



Central Bank of Kenya

# Weekly Bulletin

March 28, 2024



## RECENT MONETARY AND FINANCIAL DEVELOPMENTS

### Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending March 28. It exchanged at KSh 131.80 per US dollar on March 28, compared to KSh 133.07 per US dollar on March 21 (**Table 1**).

### Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 7,088 million (3.8 months of import cover) as of March 27. This meets the CBK's statutory requirement to endeavor to maintain at least 4 months of import cover (**Table 2**).

### Money Market

Liquidity in the money market remained adequate during the week ending March 27, supported by open market operations. Commercial banks' excess reserves stood at KSh 18.3 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.70 percent on March 27 compared to 13.53 percent on March 21. During the week, the average number of interbank deals remained stable at 41 compared to 40 in the previous week, while the average value traded decreased to KSh 25.9 billion from KSh 35.2 billion in the previous week (**Table 3**).

### Government Securities Market

The Treasury bills auction of March 27 received bids totaling KSh 15.8 billion against an advertised amount of KSh 24.0 billion, representing a performance of 66.0 percent. Interest rates remained stable, with the 182-day Treasury bill rate declining marginally (**Table 4**).

### Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 7.4 percent, 6.5 percent and 5.6 percent, respectively during the week ending March 28. Market capitalization, equity turnover and total shares traded also increased by 7.4 percent, 200.2 percent and 206.4 percent, respectively (**Table 6**).

### Bond Market

Bond turnover in the domestic secondary market decreased by 2.6 percent during the week ending March 28 (**Table 6**). In the international market, yields on Kenya's Eurobonds remained stable, declining by an average of 3.4 basis points. The yield on the 10-year Eurobond for Angola also remained stable but that of Zambia increased (**Chart 2**).

### Global Trends

Inflation in advanced economies has been easing but remains sticky, with Spain's headline inflation rising to 3.2 percent in March from 2.9 percent in February 2024. Furthermore, global economic activity continues to recover as the high frequency composite PMI index for March rose to an eight month high, largely supported by increased economic activity in advanced economies. The US dollar index strengthened by 0.33 percent against a basket of major currencies during the week ending March 27.

International oil prices decreased during the week ending March 27, on account of decline in oil demand and buildup of oil inventories. Murban oil price declined to USD 85.58 per barrel on March 27 compared to USD 86.30 on March 21.

Table 1: Kenya Shilling Exchange Rates								
	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
15-Mar-24	135.15	172.35	147.31	91.26	28.75	18.88	9.49	21.16
18-Mar-24	134.58	171.38	146.52	90.26	28.85	18.96	9.53	21.25
19-Mar-24	134.00	170.38	145.61	89.19	28.99	19.03	9.58	21.35
20-Mar-24	133.27	169.40	144.76	88.45	29.11	19.36	9.63	21.47
21-Mar-24	133.07	169.10	144.38	87.75	29.17	19.18	9.69	21.53
<b>Mar 8-14</b>	<b>134.01</b>	<b>170.52</b>	<b>145.72</b>	<b>89.38</b>	<b>28.98</b>	<b>19.08</b>	<b>9.59</b>	<b>21.35</b>
22-Mar-24	132.92	167.96	144.03	87.72	29.23	19.20	9.66	21.52
25-Mar-24	132.67	167.31	143.49	87.69	29.40	19.26	9.68	21.56
26-Mar-24	132.43	167.43	143.59	87.50	29.37	19.29	9.71	21.61
27-Mar-24	132.06	166.58	142.99	87.01	29.38	19.35	9.74	21.67
28-Mar-24	131.80	166.55	142.67	87.11	29.48	19.36	9.76	21.71
<b>Mar 22-28</b>	<b>132.38</b>	<b>167.17</b>	<b>143.36</b>	<b>87.41</b>	<b>29.37</b>	<b>19.29</b>	<b>9.71</b>	<b>21.62</b>

