



Central Bank of Kenya

Weekly Bulletin

January 31, 2025



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Inflation

Overall inflation increased to 3.3 percent in January 2025 from 3.0 percent in December 2024, largely on account of increases in prices of food items. Food inflation increased to 6.1 percent from 4.8 percent in December 2024 mainly due to increases in prices of select vegetables and non-vegetables items. Core inflation, which excludes highly volatile items, declined to 2.0 percent from 2.2 percent in December while non-core inflation increased to 7.1 percent from 5.2 percent (**Chart 1**). The report on these new measures of core and non-core was launched this month paving way for monthly release alongside headline inflation.

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending January 30, 2025. It exchanged at KSh 129.25 per US dollar on January 30 compared to KSh 129.28 per US dollar on January 23 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 8,877 million (4.5 months of import cover) as of January 30, 2025. 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 January 30, supported by open-market operations. Commercial banks' excess reserves stood at KSh 16.7 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 11.23 percent on January 30 compared to 11.29 percent on January 23. During the week, the average number of interbank deals declined to 34 from 38 in the previous week, while the average value traded decreased to KSh 23.4 billion from KSh 24.3 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bill auction of January 30 received bids totalling KSh 13.5 billion against an advertised amount of KSh 24.0 billion, representing a performance of 56.1 percent. Interest rates on the 91-day, 182-day and 364-day Treasury bills remained relatively stable (**Table 4**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price index decreased by 3.0 percent, 1.8 percent and 0.2 percent, respectively during the week ending January 30. Market capitalization, equity turnover and total shares traded decreased by 3.0 percent, 15.0 percent and 26.5 percent, respectively (**Table 6**).

Bond Market

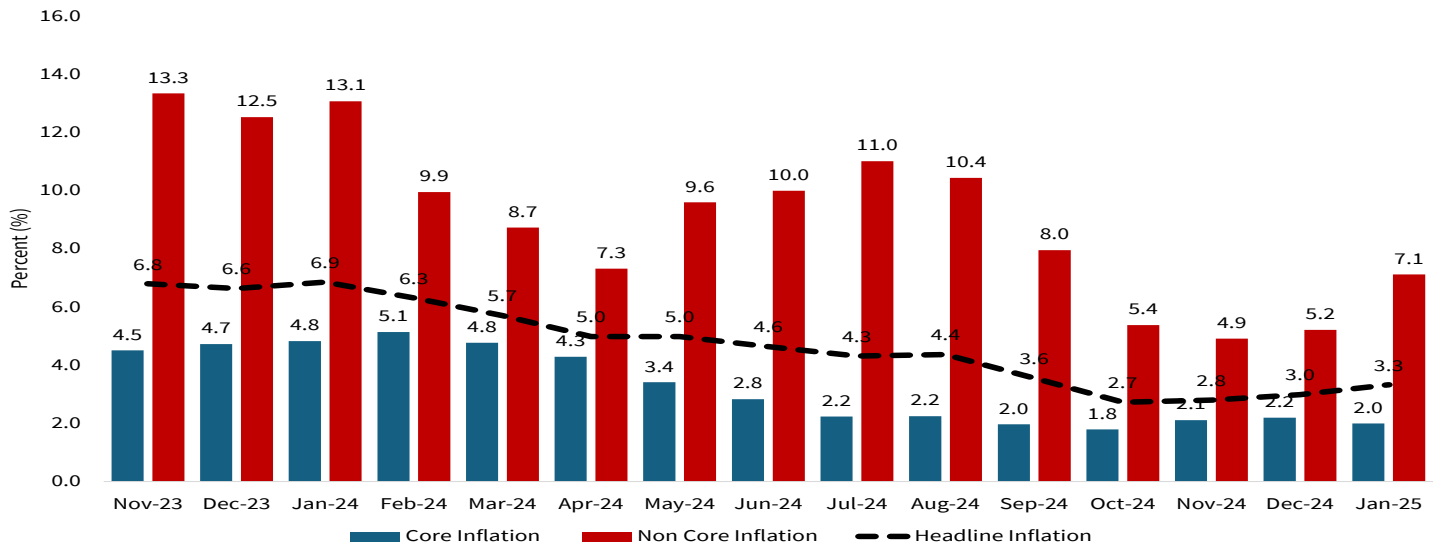
Bond turnover in the domestic secondary market decreased by 43.7 percent during the week ending January 30 (**Table 6**). In the international market, yields on Kenya's Eurobonds on average decreased by 3.6 basis points. The yield on the 10- year Angola and Ivory Coast Eurobond also decreased (**Chart 3**).

