



Central Bank of Kenya

Weekly Bulletin

October 2, 2026



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Inflation

Overall inflation increased to 6.8 percent in September from 6.6 percent in August 2026 largely driven by core inflation. Core inflation increased to 4.0 percent from 3.4 percent, mainly on account of higher prices of processed food items particularly milk and wheat products. Over the same period, non-core inflation moderated to 14.0 percent from 14.7 percent (**Chart 1**).

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending October 1, 2026. It exchanged at KSh 129.71 per U.S. dollar on October 1, compared to KSh 129.48 on September 24 (**Table 1**).

Foreign Exchange Reserves

The foreign exchange reserves remained adequate at USD 14,930 million (6.1 months of import cover) as of October 1. This meets CBK's statutory requirement to endeavour to maintain at least 4 months of import cover (**Table 2**).

Money Market

The money market remained liquid during the week ending October 1, 2026, and open market operations remained active. Commercial banks' excess reserves averaged KSh 22.1 billion above the 3.25 percent Cash Reserve Ratio (CRR) requirement. The Kenya Shilling Overnight Interbank Average (KESONIA) remained stable at 8.75 percent. During the week, the average number of interbank transactions decreased to 14 from 27 in the previous week, while the average value traded decreased to KSh 9.5 billion from KSh 14.5 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of October 1, received bids totalling KSh 47.7 billion against an advertised amount of KSh 28.0 billion, representing a performance of 170.4 percent. Interest rate on the 91-day, 182-day and 364-day Treasury bills declined (**Table 4**).

During the Treasury bond auction of September 30, the re-opened 15-year and 20-year Treasury bond received bids totalling KSh 80.6 billion against an advertised amount of KSh 50.0 billion, representing a performance of 161.1 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices decreased by 0.66 percent, 0.91 percent and 0.95 percent respectively, during the week ending October 1, 2026. Market capitalization, total shares traded and equity turnover also decreased by 0.66 percent, 52.02 percent and 56.43 percent, respectively (**Table 6**).

Bond Market

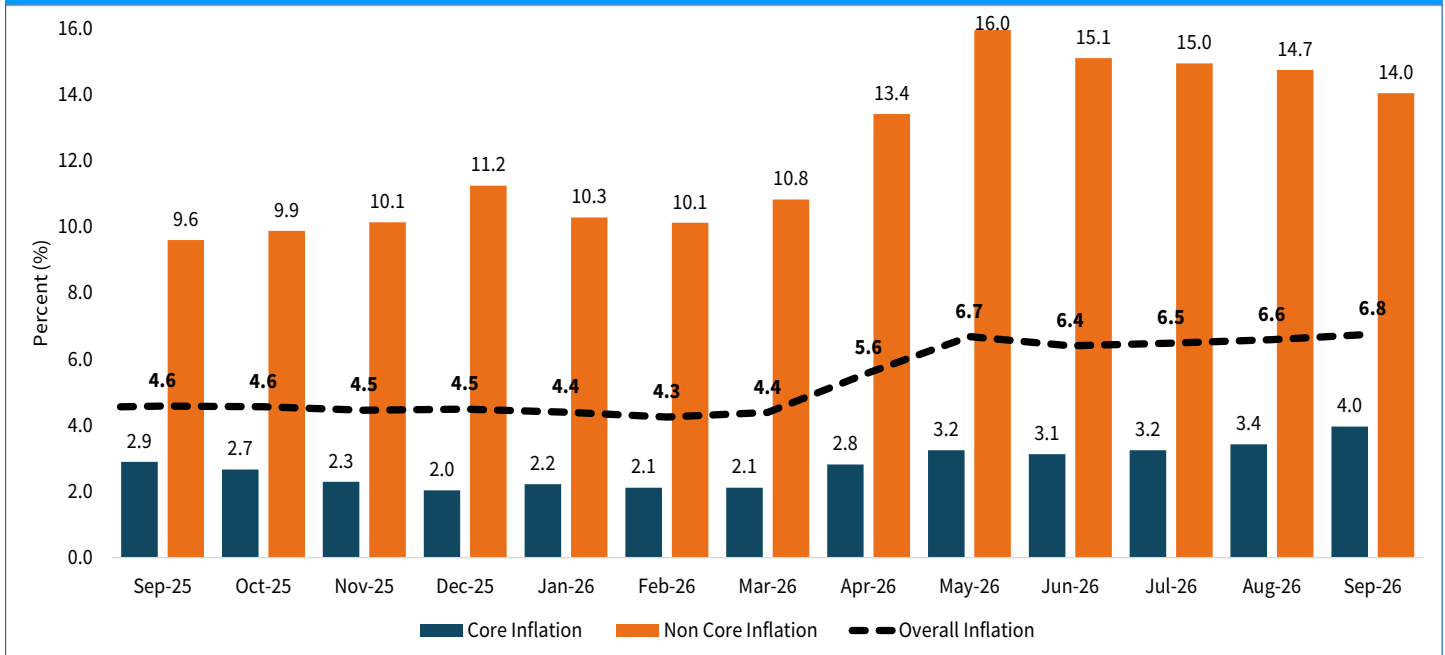
Bond turnover in the domestic secondary market increased by 27.7 percent during the week ending October 1, 2026 (**Table 6**). In the international market, yields on Kenya's Eurobonds increased by 22.28 basis points on average. Yields for Côte d'Ivoire and Angola also increased (**Chart 3**).

