



Central Bank of Kenya

# Weekly Statistical Bulletin

## Key Monetary and Financial Indicators

July 14, 2017

*The money market was fairly tight during the week ending July 12, 2017, reflecting repo liquidity withdrawals through Central Bank's open market operations. The average interbank rate increased to 6.02 percent in the week from 5.0 percent recorded in the previous week.*

### Monetary Policy Operations

The money market was fairly tight during the week ending July 12, 2017, reflecting liquidity withdrawals through Central Bank's open market operations. The net liquidity withdrawal in the interbank market amounted to KSh 7.3 billion (**Table 1**).

Commercial banks' excess reserves, above 5.25 percent averaging requirement, stood at KSh 5.5 billion during the week ending July 12, 2017, compared with KSh 6.1 billion the previous week (**Chart A**).

### Activity in the Interbank Market

The average interbank rate increased to 6.02 percent in the week ending July 12, 2017 from 5.0 percent recorded in the previous week. The volumes transacted ranged from KSh 13.0 billion to KSh 15.4 billion during the week, which averaged KSh 13.8 billion compared to KSh 14.7 billion the previous week. The number of deals transacted during the week stood at 28 compared to 24 deals the previous week (**Table 2 and Chart B**).

### Kenya Shilling Exchange Rate

The Kenya Shilling exchange rate portrayed mixed performance against major international and Regional currencies during the week ending July 13, 2017. It stabilised against the USD but changed marginally against the Sterling Pound, the Euro and the Japanese Yen. In the EAC region the Kenya Shilling stabilised against the regional currencies (**Table 3**).

### The Capital Market

The capital markets recorded improved performance during the week ending July 13, 2017.

### Equity Market

NASI, NSE 25 and NSE 20 share price indices improved during the week by 0.98 percent, 1.01 percent and 2.19 percent, respectively. Shareholder wealth measured by market capitalization, also increased by 1.6 percent on account of increase in share prices. Equity turnover increased by 22.19 percent reflecting 67.71 percent increase in the volume of shares traded (**Table 4**).

### FTSE NSE Kenya Index Series, REITS and Most Active Sectors

Performance of the FTSE<sup>1</sup> NSE Kenya 15 Index and FTSE NSE Kenya 25 Index, which measure performance of the 15 largest companies by market capitalization and the 25 most liquid stocks at the Nairobi Securities Exchange (NSE) indicated improved performance. FTSE NSE Kenya 15 and FTSE NSE Kenya 25 Index recorded increases of 1.12 percent and 1.00 percent, respectively in the period under review. Insurance and Telecommunication and Technology sectors dominated trading, accounting for 41.22 percent and 30.66 percent, respectively, of the total shares traded during the week under review.

<sup>1</sup> FTSE refers to Financial Times Stock Exchange, which is an average of share prices in the 100 largest, most actively traded companies on the London Stock Exchange. The two NSE indices are indexed on FTSE.

Turnover in the real estate market segment, Income-Real Estate Investment Trust (I-REIT<sup>2</sup>), increased by 95.64 percent.

