



Central Bank of Kenya

Weekly Bulletin

April 12, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending April 11. It exchanged at KSh 130.39 per US dollar on April 11, compared to KSh 131.17 per US dollar on April 4 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,291 million (3.8 months of import cover) as of April 11. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover (**Table 2**).

Remittances

Remittance inflows amounted to USD 407.8 million in March 2024, compared to USD 357.0 million in March 2023, an increase of 14.2 percent (**Chart 1**). The cumulative inflows for the 12 months to March 2024 totaled USD 4,380 million compared to USD 4,020 million in a similar period in 2023, an increase of 9.0 percent. The US remained the largest source of remittances to Kenya, accounting for 56 percent in March 2024.

Money Market

Liquidity in the money market remained adequate during the week ending April 11, supported by open market operations. Commercial banks' excess reserves stood at KSh 20.1 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.45 percent on April 11 compared to 13.78 percent on April 4. During the week, the average number of interbank deals decreased to 37 from 43 in the previous week, while the average value traded decreased marginally to KSh 25.0 billion from KSh 26.0 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bills auction of April 11 received bids totaling KSh 46.3 billion against an advertised amount of KSh 24.0 billion, representing a performance of 192.8 percent. Interest rates on the 91-day, 182-day and 364-day Treasury bills decreased marginally (**Table 4**).

During the Treasury bond tap sale of April 4, the 5-year and 10-year fixed rate Treasury bonds received bids totaling KSh 47.8 billion against an advertised amount of KSh 25 billion, representing a performance rate of 191.2 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices declined by 2.9 percent, 2.0 percent and 0.4 percent during the week ending April 11. Market capitalization, equity turnover and total shares traded also declined by 2.9 percent, 32.8 percent and 27.7 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market increased by 99.4 percent during the week ending April 11 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by an average of 229.7 basis points. The yield on the 10-Year Eurobonds for Angola and Zambia also increased (**Chart 2**).

Global Trends

Concerns about inflation in advanced economies continued, with U.S. headline inflation rising to 3.5 percent in March 2024 from 3.2 percent in February 2024. The European Central Bank held interest rates steady during the week. The US dollar index strengthened by 1.12 percent against a basket of major currencies during the week ending April 11.

International oil prices increased during the week ending April 11, mainly reflecting heightened geopolitical risks particularly in the Middle East. Murban oil price increased to USD 91.09 per barrel on April 11 compared to USD 89.83 on April 4.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
29-Mar-24	Holiday							
1-Apr-24	Holiday							
2-Apr-24	131.56	166.23	142.09	87.00	29.51	19.61	9.77	21.76
3-Apr-24	131.49	165.13	141.42	86.72	29.45	19.62	9.78	21.77
4-Apr-24	131.17	164.92	141.50	86.36	29.43	19.63	9.81	21.83
Mar 29-Apr 4	131.41	165.42	141.67	86.69	29.46	19.62	9.79	21.78
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	Holiday							
11-Apr-24	130.39	165.69	141.90	85.94	29.11	19.79	9.87	21.97
Apr 5-11	130.45	165.08	141.55	85.97	29.29	19.77	9.87	21.95