Global Trends

Monetary policy decisions took center stage during the week ending January 30. The European Central Bank (ECB) cut its key interest rate by 0.25 percentage points to 2.75 percent, marking its fifth reduction in seven months. However, the US Federal Reserve Bank maintained its policy rate at 4.25 percent to 4.5 percent. The US Dollar Index dropped by 0.2 percent during the week.

On the commodities front, Murban crude oil declined to USD 78.54 per barrel on January 30, from USD 81.03 per barrel on January 23 due to weak demand.

Chart 1: Headline Inflation (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*
17-Jan-25	129.57	158.32	133.34	83.30	28.46	19.49	10.67	22.83
20-Jan-25	129.56	158.14	133.49	83.03	28.40	19.53	10.72	22.84
21-Jan-25	129.56	159.23	134.55	83.48	28.35	19.41	10.68	22.84
22-Jan-25	129.42	159.64	134.74	82.99	28.39	19.51	10.69	22.86
23-Jan-25	129.28	159.44	134.67	82.84	28.47	19.40	10.85	22.89
Jan 17-23	129.48	158.95	134.16	83.13	28.41	19.47	10.72	22.85
24-Jan-25	129.26	159.21	134.39	82.69	28.51	19.46	10.71	22.89
27-Jan-25	129.26	160.38	135.36	82.64	28.54	19.71	10.79	22.89
28-Jan-25	129.25	160.80	134.81	82.92	28.55	19.69	10.73	22.90
29-Jan-25	129.25	160.60	134.78	83.14	28.55	19.52	10.87	22.90
30-Jan-25	129.25	160.37	134.37	83.17	28.55	19.69	10.74	22.90
Jan 24-30	129.25	160.27	134.74	82.91	28.54	19.61	10.77	22.90

*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Usable Foreign Exchange Reserves (USD Million)

	2-Jan-25	9-Jan-25	16-Jan-25	23-Jan-25	30-Jan-25
1. CBK Usable Foreign Exchange Reserves (USD Million)*	9,198	9,178	9,143	8,652	8,877
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.7	4.7	4.7	4.4	4.5

*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 (%)
17-Jan-25	48	20,180.00	11.33
20-Jan-25	44	24,677.00	11.33
21-Jan-25	42	39,293.00	11.33
22-Jan-25	34	22,193.00	11.33
23-Jan-25	23	15,000.00	11.29
Jan 17-23	38	24,268.60	11.32
24-Jan-25	26	14,550.00	11.24
27-Jan-25	36	25,716.00	11.25
28-Jan-25	33	24,633.00	11.24
29-Jan-25	44	33,532.00	11.24
30-Jan-25	30	18,420.00	11.23
Jan 24-30	34	23,370.20	11.24

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	28-Nov-24	27-Dec-24	23-Jan-25	30-Jan-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	18,817.44	2,242.28	16,790.95	2,465.23
Amount Accepted (KSh M)	6,986.46	2,745.34	15,938.75	2,208.47	16,790.95	2,450.72
Maturities (KSh M)	3,254.55	3,922.10	17,516.75	3,443.00	19,966.75	7,518.90
Average Interest Rate (%)	15.983	15.977	11.250	9.895	9.525	9.522
182-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	28-Nov-24	27-Dec-24	23-Jan-25	30-Jan-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	10,416.04	435.30	3,821.74	2,863.29
Amount Accepted (KSh M)	322.85	1,479.67	4,208.53	435.30	3,819.42	2,520.57
Maturities (KSh M)	1,365.20	293.25	9,724.25	1,534.00	1,712.65	8,280.55
Average Interest Rate (%)	15.967	16.764	11.338	10.022	10.028	10.028
364-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	28-Nov-24	27-Dec-24	23-Jan-25	30-Jan-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	21,422.50	2,189.12	12,203.43	8,133.60
Amount Accepted (KSh M)	1,661.91	1,828.51	14,507.31	2,189.12	12,198.66	8,117.07
Maturities (KSh M)	1,858.45	1,679.00	2,102.30	1,918.60	2,986.55	4,035.60
Average Interest Rate (%)	16.100	16.791	12.490	11.410	11.295	11.313

