



Central Bank of Kenya

Weekly Bulletin

March 8, 2024



RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Exchange Rates

The Kenya Shilling remained stable against major international and regional currencies during the week ending March 7. It exchanged at KSh 142.07 per US dollar on March 7, compared to KSh 143.59 per US dollar on February 29 (**Table 1**).

Foreign Exchange Reserves

The usable foreign exchange reserves remained adequate at USD 6,919 million (3.7 months of import cover) as of March 7. 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 7, supported by open market operations. Commercial banks' excess reserves stood at KSh 20.0 billion in relation to the 4.25 percent cash reserves requirement (CRR). The average interbank rate was 13.49 percent on March 7 compared to 14.06 percent on February 29. During the week, the average number of interbank deals decreased to 29 from 35 in the previous week, while the average value traded decreased to KSh 17.8 billion from KSh 19.9 billion in the previous week (**Table 3**).

Government Securities Market

The Treasury bills auction of March 7 received bids totaling KSh 41.8 billion against an advertised amount of KSh 24.0 billion, representing a performance of 174.2 percent. Interest rates remained stable, with the 91-day, 182-day and 364-day rates increasing marginally (**Table 4**).

During the Treasury bonds auction of March 6, the re-opened 3-year fixed rate Treasury bond received bids totaling KSh 43.1 billion against an advertised amount of KSh 40.0 billion, representing a performance of 107.7 percent (**Table 5**).

Equity Market

At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 2.1 percent, 1.4 percent and 0.7 percent, respectively, during the week ending March 7. However, market capitalization, equity turnover and total shares traded decreased by 2.1 percent, 48.6 percent and 37.2 percent, respectively (**Table 6**).

Bond Market

Bond turnover in the domestic secondary market declined by 52.9 percent during the week ending March 7 (**Table 6**). In the international market, yields on Kenya's Eurobonds declined. Similarly, the yield on the 10-Year Eurobond for Angola declined, while that of Zambia increased (**Chart 3**).

Global Trends

Concerns about inflation in advanced economies continued to ease in the week ending March 7. Inflation in the Euro Area declined marginally to 2.8 percent in January 2024 from 2.9 percent in December 2023. European Central Bank projects the Euro Area economic activity to remain subdued in the near-term. Growth is projected to increase by 0.6 percent, while inflation is expected to fall to an average of 2.3 percent in 2024. The US dollar index weakened by 1.28 percent against a basket of major currencies during the week ending March 7.

International oil prices increased during the week ending March 7 supported by increased oil demand and drawdown of US oil inventories. Murban oil price increased to USD 83.25 per barrel on March 7 compared to USD 82.39 per barrel on February 29.

Table 1: Kenya Shilling Exchange Rates								
	USD	Sterling Pound	Euro	100 Japanese Yen	Uganda Shilling*	Tanzania Shilling*	Rwandese Franc*	Burundi Franc*
23-Feb-24	144.06	181.75	155.73	95.66	27.15	17.67	8.85	19.83
26-Feb-24	143.85	182.45	155.65	95.62	27.35	17.73	8.87	19.86
27-Feb-24	144.16	183.02	156.45	95.71	27.38	17.69	9.00	19.82
28-Feb-24	143.62	181.81	155.50	95.36	27.40	17.72	8.89	19.89
29-Feb-24	143.59	181.88	155.59	95.78	27.44	17.76	8.89	19.90
Feb 23- 29	143.86	182.18	155.79	95.62	27.35	17.71	8.90	19.86
1-Mar-24	143.52	181.75	155.65	95.88	27.38	17.77	8.90	19.91
4-Mar-24	143.86	182.18	156.01	95.72	27.21	17.73	8.89	19.87
5-Mar-24	143.83	182.44	156.11	95.59	27.29	17.73	8.92	19.87
6-Mar-24	142.83	181.44	155.00	95.25	27.41	17.82	8.96	20.01
7-Mar-24	142.07	180.76	154.60	95.10	27.59	17.95	9.03	20.12
Mar 1- 7	143.22	181.71	155.47	95.51	27.38	17.80	8.94	19.96
*Units of currency per Kenya Shilling								

Source: Central Bank of Kenya

Table 2: Official Foreign Exchange Reserves (USD Million)					
	8-Feb-24	15-Feb-24	22-Feb-24	29-Feb-24	7-Mar-24
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,131	7,031	7,221	6,962	6,919
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	3.8	3.8	3.9	3.7	3.7

