



Central Bank of Kenya

Weekly Bulletin

November 17, 2023



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained relatively stable against major international and regional currencies during the week ending November 16. It exchanged at KSh 152.11 per US dollar on November 16, compared to KSh 151.53 per US dollar on November 9 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 6,785 million (3.6 months of import cover) as at November 16. This meets the CBK's statutory requirement to endeavour to maintain at least 4 months of import cover (**Table 2**).

Remittances

Remittance inflows in October 2023 totaled USD 355.6 million compared to USD 332.6 million in October 2022, an increase of 6.9 percent (**Chart 1**). The cumulative inflows for the 12 months to October 2023 totaled USD 4,165 million compared to USD 3,996 million in the same period in 2022, an increase of 4.2 percent. The US remained the largest source of remittances into Kenya, accounting for 54 percent in October 2023 (**Table 2**).

Money Market

Liquidity in the money market decreased during the week ending November 16. Commercial banks' excess reserves stood at KSh 16.8 billion in relation to the 4.25 percent Cash Reserves Requirement (CRR). Open market operations remained active. The average interbank rate was 11.05 percent on November 16 compared to 11.34 percent on November 9. During the week, the average number of interbank deals increased to 26 from 19 in the previous week, while the average value traded increased to KSh 20.0 billion from KSh 13.9 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of November 16 received bids totaling KSh 50.0 billion against an advertised amount

of KSh 24.0 billion, representing a performance of 208.3 percent. Interest rates on the 91-day, 182-day and 364-day rates increased marginally (**Table 4**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 2.1 percent, 2.4 percent, and 3.5 percent, respectively during the week ending November 16. Market capitalization, equity turnover and total shares traded increased by 2.1 percent, 33.6 percent, and 21.7 percent respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market declined by 17.5 percent during the week ending November 16 (**Table 6**). In the international market, yields on Kenya's Eurobonds declined by an average of 30.4 basis points, with the 2024 maturity declining by 137.1 basis points. The yield on the 10-Year Eurobonds for Angola declined while that of Zambia increased (**Chart 3**).

Global Trends

Inflation concerns in advanced economies continue to ease. The US and UK inflation rates declined to 3.2 percent and 4.6 percent in October from 3.7 percent and 6.7 percent, respectively in September 2023. The US dollar index weakened by 1.5 percent against a basket of major currencies during the week ending November 16.

International oil prices remained steady during the week ending November 16. Murban oil price stood at USD 81.87 per barrel on November 16 compared to USD 81.59 per barrel on November 9.

Table 1: Kenya Shilling Exchange Rates (Indicative Mean Rates)

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
3-Nov-23	151.06	184.30	160.90	99.80	25.08	16.54	8.13	18.80
6-Nov-23	151.16	186.33	161.90	101.11	25.03	16.53	8.09	18.72
7-Nov-23	151.27	187.48	162.49	100.98	24.86	16.54	8.09	18.71
8-Nov-23	151.38	186.28	161.74	100.52	24.84	16.50	8.14	18.76
9-Nov-23	151.53	185.80	161.67	100.39	24.81	16.58	8.11	18.75
Nov 3-9	151.28	186.03	161.74	100.56	24.92	16.54	8.11	18.75
10-Nov-23	151.68	186.10	162.31	100.19	24.82	16.48	8.11	18.73
13-Nov-23	Public Holiday							
14-Nov-23	151.84	185.52	162.25	100.09	24.84	16.49	8.11	18.71
15-Nov-23	151.94	186.78	162.85	100.15	24.91	16.45	8.13	18.70
16-Nov-23	152.11	189.53	165.26	101.17	24.86	16.42	8.10	18.68
Nov 10-16	151.89	186.98	163.16	100.40	24.86	16.46	8.11	18.71

