



Central Bank of Kenya

Weekly Bulletin

August 30, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending August 29. It exchanged at KSh 129.04 per US dollar on August 29, compared to KSh 129.08 per US dollar on August 22 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,349 million (3.8 months of import cover) as of August 29. This meets the CBK's statutory requirement to endeavour to maintain at least 4 months of import cover (**Table 2**).

Money Market

Liquidity in the money market remained adequate during the week ending August 29, supported by open market operations. Commercial banks' excess reserves stood at KSh 20.3 billion in relation to the 4.25 percent cash reserve requirement (CRR). The average interbank rate declined to 12.80 percent on August 29 from 12.94 percent on August 22. During the week, the average number of interbank deals decreased to 31 from 35 in the previous week, while the average value traded decreased to KSh 15.2 billion from KSh 16.6 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of August 29 received bids totaling KSh 24.2 billion against an advertised amount of KSh 24.0 billion, representing a performance of 100.8 percent. Interest rate on the 91-day, 182-day, and 364-day Treasury bills declined (**Table 4**).

During the Treasury bond tap sale of August 29, the 17-year fixed rate infrastructure bond received bids totaling KSh 35.2 billion against an advertised amount of KSh 15 billion, representing a performance rate of 234.4 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, the NASI and NSE 25 decreased by 1.7 percent, while the NSE 20 share price index decreased by 0.8 percent during the week ending August 29. Equity turnover and total shares traded increased by 55.3 percent and 57.5 percent, while Market Capitalization decreased by 1.7 percent (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market decreased by 39.4 percent during the week ending August 29 (**Table 6**). In the international market, yields on Kenya's Eurobonds declined by an average of 18.5 basis points. The yield on the 10- Year Eurobonds for Angola and Zambia also declined (**Chart 2**).

Global Trends

Global inflation concerns have eased, with notable declines observed in key economies. In August, both Germany and France saw their headline inflation rates drop to 1.9 percent, down from 2.3 percent in July. The US dollar index weakened by 0.2 percent against a basket of major currencies during the week ending August 29.

International oil prices increased during the week ending August 29, driven by Libya's oil production outage, which outweighed global demand concerns. The Murban oil price increased to USD 79.83 on August 29 from USD 77.69 on August 22.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
16-Aug-24	129.14	166.32	141.85	86.69	28.83	20.99	10.22	22.34
19-Aug-24	129.06	167.20	142.51	88.45	28.84	21.00	10.32	22.31
20-Aug-24	129.09	167.55	142.98	87.69	28.84	20.99	10.24	22.34
21-Aug-24	128.98	168.02	143.42	88.53	28.87	21.01	10.26	22.38
22-Aug-24	129.08	168.89	143.83	88.92	28.80	20.96	10.26	22.38
Aug 16-23	129.07	167.60	142.92	88.05	28.84	20.99	10.26	22.35
23-Aug-24	129.05	169.20	143.61	88.63	28.79	21.05	10.26	22.38
26-Aug-24	129.18	170.49	144.43	89.62	28.76	20.98	10.22	22.29
27-Aug-24	129.17	170.38	144.25	89.22	28.74	20.98	10.27	22.36
28-Aug-24	129.16	170.96	144.24	89.51	28.74	21.02	10.28	22.35
29-Aug-24	129.04	170.38	143.44	89.08	28.83	21.06	10.31	22.38
Aug 23-29	129.12	170.28	143.99	89.21	28.77	21.02	10.27	22.35

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Usable Foreign Exchange Reserves (USD Million)

	1-Aug-24	8-Aug-24	15-Aug-24	22-Aug-24	29-Aug-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,274	7,340	7,316	7,404	7,349
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.8	3.8	3.8	3.8	3.8

*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 (%)
16-Aug-24	44	22,710.00	13.85
19-Aug-24	31	16,100.00	12.86
20-Aug-24	29	14,100.00	12.90
21-Aug-24	30	11,850.00	12.91
22-Aug-24	39	18,180.00	12.94
Aug 16-22	35	16,588.00	13.09
23-Aug-24	31	12,740.00	12.97
26-Aug-24	35	23,050.00	12.96
27-Aug-24	41	23,420.00	12.93
28-Aug-24	24	8,600.00	12.96
29-Aug-24	26	8,350.00	12.80
Aug 23-29	31	15,232.00	12.92

