Central Bank of Kenya

Weekly Bulletin

August 14, 2026

RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Monetary Policy Decision

The Monetary Policy Committee (MPC) maintained the Central Bank Rate at 8.75 percent during its meeting held on August 11, 2026. The MPC observed that global energy prices have remained elevated due to disruptions to oil supply and continued uncertainties arising from the conflict in the Middle East. Kenya's overall inflation is expected to remain within the target range in the near term, assuming a gradual de-escalation of the conflict. This will be supported by appropriate monetary policy actions, government interventions including subsidies and the temporary reduction of VAT on fuel, and a stable exchange rate. Central banks in most major economies have remained cautious and kept their policy rates unchanged as they continue to assess the impact of the conflict in the Middle East on their inflation and growth outlooks. Average bank lending rates in the domestic market have declined further, and as a result private sector credit growth has continued to improve. The MPC concluded that the current monetary policy stance, with the CBR unchanged at 8.75 percent, remains appropriate to ensure that inflation expectations remain anchored within the target range, and the exchange rate remains stable.

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending August 13, 2026. It exchanged at KSh 129.40 per U.S. dollar on August 13, compared to KSh 129.41 on August 6 **(Table 1)**.

Foreign Exchange Reserves

The foreign exchange reserves remained adequate at USD 15,245 million (6.3 months of import cover) as of August 13. This meets CBK's statutory requirement to endeavour to maintain at least 4 months of import cover **(Table 2)**.

Remittances Inflows

Remittance inflows to Kenya totalled USD 436.6 million in July 2026, compared to USD 375.6 million in June 2026, an increase of 16.2 percent **(Chart 1)**. The increase reflected higher remittance inflows from key source markets.

The 12-month cumulative inflows to July 2026 declined by 1.8 percent to USD 4,987 million, compared to USD 5,080 million recorded over the corresponding period in 2025. Remittance inflows remain a key source of foreign exchange earnings and support to the balance of payments.

Money Market

The money market remained liquid during the week ending August 13, and open market operations remained active. Commercial banks' excess reserves averaged KSh 17.8 billion above the 3.25 percent Cash Reserve Ratio (CRR) requirement. The Kenya Shilling Overnight Interbank Average Rate (KESONIA) remained unchanged at 8.75 percent on August 13, the same level recorded on August 6. During the week, the average number of interbank transactions increased to 25 from 21 in the previous week, while the average value traded increased to KSh 18.8 billion from KSh 13.4 billion in the previous week **(Table 3)**.

Government Securities Market

The Treasury bill auction of August 13, received bids totalling KSh 40.8 billion against an advertised amount of KSh 28.0 billion, representing a performance of 145.7 percent. Interest rate on the 91-day Treasury bill declined while the interest rate on the 364-day Treasury bill increased marginally. The interest rate on the 182-day Treasury bill rate remained unchanged **(Table 4).**

During the Treasury bond auction of August 12, the re-opened 16-year, 18-year and 21-year Treasury bonds received bids totaling KSh 460.4 billion against an advertised amount of KSh 150.0 billion, representing a performance of 307.0 percent **(Table 5).**

Equity Market

At the Nairobi Securities Exchange, the NASI, and NSE 25 share price indices increased by 1.40 percent, 1.39 percent and 0.43 percent, respectively, during the week ending August 13. Market capitalization, increased by 1.40 percent, while total shares traded and equity turnover decreased by 36.62 percent and 30.69 percent, respectively **(Table 6)**.

Bond Market

Bond turnover in the domestic secondary market increased by 27.59 percent during the week ending August 13 **(Table 6)**. In the international market, yields on Kenya's Euro bonds decreased by 2.68 basis points on average. Yields for Côte d'Ivoire and Angola also decreased **(Chart 3)**.

Global Trends

Inflation concerns in the major economies eased during the week ending August 13. Headline inflation in the United states decreased to 3.4 percent in July 2026 from 3.5 percent in June, due to a moderation in fuel and food prices. The U.S. Dollar index weakened by 0.4 percent during the week.

