



Central Bank of Kenya

Weekly Bulletin

November 24, 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 23. It exchanged at KSh 152.69 per US dollar on November 23, compared to KSh 152.11 per US dollar on November 16 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 6,722 million (3.6 months of import cover) as at November 23. 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 decreased during the week ending November 23. Commercial banks' excess reserves stood at KSh 22.1 billion in relation to the 4.25 percent cash reserves requirement (CRR). Open market operations remained active. The average interbank rate was 11.17 percent on November 23 compared to 11.05 percent on November 16. During the week, the average number of interbank deals increased to 30 from 24 in the previous week, while the average value traded increased to KSh 24.0 billion from KSh 18.2 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of November 23 received bids totaling KSh 27.6 billion against an advertised amount of KSh 24.0 billion, representing a performance of 115.1 percent. Interest rates remained stable, with the 91-day, 182-day and 364-day rates increasing marginally (**Table 4**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 1.6 percent, 1.9 percent and 2.7 percent, respectively, during the week ending November 23. Market capitalization increased by 1.6 percent, while equity turnover and total shares traded declined by 50.9 percent and 52.1 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market increased by 76.1 percent during the week ending November 23 (**Table 6**). In the international market, yields on Kenya's Eurobonds declined by an average of 69.3 basis points, with the 2024 maturity declining by 119.7 basis points. The yield on the 10- Year Eurobonds for Zambia and Angola also declined (**Chart 2**).

Global Trends

Inflation concerns in advanced economies continue to ease. In the USA, the markets remained relatively stable. The US dollar index weakened by 0.4 percent against a basket of major currencies during the week ending November 23.

International oil prices increased during the week ending November 23. Murban oil price rose to USD 82.92 per barrel on November 23 from USD 81.87 per barrel on November 16.

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

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
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
17-Nov-23	152.23	188.96	165.30	101.05	24.83	16.46	8.10	18.67
20-Nov-23	152.34	189.35	165.53	101.98	24.81	16.40	8.10	18.66
21-Nov-23	152.45	190.17	166.58	102.75	24.80	16.39	8.07	18.60
22-Nov-23	152.55	191.29	167.04	103.39	24.81	16.37	8.12	18.63
23-Nov-23	152.69	191.31	166.52	102.53	24.79	16.40	8.12	18.61
Nov 17-23	152.45	190.21	166.20	102.34	24.81	16.40	8.10	18.64

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	26-Oct-23	2-Nov-23	9-Nov-23	16-Nov-23	23-Nov-23
1. CBK Usable Foreign Exchange Reserves (USD Million)	6,836	6,814	6,853	6,785	6,722
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.67	3.66	3.68	3.64	3.61

*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 (%)
10-Nov-23	17	10,740.00	11.34
13-Nov-23	18	11,940.00	11.22
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 9-16	24	18,174.00	11.13
17-Nov-23	36	25,290.00	11.08
20-Nov-23	34	21,450.00	11.18
21-Nov-23	28	25,510.00	11.12
22-Nov-23	23	22,370.00	11.15
23-Nov-23	31	25,560.00	11.17
Nov 17-23	30	24,036.00	11.14

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	16-Nov-23	23-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	37,708.22	23,396.30
Amount Accepted (KSh M)	2,120.42	2,765.00	2,705.12	8,142.58	33,150.73	22,411.88
Maturities (KSh M)	2,539.95	2,158.40	2,814.15	5,955.85	38,198.60	15,880.15
Average Interest Rate (%)	9.369	9.907	11.904	15.111	15.363	15.443
182-Day Treasury Bills						
Date of Auction	29-Dec-22	30-Mar-23	29-Jun-23	26-Oct-23	16-Nov-23	23-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	9,397.24	2,379.05
Amount Accepted (KSh M)	434.69	3,457.80	1,300.96	5,668.39	9,302.70	2,367.01
Maturities (KSh M)	1,660.95	3,176.30	442.15	906.65	4,419.00	4,259.70
Average Interest Rate (%)	9.834	10.399	11.947	15.129	15.428	15.445
364-Day Treasury Bills						
Date of Auction	29-Dec-22	30-Mar-23	29-Jun-23	26-Oct-23	16-Nov-23	23-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	2,890.93	1,851.70
Amount Accepted (KSh M)	1,691.33	1,810.42	1,514.41	1,843.30	2,881.04	1,851.70
Maturities (KSh M)	5,396.40	2,660.05	2,417.65	3,911.45	5,115.80	6,283.80
Average Interest Rate (%)	10.308	10.800	12.157	15.387	15.639	15.583

