



Central Bank of Kenya

Weekly Bulletin

March 15, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending March 14. It exchanged at KSh 137.49 per US dollar on March 14, compared to KSh 142.07 per US dollar on March 7 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 6,974 million (3.7 months of import cover) as at March 14. 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 385.9 million in February 2024, compared to USD 309.2 million in February 2023, an increase of 24.8 percent (**Chart 1**). The cumulative inflows for the 12 months to February 2024 totaled USD 4,330 million compared to USD 4,026 million in a similar period in 2023, an increase of 7.5 percent. The US remained the largest source of remittances to Kenya, accounting for 54 percent in February 2024.

Money Market

Liquidity in the money market remained adequate during the week ending March 14, supported by open market operations. Commercial banks' excess reserves stood at KSh 16.1 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.27 percent on March 14 compared to 13.49 percent on March 7. During the week, the average number of interbank deals increased to 44 from 29 in the previous week, while the average value traded increased to KSh 29.8 billion from KSh 17.8 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bills auction of March 14 received bids totaling KSh 22.4 billion against an advertised amount of KSh 24.0 billion, representing a performance of 93.5 percent.

Interest rates remained relatively 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 5.9 percent, 5.5 percent and 4.2 percent, respectively during the week ending March 14. Market capitalization, equity turnover and total shares traded increased by 5.9 percent, 235.9 percent and 219.7 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market decreased by 14.6 percent during the week ending March 14 (**Table 6**). In the international market, yields on Kenya's Eurobonds remained stable. The yield on the 10-year Eurobond for Angola declined while that of Zambia increased (**Chart 3**).

Global Trends

There are concerns that inflation in advanced economies has remained sticky. The U.S. headline inflation rate increased to 3.2 percent in February 2024 from 3.1 percent in January. The US dollar index strengthened by 0.5 percent against a basket of major currencies during the week ending March 14.

International oil prices increased during the week ending March 14, due to increased oil demand and drawdown of US oil inventories. Murban oil price increased to USD 84.98 per barrel on March 14 from USD 83.25 per barrel on March 7.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
1-Mar-24	143.52	181.75	155.65	95.88	27.38	17.77	8.90	19.91
4-Mar-24	143.86	182.18	156.01	95.72	27.21	17.73	8.89	19.87
5-Mar-24	143.83	182.44	156.11	95.59	27.29	17.73	8.92	19.87
6-Mar-24	142.83	181.44	155.00	95.25	27.41	17.82	8.96	20.01
7-Mar-24	142.07	180.76	154.60	95.10	27.59	17.95	9.03	20.12
Mar 1- 7	143.22	181.71	155.47	95.51	27.38	17.80	8.94	19.96
8-Mar-24	142.80	182.21	155.67	96.56	27.35	17.86	8.96	20.02
11-Mar-24	140.44	180.48	153.65	95.56	27.81	18.12	9.15	20.35
12-Mar-24	139.49	178.86	152.33	94.93	27.98	18.28	9.18	20.50
13-Mar-24	138.80	177.07	151.43	93.90	28.03	18.37	9.23	20.60
14-Mar-24	137.49	175.93	150.41	92.99	28.29	18.55	9.32	20.80
Mar 8-14	139.80	178.91	152.70	94.79	27.89	18.24	9.17	20.45

