Central Bank of Kenya

Weekly Bulletin

June 5, 2025

RECENT MONETARY AND FINANCIAL DEVELOPMENTS

Inflation
Overall inflation decreased to 3.8 percent in May from 4.1 percent in April 2025, mainly driven by non-core inflation. The non-core inflation declined to 6.0 percent from 8.4 percent, mainly on account of easing vegetable prices, lower energy and electricity inflation. Core inflation increased to 2.8 percent from 2.5 percent largely driven by higher prices of processed food items **(Chart 1)**.

Exchange Rates
The Kenya Shilling remained stable against major international and regional currencies during the week ending June 5. It exchanged KSh 129.22 per US dollar on June 5, compared to KSh 129.26 per US dollar on May 29 **(Table 1)**.

Foreign Exchange Reserves
The usable foreign exchange reserves remained adequate at USD 10,589 million (4.7 months of import cover) as of June 5. 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 June 5. Open market operations remained active. Commercial banks' excess reserves stood at KSh 18.5 billion in relation to the 3.25 percent cash reserves requirement (CRR). The average interbank rate was at 9.76 percent on June 5 compared to 9.82 percent on May 29. During the week, the average number of interbank deals declined to 13 from 14 in the previous week, while the average value traded increased to KSh 8.9 billion from KSh 6.9 billion in the previous week **(Table 3)**.

Government Securities Market
The Treasury bill auction of June 5 received bids totalling KSh 61.4 billion against an advertised amount of KSh 24.0 billion, representing a performance of 255.9 percent. Interest rate on the 91-day, 182-day and 364-day Treasury bills declined **(Table 4).**

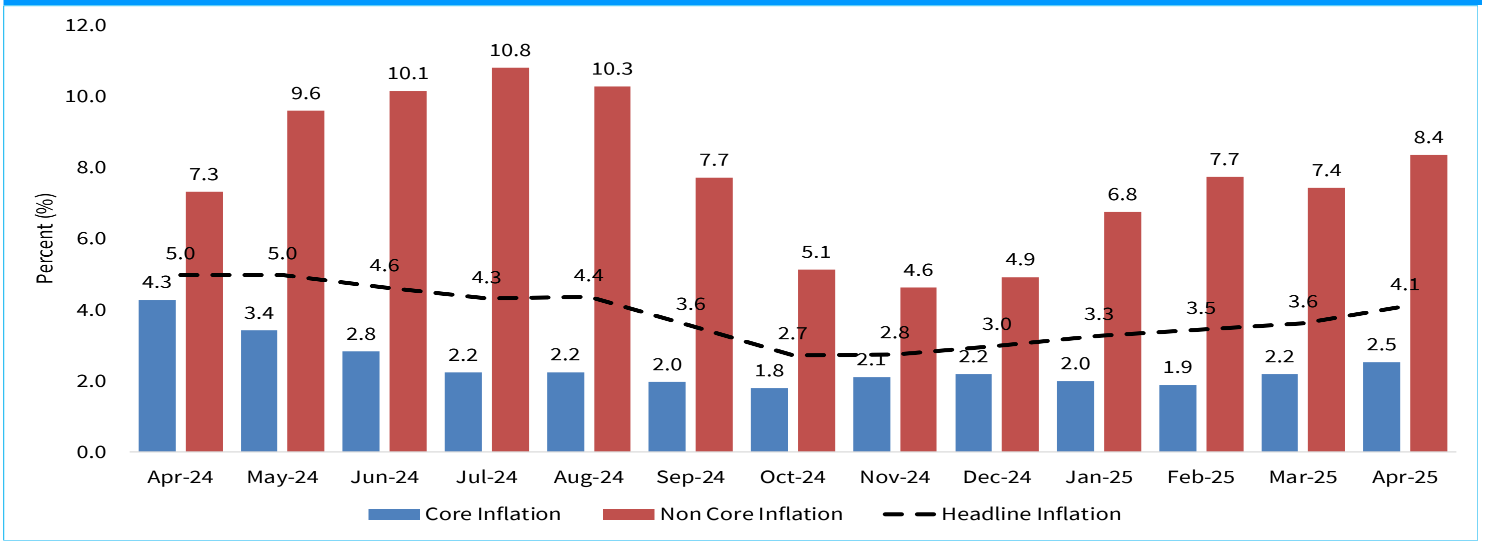
Equity Market
At the Nairobi Securities Exchange, the NASI, NSE 25 and NSE 20 share price indices increased by 0.73 percent 1.27 percent and 1.46 percent respectively during the week ending June 5, 2025. Market capitalization and total shares traded increased by 1.47 percent and 4.27 percent respectively, while and equity turnover decreased by 16.02 percent **(Table 6).**

Bond Market
Bond turnover in the domestic secondary market decreased by 65.9 percent during the week ending June 5 **(Table 6).** In the international market, yields on Kenya's Eurobonds decreased by 36.62 basis points on average. Yields on Angola and Côte d'Ivoire Eurobonds also decreased **(Chart 3)**.

