Central Bank of Kenya

Weekly Bulletin

March 7, 2025

RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending March 6. It exchanged at KSh 129.23 per US dollar on March 6, compared to KSh 129.31 per US dollar on February 27 **(Table 1).**

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 9,142 million (4.7 months of import cover) as of March 6. 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 March 6. Open market operations remained active. Commercial banks' excess reserves stood at KSh 17.1 billion in relation to the 3.25 percent cash reserves requirement. The average interbank rate was at 10.71 percent on March 6 compared to 10.75 on February 27. During the week, the average number of interbank deals decreased to 27 from 29 in the previous week, while the average value traded decreased to KSh 12.0 billion from KSh 14.0 billion in the previous week **(Table 3).**

Government Securities Market

The Treasury bill auction of March 6 received bids totalling KSh 50.6 billion against an advertised amount of KSh 24.0 billion, representing a performance of 210.7 percent. Interest rate on the 91-day, 182-day and 364-day Treasury bills declined **(Table 4).**

During the Treasury bond auction of March 5, the reopened 25-year fixed rate Treasury bond received bids totalling KSh 47.0 billion against an advertised amount of KSh 25.0 billion, representing a performance of 188.1 percent **(Table 5).**

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 1.0 percent, 1.7 percent and 2.0 percent, respectively, during the week ending March 6. Market capitalization, equity turnover and total shares traded increased by 1.0 percent, 17.6 percent and 36.1 percent, respectively **(Table 6).**

Bond Market

Bond turnover in the domestic secondary market declined by 17.8 percent during the week ending March 6 **(Table 6).** In the international market, yields on Kenya's Eurobonds increased by 29.1 basis points on average. The yields on Angola and Côte d'Ivoire Eurobonds decreased **(Chart 2)**.

Global Trends

Inflation concerns eased slightly during the week ending March 6. Eurozone headline inflation eased to 2.4 percent in February 2025 from 2.5 percent in January, while core inflation fell to 2.6 percent in the period. The European Central Bank (ECB) lowered its policy rate by 25 basis points to 2.5 percent during the week. The US Dollar Index weakened by 3.0 percent during the week ending March 6.

International oil prices decreased, with Murban oil prices falling to USD 70.45 per barrel on March 6, from USD 76.70 per barrel on February 26, amid major oil exporters (OPEC+) plans to raise oil output.

Table 1: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
21-Feb-25	129.58	164.05	136.01	86.16	28.34	20.02	10.78	22.85
24-Feb-25	129.64	164.30	136.28	86.80	28.32	20.01	10.80	22.84
25-Feb-25	129.49	163.61	135.62	86.58	28.39	19.96	10.80	22.87
26-Feb-25	129.38	163.49	135.74	86.49	28.47	20.21	10.81	22.89
27-Feb-25	129.31	163.61	135.28	86.63	28.45	20.06	10.82	22.91
Feb 21-27	**129.48**	**163.81**	**135.79**	**86.53**	**28.39**	**20.05**	**10.80**	**22.87**
28-Feb-25	129.23	162.61	134.23	86.31	28.49	20.07	10.83	22.92
03-Mar-25	129.15	162.79	134.42	85.73	28.46	20.17	11.08	22.93
04-Mar-25	129.20	164.04	135.41	86.56	28.46	20.05	10.84	22.93
05-Mar-25	129.22	165.29	137.25	86.25	28.44	20.31	10.85	22.92
06-Mar-25	129.23	165.58	138.47	86.73	28.40	20.24	11.09	22.92
Feb 28-Mar 6	**129.20**	**164.06**	**135.96**	**86.32**	**28.45**	**20.17**	**10.94**	**22.93**

**Units of currency per Kenya Shilling*

Source: Central Bank of Kenya

Table 2: Usable Foreign Exchange Reserves (USD Million)

	06-Feb-25	13-Feb-25	20-Feb-25	27-Feb-25	06-Mar-25
1. CBK Usable Foreign Exchange Reserves (USD Million)	9,219	9,374	9,256	9,057	9,142
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.7	4.8	4.7	4.6	4.7

**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 (%)
21-Feb-25	24	10,630.00	10.68
24-Feb-25	34	18,650.00	10.66
25-Feb-25	33	20,127.00	10.70
26-Feb-25	27	9,910.00	10.71
27-Feb-25	29	10,800.00	10.75
Feb 21-27	**29**	**14,023.40**	**10.70**
28-Feb-25	32	12,790.00	10.69
3-Mar-25	26	8,525.00	10.69
4-Mar-25	28	12,380.00	10.70
5-Mar-25	26	12,995.00	10.71
6-Mar-25	24	13,500.00	10.71
Feb 28-Mar 6	**27**	**12,038.00**	**10.70**