Global Trends

Inflation concerns remained during the week ending October 1. Germany headline inflation rose to 3.3 percent in September 2026 from 2.9 percent in August 2026, largely driven by high energy prices. The U.S. economy grew at 2.2 percent in the second quarter of 2026, an upward revision from the previous estimate of 1.5 percent, supported by robust consumer spending and strong business investment, particularly in artificial intelligence (AI) investment. The U.S. Dollar Index strengthened by 0.80 percent during the week.

Murban crude oil prices declined to USD 95.76 per barrel on October 1, from USD 97.36 per barrel on September 24, reflecting easing supply concerns despite persistent Middle East tensions. Spot gold prices declined to USD 4,177.76 per ounce from USD 4,277.98 per ounce in the previous week, as reduced safe-haven demand weighed on prices.

Chart 1: Inflation developments (Percent)



Source: Central Bank of Kenya and Kenya National Bureau of Statistics

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
18-Sep-26	129.61	173.30	148.90	83.25	30.36	20.40	11.36	23.10
21-Sep-26	129.49	172.84	148.43	82.05	30.44	20.44	11.37	23.13
22-Sep-26	129.46	173.10	148.46	82.23	30.39	20.39	11.37	23.13
23-Sep-26	129.45	172.38	147.92	82.11	30.12	20.43	11.37	23.14
24-Sep-26	129.48	171.73	147.62	81.87	30.14	20.46	11.37	23.13
Sep 18-24	129.50	172.67	148.27	82.30	30.29	20.42	11.37	23.13
25-Sep-26	129.62	171.44	147.47	81.68	30.28	20.40	11.36	23.11
28-Sep-26	129.67	171.74	147.65	82.21	30.19	20.39	11.36	23.10
29-Sep-26	129.76	172.10	147.49	82.57	30.17	20.30	11.35	23.09
30-Sep-26	129.79	171.68	147.22	82.46	30.19	20.30	11.35	23.08
01-Oct-26	129.71	172.28	147.30	82.65	30.14	20.35	11.36	23.10
Sep 25- Oct 1	129.71	171.85	147.43	82.31	30.19	20.35	11.36	23.10

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Foreign Exchange Reserves (USD Million)

	03-Sep-26	10-Sep-26	17-Sep-26	24-Sep-26	01-Oct-26
1. CBK Foreign Exchange Reserves (USD Million)	14,882	15,253	15,088	15,042	14,930
2. CBK Foreign Exchange Reserves (Months of Import Cover)*	6.1	6.3	6.1	6.1	6.1

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

Source: Central Bank of Kenya

Table 3: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	KESONIA (%)*
18-Sep-26	24	8,410	8.75
21-Sep-26	26	20,350	8.75
22-Sep-26	56	31,150	8.75
23-Sep-26	16	7,300	8.75
24-Sep-26	14	5,150	8.75
Sep 18-24	27	14,472	8.75
25-Sep-26	12	7,650	8.75
28-Sep-26	17	8,950	8.75
29-Sep-26	19	14,200	8.75
30-Sep-26	12	12,400	8.75
1-Oct-26	9	4,300	8.75
Sep 25- Oct 1	14	9,500	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

