Oct-24 | 06-Nov-24 | |
|---------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | TAP | RE-OPEN | | RE-OPEN | | TAP | RE-OPEN | |
| Tenor | IFB1/ 2023/17 | FXD1/ 2024/010 | FXD1/ 2016/020 | FXD1/ 2016/010 | FXD1/ 2022/010 | FXD1/ 2022/010 | FXD1/ 2023/010 | FXD1/ 2022/015 |
| Amount offered (KSh M) | 15,000.00 | 30,000.00 | | 30,000.00 | | 15,000.00 | 25,000.00 | |
| Bids received (KSh M) | 35,185.70 | 13,396.00 | 9,246.10 | 36,615.53 | 14,349.29 | 16,497.15 | 16,331.02 | 16,717.40 |
| Amount Accepted (KSh M) | 32,024.23 | 11,565.37 | 7,711.12 | 28,026.11 | 3,251.00 | 15,092.95 | 10,286.04 | 15,397.04 |
| Maturities (KSh M) | | | | | | | | |
| Average interest Rate (%) | 17.73 | 16.87 | 17.29 | 16.98 | 16.95 | 16.95 | 15.97 | 16.30 |

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

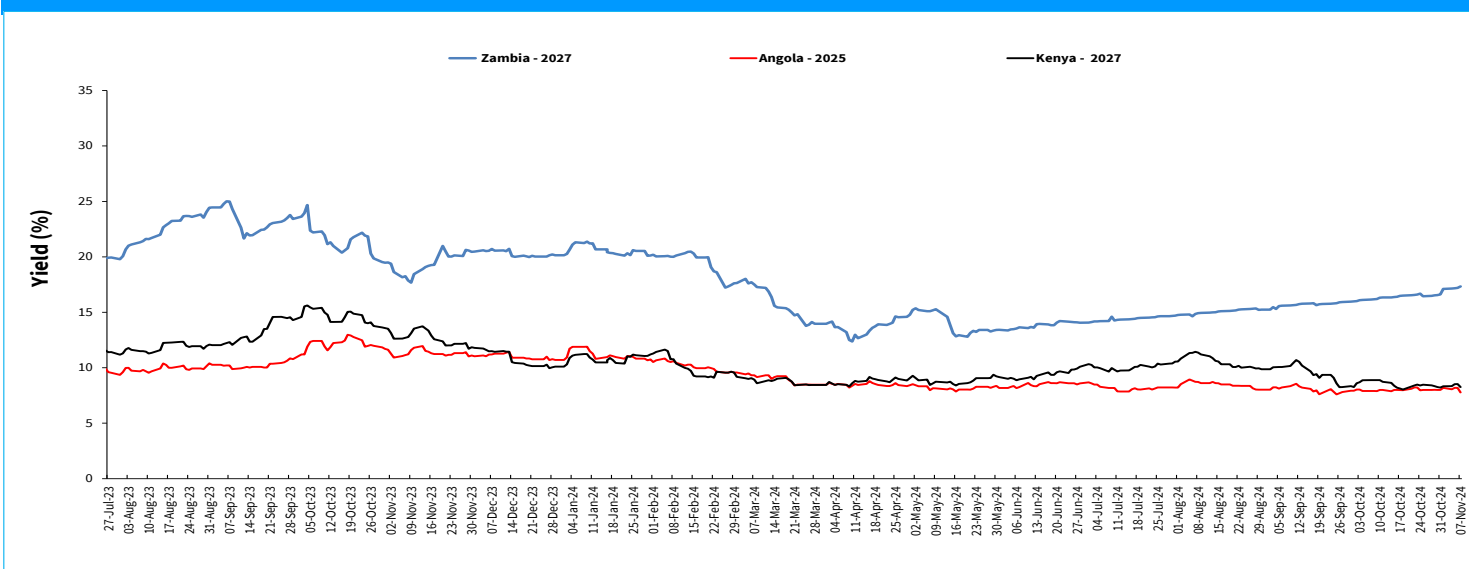
Table 6: Performance of Key Market Indicators