*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 (%)
23-Feb-24	50	33,300.00	13.96
26-Feb-24	24	11,670.00	14.14
27-Feb-24	38	21,290.00	14.18
28-Feb-24	31	18,290.00	14.10
29-Feb-24	30	15,040.00	14.06
Feb 23-29	35	19,918.00	14.09
1-Mar-24	33	11,970.00	13.97
4-Mar-24	29	12,940.00	13.74
5-Mar-24	30	21,950.00	13.77
6-Mar-24	26	18,100.00	13.73
7-Mar-24	28	23,900.00	13.49
Mar 1-7	29	17,772.00	13.74

Source: Central Bank of Kenya

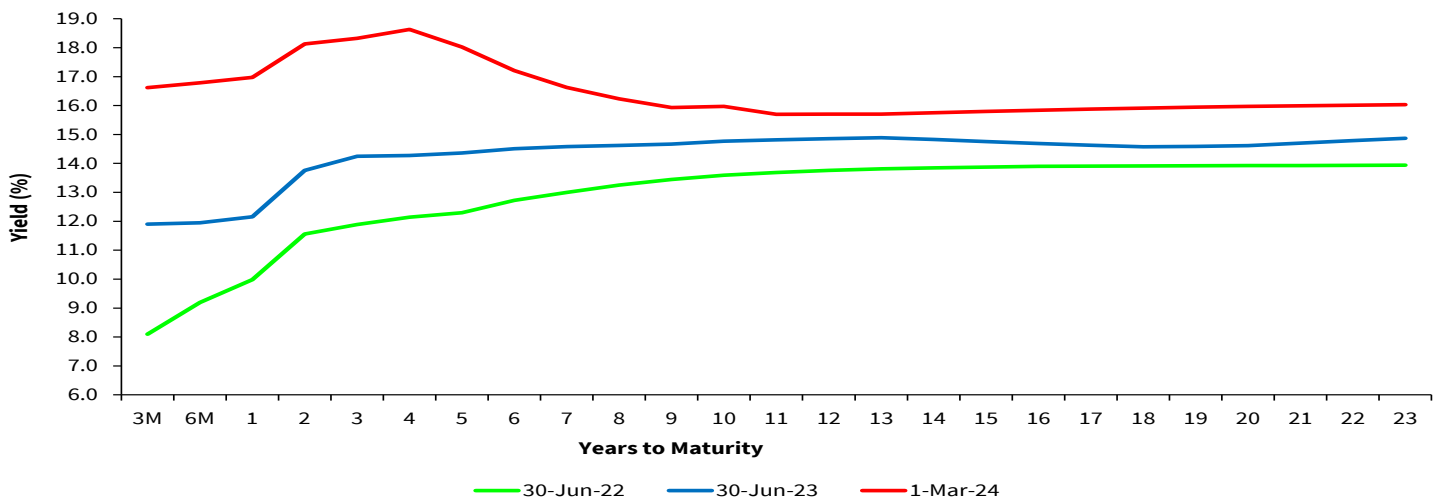
Table 4: Performance of Treasury Bill Auctions						
91-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	25-Jan-24	29-Feb-24	7-Mar-24
Amount Offered (KSh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids Received (KSh M)	5,779.97	11,007.63	8,516.51	16,558.38	12,259.85	20,618.75
Amount Accepted (KSh M)	2,705.12	3,303.25	6,986.46	14,027.44	12,221.39	20,504.88
Maturities (KSh M)	2,814.15	2,741.45	3,254.55	8,291.40	18,879.90	30,288.40
Average Interest Rate (%)	11.904	14.821	15.983	16.290	16.622	16.660
182-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	25-Jan-24	29-Feb-24	7-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	5,243.25	2,035.88	10,063.26
Amount Accepted (KSh M)	1,300.96	542.27	322.85	5,224.77	1,952.90	10,063.26
Maturities (KSh M)	442.15	3,616.00	1,365.20	1,281.40	928.35	1,233.70
Average Interest Rate (%)	11.947	14.950	15.967	16.376	16.785	16.848
364-Day Treasury Bills						
Date of Auction	29-Jun-23	28-Sep-23	28-Dec-23	25-Jan-24	29-Feb-24	7-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	2,672.03	9,575.99	11,134.58
Amount Accepted (KSh M)	1,514.41	670.62	1,661.91	2,657.86	8,719.18	9,708.57
Maturities (KSh M)	2,417.65	1,229.50	1,858.45	6,216.15	4,903.65	8,491.25
Average Interest Rate (%)	12.157	15.054	16.100	16.523	16.972	16.985