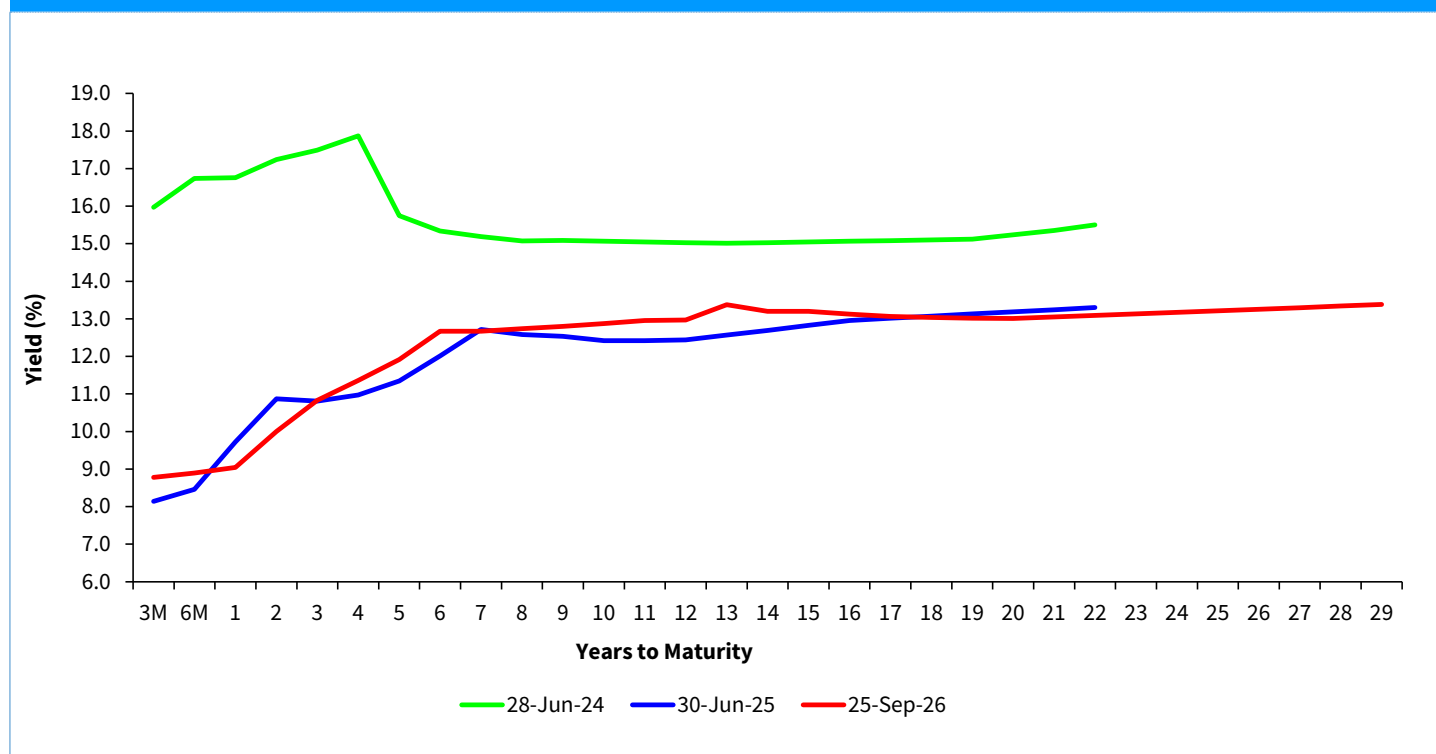
91-Day Treasury Bills						
Date of Auction	28-May-26	25-Jun-26	30-Jul-26	17-Sep-26	24-Sep-26	01-Oct-26
Amount Offered (KSh M)	4,000.00	4,000.00	8,000.00	8,000.00	8,000.00	8,000.00
Bids Received (KSh M)	14,093.44	23,013.48	14,403.22	23,245.66	17,739.93	17,983.23
Amount Accepted (KSh M)	14,081.70	14,187.31	14,330.17	23,231.01	16,546.14	12,875.06
Maturities (KSh M)	12,429.60	2,522.70	8,086.30	24,101.45	14,471.40	16,454.10
Average Interest Rate (%)	8.388	8.828	8.788	8.784	8.778	8.769
182-Day Treasury Bills						
Date of Auction	28-May-26	25-Jun-26	30-Jul-26	17-Sep-26	24-Sep-26	01-Oct-26
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)	1,049.48	2,268.16	8,171.64	10,046.13	12,756.12	19,147.41
Amount Accepted (KSh M)	1,049.48	833.16	8,171.64	10,046.13	10,260.23	17,900.87
Maturities (KSh M)	508.45	721.50	2,303.15	10,199.50	2,731.85	9,412.10
Average Interest Rate (%)	8.250	8.844	8.955	8.910	8.895	8.886
364-Day Treasury Bills						
Date of Auction	28-May-26	25-Jun-26	30-Jul-26	17-Sep-26	24-Sep-26	01-Oct-26
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)	1,494.84	2,776.87	4,792.57	9,427.51	11,228.23	10,586.04
Amount Accepted (KSh M)	1,490.29	2,405.42	4,784.06	9,415.69	6,543.85	10,420.91
Maturities (KSh M)	17,213.60	12,917.85	13,090.65	14,147.25	12,347.70	8,024.25
Average Interest Rate (%)	8.627	8.993	9.017	9.057	9.043	9.040

