



Central Bank of Kenya

Weekly Bulletin

January 3, 2025



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Inflation

Overall inflation increased to 3.0 percent in December 2024 from 2.8 percent in November 2024, on account of a modest increase in food and fuel inflation. Food inflation increased to 4.8 percent from 4.5 percent in November, due to an increase in prices of select food items. Fuel inflation edged up marginally to -1.0 percent in December from -1.6 percent in November while NFNF inflation stabilized at 3.2 percent in November and December, reflecting general stability in prices of most components **(Chart 1)**.

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending January 2. It exchanged at KSh 129.31 per US dollar on January 2, 2025 compared to KSh 129.30 per US dollar on December 24, 2024 **(Table 1)**.

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 9,198 million (4.7 months of import cover) as of January 2, 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 2, 2025 supported by open-market operations. Commercial banks' excess reserves stood at KSh 31.1 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was at 11.06 percent on January 2, 2025 compared to 11.09 on December 24, 2024. During the week, the average number of interbank deals remained stable at 40, while the average value traded decreased to KSh 25.1 billion from KSh 33.7 billion in the previous week **(Table 3)**.

Government Securities Market

The Treasury bill auction of January 2 received bids totalling KSh 15.7 billion against an advertised amount of KSh 24.0 billion, representing a performance of 65.4 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 2.9 percent, 4.3 percent and 5.7 percent, respectively, during the week ending January 2. Market capitalization increased by 2.9 percent while equity turnover and total shares traded declined by 82.0 percent and 62.8 percent, respectively **(Table 6)**.

Bond Market

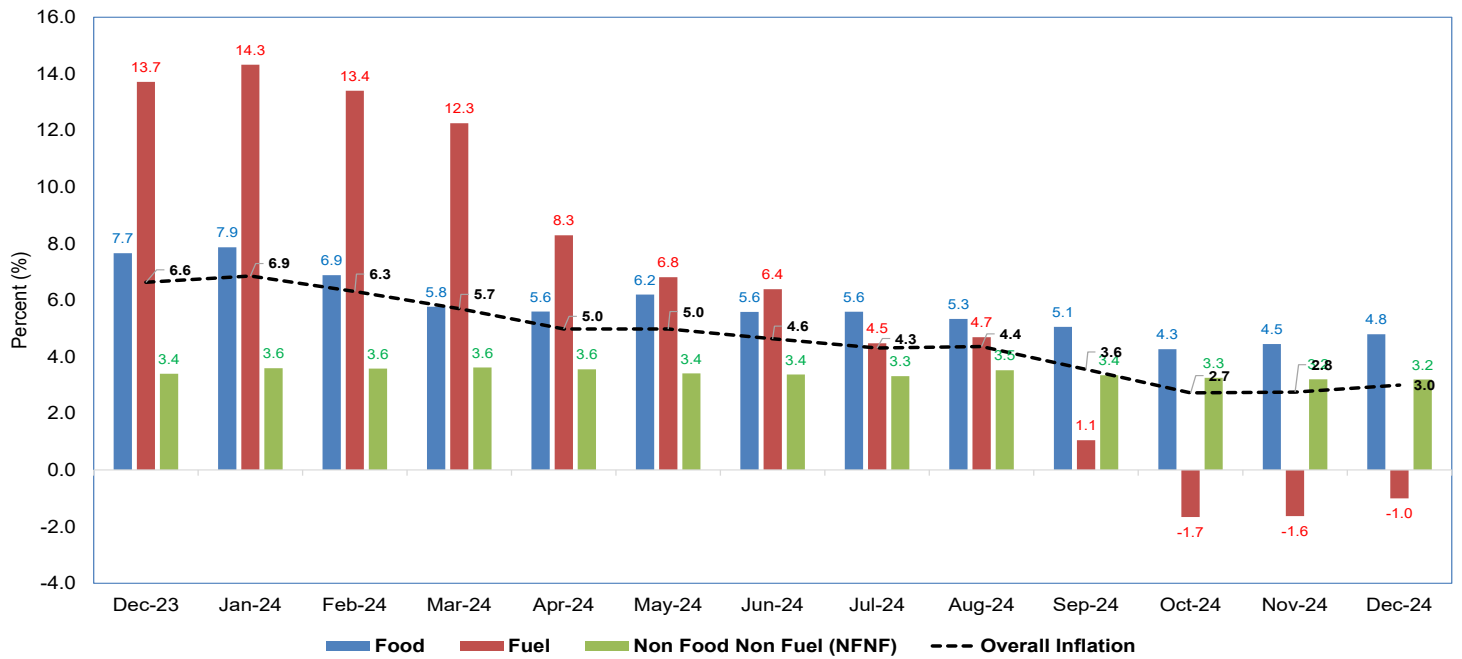
Bond turnover in the domestic secondary market decreased by 57.3 percent during the week ending January 2 **(Table 6)**. In the international market, yields on Kenya's Eurobonds on average increased by 10.5 basis points. The yield on Eurobond for Angola and Ivory Coast decreased **(Chart 3)**.

