



Central Bank of Kenya

# Weekly Bulletin

April 19, 2024



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending April 18. It exchanged at KSh 131.37 per US dollar on April 18, compared to KSh 130.39 per US dollar on April 11 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,226 million (3.8 months of import cover) as of April 18. 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 April 18, supported by open market operations. Commercial banks' excess reserves stood at KSh 30.4 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.73 percent on April 18 compared to 13.45 percent on April 11. During the week, the average number of interbank deals decreased to 33 from 37 in the previous week, while the average value traded decreased to KSh 19.1 billion from KSh 25.0 billion in the previous week (**Table 3**).

### Government Securities Market

The Treasury bills auction of April 18 received bids totaling KSh 26.1 billion against an advertised amount of KSh 24.0 billion, representing a performance of 108.7 percent. Interest rate on the 91-day Treasury bill increased marginally while interest rates on the 182-day and 364-day Treasury bills decreased (**Table 4**).

During the Treasury bond auction of April 17, the reopened 2-year fixed rate Treasury bond received bids totaling KSh 47.2 billion against an advertised amount of KSh 40.0 billion, representing a performance of 117.98 percent (**Table 5**).

### Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices declined by 1.6 percent, 1.9 percent and 2.5 percent during the week ending April 18. Equity turnover and total shares traded increased by 14.7 percent and 4.2 respectively. However, market capitalization declined by 1.6 percent (**Table 6**).

### Bond Market

Bond turnover in the domestic secondary market increased by 56.2 percent during the week ending April 18 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 9.0 basis points. The yield on the 10-Year Eurobonds for Angola and Zambia declined (**Chart 2**).

### Global Trends

Inflation in advanced economies has remained sticky with concerns about services inflation both in the US and the Eurozone. The April 2024 World Economic Outlook by IMF shows steady global growth supported by recovery in advanced economies. The US dollar index strengthened by 0.87 percent against a basket of major currencies during the week ending April 18.

International oil prices declined during the week ending April 18 despite escalation of the Middle East conflict. The decline reflected weaker expectations about global oil demand growth and increase in production by non-OPEC countries. Murban oil price declined to USD 87.52 per barrel on April 18 compared to USD 91.09 on April 11.

**Table 1: Kenya Shilling Exchange Rates**

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
5-Apr-24	130.74	165.71	142.11	86.25	29.45	19.69	9.84	21.90
8-Apr-24	130.47	164.09	140.81	85.98	29.38	19.78	9.86	21.95
9-Apr-24	130.22	164.83	141.38	85.73	29.25	19.81	9.88	21.99
10-Apr-24	<b>Holiday</b>							
11-Apr-24	130.39	165.69	141.90	85.94	29.11	19.79	9.87	21.97
<b>Apri 5-11</b>	<b>130.45</b>	<b>165.08</b>	<b>141.55</b>	<b>85.97</b>	<b>29.29</b>	<b>19.77</b>	<b>9.87</b>	<b>21.95</b>
12-Apr-24	130.35	163.88	140.08	85.26	29.22	19.79	9.88	21.97
15-Apr-24	130.44	162.57	138.95	84.81	29.16	19.78	9.87	21.96
16-Apr-24	130.77	162.66	138.86	84.75	29.13	19.73	9.87	21.95
17-Apr-24	131.02	163.21	139.35	84.68	29.23	19.73	9.83	21.86
18-Apr-24	131.37	163.82	140.31	85.16	29.16	19.68	9.80	21.76
<b>Apri 12-18</b>	<b>130.79</b>	<b>163.23</b>	<b>139.51</b>	<b>84.93</b>	<b>29.18</b>	<b>19.74</b>	<b>9.85</b>	<b>21.90</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

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

	21-Mar-24	28-Mar-24	4-Apr-24	11-Apr-24	18-Apr-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,022	7,088	7,148	7,291	7,226
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.7	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 (%)
5-Apr-24	40	19,890.00	13.63
8-Apr-24	31	19,760.00	13.44
9-Apr-24	45	41,480.00	13.40
10-Apr-24	Holiday		
11-Apr-24	30	18,960.00	13.45
<b>Apr 4-11</b>	<b>37</b>	<b>25,022.50</b>	<b>13.48</b>
12-Apr-24	39	18,100.00	13.19
15-Apr-24	35	16,430.00	13.59
16-Apr-24	25	18,320.00	13.73
17-Apr-24	30	21,500.00	13.75
18-Apr-24	35	21,000.00	13.73
<b>Apr 12-18</b>	<b>33</b>	<b>19,070.00</b>	<b>13.60</b>

