Central Bank of Kenya

Weekly Bulletin

February 21, 2025

RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending, February 20. It exchanged at KSh 129.45 per US dollar on February 20, compared to KSh 129.21 per US dollar on February 13 **(Table 1)**.

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 9,256 million (4.7 months of import cover) as of February 20. This meets the 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 February 20. Open market operations remained active. Commercial banks' excess reserves stood at KSh 26.5 billion in relation to the 3.25 percent cash reserves requirement (CRR). The average interbank rate was at 10.68 percent on February 20 compared to 10.50 percent on February 13. During the week, the average number of interbank deals increased to 41 from 26 in the previous week, while the average value traded increased to KSh 22.7 billion from KSh 14.4 billion in the previous week **(Table 3)**.

Government Securities Market

The Treasury bill auction of February 20 received bids totalling KSh 32.9 billion against an advertised amount of KSh 24.0 billion, representing a performance of 137.3 percent. Interest rate on the 91-day, 182-day and 364-day Treasury bills declined **(Table 4)**.

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and the NSE 20 share price indices increased by 2.7 percent, 1.7 percent and 2.1 percent, respectively, during the week ending February 20. Similarly, market capitalization, equity turnover and total shares traded increased by 2.7 percent, 43.2 percent and 13.3 percent, respectively **(Table 6)**.

Bond Market

Bond turnover in the domestic secondary market improved by 253.7 percent during the week ending February 20 **(Table 6).** In the international market, yields on Kenya's Eurobonds decreased by 1.8 basis points on average. However, the yields on Angola and Côte d'Ivoire Eurobonds increased **(Chart 2)**.

Global Trends

Inflation concerns remained elevated during the week ending February 20. The United Kingdom inflation rate rose to 3.0 percent in February 2025 from 2.5 percent in January 2024 while the core and service price inflation rates rose to 3.7 percent and 5.0 percent in February 2025, respectively. The US Dollar Index weakened by 0.9 percent during the week ending February 20.

International oil prices increased, with Murban oil rising to USD 78.90 per barrel on February 20, from USD 77.07 per barrel on February 13, due to rising concerns about potential supply disruptions in the US and Russia.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
7-Feb-25	129.21	160.09	133.90	84.87	28.44	19.81	11.00	22.91
10-Feb-25	129.21	160.98	134.12	85.22	28.42	19.89	10.81	22.91
11-Feb-25	129.22	159.71	133.14	85.03	28.44	19.77	10.77	22.91
12-Feb-25	129.22	160.79	133.83	84.11	28.44	20.06	10.78	22.91
13-Feb-25	129.21	161.40	134.84	83.74	28.48	20.09	10.78	22.91
Feb 7-13	**129.21**	**160.59**	**133.97**	**84.60**	**28.45**	**19.93**	**10.83**	**22.91**
14-Feb-25	129.22	161.14	134.22	84.21	28.48	20.20	10.78	22.91
17-Feb-25	129.22	162.78	135.65	85.19	28.48	20.00	10.79	22.91
18-Feb-25	129.28	163.05	135.52	85.39	28.47	20.17	10.83	22.90
19-Feb-25	129.35	163.24	135.23	85.24	28.49	20.16	10.79	22.89
20-Feb-25	129.45	163.06	135.03	86.14	28.37	20.12	10.79	22.88
Feb 14-20	**129.31**	**162.65**	**135.13**	**85.23**	**28.46**	**20.13**	**10.80**	**22.90**

**Units of currency per Kenya Shilling*

Source: Central Bank of Kenya

Table 2: Usable Foreign Exchange Reserves (USD Million)

	23-Jan-25	30-Jan-25	6-Feb-25	13-Feb-25	20-Feb-25
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,652	8,877	9,219	9,374	9,256
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.4	4.5	4.7	4.8	4.7

