Central Bank of Kenya

Weekly Bulletin

June 12, 2026

RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Monetary Policy Decision

The Monetary Policy Committee (MPC) maintained the Central Bank Rate at 8.75 percent during its meeting held on June 9, 2026. The MPC observed that the conflict in the Middle East has disrupted global supply chains, leading to significantly higher energy prices. As a result, Kenya's overall inflation rose to 6.7 percent in May 2026 from 5.6 percent in April 2026 and is expected to remain within the target range in the near term. Central banks in the major economies except the ECB have kept their policy rates unchanged as they assess the impact of conflict in the Middle East on their inflation and growth outlooks. The MPC also observed that average lending rates in the domestic market have continued to decline, while private sector credit growth has continued to improve. The Committee concluded that the current monetary policy stance, with the Central Bank Rate unchanged at 8.75 percent, remains appropriate to ensure that inflation expectations remain anchored within the target range, and the exchange rate remains stable.

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending June 11, 2026. It exchanged at KSh 129.48 per U.S. dollar on June 11, compared to KSh 129.37 on June 4 **(Table 1)**.

Foreign Exchange Reserves

The foreign exchange reserves remained adequate at USD 13,240 million (5.6 months of import cover) as of June 11. This meets CBK's statutory requirement to endeavour to maintain at least 4 months of import cover **(Table 2)**.

Money Market

The money market remained liquid during the week ending June 12, 2026, supported by active open market operations. Commercial banks' excess reserves averaged KSh 17.9 billion above the 3.25 percent Cash Reserve Ratio (CRR) requirement. The Kenya Shilling Overnight Interbank Average Rate (KESONIA) remained unchanged at 8.75 percent on June 11, the same level recorded on June 4. During the week, the average number of interbank transactions increased to 25 from 17 in the previous week, while the average value traded also increased marginally to KSh 11.0 billion from KSh 10.7 billion in the previous week **(Table 3).**

Government Securities Market

The Treasury bill auction of June 11, received bids totalling KSh 39.3 billion against an advertised amount of KSh 24.0 billion, representing a performance of 163.9 percent. Interest rate on the 91-day, 182-day and 364-day Treasury bills increased marginally **(Table 4)**.

During the Treasury bond tap sale auction of June 8, the reopened 15-year and 25-year treasury bonds received bids totaling KSh 8.7 billion against an advertised amount of KSh 15.0 billion, representing a performance of 58.4 percent **(Table 5)**.

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices decreased by 0.17 percent, and 0.41 percent and 0.06 percent, respectively, during the week ending June 12, 2026. Market capitalization, total shares traded and equity turnover decreased by 0.17 percent, 23.38 percent and 26.71 percent respectively **(Table 6).**

Bond Market

Bond turnover in the domestic secondary market increased by 90.53 percent during the week ending June 12, 2026 **(Table 6)**. In the international market, yields on Kenya's Eurobonds increased by 6.13 basis points on average. Yields for Côte d'Ivoire and Angola decreased **(Chart 2)**.

Global Trends

Inflation concerns in the advanced economies remained with the US inflation rising to 4.2 percent in May from 3.8 percent in April marking the highest level since April 2023. Labor market conditions remained relatively resilient, with the unemployment rate at 4.3 percent, while initial jobless claims rose marginally to 229,000, suggesting a gradual easing in labor market tightness. In the Euro Area, the European Central Bank raised its policy rate to 2.25 percent and revised its 2026 growth forecast to approximately 0.8 percent, reflecting weaker demand conditions and the impact of higher energy costs on economic activity. The U.S. Dollar Index weakened by 0.2 percent during the week, largely due to reduced demand for safe-haven assets following signs of easing geopolitical tensions in the Middle East.

Commodity prices declined in the week ending June 11, 2026, largely reflecting easing geopolitical tensions following optimism over U.S.–Iran negotiations. Murban crude oil prices declined to USD 84.60 per barrel from USD 87.38 per barrel a week earlier, while spot gold prices decreased to USD 4,213.84 per ounce from USD 4,473.89 per ounce attributed to reduced safe-haven demand.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundian Franc*
29-May-26	129.55	174.07	150.76	81.31	29.17	20.18	11.29	22.92
01-Jun-26	Public Holiday							
02-Jun-26	129.45	174.07	150.82	81.25	29.14	20.31	11.30	23.01
03-Jun-26	129.45	174.37	150.73	81.00	29.08	20.18	11.30	23.01
04-Jun-26	129.37	173.71	150.11	80.88	29.10	20.30	11.31	23.03
May 29-June 4	**129.46**	**174.06**	**150.61**	**81.11**	**29.12**	**20.24**	**11.30**	**22.99**
05-Jun-26	129.32	173.66	150.22	80.84	29.15	20.14	11.32	23.04
08-Jun-26	129.35	173.50	149.93	80.79	29.12	20.31	11.31	23.03
09-Jun-26	129.39	172.86	149.46	80.89	29.20	20.28	11.31	23.03
10-Jun-26	129.43	173.40	149.68	80.79	29.19	20.12	11.31	23.02
11-Jun-26	129.48	173.31	149.55	80.66	29.04	20.23	11.30	23.01
June 5-11	**129.39**	**173.35**	**149.77**	**80.79**	**29.14**	**20.22**	**11.31**	**23.03**