### **Bond Market**

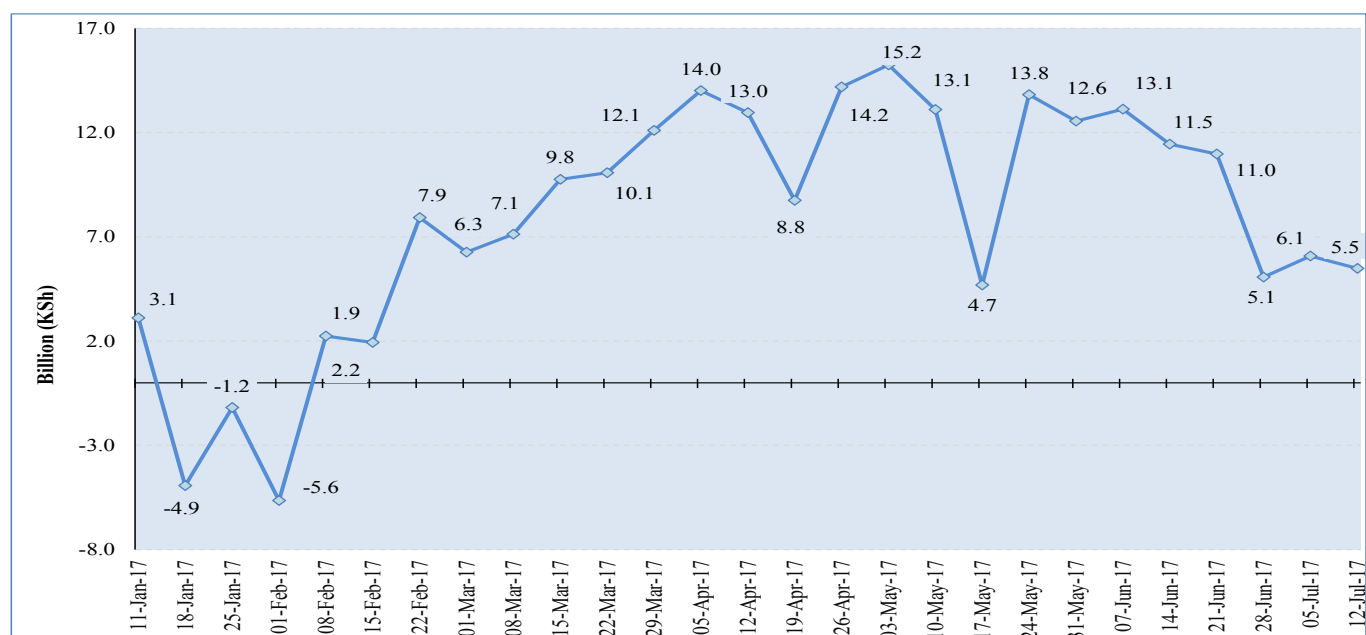
Bond turnover increased by 11.68 percent in the week ending July 13, 2017, and the number of bond deals decreased from 82 to 55 deals. The FTSE Bond Index declined by 0.38 percent, reflecting a marginal increase in secondary market yields.

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<sup>2</sup>I-REIT is a collective investment vehicle that allows investors to pool capital, which is then invested in a portfolio of selected properties for a return. Investors gain through capital appreciation and rental income, with the latter being distributed to unit-holders annually.

## LIST OF TABLES AND CHARTS

Chart A: Commercial Banks Excess Reserves



Source: Central Bank of Kenya

Table 1: Liquidity Flows and Open Market Operations (Ksh billion)

	6-Jul-17	7-Jul-17	10-Jul-17	11-Jul-17	12-Jul-17	Total
<b>Liquidity Flows</b>						
<b>Total liquidity injection <sup>1</sup></b>	<b>13.6</b>	<b>10.1</b>	<b>27.8</b>	<b>14.3</b>	<b>16.9</b>	<b>82.7</b>
Repos Maturities	0.0	0.0	0.0	0.0	11.8	11.8
Reverse Repo Purchases	0.3	0.0	0.0	0.0	1.7	2.1
Term Auction Deposit maturities	0.0	0.0	0.0	10.4	0.0	10.4
T/bills redemptions	0.0	0.0	14.8	0.0	0.0	14.8
T/bills rediscounts	0.0	0.0	0.0	0.0	0.0	0.0
T/bonds redemptions	0.0	0.0	0.0	0.0	0.0	0.0
T/bonds Interest	0.0	0.0	0.0	0.0	0.0	0.0
T/bonds rediscounts	0.0	0.0	0.0	0.0	0.0	0.0
Govt payments	13.2	10.1	13.0	3.9	3.3	43.6
<b>Total liquidity reduction <sup>1</sup></b>	<b>13.9</b>	<b>17.2</b>	<b>30.1</b>	<b>13.9</b>	<b>14.8</b>	<b>89.9</b>
T/bills (Primary issues)	0.0	0.0	24.9	0.0	0.0	24.9
Tbonds Sales	0.0	0.0	0.0	0.0	0.0	0.0
T/bills/Tbonds (OMO Tap Sales)	0.0	0.0	0.0	0.0	0.0	0.0
Repos	0.0	0.0	0.0	5.0	7.0	12.0
Reverse Repos maturities	0.3	0.0	0.0	0.0	1.7	2.1
Term Auction Deposit	10.0	9.9	0.0	0.0	0.0	19.8
Transfer from Banks -Taxes	3.6	3.3	5.2	8.9	4.0	25.0
<b>Net liquidity injection (+)/Withdrawal (-)</b>	<b>-0.4</b>	<b>-7.1</b>	<b>-2.3</b>	<b>0.4</b>	<b>2.1</b>	<b>-7.3</b>
<b>Open Market Operations Outcome</b>						
<b>Posted Amount</b>	15.0	10.0	-	5.0	7.0	12.0
<b>Realised Amount - Mop up</b>	10.0	9.9	-	5.0	7.0	31.8
Repo (-)	-	-	-	5.0	7.0	12.0
Term Auction Deposits (-)	10.0	9.9	-	-	-	19.8
<b>Reserve Money Position</b>						
Reserve money (actual)	420.0	410.2	408.8	408.9	410.9	

<sup>1</sup> Only main transactions increasing or reducing liquidity are included.