**Excludes encumbered reserves*

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

Source: Central Bank of Kenya

Table 3: Money Market

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
7-Feb-25	34	20,730.00	10.63
10-Feb-25	26	11,310.00	10.59
11-Feb-25	28	13,610.00	10.54
12-Feb-25	24	13,210.00	10.54
13-Feb-25	20	12,960.00	10.50
Feb 7-13	**26**	**14,364.00**	**10.56**
14-Feb-25	41	25,730.00	10.53
17-Feb-25	51	31,865.00	10.58
18-Feb-25	57	32,920.00	10.63
19-Feb-25	28	8,530.00	10.68
20-Feb-25	29	14,290.00	10.68
Feb 14-20	**41**	**22,667.00**	**10.62**

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	**28-Dec-23**	**27-Jun-24**	**27-Dec-24**	**30-Jan-25**	**13-Feb-25**	**20-Feb-25**
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)	8,516.51	4,361.03	2,242.28	2,465.23	2,526.20	4,523.86
Amount Accepted (KSh M)	6,986.46	2,745.34	2,208.47	2,450.72	2,504.74	4,518.01
Maturities (KSh M)	3,254.55	3,922.10	3,443.00	7,518.90	3,983.85	13,317.40
Average Interest Rate (%)	**15.983**	**15.977**	**9.895**	**9.522**	**8.970**	**8.948**
182-Day Treasury Bills						
Date of Auction	**28-Dec-23**	**27-Jun-24**	**27-Dec-24**	**30-Jan-25**	**13-Feb-25**	**20-Feb-25**
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)	322.85	1,494.42	435.30	2,863.29	23,624.18	12,357.60
Amount Accepted (KSh M)	322.85	1,479.67	435.30	2,520.57	10,944.81	12,341.72
Maturities (KSh M)	1,365.20	293.25	1,534.00	8,280.55	11,763.85	4,118.30
Average Interest Rate (%)	**15.967**	**16.764**	**10.022**	**10.028**	**9.410**	**9.312**
364-Day Treasury Bills						
Date of Auction	**28-Dec-23**	**27-Jun-24**	**27-Dec-24**	**30-Jan-25**	**13-Feb-25**	**20-Feb-25**
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)	1,661.91	1,833.64	2,189.12	8,133.60	18,105.46	16,062.76
Amount Accepted (KSh M)	1,661.91	1,828.51	2,189.12	8,117.07	11,694.56	16,045.03
Maturities (KSh M)	1,858.45	1,679.00	1,918.60	4,035.60	5,495.45	12,394.40
Average Interest Rate (%)	**16.100**	**16.791**	**11.410**	**11.313**	**10.594**	**10.526**