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions								
Date of Auction	8-Nov-23	5-Dec-23	10-Jan-24		18-Jan-24		14-Feb-24	6-Mar-24
		TAP			TAP			RE-OPEN
Tenor	IFB1/ 2023/6.5	IFB1/ 2023/6.5	FXD1/ 2024/003	FXD1/ 2023/005	FXD1/ 2024/003	FXD1/ 2023/005	IFB1/ 2024/8.5	FXD1/ 2024/03
Amount offered (KSh M)	50,000.00	25,000.00	35,000.00		15,000.00		70,000.00	40,000.00
Bids received (KSh M)	88,899.96	47,238.75	29,089.43	8,062.57	9,308.35	2,552.31	288,661.86	43,074.61
Amount Accepted (KSh M)	67,056.07	47,866.93	22,069.44	2,946.74	9,339.89	2,415.58	240,957.57	34,271.36
Maturities (KSh M)	0.00	0.00	35,852.15		0.00		70,490.80	0.00
Average interest Rate (%)	17.93	17.93	18.39	18.77	18.39	16.84	18.46	18.42

Source: Central Bank of Kenya

Chart 1: Government Securities Yield Curve



Source: Nairobi Securities Exchange (NSE)

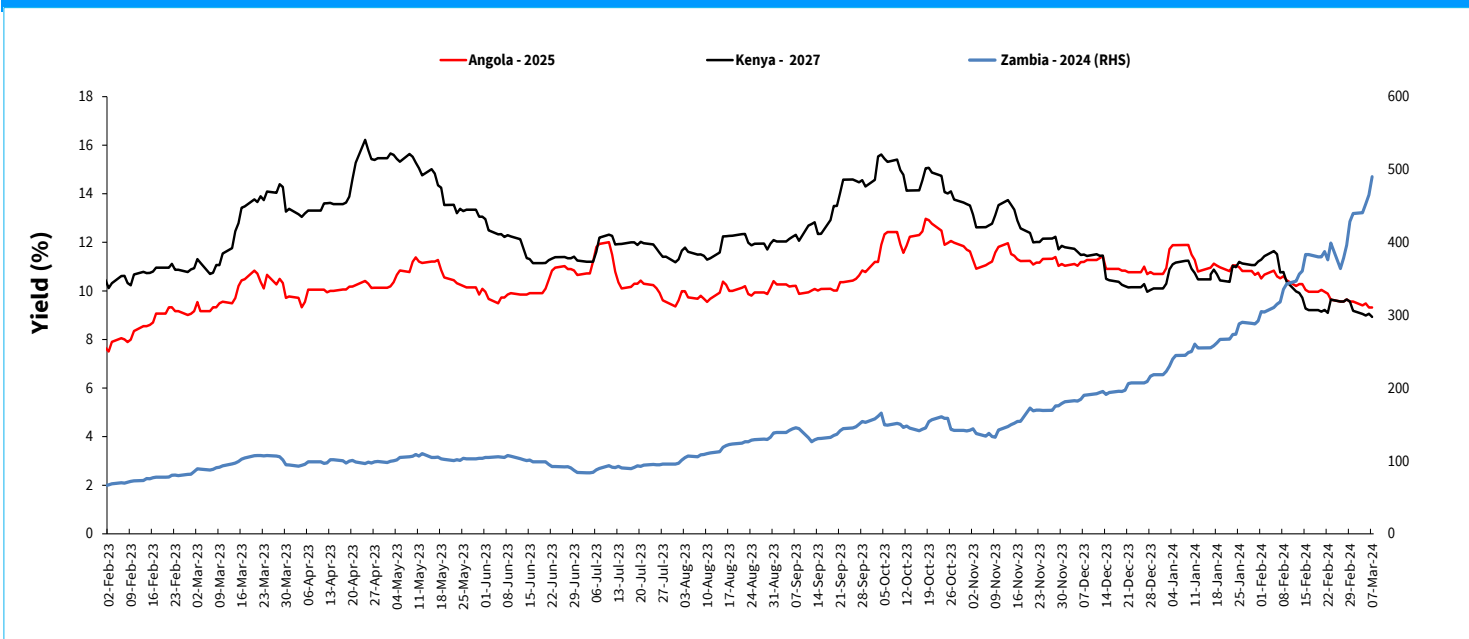
Table 6: Performance of Key Market Indicators

