



# MONTHLY ECONOMIC INDICATORS

SEPTEMBER 2016

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# 1. INFLATION

**TABLE 1.1: MONTHLY TRENDS IN INFLATION (%)**

	<b>Overall 12 months inflation</b>	<b>Food Inflation</b>	<b>Fuel Inflation</b>	<b>Non-Food Non-Fuel Inflation</b>	<b>Average Annual</b>	<b>Three months annualised</b>
<b>2015</b>						
January	5.53	7.38	4.53	3.51	6.74	4.05
February	5.61	8.33	3.32	3.43	6.63	6.16
March	6.31	10.32	2.87	3.16	6.63	9.09
April	7.08	12.54	1.53	3.53	6.69	14.44
May	6.87	12.42	0.28	4.15	6.65	16.06
June	7.03	12.55	0.24	4.63	6.63	12.32
July	6.62	11.42	0.57	4.67	6.54	4.81
August	5.84	9.42	1.09	4.55	6.34	2.31
September	5.97	9.36	1.46	4.68	6.29	2.19
October	6.72	10.60	2.05	4.80	6.31	3.94
November	7.32	11.82	2.27	4.75	6.42	5.25
December	8.01	12.42	2.86	5.64	6.58	8.68
<b>2016</b>						
January	7.78	11.98	2.88	5.47	6.77	8.23
February	6.84	10.28	1.72	5.89	6.87	4.25
March	6.45	9.05	2.14	6.05	6.88	2.95
April	5.27	6.70	1.95	5.85	6.72	4.18
May	5.00	6.45	1.81	5.41	6.56	8.29
June	5.80	8.56	1.43	5.01	6.46	9.58
July	6.40	10.21	0.89	4.89	6.44	9.35
August	6.26	10.31	0.14	4.98	6.47	7.28
September	6.34	10.38	0.19	5.09	6.50	4.30

*Source: Kenya National Bureau of Statistics and Central Bank of Kenya*

**TABLE 1.2: MONTH-ON-MONTH CONTRIBUTION IN OVERALL INFLATION (%)**

	Food & Non-Alcoholic Beverages	Alcoholic Beverages, Tobacco & Narcotics	Clothing & Footwear	Housing, Water, Electricity, Gas and other Fuels	Furnishings, Household Equipment and Routine Household Maintenance	Health	Transport	Communication	Recreation & Culture	Education	Restaurants & Hotels	Miscellaneous Goods & Services	Overall
<b>2015</b>													
January	3.08	0.03	0.29	0.70	0.25	0.13	0.48	- 0.00	0.06	0.12	0.23	0.16	5.53
February	3.49	0.03	0.30	0.56	0.24	0.12	0.30	0.00	0.06	0.10	0.24	0.16	5.61
March	4.41	0.03	0.28	0.49	0.22	0.10	0.24	- 0.00	0.06	0.09	0.23	0.16	6.31
April	5.44	0.04	0.29	0.48	0.24	0.11	- 0.08	0.01	0.06	0.10	0.24	0.16	7.08
May	5.37	0.04	0.31	0.41	0.24	0.14	- 0.33	0.02	0.07	0.10	0.27	0.21	6.87
June	5.43	0.06	0.34	0.36	0.25	0.15	- 0.28	0.03	0.08	0.11	0.27	0.22	7.03
July	4.93	0.07	0.34	0.40	0.24	0.15	- 0.22	0.03	0.08	0.11	0.26	0.22	6.62
August	4.06	0.07	0.33	0.47	0.24	0.15	- 0.16	0.03	0.07	0.11	0.25	0.21	5.84
September	4.04	0.07	0.34	0.53	0.26	0.15	- 0.12	0.03	0.08	0.11	0.27	0.21	5.97
October	4.62	0.08	0.33	0.69	0.28	0.15	- 0.12	0.03	0.07	0.12	0.25	0.22	6.72
November	5.19	0.08	0.32	0.73	0.29	0.15	- 0.10	0.04	0.07	0.12	0.24	0.20	7.32
December	5.44	0.31	0.35	0.83	0.28	0.14	- 0.05	0.04	0.06	0.12	0.27	0.21	8.01
<b>2016</b>													
January	5.23	0.30	0.33	0.78	0.28	0.16	- 0.02	0.03	0.09	0.11	0.28	0.20	7.78
February	4.48	0.29	0.33	0.49	0.27	0.17	- 0.01	0.07	0.10	0.13	0.30	0.22	6.84
March	3.98	0.31	0.33	0.59	0.28	0.16	- 0.01	0.07	0.10	0.13	0.29	0.22	6.45
April	2.95	0.30	0.32	0.57	0.26	0.16	- 0.05	0.07	0.10	0.12	0.27	0.20	5.27
May	2.85	0.30	0.28	0.37	0.25	0.12	0.12	0.06	0.10	0.13	0.26	0.16	5.00
June	3.83	0.29	0.25	0.32	0.22	0.11	0.07	0.05	0.10	0.12	0.28	0.15	5.80
July	4.61	0.29	0.24	0.17	0.21	0.11	0.08	0.05	0.10	0.12	0.26	0.15	6.40
August	4.62	0.29	0.26	0.05	0.22	0.11	0.01	0.05	0.10	0.12	0.27	0.17	6.26
September	4.66	0.30	0.26	0.10	0.22	0.11	- 0.02	0.05	0.10	0.12	0.27	0.17	6.34

Source: Kenya National Bureau of Statistics and Central Bank of Kenya

**TABLE 1.3: OVERALL INFLATION ACROSS INCOME GROUPS (%)**

	<b>Nairobi Upper Income</b>	<b>Nairobi Middle Income</b>	<b>Nairobi Lower Income</b>	<b>Nairobi Combined</b>
<b>2015</b>				
January	2.05	3.22	4.83	4.38
February	1.74	3.23	5.22	4.66
March	1.81	3.24	6.32	5.48
April	1.90	3.39	7.49	6.39
May	1.89	3.76	6.98	6.09
June	1.77	4.63	7.32	6.53
July	2.95	4.22	7.26	6.44
August	2.56	4.34	6.03	5.54
September	2.79	4.84	6.18	5.77
October	3.50	4.87	7.23	6.58
November	3.38	5.03	8.60	7.63
December	4.83	7.09	8.70	8.21
<b>2016</b>				
January	5.44	5.91	7.68	7.22
February	5.51	5.24	6.95	6.53
March	5.21	4.88	6.54	6.13
April	5.76	4.52	5.57	5.35
May	5.02	4.06	6.05	5.58
June	5.00	3.48	7.15	6.28
July	3.95	3.55	7.24	6.33
August	3.35	3.60	7.14	6.24
September	3.74	3.62	7.03	6.17

*Source: Kenya National Bureau of Statistics*

**TABLE 1.4: REGIONAL AND OVERALL INFLATION (%)**

	<b>Nairobi</b>	<b>Rest of Kenya</b>	<b>Kenya</b>
<b>2015</b>			
January	4.38	6.32	5.53
February	4.66	6.26	5.61
March	5.48	6.88	6.31
April	6.39	7.55	7.08
May	6.09	7.39	6.87
June	6.53	7.38	7.03
July	6.44	6.75	6.62
August	5.54	6.05	5.84
September	5.77	6.10	5.97
October	6.58	6.82	6.72
November	7.63	7.12	7.32
December	8.21	7.87	8.01
<b>2016</b>			
January	7.22	8.16	7.78
February	6.53	7.05	6.84
March	6.13	6.67	6.45
April	5.35	5.22	5.27
May	5.58	4.61	5.00
June	6.28	5.48	5.80
July	6.33	6.44	6.40
August	6.24	6.27	6.26
September	6.17	6.45	6.34