**Units of currency per Kenya Shilling*

Source: Central Bank of Kenya

Table 2: Foreign Exchange Reserves (USD Million)

	07-May-26	14-May-26	21-May-26	28-May-26	04-Jun-26	11-Jun-26
1. CBK Foreign Exchange Reserves (USD Million)	13,414	13,507	13,211	13,209	13,201	13,240
2. CBK Foreign Exchange Reserves (Months of Import Cover)*	5.7	5.7	5.6	5.6	5.6	5.6

**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)	KESONIA (%)*
29-May-26	18	13,590.32	8.75
1-Jun-26	PUBLIC HOLIDAY		
2-Jun-26	20	14,950.00	8.75
3-Jun-26	18	7,350.00	8.75
4-Jun-26	10	7,000.00	8.75
May 29-June 4, 2026	**17**	**10,723**	**8.75**
5-Jun-26	17	9,460.00	8.75
8-Jun-26	15	5,800.00	8.75
9-Jun-26	30	15,460.00	8.75
10-Jun-26	31	12,762.00	8.75
11-Jun-26	33	11,298.00	8.75
June 5-11, 2026	**25**	**10,956**	**8.75**

** The overnight interbank rate has been officially named Kenya Shilling Overnight Interbank Average (KESONIA) from September 1, 2025*

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	**23-Apr-26**	**30-Apr-26**	**21-May-26**	**28-May-26**	**04-Jun-26**	**11-Jun-26**
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)	9,236.66	8,024.94	15,865.73	14,093.44	32,827.37	32,826.96
Amount Accepted (KSh M)	9,236.66	8,005.39	11,949.60	14,081.70	32,824.44	26,860.98
Maturities (KSh M)	1,300.40	6,388.25	13,173.55	12,429.60	1,953.50	4,980.15
Average Interest Rate (%)	**7.779**	**8.040**	**8.387**	**8.388**	**8.559**	**8.707**
182-Day Treasury Bills						
Date of Auction	**23-Apr-26**	**30-Apr-26**	**21-May-26**	**28-May-26**	**04-Jun-26**	**11-Jun-26**
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)	858.68	3,258.48	8,389.79	1,049.48	6,526.18	4,377.39
Amount Accepted (KSh M)	858.68	3,258.48	8,389.79	1,049.48	6,526.18	3,896.74
Maturities (KSh M)	7,295.80	1,604.85	4,366.85	508.45	14,508.15	2,306.30
Average Interest Rate (%)	**7.887**	**8.212**	**8.211**	**8.250**	**8.525**	**8.601**
364-Day Treasury Bills						
Date of Auction	**23-Apr-26**	**30-Apr-26**	**21-May-26**	**28-May-26**	**04-Jun-26**	**11-Jun-26**
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)	3,683.75	7,192.07	5,789.69	1,494.84	15,226.31	2,136.76
Amount Accepted (KSh M)	3,683.75	7,179.77	5,778.40	1,490.29	15,197.79	1,851.77
Maturities (KSh M)	12,655.05	16,387.15	19,655.40	17,213.60	43,006.40	3,246.30
Average Interest Rate (%)	**8.271**	**8.513**	**8.588**	**8.627**	**8.763**	**8.872**