\*Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)					
	29-Feb-24	7-Mar-24	14-Mar-24	21-Mar-24	28-Mar-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	6,962	6,919	6,974	7,022	7,088
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.7	3.7	3.7	3.7	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 (%)
15-Mar-24	39	26,200.00	13.32
18-Mar-24	43	40,380.00	13.37
19-Mar-24	45	37,730.00	13.42
20-Mar-24	44	41,380.00	13.49
21-Mar-24	32	30,460.00	13.53
<b>Mar 15-21</b>	<b>41</b>	<b>35,230.00</b>	<b>13.42</b>
22-Mar-24	43	23,430.00	13.57
25-Mar-24	29	25,230.00	13.59
26-Mar-24	44	29,650.00	13.64
27-Mar-24	42	25,150.00	13.70
<b>Mar 22-27</b>	<b>40</b>	<b>25,865.00</b>	<b>13.63</b>

Source: Central Bank of Kenya

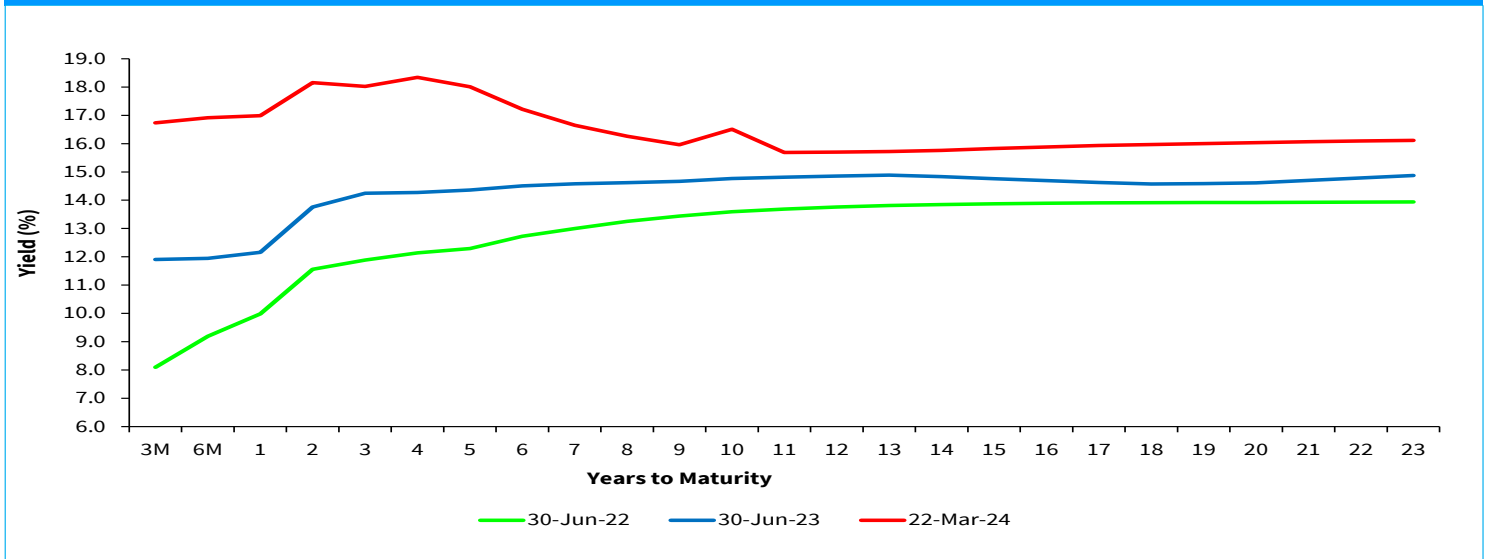
Table 4: Performance of Treasury Bill Auctions						
<b>91-Day Treasury Bills</b>						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	29-Feb-24	21-Mar-24	27-Mar-24
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	5,779.97	11,007.63	8,516.51	12,259.85	11,648.10	5,380.72
Amount Accepted (KSh M)	2,705.12	3,303.25	6,986.46	12,221.39	9,132.42	3,867.98
Maturities (KSh M)	2,814.15	2,741.45	3,254.55	18,879.90	16,939.95	7,215.65
<b>Average Interest Rate (%)</b>	<b>11.904</b>	<b>14.821</b>	<b>15.983</b>	<b>16.622</b>	<b>16.731</b>	<b>16.729</b>
<b>182-Day Treasury Bills</b>						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	29-Feb-24	21-Mar-24	27-Mar-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	809.28	322.85	2,035.88	4,087.01	2,702.14
Amount Accepted (KSh M)	1,300.96	542.27	322.85	1,952.90	3,191.58	2,049.15
Maturities (KSh M)	442.15	3,616.00	1,365.20	928.35	1,665.35	552.85
<b>Average Interest Rate (%)</b>	<b>11.947</b>	<b>14.950</b>	<b>15.967</b>	<b>16.785</b>	<b>16.914</b>	<b>16.888</b>
<b>364-Day Treasury Bills</b>						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	29-Feb-24	21-Mar-24	27-Mar-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	1,841.12	1,661.91	9,575.99	8,943.70	7,753.83
Amount Accepted (KSh M)	1,514.41	670.62	1,661.91	8,719.18	8,339.19	7,596.50
Maturities (KSh M)	2,417.65	1,229.50	1,858.45	4,903.65	1,003.20	1,915.90
<b>Average Interest Rate (%)</b>	<b>12.157</b>	<b>15.054</b>	<b>16.100</b>	<b>16.972</b>	<b>16.989</b>	<b>16.990</b>