Global Trends

Concerns about inflation in advanced economies rose during the week ending January 2, 2025. Spain's headline inflation rate increased to 2.8 percent in December 2024 from 2.4 percent in November 2024, on account of rise in energy prices and leisure cost, while core inflation rose to 2.6 percent. The global manufacturing sector PMI index contracted to 49.6 in December 2024, compared to an expansion of 50.0 in November 2024, reflecting declines in output and new orders. The US dollar index strengthened by 1.1 percent against a basket of major currencies during the week ending January 2, 2025.

International oil prices increased during the week ending January 2, 2025, largely reflecting easing of concerns over oil demand in China and draw-down of US oil inventories. The price of Murban oil increased to USD 76.31 on January 2, 2025, from USD 74.19 on December 24, 2024.

Chart 1: 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*
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 20-26	129.30	161.92	134.32	82.37	28.37	18.56	10.64	22.87
27-Dec-24	129.29	161.96	134.60	82.02	28.31	18.72	10.65	22.87
30-Dec-24	129.30	162.68	134.79	81.91	28.37	18.76	10.67	22.87
31-Dec-24	129.29	162.27	134.29	82.12	28.41	18.99	10.73	22.87
1-Jan-25	Public Holiday							
2-Jan-25	129.31	162.20	134.72	82.48	28.45	18.75	10.65	22.87
Dec 27-Jan 2	129.30	162.27	134.60	82.13	28.38	18.8	10.667	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	24-Dec-24	2-Jan-25
1. CBK Usable Foreign Exchange Reserves (USD Million)*	9,144	9,007	8,969	9,201	9,198
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.7	4.6	4.6	4.7	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 (%)
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 20-26	40	33,728.67	11.13
27-Dec-24	49	33,730.00	11.06
30-Dec-24	47	31,375.00	11.05
31-Dec-24	30	11,760.00	11.10
1-Jan-25	Public Holiday		
2-Jan-25	33	23,700.00	11.06
Dec 27-Jan 2	40	25,141.25	11.07

