



Central Bank of Kenya

Weekly Bulletin

December 27, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending December 24. It exchanged at KSh 129.30 per US dollar on December 24, compared to KSh 129.29 per US dollar on December 19 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 9,201 million (4.7 months of import cover) as of December 24. 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 December 24 supported by open market operations. Commercial banks' excess reserves stood at KSh 44.0 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was at 11.09 percent on December 24 compared to 11.23 percent on December 19. During the week, the average number of interbank deals decreased to 40 from 45 in the previous week, while the average value traded decreased to KSh 33.7 billion from KSh 35.5 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of December 24 received bids totalling KSh 4.9 billion against an advertised amount of KSh 24.0 billion, representing a performance of 20.3 percent. Interest rate on the 91-day and 364-day Treasury bills declined (**Table 4**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 0.4 percent, 1.0 percent and 2.1 percent, respectively, during the week ending December 24. Market capitalization increased by 0.7 percent while equity turnover and total shares traded declined by 91.4 percent and 81.0 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market decreased by 50.0 percent during the week ending December 26 (**Table 6**). In the international market, yields on Kenya's Eurobonds on average increased by 8.1 basis points. The yield on Eurobond for Angola stabilized while that of Ivory Coast increased slightly (**Chart 2**).

Global Trends

Inflation rates in the major economies was volatile amid monetary policy easing. Japan's core inflation increased to 2.7 percent in November from 2.3 percent in October supporting expectations that the Bank of Japan would gradually raise rates. The US dollar index weakened by 0.2 percent against a basket of major currencies during the week ending December 24.

International oil prices increased during the week ending December 24. The price of Murban oil increased to USD 74.19 on December 24, 2024, from USD 73.06 on December 19, supported by optimism that China's economic stimulus efforts will lead to a recovery in demand.

Table 1: Kenya Shilling Exchange Rates								
	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
13-Dec-24	129.30	165.12	136.08	84.93	28.30	18.79	10.78	22.86
16-Dec-24	129.29	163.38	136.02	84.14	28.24	18.06	10.62	22.86
17-Dec-24	129.28	163.65	135.53	83.71	28.22	18.06	10.63	22.87
18-Dec-24	129.29	164.23	135.77	84.26	28.15	18.37	10.63	22.86
19-Dec-24	129.29	162.68	134.15	83.26	28.15	18.41	10.63	22.86
Dec 13-19	129.29	163.81	135.51	84.06	28.21	18.34	10.66	22.86
20-Dec-24	129.29	161.39	133.95	82.25	28.23	18.37	10.63	22.86
23-Dec-24	129.30	162.34	134.50	82.58	28.46	18.68	10.64	22.87
24-Dec-24	129.30	162.02	134.50	82.27	28.42	18.62	10.64	22.87
25-Dec-24	Public Holiday							
26-Dec-24								
Dec 19-24	129.30	161.92	134.32	82.37	28.37	18.56	10.64	22.87

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

Table 2: Usable Foreign Exchange Reserves (USD Million)					
	21-Nov-24	28-Nov-24	5-Dec-24	19-Dec-24	24-Dec-24
1. CBK Usable Foreign Exchange Reserves (USD Million)*	9,144	9,007	8,969	9,010	9,201
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.7	4.6	4.6	4.6	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 (%)
13-Dec-24	59	41,480.00	11.54
16-Dec-24	50	35,240.00	11.51
17-Dec-24	45	37,280.00	11.41
18-Dec-24	40	37,190.00	11.34
19-Dec-24	33	26,470.00	11.23
Dec 13-19	45	35,532.00	11.41
20-Dec-24	36	31,736.00	11.19
23-Dec-24	36	31,600.00	11.12
24-Dec-24	49	37,850.00	11.09
25-Dec-24	Public Holiday		
26-Dec-24			
Dec 20-24	40	33,728.67	11.13