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

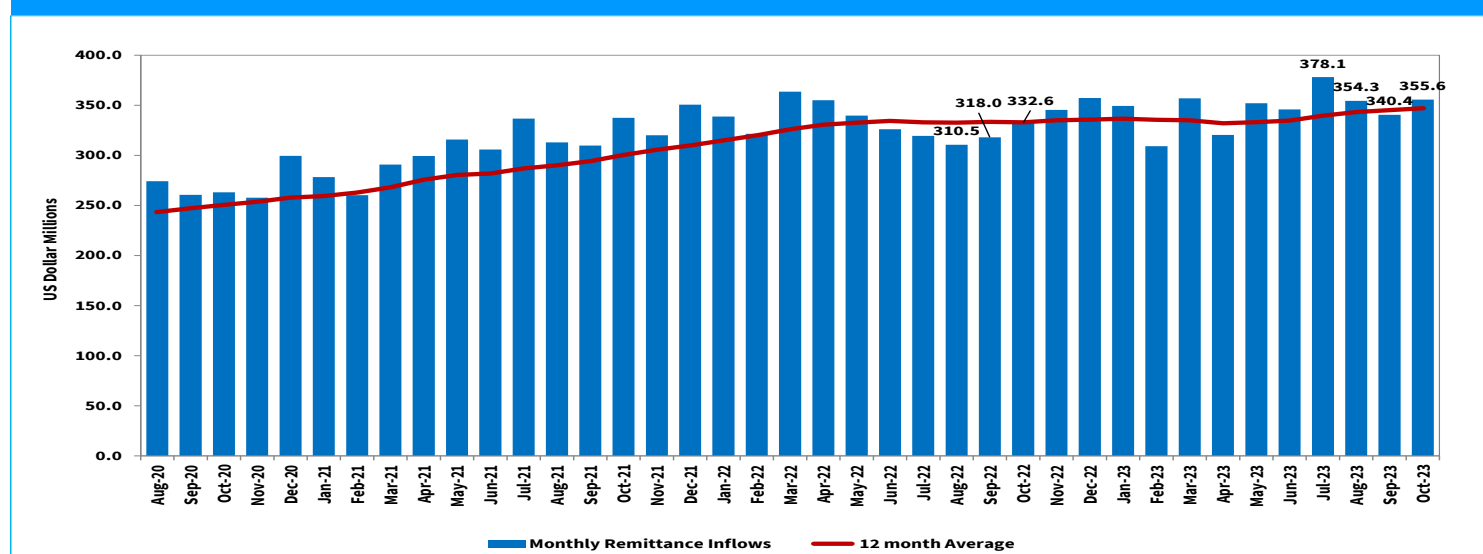
Table 2: Official Foreign Exchange Reserves (USD Million)

	18-Oct-23	26-Oct-23	2-Nov-23	9-Nov-23	16-Nov-23
1. CBK Usable Foreign Exchange Reserves (USD Million)	6,833	6,836	6,814	6,853	6,785
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.67	3.67	3.66	3.68	3.64

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

Source: Central Bank of Kenya

Chart 1: Remittances



Source: Central Bank of Kenya

Table 3: Money Markets

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
3-Nov-23	27	16,330.00	12.09
6-Nov-23	14	12,000.00	11.99
7-Nov-23	23	19,120.00	11.75
8-Nov-23	16	11,370.00	11.54
9-Nov-23	17	10,740.00	11.34
Nov 3-9	19	13,912.00	11.74
10-Nov-23	18	11,940.00	11.22
13-Nov-23	Public Holiday		
14-Nov-23	20	18,160.00	11.01
15-Nov-23	28	24,560.00	11.01
16-Nov-23	36	25,470.00	11.05
Nov 9-Nov 16	26	20,032.50	11.07

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	29-Dec-22	30-Mar-23	29-Jun-23	26-Oct-23	9-Nov-23	16-Nov-23
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)	2,180.21	2,904.04	5,779.97	10,638.80	37,256.57	37,708.22
Amount Accepted (KSh M)	2,120.42	2,765.00	2,705.12	8,142.58	37,085.35	33,150.73
Maturities (KSh M)	2,539.95	2,158.40	2,814.15	5,955.85	42,524.35	38,198.60
Average Interest Rate (%)	9.369	9.907	11.904	15.111	15.287	15.363
182-Day Treasury Bills						
Date of Auction	29-Dec-22	30-Mar-23	29-Jun-23	26-Oct-23	9-Nov-23	16-Nov-23
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)	434.69	3,547.05	2,195.96	5,668.39	18,590.43	9,397.24
Amount Accepted (KSh M)	434.69	3,457.80	1,300.96	5,668.39	18,590.43	9,302.70
Maturities (KSh M)	1,660.95	3,176.30	442.15	906.65	9,271.00	4,419.00
Average Interest Rate (%)	9.834	10.399	11.947	15.129	15.406	15.428
364-Day Treasury Bills						
Date of Auction	29-Dec-22	30-Mar-23	29-Jun-23	26-Oct-23	9-Nov-23	16-Nov-23
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)	1,691.33	1,810.42	1,514.41	1,843.30	5,506.69	2,890.93
Amount Accepted (KSh M)	1,691.33	1,810.42	1,514.41	1,843.30	5,493.66	2,881.04
Maturities (KSh M)	5,396.40	2,660.05	2,417.65	3,911.45	9,557.25	5,115.80
Average Interest Rate (%)	10.308	10.800	12.157	15.387	15.615	15.639