| INDICATOR | NASI 100=2008 | NSE 25 Share Index | NSE 20 Share Index 100=1996 | Total Deals (Equity) | Total Shares Traded (Mil- lion) | 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 |
| 25-Oct-24 | 115.49 | 3,131.71 | 1,853.76 | 1,424.00 | 14.09 | 166.07 | 1,807.88 | 2,967.05 | 8.466 | 9.049 | 9.909 | 9.966 | 9.806 | 10.221 |
| 28-Oct-24 | 116.50 | 3,154.93 | 1,864.72 | 1,527.00 | 9.04 | 144.20 | 1,823.61 | 4,372.15 | 8.413 | 9.031 | 9.896 | 9.959 | 9.798 | 10.210 |
| 29-Oct-24 | 119.33 | 3,205.82 | 1,942.74 | 2,210.00 | 57.06 | 476.00 | 1,867.96 | 10,068.65 | 8.341 | 8.997 | 9.861 | 9.930 | 9.771 | 10.188 |
| 30-Oct-24 | 118.73 | 3,190.37 | 1,921.02 | 2,353.00 | 31.37 | 308.69 | 1,858.55 | 6,022.50 | 8.261 | 8.953 | 9.817 | 9.891 | 9.733 | 10.160 |
| 31-Oct-24 | 117.61 | 3,190.72 | 1,905.51 | 2,228.00 | 51.54 | 205.62 | 1,840.97 | 7,459.10 | 8.207 | 8.932 | 9.797 | 9.870 | 9.716 | 10.148 |
| Oct 25-31 | 117.61 | 3190.72 | 1,905.51 | 9,742.00 | 163.09 | 1,300.58 | 1,840.97 | 30,889.45 | 8.207 | 8.932 | 9.797 | 9.870 | 9.716 | 10.148 |
| 1-Nov-24 | Public Holiday | | | | | | | | 8.334 | 9.068 | 9.898 | 9.934 | 9.809 | 10.215 |
| 4-Nov-24 | 116.99 | 3171.57 | 1,896.47 | 1,983.00 | 15.10 | 251.80 | 1,831.36 | 8,012.50 | 8.337 | 9.070 | 9.867 | 9.935 | 9.810 | 10.215 |
| 5-Nov-24 | 116.76 | 3181.84 | 1,910.44 | 2,011.00 | 28.88 | 580.38 | 1,827.75 | 6,201.50 | 8.522 | 9.163 | 9.992 | 9.992 | 9.886 | 10.248 |
| 6-Nov-24 | 116.60 | 3183.46 | 1,907.66 | 1,684.00 | 11.15 | 146.51 | 1,825.27 | 5,917.30 | 8.525 | 9.211 | 10.024 | 10.021 | 9.913 | 10.298 |
| 7-Nov-24 | 115.34 | 3178.31 | 1,910.49 | 1,738.00 | 28.11 | 298.61 | 1,805.47 | 2,294.85 | 8.261 | 8.986 | 9.867 | 9.883 | 9.765 | 10.182 |
| Nov 1-7 | 115.34 | 3178.31 | 1,910.49 | 7,416.00 | 83.23 | 1,277.30 | 1,805.47 | 22,426.15 | 8.261 | 8.986 | 9.867 | 9.883 | 9.765 | 10.182 |
| Weekly Changes (%) | -1.93 | -0.39 | 0.26 | -23.88 | -48.97 | -1.79 | -1.93 | -27.40 | 0.054* | 0.054* | 0.070* | 0.013* | 0.049* | 0.034* |

* 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)

