

**A. RESULTS OF 91 DAYS TREASURY BILLS ISSUE NO. 1903 VALUE DATED 13/06/2011**

This week the Central Bank of Kenya offered 91 day Treasury Bills for a total of Kshs 2.5 Billion. The total number of bids received was 430 amounting to Kshs. 21.9 Billion, representing an oversubscription of 875%, out of which competitive Bids accounted for Kshs 20.9 Billion. Bids accepted amounted to Kshs. 17.14 Billion, out of which Kshs 16.18 Billion were competitive. The market weighted average rate was 9.248%, while the weighted average rate of accepted bids, which will be applied for non-competitive bids, was 9.016% up from 8.798% in the previous auction. The other auction statistics are summarised in the table below.

Due Date	12/09/2011
Amount Offered (Kshs. M)	2,500.00
Bids Received (Kshs. M)	21,864.04
Performance Rate (%)	875
Number of Bids Received	430
Number of accepted Bids	307
Amount Accepted (Kshs. M)	17,143.33
Of which : Competitive bids	16,180.09
: Non-Competitive bids	963.25
<b>Purpose / Application of Funds:</b>	
Rollover / Redemptions-91 days	1,710.15
Rollover / Redemptions-182 days	2,058.45
<b>Total Redemptions</b>	<b>3,768.60</b>
New Borrowing	13,374.73
Market Weighted Average Rate	9.248%
Weighted Average Rate of accepted bids	9.016%
Price per Kshs 100 at Weighted Average Rate for accepted bids	97.802

**B. COMPARATIVE INTEREST RATES**

	This Auction	Last Auction	Variance
Value Dates	13/06/2011	06/06/2011	
Weighted Average Rate of Accepted bids (%)	9.016	8.798	0.218 ↑

**C. NEXT WEEK'S TREASURY BILLS AUCTION: ISSUE NOS. 1904/91 & 1891/364 VALUE DATED 20/06/2011**

TENOR	91 DAYS	182 DAYS	TOTAL
Offer amount (Kshs. M)	2,000.00	2,500.00	4,500.00
<b>AUCTION DATES &amp; BIDS CLOSURE</b>	16/06/2011	15/06/2011	
<b>RESULTS ANNOUNCEMENT</b>	17/06/2011	16/06/2011	
Redemptions			8,455.16
New Borrowing			3,955.16

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, 15th June 2011 for both the 182 day Treasury Bills and Thursday 16th June 2011 for the 91 day Treasury Bills. Payments above Kshs.1 Million must be made by electronic transfer using RTGS. Payments below Kshs. 1 Million may be made by Banker's Cheque and must reach the Central Bank not later than 2.00 p.m. on Monday 20th June 2011 for Cheques and 3.00 p.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 Suspense A/c 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 15th June 2011.

**MARK L. LESIIT**

**ASST. DIRECTOR, FINANCIAL MARKETS DEPARTMENT**

**Thursday, June 09, 2011**