Global Trends
Euro area inflation declined to 1.9 per cent in May 2025, down from 2.2 per cent in April 2025 and was below the 2 percent target for the European central bank. The decline was mainly attributed to lower services inflation and energy prices. The U.S. Dollar Index weakened by 0.5 percent, driven by policy uncertainties and concerns over the U.S. fiscal position, which prompted a shift in investor sentiment.

International oil prices remained steady during the week. Murban crude oil traded at USD 64.65 per barrel on June 4, as OPEC+ has increased production volumes amid higher summer oil demand.

Chart 1: Developments in Inflation



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*
23-May-25	129.25	173.40	145.92	89.86	28.24	20.87	10.93	23.02
26-May-25	129.24	175.49	147.44	90.60	28.24	20.87	11.04	23.03
27-May-25	129.24	175.06	146.99	90.31	28.23	20.89	11.04	23.03
28-May-25	129.29	174.11	146.10	89.43	28.22	20.86	10.93	23.02
29-May-25	129.26	173.63	145.31	88.58	28.18	20.87	10.94	23.03
May 23-29	**129.26**	**174.34**	**146.35**	**89.76**	**28.22**	**20.87**	**10.98**	**23.03**
30-May-25	129.24	174.15	146.64	89.79	28.13	20.76	10.94	23.03
02-Jun-25	**Public Holiday**							
03-Jun-25	129.21	174.65	147.49	90.36	28.19	20.88	10.95	23.04
04-Jun-25	129.24	174.53	146.84	89.55	28.18	20.74	10.95	23.03
05-Jun-25	129.22	175.06	147.45	90.31	28.17	20.74	10.96	23.04
May 30-Jun 5	**129.23**	**174.60**	**147.10**	**90.00**	**28.17**	**20.78**	**10.95**	**23.04**

**Units of currency per Kenya Shilling*
Source: Central Bank of Kenya

Table 2: Usable Foreign Exchange Reserves (USD Million)

	08-May-25	15-May-25	22-May-25	29-May-25	04-Jun-25
1. CBK Usable Foreign Exchange Reserves (USD Million)*	10,291	10,164	10,308	10,467	10,589
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.6	4.5	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 (%)
23-May-25	21	13,695.00	9.83
26-May-25	15	5,811.00	9.83
27-May-25	11	3,000.00	9.80
28-May-25	11	8,750.00	9.76
29-May-25	10	3,020.00	9.82
May 23-29	**14**	**6,855.20**	**9.81**
30-May-25	13	11,750.00	9.82
2-Jun-25	**Public Holiday**		
3-Jun-25	12	12,900.00	9.88
4-Jun-25	11	7,100.00	9.79
5-Jun-25	15	3,700.00	9.76
May 30 - June 5	**13**	**8,862.50**	**9.81**

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bill Auctions

91-Day Treasury Bills						
Date of Auction	**27-Dec-24**	**27-Feb-25**	**27-Mar-25**	**30-Apr-25**	**29-May-25**	**5-Jun-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)	2,242.28	17,956.38	2,790.24	2,184.51	19,200.95	7,917.51
Amount Accepted (KSh M)	2,208.47	19,934.89	2,704.14	2,182.56	19,196.07	7,789.52
Maturities (KSh M)	3,443.00	16,257.75	2,191.25	2,380.85	18,288.25	24,356.50
Average Interest Rate (%)	**9.895**	**8.937**	**8.791**	**8.406**	**8.293**	**8.282**
182-Day Treasury Bills						
Date of Auction	**27-Dec-24**	**27-Feb-25**	**27-Mar-25**	**30-Apr-25**	**29-May-25**	**5-Jun-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)	435.30	6,896.23	1,706.31	1,283.06	9,773.86	10,485.55
Amount Accepted (KSh M)	435.30	6,896.23	1,701.35	1,283.06	8,808.97	10,473.63
Maturities (KSh M)	1,534.00	4,784.10	3,580.40	6,157.90	4,359.35	6,992.40
Average Interest Rate (%)	**10.022**	**9.240**	**9.058**	**8.619**	**8.564**	**8.543**
364-Day Treasury Bills						
Date of Auction	**27-Dec-24**	**27-Feb-25**	**27-Mar-25**	**30-Apr-25**	**29-May-25**	**5-Jun-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)	2,189.12	11,696.07	10,249.39	14,906.47	26,134.08	43,003.49
Amount Accepted (KSh M)	2,189.12	11,681.09	10,104.04	14,906.47	15,688.45	39,128.98
Maturities (KSh M)	1,918.60	10,152.85	8,813.10	12,255.55	7,333.60	4,841.10
Average Interest Rate (%)	**11.410**	**10.500**	**10.412**	**10.006**	**10.000**	**9.999**