*Source: Kenya National Bureau of Statistics*

## 2. MONEY, CREDIT AND INTEREST RATES

**TABLE 2.1: MONEY SUPPLY AND ITS SOURCES (KSH BILLION)**

COMPONENTS OF M3	2015					2016								
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>1. Money supply, M1 (1.1+1.2+1.3)</b>	<b>1015.3</b>	<b>979.8</b>	<b>1022.9</b>	<b>1026.0</b>	<b>1023.7</b>	<b>1044.5</b>	<b>1039.7</b>	<b>1076.8</b>	<b>1101.1</b>	<b>1113.8</b>	<b>1131.3</b>	<b>1107.6</b>	<b>1112.4</b>	<b>1236.7</b>
1.1 Currency outside banks	179.3	174.9	181.8	182.3	191.0	183.0	183.2	183.4	190.1	181.9	187.9	191.3	189.2	186.6
1.2 Demand deposits	776.1	756.1	784.4	781.1	771.7	808.2	812.1	839.0	853.1	859.5	878.9	852.1	844.3	977.8
1.3 Other deposits at CBK <sup>1</sup>	59.7	48.5	56.4	62.3	60.7	53.1	44.1	54.1	57.6	72.1	64.3	63.9	78.6	71.9
<b>2. Money supply, M2 (1+2.1)</b>	<b>2161.1</b>	<b>2133.4</b>	<b>2182.3</b>	<b>2191.7</b>	<b>2234.8</b>	<b>2202.1</b>	<b>2231.2</b>	<b>2262.7</b>	<b>2286.0</b>	<b>2298.5</b>	<b>2330.7</b>	<b>2296.9</b>	<b>2304.4</b>	<b>2320.8</b>
2.1 Time and saving deposits	1145.8	1153.6	1159.4	1165.7	1211.1	1157.5	1191.5	1185.9	1185.0	1184.7	1199.4	1189.2	1192.0	1084.1
<b>3. Money supply, M3 (2+3.1)</b>	<b>2569.9</b>	<b>2556.0</b>	<b>2574.7</b>	<b>2604.5</b>	<b>2658.2</b>	<b>2613.7</b>	<b>2627.4</b>	<b>2662.6</b>	<b>2691.7</b>	<b>2708.8</b>	<b>2753.6</b>	<b>2713.0</b>	<b>2739.0</b>	<b>2761.8</b>
3.1 Foreign Currency Deposits	408.8	422.7	392.4	412.8	423.4	411.6	396.2	399.9	405.7	410.3	422.8	416.1	434.6	441.0
<b>SOURCES OF M3</b>														
<b>1. Net foreign assets <sup>2</sup></b>	<b>404.7</b>	<b>389.3</b>	<b>436.6</b>	<b>445.9</b>	<b>491.5</b>	<b>473.2</b>	<b>456.9</b>	<b>471.4</b>	<b>502.8</b>	<b>509.1</b>	<b>558.4</b>	<b>554.0</b>	<b>575.5</b>	<b>591.9</b>
Central Bank	557.7	529.3	590.5	580.6	621.4	615.1	619.1	640.8	664.8	664.6	690.4	683.2	681.5	687.2
Banking Institutions	-153.0	-139.9	-153.9	-134.7	-129.9	-141.9	-162.2	-169.3	-162.0	-155.5	-132.0	-129.3	-106.0	-95.3
<b>2. Net domestic assets (2.1+2.2)</b>	<b>2165.1</b>	<b>2166.7</b>	<b>2138.2</b>	<b>2158.6</b>	<b>2166.7</b>	<b>2140.5</b>	<b>2170.6</b>	<b>2191.2</b>	<b>2188.9</b>	<b>2199.6</b>	<b>2195.2</b>	<b>2159.0</b>	<b>2163.5</b>	<b>2169.9</b>
<b>2.1 Domestic credit</b>	<b>2775.5</b>	<b>2785.3</b>	<b>2776.8</b>	<b>2818.9</b>	<b>2793.9</b>	<b>2774.0</b>	<b>2841.3</b>	<b>2823.7</b>	<b>2816.3</b>	<b>2853.1</b>	<b>2856.5</b>	<b>2827.6</b>	<b>2822.6</b>	<b>2851.8</b>
2.1.1 Government (net)	579.5	553.3	543.4	567.3	524.0	501.0	569.1	543.6	530.0	561.6	560.8	516.7	511.1	517.3
2.1.2 Private sector	2145.7	2180.3	2183.0	2200.7	2220.0	2223.3	2222.5	2230.6	2237.7	2243.1	2245.3	2258.5	2260.6	2283.9
2.1.3 Other public sector	50.2	51.8	50.4	50.9	49.8	49.6	49.7	49.4	48.6	48.4	50.5	52.4	50.9	50.6
<b>2.2 Other assets net</b>	<b>-610.3</b>	<b>-618.6</b>	<b>-638.6</b>	<b>-660.4</b>	<b>-627.2</b>	<b>-633.4</b>	<b>-670.8</b>	<b>-632.5</b>	<b>-627.4</b>	<b>-653.5</b>	<b>-661.3</b>	<b>-668.6</b>	<b>-659.1</b>	<b>-681.8</b>
<b>Memorandum items</b>														
<i>Memorandum items</i>														
2. Reserve money	367.5	376.7	433.9	391.1	392.4	381.9	383.9	401.9	385.0	390.4	390.1	399.7	392.6	392.8
Bank reserves	188.2	201.8	252.1	208.7	201.5	198.9	200.6	218.5	194.9	208.5	202.2	208.4	203.5	206.2
<b>4. Overall liquidity, L (3+4.1)</b>	<b>3252.0</b>	<b>3231.6</b>	<b>3284.7</b>	<b>3331.8</b>	<b>3390.8</b>	<b>3350.9</b>	<b>3380.3</b>	<b>3430.1</b>	<b>3470.7</b>	<b>3514.7</b>	<b>3589.7</b>	<b>3568.3</b>	<b>3604.4</b>	<b>3634.6</b>
4.1 Non-bank holdings of government securities	682.2	675.6	710.0	727.3	732.7	737.2	752.8	767.5	779.0	805.9	836.1	855.3	865.5	872.8
<b>ANNUAL GROWTH RATE (%)</b>														
COMPONENTS OF M3	2015					2016								
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>1. Money supply, M1 (1.1+1.2+1.3)</b>	<b>10.5</b>	<b>8.5</b>	<b>11.7</b>	<b>9.1</b>	<b>9.3</b>	<b>11.2</b>	<b>9.8</b>	<b>10.9</b>	<b>10.1</b>	<b>12.4</b>	<b>13.0</b>	<b>8.9</b>	<b>9.6</b>	<b>26.2</b>
1.1 Currency outside banks	9.3	10.8	11.4	9.2	10.2	7.6	6.7	7.0	9.2	3.9	7.2	5.6	5.5	6.7
1.2 Demand deposits	16.9	12.9	13.7	10.8	9.1	14.9	12.6	12.7	13.2	13.6	13.4	10.9	8.8	29.3
1.3 Other deposits at CBK <sup>1</sup>	-34.1	-35.6	-9.8	-8.6	9.5	-19.2	-17.8	-1.7	-19.9	21.8	28.1	-4.7	31.7	48.2
<b>2. Money supply, M2 (1+2.1)</b>	<b>14.3</b>	<b>12.7</b>	<b>14.0</b>	<b>12.2</b>	<b>12.8</b>	<b>10.8</b>	<b>9.8</b>	<b>10.5</b>	<b>9.5</b>	<b>9.5</b>	<b>8.9</b>	<b>7.2</b>	<b>6.6</b>	<b>8.8</b>
2.1 Time and saving deposits	17.0	16.1	15.6	14.7	15.3	9.8	9.3	10.3	9.0	6.9	5.3	5.7	4.0	-6.0
<b>3. Money supply, M3 (2+3.1)</b>	<b>14.0</b>	<b>13.5</b>	<b>13.9</b>	<b>13.5</b>	<b>14.1</b>	<b>11.2</b>	<b>9.1</b>	<b>11.0</b>	<b>9.2</b>	<b>8.3</b>	<b>7.9</b>	<b>6.4</b>	<b>6.6</b>	<b>8.1</b>
3.1 Foreign Currency Deposits	12.9	17.9	13.6	20.8	21.6	13.4	5.3	13.6	7.5	1.9	2.3	2.3	6.3	4.3
<b>COUNTERPARTS OF M3</b>														
<b>1. Net foreign assets <sup>2</sup></b>	<b>-15.9</b>	<b>-12.8</b>	<b>4.4</b>	<b>6.4</b>	<b>2.5</b>	<b>0.2</b>	<b>-6.1</b>	<b>2.0</b>	<b>7.8</b>	<b>13.8</b>	<b>28.2</b>	<b>34.2</b>	<b>42.2</b>	<b>52.0</b>
1.1 Central Bank	0.3	-4.2	10.6	9.9	5.5	8.3	7.7	12.5	18.2	17.2	22.2	22.4	22.2	29.8
1.2 Banking Institutions	104.6	32.4	33.1	23.1	19.0	48.4	84.0	57.3	68.2	29.9	1.9	-10.9	-30.7	-31.9
<b>2. Net domestic assets (2.1+2.2)</b>	<b>22.2</b>	<b>20.0</b>	<b>16.1</b>	<b>15.1</b>	<b>17.1</b>	<b>13.9</b>	<b>13.0</b>	<b>13.1</b>	<b>9.5</b>	<b>7.1</b>	<b>3.7</b>	<b>1.1</b>	<b>-0.1</b>	<b>0.1</b>
<b>2.1 Domestic credit</b>	<b>26.9</b>	<b>23.3</b>	<b>22.0</b>	<b>20.4</b>	<b>20.8</b>	<b>18.9</b>	<b>17.6</b>	<b>15.5</b>	<b>13.0</b>	<b>11.5</b>	<b>8.2</b>	<b>3.8</b>	<b>1.7</b>	<b>2.4</b>
2.1.1 Government (net)	55.5	38.3	36.6	30.3	38.2	29.8	24.7	15.7	11.0	14.7	7.4	-8.7	-11.8	-6.5
2.1.2 Private sector	21.0	20.8	19.5	18.7	18.0	17.0	16.0	15.5	13.5	11.1	8.6	7.1	5.4	4.8
2.1.3 Other public sector	21.7	-5.9	-3.5	-2.3	-4.3	5.3	13.6	12.7	11.1	-2.1	4.0	7.2	1.3	-2.2
<b>2.2 Other assets net</b>	<b>46.8</b>	<b>36.2</b>	<b>47.2</b>	<b>42.1</b>	<b>35.8</b>	<b>39.5</b>	<b>35.6</b>	<b>24.6</b>	<b>27.0</b>	<b>29.5</b>	<b>26.8</b>	<b>13.7</b>	<b>8.0</b>	<b>10.2</b>
<b>Memorandum items</b>														
<i>Memorandum items</i>														
2. Reserve money	2.9	16.7	24.5	19.8	3.4	9.1	9.2	16.1	9.0	7.6	4.9	4.3	6.8	4.3
Bank reserves	-2.5	22.4	36.0	30.9	-2.4	10.5	11.5	24.9	8.9	11.1	2.8	3.1	8.1	2.2
<b>4. Overall liquidity, L (3+4.1)</b>	<b>12.9</b>	<b>12.6</b>	<b>14.1</b>	<b>14.0</b>	<b>15.0</b>	<b>12.3</b>	<b>11.5</b>	<b>13.0</b>	<b>12.0</b>	<b>11.9</b>	<b>12.3</b>	<b>10.3</b>	<b>10.8</b>	<b>12.5</b>
4.1 Non-bank holdings of government securities	8.8	9.1	14.5	15.7	18.3	16.5	20.5	20.7	22.9	26.3	29.9	24.9	26.9	29.2