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	27-Jun-24	22-Aug-24	29-Aug-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	8,516.51	5,380.72	4,361.03	7,911.73	17,496.40
Amount Accepted (KSh M)	2,705.12	6,986.46	3,867.98	2,745.34	7,786.83	16,953.43
Maturities (KSh M)	2,814.15	3,254.55	7,215.65	3,922.10	7,203.20	18,029.30
Average Interest Rate (%)	11.904	15.983	16.729	15.977	15.794	15.784
182-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	27-Jun-24	22-Aug-24	29-Aug-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	322.85	2,702.14	1,494.42	5,760.01	4,451.13
Amount Accepted (KSh M)	1,300.96	322.85	2,049.15	1,479.67	3,840.00	4,443.43
Maturities (KSh M)	442.15	1,365.20	552.85	293.25	7,361.10	2,088.35
Average Interest Rate (%)	11.947	15.967	16.888	16.764	16.669	16.633
364-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Dec-23	28-Mar-24	27-Jun-24	22-Aug-24	29-Aug-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	1,661.91	7,753.83	1,833.64	5,498.14	2,254.39
Amount Accepted (KSh M)	1,514.41	1,661.91	7,596.50	1,828.51	5,492.24	2,248.06
Maturities (KSh M)	2,417.65	1,858.45	1,915.90	1,679.00	2,441.80	567.65
Average Interest Rate (%)	12.157	16.100	16.990	16.791	16.859	16.842

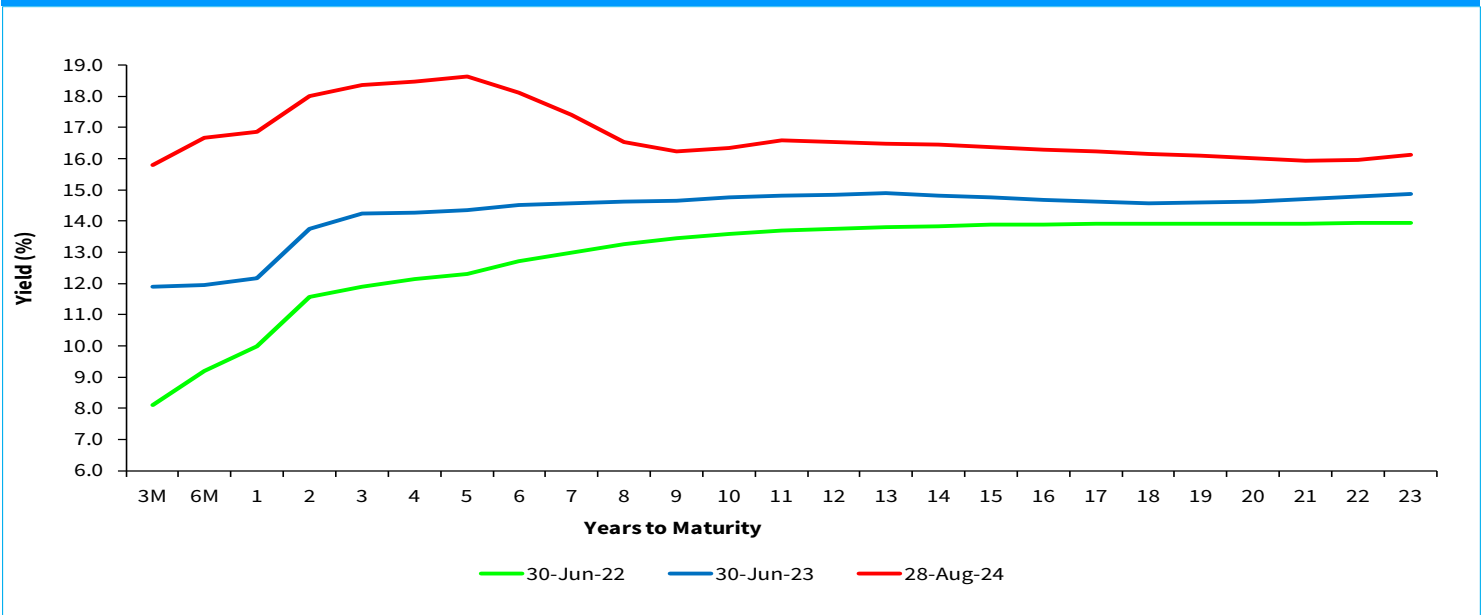
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	4-Jul-24	17-Jul-24		14-Aug-24		29-Aug-24
	TAP	RE-OPEN		RE-OPEN		TAP
Tenor	FXD1/ 2023/002	FXD1/ 2024/010	FXD1/ 2008/020	IFB1/ 2023/6.5	IFB1/ 2023/17	FXD1/ 2023/002
Amount offered (KSh M)	20,000.00	30,000.00		50,000.00		15,000.00
Bids received (KSh M)	487.50	7,067.73	7,614.51	96,861.91	29,460.52	35,185.70
Amount Accepted (KSh M)	486.48	6,752.15	3,014.08	74,167.60	14,530.92	32,024.23
Maturities (KSh M)	0.00					0.00
Average interest Rate (%)	17.12	16.00	13.75	18.30	17.73	17.73