*Units of currency per Kenya Shilling

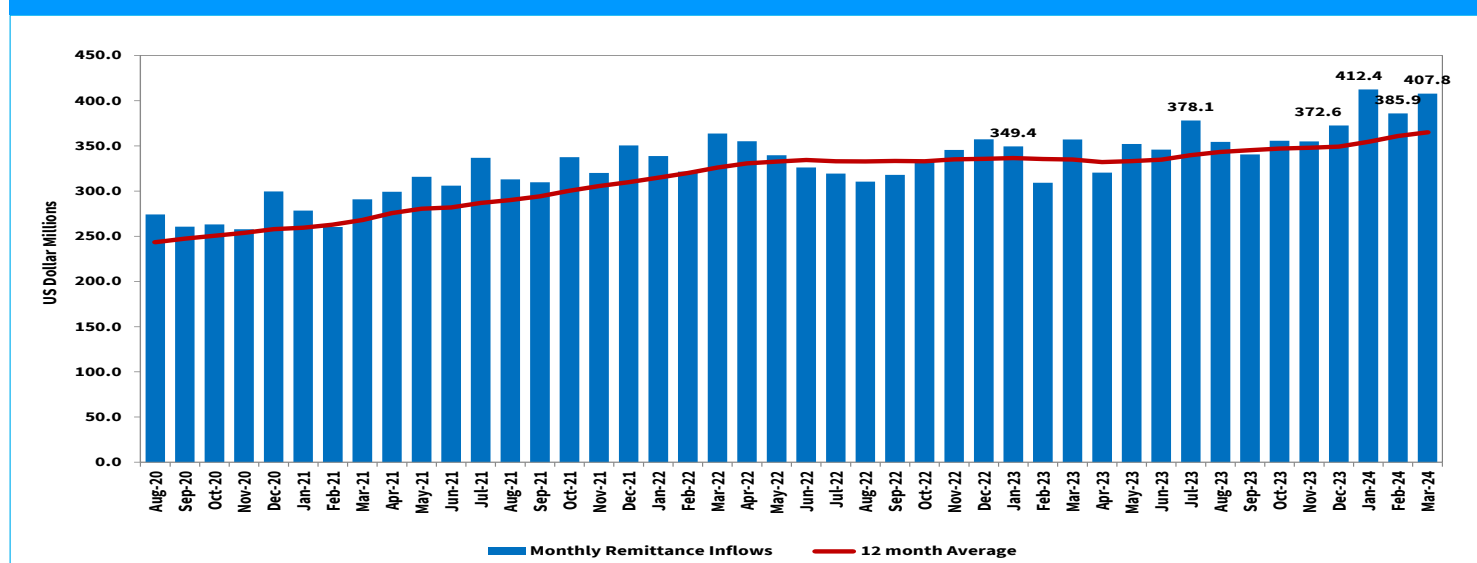
Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	14-Mar-24	21-Mar-24	28-Mar-24	4-Apr-24	11-Apr-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	6,974	7,022	7,088	7,148	7,291
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.7	3.7	3.8	3.8	3.8

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

Source: Central Bank of Kenya

Chart 1: Monthly Remittance Inflows (USD Million)

Source: Central Bank of Kenya

Table 3: Money Markets

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
2-Apr-24	49	24,500.00	13.81
3-Apr-24	43	28,350.00	13.83
4-Apr-24	37	25,150.00	13.78
Apr 5-11	43	26,000.00	13.81
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
Apr 4-11	37	25,022.50	13.48

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	28-Mar-24	4-Apr-24	11-Apr-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	5,380.72	8,691.44	16,417.15
Amount Accepted (KSh M)	2,705.12	3,303.25	6,986.46	3,867.98	7,850.56	16,383.65
Maturities (KSh M)	2,814.15	2,741.45	3,254.55	7,215.65	26,143.55	36,001.95
Average Interest Rate (%)	11.904	14.821	15.983	16.729	16.724	15.733
182-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	28-Mar-24	4-Apr-24	11-Apr-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	2,702.14	5,870.42	10,563.72
Amount Accepted (KSh M)	1,300.96	542.27	322.85	2,049.15	4,941.07	10,512.86
Maturities (KSh M)	442.15	3,616.00	1,365.20	552.85	985.55	2,837.40
Average Interest Rate (%)	11.947	14.950	15.967	16.888	16.874	16.868
364-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	28-Mar-24	4-Apr-24	11-Apr-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	7,753.83	13,914.27	19,285.56
Amount Accepted (KSh M)	1,514.41	670.62	1,661.91	7,596.50	13,402.19	18,815.87
Maturities (KSh M)	2,417.65	1,229.50	1,858.45	1,915.90	6,658.10	2,269.60
Average Interest Rate (%)	12.157	15.054	16.100	16.990	16.990	16.531