*Units of currency per Kenya Shilling

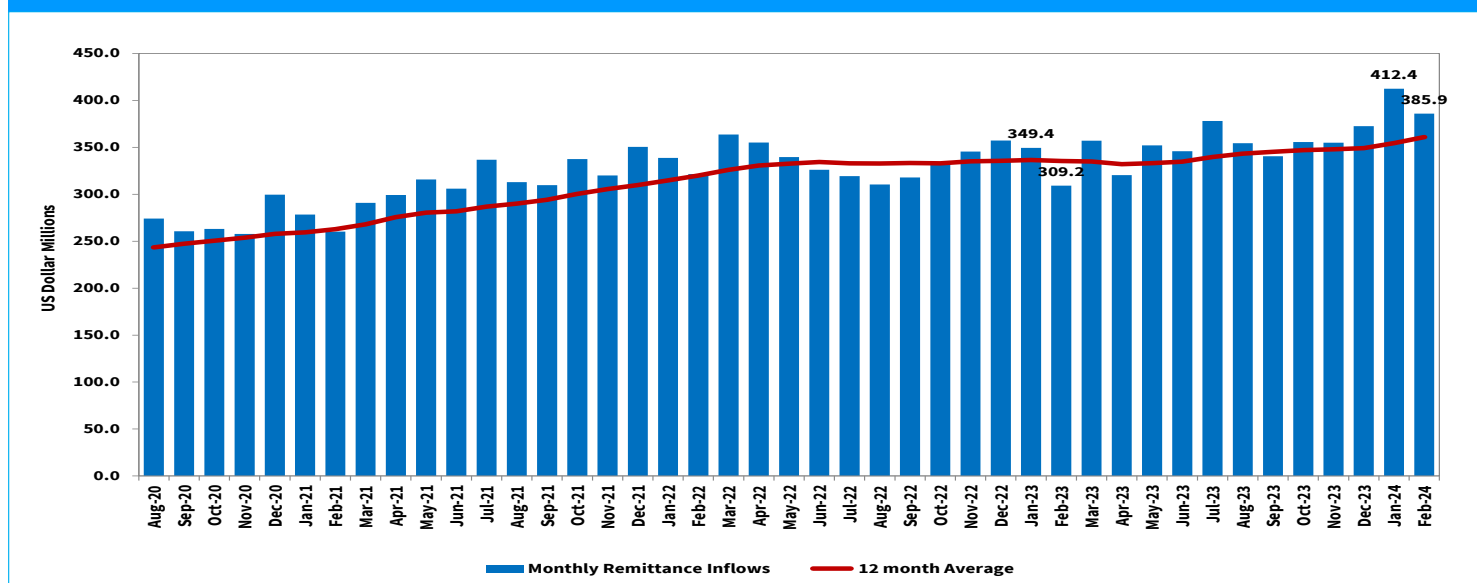
Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)

	15-Feb-24	22-Feb-24	29-Feb-24	7-Mar-24	14-Mar-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,031	7,221	6,962	6,919	6,974
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.8	3.9	3.7	3.7	3.7

*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 (%)
1-Mar-24	33	11,970.00	13.97
4-Mar-24	29	12,940.00	13.74
5-Mar-24	30	21,950.00	13.77
6-Mar-24	26	18,100.00	13.73
7-Mar-24	28	23,900.00	13.49
Mar 1-7	29	17,772.00	13.74
8-Mar-24	28	25,820.00	13.00
11-Mar-24	68	38,585.00	12.99
12-Mar-24	58	34,210.00	13.10
13-Mar-24	37	27,640.00	13.21
14-Mar-24	27	22,615.00	13.27
Mar 8-14	44	29,774.00	13.11

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	25-Jan-24	7-Mar-24	14-Mar-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	16,558.38	20,618.75	14,055.87
Amount Accepted (KSh M)	2,705.12	3,303.25	6,986.46	14,027.44	20,504.88	13,777.55
Maturities (KSh M)	2,814.15	2,741.45	3,254.55	8,291.40	30,288.40	13,939.25
Average Interest Rate (%)	11.904	14.821	15.983	16.290	16.660	16.698
182-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	25-Jan-24	7-Mar-24	14-Mar-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	5,243.25	10,063.26	3,603.46
Amount Accepted (KSh M)	1,300.96	542.27	322.85	5,224.77	10,063.26	3,280.70
Maturities (KSh M)	442.15	3,616.00	1,365.20	1,281.40	1,233.70	663.75
Average Interest Rate (%)	11.947	14.950	15.967	16.376	16.848	16.890
364-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	25-Jan-24	7-Mar-24	14-Mar-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	2,672.03	11,134.58	4,774.54
Amount Accepted (KSh M)	1,514.41	670.62	1,661.91	2,657.86	9,708.57	2,788.13
Maturities (KSh M)	2,417.65	1,229.50	1,858.45	6,216.15	8,491.25	4,896.35
Average Interest Rate (%)	12.157	15.054	16.100	16.523	16.985	16.989