Murban crude oil prices increased to USD 79.29 per barrel on August 13, up from USD 72.54 per barrel on August 6, driven by heightened uncertainities arising from the conflict in the Middle East during the week. Spot gold prices increased to USD 4,350.16 per ounce from USD 4,239.23 per ounce in the previous week.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
31-Jul-26	129.40	174.01	148.91	80.55	28.97	20.39	11.34	23.08
03-Aug-26	129.44	174.41	149.31	82.75	28.93	20.38	11.32	22.92
04-Aug-26	129.40	174.22	149.21	82.69	28.90	20.47	11.34	23.09
05-Aug-26	129.42	174.16	149.29	82.08	28.89	20.45	11.33	23.06
06-Aug-26	129.41	174.42	149.46	82.17	28.84	20.47	11.34	23.09
July 31-August 6	**129.41**	**174.24**	**149.24**	**82.05**	**28.91**	**20.43**	**11.33**	**23.05**
07-Aug-26	129.39	174.25	149.26	81.78	28.79	20.51	11.35	23.11
10-Aug-26	129.40	174.64	149.56	82.06	28.78	20.45	11.35	23.09
11-Aug-26	129.38	174.96	149.40	81.40	28.78	20.48	11.35	23.10
12-Aug-26	129.28	174.58	149.10	81.10	28.81	20.41	11.39	23.12
13-Aug-26	129.40	174.64	149.56	82.06	28.78	20.45	11.35	23.09
August 7-13	**129.37**	**174.61**	**149.38**	**81.68**	**28.79**	**20.46**	**11.36**	**23.10**

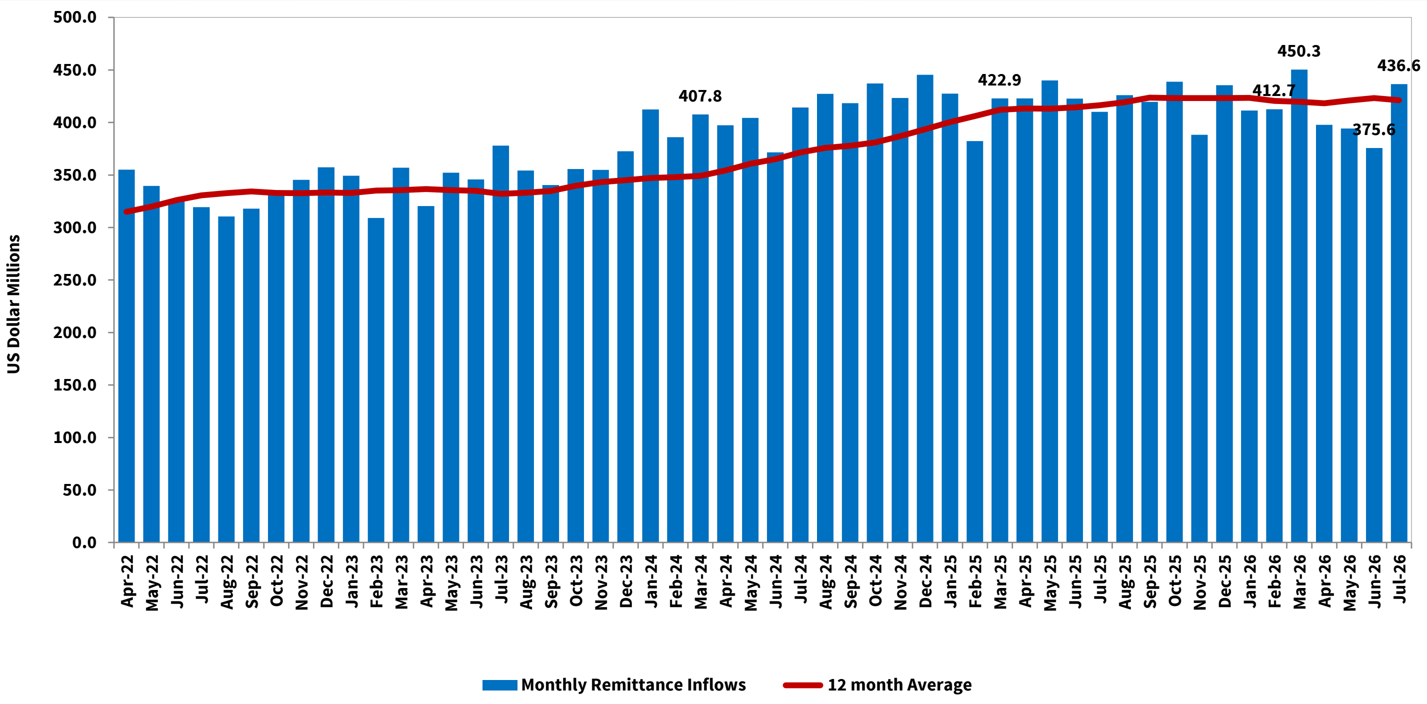
**Units of currency per Kenya Shilling*
Source: Central Bank of Kenya