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions								
Date of Auction	10-Jan-23		18-Jan-24		14-Feb-24	6-Mar-24	20-Mar-24	
			TAP			RE-OPEN	RE-OPEN	
Tenor	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2024/003	FXD1/ 2023/005	IFB1/ 2024/8.5	FXD1/ 2024/03	FXD1/ 2023/005	FXD1/ 2024/010
Amount offered (KSh M)	35,000.00		15,000.00		70,000.00	40,000.00	40,000.00	
Bids received (KSh M)	29,089.43	8,062.57	9,308.35	2,552.31	288,661.86	43,074.61	35,848.61	23,885.31
Amount Accepted (KSh M)	22,069.44	2,946.74	9,339.89	2,415.58	240,957.57	34,271.36	17,766.82	4,838.59
Maturities (KSh M)	35,852.15		0.00		70,490.80	0.00	0.00	
Average interest Rate (%)	18.39	18.77	18.39	16.84	18.46	18.42	18.41	16.52

Source: Central Bank of Kenya

**Chart 1: Government Securities Yield Curve**



Source: Nairobi Securities Exchange (NSE)

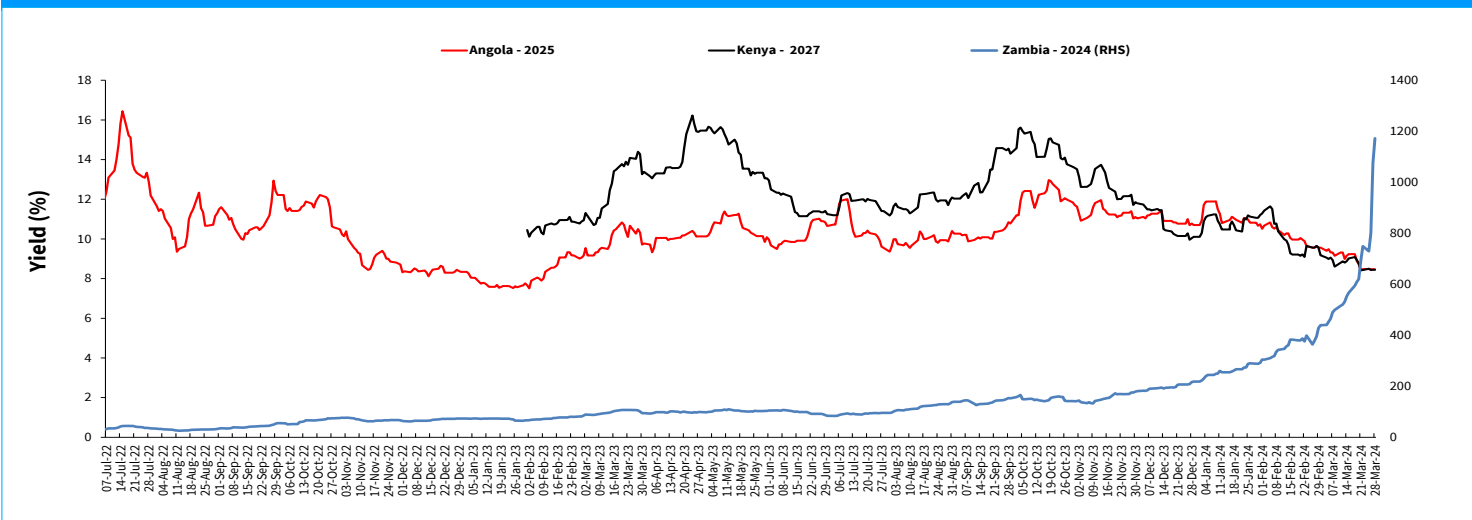
**Table 6: Performance of Key Market Indicators**

