



Central Bank of Kenya

# Weekly Bulletin

March 22, 2024



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending March 21. It exchanged at KSh 133.07 per US dollar on March 21, compared to KSh 137.49 per US dollar on March 14 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,022 million (3.7 months of import cover) as at March 21. 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 March 21, supported by open market operations. Commercial banks' excess reserves stood at KSh 23.3 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.53 percent on March 21 compared to 13.27 percent on March 14. During the week, the average number of interbank deals decreased to 41 from 44 in the previous week, while the average value traded increased to KSh 35.2 billion from KSh 29.8 billion in the previous week (**Table 3**).

### Government Securities Market

The Treasury bills auction of March 21 received bids totaling KSh 24.7 billion against an advertised amount of KSh 24.0 billion, representing a performance of 102.8 percent. Interest rate on the 364-day Treasury bill remained stable, while the 91-day and 182-day rates increased marginally (**Table 4**).

During the Treasury bonds auction of March 20, the reopened 5-year and 10-year fixed rate Treasury bonds received bids totaling KSh 59.7 billion against an advertised amount of KSh 40.0 billion, representing a performance of 149.3 percent (**Table 5**).

### Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 5.3 percent, 5.6 percent and 3.0 percent, respectively during the week ending March 21. Market capitalization also increased by 5.3 percent while equity turnover and total shares traded decreased by 33.4 percent and 30.3 percent, respectively (**Table 6**).

### Bond Market

Bond turnover in the domestic secondary market decreased by 24.4 percent during the week ending March 21 (**Table 6**). In the international market, yields on Kenya's Eurobonds remained stable. The yield on the 10-year Eurobond for Angola increased while that of Zambia decreased (**Chart 2**).

### Global Trends

Concerns about inflation in advanced economies moderated during the week ending March 21. The UK headline inflation rate declined to 3.4 percent in February from 4.0 percent in January. The US Federal Reserve maintained its policy rate in the range 5.25- 5.50 percent, while Bank of England retained its bank rate at 5.25 percent. The US dollar index strengthened by 0.05 percent against a basket of major currencies during the week ending March 21.

International oil prices increased during the week ending March 21, reflecting increased oil demand amid reduced oil production by OPEC+ exporters. Murban oil price increased to USD 86.30 per barrel on March 21 from USD 84.98 on March 14.

**Table 1: Kenya Shilling Exchange Rates**

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
8-Mar-24	142.80	182.21	155.67	96.56	27.35	17.86	8.96	20.02
11-Mar-24	140.44	180.48	153.65	95.56	27.81	18.12	9.15	20.35
12-Mar-24	139.49	178.86	152.33	94.93	27.98	18.28	9.18	20.50
13-Mar-24	138.80	177.07	151.43	93.90	28.03	18.37	9.23	20.60
14-Mar-24	137.49	175.93	150.41	92.99	28.29	18.55	9.32	20.80
<b>Mar 8-14</b>	<b>139.80</b>	<b>178.91</b>	<b>152.70</b>	<b>94.79</b>	<b>27.89</b>	<b>18.24</b>	<b>9.17</b>	<b>20.45</b>
15-Mar-24	135.15	172.35	147.31	91.26	28.75	18.88	9.49	21.16
18-Mar-24	134.58	171.38	146.52	90.26	28.85	18.96	9.53	21.25
19-Mar-24	134.00	170.38	145.61	89.19	28.99	19.03	9.58	21.35
20-Mar-24	133.27	169.40	144.76	88.45	29.11	19.36	9.63	21.47
21-Mar-24	133.07	169.10	144.38	87.75	29.17	19.18	9.69	21.53
<b>Mar 15-21</b>	<b>134.01</b>	<b>170.52</b>	<b>145.72</b>	<b>89.38</b>	<b>28.98</b>	<b>19.08</b>	<b>9.59</b>	<b>21.35</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