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

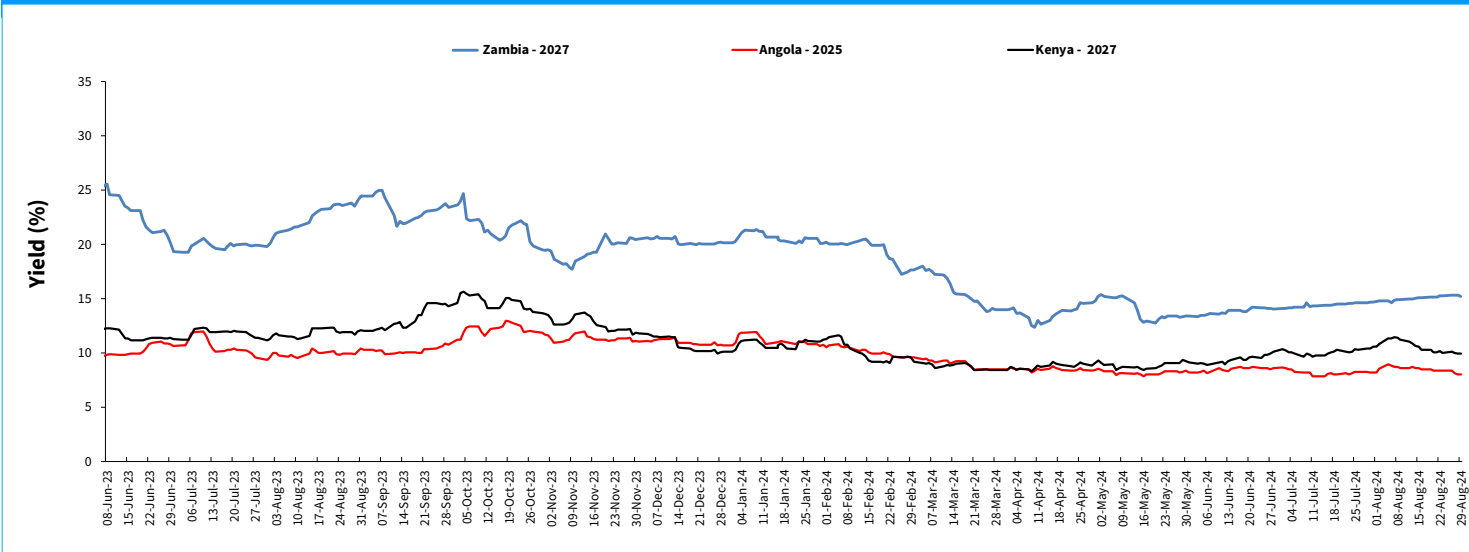
Table 6: Performance of Key Market Indicators

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 Capitaliza- tion (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
16-Aug-24	102.47	2,740.42	1,643.81	863	19	201	1600.9	902	10.310	10.640	10.801	10.761	10.644	10.946
19-Aug-24	102.37	2,738.39	1,636.83	951	12	164	1599.4	2,926	10.315	10.550	10.801	10.675	10.618	10.909
20-Aug-24	103.03	2,758.85	1,638.95	949	7	226	1609.7	16,604	10.067	10.414	10.674	10.589	10.514	10.854
21-Aug-24	104.64	2,839.96	1,682.59	1,015	23	473	1634.8	7,720	10.072	10.370	10.675	10.561	10.515	10.855
22-Aug-24	105.13	2,848.74	1,692.07	1,199	7	138	1642.6	10,268	10.171	10.424	10.739	10.622	10.570	10.892
August 16- 22	105.13	2,848.74	1,692.07	4,977.00	67.93	1,201.31	1,642.57	38,420.33	10.171	10.424	10.739	10.622	10.570	10.892
23-Aug-24	104.93	2,825.40	1,699.29	1,065.00	11	194	1637.1	7775	10.006	10.334	10.675	10.565	10.518	10.873
26-Aug-24	104.66	2,834.58	1,685.91	1,335.00	8	95	1635.2	4035	10.096	10.382	10.676	10.594	10.519	10.874
27-Aug-24	104.21	2,818.85	1,694.90	1,233.00	22	404	1628.1	5496	10.016	10.292	10.644	10.538	10.468	10.837
28-Aug-24	103.42	2,802.22	1,683.75	1,383.00	30	397	1615.8	2870	9.935	10.248	10.550	10.452	10.417	10.765
29-Aug-24	103.34	2,800.89	1,678.21	1,371.00	36	775	1614.6	3105	9.949	10.254	10.550	10.426	10.367	10.765
August 23- 29	103.34	2,800.89	1,678.21	6,387.00	107	1,865	1,614.6	23,281.9	9.949	10.254	10.550	10.426	10.367	10.765
Weekly Changes (%)	-1.70	-1.68	-0.82	28.33	57.46	55.25	-1.71	-39.40	-0.222*	-0.170*	-0.189*	-0.196*	-0.203*	-0.127*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