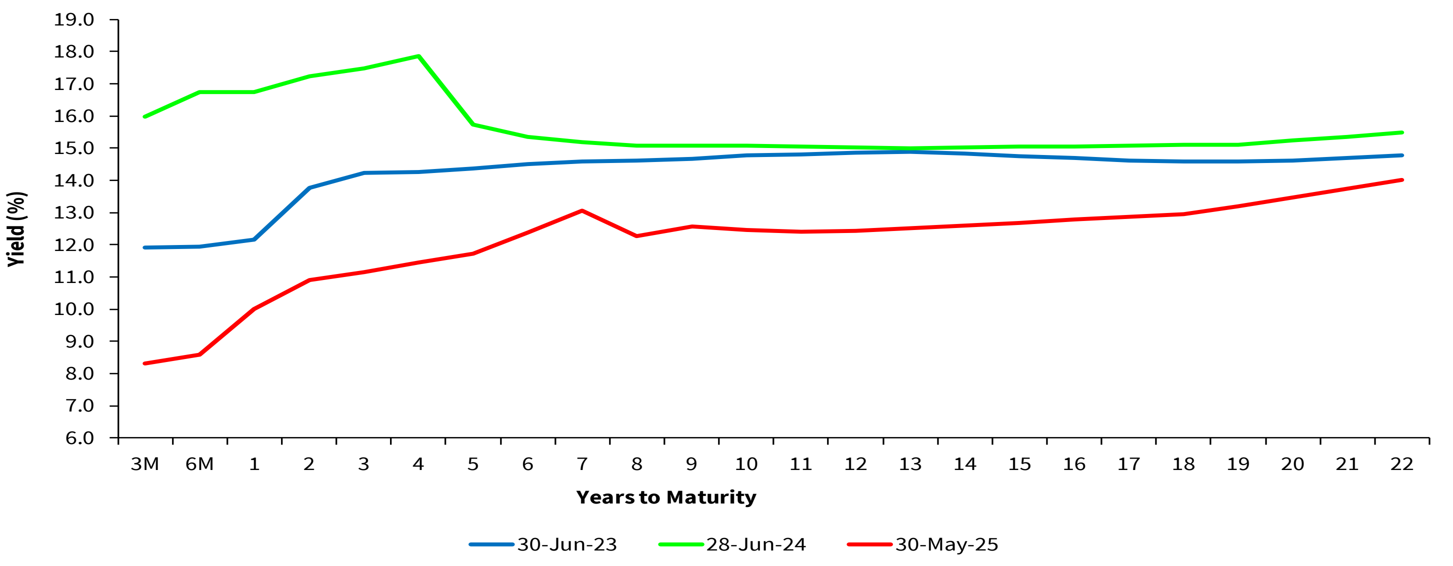
Source: Central Bank of Kenya

Table 5: Performance of Treasury Bond Auctions

Date of Auction	02-Apr-25			10-Apr-25	30-Apr-25		07-May-25
	RE-OPEN			TAP	RE-OPEN		RE-OPEN
Tenor	FXD1/ 2020/015	FXD1/ 2022/015	FXD1/ 2022/025	FXD1/ 2020/015	FXD1/ 2022/015	FXD1/ 2022/025	FXD1/ 2012/20
Amount offered (KSh M)	70,000.00			10,000.00	50,000.00		30,000.00
Bids received (KSh M)	20,896.78	18,148.40	32,683.70	13,239.65	26,413.49	30,681.72	54,388.38
Amount Accepted (KSh M)	20,882.12	17,980.34	32,536.17	12,592.55	25,280.99	25,103.28	43,520.27
Maturities (KSh M)					69,619.55		14,230.89
Average interest Rate (%)	13.67	13.83	14.23	13.67	13.91	14.54	13.65