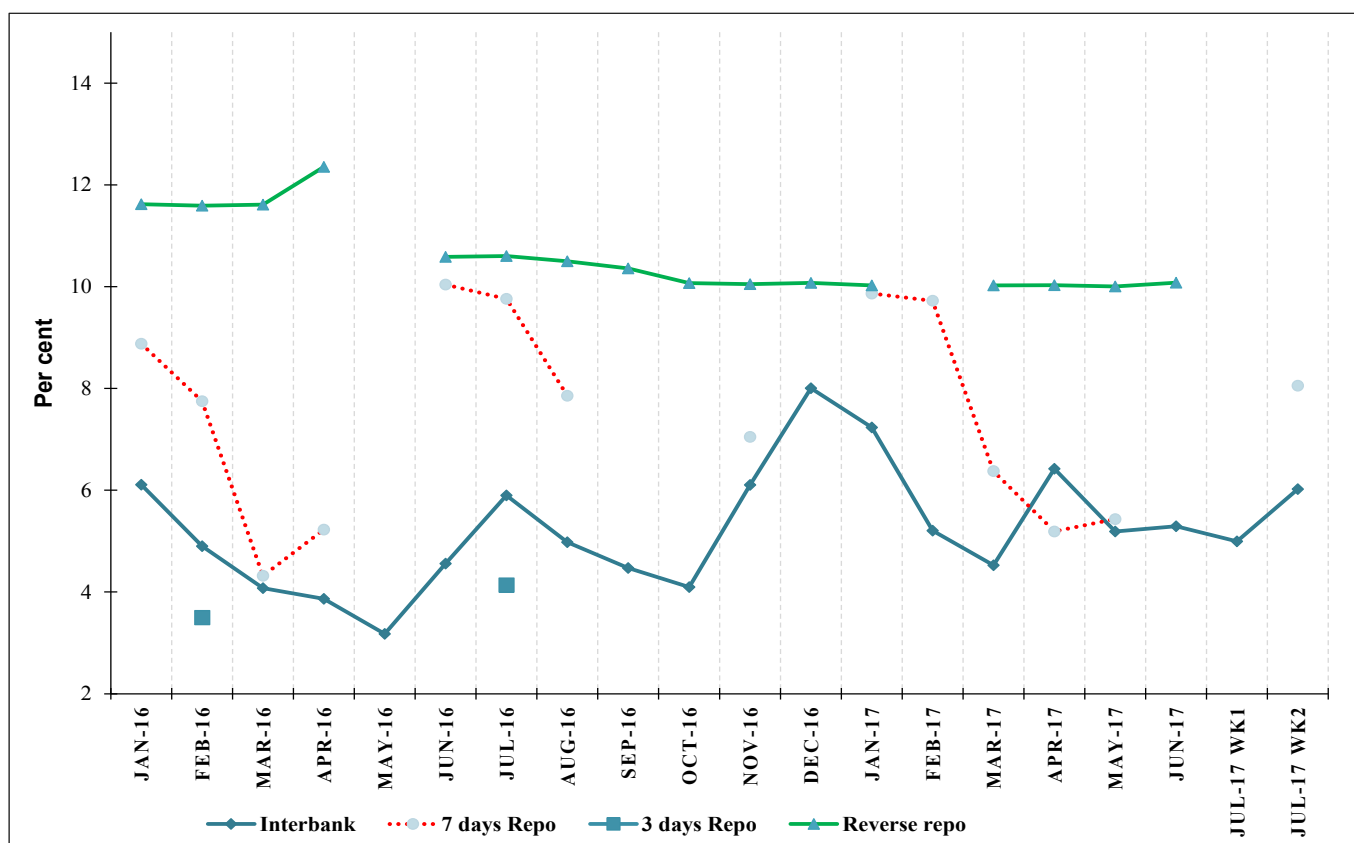
Source: Central Bank of Kenya

Table 2: Open Market Operations (KSh Million)