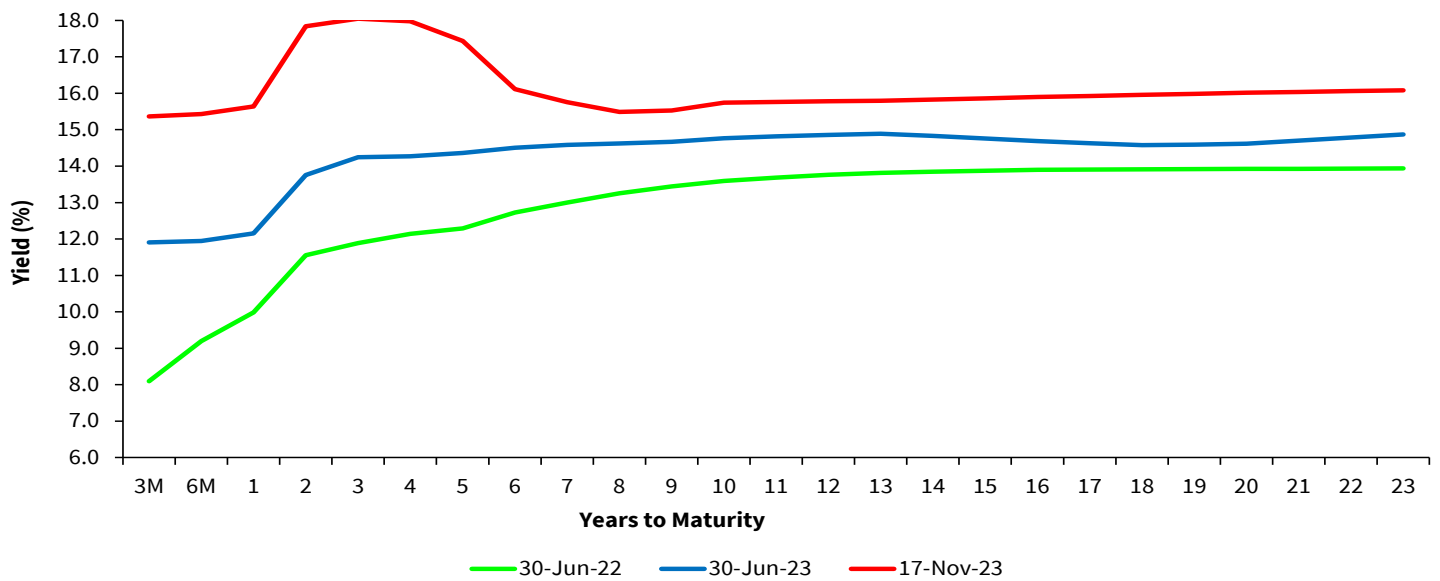
Source: Central Bank of Kenya

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 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

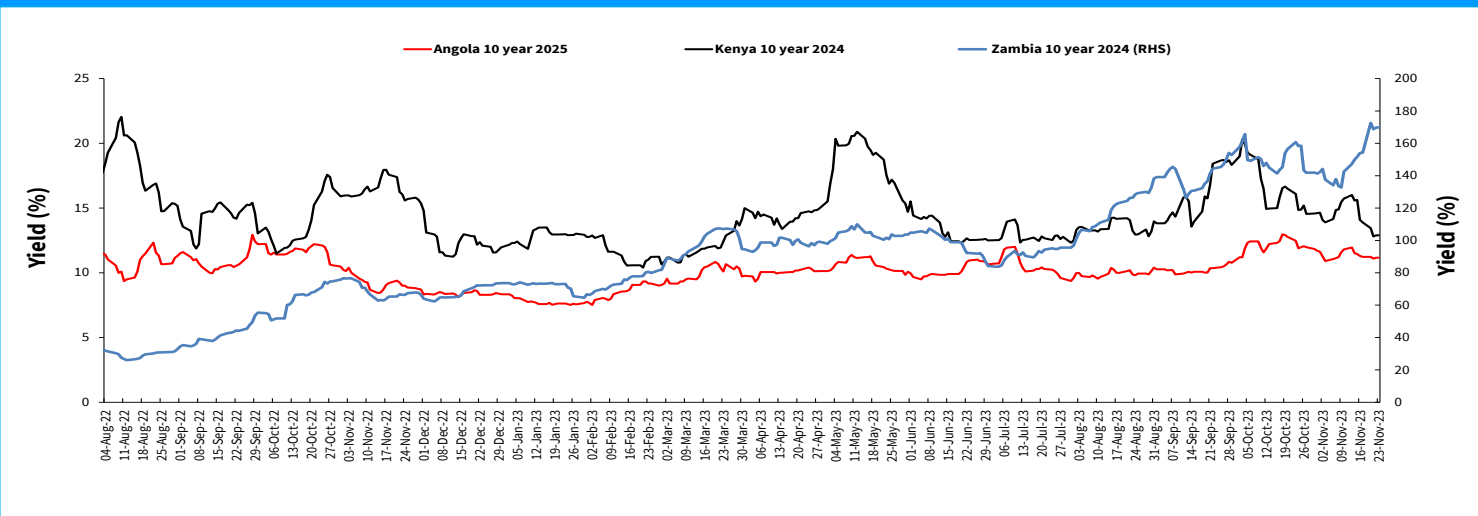
Table 6: Performance of Key Market Indicators