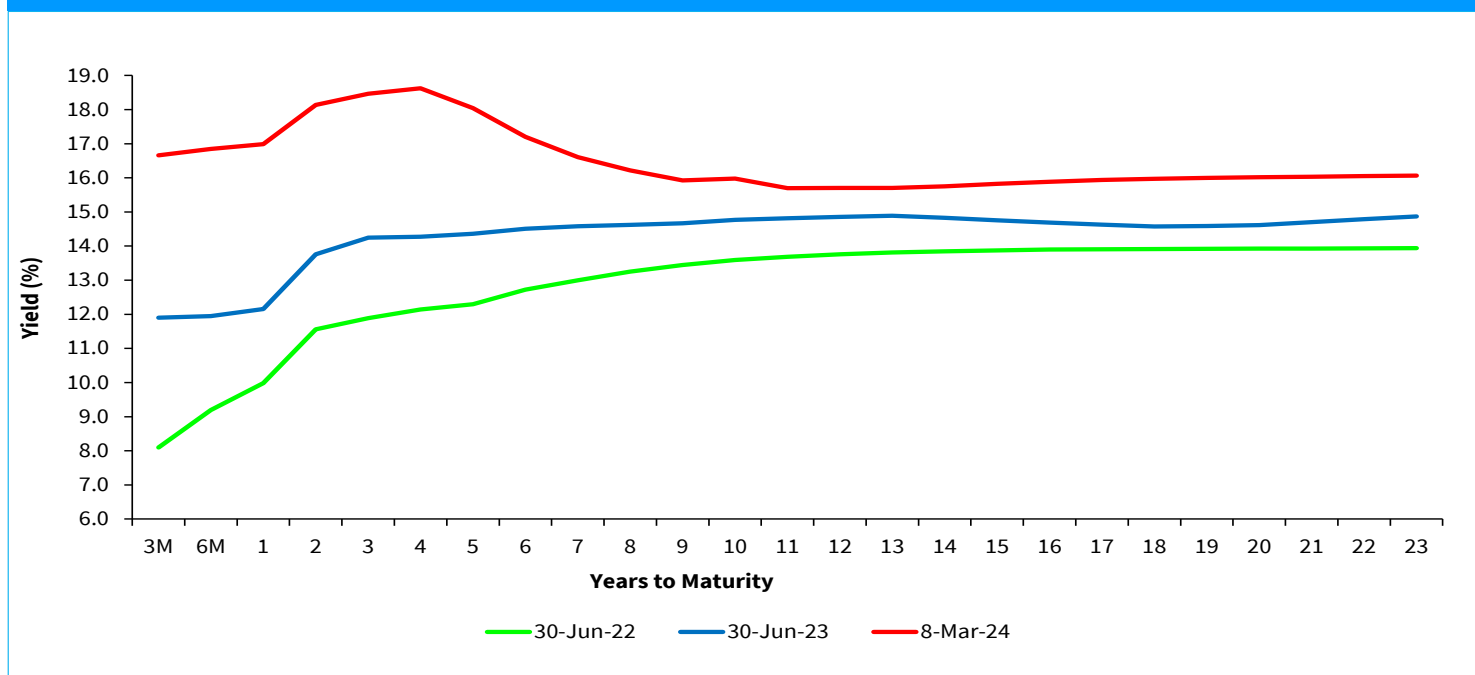
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	8-Nov-23	5-Dec-23	10-Jan-24		18-Jan-24		14-Feb-24	6-Mar-24
Tenor	IFB1/ 2023/6.5	IFB1/ 2023/6.5	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2024/003	FXD1/ 2023/005	IFB1/ 2024/8.5	FXD1/ 2024/03
Amount offered (KSh M)	50,000.00	25,000.00	35,000.00		15,000.00		70,000.00	40,000.00
Bids received (KSh M)	88,899.96	47,238.75	29,089.43	8,062.57	9,308.35	2,552.31	288,661.86	43,074.61
Amount Accepted (KSh M)	67,056.07	47,866.93	22,069.44	2,946.74	9,339.89	2,415.58	240,957.57	34,271.36
Maturities (KSh M)	0.00	0.00	35,852.15		0.00		70,490.80	0.00
Average interest Rate (%)	17.93	17.93	18.39	18.77	18.39	16.84	18.46	18.42