Chart 2: Yields on 10-Year Eurobonds for Selected Countries



Source: Bloomberg, London Stock Exchange

Table 7: Government Domestic Debt (KSh Billion)

	30-Dec-22	30-Jun-23	29-Dec-23	31-May-24	28-Jun-24	31-Jul-24	21-Aug-24	28-Aug-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	546.90	588.92	615.89	651.89	672.51	673.95
<i>(As % of total securities)</i>	15.32	13.28	11.35	11.48	11.75	12.32	12.45	12.47
2. Treasury Bonds	3,710.62	4,013.89	4,271.82	4,539.76	4,627.12	4,637.89	4,729.22	4,729.22
<i>(As % of total securities)</i>	84.68	86.72	88.65	88.52	88.25	87.68	87.55	87.53
3. Total Securities (1+2)	4,382.13	4,628.62	4,818.72	5,128.68	5,243.01	5,289.78	5,401.73	5,403.17
4. Overdraft at Central Bank	58.50	76.46	94.13	84.96	61.02	60.53	49.43	49.43
5. Other Domestic debt*	32.76	127.04	137.26	106.25	106.25	103.06	103.07	103.07
<i>of which IMF funds on-lent to Government</i>		95.52	104.24	83.54	83.54	82.61	82.61	82.61
6. Gross Domestic Debt (3+4+5)	4,473.39	4,832.11	5,050.11	5,319.89	5,410.28	5,453.37	5,554.22	5,555.66

* 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-Dec-23	28-Mar-24	28-Jun-24	31-Jul-24	21-Aug-24	28-Aug-24
Treasury bills (Excluding Repos)	15.01	12.72	10.83	10.64	11.38	11.95	12.11	12.13
Treasury bonds	82.95	83.07	84.59	85.55	85.52	85.05	85.15	85.12
Overdraft at Central Bank	1.31	1.58	1.86	1.76	1.13	1.11	0.89	0.89
Other domestic debt	0.73	2.63	2.72	2.05	1.96	1.89	1.86	1.86
<i>of which IMF fund on lent to government</i>		1.98	2.06	1.62	1.54	1.51	1.49	1.49
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-Dec-23	28-Mar-24	28-Jun-24	31-Jul-24	21-Aug-24	28-Aug-24
Banking Institutions	46.84	46.17	46.07	45.78	45.12	45.12	44.80	44.81
Insurance Companies	7.37	7.31	7.23	7.13	7.23	7.21	7.33	7.20
Parastatals	6.06	5.98	5.47	5.25	5.13	5.08	5.47	5.34
Pension Funds*	33.31	33.42	29.93	29.35	29.60	29.39	29.33	29.14
Other Investors	6.43	7.13	11.30	12.50	12.92	13.19	13.07	13.50
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

* Includes pension funds and custodial/ Nominee Accounts

Source: Central Bank of Kenya

Table 10: Public Debt

	Dec-21	Jun-22	Dec-22	Jun-23	Sep-23	Dec-23	Mar-24	May-24	June-24*
Domestic debt (KSh Bn)	4,032.37	4,288.33	4,472.84	4,832.11	4,917.47	5,050.11	5,235.19	5,319.89	5,410.28
Public & Publicly Guaranteed External debt (USD Bn)	36.90	36.58	37.88	38.76	38.27	38.92	39.18	39.30	39.77
Public & Publicly Guaranteed External debt (KSh Bn)	4,174.37	4,290.73	4,673.14	5,446.56	5,667.80	6,089.58	5,163.42	5,118.31	5,150.84
Public debt (KSh Bn)	8,206.74	8,579.06	9,145.98	10,278.67	10,585.27	11,139.69	10,398.61	10,438.19	10,561.12

* Provisional

Source: The National Treasury and Central Bank of Kenya