

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

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A. RESULTS OF 364 DAYS TREASURY BILLS ISSUE NO. 1862 VALUE DATED

13/06/2011

This week the Central Bank of Kenya offered 364-day Treasury Bills for a total of **Kshs 5 Billion**. The total number of bids received was 100 amounting to **Kshs 8.9 Billion**, representing **178%** subscription rate. The interest rates were very high as reflected by the market weighted average rate. It is instructive to note that major investors in this market have pushed the rates to levels that make domestic debt expensive. The Government therefore cannot contract debt at such levels. Bids accepted amounted to **Kshs 281 Million**. The weighted average of accepted bids, which will be applied for non-competitive bids was **10.249%** up from **6.772%** in the previous auction. The other auction statistics are summarised in the table below.

Due Date	11/06/2012
Amount Offered (Kshs. M)	5,000.00
Bids Received (Kshs. M)	8,917.88
Performance Rate (%)	178
Number of Bids Received	100
Number of Successful Bids	32
Amount Accepted (Kshs. M)	280.80
Of which : Competitive bids	181.45
: Non-Competitive bids	99.35
Purpose / Application of Funds:	
Rollover / Redemptions-364 days	3,953.04
Net Repayment	3,672.24
Market Weighted Average Rate	12.333%
Weighted Average Rate of accepted bids	10.249%
Price per Kshs 100 at Weighted Average Rate for accepted bids	90.727

B. COMPARATIVE INTEREST RATES

	This Auction	Last Auction	Variance
Value Dates	13/06/2011	16/05/2011	
Weighted Average Rate of accepted bids	10.249	6.772	3.477 ↑

C. FORTHCOMING 364 DAY TREASURY BILL : ISSUE NO. 1863/364 VALUE DATED 11/07/2011

OFFER AMOUNT (Kshs M) of which:	TO BE ADVISED
Rollover / Redemptions-364 days	-
New Borrowing	

The actual amount to be realised from the auction will be subject to Treasury's immediate liquidity requirements for the week. Where several successful bidders quote a common rate, The Central Bank of Kenya reserves the right to allot bids on a pro-rata basis. The Central Bank reserves the right to accept/reject bids in part or in full without giving any reason. Individual bids must be of a minimum face value of Kshs 100,000.00. Only CDS holders with updated mandates are eligible.

Bids must be submitted using the specified format and must reach the Central Bank (HQ or Branch) by 2.00 p.m. on **Wednesday 6th July 2011**. Payments of Kshs.1 Million and above must be made by electronic transfer using RTGS and by Banker's Cheque for amounts below Kshs.1.Million and must reach the Central Bank on **Monday 11th July 2011** not later than **2.00 p.m.** for Cheques and **3.00p.m.** for RTGS electronic fund transfers. Please provide the following details with each payment: Name, Reference No., CDS account No., and include 'Government Treasury Bills account No. 01-070-0001' when using RTGS.

D. NON-COMPETITIVE BIDS

Non-competitive bids are subject to a maximum of Kshs. 20 Million per investor and are issued at the weighted average of accepted bids.

E. ROLLOVERS

Investors wishing to rollover maturing Treasury Bills can do so by submitting rollover instructions to the Central Bank of Kenya by 2.00 p. m. on Wednesday 6th July 2011.

MARK L. LESIIT
ASSISTANT DIRECTOR, FINANCIAL MARKETS DEPARTMENT
Wednesday, June 08, 2011