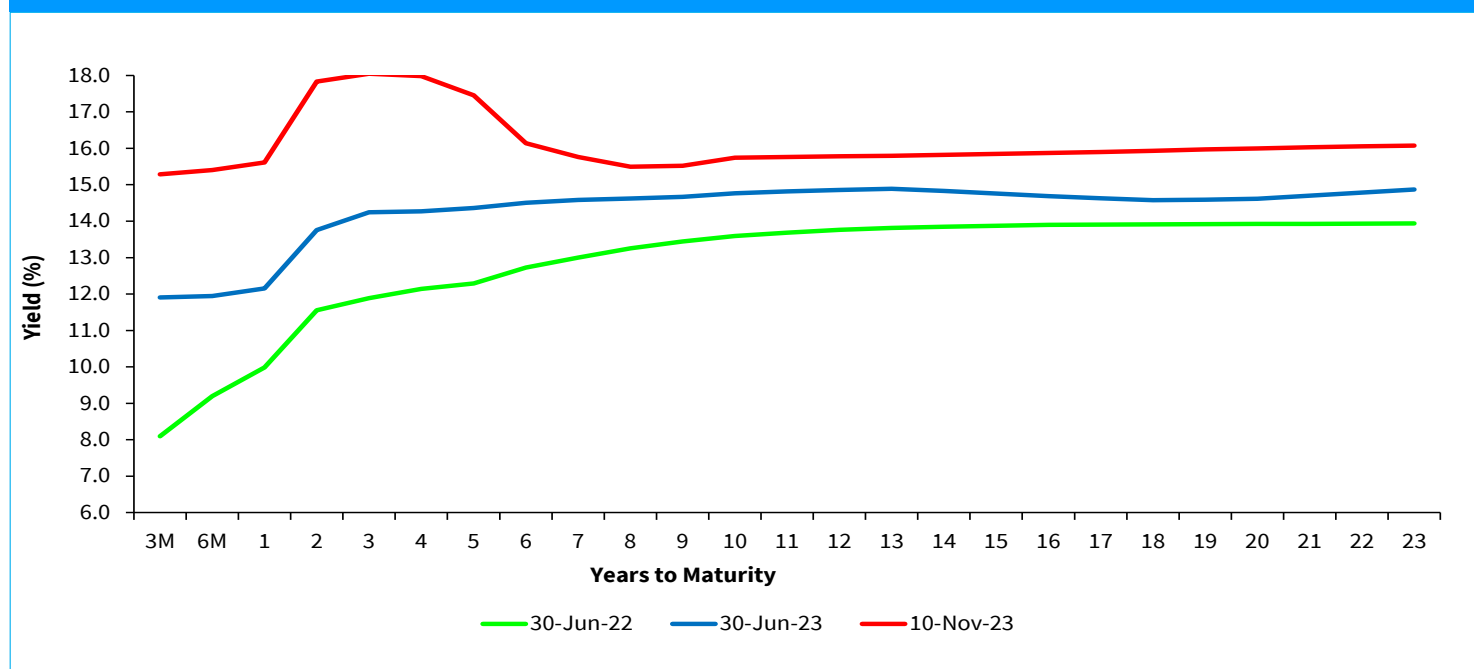
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	24-Aug-23		13-Sep-23		28-Sep-23		12-Oct-23		8-Nov-23
	TAP		RE-OPEN		TAP		RE-OPEN		
Tenor	FXD1/ 2023/02	FXD1/ 2023/05	FXD1/ 2023/02	FXD1/ 2016/10	FXD1/ 2023/002	FXD1/ 2016/10	FXD1/ 2023/002	FXD1/ 2023/005	IFB1/2023/6.5
Amount offered (KSh M)	21,000.00		35,000.00		15,000.00		35,000.00		50,000.00
Bids received (KSh M)	17,375.70	6,225.05	18,014.85	15,994.38	2,631.25	814.90	6,506.42	5,791.92	88,899.96
Amount Accepted (KSh M)	17,373.51	6,123.42	15,012.62	6,616.01	2,609.97	763.17	4,825.11	1,481.78	67,056.07
Maturities (KSh M)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average interest Rate (%)	16.97	17.95	17.45	17.93	17.45	17.93	17.74	17.99	17.93