Absolute and percentage changes may not necessarily add up due to rounding

<sup>1</sup> Includes county deposits and special projects deposit

<sup>2</sup> Net Foreign Assets at current exchange rate to the US dollar.

Source: Central Bank of Kenya

**TABLE 2.2: BANKING SYSTEM NET DOMESTIC CREDIT (KSH BILLION)**

	2015				2016								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>1. Credit to Government</b>	<b>553.3</b>	<b>543.4</b>	<b>567.3</b>	<b>524.0</b>	<b>501.0</b>	<b>569.1</b>	<b>543.6</b>	<b>530.0</b>	<b>561.6</b>	<b>560.8</b>	<b>516.7</b>	<b>511.1</b>	<b>517.3</b>
Central Bank	46.7	-12.8	-9.1	-43.6	-61.7	-46.7	-80.8	-108.9	-115.3	-154.7	-184.2	-179.4	-189.9
Commercial Banks & NBFIs	506.6	556.2	576.4	567.7	562.7	615.8	624.4	638.8	677.0	715.5	700.9	690.5	707.2
<b>2. Credit to other public sector</b>	<b>51.8</b>	<b>50.4</b>	<b>50.9</b>	<b>49.8</b>	<b>49.6</b>	<b>49.7</b>	<b>49.4</b>	<b>48.6</b>	<b>48.4</b>	<b>50.5</b>	<b>52.4</b>	<b>50.9</b>	<b>50.6</b>
County government	1.2	1.2	1.2	1.1	1.0	0.8	0.8	0.8	1.0	0.1	0.9	1.0	0.9
Parastatals	50.6	49.2	49.7	48.7	48.6	48.9	48.7	47.8	47.4	50.3	51.5	49.9	49.7
<b>3. Credit to private sector</b>	<b>2,180.3</b>	<b>2,183.0</b>	<b>2,200.7</b>	<b>2,220.0</b>	<b>2,223.3</b>	<b>2,222.5</b>	<b>2,230.6</b>	<b>2,237.7</b>	<b>2,243.1</b>	<b>2,245.3</b>	<b>2,258.5</b>	<b>2,260.6</b>	<b>2,283.9</b>
Agriculture	89.0	85.8	89.1	85.9	94.1	95.4	94.6	93.3	97.1	97.8	98.6	95.5	95.0
Manufacturing	278.9	281.3	290.9	290.1	295.3	299.9	304.5	303.0	303.5	306.0	309.2	279.9	280.1
Trade	377.2	371.5	307.8	378.0	321.4	322.9	326.9	338.1	333.6	331.0	334.8	348.5	357.2
Building and construction	100.8	108.5	111.0	106.3	105.7	98.1	100.9	102.0	100.7	101.5	101.0	104.4	104.8
Transport & communications	159.0	162.5	179.6	171.6	186.0	184.7	183.2	184.2	182.5	183.0	185.7	193.8	195.4
Finance & insurance	56.9	56.7	82.6	61.0	84.4	86.0	84.8	88.3	87.4	88.7	92.3	86.6	89.9
Real estate	279.2	277.5	306.1	282.6	308.1	310.4	313.0	319.5	318.2	323.2	319.8	326.2	329.6
Mining and quarrying	24.3	23.2	21.6	20.8	20.3	21.3	22.7	22.6	23.9	23.6	24.1	16.2	16.1
Private households	361.9	361.2	351.0	363.9	355.1	355.8	357.9	359.9	358.8	358.3	354.2	374.6	387.6
Consumer durables	128.9	129.0	125.4	128.5	126.5	125.7	125.6	123.8	123.4	125.1	126.7	136.6	133.0
Business services	198.8	201.2	185.9	204.9	184.5	186.3	188.0	180.6	189.7	183.7	184.1	170.8	171.1
Other activities	125.5	124.6	149.7	126.4	141.9	135.9	128.7	122.5	124.3	123.3	128.0	127.6	124.1
<b>4. TOTAL (1+2+3)</b>	<b>2,785.3</b>	<b>2,776.8</b>	<b>2,818.9</b>	<b>2,793.9</b>	<b>2,774.0</b>	<b>2,841.3</b>	<b>2,823.7</b>	<b>2,816.3</b>	<b>2,853.1</b>	<b>2,856.5</b>	<b>2,827.6</b>	<b>2,822.6</b>	<b>2,851.8</b>
	<b>ANNUAL GROWTH RATE (%)</b>												
	2015				2016								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>1. Credit to Government</b>	<b>38.3</b>	<b>36.6</b>	<b>30.3</b>	<b>38.2</b>	<b>29.8</b>	<b>24.7</b>	<b>15.7</b>	<b>11.0</b>	<b>14.7</b>	<b>7.4</b>	<b>-8.7</b>	<b>-11.8</b>	<b>-6.5</b>
Central Bank	-199.2	-75.6	-83.2	-52.6	-41.5	-12.4	31.9	53.9	95.1	570.1	-759.9	-443.9	-507.0
Commercial Banks & NBFIs	13.3	23.5	17.8	20.4	14.5	20.8	17.6	16.5	23.4	31.3	30.3	30.9	39.6
<b>2. Credit to other public sector</b>	<b>-5.9</b>	<b>-3.5</b>	<b>-2.3</b>	<b>-4.3</b>	<b>5.3</b>	<b>13.6</b>	<b>12.7</b>	<b>11.1</b>	<b>-2.1</b>	<b>4.0</b>	<b>7.2</b>	<b>1.3</b>	<b>-2.2</b>
Local government	697.7	714.1	705.6	313.8	197.3	356.1	341.2	372.7	223.6	-60.5	124.4	-15.5	-22.3
Parastatals	-7.9	-5.6	-4.4	-6.1	3.8	12.3	11.5	9.7	-3.5	4.3	6.3	1.7	-1.8
<b>3. Credit to private sector</b>	<b>20.8</b>	<b>19.5</b>	<b>18.7</b>	<b>18.0</b>	<b>17.0</b>	<b>16.0</b>	<b>15.5</b>	<b>13.5</b>	<b>11.1</b>	<b>8.6</b>	<b>7.1</b>	<b>5.4</b>	<b>4.8</b>
Agriculture	21.4	17.2	12.5	14.6	20.1	23.5	26.8	23.5	28.3	20.9	12.2	5.8	6.7
Manufacturing	19.3	20.2	20.8	22.2	16.1	18.8	24.4	18.3	15.1	16.1	15.7	2.2	0.4
Trade	29.7	23.6	22.2	23.2	25.9	23.1	1.6	0.9	-2.1	-7.3	-7.4	-5.5	-5.3
Building and construction	27.9	37.6	34.0	32.2	25.0	20.0	26.5	26.2	19.3	15.9	12.8	11.2	4.0
Transport & communications	29.0	32.1	32.3	31.7	28.9	26.3	30.8	28.5	25.5	22.8	21.7	26.3	22.9
Finance & insurance	45.7	26.4	28.5	21.2	19.4	18.0	64.2	70.1	58.7	59.3	65.3	48.5	58.0
Real estate	12.5	9.8	10.6	7.6	6.2	7.4	22.8	23.5	17.7	20.2	17.0	18.3	18.1
Mining and quarrying	-5.4	-15.5	-22.8	-11.3	-9.3	1.7	12.5	5.3	3.2	-1.6	-4.5	-32.8	-33.6
Private households	26.6	18.2	16.7	13.8	15.1	12.7	7.3	7.3	5.1	2.6	0.1	4.0	7.1
Consumer durables	19.0	18.0	15.3	14.3	16.0	13.2	11.7	9.1	9.3	-0.1	0.0	6.4	3.2
Business services	15.9	24.1	19.3	20.9	17.8	19.6	3.6	-2.2	1.6	-2.3	-5.2	-13.5	-13.9
Other activities	-0.9	8.6	14.6	11.9	8.2	-0.4	11.3	7.1	3.5	3.3	5.6	5.2	-1.1
<b>4. TOTAL (1+2+3)</b>	<b>23.3</b>	<b>22.0</b>	<b>20.4</b>	<b>20.8</b>	<b>18.9</b>	<b>17.6</b>	<b>15.5</b>	<b>13.0</b>	<b>11.5</b>	<b>8.2</b>	<b>3.8</b>	<b>1.7</b>	<b>2.4</b>