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
23-Feb-24	92.83	2,475.86	1,536.69	983.00	16.80	537.89	1450.399	39,953.30	9.645	9.269	9.685	9.764	9.645	10.235
26-Feb-24	93.83	2,491.20	1,544.69	1,028.00	8.78	105.83	1466.005	17,866.35	9.564	9.31	9.685	9.791	9.669	10.251
27-Feb-24	93.31	2,474.42	1,540.23	1,046.00	14.99	335.81	1457.797	7,808.38	9.564	9.431	9.793	9.87	9.765	10.301
28-Feb-24	93.14	2,485.42	1,544.56	1,178.00	24.40	424.38	1455.145	10,870.20	9.646	9.433	9.782	9.871	9.815	10.318
29-Feb-24	92.49	2,475.03	1,535.89	929.00	12.08	236.20	1445.062	8,577.74	9.565	9.557	9.827	9.952	9.841	10.368
Feb 23-29	92.49	2,475.03	1,535.89	5,164.00	77.06	1,640.12	1445.062	85,075.97	9.565	9.557	9.827	9.952	9.841	10.368
1-Mar-24	93.25	2,475.86	1,539.22	914	22.10	427.14	1456.845	7,233.05	9.182	9.478	9.761	9.873	9.818	10.335
4-Mar-24	93.36	2,493.30	1,548.28	912	4.17	79.75	1458.583	9,176.85	9.052	9.399	9.606	9.769	9.746	10.285
5-Mar-24	93.28	2,496.35	1,545.08	970	12.93	201.18	1457.391	8,894.10	8.988	9.36	9.677	9.769	9.723	10.251
6-Mar-24	94.20	2,491.83	1,551.08	1,063	4.41	86.03	1471.685	7,443.60	9.057	9.281	9.696	9.718	9.7	10.202
7-Mar-24	94.45	2,500.27	1,545.83	844	4.82	49.49	1475.607	7,359.80	8.931	9.244	9.493	9.667	9.611	10.169
Mar 1-7 2024	94.45	2,509.34	1,545.83	4,703.00	48.43	843.59	1475.607	40,107.40	8.931	9.244	9.493	9.667	9.611	10.169
Weekly Changes (%)	2.12	1.39	0.65	-8.93	-37.15	-48.57	2.11	-52.86	-0.634*	-0.313*	-0.334*	-0.285*	-0.230*	-0.199*

* 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	30-Nov-23	29-Dec-23	31-Jan-24	23-Feb-24	1-Mar-24
1. Treasury Bills (Excluding Repos)	671.51	614.73	558.21	555.62	546.90	565.63	553.28	549.07
<i>(As % of total securities)</i>	15.32	13.28	11.86	11.62	11.35	11.7	11.1	11.0
2. Treasury Bonds	3,710.62	4,013.89	4,149.81	4,224.91	4,271.82	4,272.25	4,442.10	4,442.10
<i>(As % of total securities)</i>	84.68	86.72	88.14	88.38	88.65	88.31	88.92	89.00
3. Total Securities (1+2)	4,382.13	4,628.62	4,708.02	4,780.53	4,818.72	4,837.89	4,995.38	4,991.17
4. Overdraft at Central Bank	58.50	76.46	75.70	83.94	94.13	83.45	87.52	94.32
5. Other Domestic debt*	32.76	127.04	133.75	126.28	137.26	136.71	136.71	136.71
<i>of which IMF funds on-lent to Government</i>		95.52	99.52	101.87	104.24	104.24	104.24	104.24
6. Gross Domestic Debt (3+4+5)	4,473.39	4,832.11	4,917.47	4,990.75	5,050.11	5,058.04	5,219.61	5,222.20

* 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	24-Nov-23	29-Dec-23	31-Jan-24	23-Feb-24	1-Mar-24
Treasury bills (Excluding Repos)	15.01	12.72	11.35	11.12	10.83	11.18	10.60	10.51
Treasury bonds	82.95	83.07	84.39	84.74	84.59	84.46	85.10	85.06
Overdraft at Central Bank	1.31	1.58	1.54	1.68	1.86	1.65	1.68	1.81
Other domestic debt	0.73	2.63	2.72	2.46	2.72	2.70	2.62	2.62
of which IMF fund on lent to government		1.98	2.02	1.97	2.06	2.06	2.00	2.00
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)

	31-Mar-23	30-Jun-23	29-Sep-23	24-Nov-23	3-Jan-24	31-Jan-24	23-Feb-24	1-Mar-24
Banking Institutions	46.13	46.17	45.18	46.00	45.95	45.84	46.25	46.05
Insurance Companies	7.39	7.31	7.35	7.21	7.25	7.34	7.16	7.15
Parastatals	6.04	5.98	5.95	5.52	5.48	5.56	5.29	5.22
Pension Funds	33.42	33.42	32.23	30.16	29.99	29.89	29.06	29.34
Other Investors	7.01	7.13	9.30	11.10	11.33	11.37	12.24	12.23
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

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
Public debt (KSh Bn)	8,579.06	9,145.98	10,278.67	10,526.43	10,585.27	10,659.35	10,887.25	11,139.69	11,248.01

* Provisional

Source: The National Treasury and Central Bank of Kenya