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 Million)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2024	10-Year 2028	12-Year 2032	13-Year 2034	30-Year 2048
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
17-Nov-23	90.50	2367.11	1472.09	1,079.00	11.73	146.61	1413.91	2,914	12.575	13.89	12.328	11.795	11.12	11.554
20-Nov-23	90.39	2374.71	1473.60	875.00	5.57	63.01	1412.27	4,559	12.384	13.452	12.244	11.797	11.095	11.534
21-Nov-23	90.76	2382.58	1482.86	955.00	9.03	97.96	1418.00	4,090	12.002	12.806	11.698	11.45	10.756	11.316
22-Nov-23	91.75	2395.85	1494.29	905.00	7.04	81.93	1433.50	2,462	12.017	12.894	11.748	11.453	10.759	11.317
23-Nov-23	91.64	2398.58	1505.52	975.00	6.49	165.07	1431.75	2,476	12.017	12.894	11.748	11.453	10.759	11.317
Nov 17-23	91.64	2398.58	1505.52	4,789.00	39.85	554.59	1,431.75	16,501.20	12.017	12.894	11.748	11.453	10.759	11.317
Weekly Changes (%)	1.63	1.92	2.74	11.48	-52.11	-50.86	1.64	76.13	-0.882*	-1.197*	-0.749*	-0.518*	-0.494*	-0.317*

* 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	31-Jul-23	31-Aug-23	29-Sep-23	31-Oct-23	3-Nov-23	10-Nov-23	17-Nov-23
1. Treasury Bills (Excluding Repos)	614.73	585.13	567.70	558.21	557.23	557.23	552.07	554.83
<i>(As % of total securities)</i>	13.28	12.50	12.06	11.86	11.81	11.81	11.72	11.61
2. Treasury Bonds	4,013.89	4,097.24	4,139.72	4,149.81	4,159.08	4,159.08	4,159.08	4,224.91
<i>(As % of total securities)</i>	86.72	87.50	87.94	88.14	88.19	88.19	88.28	88.39
3. Total Securities (1+2)	4,628.62	4,682.38	4,707.42	4,708.02	4,716.31	4,716.31	4,711.15	4,779.73
4. Overdraft at Central Bank	76.46	61.12	72.05	75.70	73.93	78.96	85.12	81.01
5. Other Domestic debt*	127.04	130.03	132.86	133.05	121.16	121.15	121.16	121.15
<i>of which IMF funds on-lent to Government</i>	95.52	97.70	98.82	98.82	96.66	96.66	96.66	96.66
6. Gross Domestic Debt (3+4+5)	4,832.11	4,873.53	4,912.34	4,916.78	4,911.40	4,916.43	4,917.43	4,981.89

* 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)

	31-Mar-23	30-Jun-23	31-Jul-23	31-Aug-23	29-Sep-23	31-Oct-23	10-Nov-23	17-Nov-23
Treasury bills (Excluding Repos)	14.67	12.72	12.01	11.56	11.35	11.35	11.23	11.14
Treasury bonds	83.07	83.07	84.07	84.27	84.40	84.68	84.58	84.81
Overdraft at Central Bank	1.72	1.58	1.25	1.47	1.54	1.51	1.73	1.63
Other domestic debt	0.54	2.63	2.67	2.70	2.71	2.47	2.46	2.43
<i>of which IMF fund on lent to government</i>		1.98	2.00	2.01	2.01	1.97	1.97	1.94
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	31-Mar-23	30-Jun-23	25-Aug-23	29-Sep-23	31-Oct-23	10-Nov-23	17-Nov-23
Banking Institutions	46.84	46.13	46.17	44.96	45.18	44.15	44.58	45.12
Insurance Companies	7.37	7.39	7.31	7.33	7.35	7.20	7.20	7.12
Parastatals	6.06	6.04	5.98	6.09	5.95	5.77	5.40	5.38
Pension Funds	33.31	33.42	33.42	33.14	32.23	30.39	30.40	29.59
Other Investors	6.43	7.01	7.13	8.48	9.30	12.48	12.41	12.79
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