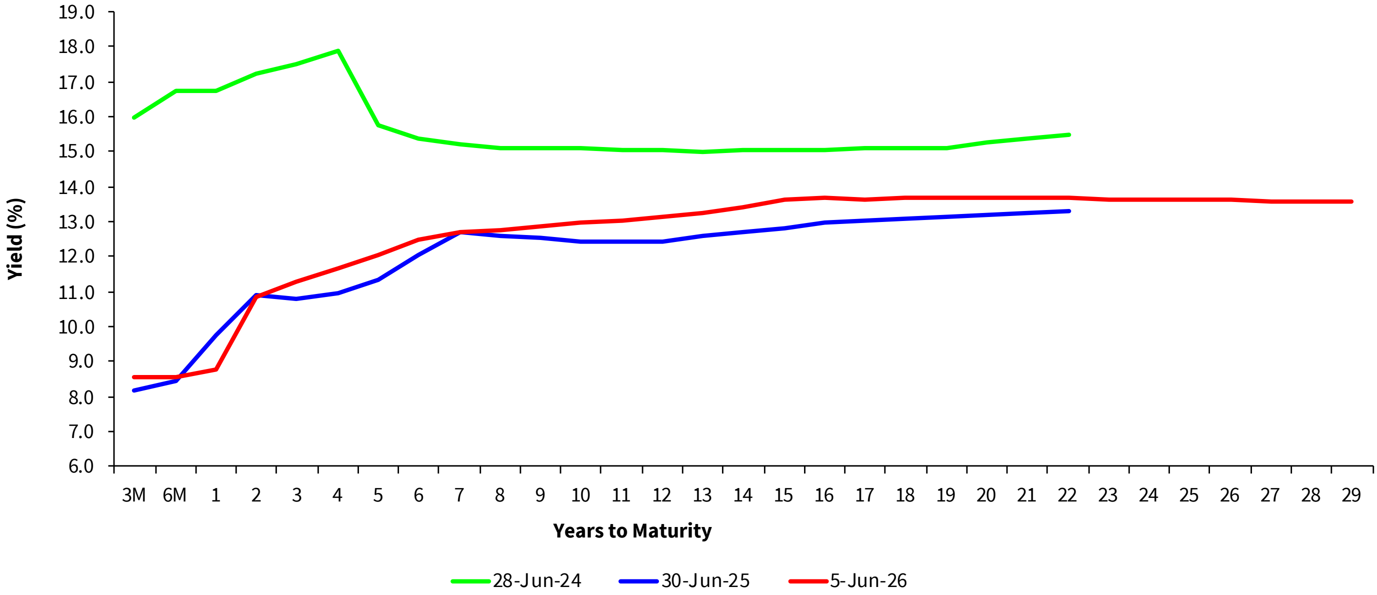
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	**20-May-26**	**20-May-26**		**03-Jun-26**		**08-Jun-26**	
	SWITCH	**RE-OPEN**		**RE-OPEN**		**TAP SALE**	
Tenor	**FXD1/ 2021/020-**	**FXD3/ 2019/015**	**FXD1/ 2021/020**	**FXD1/ 2020/015**	**FXD1/ 2018/025**	**FXD1/ 2020/015**	**FXD1/ 2018/025**
Amount offered (KSh M)	10,000.00	50,000.00		40,000.00		15,000.00	
Bids received (KSh M)	7,613.58	20,641.95	26,518.32	20,156.86	14,232.33	6,122.35	2,638.30
Amount Accepted (KSh M)	4,525.96	14,425.32	22,168.78	20,155.45	14,222.62	5,947.40	2,499.22
Maturities (KSh M)		10,252.00					
Average interest Rate (%)	13.41	12.97	13.74	13.31	14.23	12.76	13.40