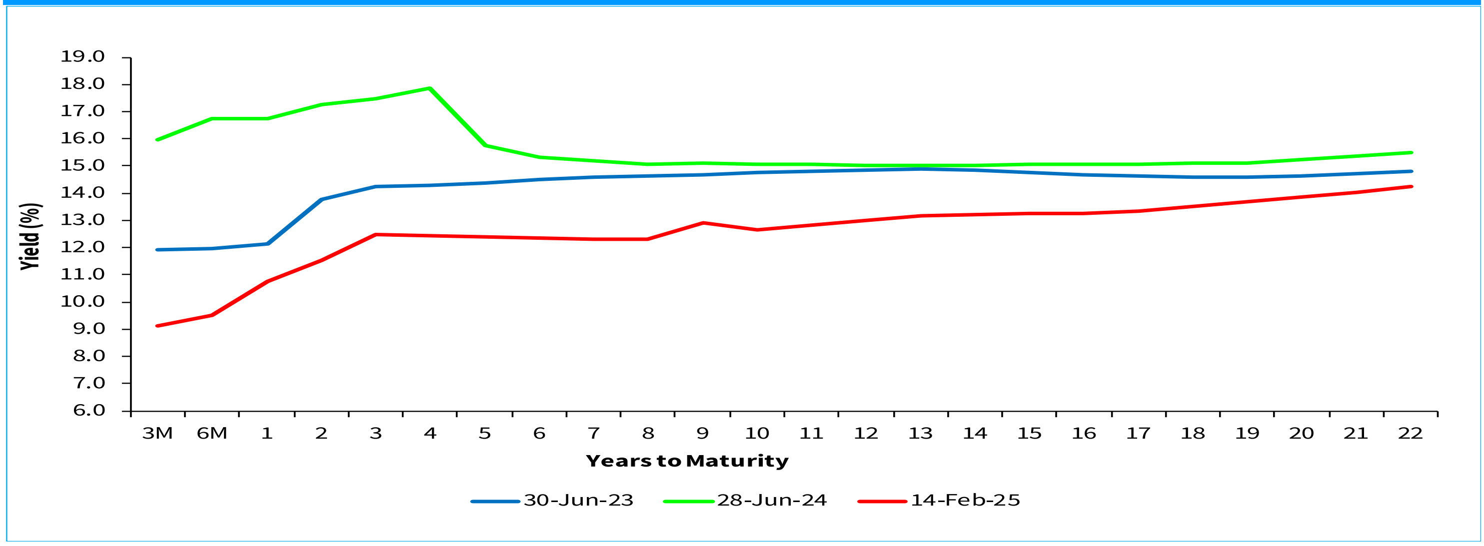
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	**13-Nov-24**	**4-Dec-24**		**13-Dec-24**	**15-Jan-25**		**12-Feb-25**	
	RE-OPEN	**RE-OPEN**		**RE-OPEN**	**RE-OPEN**		**RE-OPEN**	
Tenor	**FXD1/ 2024/010**	**FXD1/ 2023/010**	**FXD1/ 2018/020**	**FXD1/ 2024/10**	**FXD1/ 2018/015**	**FXD1/ 2022/025**	**IFB1/ 2022/014**	**IFB1/ 2023/017**
Amount offered (KSh M)	20,000.00	25,000.00		20,000.00	30,000.00		70,000.00	
Bids received (KSh M)	55,575.58	47,395.28	23,922.30	53,628.95	30,576.60	28,421.50	93,132.02	100,765.93
Amount Accepted (KSh M)	30,515.91	34,922.07	18,488.38	43,448.79	23,753.07	24,728.62	65,255.75	65,553.12
Maturities (KSh M)								
Average interest Rate (%)	15.86	14.69	15.11	14.69	14.21	15.68	13.98	14.28