Source: Central Bank of Kenya

Chart 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

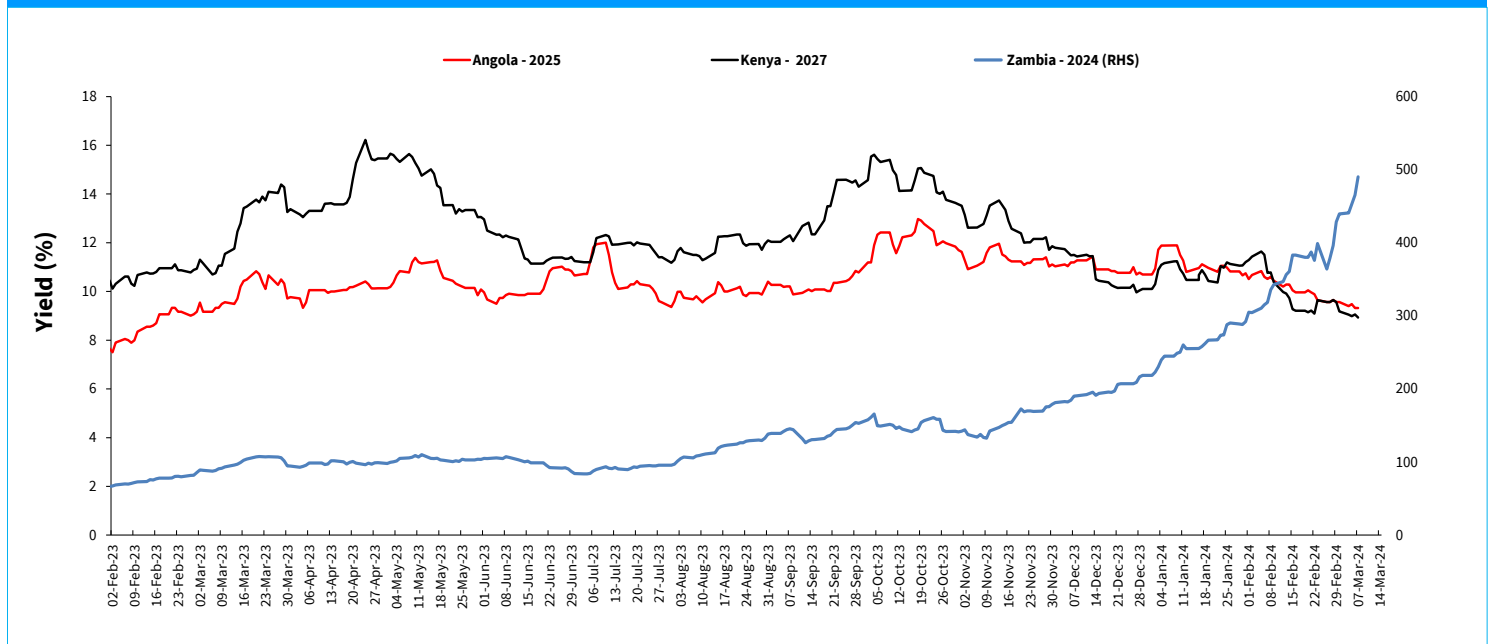
Table 6: Performance of Key Market Indicators