Source: Central Bank of Kenya

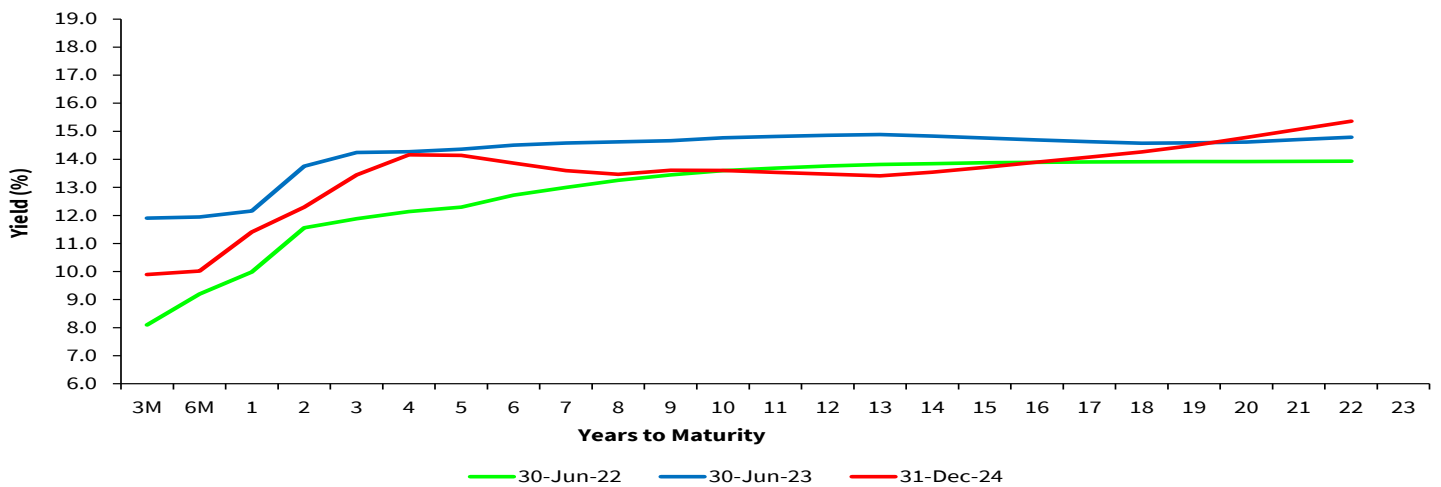
Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	31-Oct-24	28-Nov-24	27-Dec-24	2-Jan-25
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	8,516.51	4,361.03	15,007.98	18,817.44	2,242.28	7,986.26
Amount Accepted (KSh M)	6,986.46	2,745.34	7,366.03	15,938.75	2,208.47	7,978.71
Maturities (KSh M)	3,254.55	3,922.10	13,721.90	17,516.75	3,443.00	12,915.60
Average Interest Rate (%)	15.983	15.977	13.966	11.250	9.895	9.825
182-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	31-Oct-24	28-Nov-24	27-Dec-24	2-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	23,241.04	10,416.04	435.30	6,078.00
Amount Accepted (KSh M)	322.85	1,479.67	5,783.01	4,208.53	435.30	6,078.00
Maturities (KSh M)	1,365.20	293.25	5,518.70	9,724.25	1,534.00	9,888.80
Average Interest Rate (%)	15.967	16.764	14.523	11.338	10.022	10.026
364-Day Treasury Bills						
Date of Auction	28-Dec-23	27-Jun-24	31-Oct-24	28-Nov-24	27-Dec-24	2-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	23,917.48	21,422.50	2,189.12	1,627.63
Amount Accepted (KSh M)	1,661.91	1,828.51	14,990.38	14,507.31	2,189.12	1,627.63
Maturities (KSh M)	1,858.45	1,679.00	978.25	2,102.30	1,918.60	1,423.45
Average Interest Rate (%)	16.100	16.791	14.968	12.490	11.410	11.371

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 2: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

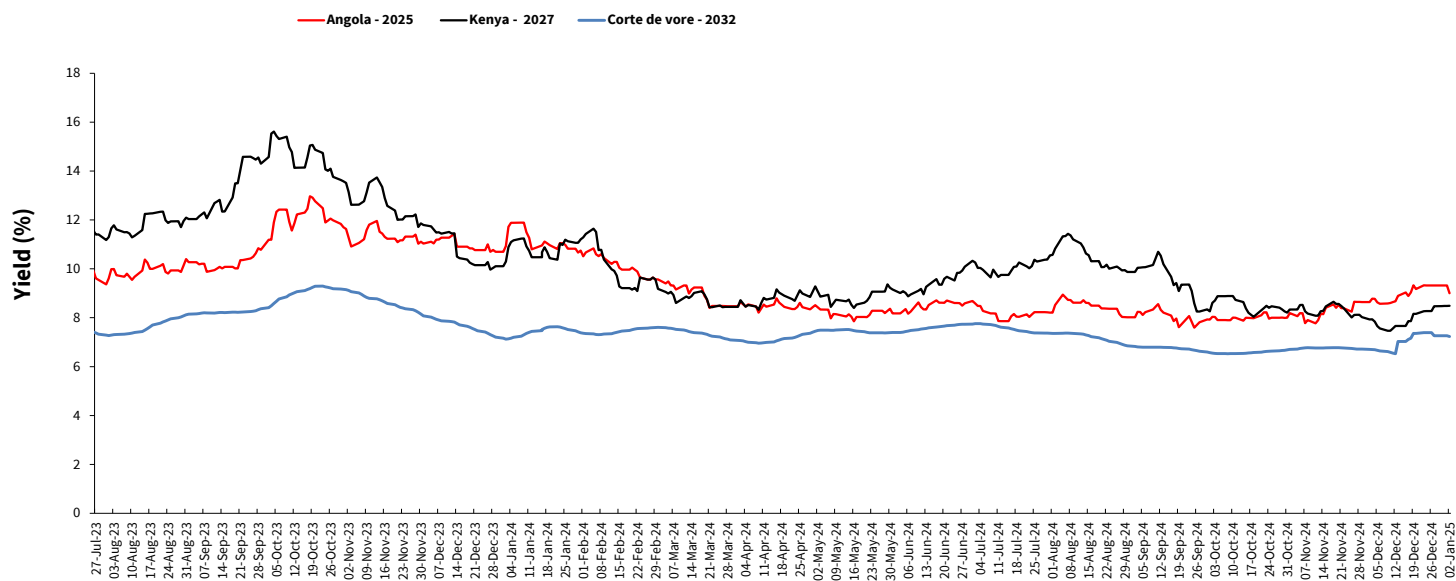
Table 6: Performance of Key Market Indicators