| | 29-Dec-23 | 28-Jun-24 | 31-Jul-24 | 28-Aug-24 | 25-Sep-24 | 23-Oct-24 | 30-Oct-24 | 6-Nov-24 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1. Treasury Bills (Excluding Repos) | 546.90 | 615.89 | 651.89 | 673.95 | 703.76 | 745.06 | 760.13 | 770.76 |
| <i>(As % of total securities)</i> | 11.35 | 11.75 | 12.32 | 12.47 | 12.82 | 13.43 | 13.66 | 13.83 |
| 2. Treasury Bonds | 4,271.82 | 4,627.12 | 4,637.89 | 4,729.22 | 4,785.62 | 4,802.76 | 4,802.76 | 4,802.76 |
| <i>(As % of total securities)</i> | 88.65 | 88.25 | 87.68 | 87.53 | 87.18 | 86.57 | 86.34 | 86.17 |
| 3. Total Securities (1+2) | 4,818.72 | 5,243.01 | 5,289.78 | 5,403.17 | 5,489.38 | 5,547.81 | 5,562.89 | 5,573.52 |
| 4. Overdraft at Central Bank | 94.13 | 61.02 | 60.53 | 49.43 | 63.36 | 75.50 | 28.63 | 46.23 |
| 5. Other Domestic debt* | 137.26 | 106.25 | 103.06 | 103.07 | 104.73 | 103.86 | 103.69 | 103.74 |
| of which IMF funds on-lent to Government | 104.24 | 83.54 | 82.61 | 82.61 | 83.52 | 82.63 | 82.63 | 82.63 |
| 6. Gross Domestic Debt (3+4+5) | 5,050.11 | 5,410.28 | 5,453.37 | 5,555.66 | 5,657.47 | 5,727.17 | 5,695.22 | 5,723.49 |

* 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)

| | 29-Dec-23 | 28-Jun-24 | 31-Jul-24 | 28-Aug-24 | 25-Sep-24 | 23-Oct-24 | 30-Oct-24 | 6-Nov-24 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Treasury bills (Excluding Repos) | 10.83 | 11.38 | 11.95 | 12.13 | 12.44 | 13.01 | 13.35 | 13.47 |
| Treasury bonds | 84.59 | 85.52 | 85.05 | 85.12 | 84.59 | 83.86 | 84.33 | 83.91 |
| Overdraft at Central Bank | 1.86 | 1.13 | 1.11 | 0.89 | 1.12 | 1.32 | 0.50 | 0.81 |
| Other domestic debt | 2.72 | 1.96 | 1.89 | 1.86 | 1.85 | 1.81 | 1.82 | 1.81 |
| of which IMF fund on lent to government | 2.06 | 1.54 | 1.51 | 1.49 | 1.48 | 1.44 | 1.45 | 1.44 |
| 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)

| | 29-Dec-23 | 28-Jun-24 | 31-Jul-24 | 28-Aug-24 | 25-Sep-24 | 23-Oct-24 | 30-Oct-24 | 6-Nov-24 |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Banking Institutions | 46.07 | 45.12 | 45.12 | 44.81 | 45.00 | 45.56 | 45.09 | 45.34 |
| Insurance Companies | 7.23 | 7.23 | 7.21 | 7.20 | 7.15 | 7.16 | 7.20 | 7.18 |
| Parastatals | 5.47 | 5.13 | 5.08 | 5.34 | 5.30 | 5.41 | 5.45 | 5.43 |
| Pension Funds* | 29.93 | 29.60 | 29.39 | 29.14 | 29.12 | 28.97 | 29.16 | 29.03 |
| Other Investors | 11.30 | 12.92 | 13.19 | 13.50 | 13.43 | 12.90 | 13.11 | 13.02 |
| 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 | Dec-23 | Mar-24 | May-24 | June-24* |
|--|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Domestic debt (KSh Bn) | 4,032.37 | 4,288.33 | 4,472.84 | 4,832.11 | 4,917.47 | 5,050.11 | 5,235.19 | 5,319.89 | 5,410.28 |
| Public & Publicly Guaranteed External debt (USD Bn) | 36.90 | 36.58 | 37.88 | 38.76 | 38.27 | 38.92 | 39.18 | 39.30 | 39.77 |
| Public & Publicly Guaranteed External debt (KSh Bn) | 4,174.37 | 4,290.73 | 4,673.14 | 5,446.56 | 5,667.80 | 6,089.58 | 5,163.42 | 5,118.31 | 5,150.84 |
| Public debt (KSh Bn) | 8,206.74 | 8,579.06 | 9,145.98 | 10,278.67 | 10,585.27 | 11,139.69 | 10,398.61 | 10,438.19 | 10,561.12 |

* Provisional
Source: The National Treasury and Central Bank of Kenya