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 Mil- lion)	Eurobond Yields (%)					
									7-Year 2027	10-Year 2028	6-Year 2031	12-Year 2032	13-Year 2034	30-Year 2048
15-Mar-24	101.82	2,702.28	1,637.74	1,399.00	27.08	263.25	1590.773	3,131.85	9.017	9.213	9.633	9.750	9.707	10.185
18-Mar-24	100.28	2,690.37	1,630.81	1,134.00	14.03	200.67	1566.771	7,540.40	9.087	9.254	9.774	9.829	9.804	10.268
19-Mar-24	101.07	2,710.96	1,633.87	1,202.00	19.10	463.15	1579.086	2,348.87	8.955	9.175	9.661	9.750	9.709	10.202
20-Mar-24	103.59	2,769.07	1,667.01	1,277.00	15.16	317.18	1618.472	7,223.60	8.756	9.056	9.576	9.595	9.614	10.071
21-Mar-24	105.34	2,795.23	1,658.96	1,748.00	32.59	641.74	1645.869	5,639.30	8.429	8.741	9.268	9.313	9.334	9.865
<b>Mar 15 -21 2024</b>	<b>105.34</b>	<b>2,795.23</b>	<b>1,658.96</b>	<b>6,760.00</b>	<b>107.96</b>	<b>1,886.00</b>	<b>1645.869</b>	<b>25,884.02</b>	<b>8.429</b>	<b>8.741</b>	<b>9.268</b>	<b>9.313</b>	<b>9.334</b>	<b>9.865</b>
22-Mar-24	107.66	2,840.97	1,687.17	1,601.00	45.73	921.15	1682.052	2,481.45	8.431	8.742	9.295	9.339	9.311	9.865
25-Mar-24	111.11	2,919.80	1,712.76	1,697.00	141.26	3,014.64	1735.933	5,459.75	8.499	8.703	9.295	9.314	9.335	9.850
26-Mar-24	117.22	3,051.84	1,748.15	1,533.00	66.01	482.77	1831.458	5,793.90	8.434	8.704	9.239	9.289	9.289	9.803
27-Mar-24	117.78	3,063.31	1,753.02	1,916.00	26.05	687.12	1840.116	5,309.25	8.442	8.668	9.238	9.290	9.292	9.803
28-Mar-24	113.09	2,975.42	1,752.43	1,758.00	51.76	556.07	1766.954	6,180.80	8.443	8.708	9.210	9.265	9.283	9.803
<b>Mar 22 -28 2024</b>	<b>113.09</b>	<b>2,975.42</b>	<b>1,752.43</b>	<b>1,758.00</b>	<b>330.82</b>	<b>5,661.74</b>	<b>1,766.95</b>	<b>25,225.15</b>	<b>8.443</b>	<b>8.708</b>	<b>9.210</b>	<b>9.265</b>	<b>9.283</b>	<b>9.803</b>
<b>Weekly Changes (%)</b>	<b>7.36</b>	<b>6.45</b>	<b>5.63</b>	<b>-73.99</b>	<b>206.42</b>	<b>200.20</b>	<b>7.36</b>	<b>-2.55</b>	<b>0.01*</b>	<b>-0.03*</b>	<b>-0.06*</b>	<b>-0.05*</b>	<b>-0.05*</b>	<b>-0.06*</b>