Source: Central Bank of Kenya



**TABLE 2.3: INTEREST RATES (%)<sup>1</sup>**

	CBK Rates					Government Tbill Rates			Commercial bank rates				
	Repo		Interbank	CBR	CRR	KBRR	91-days	182 days	364 days	Deposit	Savings	Lending	Overdraft
	7 days	3 days											
<b>2015</b>													
January	8.09		7.12	8.50	5.25	8.54	8.59	10.19	10.73	6.65	1.58	15.93	15.95
February	7.87		6.77	8.50	5.25	8.54	8.59	10.37	10.96	6.68	1.53	15.47	15.67
March	8.08		6.85	8.50	5.25	8.54	8.49	10.35	10.69	6.63	1.53	15.46	15.68
April	8.38		8.77	8.50	5.25	8.54	8.42	10.26	10.57	6.60	1.90	15.40	15.52
May	8.50		11.17	8.50	5.25	8.54	8.26	10.37	10.77	6.55	1.48	15.26	15.10
June	9.70		11.78	10.00	5.25	8.54	8.26	10.55	10.98	6.64	1.85	16.06	15.67
July	10.61		12.89	11.50	5.25	9.87	10.57	11.99	11.93	6.31	1.37	15.75	16.05
August	11.50	11.50	18.80	11.50	5.25	9.87	11.54	12.06	13.30	6.91	1.50	15.68	15.98
September	11.50	11.50	19.85	11.50	5.25	9.87	14.61	13.40	15.24	7.28	1.71	16.82	16.61
October	11.50	11.50	14.82	11.50	5.25	9.87	21.65	21.52	21.61	7.54	1.68	16.58	16.81
November			8.77	11.50	5.25	9.87	12.34	14.02	15.20	7.39	1.32	17.16	17.44
December	9.23	8.00	7.27	11.50	5.25	9.87	9.81	11.43	12.50	8.02	1.56	18.30	18.48
<b>2016</b>													
January	8.85	-	6.12	11.50	5.25	9.87	11.36	13.46	14.08	7.54	1.56	17.96	18.25
February	9.68	3.50	4.54	11.50	5.25	9.87	10.63	13.19	13.74	7.51	1.37	17.86	18.25
March	4.31	-	4.10	11.50	5.25	9.87	8.72	10.83	12.26	7.17	1.32	17.79	18.06
April	5.23	-	4.01	11.50	5.25	9.87	8.92	10.87	11.84	6.70	1.38	17.94	18.36
May	6.00	-	3.82	10.50	5.25	9.87	8.15	10.25	11.60	6.38	1.69	18.08	18.25
June	10.04	-	4.56	10.50	5.25	9.87	7.25	9.56	10.84	6.78	1.60	18.15	18.04
July	9.76	4.14	5.88	10.50	5.25	8.90	6.16	9.79	10.88	6.64	1.67	18.10	17.53
August	7.86	-	4.98	10.50	5.25	8.90	8.48	10.84	11.66	6.42	1.68	17.71	17.96
September			4.47	10.00	5.25	8.90	8.06	10.85	11.03	6.91	3.79	13.84	13.60

**CBR** Central Bank Rate

**KBRR** Kenya Bank's Reference Rate

**CRR** Cash reserve ratio

**REPO** Repurchase Agreement

<sup>1</sup> Monthly weighted average

*Source: Central Bank of Kenya and Commercial Banks*

### 3. REAL SECTOR INDICATORS

TABLE 3.1: SELECTED INDICATORS OF ECONOMIC ACTIVITY

Source	2015												2016											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep			
<b>Agriculture</b>																								
<b>Horticulture, exports ('000 tonnes)</b>	<b>26</b>	<b>25</b>	<b>26</b>	<b>20</b>	<b>22</b>	<b>25</b>	<b>37</b>	<b>38</b>	<b>25</b>	<b>25</b>	<b>19</b>	<b>22</b>	<b>34</b>	<b>36</b>	<b>42</b>	<b>40</b>	<b>28</b>	<b>23</b>	<b>25</b>	<b>30</b>	<b>29</b>			
Fresh vegetables	9	8	8	6	6	14	18	16	13	10	8	9	19	21	20	20	9	9	11	16	15			
Fruits and nuts	5	5	6	6	7	6	10	7	4	3	3	4	5	5	9	10	8	5	6	6	4			
Cut flowers	12	12	12	9	9	4	9	15	9	12	8	9	11	10	13	10	12	8	8	8	10			
<b>Horticulture, exports (KSh Millions)</b>	<b>5,513</b>	<b>6,401</b>	<b>6,249</b>	<b>4,731</b>	<b>5,684</b>	<b>4,628</b>	<b>7,993</b>	<b>9,574</b>	<b>6,321</b>	<b>7,014</b>	<b>5,247</b>	<b>5,352</b>	<b>7,265</b>	<b>6,966</b>	<b>8,623</b>	<b>7,604</b>	<b>7,107</b>	<b>6,039</b>	<b>6,259</b>	<b>6,616</b>	<b>6,821</b>			
Fresh vegetables	1,647	1,544	1,629	1,310	1,537	1,866	2,951	2,857	2,093	2,069	1,924	1,792	2,957	2,580	2,763	2,695	1,787	1,747	1,847	2,064	2,049			
Fruits and nuts	512	615	717	805	1,245	1,300	2,117	1,716	1,085	874	658	686	771	736	1,296	1,451	1,453	1,331	1,542	1,774	1,245			
Cut flowers	3,354	4,241	3,903	2,615	2,902	1,462	2,925	5,000	3,144	4,071	2,665	2,875	3,536	3,651	4,564	3,458	3,868	2,962	2,869	2,778	3,527			
Tea, production (tonnes)	41,653	24,276	15,688	23,837	37,523	32,286	30,942	28,410	36,484	41,343	40,382	46,387	50,308	43,969	45,330	37,571	36,573	35,603	29,285	29,462	N/A			
Coffee, sales (tonnes)	2,795	4,838	5,570	3,713	2,966	0*	2,086	3,286	2,643	1,768	1,268	1,282	3,432	5,220	6,835	4,513	4,735	1,747	568.89**	3,723	3,284			
Cane, deliveries ('000 tonnes)	647	585	645	521	529	544	559	586	619	551	497	566	646	609	748	577	521	633	638	N/A	N/A			
Milk intake, formal sector (million litres)	57	38	36	36	53	51	51	52	56	55	68	59	57	53	49	54	50	48	59	56	N/A			
<b>Manufacturing</b>																								
Cement, production (tonnes)	511,298	465,471	550,556	537,452	516,513	516,185	570,904	553,929	561,235	557,589	510,747	486,306	532,729	533,773	540,792	535,147	546,899	536,471	540,192	552,559	N/A			
Assembled vehicles, production (units)	601	949	922	813	827	745	757	931	1,029	1,139	972	496	363	587	650	658	642	482	491	605	N/A			
Sugar, production (tonnes)	63,227	57,917	63,389	46,280	44,081	46,098	47,957	54,089	61,069	56,360	43,401	48,089	64,498	59,863	65,909	48,800	45,122	53,843	56,861	N/A	N/A			
Soft drinks, production (million litres)	45,282	40,021	50,388	39,699	40,185	35,381	38,720	34,994	44,450	42,226	39,297	44,467	37,597	37,778	43,454	37,244	34,935	38,801	35,769	39,316	N/A			
<b>Electricity</b>																								
<b>Electricity, generation (million KWH)</b>	<b>776</b>	<b>703</b>	<b>757</b>	<b>744</b>	<b>784</b>	<b>769</b>	<b>801</b>	<b>808</b>	<b>794</b>	<b>812</b>	<b>782</b>	<b>786</b>	<b>808</b>	<b>784</b>	<b>830</b>	<b>800</b>	<b>830</b>	<b>803</b>	<b>840</b>	<b>846</b>	<b>821</b>			
Hydro	278	230	246	264	301	297	305	319	306	310	300	307	322	297	335	303	334	348	337	364	349			
Geo-thermal	388	352	377	359	380	362	353	378	389	402	393	387	392	392	383	394	403	342	393	345	335			
Thermal	109	121	134	121	103	109	143	112	99	100	89	92	93	95	112	102	92	113	110	138	137			
<b>Construction</b>																								
Cement, consumption (tonnes)	459,227	417,591	483,218	480,801	472,675	465,828	451,461	478,011	518,435	530,913	480,641	455,345	471,457	508,874	492,764	505,012	512,471	478,452	509,895	520,713	N/A			
Electricity, consumption (million KWH)	643	654	646	704	879	643	618	705	755	695	672	665	710	673	713	708	736	751	704	729	680			
<b>Transport and Storage</b>																								
Petroleum consumption ('000 MT)	362	349	399	371	349	392	374	366	373	385	350	371	383	413	445	422	408	465	572	609	N/A			
<b>Visitor arrivals (Actual no.)</b>	<b>50,953</b>	<b>53,053</b>	<b>73,079</b>	<b>53,953</b>	<b>53,275</b>	<b>63,146</b>	<b>78,243</b>	<b>70,878</b>	<b>59,276</b>	<b>72,490</b>	<b>61,340</b>	<b>59,085</b>	<b>74,838</b>	<b>72,839</b>	<b>58,547</b>	<b>55,180</b>	<b>62,872</b>	<b>68,633</b>	<b>89,561</b>	<b>96,958</b>	<b>75,630</b>			
JKIA - Nairobi	40,846	45,171	66,121	49,933	50,764	59,867	72,515	63,332	54,162	66,441	53,622	50,015	65,431	62,856	49,996	51,311	59,294	64,451	81,729	87,141	67,249			
MIA - Mombasa	10,107	7,882	6,958	4,020	2,511	3,279	5,728	7,546	5,114	6,049	7,718	9,070	9,407	9,983	8,551	3,869	3,578	4,182	7,832	9,817	8,381			
<b>Fuel Prices (Average Retail)</b>																								
Crude oil price (US\$ per barrel)	46	57	56	61	66	64	58	49	47	47	44	37	30	33	38	42	47	49	45	46	46			
Premium fuel (KSh per Litre)	94	86	90	90	94	98	99	104	103	94	91	91	90	87	86	82	85	87	94	96	92			
Diesel Oil (KSh per Litre)	84	76	77	78	80	84	86	84	81	83	81	79	78	69	67	67	71	75	84	85	83			
Kerosene (KSh per Litre)	67	53	57	58	60	63	64	59	54	57	56	54	47	41	43	45	48	59	62	63	60			
L.P.G (KSh per 13Kg)	2,954	2,847	2,630	2,530	2,425	2,387	2,376	2,375	2,394	2,401	2,387	2,369	2,344	2,318	2,277	2,268	2,253	2,231	2,098	2,079	2,029			
Charcoal (KSh per 4Kg tin)	73	73	73	75	76	76	78	78	78	78	78	78	79	79	78	79	79	79	79	79	79			