Source: Central Bank of Kenya

Chart 2: Government Securities Yield Curve



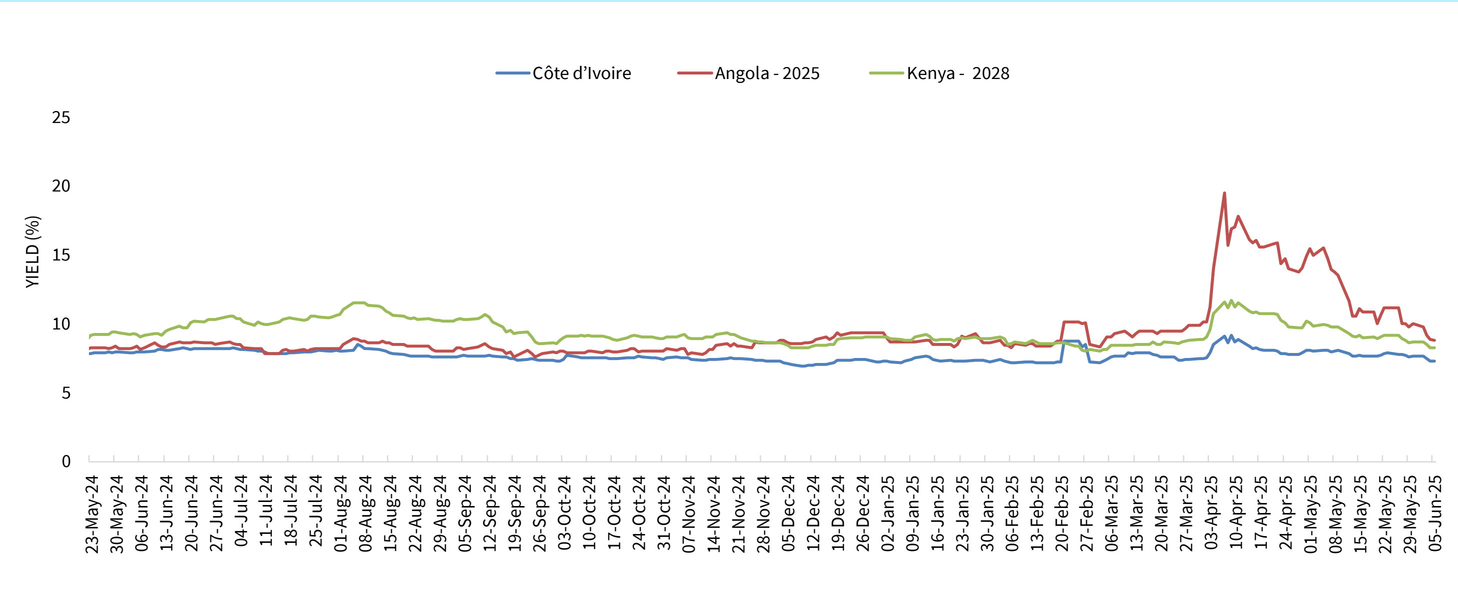
Source: Nairobi Securities Exchange (NSE)

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 (Million)	Equity Turnover (KSh Million)	Market Capitalization (KSh Billion)	Bonds Turnover (KSh Million)	EuroBond Yields (%)				
									10-Year 2028	6-Year 2031	12-Year 2032	13-Year 2034	30-Year 2048
26-May-25	132.37	3,523.38	2,161.38	2,072.00	17.79	392.08	2,082.18	9177.10	9.183	10.395	10.473	10.391	11.061
27-May-25	132.71	3,515.61	2,164.88	1,842.00	14.34	225.38	2,087.57	15154.05	8.915	10.118	10.228	10.203	10.894
28-May-25	134.12	3,531.47	2,174.41	1,954.00	22.95	481.42	2,109.77	11636.10	8.81	9.946	10.107	10.098	10.839
29-May-25	134.45	3,541.69	2,180.26	1,789.00	31.19	515.96	2,114.90	7003.00	8.652	9.878	10.048	10.047	10.767
May 23- 29	**134.45**	**3,541.69**	**2,180.26**	**9,583.00**	**98.04**	**1,877.78**	**2,114.90**	**55,728.70**	**8.652**	**9.878**	**10.048**	**10.047**	**10.767**
30-May-25	134.21	3,535.41	2,183.46	1,783.00	18.87	253.93	2,111.21	2,404.90	8.7	9.9	10.0	10.1	10.8
2-Jun-25	**Public Holiday**								8.7	9.9	10.0	10.1	10.8
3-Jun-25	133.71	3,518.19	2,180.68	2,140.00	31.38	492.46	2,103.29	7,020.06	8.5	9.7	9.8	9.9	10.7
4-Jun-25	135.36	3,558.42	2,193.05	2,257.00	37.33	654.85	2,129.30	4,795.05	8.3	9.4	9.6	9.7	10.5
5-Jun-25	135.43	3,586.53	2,212.08	2,062.00	14.65	175.79	2,146.06	4773.35	8.3	9.4	9.6	9.7	10.5
May 30- Jun 5	**135.43**	**3,586.53**	**2,212.08**	**8,242.00**	**102.22**	**1,577.02**	**2,146.06**	**18,993.36**	**8.288**	**9.439**	**9.574**	**9.740**	**10.520**
Weekly Changes (%)	**0.73**	**1.27**	**1.46**	**-13.99**	**4.27**	**-16.02**	**1.47**	**-65.92**	**-0.364***	**-0.439***	**-0.474***	**-0.307***	**-0.247***