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
29-Jun-17	30	21,750	4.47
30-Jun-17	16	10,250	4.80
3-Jul-17	27	15,550	5.13
4-Jul-17	27	13,450	5.40
5-Jul-17	21	12,620	5.18
<b>June 29, 2017 - July 5, 2017</b>	<b>24</b>	<b>14,724</b>	<b>5.00</b>
6-Jul-17	28	12,950	5.57
7-Jul-17	30	14,550	5.97
10-Jul-17	24	13,020	6.01
11-Jul-17	27	15,370	6.16
12-Jul-17	29	13,300	6.41
<b>July 6, 2017 - July 12, 2017</b>	<b>28</b>	<b>13,838</b>	<b>6.02</b>

Source: Central Bank of Kenya

Chart B: Structure of Interest Rates



Source: Central Bank of Kenya

**Table 3: Kenya Shilling Exchange Rate**

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
<b>30-Jun-17</b>	<b>103.71</b>	<b>134.60</b>	<b>118.31</b>	<b>91.98</b>	<b>34.57</b>	<b>21.57</b>	<b>7.96</b>	<b>16.65</b>
3-Jul-17	103.72	134.51	118.35	92.45	34.66	21.59	7.96	16.65
4-Jul-17	103.81	134.35	117.79	91.93	34.68	21.55	7.95	16.64
5-Jul-17	103.77	134.16	117.73	91.66	34.69	21.57	7.96	16.65
6-Jul-17	103.78	134.05	117.53	91.48	34.69	21.56	8.08	16.65
<b>30 June 2017-6 July 2017</b>	<b>103.76</b>	<b>134.33</b>	<b>117.94</b>	<b>91.90</b>	<b>34.66</b>	<b>21.57</b>	<b>7.98</b>	<b>16.65</b>
7-Jul-17	103.84	134.33	118.33	91.80	34.67	21.55	7.95	16.65
10-Jul-17	103.84	133.78	118.35	90.94	34.72	21.54	8.14	16.65
11-Jul-17	103.92	133.73	118.36	90.87	34.69	21.54	7.95	16.64
12-Jul-17	104.02	133.90	118.61	90.98	34.66	21.52	7.94	16.63
13-Jul-17	103.93	133.71	118.68	91.70	34.69	21.53	7.95	16.64
<b>7 -13 July 2017</b>	<b>103.91</b>	<b>133.89</b>	<b>118.47</b>	<b>91.26</b>	<b>34.68</b>	<b>21.54</b>	<b>7.99</b>	<b>16.64</b>

\* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

**Table 4: Key Weekly Market Statistics**

INDICATOR	25-May-17	01-Jun-17	08-Jun-17	15-Jun-17	22-Jun-17	29-Jun-17	07-Jul-17	13-Jul-17	Weekly Change (%)
NASI 100= 2008	145.55	148.40	149.30	152.94	154.35	153.22	151.50	152.99	0.98
NSE 25 Share Index	3,883.64	3,926.32	3,970.00	4,050.99	4,087.32	4,069.38	3,998.00	4,038.39	1.01
NSE 20 Share Index 100= 1996	3,410.89	3,441.05	3,475.00	3,522.79	3,612.55	3,596.56	3,581.00	3,659.28	2.19
Number of Deals	6,150	5,509	7,047.00	6,656.00	7,038.00	4,948.00	6,232.00	5,958.00	-4.40
Total Shares Traded (Million)	194.23	105.20	142.80	199.26	276.08	96.88	176.67	296.29	67.71
Equity Turnover (KSh Million)	4,507.16	2,757.59	3,104.07	4,435.70	6,156.12	1,676.56	5,285.45	6,458.15	22.19
Market Capitalization (KSh Billion)	2,113.87	2,155.36	2,168.19	2,221.37	2,242.12	2,225.64	2,201.00	2,236.24	1.60
I-REIT Turnover in (KSh Million)	0.08	0.27	0.94	1.08	1.85	0.89	0.31	0.61	95.64
I-REIT in Units - Total Deals	10.00	34.00	53.00	31.00	34.00	25.00	27.00	29.00	7.41
Bonds Turnover (KSh Million)	16,421.90	11,633.99	9,722.09	12,248.72	9,169.56	12,684.80	11,303.78	12,624.13	11.68
FTSE NSE Kenya 15 Index	180.97	182.06	187.70	190.40	190.88	189.83	188.00	190.10	1.12
FTSE NSE Kenya 25 Index	185.31	186.10	192.70	196.33	195.19	195.93	194.00	195.94	1.00
FTSE NSE Bond Index	91.37	91.48	91.60	91.58	91.56	91.54	92.00	91.65	-0.38
ETF Turnover(KSh Million)	-	-	-	-	-	-	-	-	-
ETF -Total Deals	-	-	-	-	-	-	-	-	-