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	02-Sep-26		09-Sep-26	16-Sep-26		30-Sep-26	
	RE-OPEN		SWITCH	RE-OPEN		RE-OPEN	
Tenor	FXD3/ 2019/015	SDB1/ 2011/030	FXD4/ 2019/010	FXD1/ 2019/020	FXD1/ 2026/030	FXD3/ 2019/015	FXD1/ 2019/020
Amount offered (KSh M)	60,000.00		10,000.00	60,000.00		50,000.00	
Bids received (KSh M)	57,101.40	11,093.49	13,524.24	43,803.82	37,601.48	34,559.26	46,003.11
Amount Accepted (KSh M)	41,139.13	6,609.37	11,020.44	33,456.74	16,718.32	28,602.50	28,902.51
Maturities (KSh M)							
Average interest Rate (%)	12.76	13.69	11.14	13.61	14.24	12.73	13.60

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 Mil- lion)	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
18-Sep-26	238.61	6,719.36	4,165.11	13,774	43.12	1629.73	4,004.44	8981.05	6.749	7.582	7.818	8.334	8.999	9.271	9.346	9.246
21-Sep-26	246.06	6,943.35	4,306.00	15,206	29.39	1018.33	4,129.39	7546.65	6.720	7.480	7.688	8.170	8.830	9.116	9.169	9.128
22-Sep-26	247.75	7,009.16	4,320.24	12,699	23.18	1035.48	4,157.70	16752.60	6.681	7.437	7.666	8.134	8.789	9.067	9.141	9.095
23-Sep-26	247.21	7,014.73	4,325.90	13,544	17.19	646.93	4,148.66	20941.60	6.818	7.650	7.884	8.363	8.984	9.285	9.331	9.239
24-Sep-26	248.46	7,050.95	4,360.04	12,893	24.39	1182.42	4,169.65	16939.90	6.870	7.788	8.014	8.499	9.087	9.408	9.471	9.361
Sept 18-24	248.46	7,050.95	4,360.04	68,116.00	137.27	5,512.89	4,169.65	71161.80	6.870	7.788	8.014	8.499	9.087	9.408	9.471	9.361
25-Sep-26	248.51	7,062.15	4,363.67	13,326.00	18.257046	751.2275824	4,170.52	15118	7.112	7.884	8.163	8.671	9.199	9.545	9.586	9.462
28-Sep-26	247.87	7,039.95	4,348.25	15,147.00	11.459403	328.3484709	4,159.85	24586.65	7.396	8.104	8.467	8.951	9.434	9.783	9.786	9.615
29-Sep-26	245.85	6,985.59	4,312.00	13,272.00	11.709932	349.7001339	4,125.87	24624.85	7.319	7.995	8.380	8.831	9.339	9.660	9.719	9.558
30-Sep-26	245.60	6,977.73	4,316.96	12,819.00	12.113575	539.5584758	4,121.65	16205.45	7.290	7.987	8.413	8.871	9.385	9.705	9.723	9.541
1-Oct-26	246.82	6,986.58	4,318.68	12,362.00	12.327385	432.95988	4,142.21	10336.9	7.626	8.309	8.752	9.202	9.672	9.952	9.924	9.799
Sept 25- Oct 1	246.82	6,986.58	4,318.68	66,926.00	65.87	2,401.79	4,142.21	90871.85	7.626	8.309	8.752	9.202	9.672	9.952	9.924	9.799
Weekly Changes (%)	-0.66	-0.91	-0.95	-1.75	-52.02	-56.43	-0.66	27.70	0.755*	0.184*	0.207*	0.191*	0.086*	0.122*	0.109*	0.127*