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

	22-Feb-24	29-Feb-24	7-Mar-24	14-Mar-24	21-Mar-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,221	6,962	6,919	6,974	7,022
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.9	3.7	3.7	3.7	3.7

\*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 (%)
8-Mar-24	28	25,820.00	13.00
11-Mar-24	68	38,585.00	12.99
12-Mar-24	58	34,210.00	13.10
13-Mar-24	37	27,640.00	13.21
14-Mar-24	27	22,615.00	13.27
<b>Mar 8-14</b>	<b>44</b>	<b>29,774.00</b>	<b>13.11</b>
15-Mar-24	39	26,200.00	13.32
18-Mar-24	43	40,380.00	13.37
19-Mar-24	45	37,730.00	13.42
20-Mar-24	44	41,380.00	13.49
21-Mar-24	32	30,460.00	13.53
<b>Mar 15-21</b>	<b>41</b>	<b>35,230.00</b>	<b>13.42</b>

Source: Central Bank of Kenya

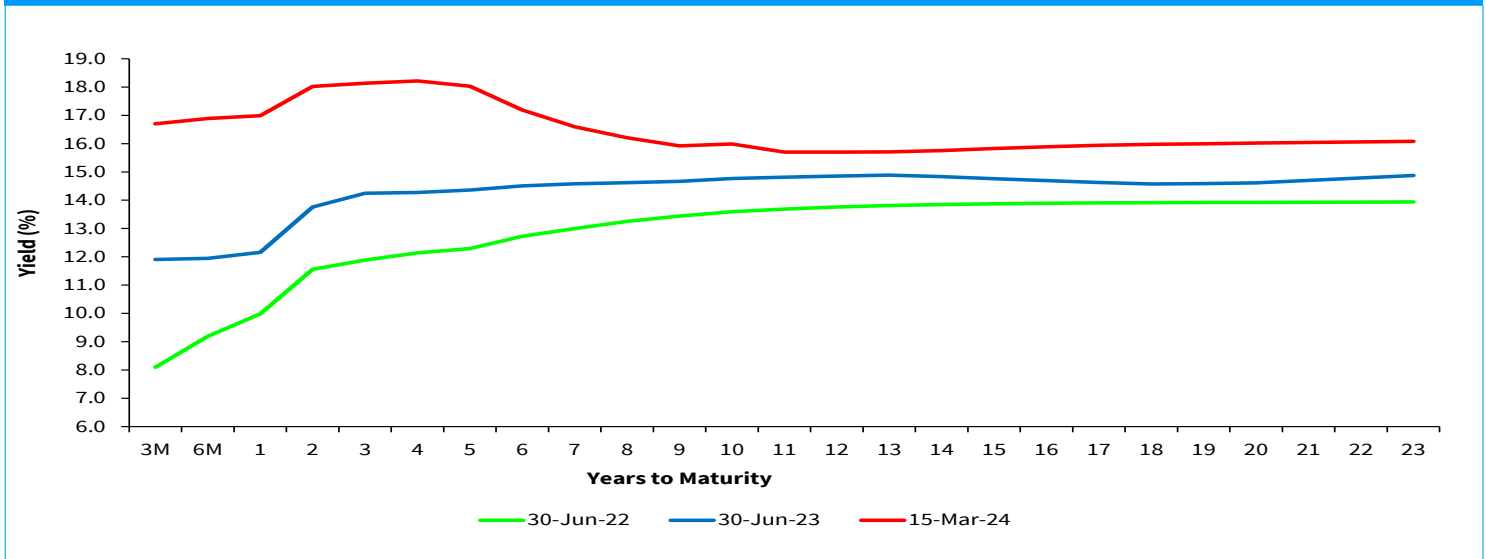
Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	29-Feb-24	14-Mar-24	21-Mar-24
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	5,779.97	11,007.63	8,516.51	12,259.85	14,055.87	11,648.10
Amount Accepted (KSh M)	2,705.12	3,303.25	6,986.46	12,221.39	13,777.55	9,132.42
Maturities (KSh M)	2,814.15	2,741.45	3,254.55	18,879.90	13,939.25	16,939.95
Average Interest Rate (%)	11.904	14.821	15.983	16.622	16.698	16.731
182-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	29-Feb-24	14-Mar-24	21-Mar-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)	2,195.96	809.28	322.85	2,035.88	3,603.46	4,087.01
Amount Accepted (KSh M)	1,300.96	542.27	322.85	1,952.90	3,280.70	3,191.58
Maturities (KSh M)	442.15	3,616.00	1,365.20	928.35	663.75	1,665.35
Average Interest Rate (%)	11.947	14.950	15.967	16.785	16.890	16.914
364-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	29-Feb-24	14-Mar-24	21-Mar-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)	1,514.41	1,841.12	1,661.91	9,575.99	4,774.54	8,943.70
Amount Accepted (KSh M)	1,514.41	670.62	1,661.91	8,719.18	2,788.13	8,339.19
Maturities (KSh M)	2,417.65	1,229.50	1,858.45	4,903.65	4,896.35	1,003.20
Average Interest Rate (%)	12.157	15.054	16.100	16.972	16.989	16.989