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



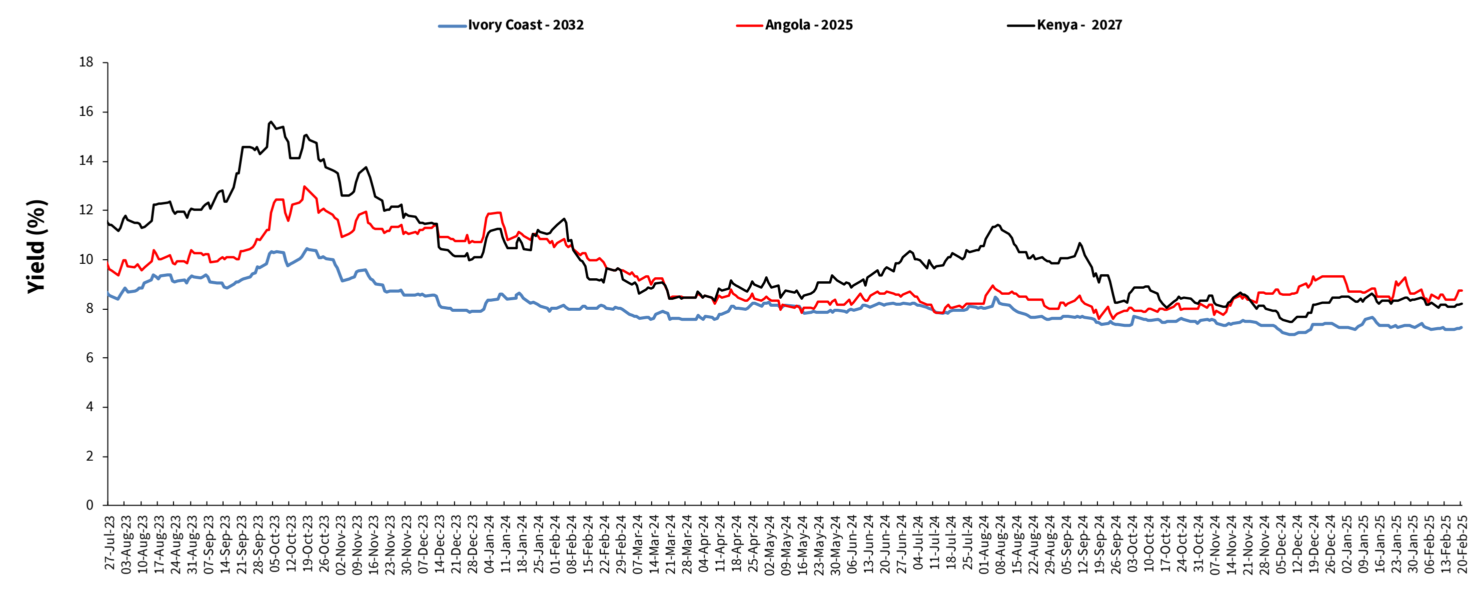
Source: Nairobi Securities Exchange (NSE)

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 Capitalization (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
7-Feb-25	129.58	3508.72	2194.48	2,203.00	30.31	421.80	2,035.56	6061.45	8.269	8.674	9.781	9.762	9.817	10.141
10-Feb-25	129.71	3519.20	2186.40	2,355.00	27.26	281.30	2,037.55	8174.85	8.055	8.578	9.749	9.677	9.742	10.109
11-Feb-25	129.22	3514.41	2178.88	2,190.00	17.26	335.58	2,029.83	7727.15	8.166	8.677	9.847	9.792	9.819	10.158
12-Feb-25	129.66	3539.82	2198.11	2,052.00	17.16	238.00	2,036.83	1103.40	8.168	8.776	9.944	9.851	9.922	10.224
13-Feb-25	130.16	3536.07	2208.92	1,804.00	18.22	350.27	2,044.59	9422.75	8.179	8.684	9.912	9.824	9.925	10.192
Feb 7-13	**130.16**	**3536.07**	**2208.92**	**10,604.00**	**110.21**	**1,626.96**	**2,044.59**	**32,489.60**	**8.179**	**8.684**	**9.912**	**9.824**	**9.925**	**10.192**
14-Feb-25	131.05	3,555.75	2,222.69	2,128	38.6947	760.44	2,058.56	4,832.60	8.071	8.587	9.782	9.71	9.824	10.126
17-Feb-25	131.91	3,561.07	2,224.74	2,312	27.2497	342.38	2,072.13	9,347.55	8.071	8.587	9.782	9.71	9.824	10.126
18-Feb-25	132.73	3,577.81	2,223.99	2,147	17.2474	302.24	2,085.09	36,252.75	8.184	8.539	9.782	9.739	9.85	10.142
19-Feb-25	133.86	3,603.14	2,237.81	2,217	26.7906	489.96	2,102.74	34,246.40	8.186	8.638	9.879	9.797	9.902	10.192
20-Feb-25	133.63	3,597.66	2,255.17	2,016	14.8282	434.61	2,099.21	30,242.83	8.194	8.642	9.879	9.799	9.905	10.192
Feb 14-20	**133.63**	**3597.66**	**2255.17**	**10,820.00**	**124.81**	**2,329.63**	**2,099.21**	**114,922.13**	**8.194**	**8.642**	**9.879**	**9.799**	**9.905**	**10.192**
Weekly Changes (%)	**2.67**	**1.74**	**2.09**	**2.04**	**13.25**	**43.19**	**2.67**	**253.72**	**0.015***	**-0.042***	**-0.033***	**-0.025***	**-0.020***	**0.000***