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
20-Dec-24	121.72	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	121.99	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	121.77	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	121.77	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
27-Dec-24	122.39	3,348.99	1,982.05	1,192.00	7.51	37.39	1,922.60	2,002.30	8.472	9.051	10.064	10.054	10.062	10.269
30-Dec-24	123.12	3,380.24	1,993.74	1,413.00	7.77	160.28	1,934.05	2,685.10	8.477	9.054	10.129	10.113	10.116	10.286
31-Dec-24	123.48	3,402.80	2,010.65	1,371.00	8.48	65.90	1,939.74	1,679.43	8.480	9.056	10.129	10.114	10.117	10.286
1-Jan-25	PUBLIC HOLIDAY								8.480	9.056	10.129	10.114	10.117	10.286
2-Jan-25	125.34	3,457.87	2,058.67	1,494.00	9.12	115.47	1,968.93	1,434.95	8.488	9.060	10.097	10.058	10.094	10.270
Dec 27-Jan 2	125.34	3,457.87	2,058.7	5,470	33	379	1,969	7,802	8.488	9.060	10.097	10.058	10.094	10.270
Weekly Changes (%)	2.93	4.34	5.67	31.90	-62.80	-81.97	2.93	-57.29	0.216*	0.104*	0.097*	0.119*	0.057*	0.034*

* 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)

	29-Dec-23	28-Jun-24	31-Jul-24	30-Aug-24	30-Sep-24	30-Oct-24	29-Nov-24	24-Dec-24	31-Dec-24
1. Treasury Bills (Excluding Repos)	546.90	615.89	651.89	673.95	712.45	760.13	834.73	848.09	846.10
<i>(As % of total securities)</i>	11.35	11.75	12.32	12.47	12.96	13.66	14.71	14.80	14.77
2. Treasury Bonds	4,271.82	4,627.12	4,637.89	4,729.22	4,785.63	4,802.76	4,840.35	4,884.05	4,884.05
<i>(As % of total securities)</i>	88.65	88.25	87.68	87.53	87.04	86.34	85.29	85.20	85.23
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	5,732.14	5,730.15
4. Overdraft at Central Bank	94.13	61.02	60.53	49.52	0.00	28.63	31.77	34.87	37.48
5. Other Domestic debt*	137.26	106.25	103.06	105.66	103.64	103.69	101.95	101.15	101.15
of which IMF funds on-lent to Government	104.24	83.54	82.61	84.44	82.63	82.63	81.08	80.29	80.29
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	5,868.15	5,868.77

* 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	24-Dec-24	31-Dec-24
Treasury bills (Excluding Repos)	10.83	11.38	11.95	12.12	12.72	13.35	14.37	14.45	14.42
Treasury bonds	84.59	85.52	85.05	85.08	85.43	84.33	83.33	83.23	83.22
Overdraft at Central Bank	1.86	1.13	1.11	0.89	0.00	0.50	0.55	0.59	0.64
Other domestic debt	2.72	1.96	1.88	1.90	1.85	1.82	1.76	1.72	1.72
of which IMF fund on lent to government	2.06	1.54	1.53	1.52	1.48	1.45	1.40	1.37	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	24-Dec-24	31-Dec-24
Banking Institutions	46.07	45.12	45.12	44.81	44.38	45.09	45.36	45.03	45.05
Insurance Companies	7.23	7.23	7.21	7.20	7.22	7.20	7.15	7.32	7.32
Parastatals	5.47	5.13	5.08	5.34	5.35	5.45	5.43	5.59	5.60
Pension Funds*	29.93	29.60	29.39	29.14	29.44	29.16	28.94	28.89	28.88
Other Investors	11.30	12.92	13.19	13.50	13.60	13.11	13.13	13.17	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