Source: Central Bank of Kenya

Chart 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

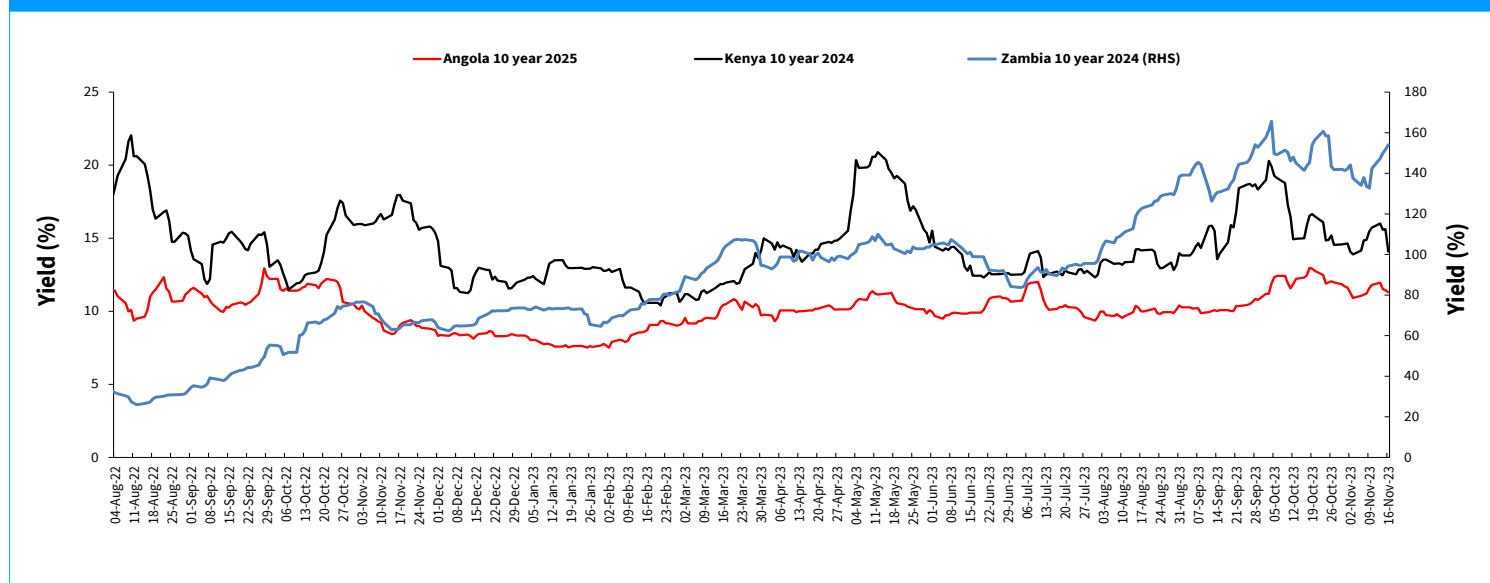
Table 6: Performance of Key Market Indicators

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 Million)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2024	10-Year 2028	12-Year 2032	13-Year 2034	30-Year 2048
3-Nov-23	85.74	2307.75	1443.42	1,190.00	9.25	104.72	1,339.59	1,270.60	12.62	13.894	12.46	11.896	11.213	11.552
6-Nov-23	86.04	2298.54	1442.67	1,084.00	18.29	201.27	1,344.33	694.10	12.626	14.148	12.463	11.898	11.214	11.553
7-Nov-23	85.55	2276.08	1428.66	1,305.00	17.23	213.30	1,336.39	5,106.25	12.698	14.855	12.466	11.869	11.188	11.512
8-Nov-23	86.41	2281.58	1424.01	967.00	2.18	27.84	1,350.00	2,842.85	12.769	14.891	12.512	11.841	11.189	11.553
9-Nov-23	88.32	2299.32	1416.32	1,258.00	21.43	297.72	1,379.90	1,435.80	13.119	15.462	12.651	11.963	11.3	11.675
Nov3-9	88.32	2299.32	1416.32	5,804.00	68.38	844.85	1,379.90	11,349.60	13.119	15.462	12.651	11.963	11.3	11.675
10-Nov-23	88.95	2312.51	1420.14	1,100.00	61.44	836.77	1,389.73	155	13.528	15.734	12.872	12.172	11.491	11.778
13-Nov-23	Public Holiday								13.738	16.009	12.963	12.294	11.575	11.862
14-Nov-23	89.35	2336.93	1445.24	1,051.00	4.74	60.42	1,395.98	2,996	13.542	15.582	12.834	12.175	11.439	11.758
15-Nov-23	90.23	2354.71	1460.01	952.00	8.22	104.83	1,409.73	2,151	13.347	15.623	12.837	12.176	11.522	11.758
16-Nov-23	90.17	2353.38	1465.40	1,193.00	8.82	126.51	1,408.71	4,066	12.899	14.091	12.497	11.971	11.253	11.634
Nov 10-16	90.17	2353.38	1465.40	4,296.00	83.22	1,128.54	1,408.71	9,368.68	12.899	14.091	12.497	11.971	11.253	11.634
Weekly Changes (%)	2.09	2.35	3.47	-25.98	21.70	33.58	2.09	-17.45	-0.220*	-1.371*	-0.154*	0.008*	-0.047*	-0.041*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