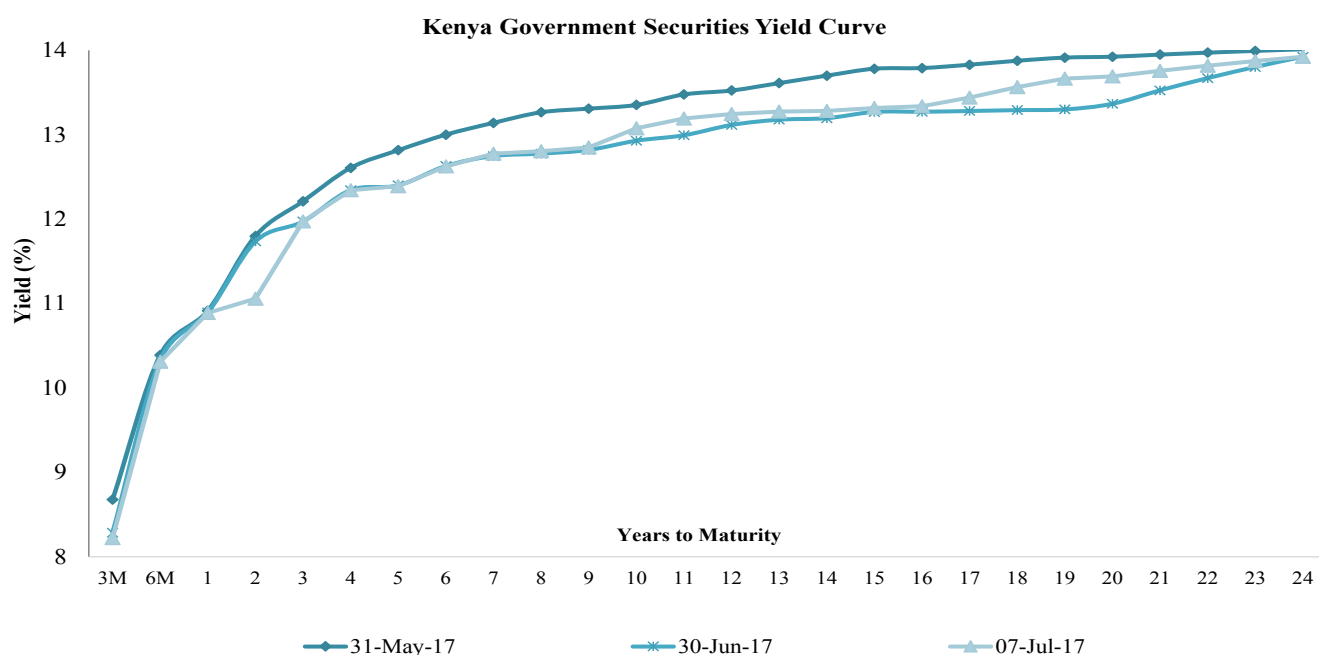
Source: Nairobi Securities Exchange

Table 5: Performance of Government Securities

<b>91-Day Treasury Bills</b>					
Date of Auction	27-Apr-17	25-May-17	29-Jun-17	06-Jul-17	13-Jul-17
Amount offered (Ksh M)	10,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	12,373.49	5,171.56	2,307.78	4,245.92	2,241.25
Amount Accepted (Ksh M)	11,239.76	2,645.05	2,307.78	4,215.51	2,241.16
Maturities (Ksh M)	5,657.35	5,910.50	7,201.70	11,574.20	8,879.35
Average interest Rate (%)- 91 Days	8.78	8.61	8.28	8.22	8.21
<b>182-Day Treasury Bills</b>					
Date of Auction	26-Apr-17	24-May-17	28-Jun-17	06-Jul-17	14-Jul-17
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	15,070.38	10,064.50	15,258.51	4,190.65	4,070.86
Amount Accepted (Ksh M)	13,608.16	9,713.05	14,768.06	4,070.86	4,070.86
Maturities (Ksh M)	7,053.20	1,199.70	2,034.40	1,619.55	1,619.55
Average interest Rate (%)- 182 days	10.37	10.33	10.31	10.32	10.32
<b>364-Day Treasury Bills</b>					
Date of Auction	26-Apr-17	24-May-17	28-Jun-17	06-Jul-17	14-Jul-17
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	8,245.61	13,821.28	5,174.05	8,418.59	1,623.54
Amount Accepted (Ksh M)	7,987.54	11,869.87	5,053.19	5,918.12	1,527.56
Maturities (Ksh M)	8,932.50	6,562.55	1,454.50	1,202.00	7,355.00
Average interest Rate (%)- 364 days	10.94	10.91	10.90	10.89	10.89
<b>Treasury Bonds</b>					
Date of Auction	27-Apr-17				
Tenor	FXD1/2009/11				
Amount offered (Ksh M)	7,000.00				
Bids received (Ksh M)	6,143.05				
Amount Accepted (Ksh M)	4,009.60				
Maturities (Ksh M)	0.00				
Average interest Rate (%)	11.97				