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions						
<b>91-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>28-Sep-23</b>	<b>28-Dec-23</b>	<b>28-Mar-24</b>	<b>4-Apr-24</b>	<b>11-Apr-24</b>	<b>18-Apr-24</b>
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)	11,007.63	8,516.51	5,380.72	8,691.44	16,417.15	6,005.06
Amount Accepted (KSh M)	3,303.25	6,986.46	3,867.98	7,850.56	16,383.65	5,945.12
Maturities (KSh M)	2,741.45	3,254.55	7,215.65	26,143.55	36,001.95	25,100.25
<b>Average Interest Rate (%)</b>	<b>14.821</b>	<b>15.983</b>	<b>16.729</b>	<b>16.724</b>	<b>15.733</b>	<b>15.803</b>
<b>182-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>28-Sep-23</b>	<b>28-Dec-23</b>	<b>28-Mar-24</b>	<b>4-Apr-24</b>	<b>11-Apr-24</b>	<b>18-Apr-24</b>
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)	809.28	322.85	2,702.14	5,870.42	10,563.72	7,814.98
Amount Accepted (KSh M)	542.27	322.85	2,049.15	4,941.07	10,512.86	7,763.37
Maturities (KSh M)	3,616.00	1,365.20	552.85	985.55	2,837.40	3,988.20
<b>Average Interest Rate (%)</b>	<b>14.950</b>	<b>15.967</b>	<b>16.888</b>	<b>16.874</b>	<b>16.868</b>	<b>16.467</b>
<b>364-Day Treasury Bills</b>						
<b>Date of Auction</b>	<b>28-Sep-23</b>	<b>28-Dec-23</b>	<b>28-Mar-24</b>	<b>4-Apr-24</b>	<b>11-Apr-24</b>	<b>18-Apr-24</b>
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)	1,841.12	1,661.91	7,753.83	13,914.27	19,285.56	12,266.87
Amount Accepted (KSh M)	670.62	1,661.91	7,596.50	13,402.19	18,815.87	12,263.02
Maturities (KSh M)	1,229.50	1,858.45	1,915.90	6,658.10	2,269.60	1,014.30
<b>Average Interest Rate (%)</b>	<b>15.054</b>	<b>16.100</b>	<b>16.990</b>	<b>16.990</b>	<b>16.531</b>	<b>16.508</b>