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**	**27-Feb-25**	**6-Mar-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	17,956.38	23,950.17
Amount Accepted (KSh M)	6,986.46	2,745.34	2,208.47	2,450.72	19,934.89	23,932.25
Maturities (KSh M)	3,254.55	3,922.10	3,443.00	7,518.90	16,257.75	19,318.35
Average Interest Rate (%)	**15.983**	**15.977**	**9.895**	**9.522**	**8.937**	**8.923**
182-Day Treasury Bills						
Date of Auction	**28-Dec-23**	**27-Jun-24**	**27-Dec-24**	**30-Jan-25**	**27-Feb-25**	**6-Mar-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	6,896.23	12,439.97
Amount Accepted (KSh M)	322.85	1,479.67	435.30	2,520.57	6,896.23	7,166.07
Maturities (KSh M)	1,365.20	293.25	1,534.00	8,280.55	4,784.10	10,934.30
Average Interest Rate (%)	**15.967**	**16.764**	**10.022**	**10.028**	**9.240**	**9.151**
364-Day Treasury Bills						
Date of Auction	**28-Dec-23**	**27-Jun-24**	**27-Dec-24**	**30-Jan-25**	**27-Feb-25**	**6-Mar-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	11,696.07	14,169.00
Amount Accepted (KSh M)	1,661.91	1,828.51	2,189.12	8,117.07	11,681.09	11,413.18
Maturities (KSh M)	1,858.45	1,679.00	1,918.60	4,035.60	10,152.85	11,332.65
Average Interest Rate (%)	**16.100**	**16.791**	**11.410**	**11.313**	**10.500**	**10.497**

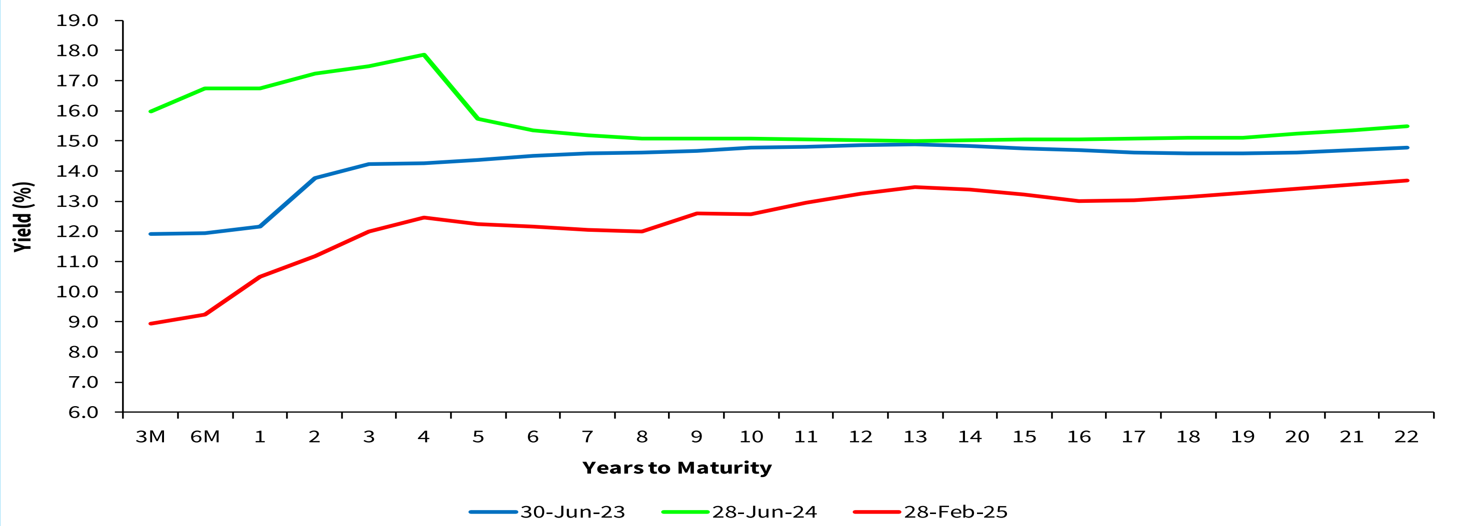
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	**04-Dec-24**		**13-Dec-24**	**15-Jan-25**		**12-Feb-25**		**05-Mar-25**
	RE-OPEN		**RE-OPEN**	**RE-OPEN**		**RE-OPEN**		**RE-OPEN**
Tenor	**FXD1/ 2023/010**	**FXD1/ 2018/020**	**FXD1/ 2024/10**	**FXD1/ 2018/015**	**FXD1/ 2022/025**	**IFB1/ 2022/014**	**IFB1/ 2023/017**	**FXD1/ 2018/025**
Amount offered (KSh M)	25,000.00		20,000.00	30,000.00		70,000.00		25,000.00
Bids received (KSh M)	47,395.28	23,922.30	53,628.95	30,576.60	28,421.50	93,132.02	100,765.93	47,011.61
Amount Accepted (KSh M)	34,922.07	18,488.38	43,448.79	23,753.07	24,728.62	65,255.75	65,553.12	35,248.22
Maturities (KSh M)								27,693.90
Average interest Rate (%)	14.69	15.11	14.69	14.21	15.68	13.98	14.28	13.80