\*The Nairobi Coffee Exchange was in recess in June 2015.

\*\*The Nairobi Coffee Exchange was in recess in June/July 2016.

N/A Data not available

Source: Kenya National Bureau of Statistics

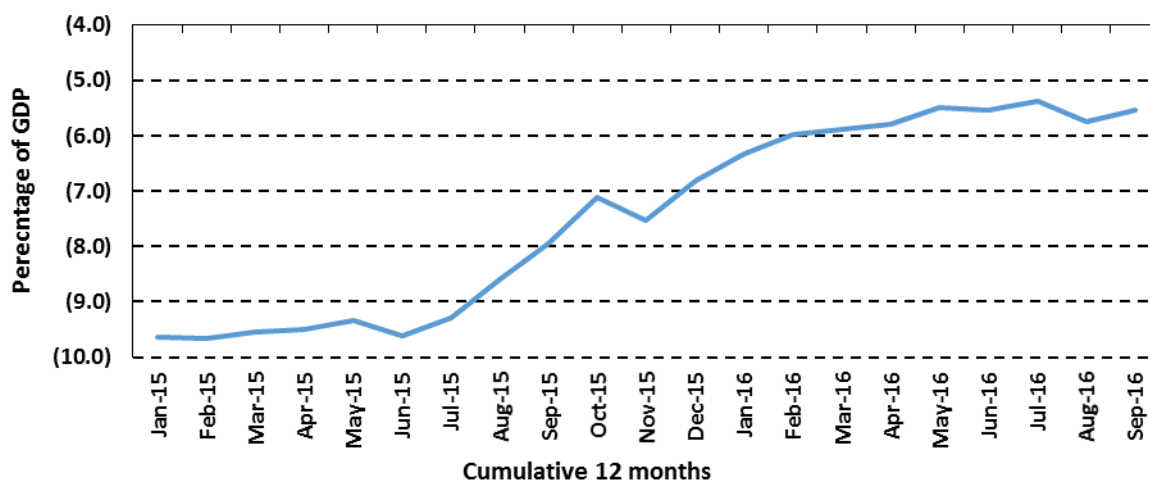
## 4. BALANCE OF PAYMENTS AND EXTERNAL SECTOR INDICATORS

**TABLE 4.1: ANALYTICAL BALANCE OF PAYMENTS STATEMENT MONTHLY FLOWS (USD MILLIONS)**

Cumulative 12 months BPM6 Concept	2015				2016								
	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16
<b>A. Current Account, n.i.e.</b>	<b>-4,878.9</b>	<b>-4,361.7</b>	<b>-4,629.9</b>	<b>-4,324.8</b>	<b>-4,017.1</b>	<b>-3,794.7</b>	<b>-3,735.2</b>	<b>-3,679.0</b>	<b>-3,485.8</b>	<b>-3,533.2</b>	<b>-3,435.9</b>	<b>-3,696.4</b>	<b>-3,581.4</b>
Goods: exports f.o.b.	5,951.8	5,956.1	5,947.4	5,982.2	6,000.8	6,047.5	6,059.5	6,092.7	6,110.6	6,100.5	5,987.3	5,913.1	5,894.7
Goods: imports f.o.b.	16,080.0	15,575.1	15,845.4	15,562.6	15,208.3	14,964.0	14,835.2	14,667.9	14,320.7	14,254.3	13,981.2	14,048.8	13,948.2
Services: credit	4,620.8	4,589.2	4,547.2	4,495.6	4,446.5	4,458.4	4,413.7	4,357.4	4,245.7	4,198.0	4,221.2	4,174.4	4,231.3
Services: debit	2,306.4	2,256.9	2,219.7	2,166.6	2,195.7	2,270.2	2,330.5	2,395.1	2,465.1	2,543.9	2,604.4	2,706.3	2,806.5
Balance on goods and services	-7,813.8	-7,286.7	-7,570.6	-7,251.3	-6,956.6	-6,728.4	-6,692.4	-6,612.9	-6,429.4	-6,499.6	-6,377.2	-6,667.5	-6,628.7
Primary income: credit	308.5	310.7	310.1	310.0	316.4	318.6	324.0	327.5	332.2	336.0	341.2	344.8	349.0
Primary income: debit	771.9	781.1	800.3	815.5	810.5	812.0	814.8	810.1	791.8	776.5	774.6	768.4	768.3
Balance on goods, services, and primary income	-8,277.1	-7,757.1	-8,060.8	-7,756.8	-7,450.7	-7,221.8	-7,183.2	-7,095.5	-6,889.0	-6,940.1	-6,810.5	-7,091.1	-7,048.0
Secondary income, n. i. e.: credit	3,463.0	3,460.2	3,495.4	3,495.7	3,496.2	3,492.0	3,513.5	3,477.7	3,461.8	3,463.9	3,429.9	3,448.0	3,517.6
Secondary income: debit	64.9	64.8	64.5	63.6	62.6	64.8	65.4	61.3	58.5	56.9	55.3	53.3	51.0
<b>B. Capital Account, n.i.e.</b>	<b>269.3</b>	<b>239.6</b>	<b>252.2</b>	<b>256.9</b>	<b>282.6</b>	<b>283.4</b>	<b>295.0</b>	<b>300.6</b>	<b>301.9</b>	<b>270.7</b>	<b>270.1</b>	<b>266.5</b>	<b>256.2</b>
Capital account, n.i.e.: credit	269.3	239.6	252.2	256.9	282.6	283.4	295.0	300.6	301.9	270.7	270.1	266.5	256.2
Capital account: debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>C. Financial Account, n.i.e.</b>	<b>-5,274.5</b>	<b>-5,708.4</b>	<b>-5,677.6</b>	<b>-5,070.2</b>	<b>-5,529.6</b>	<b>-5,966.2</b>	<b>-5,312.2</b>	<b>-5,388.1</b>	<b>-5,344.7</b>	<b>-5,831.0</b>	<b>-6,014.4</b>	<b>-5,961.9</b>	<b>-6,591.0</b>
Direct investment: assets	380.0	386.1	392.1	398.2	398.2	398.2	398.2	398.2	398.2	398.2	398.2	398.2	398.2
Portfolio investment: assets	171.6	172.9	182.6	190.5	188.6	124.2	120.6	119.0	77.2	42.7	45.0	43.8	39.0
Debt securities	159.9	162.2	172.3	180.5	178.9	115.7	112.3	110.6	70.4	35.1	33.3	31.0	26.8
Financial derivatives: net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives: assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial derivatives: liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investment: assets	601.8	562.1	631.7	486.1	188.8	-130.5	-60.3	-158.4	-202.3	26.3	-15.6	-8.6	261.9
Other investment: liabilities, n.i.e.	3,894.9	4,353.5	4,480.6	4,625.0	4,764.2	4,827.1	4,234.1	4,221.1	4,092.9	4,777.4	4,908.5	4,866.6	5,766.2
<b>D. Net Errors and Omissions</b>	<b>-1,521.5</b>	<b>-2,044.5</b>	<b>-1,338.5</b>	<b>-1,256.9</b>	<b>-1,823.7</b>	<b>-2,570.7</b>	<b>-1,767.5</b>	<b>-1,500.3</b>	<b>-1,571.7</b>	<b>-1,469.3</b>	<b>-1,607.3</b>	<b>-1,306.1</b>	<b>-1,724.2</b>
<b>E. Overall Balance</b>	<b>856.6</b>	<b>458.1</b>	<b>38.6</b>	<b>254.6</b>	<b>28.5</b>	<b>115.8</b>	<b>-104.5</b>	<b>-509.4</b>	<b>-589.2</b>	<b>-1,099.2</b>	<b>-1,241.4</b>	<b>-1,225.8</b>	<b>-1,541.6</b>
<b>F. Reserves and Related Items</b>	<b>-856.6</b>	<b>-458.1</b>	<b>-38.6</b>	<b>-254.6</b>	<b>-28.5</b>	<b>-115.8</b>	<b>104.5</b>	<b>509.4</b>	<b>589.2</b>	<b>1,099.2</b>	<b>1,241.4</b>	<b>1,225.8</b>	<b>1,541.6</b>
Reserve assets	-966.4	-565.8	-114.5	-361.3	-112.3	-171.3	83.9	476.4	563.0	1,055.1	1,201.5	1,180.8	1,488.4
Credit and loans from the IMF	-109.8	-107.7	-75.9	-106.8	-83.8	-55.4	-20.6	-33.0	-26.2	-44.1	-39.9	-45.1	-53.3
Exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Central Bank of Kenya