Source: Central Bank of Kenya

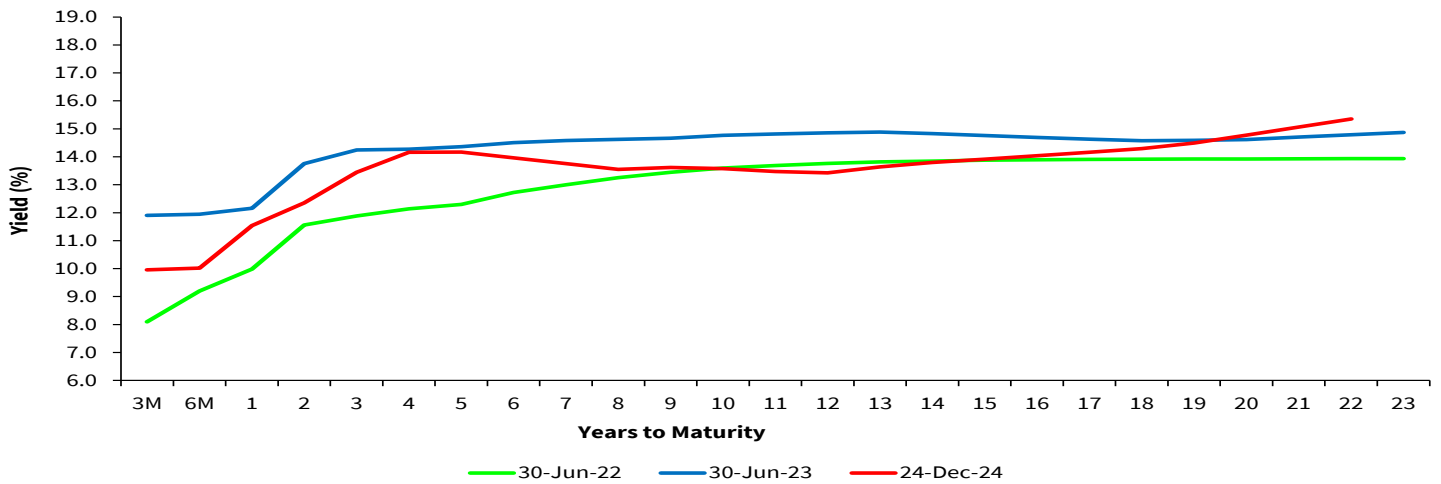
Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	31-Oct-24	28-Nov-24	19-Dec-24	24-Dec-24
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	8,516.51	4,361.03	15,007.98	18,817.44	6,314.68	2,242.28
Amount Accepted (KSh M)	6,986.46	2,745.34	7,366.03	15,938.75	6,285.41	2,208.47
Maturities (KSh M)	3,254.55	3,922.10	13,721.90	17,516.75	9,716.15	3,443.00
Average Interest Rate (%)	15.983	15.977	13.966	11.250	9.955	9.895
182-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	31-Oct-24	28-Nov-24	19-Dec-24	24-Dec-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)	322.85	1,494.42	23,241.04	10,416.04	3,035.47	435.30
Amount Accepted (KSh M)	322.85	1,479.67	5,783.01	4,208.53	3,035.47	435.30
Maturities (KSh M)	1,365.20	293.25	5,518.70	9,724.25	4,108.60	1,534.00
Average Interest Rate (%)	15.967	16.764	14.523	11.338	10.022	10.022
364-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	31-Oct-24	28-Nov-24	19-Dec-24	24-Dec-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)	1,661.91	1,833.64	23,917.48	21,422.50	3,728.60	2,189.12
Amount Accepted (KSh M)	1,661.91	1,828.51	14,990.38	14,507.31	3,720.80	2,189.12
Maturities (KSh M)	1,858.45	1,679.00	978.25	2,102.30	2,154.80	1,918.60
Average Interest Rate (%)	16.100	16.791	14.968	12.490	11.537	11.410

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions							
Date of Auction	17-Oct-24	6-Nov-24		13-Nov-24	4-Dec-24		13-Dec-24
	TAP	RE-OPEN		RE-OPEN	RE-OPEN		RE-OPEN
Tenor	FXD1/ 2022/010	FXD1/ 2023/010	FXD1/ 2022/015	FXD1/ 2024/010	FXD1/ 2023/010	FXD1/ 2018/020	FXD1/ 2024/10
Amount offered (KSh M)	15,000.00	25,000.00		20,000.00	25,000.00		20,000.00
Bids received (KSh M)	16,497.15	16,331.02	16,717.40	55,575.58	47,395.28	23,922.30	53,628.95
Amount Accepted (KSh M)	15,092.95	10,286.04	15,397.04	30,515.91	34,922.07	18,488.38	43,448.79
Maturities (KSh M)				21,262.50			
Average interest Rate (%)	16.95	15.97	16.30	15.86	14.69	15.11	14.69