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



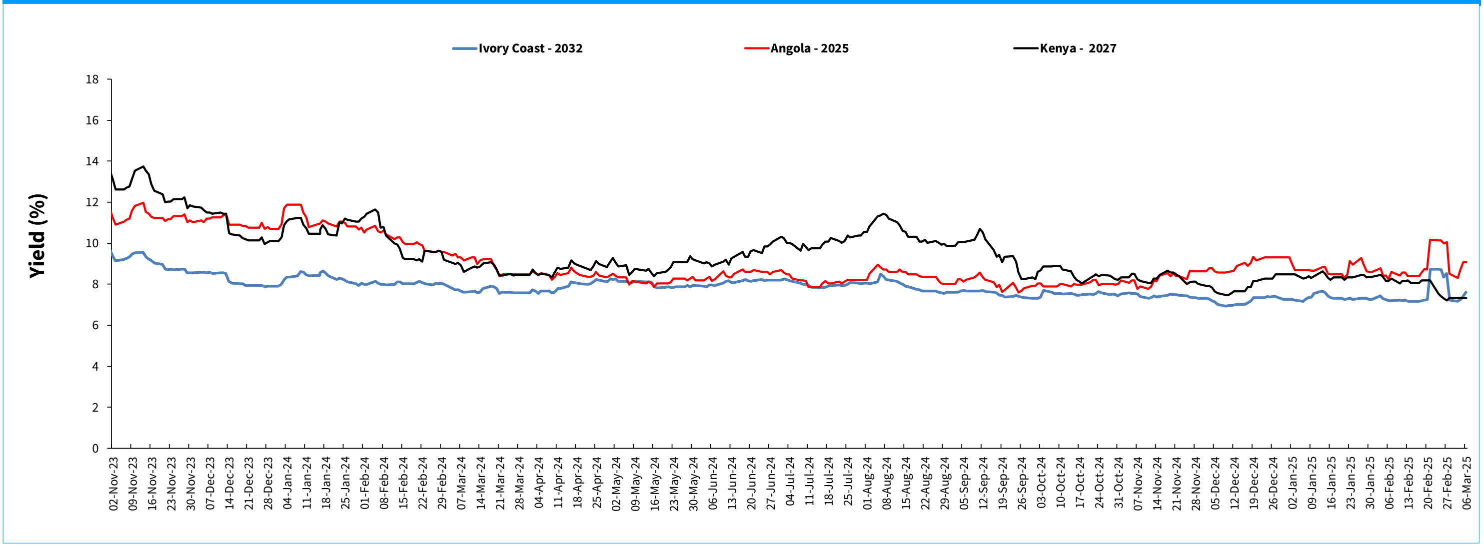
Source: Nairobi Securities Exchange (NSE)