### Current Account Balance as a share of GDP



**TABLE 4.2: MONTHLY AVERAGE EXCHANGE RATES (IN UNITS OF KSH)**

MONTH	CURRENCY							
	USD	UK POUND	EURO	SA RAND	KSH/USHS	KSH/TSHS	KSH/RWF	KSH/BIF
<b>2015</b>								
January	91.358	138.493	106.320	7.894	31.287	19.395	7.534	17.139
February	91.489	140.211	103.945	7.898	31.361	19.920	7.524	17.117
March	91.727	137.511	99.405	7.605	32.185	20.086	7.560	17.054
April	93.438	139.618	100.706	7.780	32.040	20.284	7.374	16.725
May	96.389	149.096	107.538	8.060	31.172	20.982	7.162	16.226
June	97.705	152.164	109.717	7.950	32.666	22.488	7.370	16.055
July	101.196	157.526	111.358	8.134	33.227	20.900	7.229	15.917
August	102.431	159.766	114.087	7.944	34.658	20.728	6.987	15.106
September	105.275	161.543	118.225	7.723	34.818	20.564	6.965	14.679
October	102.779	157.442	115.301	7.607	35.388	21.189	7.137	15.070
November	102.168	155.427	109.766	7.237	33.561	21.127	7.288	15.195
December	102.187	153.253	111.078	6.830	32.876	21.080	7.309	15.212
<b>2016</b>								
January	102.313	147.529	111.114	6.272	33.713	21.323	7.348	15.192
February	101.932	145.856	113.023	6.463	33.679	21.452	7.364	15.283
March	101.485	144.244	112.599	6.573	33.151	21.553	7.438	15.325
April	101.228	144.787	114.842	6.917	33.044	21.648	7.486	15.358
May	100.732	146.271	113.960	6.577	33.214	21.743	7.561	15.460
June	101.145	144.316	113.688	6.731	33.269	21.670	7.591	16.016
July	101.332	133.419	112.099	7.022	33.340	21.608	7.458	16.449
August	101.410	132.893	113.659	7.396	33.252	21.570	7.584	16.474
September	101.271	133.153	113.479	7.212	33.389	21.556	7.640	16.490

USD - United States of America Dollar

UK Pound - United Kingdom Sterling Pound

EURO - European Union Currency

SA Rand - South Africa Rand

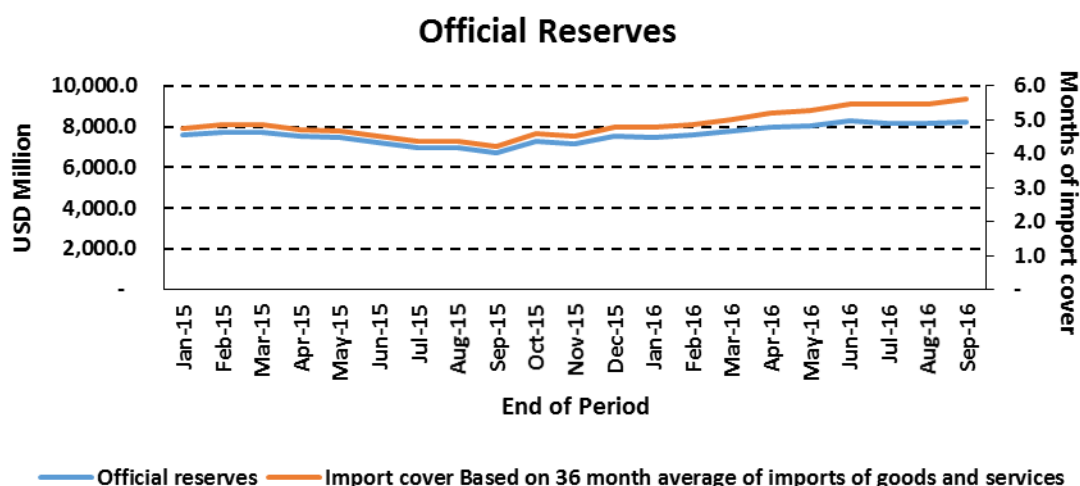
USHS - Uganda Shilling

TSHS - Tanzania Shilling

RWF - Ruanda Franc

BIF - Burundi Franc

Source: Central Bank of Kenya



## 5. DEVELOPMENTS IN THE BANKING SECTOR

**TABLE 5.1: KENYAN BANKING SECTOR PERFORMANCE INDICATORS (KSH BILLION)**

	Total Assets	Shareholders Funds	Gross Loans	Gross NPLs	Gross Deposits	Total Liquidity Ratio (%) (Average)	Profit Before Tax
<b>2015</b>							
January	3,372.6	533.9	2,039.2	117.2	2,411.6	39.9	37.3
February	3,455.7	537.0	2,068.8	119.6	2,456.0	40.2	49.1
March	3,526.6	536.4	2,118.0	124.6	2,511.0	39.2	60.9
April	3,601.4	543.3	2,166.9	123.9	2,573.6	38.7	76.9
May	3,608.0	547.0	2,225.4	127.6	2,537.8	37.7	89.1
June	3,655.8	548.8	2,277.7	126.5	2,567.0	37.6	99.7
July	3,654.5	555.5	2,318.0	124.7	2,568.5	37.4	114.2
August	3,591.1	548.6	2,243.9	128.1	2,508.9	36.4	122.4
September	3,626.9	564.7	2,260.3	139.9	2,553.8	37.5	130.7
October	3,492.6	574.4	2,165.3	147.3	2,485.9	38.1	134.3
November	3,626.9	564.7	2,260.3	139.9	2,553.8	37.1	130.7
December	3,492.6	574.4	2,165.3	147.3	2,485.9	38.1	134.3
<b>2016</b>							
January	3,717.0	569.3	2,354.3	154.7	2,622.4	38.1	13.9
February	3,759.3	574.7	2,367.1	161.1	2,648.6	38.7	26.3
March	3,571.3	553.6	2,221.2	170.6	2,559.8	39.8	38.4
April	3,751.7	569.0	2,344.0	183.3	2,658.0	40.5	50.6
May	3,634.8	570.3	2,240.6	192.6	2,586.3	41.1	64.7
June	3,672.9	576.6	2,255.8	191.5	2,623.6	41.6	81.1
July	3,652.5	580.8	2,244.6	202.9	2,603.2	41.9	96.7
August	3,689.2	589.0	2,243.9	209.2	2,632.0	41.9	110.1
September	3,784.6	598.9	2,271.5	207.1	2,687.1	42.9	121.0

**Note:** The December 2015 to September 2016 data excludes data for Chase Bank and Imperial Bank which are under receivership, and Charterhouse Bank which is under statutory management.