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



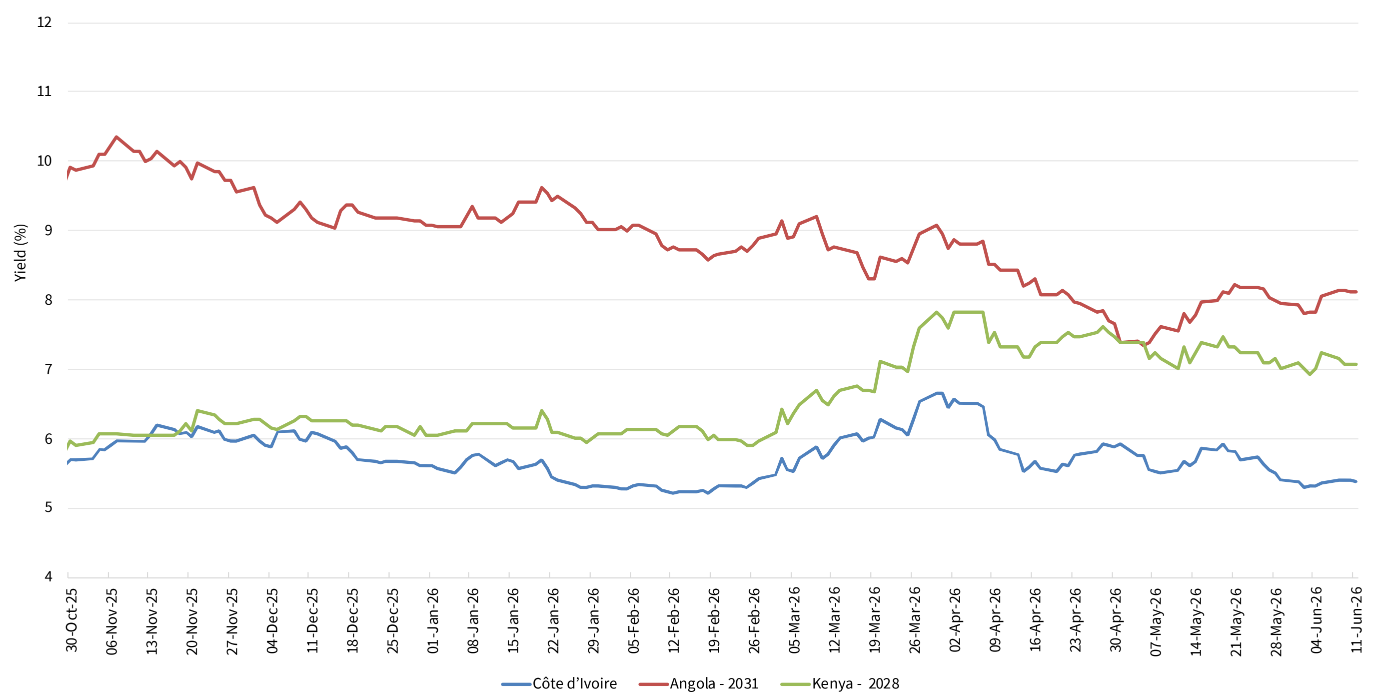
Source: Nairobi Securities Exchange (NSE)

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 Capital-ization (KSh Billion)	Bonds Turnover (KSh Mil-lion)	EuroBond Yields (%)				
									10-Year 2028	6-Year 2031	12-Year 2032	13-Year 2034	30-Year 2048
29-May-26	205.69	5659.05	3513.12	10,801.00	53.04	3,041.00	3,411.28	8,677.95	7.01	7.27	7.63	8.18	8.88
1-Jun-26	PUBLIC HOLIDAY								7.08	7.34	7.69	8.20	8.89
2-Jun-26	207.12	5691.50	3518.79	12,466.00	36.09	735.76	3,434.97	6,417.45	7.01	7.23	7.60	8.15	8.86
3-Jun-26	208.11	5721.03	3528.80	9,140.00	15.62	459.39	3,451.43	4,962.41	6.93	7.30	7.66	8.23	8.94
4-Jun-26	209.40	5769.68	3543.32	9,985	32	1,185	3,472.9	5,293	7.01	7.33	7.69	8.25	8.96
May 29 - Jun 4	**209.40**	**5769.68**	**3543.32**	**42,392**	**137**	**5,422**	**3,472.9**	**25,351**	**7.01**	**7.33**	**7.69**	**8.25**	**8.96**
5-Jun-26	210.37	5789.22	3557.72	10,292	25.94	1,008.94	3,488.88	6832.55	7.24	7.44	7.75	8.33	9.03
8-Jun-26	209.84	5777.30	3551.69	11,765	16.20	858.03	3,480.16	836.35	7.16	7.56	7.87	8.43	9.10
9-Jun-26	209.04	5738.36	3540.31	10,169	11.75	364.33	3,466.87	11457.55	7.08	7.44	7.75	8.36	9.03
10-Jun-26	209.10	5749.28	3537.60	7,809	19.69	642.90	3,467.80	8489.7	7.08	7.44	7.72	8.33	9.04
11-Jun-26	209.04	5746.21	3541.34	8,368	31.39	1,099.00	3,466.90	20683.75	7.08	7.44	7.72	8.31	9.00
June 5-June 11,	**209.04**	**5746.21**	**3541.34**	**48,403**	**105**	**3,973**	**3,466.9**	**48,300**	**7.08**	**7.44**	**7.72**	**8.31**	**9.00**
Weekly Changes (%)	**-0.17**	**-0.41**	**-0.06**	**14.18**	**-23.38**	**-26.71**	**-0.17**	**90.53**	**0.077***	**0.103***	**0.029***	**0.055***	**0.042***

** Percentage points*
Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

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



Source: London Stock Exchange

Table 7: Government Domestic Debt (KSh Billion)