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

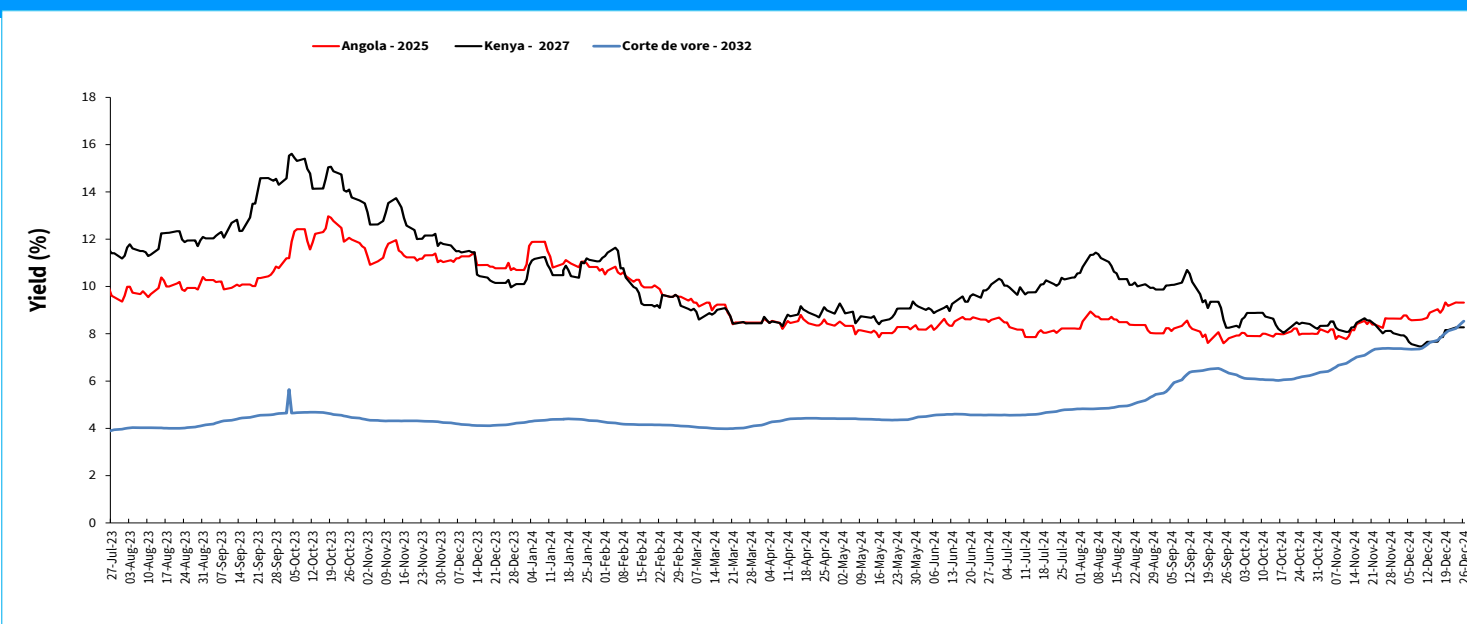
Table 6: Performance of Key Market Indicators

INDICATOR	NASI 100=2008	NSE 25 Share Index	NSE 20 Share Index 100=1996	Total Deals (Equity)	Total Shares Traded (Mil- lion)	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
13-Dec-24	119.1	3,244.93	1,880.3	1,214	18.18	264.09	1864.085	4,432.45	7.662	8.470	9.462	9.482	9.448	9.879
16-Dec-24	119.1	3,226.66	1,887.5	1,417	7.66	122.10	1864.577	7,022.75	7.664	8.425	9.462	9.454	9.448	9.879
17-Dec-24	120.0	3,255.16	1,888.3	1,330	8.89	152.48	1878.91	8,129.55	7.858	8.519	9.587	9.566	9.572	9.942
18-Dec-24	120.3	3,238.89	1,880.6	2,202	174.60	9,381.36	1883.302	9,460.75	7.859	8.520	9.555	9.566	9.573	9.942
19-Dec-24	121.3	3,282.20	1,908.9	1,209	256.19	14,384.83	1899.374	7,465.60	8.158	8.852	9.934	9.906	9.902	10.202
Dec 13-19	121.340	3,282.200	1,908.860	7,372.000	465.506	24,304.857	1,899.374	36,511.100	8.158	8.852	9.934	9.906	9.902	10.202
20-Dec-24	121.7	3,292.22	1,908.5	1,512	68.81	550.05	1905.446	7681.40	8.160	8.900	9.998	9.936	9.954	10.219
23-Dec-24	122.0	3,306.88	1,938.8	1,438	9.65	94.80	1909.671	5707.75	8.265	8.999	10.063	10.023	10.059	10.252
24-Dec-24	121.8	3,313.92	1,948.1	1,197	9.91	1457.61	1912.922	4876.45	8.272	9.003	10.064	10.025	10.062	10.252
25-Dec-24	PUBLIC HOLIDAY								8.272	9.003	10.064	10.025	10.062	10.252
26-Dec-24									8.272	8.956	10.000	9.939	10.037	10.236
Dec 20-26	121.8	3,313.92	1,948.1	4,147	88	2,102	1,913	18,266	8.272	8.956	10.000	9.939	10.037	10.236
Weekly Changes (%)	0.35	0.97	2.06	-43.75	-81.01	-91.35	0.71	-49.97	0.114*	0.104*	0.066*	0.033*	0.135*	0.034*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