**NPLs:** Non-performing Loans

**Source:** Central Bank of Kenya

**TABLE 5.2: TRENDS IN MONTHLY FLOWS THROUGH KEPSS\***

	Total value moved per month (KSh Bn.)	Of which indirect {Net Settlement Instructions (Ksh Bn.)}	No. of transactions	Average value per transaction (KSh Mn.)	Days worked	Per day	
						Value (KSh Bn.)	Number of Transactions
<b>2015</b>							
January	2,414	32	257,341	10.27	22	109	11,697
February	2,330	28	245,227	6.30	20	116	12,261
March	2,414	32	257,341	9.38	22	109	11,697
April	2,598	28	245,227	9.50	20	116	12,261
May	2,132	29	246,925	8.64	20	107	12,346
June	2,598	29	257,240	10.10	21	124	11,533
July	2,836	31	273,200	10.38	23	123	11,672
August	2,848	28	239,842	11.87	21	136	11,421
September	2,891	29	266,523	10.85	22	131	12,115
October	3,070	30	273,487	11.23	21	146	13,023
November	2,104	30	248,109	8.53	21	100	11,815
December	2,442	36	310,853	7.77	22	111	14,130
<b>2016</b>							
January	2,171	23	226,495	9.73	20	109	11,325
February	2,264	24	323,094	7.02	21	108	15,385
March	2,232	29	276,461	8.12	21	106	13,165
April	2,123	28	294,922	7.20	21	101	14,044
May	2,086	29	293,402	7.11	21	99	13,972
June	2,232	26	303,742	7.35	21	106	14,464
July	2,006	36	336,318	5.96	20	100	16,816
August	2,363	29	328,444	7.20	21	103	14,280
September	2,121	26	327,906	6.47	21	101	15,615

Source: Central Bank of Kenya

## 6. GOVERNMENT BUDGET OPERATIONS

**TABLE 6.1: COMPOSITION OF GOVERNMENT REVENUE (KSH BILLION)**

FISCAL YEAR*	REVENUE AND GRANTS								
	TAX REVENUE								
	i	ii	iii	iv	v= i+ii+iii+iv	vi	vii=v+vi	viii	ix=vii+viii
	Import Duty	Excise Duty	Income Tax	VAT	Tax Revenue	Non-Tax Revenue	Ordinary Revenue	Grants	Total Revenue (Including Grants)
<b>2015</b>									
January	41.88	66.83	272.46	147.62	528.79	74.43	603.23	11.20	614.43
February	47.36	74.54	303.07	166.77	591.74	83.63	675.36	15.16	690.52
March	53.24	83.76	342.21	187.64	666.85	93.36	760.21	19.12	779.33
April	59.20	94.35	398.10	210.86	762.51	102.85	865.36	23.42	888.78
May	65.32	104.87	442.49	233.15	845.83	112.93	958.77	23.53	982.30
June	74.05	115.87	508.58	259.69	958.19	123.01	1,081.19	28.12	1,109.31
July	5.85	9.42	36.49	21.90	73.66	7.55	81.21	0.06	81.27
August	12.68	19.81	69.28	44.33	146.10	16.09	162.19	2.98	165.17
September	19.42	30.10	126.75	69.41	245.69	31.31	276.99	5.49	282.49
October	26.23	41.11	162.20	91.82	321.37	44.11	365.48	6.49	371.98
November	32.73	51.81	197.44	115.13	397.11	54.17	451.29	8.25	459.54
December	39.17	64.71	262.18	138.04	504.10	71.15	575.24	9.24	584.48
<b>2016</b>									
January	46.50	77.03	297.88	163.07	584.48	86.46	670.94	20.83	691.77
February	47.21	77.67	299.51	164.76	589.15	91.73	680.88	24.25	705.13
March	57.79	99.13	379.54	209.24	745.71	106.67	852.38	24.49	876.87
April	64.27	111.52	445.13	234.23	855.14	118.12	973.26	26.08	999.34
May	71.58	125.96	497.25	260.67	955.46	129.40	1,084.87	26.48	1,111.35
June	79.19	139.54	564.48	289.21	1,072.42	149.60	1,222.01	28.01	1,250.02
July	6.14	13.56	35.27	23.78	78.74	4.13	82.86	-	82.86
August	12.80	27.21	80.33	52.70	173.03	8.26	181.29	0.03	181.31
September	19.97	40.43	140.85	79.65	280.90	13.58	294.48	1.42	295.90

\* Figures are cumulative from the beginning of the fiscal year in July.

Source: The National Treasury

**TABLE 6.2: COMPOSITION OF GOVERNMENT EXPENDITURE (KSH BILLION)**

	EXPENDITURE (COMMITMENT BASIS)*								
	RECURRENT EXPENDITURE					i	ii	iii	iv=i+ii+iii
	Domestic Interest	Foreign Interest	Wages & Salaries	Pensions	Other	Total Recurrent Expenditure	Development Expenditure	County Transfer	Total Expenditure
<b>2015</b>									
January	61.63	12.81	165.15	19.25	200.90	459.73	196.86	108.24	764.84
February	72.38	18.91	188.74	20.45	235.49	535.98	212.89	115.32	864.18
March	85.70	21.30	225.00	25.95	261.71	619.66	375.41	138.06	1,133.14
April	97.74	21.30	250.00	30.05	466.16	692.90	399.08	172.34	1,264.32
May	109.79	21.31	232.82	33.08	350.03	747.02	420.08	180.54	1,347.64
June	139.73	29.29	297.98	38.23	341.08	846.31	512.22	229.34	1,610.76
July	6.72	1.97	27.79	0.20	15.14	51.83	5.16	-	56.98
August	19.39	2.45	55.59	3.10	37.17	117.71	29.77	11.83	138.70
September	37.40	5.64	52.09	10.40	76.07	181.60	41.22	31.39	254.20
October	51.56	5.64	52.09	14.40	161.36	285.05	57.47	54.15	396.67
November	67.28	8.22	97.23	19.06	179.85	371.62	159.56	78.77	607.73
December	85.72	15.07	97.23	23.47	255.49	476.96	193.03	99.19	769.18
<b>2016</b>									
January	92.69	17.37	194.56	27.05	218.86	550.53	224.15	114.19	888.87
February	105.15	17.94	222.35	27.05	194.34	566.83	246.27	114.66	927.76
March	122.59	19.40	250.15	35.24	283.42	710.80	297.26	161.60	1,169.66
April	137.82	20.25	277.94	42.28	323.42	801.71	337.85	199.38	1,338.94
May	153.79	21.52	305.73	47.89	371.51	900.45	363.87	227.23	1,491.55
June	172.86	30.51	307.42	54.40	458.94	1,024.13	477.20	264.04	1,765.37
July	8.64	7.03	30.06	2.60	13.27	61.61	1.58	-	63.19
August	26.56	7.77	45.64	7.50	68.34	155.81	6.15	29.49	191.45
September	42.52	7.41	75.10	14.53	106.98	246.53	72.25	55.35	374.13

\* Figures are cumulative from the beginning of the fiscal year in July.

*Source: The National Treasury*



**TABLE 6.3: GOVERNMENT DEFICIT FINANCING (KSH BILLION)<sup>1</sup>**

FISCAL YEAR	GOVERNMENT DEFICIT FINANCING		
	i	ii	iii=i+ii
	Domestic	Foreign*	Total Financing
<b>2014/2015</b>			
July	-32.29	-1.90	-34.19
August	1.00	3.02	4.02
September	-61.05	95.18	34.13
October	-58.19	91.96	33.76
November**	-12.70	93.65	80.95
December	-69.87	190.93	121.05
January	-42.54	42.48	144.01
February	15.99	63.26	223.33
March	20.09	189.99	354.25
April	62.93	178.28	385.66
May	4.75	174.67	349.78
June	127.86	217.48	488.84
<b>2015/2016</b>			
July	4.93	-2.76	2.17
August	11.17	1.31	12.48
September	-14.42	7.18	-6.94
October	-7.64	5.91	-1.12
November	68.64	100.51	169.76
December	26.29	137.48	163.78
January	30.00	145.27	176.57
February	99.07	160.08	260.45
March	109.24	170.93	300.76
April	130.61	174.42	307.02
May	178.94	176.82	357.75
June	220.06	251.88	471.94
July	-3.84	6.00	2.15
August	36.24	5.10	41.34
September	49.43	36.29	85.72

<sup>1</sup>Figures are cumulative from the beginning of the fiscal year in July.

Domestic debt is reported on gross basis.