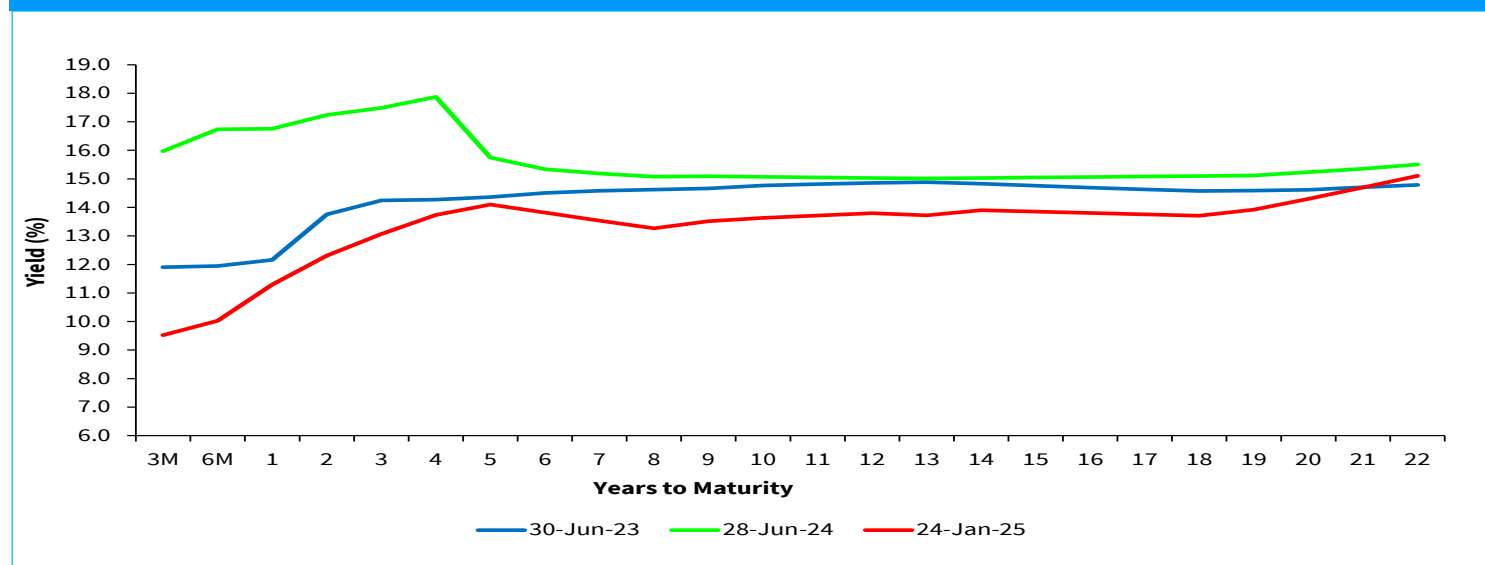
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	6-Nov-24		13-Nov-24	4-Dec-24		13-Dec-24	15-Jan-25	
	RE-OPEN		RE-OPEN	RE-OPEN		RE-OPEN	RE-OPEN	
Tenor	FXD1/ 2023/010	FXD1/ 2022/015	FXD1/ 2024/010	FXD1/ 2023/010	FXD1/ 2018/020	FXD1/ 2024/10	FXD1/ 2018/015	FXD1/ 2022/025
Amount offered (KSh M)	25,000.00		20,000.00	25,000.00		20,000.00	30,000.00	
Bids received (KSh M)	16,331.02	16,717.40	55,575.58	47,395.28	23,922.30	53,628.95	30,576.60	28,421.49
Amount Accepted (KSh M)	10,286.04	15,397.04	30,515.91	34,922.07	18,488.38	43,448.79	23,753.07	24,728.61
Maturities (KSh M)								
Average interest Rate (%)	15.97	16.30	15.86	14.69	15.11	14.69	14.21	15.68