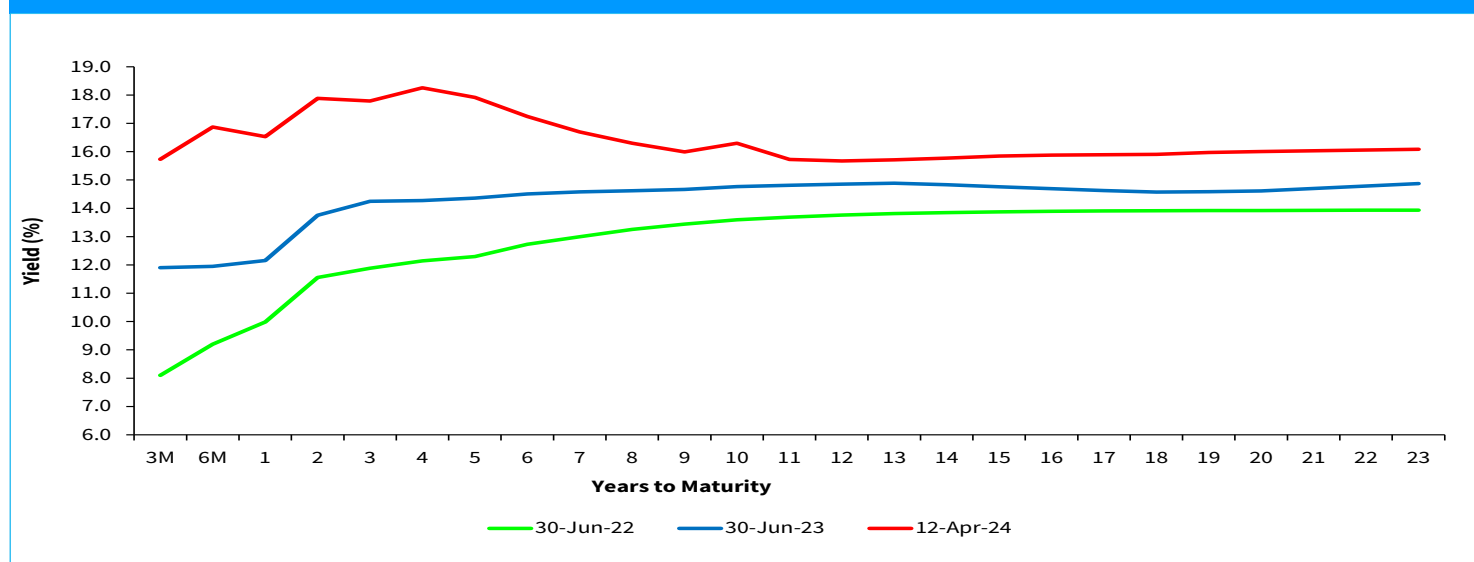
Source: Central Bank of Kenya

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

Date of Auction	14-Feb-24	6-Mar-24	20-Mar-24		4-Apr-24		17-Apr-24
		RE-OPEN	RE-OPEN		TAP		RE-OPEN
Tenor	FXD1/ 2024/003	FXD1/ 2023/005	IFB1/ 2024/8.5	FXD1/ 2024/03	FXD1/ 2023/005	FXD1/ 2024/010	FXD1/2023/02
Amount offered (KSh M)	70,000.00	40,000.00	40,000.00		25,000.00		40,000.00
Bids received (KSh M)	288,661.86	43,074.61	35,848.61	23,885.31	35,585.30	12,203.35	47,192.00
Amount Accepted (KSh M)	240,957.57	34,271.36	17,766.82	4,838.59	33,952.75	11,896.17	34,762.40
Maturities (KSh M)	70,490.80		0.0	0.00	0.00		0.00
Average interest Rate (%)	18.46	18.42	18.41	16.52	18.41	16.52	16.99

Source: Central Bank of Kenya

**Chart 1: Government Securities Yield Curve**



Source: Nairobi Securities Exchange (NSE)

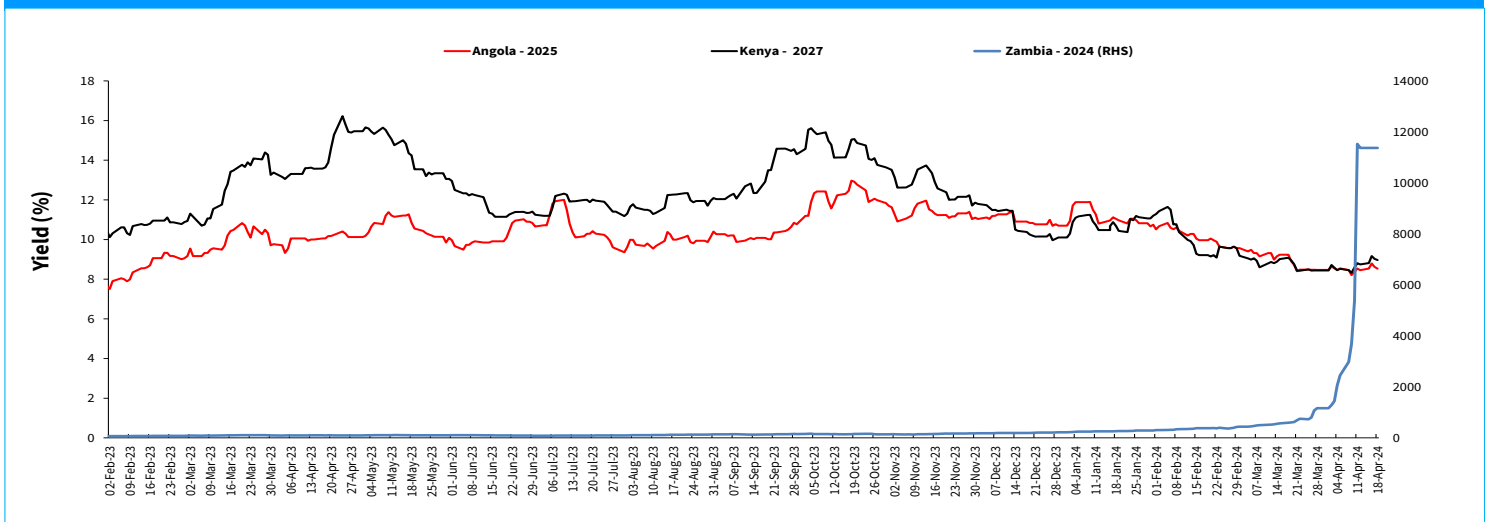
**Table 6: Performance of Key Market Indicators**