\*Includes public and publicly guaranteed foreign currency loans

\*\*Foreign financing deficit is inclusive of Euro Bond Financing from Nov 2014

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

## 7. PUBLIC DEBT

**TABLE 7.1: KENYA'S PUBLIC AND PUBLICLY GUARANTEED DEBT (KSH BILLION)**

	Dec-15	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16
<b>EXTERNAL DEBT</b>							
Bilateral	481.28	522.40	550.99	553.08	539.1	551.6	557.2
Multilateral	751.15	766.65	772.44	766.90	812.27	793.87	793.88
Commercial Banks	366.23	360.17	361.84	360.65	442.60	443.73	443.63
Export Credit	16.52	16.36	8.57	8.46	9.21	8.48	8.51
<b>Sub-Total</b>	<b>1,615.18</b>	<b>1,665.58</b>	<b>1,693.83</b>	<b>1,689.09</b>	<b>1,803.20</b>	<b>1,797.70</b>	<b>1,803.26</b>
(As a % of total debt)	51.19	50.29	50.07	49.11	49.84	49.84	49.82
<b>DOMESTIC DEBT</b>							
<b>Banks</b>	<b>865.79</b>	<b>932.34</b>	<b>963.21</b>	<b>995.78</b>	<b>1,027.16</b>	<b>1,001.58</b>	<b>998.39</b>
Central Bank	101.39	102.65	101.03	100.39	99.86	69.62	68.89
Commercial Banks	764.40	829.69	862.18	895.39	927.31	931.96	929.50
<b>Non-banks</b>	<b>661.65</b>	<b>702.23</b>	<b>713.23</b>	<b>742.07</b>	<b>774.94</b>	<b>795.43</b>	<b>805.64</b>
Pension Funds	389.03	417.04	426.03	448.91	468.94	484.26	486.27
Insurance Companies	129.05	132.96	133.76	133.40	134.39	137.86	134.11
Other Non-bank Sources	143.57	152.23	153.44	159.76	171.61	173.32	185.25
<b>Non-residents</b>	<b>12.58</b>	<b>11.96</b>	<b>12.60</b>	<b>12.47</b>	<b>13.03</b>	<b>12.28</b>	<b>11.93</b>
<b>Sub-Total</b>	<b>1,540.02</b>	<b>1,646.53</b>	<b>1,689.04</b>	<b>1,750.33</b>	<b>1,815.13</b>	<b>1,809.29</b>	<b>1,815.96</b>
(As a % of total debt)	48.81	49.71	49.93	50.89	50.16	50.16	50.18
<b>GRAND TOTAL</b>	<b>3,155.20</b>	<b>3,312.11</b>	<b>3,382.87</b>	<b>3,439.42</b>	<b>3,618.34</b>	<b>3,606.99</b>	<b>3,619.22</b>

Source: Central Bank of Kenya

**TABLE 7.2: COMPOSITION OF GOVERNMENT GROSS DOMESTIC DEBT BY INSTRUMENT (KSH Bn.)**

	2015			2016							
	Jun	Sep	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Treasury Bills*	345.5	293.2	417.4	404.3	456.2	498.4	533.4	579.4	613.0	602.7	602.7
Treasury Bonds	1,035.7	1,046.9	1,072.3	1,076.6	1,099.2	1,095.4	1,104.7	1,120.5	1,152.0	1,186.1	1,186.1
Overdraft at Central Bank	36.5	45.9	45.2	35.7	43.6	46.5	44.9	44.2	44.2	14.0	14.0
Advances from Commercial Banks	2.5	1.7	5.4	5.7	5.5	5.6	5.4	5.4	5.1	5.7	5.7
Other Domestic Debt** ( TRCs and uncleared effects)	0.2	0.5	0.2	0.7	0.7	0.7	0.7	0.7	0.8	0.7	1.7
<b>Total Domestic Debt***</b>	<b>1,420.4</b>	<b>1,388.3</b>	<b>1,540.6</b>	<b>1,523.1</b>	<b>1,605.2</b>	<b>1,646.5</b>	<b>1,689.0</b>	<b>1,750.3</b>	<b>1,815.1</b>	<b>1,809.3</b>	<b>1,810.3</b>

\* The stock of Treasury bills includes Repo Treasury bills

\*\* Other domestic debt includes Items in transit, Securities rediscounted and Tax Reserve Certificates

\*\*\* Gross Domestic debt excludes IMF funds on-lent by CBK to Government which are accounted for under External Debt

TRC - Technical Reserve Certificate

Source: Central Bank of Kenya

## 8. CAPITAL MARKETS INDICATORS

**TABLE 8.1: SELECTED EQUITY MARKET INDICATORS**

INDICATOR	2015				2016								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
NSE 20 Share Index (1966=100) Points	4,173.00	3,869.00	4,016.00	4,040.00	3,773.00	3,871.00	3,982.00	4,009.26	3,867.50	3,640.61	3,488.67	3,178.83	3,243.21
NASI (2008=100) Points	147.00	137.00	143.00	145.00	136.00	141.00	147.00	146.93	145.54	140.60	142.39	134.94	136.75
FTSE NSE Kenya 15 Index Points	195.09	180.26	187.51	182.55	171.40	178.67	185.17	187.39	175.88	175.70	174.56	156.79	160.96
FTSE NSE Kenya 25 Index Points	194.81	179.58	186.94	182.11	172.36	178.68	185.47	187.31	176.85	176.47	177.56	163.07	166.62
Number of Shares Traded (Millions)	433.96	540.05	440.59	474.87	422.74	341.03	535.93	426.65	384.00	601.00	544.00	708.07	746.89
Equities Turnover (Ksh Millions)	14,375.44	17,837.07	13,148.60	15,109.59	12,999.31	10,161.25	13,448.71	10,066.88	9,721.00	17,247.00	13,613.23	17,655.34	16,872.02
Market Capitalization (Ksh Billions)	2,063.64	1,931.00	2,018.13	2,049.54	1,926.47	2,000.21	2,078.28	2,071.04	2,024.83	1,998.00	2,048.88	1,943.20	1,971.83

**NOTES**

NSE 20 - Weighted Price Index calculated as a mean of the shares of 20 public, listed companies, selected based on a weighted market performance

NASI - Nairobi All Share Index

FTSE NSE 15 - Represents the performance of the largest 15 stocks trading on the NSE, ranked by full market capitalization.

FTSE NSE 25 - Represents the performance of the 25 most liquid stocks trading on the

*Source: Nairobi Securities Exchange*

**TABLE 8.2: SELECTED BOND MARKET INDICATORS**

Period (Month)	Secondary Market					Primary Market		
	FTSE NSE Kenya Govt. Bond Index	Bond Volume (KSh Mn.)	Number of Deals	Most Traded	End Month Turnover Ratio (%)	Bond	Offer (KSh Mn.)	Subscription Rate (%)
<b>2015</b>								
September	90.41	13,693.38	307	IFB1/2015/012	1.31	FXD 1/2015/1	30,000.00	88.35
October	90.13	29,928.04	397	FXD2/2015/001	2.80	FXD 2/2015/1	20,000.00	157.40
November	90.87	19,473.99	238	IFB1/2015/012	1.81	FXD2/2015/5	20,000.00	164.99
December	90.04	21,918.57	343	FXD2/2015/001	2.03	IFB1/2015/9 ( Tap Sale)	78,000.00	32.24
<b>2016</b>								
January	89.61	21,617.28	182	FXD2/2015/001	2.07	FXD1/2016/2 & FXD1/2013/10	35,000.00	103.79
February	88.82	24,410.77	387	IFB1/2015/009	2.22	FXD1/2015/5 & FXD1/2012/10 (Reopen)	25,000.00	215.42
March	89.28	67,372.04	908	FXD1/2012/010	6.15	FXD1/2013/10 & FXD2/2013/15 (Reopen)	25,000.00	104.72
April	87.13	38,507.55	447	FXD1/2016/002	3.49	FXD1/2016/5	20,000.00	181.73
May	88.73	55,313.58	662	IFB1/2016/009	4.94	IFB1/2016/9 & FXD2/2016/2	30,000.00	269.80
June	87.98	55,987.59	581	IFB1/2016/009	4.86	FXD 2/2016/2 & FXD 1/2012/15	30,000.00	169.36
July	90.87	21,223.24	301	FXD1/2012/010	1.87	FXD 2/2016/5 & FXD 1/2008/2016	30,000.00	133.33
August	88.05	26,792.75	373	IFB1/2016/009	2.25	FXD 1/2016/10	25,000.00	105.22
September	89.11	26,792.75	570	FXD1/2016/010	2.23	FXD 3/2016/5 & FXD 1/2016/20	25,000.00	225.81

**NOTES**

IFB = Infrastructure Bond

FXD = Fixed Rate/Coupon Treasury Bond

Reopen = Issued and outstanding bond re-offered to the primary market

Bonds Turnover (%) = Volume of bonds traded as a ratio of the total outstanding volume of tradable bonds

Tap Sale = Issued at their original face value, maturity and coupon rate, but sold at the current market price.

*Source: Central Bank of Kenya and Nairobi Securities Exchange*

**TABLE 8.3: FOREIGN INVESTORS PARTICIPATION (KSH MILLION)**

	A	B	C	D=A/C	E=B/C	F=(D+E)/2
Period (Month)	Foreign Purchases (FP)	Foreign Sales (FS)	Equity Market Turnover (ET)	% of FP to ET	% of FS to ET	% Average Foreign Participation to Equity Turnover
<b>2015</b>						
September	12,156	5,656	14,375	84.56	39.35	61.95
October	12,430	11,541	17,837	69.69	64.70	67.19
November	8,377	9,206	13,149	63.71	70.01	66.86
December	8,693	8,692	15,109	57.54	57.53	57.53
<b>2016</b>						
January	7,653	8,186	12,999	58.87	62.97	60.92
February	4,528	4,247	10,161	44.56	41.80	43.18
March	8,077	9,411	13,449	60.06	69.98	65.02
April	6,669	6,589	10,066	66.25	65.46	65.86
May	6,571	6,375	9,721	67.60	65.58	66.59
June	13,082	12,982	17,247	75.85	75.27	75.56
July	11,186	10,212	13,613	82.17	75.02	78.59
August	14,183	10,480	17,655	80.33	59.36	69.85
September	14,669	13,326	16,872	86.94	78.98	82.96

*Source: Nairobi Securities Exchange*