* 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 7: Government Domestic Debt (KSh Billion)

	31-Dec-25	31-Mar-26	29-May-26	30-Jun-26	31-Jul-26	28-Aug-26	18-Sep-26	25-Sep-26
1. Treasury Bills (Excluding Repos)	1,074.45	1,192.39	1,106.91	1,118.15	1,143.64	1,182.98	1,205.59	1,201.41
<i>(As % of total securities)</i>	16.15	17.06	15.70	15.66	15.66	15.67	15.82	15.66
2. Treasury Bonds	5,578.98	5,798.22	5,944.45	6,021.15	6,157.18	6,365.63	6,414.66	6,468.61
<i>(As % of total securities)</i>	83.85	82.94	84.30	84.34	84.34	84.33	84.18	84.34
3. Total Securities (1+2)	6,653.43	6,990.61	7,051.36	7,139.31	7,300.82	7,548.61	7,620.25	7,670.02
4. Overdraft at Central Bank	78.23	53.16	89.49	90.99	70.32	25.44	8.33	14.30
5. Other Domestic debt*	105.85	105.95	98.22	96.90	92.02	92.02	100.25	100.25
of which IMF funds on-lent to Government	78.38	78.67	79.04	78.32	73.94	73.94	74.54	74.54
6. Gross Domestic Debt (3+4+5)	6,837.51	7,149.72	7,239.08	7,327.20	7,463.16	7,666.07	7,728.83	7,784.57

* 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-Dec-25	31-Mar-26	29-May-26	30-Jun-26	31-Jul-26	28-Aug-26	18-Sep-26	25-Sep-26
Treasury bills (Excluding Repos)	15.71	16.68	15.29	15.26	15.32	15.43	15.60	15.43
Treasury bonds	81.59	81.10	82.12	82.18	82.50	83.04	83.00	83.10
Overdraft at Central Bank	1.14	0.74	1.24	1.24	0.94	0.33	0.11	0.18
Other domestic debt	1.55	1.48	1.36	1.32	1.23	1.20	1.30	1.29
of which IMF fund on lent to government	1.15	1.10	1.09	1.07	0.99	0.96	0.96	0.96
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 Securities by Sector (Percent)

	31-Dec-25	31-Mar-26	29-May-26	26-Jun-26	31-Jul-26	28-Aug-26	18-Sep-26	25-Sep-26
Financial Corporations	78.87	79.86	79.89	79.90	79.95	79.99	79.81	79.79
<i>O/W Commercial Banks</i>	34.91	36.66	35.82	35.72	35.42	34.63	34.37	34.03
<i>Pension Funds</i>	14.67	14.03	14.31	14.33	14.51	14.04	13.87	13.95
<i>Insurance Companies</i>	13.47	13.57	13.93	14.06	14.10	13.82	13.86	13.91
General Government	7.37	6.96	7.09	7.09	7.10	6.85	6.93	7.00
Households	6.45	6.28	6.34	6.33	6.23	6.24	6.20	6.19
Non-Residents	4.68	4.40	4.22	4.18	4.21	4.50	4.61	4.57
Nonfinancial corporations	1.79	1.56	1.50	1.52	1.54	1.51	1.53	1.54
Non-Profit Institutions	0.85	0.94	0.96	0.98	0.97	0.91	0.92	0.91
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

*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 10: Public Debt

	Dec-24	Jun-25	Dec-25	Mar-26	Apr-26	May-26	Jun-26	July-26*
Domestic debt (Ksh Bn)	5,868.77	6,326.01	6,837.51	7,149.72	7,185.77	7,239.08	7,327.20	7,463.16
Public & Publicly Guaranteed External debt (USD Bn)	39.11	42.44	42.34	43.74	43.89	43.67	43.90	5.77
Public & Publicly Guaranteed External debt (Ksh Bn)	5,057.01	5,484.83	5,461.97	5,683.22	5,670.63	5,657.30	5,684.69	5,765.73
Public Debt (Ksh Bn)	10,925.78	11,810.84	12,299.48	12,832.94	12,856.40	12,896.38	13,011.89	13,228.89

* Provisional

Source: The National Treasury and Central Bank of Kenya