Source: Central Bank of Kenya

Chart C: Structure of Interest Rates



Source: Central Bank of Kenya

**Table 6: Government Domestic Debt (KSh Billion)**

	31-Mar-17	28-Apr-17	26-May-17	02-Jun-17	30-Jun-17	07-Jul-17
1. Treasury Bills (Excluding Repos)	615.77	626.90	673.30	684.07	744.15	752.41
<b>(As % of total securities)</b>	<b>32.69</b>	<b>32.25</b>	<b>33.96</b>	<b>34.04</b>	<b>35.84</b>	<b>36.10</b>
2. Treasury Bonds	1,268.16	1,317.02	1,309.35	1,325.28	1,331.98	1,331.98
<b>(As % of total securities)</b>	<b>67.31</b>	<b>67.75</b>	<b>66.04</b>	<b>65.96</b>	<b>64.16</b>	<b>63.90</b>
<b>3. Total Securities (1+2)</b>	<b>1,883.93</b>	<b>1,943.92</b>	<b>1,982.65</b>	<b>2,009.35</b>	<b>2,076.13</b>	<b>2,084.39</b>
4. Overdraft at Central Bank	30.27	-	-	0.03	-	-
5. Other Domestic debt*	31.06	30.75	35.93	35.94	36.15	36.12
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>1,945.25</b>	<b>1,974.67</b>	<b>2,018.58</b>	<b>2,045.33</b>	<b>2,112.28</b>	<b>2,120.51</b>

\* Other domestic debt includes clearing items in transit, advances from commercial banks, Pre-1997 Government Overdraft and Tax Reserve Certificates.

Source: Central Bank of Kenya

**Table 7: Composition of Government Domestic Debt by Instrument (In Percent)**

	26-May-17	02-Jun-17	09-Jun-17	16-Jun-17	23-Jun-17	30-Jun-17	07-Jul-17
Treasury bills (Excluding Repos)	33.4	33.4	33.8	34.5	35.1	35.2	35.5
Treasury bonds	64.9	64.8	64.4	63.7	63.1	63.1	62.8
CBK Overdraft to Govt	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Other domestic debt	1.8	1.8	1.7	1.7	1.7	1.7	1.7
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Central Bank of Kenya

**Table 8: Composition of Government Domestic Debt by Holder (In Percent)**

	31-Mar-17	21-Apr-17	28-Apr-17	26-May-17	23-Jun-17	30-Jun-17	07-Jul-17
Banking Institutions	54.1	54.9	55.1	56.2	56.6	56.2	56.2
Insurance Companies	7.1	7.0	7.0	6.9	6.7	6.6	6.6
Parastatals	6.5	6.5	6.5	6.6	6.4	6.4	6.4
Pension funds	28.2	27.8	27.5	27.9	27.8	28.1	28.1
<b>Other investors</b>	<b>4.0</b>	<b>3.9</b>	<b>3.9</b>	<b>2.4</b>	<b>2.5</b>	<b>2.7</b>	<b>2.7</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Central Bank of Kenya

**TABLE 9: Official Foreign Reserves US\$ Million (Usable)**

	31-May-17	08-Jun-17	15-Jun-17	22-Jun-17	29-Jun-17	06-Jul-17	13-Jul-17
<b>1. CBK Usable Foreign Exchange Reserves (USD Million)*</b>	8,259	8,197	8,188	8,105	7,964	7,921	7,869
<b>2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**</b>	4.86	4.82	4.82	4.77	4.69	4.66	4.63

\*Excludes Encumbered Reserves

\*\*Based on 36 months average of imports of goods and non-factor services.

Source: Central Bank of Kenya