\* Percentage points

Source: Nairobi Securities Exchange (NSE) and Thomson Reuters

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



Source: Thomson Reuters

## Table 7: Government Domestic Debt (KSh Billion)

	30-Dec-22	30-Jun-23	29-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	15-Mar-24	22-Mar-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	558.21	546.90	565.63	553.28	552.68	554.15
<i>(As % of total securities)</i>	<b>15.32</b>	<b>13.28</b>	<b>11.86</b>	<b>11.35</b>	<b>11.69</b>	<b>11.08</b>	<b>10.99</b>	<b>11.06</b>
2. Treasury Bonds	3,710.62	4,013.89	4,149.81	4,271.82	4,272.25	4,442.10	4,476.40	4,455.07
<i>(As % of total securities)</i>	<b>84.68</b>	<b>86.72</b>	<b>88.14</b>	<b>88.65</b>	<b>88.31</b>	<b>88.92</b>	<b>89.01</b>	<b>88.94</b>
3. Total Securities (1+2)	4,382.13	4,628.62	4,708.02	4,818.72	4,837.89	4,995.38	5,029.08	5,009.22
4. Overdraft at Central Bank	58.50	76.46	75.70	94.13	83.45	87.52	93.16	93.00
5. Other Domestic debt*	32.76	127.04	133.75	137.26	136.71	136.71	129.11	129.10
<i>of which IMF funds on-lent to Government</i>		<b>95.52</b>	<b>99.52</b>	<b>104.24</b>	<b>104.24</b>	<b>104.24</b>	<b>106.49</b>	<b>106.49</b>
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>4,473.39</b>	<b>4,832.11</b>	<b>4,917.47</b>	<b>5,050.11</b>	<b>5,058.04</b>	<b>5,219.61</b>	<b>5,251.35</b>	<b>5,231.32</b>

\* 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-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	15-Mar-24	22-Mar-24
Treasury bills (Excluding Repos)	15.01	12.72	11.35	10.83	11.18	10.60	10.52	10.59
Treasury bonds	82.95	83.07	84.39	84.59	84.46	85.10	85.24	85.16
Overdraft at Central Bank	1.31	1.58	1.54	1.86	1.65	1.68	1.77	1.78
Other domestic debt	0.73	2.63	2.72	2.72	2.70	2.62	2.46	2.47
<i>of which IMF fund on lent to government</i>		1.98	2.02	2.06	2.06	2.00	2.03	2.04
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Central Bank of Kenya

**Table 9: Government Domestic Debt by Holder (Percent)**

	30-Dec-22	30-Jun-23	29-Sep-23	29-Dec-23	31-Jan-24	23-Feb-24	15-Mar-24	22-Mar-24
Banking Institutions	46.84	46.17	45.18	46.07	45.84	46.25	45.91	45.89
Insurance Companies	7.37	7.31	7.35	7.23	7.34	7.16	7.11	7.11
Parastatals	6.06	5.98	5.95	5.47	5.56	5.29	5.28	5.26
Pension Funds	33.31	33.42	32.23	29.93	29.89	29.06	29.34	29.31
Other Investors	6.43	7.13	9.30	11.30	11.37	12.24	12.36	12.42
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Central Bank of Kenya

**Table 10: Government Debt**

	Jun-22	Dec-22	Jun-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24*
Domestic debt (KSh Bn)	4,288.33	4,472.84	4,832.11	4,912.34	4,917.47	4,913.03	4,990.75	5,050.11	5,058.04
Public & Publicly Guaranteed External debt (USD Bn)	36.58	37.88	38.76	38.61	38.27	38.17	38.50	38.92	38.51
Public & Publicly Guaranteed External debt (KSh Bn)	4,290.73	4,673.14	5,446.56	5,614.09	5,667.80	5,746.32	5,896.50	6,089.58	6,189.97
<b>Public debt (KSh Bn)</b>	<b>8,579.06</b>	<b>9,145.98</b>	<b>10,278.67</b>	<b>10,526.43</b>	<b>10,585.27</b>	<b>10,659.35</b>	<b>10,887.25</b>	<b>11,139.69</b>	<b>11,248.01</b>

\* Provisional

Source: The National Treasury and Central Bank of Kenya