	30-Jun-25	30-Sep-25	30-Nov-25	31-Dec-25	31-Mar-26	22-May-26	29-May-26	5-Jun-26
1. Treasury Bills (Excluding Repos)	1,036.87	1,081.71	1,050.19	1,074.45	1,192.39	1,116.98	1,106.91	1,093.71
(As % of total securities)	*16.87*	*16.65*	*15.82*	*16.15*	*17.06*	*15.88*	*15.70*	*15.54*
2. Treasury Bonds	5,110.01	5,415.65	5,587.54	5,578.98	5,798.22	5,917.05	5,944.45	5,944.45
(As % of total securities)	*83.13*	*83.35*	*84.18*	*83.85*	*82.94*	*84.12*	*84.30*	*84.46*
3. Total Securities (1+2)	6,146.88	6,497.35	6,637.73	6,653.43	6,990.61	7,034.03	7,051.36	7,038.17
4. Overdraft at Central Bank	67.63	55.02	40.01	78.23	53.16	114.95	89.49	89.77
5. Other Domestic debt*	111.50	108.04	106.41	105.85	105.95	106.21	106.21	98.22
of which IMF funds on-lent to Government	80.56	78.93	78.38	78.38	78.67	78.93	78.93	79.04
6. Gross Domestic Debt (3+4+5)	**6,326.01**	**6,660.42**	**6,784.15**	**6,837.51**	**7,149.72**	**7,255.19**	**7,247.06**	**7,226.16**

** 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-25	30-Sep-25	30-Nov-25	31-Dec-25	31-Mar-26	22-May-26	29-May-26	05-Jun-26
Treasury bills (Excluding Repos)	16.39	16.24	15.48	15.71	16.68	15.40	15.27	15.14
Treasury bonds	80.78	81.31	82.36	81.59	81.10	81.56	82.03	82.26
Overdraft at Central Bank	1.07	0.83	0.59	1.14	0.74	1.58	1.23	1.24
Other domestic debt	1.76	1.62	1.57	1.55	1.48	1.46	1.47	1.36
of which IMF fund on lent to government	1.27	1.19	1.16	1.15	1.10	1.09	1.09	1.09
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)

Sector	31-Jul-25	30-Sep-25	31-Dec-25	27-Feb-26	31-Mar-26	24-Apr-26	29-May-26	05-Jun-26
Financial Corporations	78.8	78.5	78.9	79.3	79.9	79.9	79.9	79.8
O/W Commercial Banks	35.6	35.4	34.9	36.0	36.7	36.2	35.8	35.7
Pension Funds	14.5	14.5	14.7	14.1	14.0	14.2	14.3	14.3
Insurance Companies	13.1	13.0	13.5	13.6	13.6	13.7	13.9	14.0
General Government	7.5	7.3	7.4	7.0	7.0	7.0	7.1	7.1
Households	6.4	6.5	6.4	6.3	6.3	6.3	6.3	6.4
Non-Residents	4.5	4.7	4.7	4.7	4.4	4.3	4.2	4.2
Nonfinancial corporations	2.0	2.2	1.8	1.7	1.6	1.6	1.5	1.5
Non-Profit Institutions	0.9	0.8	0.8	0.9	0.9	1.0	1.0	1.0
Total	**100**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

**Data has been re-classified to adopt a sectorization that is aligned with global best practices, including Government Finance Statistics Manual (GFSM) 2014, Public Sector Debt Statistics 2014 Manual, System of National Accounts (SNA) 2008, and Monetary and Financial Statistics (MFS) 2016. The new classification leverages on the Dhow Central Securities Depository (DhowCSD) system which has the capability to identify the ultimate holders of government securities. The new classification also captures information on any transfer of government securities that take place in the secondary market.*

Source: Central Bank of Kenya

Table 10: Public Debt

	Jun-24	Dec-24	Jun-25	Jul-25	Sep-25	Dec-25	Feb-26	Mar-26*
Domestic debt (Ksh Bn)	5,410.28	5,868.77	6,326.01	6,386.24	6,660.42	6,837.51	7,064.68	7,149.72
Public & Publicly Guaranteed External debt (USD $ Bn)	39.77	39.11	42.44	41.67	41.73	42.34	44.79	43.74
Public & Publicly Guaranteed External debt (Ksh Bn)	5,150.84	5,057.01	5,484.83	5,385.30	5,393.53	5,461.97	5,779.07	5,683.22
Public Debt (Ksh Bn)	**10,561.12**	**10,925.78**	**11,810.84**	**11,771.54**	**12,053.95**	**12,299.48**	**12,843.75**	**12,832.94**

** Provisional*

Source: The National Treasury and Central Bank of Kenya