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 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
1-Mar-24	93.25	2,493.30	1,539.22	914	22.10	427.14	1456.845	7,233.05	9.182	9.478	9.761	9.873	9.818	10.335
4-Mar-24	93.36	2,496.35	1,548.28	912	4.17	79.75	1458.583	9,176.85	9.052	9.399	9.606	9.769	9.746	10.285
5-Mar-24	93.28	2,491.83	1,545.08	970	12.93	201.18	1457.391	8,894.10	8.988	9.36	9.677	9.769	9.723	10.251
6-Mar-24	94.20	2,500.27	1,551.08	1,063	4.41	86.03	1471.685	7,443.60	9.057	9.281	9.696	9.718	9.7	10.202
7-Mar-24	94.45	2,509.34	1,545.83	844	4.82	49.49	1475.607	7,359.80	8.931	9.244	9.493	9.667	9.611	10.169
Mar 1-7	94.45	2,509.34	1,545.83	4,703.00	48.43	843.59	1475.607	40,107.40	8.931	9.244	9.493	9.667	9.611	10.169
8-Mar-24	94.90	2,525.06	1,556.10	1,028.00	15.68	353.55	1482.650	3,368.90	8.603	9.006	9.453	9.487	9.465	10.039
11-Mar-24	95.52	2,531.34	1,566.28	913.00	7.01	193.14	1492.340	5,667.31	8.803	9.166	9.521	9.616	9.584	10.120
12-Mar-24	96.70	2,545.62	1,562.41	1,077.00	39.56	819.87	1510.788	9,430.50	8.872	9.167	9.577	9.668	9.680	10.153
13-Mar-24	97.57	2,571.17	1,573.37	951.00	46.60	762.66	1524.467	4,926.30	8.807	8.969	9.409	9.565	9.538	10.071
14-Mar-24	100.04	2,646.32	1,611.07	1,070.00	45.97	704.31	1563.025	10,860.45	8.881	9.092	9.520	9.644	9.611	10.104
Mar 8 -14	100.04	2,646.32	1,611.07	5,039.00	154.82	2,833.52	1563.025	34,253.46	8.881	9.092	9.520	9.644	9.611	10.104
Weekly Changes (%)	-5.59	5.46	4.22	7.14	219.67	235.89	5.92	-14.60	-0.050*	-0.152*	0.027*	-0.023*	0.000*	-0.065*

* 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	30-Nov-23	29-Dec-23	31-Jan-24	1-Mar-24	8-Mar-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	558.21	555.62	546.90	565.63	549.07	549.21
<i>(As % of total securities)</i>	15.32	13.28	11.86	11.62	11.35	11.7	11.00	11.00
2. Treasury Bonds	3,710.62	4,013.89	4,149.81	4,224.91	4,271.82	4,272.25	4,442.10	4,442.10
<i>(As % of total securities)</i>	84.68	86.72	88.14	88.38	88.65	88.31	89.00	89.00
3. Total Securities (1+2)	4,382.13	4,628.62	4,708.02	4,780.53	4,818.72	4,837.89	4,991.17	4,991.30
4. Overdraft at Central Bank	58.50	76.46	75.70	83.94	94.13	83.45	94.32	93.85
5. Other Domestic debt*	32.76	127.04	133.75	126.28	137.26	136.71	129.11	129.11
<i>of which IMF funds on-lent to Government</i>		95.52	99.52	101.87	104.24	104.24	106.49	106.49
6. Gross Domestic Debt (3+4+5)	4,473.39	4,832.11	4,917.47	4,990.75	5,050.11	5,058.04	5,214.60	5,214.26

* 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	24-Nov-23	29-Dec-23	31-Jan-24	1-Mar-24	8-Mar-24
Treasury bills (Excluding Repos)	15.01	12.72	11.35	11.12	10.83	11.18	10.53	10.53
Treasury bonds	82.95	83.07	84.39	84.74	84.59	84.46	85.19	85.19
Overdraft at Central Bank	1.31	1.58	1.54	1.68	1.86	1.65	1.81	1.80
Other domestic debt	0.73	2.63	2.72	2.46	2.72	2.70	2.48	2.48
<i>of which IMF fund on lent to government</i>		1.98	2.02	1.97	2.06	2.06	2.04	2.04
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)

	31-Mar-23	30-Jun-23	29-Sep-23	24-Nov-23	3-Jan-24	31-Jan-24	1-Mar-24	8-Mar-24
Banking Institutions	46.13	46.17	45.18	46.00	45.95	45.84	45.97	45.99
Insurance Companies	7.39	7.31	7.35	7.21	7.25	7.34	7.16	7.17
Parastatals	6.04	5.98	5.95	5.52	5.48	5.56	5.23	5.21
Pension Funds	33.42	33.42	32.23	30.16	29.99	29.89	29.39	29.37
Other Investors	7.01	7.13	9.30	11.10	11.33	11.37	12.25	12.27
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