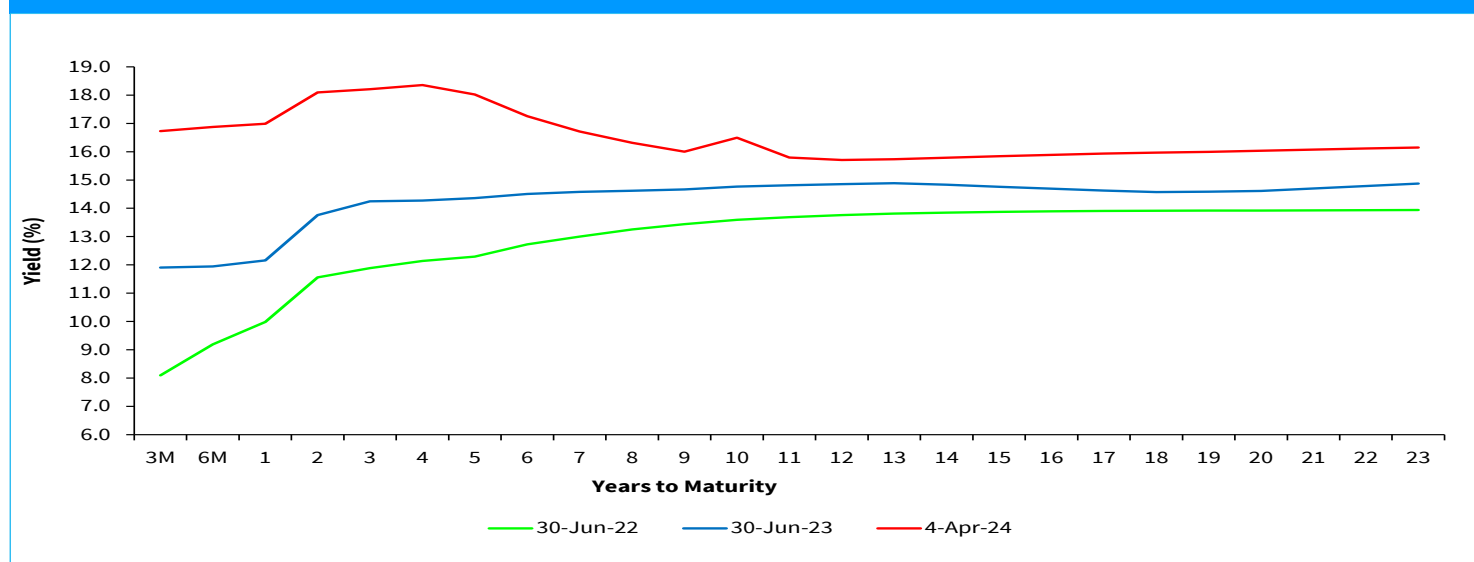
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	18-Jan-23		14-Feb-24	6-Mar-24	20-Mar-24		4-Apr-24	
	TAP			RE-OPEN	RE-OPEN		TAP	
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)	15,000.00		70,000.00		40,000.00		25,000.00	
Bids received (KSh M)	9,308.35	2,552.31	288,661.86	43,074.61	35,848.61	23,885.31	35,585.30	12,203.35
Amount Accepted (KSh M)	9,339.89	2,415.58	240,957.57	34,271.36	17,766.82	4,838.59	33,952.75	11,896.17
Maturities (KSh M)	0.00		70,490.80		0.0	0.00	0.00	
Average interest Rate (%)	18.39	16.84	18.46	18.42	18.41	16.52	18.41	16.52

Source: Central Bank of Kenya

Chart 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

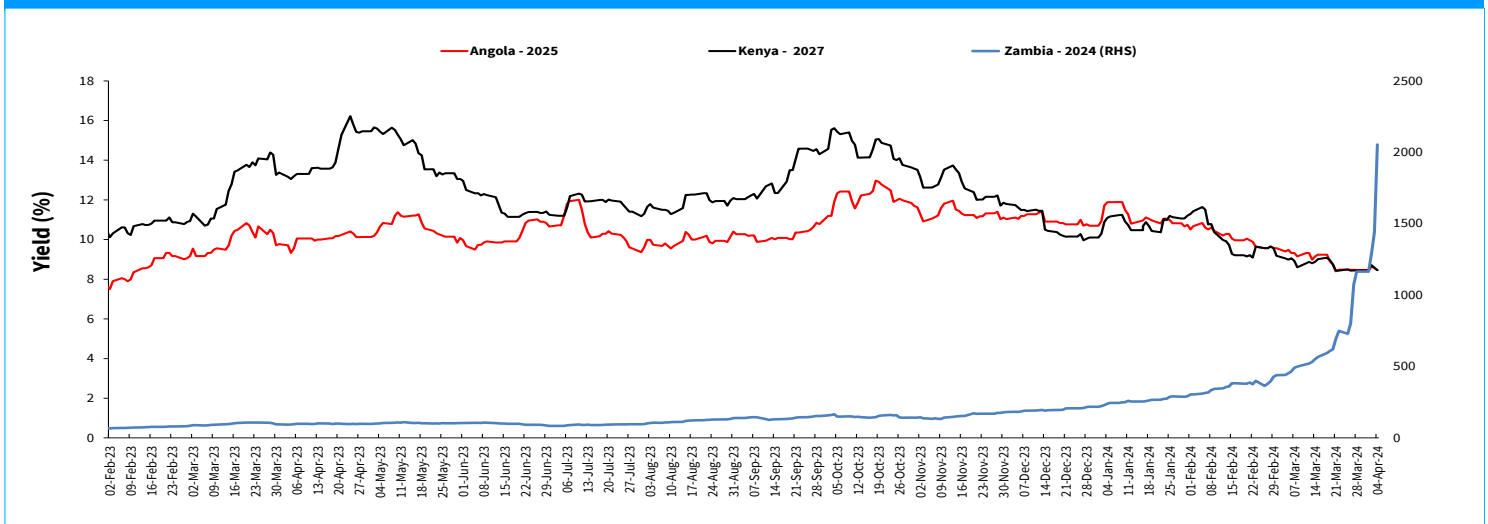
Table 6: Performance of Key Market Indicators