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
5-Apr-24	113.4	3000.5	1748.1	1569.0	14.0	335.7	1771.2	2816.5	8.523	8.792	9.364	9.37	9.436	9.85
8-Apr-24	111.0	2955.5	1742.4	1729.0	18.0	464.7	1734.3	3007.3	8.457	8.753	9.376	9.345	9.437	9.819
9-Apr-24	109.8	2919.5	1739.0	1373.0	16.3	350.4	1715.8	4506.8	8.323	8.635	9.243	9.243	9.321	9.726
10-Apr-24	Holiday								8.597	8.755	9.348	9.346	9.438	9.834
11-Apr-24	110.2	2934.5	1741.1	1249.0	9.8	229.0	1721.6	4098.4	8.809	8.958	9.545	9.528	9.606	9.944
<b>Apr 5-11</b>	<b>110.19</b>	<b>2934.48</b>	<b>1741.12</b>	<b>5920.00</b>	<b>58.07</b>	<b>1379.87</b>	<b>1721.62</b>	<b>14428.94</b>	<b>8.809</b>	<b>8.958</b>	<b>9.545</b>	<b>9.528</b>	<b>9.606</b>	<b>9.944</b>
12-Apr-24	110.63	2932.54	1724.86	1419.00	12.41	332.71	1728.390	5,002.20	8.743	8.96	9.516	9.529	9.583	9.944
15-Apr-24	110.58	2930.41	1709.90	1335.00	13.03	292.41	1727.717	2,613.35	8.814	9.001	9.601	9.608	9.727	10.024
16-Apr-24	109.62	2893.22	1698.46	1247.00	7.98	144.35	1712.650	4,272.10	9.164	9.205	9.859	9.872	9.947	10.219
17-Apr-24	109.30	2890.71	1703.13	1446.00	17.31	435.99	1707.673	3,942.30	9.027	9.125	9.744	9.74	9.802	10.12
18-Apr-24	108.43	2880.09	1698.26	1222.00	9.76	376.85	1694.048	6,710.10	8.966	9.006	9.601	9.663	9.731	10.056
<b>Apr 12-18</b>	<b>108.43</b>	<b>2880.09</b>	<b>1698.26</b>	<b>6669.00</b>	<b>60.49</b>	<b>1582.30</b>	<b>1694.05</b>	<b>22,540.05</b>	<b>8.966</b>	<b>9.006</b>	<b>9.601</b>	<b>9.663</b>	<b>9.731</b>	<b>10.056</b>
<b>Weekly Changes (%)</b>	<b>-1.60</b>	<b>-1.85</b>	<b>-2.46</b>	<b>12.65</b>	<b>4.17</b>	<b>14.67</b>	<b>-1.60</b>	<b>56.21</b>	<b>0.157*</b>	<b>0.048*</b>	<b>0.056*</b>	<b>0.135*</b>	<b>0.125*</b>	<b>0.112*</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-Jun-23	29-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	28-Mar-24	5-Apr-24	12-Apr-24
1. Treasury Bills (Excluding Repos)	614.73	558.21	546.90	565.63	553.28	557.01	562.20	557.54
<i>(As % of total securities)</i>	<b>13.28</b>	<b>11.86</b>	<b>11.35</b>	<b>11.69</b>	<b>11.08</b>	<b>11.06</b>	<b>11.15</b>	<b>10.97</b>
2. Treasury Bonds	4,013.89	4,149.81	4,271.82	4,272.25	4,442.10	4,478.54	4,478.54	4,526.29
<i>(As % of total securities)</i>	<b>86.72</b>	<b>88.14</b>	<b>88.65</b>	<b>88.31</b>	<b>88.92</b>	<b>88.94</b>	<b>88.85</b>	<b>89.03</b>
3. Total Securities (1+2)	4,628.62	4,708.02	4,818.72	4,837.89	4,995.38	5,035.54	5,040.74	5,083.82
4. Overdraft at Central Bank	76.46	75.70	94.13	83.45	87.52	92.18	88.59	88.66
5. Other Domestic debt*	127.04	133.75	137.26	136.71	136.71	128.85	128.84	128.84
<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>106.49</b>
<b>6. Gross Domestic Debt (3+4+5)</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>5,256.57</b>	<b>5,258.17</b>	<b>5,301.33</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-Jun-23	29-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	28-Mar-24	5-Apr-24	12-Apr-24
Treasury bills (Excluding Repos)	12.72	11.35	10.83	11.18	10.60	10.60	10.69	10.52
Treasury bonds	83.07	84.39	84.59	84.46	85.10	85.20	85.17	85.38
Overdraft at Central Bank	1.58	1.54	1.86	1.65	1.68	1.75	1.68	1.67
Other domestic debt	2.63	2.72	2.72	2.70	2.62	2.45	2.45	2.43
<i>of which IMF fund on lent to government</i>	1.98	2.02	2.06	2.06	2.00	2.03	2.03	2.01
<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-Jun-23	29-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	28-Mar-24	5-Apr-24	12-Apr-24
Banking Institutions	46.17	45.18	46.07	45.84	46.25	45.78	45.76	45.81
Insurance Companies	7.31	7.35	7.23	7.34	7.16	7.13	7.12	7.16
Parastatals	5.98	5.95	5.47	5.56	5.29	5.25	5.26	5.25
Pension Funds	33.42	32.23	29.93	29.89	29.06	29.35	29.33	29.36
Other Investors	7.13	9.30	11.30	11.37	12.24	12.50	12.52	12.42
<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