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

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



Source: London Stock Exchange

Table 7: Government Domestic Debt (KSh Billion)

	30-Jun-23	29-Dec-23	28-Jun-24	30-Sep-24	31-Dec-24	31-Jan-25	7-Feb-25	14-Feb-25
1. Treasury Bills (Excluding Repos)	614.73	546.90	615.89	712.45	846.10	856.32	850.45	876.49
(As % of total securities)	*13.28*	*11.35*	*11.75*	*12.96*	*14.77*	*14.78*	*14.70*	*15.08*
2. Treasury Bonds	4,013.89	4,271.82	4,627.12	4,785.63	4,884.05	4,936.77	4,936.77	4,936.77
(As % of total securities)	*86.72*	*88.65*	*88.25*	*87.04*	*85.23*	*85.22*	*85.30*	*84.92*
3. Total Securities (1+2)	4,628.62	4,818.72	5,243.01	5,498.08	5,730.15	5,793.08	5,787.22	5,813.25
4. Overdraft at Central Bank	76.46	94.13	61.02	0.00	37.48	35.24	63.05	107.54
5. Other Domestic debt*	127.04	137.26	106.25	103.64	101.15	100.66	100.65	100.69
of which IMF funds on-lent to Government	95.52	104.24	83.54	82.63	80.29	79.58	79.58	79.62
6. Gross Domestic Debt (3+4+5)	**4,832.11**	**5,050.11**	**5,410.28**	**5,601.71**	**5,868.77**	**5,928.98**	**5,950.92**	**6,021.48**

** 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-Jun-23	29-Dec-23	28-Jun-24	30-Sep-24	31-Dec-24	31-Jan-25	7-Feb-25	14-Feb-25
Treasury bills (Excluding Repos)	12.72	10.83	11.38	12.72	14.42	14.44	14.29	14.56
Treasury bonds	83.07	84.59	85.52	85.43	83.22	83.27	82.96	81.99
Overdraft at Central Bank	1.58	1.86	1.13	0.00	0.64	0.59	1.06	1.79
Other domestic debt	2.63	2.72	1.96	1.85	1.72	1.70	1.69	1.67
of which IMF fund on lent to government	1.98	2.06	1.54	1.48	1.37	1.34	1.34	1.32
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-Jun-23	29-Dec-23	28-Jun-24	30-Sep-24	31-Dec-24	31-Jan-25	7-Feb-25	14-Feb-25
Banking Institutions	46.17	46.07	45.12	44.38	45.05	44.96	45.15	45.92
Insurance Companies	7.31	7.23	7.23	7.22	7.32	7.32	7.30	7.21
Parastatals	5.98	5.47	5.13	5.35	5.60	5.93	5.94	5.87
Pension Funds*	33.42	29.93	29.60	29.44	28.88	28.82	28.70	28.38
Other Investors	7.13	11.30	12.92	13.60	13.16	12.97	12.91	12.62
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-22	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Jul-24	Aug-24	Sep-24*
Domestic debt (KSh Bn)	4,472.84	4,832.11	4,917.47	5,050.11	5,235.19	5,410.28	5,453.00	5,558.35	5,601.71
Public & Publicly Guaranteed External debt (USD Bn)	37.88	38.76	38.27	38.92	39.18	39.77	39.74	40.07	40.16
Public & Publicly Guaranteed External debt (KSh Bn)	4,673.14	5,446.56	5,667.80	6,089.58	5,163.42	5,150.84	5,162.85	5,176.10	5,188.37
Public debt (KSh Bn)	**9,145.98**	**10,278.67**	**10,585.27**	**11,139.69**	**10,398.61**	**10,561.12**	**10,615.85**	**10,734.45**	**10,790.08**

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