Table 2: Foreign Exchange Reserves (USD Million)

	16-Jul-26	23-Jul-26	30-Jul-26	06-Aug-26	13-Aug-26
1. CBK Foreign Exchange Reserves (USD Million)	14,169	13,854	15,400	15,248	15,245
2. CBK Foreign Exchange Reserves (Months of Import Cover)*	6.0	5.9	6.4	6.3	6.3

**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: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	KESONIA (%)*
31-Jul-26	19	12,700	8.75
3-Aug-26	20	13,300	8.75
4-Aug-26	18	11,235	8.75
5-Aug-26	26	14,815	8.75
6-Aug-26	22	14,997	8.75
July 31-Aug 6	**21**	**13,409**	**8.75**
7-Aug-26	42	31,587	8.75
10-Aug-26	16	12,449	8.75
11-Aug-26	21	16,300	8.75
12-Aug-26	11	9,200	8.75
13-Aug-26	33	24,520	8.75
Aug 7-13	**25**	**18,811**	**8.75**

** The overnight interbank rate has been officially named Kenya Shilling Overnight Interbank Average (KESONIA) from September 1, 2025*
Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills								
Date of Auction	**26-Feb-26**	**26-Mar-26**	**30-Apr-26**	**28-May-26**	**25-Jun-26**	**30-Jul-26**	**06-Aug-26**	**13-Aug-26**
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	8,000.00	8,000.00	8,000.00
Bids Received (KSh M)	12,341.17	2,595.61	8,024.94	14,093.44	23,013.48	14,403.22	13,592.22	18,236.31
Amount Accepted (KSh M)	12,270.21	2,574.10	8,005.39	14,081.70	14,187.31	14,330.17	13,103.01	16,364.21
Maturities (KSh M)	18,219.25	2,397.85	6,388.25	12,429.60	2,522.70	8,086.30	9,856.60	7,402.80
Average Interest Rate (%)	**7.580**	**7.426**	**8.040**	**8.388**	**8.828**	**8.788**	**8.782**	**8.773**
182-Day Treasury Bills								
Date of Auction	**26-Feb-26**	**26-Mar-26**	**30-Apr-26**	**28-May-26**	**25-Jun-26**	**30-Jul-26**	**06-Aug-26**	**13-Aug-26**
Amount Offered (KSh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids Received (KSh M)	791.31	2,831.08	3,258.48	1,049.48	2,268.16	8,171.64	10,167.35	8,993.35
Amount Accepted (KSh M)	788.44	2,831.08	3,258.48	1,049.48	833.16	8,171.64	9,207.54	7,092.67
Maturities (KSh M)	1,822.45	1,943.60	1,604.85	508.45	721.50	2,303.15	464.75	7,079.00
Average Interest Rate (%)	**7.800**	**7.829**	**8.212**	**8.250**	**8.844**	**8.955**	**8.950**	**8.950**
364-Day Treasury Bills								
Date of Auction	**26-Feb-26**	**26-Mar-26**	**30-Apr-26**	**28-May-26**	**25-Jun-26**	**30-Jul-26**	**06-Aug-26**	**13-Aug-26**
Amount Offered (KSh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids Received (KSh M)	45,396.34	5,490.41	7,192.07	1,494.84	2,776.87	4,792.57	6,209.19	13,560.93
Amount Accepted (KSh M)	28,755.11	5,451.75	7,179.77	1,490.29	2,405.42	4,784.06	6,205.25	13,560.93
Maturities (KSh M)	12,877.70	11,106.40	16,387.15	17,213.60	12,917.85	13,090.65	12,974.05	11,777.70
Average Interest Rate (%)	**8.789**	**8.282**	**8.513**	**8.627**	**8.993**	**9.017**	**9.004**	**9.037**