Source: Central Bank of Kenya

Chart 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

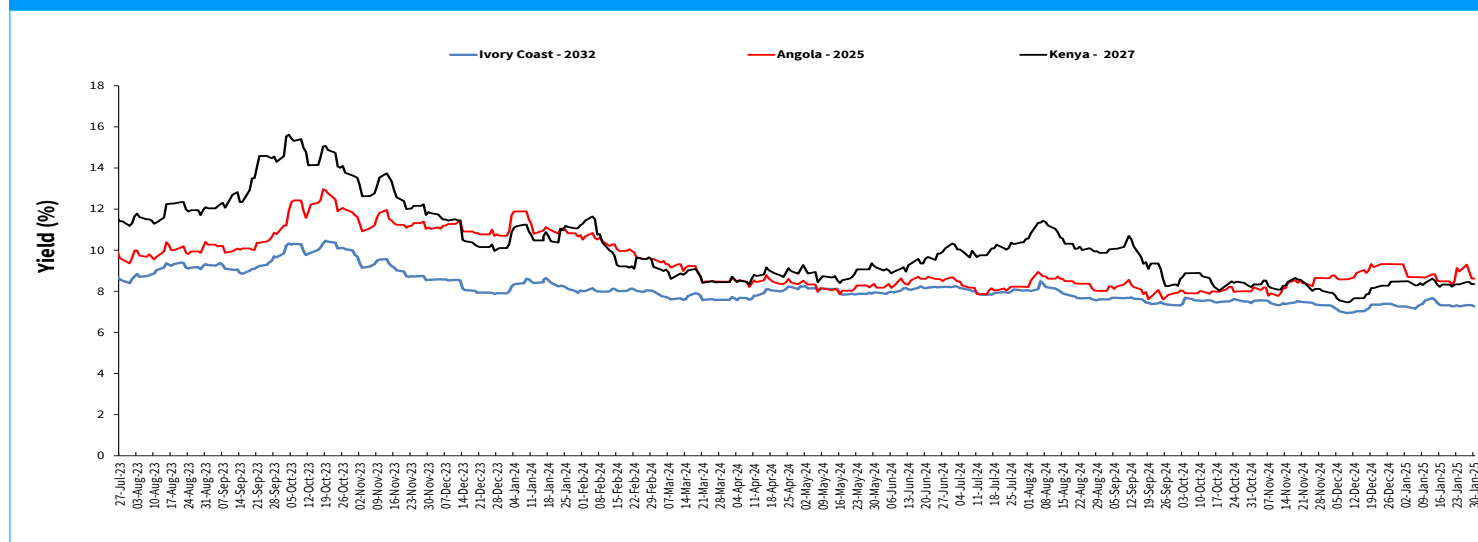
Table 6: Performance of Key Market Indicators

INDICATOR	NASI 100=2008	NSE 25 Share Index	NSE 20 Share Index 100=1996	Total Deals (Equity)	Total Shares Traded (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
17-Jan-25	130.79	3470.62	2146.86	2,650	23.51	405.51	2054.51	14891.55	8.326	8.843	9.843	9.780	9.878	10.123
20-Jan-25	131.53	3491.94	2170.89	2,753	19.04	210.02	2066.11	9480.75	8.326	8.843	9.843	9.780	9.878	10.123
21-Jan-25	131.73	3507.54	2165.73	2,353	25.60	432.18	2070.90	9128.05	8.224	8.748	9.747	9.724	9.778	10.074
22-Jan-25	131.73	3529.74	2165.73	2,017	46.49	481.89	2069.32	9075.15	8.331	8.894	9.875	9.810	9.855	10.139
23-Jan-25	132.43	3560.14	2186.90	2,548	45.09	824.45	2080.36	14393.15	8.339	8.995	9.973	9.955	9.985	10.222
Jan 17 -23	132.43	3560.14	2186.90	12,321.00	159.72	2354.05	2080.36	56968.65	8.339	8.995	9.973	9.955	9.985	10.222
24-Jan-25	132.48	3569.73	2185.88	2,226	27.03	445.24	2081.16	7265.75	8.342	8.948	9.941	9.870	9.935	10.205
27-Jan-25	132.11	3570.86	2195.12	2,393	14.13	170.47	2075.36	6007.01	8.450	9.047	10.071	10.014	10.038	10.272
28-Jan-25	132.28	3569.94	2190.92	2,179	24.92	590.60	2077.93	6626.50	8.453	8.951	10.006	9.928	9.962	10.222
29-Jan-25	130.66	3544.38	2194.57	1,896	29.31	549.14	2052.44	5233.25	8.347	8.902	9.941	9.899	9.936	10.206
30-Jan-25	128.48	3496.44	2181.86	2,080	22.02	244.97	2018.30	6965.80	8.355	8.907	9.974	9.873	9.939	10.206
Jan 24-30	128.48	3496.44	2181.86	10,774.00	117.40	2,000.43	2,018.30	32,098.31	8.355	8.907	9.974	9.873	9.939	10.206
Weekly Changes (%)	-2.98	-1.79	-0.23	-12.56	-26.49	-15.02	-2.98	-43.66	0.016*	-0.088*	0.001*	-0.082*	-0.046*	-0.016*

* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

Chart 3: Yields on 10-Year Eurobonds for Selected Countries



Source: London Stock Exchange

Table 7: Government Domestic Debt (KSh Billion)

	30-Jun-23	29-Dec-23	28-Jun-24	30-Sep-24	29-Nov-24	24-Dec-24	31-Dec-24	17-Jan-25	24-Jan-25
1. Treasury Bills (Excluding Repos)	614.73	546.90	615.89	712.45	834.73	848.09	846.10	844.83	846.51
<i>(As % of total securities)</i>	<i>13.28</i>	<i>11.35</i>	<i>11.75</i>	<i>12.96</i>	<i>14.71</i>	<i>14.80</i>	<i>14.77</i>	<i>14.75</i>	<i>14.64</i>
2. Treasury Bonds	4,013.89	4,271.82	4,627.12	4,785.63	4,840.35	4,884.05	4,884.05	4,884.05	4,936.77
<i>(As % of total securities)</i>	<i>86.72</i>	<i>88.65</i>	<i>88.25</i>	<i>87.04</i>	<i>85.29</i>	<i>85.20</i>	<i>85.23</i>	<i>85.25</i>	<i>85.36</i>
3. Total Securities (1+2)	4,628.62	4,818.72	5,243.01	5,498.08	5,675.08	5,732.14	5,730.15	5,728.88	5,783.28
4. Overdraft at Central Bank	76.46	94.13	61.02	0.00	31.77	34.87	37.48	87.11	43.09
5. Other Domestic debt*	127.04	137.26	106.25	103.64	101.95	101.15	101.15	100.65	100.65
of which IMF funds on-lent to Government	95.52	104.24	83.54	82.63	81.08	80.29	80.29	79.58	79.58
6. Gross Domestic Debt (3+4+5)	4,832.11	5,050.11	5,410.28	5,601.71	5,808.80	5,868.15	5,868.77	5,916.64	5,927.03

* 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	29-Nov-24	24-Dec-24	31-Dec-24	17-Jan-25	24-Jan-25
Treasury bills (Excluding Repos)	12.72	10.83	11.38	12.72	14.37	14.45	14.42	14.28	14.28
Treasury bonds	83.07	84.59	85.52	85.43	83.33	83.23	83.22	82.55	83.29
Overdraft at Central Bank	1.58	1.86	1.13	0.00	0.55	0.59	0.64	1.47	0.73
Other domestic debt	2.63	2.72	1.96	1.85	1.76	1.72	1.72	1.70	1.70
of which IMF fund on lent to government	1.98	2.06	1.54	1.48	1.40	1.37	1.37	1.35	1.34
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)

	30-Jun-23	29-Dec-23	28-Jun-24	30-Sep-24	30-Oct-24	29-Nov-24	31-Dec-24	17-Jan-25	24-Jan-25
Banking Institutions	46.17	46.07	45.12	44.38	45.09	45.36	45.05	45.40	45.01
Insurance Companies	7.31	7.23	7.23	7.22	7.20	7.15	7.32	7.25	7.33
Parastatals	5.98	5.47	5.13	5.35	5.45	5.43	5.60	5.67	5.67
Pension Funds*	33.42	29.93	29.60	29.44	29.16	28.94	28.88	28.64	28.83
Other Investors	7.13	11.30	12.92	13.60	13.11	13.13	13.16	13.05	13.16
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