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions								
Date of Auction	10-Jan-23		18-Jan-24		14-Feb-24	6-Mar-24	20-Mar-24	
			TAP			RE-OPEN	RE-OPEN	
Tenor	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2024/003	FXD1/ 2023/005	IFB1/ 2024/8.5	FXD1/ 2024/03	FXD1/ 2023/005	FXD1/ 2024/010
Amount offered (KSh M)	35,000.00		15,000.00		70,000.00	40,000.00	40,000.00	
Bids received (KSh M)	29,089.43	8,062.57	9,308.35	2,552.31	288,661.86	43,074.61	35,848.61	23,885.31
Amount Accepted (KSh M)	22,069.44	2,946.74	9,339.89	2,415.58	240,957.57	34,271.36	17,766.82	4,838.59
Maturities (KSh M)	35,852.15		0.00		70,490.80	0.00	0.00	
Average interest Rate (%)	18.39	18.77	18.39	16.84	18.46	18.42	18.41	16.52

Source: Central Bank of Kenya

**Chart 1: Government Securities Yield Curve**



Source: Nairobi Securities Exchange (NSE)

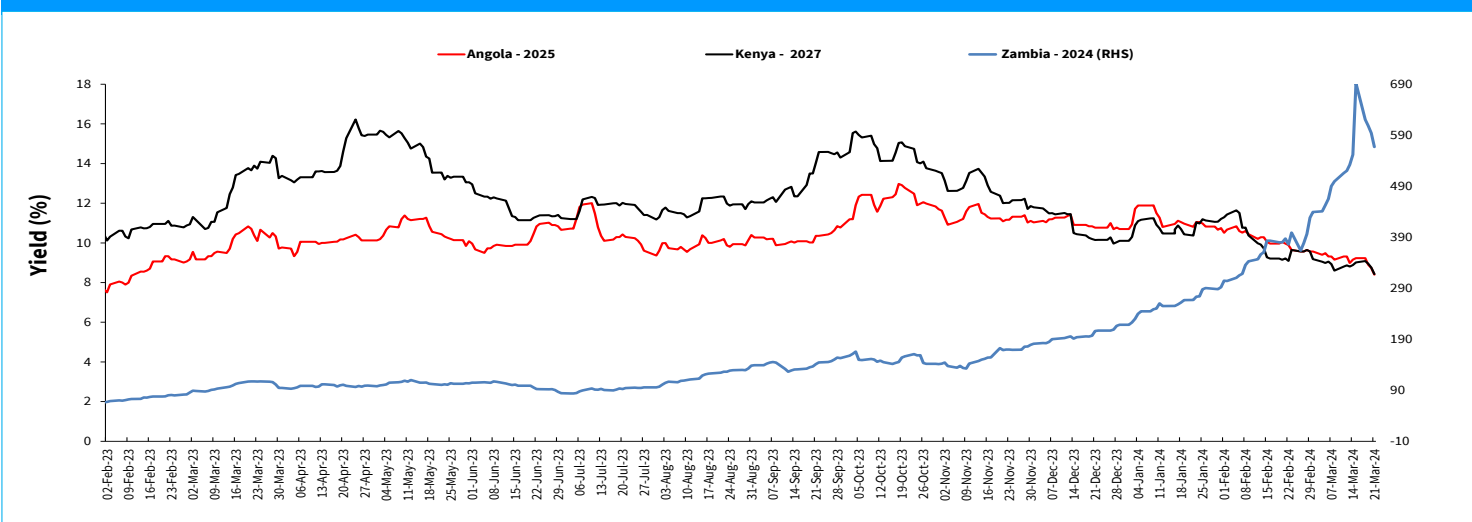
**Table 6: Performance of Key Market Indicators**