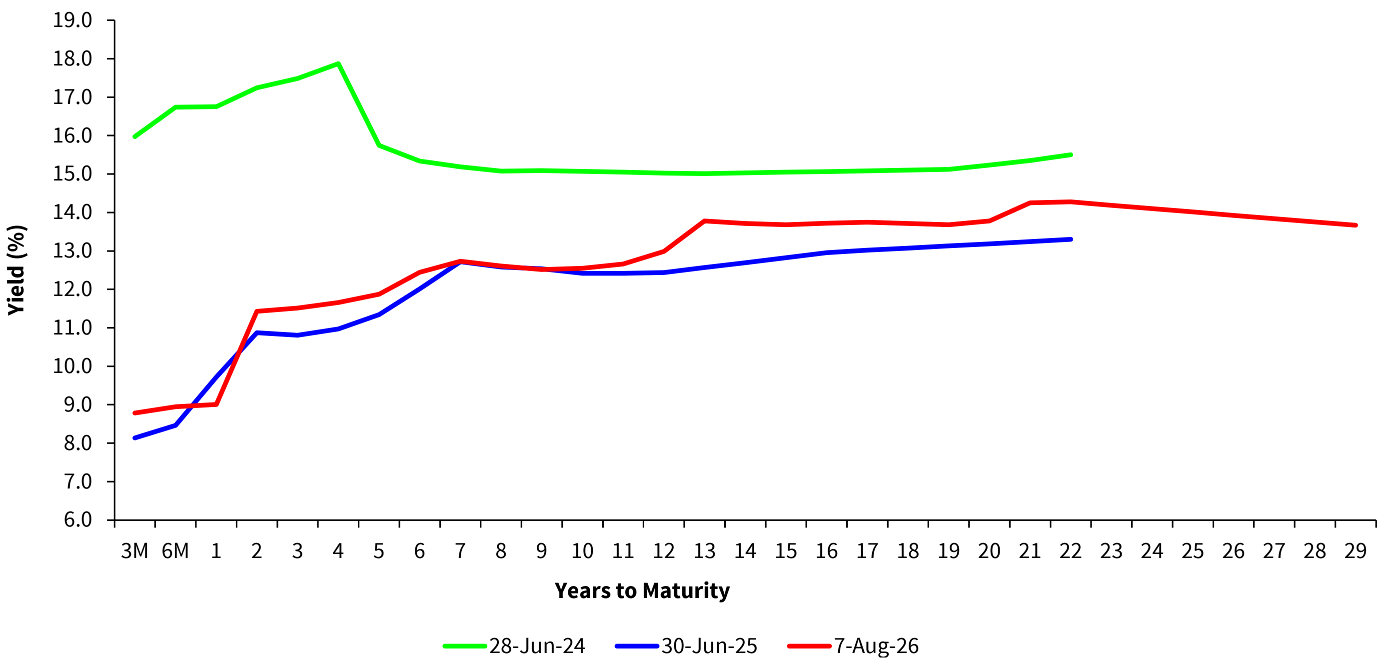
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	13-Jul-26	22-Jul-26		12-Aug-26		
	SWITCH	RE-OPEN		RE-OPEN		
Tenor	FXD1/2012/020	FXD1/2019/020	FXD1/2022/025	IFB1/2019/016	IFB1/2021/018	IFB1/2021/021
Amount offered (KSh M)	10,000.00	40,000.00		150,000.00		
Bids received (KSh M)	8,159.65	23,968.43	61,960.51	166,215.87	154,902.51	139,279.13
Amount Accepted (KSh M)	7,954.71	12,249.13	51,034.12	112,636.78	105,537.34	93,853.22
Maturities (KSh M)				118,137.00		
Average interest Rate (%)	12.81	13.92	14.44	12.20	12.69	13.05