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 Capitalization (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
29-Mar-24	Holiday							8.443	8.708	9.238	9.265	9.316	9.803	
1-Apr-24	Holiday							8.443	8.708	9.238	9.265	9.316	9.803	
2-Apr-24	112.8	2976.8	1758.6	1,806.00	17.06	295.67	1763.048	3947.35	8.715	8.988	9.49	9.497	9.551	9.976
3-Apr-24	114.1	3000.2	1751.5	2,035.00	27.43	465.76	1781.881	1377.15	8.582	8.829	9.405	9.446	9.481	9.897
4-Apr-24	113.4	2994.3	1747.9	1,457.00	35.81	1,291.53	1772.266	1911.65	8.453	8.672	9.292	9.319	9.389	9.803
Mar 29 -Apr 4	113.43	2994.27	1747.85	5298.00	80.31	2052.96	1772.27	7236.15	8.453	8.672	9.292	9.319	9.389	9.803
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
Apr 5-11	110.19	2934.48	1741.12	5920.00	58.07	1379.87	1721.62	14428.94	8.809	8.958	9.545	9.528	9.606	9.944
Weekly Changes (%)	-2.86	-2.00	-0.39	11.74	-27.70	-32.79	-2.86	99.40	0.356*	0.286*	0.253*	0.209*	0.217*	0.141*

* 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	30-Jun-23	29-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	28-Mar-24	5-Apr-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	558.21	546.90	565.63	553.28	557.01	562.20
<i>(As % of total securities)</i>	15.32	13.28	11.86	11.35	11.69	11.08	11.06	11.15
2. Treasury Bonds	3,710.62	4,013.89	4,149.81	4,271.82	4,272.25	4,442.10	4,478.54	4,478.54
<i>(As % of total securities)</i>	84.68	86.72	88.14	88.65	88.31	88.92	88.94	88.85
3. Total Securities (1+2)	4,382.13	4,628.62	4,708.02	4,818.72	4,837.89	4,995.38	5,035.54	5,040.74
4. Overdraft at Central Bank	58.50	76.46	75.70	94.13	83.45	87.52	92.18	88.59
5. Other Domestic debt*	32.76	127.04	133.75	137.26	136.71	136.71	128.85	128.84
<i>of which IMF funds on-lent to Government</i>		95.52	99.52	104.24	104.24	104.24	106.49	106.49
6. Gross Domestic Debt (3+4+5)	4,473.39	4,832.11	4,917.47	5,050.11	5,058.04	5,219.61	5,256.57	5,258.17

* 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	28-Mar-24	5-Apr-24
Treasury bills (Excluding Repos)	15.01	12.72	11.35	10.83	11.18	10.60	10.60	10.69
Treasury bonds	82.95	83.07	84.39	84.59	84.46	85.10	85.20	85.17
Overdraft at Central Bank	1.31	1.58	1.54	1.86	1.65	1.68	1.75	1.68
Other domestic debt	0.73	2.63	2.72	2.72	2.70	2.62	2.45	2.45
<i>of which IMF fund on lent to government</i>		1.98	2.02	2.06	2.06	2.00	2.03	2.03
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-Dec-22	30-Jun-23	29-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	28-Mar-24	5-Apr-24
Banking Institutions	46.84	46.17	45.18	46.07	45.84	46.25	45.78	45.76
Insurance Companies	7.37	7.31	7.35	7.23	7.34	7.16	7.13	7.12
Parastatals	6.06	5.98	5.95	5.47	5.56	5.29	5.25	5.26
Pension Funds	33.31	33.42	32.23	29.93	29.89	29.06	29.35	29.33
Other Investors	6.43	7.13	9.30	11.30	11.37	12.24	12.50	12.52
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

	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)	8,579.06	9,145.98	10,278.67	10,526.43	10,585.27	10,659.35	10,887.25	11,139.69	11,248.01

* Provisional

Source: The National Treasury and Central Bank of Kenya