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
21-Feb-25	132.81	3566.84	2241.11	1,952.00	22.98	503.80	2086.22	17349.15	8.197	8.594	9.846	9.742	9.828	10.16
24-Feb-25	133.26	3590.24	2265.08	2,150.00	10.17	160.92	2093.33	10761.00	7.534	8.4	9.846	9.771	9.855	10.143
25-Feb-25	133.26	3602.80	2280.56	2,146.00	15.73	301.18	2093.36	10703.50	7.425	8.352	9.813	9.743	9.856	10.143
26-Feb-25	132.64	3597.89	2288.37	2,129.00	22.10	429.53	2084.88	10918.65	7.316	8.062	9.554	9.515	9.628	9.997
27-Feb-25	132.35	3596.05	2293.51	1,964.00	16.97	641.63	2080.31	13967.80	7.208	8.016	9.488	9.489	9.632	10.046
Feb 21-27	**132.35**	**3596.05**	**2293.51**	**10,341.00**	**87.95**	**2,037.06**	**2,080.31**	**63,700.10**	**7.208**	**8.016**	**9.488**	**9.489**	**9.632**	**10.046**
28-Feb-25	132.13	3595.08	2300.17	1,926.00	12.71	232.79	2,076.83	6,188.70	7.320	8.113	9.521	9.547	9.709	10.094
3-Mar-25	132.59	3612.83	2293.87	2,290.00	18.31	277.01	2,084.07	9,668.25	7.321	8.017	9.424	9.462	9.634	10.030
4-Mar-25	131.04	3594.10	2306.85	2,109.00	16.60	330.29	2,059.76	16,032.60	7.322	8.163	9.617	9.634	9.736	10.144
5-Mar-25	132.00	3624.96	2321.45	2,154.00	42.42	961.79	2,081.04	12,653.10	7.323	8.164	9.617	9.663	9.787	10.177
6-Mar-25	133.69	3656.97	2339.62	2,078.00	29.68	593.83	2,101.33	7,832.31	7.325	8.412	9.812	9.838	9.944	10.293
Feb 28-Mar 6	**133.69**	**3656.97**	**2339.62**	**10,557.00**	**119.72**	**2,395.71**	**2,101.33**	**52,374.96**	**7.325**	**8.412**	**9.812**	**9.838**	**9.944**	**10.293**
Weekly Changes (%)	**1.01**	**1.69**	**2.01**	**2.09**	**36.13**	**17.61**	**1.01**	**-17.78**	**0.117***	**0.396***	**0.324***	**0.349***	**0.312***	**0.247***

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

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



Source: Bloomberg, 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	21-Feb-25	28-Feb-25
1. Treasury Bills (Excluding Repos)	614.73	546.90	615.89	712.45	846.10	856.32	881.97	886.83
(As % of total securities)	*13.28*	*11.35*	*11.75*	*12.96*	*14.77*	*14.78*	*14.95*	*15.02*
2. Treasury Bonds	4,013.89	4,271.82	4,627.12	4,785.63	4,884.05	4,936.77	5,016.91	5,016.91
(As % of total securities)	*86.72*	*88.65*	*88.25*	*87.04*	*85.23*	*85.22*	*85.05*	*84.98*
3. Total Securities (1+2)	4,628.62	4,818.72	5,243.01	5,498.08	5,730.15	5,793.08	5,898.88	5,903.74
4. Overdraft at Central Bank	76.46	94.13	61.02	0.00	37.48	35.24	60.57	60.57
5. Other Domestic debt*	127.04	137.26	106.25	103.64	101.15	100.66	100.03	100.05
of which IMF funds on-lent to Government	**95.52**	**104.24**	**83.54**	**82.63**	**80.29**	**79.58**	**79.62**	**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**	**6,059.48**	**6,064.36**

** 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	21-Feb-25	28-Feb-25
Treasury bills (Excluding Repos)	12.72	10.83	11.38	12.72	14.42	14.44	14.56	14.62
Treasury bonds	83.07	84.59	85.52	85.43	83.22	83.27	82.79	82.73
Overdraft at Central Bank	1.58	1.86	1.13	0.00	0.64	0.59	1.00	1.00
Other domestic debt	2.63	2.72	1.96	1.85	1.72	1.70	1.65	1.65
of which IMF fund on lent to government	1.98	2.06	1.54	1.48	1.37	1.34	1.31	1.31
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	21-Feb-25	28-Feb-25
Banking Institutions	46.17	46.07	45.12	44.38	45.05	44.96	45.47	45.40
Insurance Companies	7.31	7.23	7.23	7.22	7.32	7.32	7.23	7.23
Parastatals	5.98	5.47	5.13	5.35	5.60	5.93	5.93	5.97
Pension Funds*	33.42	29.93	29.60	29.44	28.88	28.82	28.42	28.29
Other Investors	7.13	11.30	12.92	13.60	13.16	12.97	12.95	13.11
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	Aug-24	Sep-24	Dec-24*
Domestic debt (KSh Bn)	4,472.84	4,832.11	4,917.47	5,050.11	5,235.19	5,410.28	5,558.35	5,601.71	5,868.77
Public & Publicly Guaranteed External debt (USD Bn)	37.88	38.76	38.27	38.92	39.18	39.93	40.07	40.16	39.11
Public & Publicly Guaranteed External debt (KSh Bn)	4,673.14	5,446.56	5,667.80	6,089.58	5,163.42	5,171.70	5,176.10	5,188.37	5,057.01
Public debt (KSh Bn)	**9,145.98**	**10,278.67**	**10,585.27**	**11,139.69**	**10,398.61**	**10,581.98**	**10,734.45**	**10,790.08**	**10,925.78**

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