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 Turn-over (KSh Million)	Market Capital-ization (KSh Billion)	Bonds Turnover (KSh Million)	EuroBond Yields (%)							
									10-Year 2028	6-Year 2031	12-Year 2032	13-Year 2034	11-Year 2036	12-year 2038	12-year 2039	30-Year 2048
31-Jul-26	237.86	6,571.20	4,093.51	12,874.00	27.02	909.61	3,991.85	5,620.90	6.950	7.734	7.989	8.519	8.986	9.236	9.262	9.030
3-Aug-26	239.11	6,598.83	4,149.33	16,540.00	38.27	1,335.39	4,012.72	7,498.85	6.824	7.426	7.694	8.157	8.706	8.989	9.008	8.822
4-Aug-26	238.28	6,587.70	4,173.72	15,606.00	31.75	832.14	3,998.86	6,936.30	6.731	7.346	7.521	7.946	8.513	8.820	8.844	8.715
5-Aug-26	234.42	6,541.22	4,163.28	13,262.00	29.66	934.75	3,934.13	11,564.75	6.773	7.309	7.510	7.926	8.539	8.827	8.849	8.735
6-Aug-26	234.63	6,538.02	4,108.49	13,048.00	21.15	704.73	3,937.58	6,506.30	6.748	7.344	7.537	7.948	8.589	8.860	8.883	8.771
July 31-August 6	**234.63**	**6,538.02**	**4,108.49**	**71,330.00**	**147.85**	**4,716.60**	**3,937.58**	**38,127.10**	**6.748**	**7.344**	**7.537**	**7.948**	**8.589**	**8.860**	**8.883**	**8.771**
7-Aug-26	235.08	6,540.78	4,111.14	11,882.00	13.72	335.47	3,945.10	6,763.20	6.722	7.319	7.519	7.885	8.573	8.865	8.875	8.809
10-Aug-26	236.25	6,548.54	4,107.02	12,950.00	13.50	472.73	3,964.80	6,533.90	6.763	7.362	7.578	7.954	8.635	8.899	8.919	8.821
11-Aug-26	236.31	6,555.06	4,113.20	12,696.00	16.59	514.75	3,965.78	9,273.91	6.670	7.382	7.609	8.000	8.672	8.952	8.963	8.886
12-Aug-26	237.02	6,590.44	4,125.43	11,510.00	14.41	458.76	3,977.61	16,421.75	6.685	7.388	7.572	7.974	8.664	8.939	8.954	8.902
13-Aug-26	237.91	6,628.61	4,126.16	10,605.00	35.50	1,487.56	3,992.58	9,653.10	6.553	7.266	7.509	7.914	8.583	8.874	8.888	8.879
August 7-13	**237.91**	**6,628.61**	**4,126.16**	**59,643.00**	**93.72**	**3,269.27**	**3,992.58**	**48,645.86**	**6.553**	**7.266**	**7.509**	**7.914**	**8.583**	**8.874**	**8.888**	**8.879**
Weekly Changes (%)	**1.40**	**1.39**	**0.43**	**-16.38**	**-36.62**	**-30.69**	**1.40**	**27.59**	**-0.195***	**-0.078***	**-0.028***	**-0.035***	**-0.006***	**-0.014***	**-0.431**	**-0.305***

** Percentage points*
Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

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

Source: London Stock Exchange

Table 8: Government Domestic Debt (KSh Billion)