Chart 3: Yields on 10-Year Eurobonds for Selected Countries



Source: Thomson Reuters

Table 7: Government Domestic Debt (KSh Billion)

	30-Dec-22	31-Mar-23	30-Jun-23	31-Jul-23	31-Aug-23	29-Sep-23	31-Oct-23	10-Nov-23
1. Treasury Bills (Excluding Repos)	671.51	665.86	614.73	585.13	567.70	558.21	557.23	557.23
<i>(As % of total securities)</i>	15.32	15.01	13.28	12.50	12.06	11.86	11.81	11.81
2. Treasury Bonds	3,710.62	3,771.03	4,013.89	4,097.24	4,139.72	4,149.81	4,159.08	4,159.08
<i>(As % of total securities)</i>	84.68	84.99	86.72	87.50	87.94	88.14	88.19	88.19
3. Total Securities (1+2)	4,382.13	4,436.89	4,628.62	4,682.38	4,707.42	4,708.02	4,716.31	4,716.31
4. Overdraft at Central Bank	58.50	77.98	76.46	61.12	72.05	75.70	73.93	78.96
5. Other Domestic debt*	32.76	24.73	127.04	130.03	132.86	133.05	133.03	133.02
of which IMF funds on-lent to Government			95.52	97.70	98.82	98.82	98.82	98.82
6. Gross Domestic Debt (3+4+5)	4,473.39	4,539.59	4,832.11	4,873.53	4,912.34	4,916.78	4,923.27	4,928.30

* 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-Sep-22	30-Dec-22	31-Mar-23	30-Jun-23	31-Aug-23	29-Sep-23	31-Oct-23	10-Nov-23
Treasury bills (Excluding Repos)	15.01	14.67	12.72	12.01	11.56	11.35	11.32	11.20
Treasury bonds	82.95	83.07	83.07	84.07	84.27	84.40	84.48	84.41
Overdraft at Central Bank	1.31	1.72	1.58	1.25	1.47	1.54	1.50	1.73
Other domestic debt	0.73	0.54	2.63	2.67	2.70	2.71	2.70	2.66
of which IMF fund on lent to government			1.98	2.00	2.01	2.01	2.01	2.01
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-Sep-22	30-Dec-22	31-Mar-23	30-Jun-23	25-Aug-23	29-Sep-23	31-Oct-23	10-Nov-23
Banking Institutions	47.60	46.84	46.13	46.17	44.96	45.18	44.15	44.58
Insurance Companies	7.32	7.37	7.39	7.31	7.33	7.35	7.20	7.20
Parastatals	6.09	6.06	6.04	5.98	6.09	5.95	5.77	5.40
Pension Funds	32.75	33.31	33.42	33.42	33.14	32.23	30.39	30.40
Other Investors	6.24	6.43	7.01	7.13	8.48	9.30	12.48	12.41
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of Kenya

Table 10: Government Debt

	May-22	Jun-22	Dec-22	May-23	Jun-23	Jul-23	Aug-23*	Sept-23*
Domestic debt (KSh Bn)	4,268.66	4,288.33	4,472.84	4,549.65	4,832.11	4,873.53	4,910.62	4,917.31
Public & Publicly Guaranteed External debt (USD Bn)	36.94	36.58	37.88	37.09	38.76	38.93	38.61	38.27
Public & Publicly Guaranteed External debt (KSh Bn)	4,295.10	4,290.73	4,673.14	5,137.16	5,446.56	5,542.64	5,614.09	5,667.80
Public debt (KSh Bn)	8,563.76	8,579.06	9,145.98	9,686.81	10,278.67	10,416.17	10,524.71	10,585.11

* Provisional

Source: The National Treasury and Central Bank of Kenya