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



Source: London Stock Exchange

Table 7: Government Domestic Debt (KSh Billion)

	29-Dec-23	28-Jun-24	31-Jul-24	30-Aug-24	30-Sep-24	30-Oct-24	29-Nov-24	13-Dec-24	20-Dec-24
1. Treasury Bills (Excluding Repos)	546.90	615.89	651.89	673.95	712.45	760.13	834.73	857.84	850.48
<i>(As % of total securities)</i>	11.35	11.75	12.32	12.47	12.96	13.66	14.71	15.05	14.83
2. Treasury Bonds	4,271.82	4,627.12	4,637.89	4,729.22	4,785.63	4,802.76	4,840.35	4,843.53	4,884.05
<i>(As % of total securities)</i>	88.65	88.25	87.68	87.53	87.04	86.34	85.29	84.95	85.17
3. Total Securities (1+2)	4,818.72	5,243.01	5,289.78	5,403.17	5,498.08	5,562.89	5,675.08	5,701.37	5,734.53
4. Overdraft at Central Bank	94.13	61.02	60.53	49.52	0.00	28.63	31.77	67.90	76.44
5. Other Domestic debt*	137.26	106.25	103.06	105.66	103.64	103.69	101.95	101.95	101.95
of which IMF funds on-lent to Government	104.24	83.54	82.61	84.44	82.63	82.63	81.08	81.08	81.08
6. Gross Domestic Debt (3+4+5)	5,050.11	5,410.28	5,453.37	5,558.35	5,601.71	5,695.22	5,808.80	5,871.22	5,912.92

* 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)

	29-Dec-23	28-Jun-24	31-Jul-24	30-Aug-24	30-Sep-24	30-Oct-24	29-Nov-24	13-Dec-24	20-Dec-24
Treasury bills (Excluding Repos)	10.83	11.38	11.95	12.12	12.72	13.35	14.37	14.61	14.38
Treasury bonds	84.59	85.52	85.05	85.08	85.43	84.33	83.33	82.50	82.60
Overdraft at Central Bank	1.86	1.13	1.11	0.89	0.00	0.50	0.55	1.16	1.29
Other domestic debt	2.72	1.96	1.88	1.90	1.85	1.82	1.76	1.74	1.72
of which IMF fund on lent to government	2.06	1.54	1.53	1.52	1.48	1.45	1.40	1.38	1.37
TOTAL	100.00	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)

	29-Dec-23	28-Jun-24	31-Jul-24	30-Aug-24	30-Sep-24	30-Oct-24	29-Nov-24	13-Dec-24	20-Dec-24
Banking Institutions	46.07	45.12	45.12	44.81	44.38	45.09	45.36	45.60	45.48
Insurance Companies	7.23	7.23	7.21	7.20	7.22	7.20	7.15	7.17	7.23
Parastatals	5.47	5.13	5.08	5.34	5.35	5.45	5.43	5.57	5.54
Pension Funds*	29.93	29.60	29.39	29.14	29.44	29.16	28.94	28.65	28.67
Other Investors	11.30	12.92	13.19	13.50	13.60	13.11	13.13	13.02	13.08
Total	100.00	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

	Jun-22	Dec-22	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Jul-24	Aug-24	Sep-24*
Domestic debt (KSh Bn)	4,288.33	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)	36.58	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)	4,290.73	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)	8,579.06	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