	22-May-26	29-May-26	12-Jun-26	19-Jun-26	26-Jun-26	3-Jul-26	31-Jul-26	07-Aug-26
1. Treasury Bills (Excluding Repos)	1,116.98	1,106.91	1,090.91	1,113.77	1,116.41	1,118.15	15.32	15.39
(As % of total securities)	*15.88*	*15.70*	*15.43*	*15.78*	*15.71*	*15.66*	*82.50*	*82.49*
2. Treasury Bonds	5,917.05	5,944.45	5,980.16	5,945.25	5,990.15	6,021.15	0.94	0.89
(As % of total securities)	*84.12*	*84.30*	*84.57*	*84.22*	*84.29*	*84.34*	*1.23*	*1.23*
3. Total Securities (1+2)	7,034.03	7,051.36	7,071.07	7,059.02	7,106.56	7,139.31	0.99	0.99
4. Overdraft at Central Bank	114.95	89.49	115.71	93.36	92.17	91.42	100.00	100.00
5. Other Domestic debt*	106.21	106.21	98.22	98.22	98.24	98.22	98.24	98.22
of which IMF funds on-lent to Government	78.93	78.93	79.04	79.04	79.04	79.04	79.04	79.04
6. Gross Domestic Debt (3+4+5)	**7,255.19**	**7,247.06**	**7,285.00**	**7,250.60**	**7,296.98**	**7,328.94**	**7,296.98**	**7,328.94**

** Other domestic debt includes clearing items in transit, advances from commercial banks and Pre-1997 Government Overdraft.*
Source: Central Bank of Kenya

Table 9: Composition of Government Domestic Debt by Instrument (Percent)

	29-May-26	05-Jun-26	12-Jun-26	19-Jun-26	26-Jun-26	3-Jul-26	31-Jul-26	07-Aug-26
Treasury bills (Excluding Repos)	15.27	15.14	14.97	15.36	15.30	15.26	15.32	15.39
Treasury bonds	82.03	82.26	82.09	82.00	82.09	82.16	82.50	82.49
Overdraft at Central Bank	1.23	1.24	1.59	1.29	1.26	1.25	0.94	0.89
Other domestic debt	1.47	1.36	1.35	1.35	1.35	1.34	1.23	1.23
of which IMF fund on lent to government	1.09	1.09	1.08	1.09	1.08	1.08	0.99	0.99
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 Securities by Sector (Percent)

	10-Apr-26	24-Apr-26	29-May-26	19-Jun-26	26-Jun-26	3-Jul-26	31-Jul-26	07-Aug-26
Financial Corporations	80.0	79.9	79.9	79.9	79.9	79.9	80.0	80.0
O/W Commercial Banks	36.7	36.2	35.8	35.8	35.7	35.6	35.4	35.5
Pension Funds	14.0	14.2	14.3	14.3	14.3	14.4	14.5	14.4
Insurance Companies	13.6	13.7	13.9	14.0	14.1	14.1	14.1	14.1
General Government	6.9	7.0	7.1	7.1	7.1	7.1	7.1	7.1
Households	6.3	6.3	6.3	6.3	6.3	6.3	6.2	6.2
Non-Residents	4.3	4.3	4.2	4.2	4.2	4.2	4.2	4.2
Nonfinancial corporations	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5
Non-Profit Institutions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

**Data has been re-classified to adopt a sectorization that is aligned with global best practices, including Government Finance Statistics Manual (GFSM) 2014, Public Sector Debt Statistics 2014 Manual, System of National Accounts (SNA) 2008, and Monetary and Financial Statistics (MFS) 2016. The new classification leverages on the Dhow Central Securities Depository (DhowCSD) system which has the capability to identify the ultimate holders of government securities. The new classification also captures information on any transfer of government securities that take place in the secondary market.*

Source: Central Bank of Kenya

Table 11: Public Debt

	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	April-26	May-26	June-26*
Domestic debt (Ksh Bn)	6,784.15	6,837.51	6,892.02	7,064.68	7,149.72	7,185.77	7,239.08	7,327.20
Public & Publicly Guaranteed External debt (USD $ Bn)	42.13	42.34	42.68	44.79	43.74	43.89	43.67	43.90
Public & Publicly Guaranteed External debt (Ksh Bn)	5,469.19	5,461.97	5,506.99	5,779.07	5,683.22	5,670.63	5,657.30	5,684.69
Public Debt (Ksh Bn)	**12,253.34**	**12,299.48**	**12,399.01**	**12,843.75**	**12,832.94**	**12,856.40**	**12,896.38**	**13,011.89**

** Provisional*
Source: The National Treasury and Central Bank of Kenya