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 Mil- lion)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2028	6-Year 2031	12-Year 2032	13-Year 2034	30-Year 2048
8-Mar-24	94.90	2,525.06	1,556.10	1,028.00	15.68	353.55	1482.650	3,368.90	8.603	9.006	9.453	9.487	9.465	10.039
11-Mar-24	95.52	2,531.34	1,566.28	913.00	7.01	193.14	1492.340	5,667.31	8.803	9.166	9.521	9.616	9.584	10.120
12-Mar-24	96.70	2,545.62	1,562.41	1,077.00	39.56	819.87	1510.788	9,430.50	8.872	9.167	9.577	9.668	9.680	10.153
13-Mar-24	97.57	2,571.17	1,573.37	951.00	46.60	762.66	1524.467	4,926.30	8.807	8.969	9.409	9.565	9.538	10.071
14-Mar-24	100.04	2,646.32	1,611.07	1,070.00	45.97	704.31	1563.025	10,860.45	8.881	9.092	9.520	9.644	9.611	10.104
<b>Mar 8 -14</b>	<b>100.04</b>	<b>2,646.32</b>	<b>1,611.07</b>	<b>5,039.00</b>	<b>154.82</b>	<b>2,833.52</b>	<b>1563.025</b>	<b>34,253.46</b>	<b>8.881</b>	<b>9.092</b>	<b>9.520</b>	<b>9.644</b>	<b>9.611</b>	<b>10.104</b>
15-Mar-24	101.82	2,702.28	1,637.74	1,399.00	27.08	263.25	1590.773	3,131.85	9.017	9.213	9.633	9.750	9.707	10.185
18-Mar-24	100.28	2,690.37	1,630.81	1,134.00	14.03	200.67	1566.771	7,540.40	9.087	9.254	9.774	9.829	9.804	10.268
19-Mar-24	101.07	2,710.96	1,633.87	1,202.00	19.10	463.15	1579.086	2,348.87	8.955	9.175	9.661	9.750	9.709	10.202
20-Mar-24	103.59	2,769.07	1,667.01	1,277.00	15.16	317.18	1618.472	7,223.60	8.756	9.056	9.576	9.595	9.614	10.071
21-Mar-24	105.34	2,795.23	1,658.96	1,748.00	32.59	641.74	1645.869	5,639.30	8.429	8.741	9.268	9.313	9.334	9.865
<b>Mar 15 -21</b>	<b>105.34</b>	<b>2,795.23</b>	<b>1,658.96</b>	<b>6,760.00</b>	<b>107.96</b>	<b>1,886.00</b>	<b>1645.869</b>	<b>25,884.02</b>	<b>8.429</b>	<b>8.741</b>	<b>9.268</b>	<b>9.313</b>	<b>9.334</b>	<b>9.865</b>
<b>Weekly Changes (%)</b>	<b>5.30</b>	<b>5.63</b>	<b>2.97</b>	<b>34.15</b>	<b>-30.27</b>	<b>-33.44</b>	<b>5.30</b>	<b>-24.43</b>	<b>-0.452*</b>	<b>-0.351*</b>	<b>-0.252*</b>	<b>-0.331*</b>	<b>-0.277*</b>	<b>-0.239*</b>