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

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



Source: London Stock Exchange

Table 7: Government Domestic Debt (KSh Billion)

	28-Jun-24	31-Dec-24	31-Jan-25	28-Feb-25	28-Mar-25	25-Apr-25	23-May-25	30-May-25
1. Treasury Bills (Excluding Repos)	615.89	846.10	856.32	886.83	915.44	941.49	954.47	963.02
(As % of total securities)	*11.75*	*14.77*	*14.78*	*15.02*	*15.41*	*15.79*	*15.94*	*16.06*
2. Treasury Bonds	4,627.12	4,884.05	4,936.77	5,016.91	5,025.43	5,020.02	5,034.07	5,034.07
(As % of total securities)	*88.25*	*85.23*	*85.22*	*84.98*	*84.59*	*84.21*	*84.06*	*83.94*
3. Total Securities (1+2)	5,243.01	5,730.15	5,793.08	5,903.74	5,940.87	5,961.51	5,988.53	5,997.09
4. Overdraft at Central Bank	61.02	37.48	35.24	60.57	86.51	94.89	94.44	94.97
5. Other Domestic debt*	106.25	101.15	100.66	100.05	99.32	99.19	112.23	112.23
of which IMF funds on-lent to Government	83.54	80.29	79.58	79.62	78.71	78.71	80.56	80.56
6. Gross Domestic Debt (3+4+5)	**5,410.28**	**5,868.77**	**5,928.98**	**6,064.36**	**6,126.70**	**6,155.60**	**6,195.21**	**6,204.29**

** 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	28-Jun-24	31-Dec-24	28-Feb-25	28-Mar-25	25-Apr-25	23-May-25	30-May-25
Treasury bills (Excluding Repos)	12.72	11.38	14.42	14.62	14.94	15.29	15.41	15.52
Treasury bonds	83.07	85.52	83.22	82.73	82.03	81.55	81.26	81.14
Overdraft at Central Bank	1.58	1.13	0.64	1.00	1.41	1.54	1.52	1.53
Other domestic debt	2.63	1.96	1.72	1.65	1.62	1.61	1.81	1.81
of which IMF fund on lent to government	1.98	1.54	1.37	1.31	1.28	1.28	1.30	1.30
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	28-Jun-24	31-Dec-24	28-Feb-25	28-Mar-25	25-Apr-25	23-May-25	30-May-25
Banking Institutions	46.17	45.12	45.05	45.40	45.41	45.32	45.09	45.20
Insurance Companies	7.31	7.23	7.32	7.23	7.13	7.24	7.24	7.23
Parastatals	5.98	5.13	5.60	5.97	6.07	5.95	5.85	5.86
Pension Funds*	33.42	29.60	28.88	28.29	28.28	28.34	28.72	28.65
Other Investors	7.13	12.92	13.16	13.11	13.11	13.15	13.10	13.07
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

	Sep-23	Dec-23	Mar-24	Jun-24	Nov-24	Dec-24	March-25*
Domestic debt (KSh Bn)	4,917.47	5,050.11	5,235.19	5,410.28	5,809.30	5,868.77	6,126.70
Public & Publicly Guaranteed External debt (USD Bn)	38.27	38.92	39.18	39.77	39.62	39.11	40.51
Public & Publicly Guaranteed External debt (KSh Bn)	5,667.80	6,089.58	5,163.42	5,150.84	5,138.13	5,057.01	5,238.30
Public debt (KSh Bn)	**10,585.27**	**11,139.69**	**10,398.61**	**10,561.12**	**10,947.43**	**10,925.78**	**11,364.99**

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