\* 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-Dec-22	30-Jun-23	29-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	8-Mar-24	15-Mar-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	558.21	546.90	565.63	553.28	549.21	552.68
<i>(As % of total securities)</i>	<b>15.32</b>	<b>13.28</b>	<b>11.86</b>	<b>11.35</b>	<b>11.69</b>	<b>11.08</b>	<b>11.00</b>	<b>10.99</b>
2. Treasury Bonds	3,710.62	4,013.89	4,149.81	4,271.82	4,272.25	4,442.10	4,442.10	4,476.40
<i>(As % of total securities)</i>	<b>84.68</b>	<b>86.72</b>	<b>88.14</b>	<b>88.65</b>	<b>88.31</b>	<b>88.92</b>	<b>89.00</b>	<b>89.01</b>
3. Total Securities (1+2)	4,382.13	4,628.62	4,708.02	4,818.72	4,837.89	4,995.38	4,991.30	5,029.08
4. Overdraft at Central Bank	58.50	76.46	75.70	94.13	83.45	87.52	93.85	93.16
5. Other Domestic debt*	32.76	127.04	133.75	137.26	136.71	136.71	129.11	129.11
<i>of which IMF funds on-lent to Government</i>		<b>95.52</b>	<b>99.52</b>	<b>104.24</b>	<b>104.24</b>	<b>104.24</b>	<b>106.49</b>	<b>106.49</b>
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>4,473.39</b>	<b>4,832.11</b>	<b>4,917.47</b>	<b>5,050.11</b>	<b>5,058.04</b>	<b>5,219.61</b>	<b>5,214.26</b>	<b>5,251.35</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-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	8-Mar-24	15-Mar-24
Treasury bills (Excluding Repos)	15.01	12.72	11.35	10.83	11.18	10.60	10.53	10.52
Treasury bonds	82.95	83.07	84.39	84.59	84.46	85.10	85.19	85.24
Overdraft at Central Bank	1.31	1.58	1.54	1.86	1.65	1.68	1.80	1.77
Other domestic debt	0.73	2.63	2.72	2.72	2.70	2.62	2.48	2.46
<i>of which IMF fund on lent to government</i>		1.98	2.02	2.06	2.06	2.00	2.04	2.03
<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-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	8-Mar-24	15-Mar-24
Banking Institutions	46.84	46.17	45.18	46.07	45.84	46.25	45.99	45.91
Insurance Companies	7.37	7.31	7.35	7.23	7.34	7.16	7.17	7.11
Parastatals	6.06	5.98	5.95	5.47	5.56	5.29	5.21	5.28
Pension Funds	33.31	33.42	32.23	29.93	29.89	29.06	29.37	29.34
Other Investors	6.43	7.13	9.30	11.30	11.37	12.24	12.27	12.36
<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 10: Government Debt**

	Jun-22	Dec-22	Jun-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24*
Domestic debt (KSh Bn)	4,288.33	4,472.84	4,832.11	4,912.34	4,917.47	4,913.03	4,990.75	5,050.11	5,058.04
Public & Publicly Guaranteed External debt (USD Bn)	36.58	37.88	38.76	38.61	38.27	38.17	38.50	38.92	38.51
Public & Publicly Guaranteed External debt (KSh Bn)	4,290.73	4,673.14	5,446.56	5,614.09	5,667.80	5,746.32	5,896.50	6,089.58	6,189.97
Public debt (KSh Bn)	<b>8,579.06</b>	<b>9,145.98</b>	<b>10,278.67</b>	<b>10,526.43</b>	<b>10,585.27</b>	<b>10,659.35</b>	<b>10,887.25</b>	<b>11,139.69</b>	<b>11,248.01</b>

\* Provisional

Source: The National Treasury and Central Bank of Kenya