



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

September 8, 2017

The money market was relatively liquid during the week ending September 06, 2017 supported by net government payments. The weighted average interbank rate decreased to 5.27 percent from 5.48 percent in the previous week.

The capital markets recorded mixed performance during the week ending September 7, 2017, with equities turnover gaining on the back of large supply of shares and a decline in share prices and market capitalization.

Monetary Policy Operations

Liquidity in the money market increased during the week ending September 06, 2017, largely supported by government payments (Table 1). The government payments during the week ending September 06, 2017 amounted to KSh 50.9 billion. The liquidity reducing activities during the period included tax payments of Ksh 15 billion, net government securities issuances of Ksh 11.7 billion and Repos amounting to Ksh 20.1 billion.

Commercial banks' excess reserves above 5.25 percent averaging requirement increased to KSh 11.9 billion during the week ending September 06, 2017 from the previous week's average of KSh 10.32 billion (**Chart A**).

The Interbank Market

The weighted average interbank rate decreased to 5.27 percent in the week ending September 06, 2017 from 5.48 percent recorded in the previous week. The volumes transacted ranged from KSh 8.57 billion to KSh 13.25 billion during the week, giving an average of KSh 10.2 billion compared to an average of KSh 17.2 billion the previous week. The number of deals stood at 25 compared to 35 deals transacted the previous week (**Table 2 and Chart B**).

Kenya Shilling Exchange Rate

The Kenya Shilling stabilized against the US Dollar, the Euro and the Japanese Yen but weakened against the Pound Sterling during the week ending September 7, 2017. The stability of the Kenya Shilling against the

US Dollar partly reflected weakening of the US Dollar following rising geopolitical tensions and a return to market normalcy, on the local scene, following the Supreme Court ruling on September 1, 2017. In the EAC region, the Kenya Shilling stabilized against the region's currencies.

Equity Market

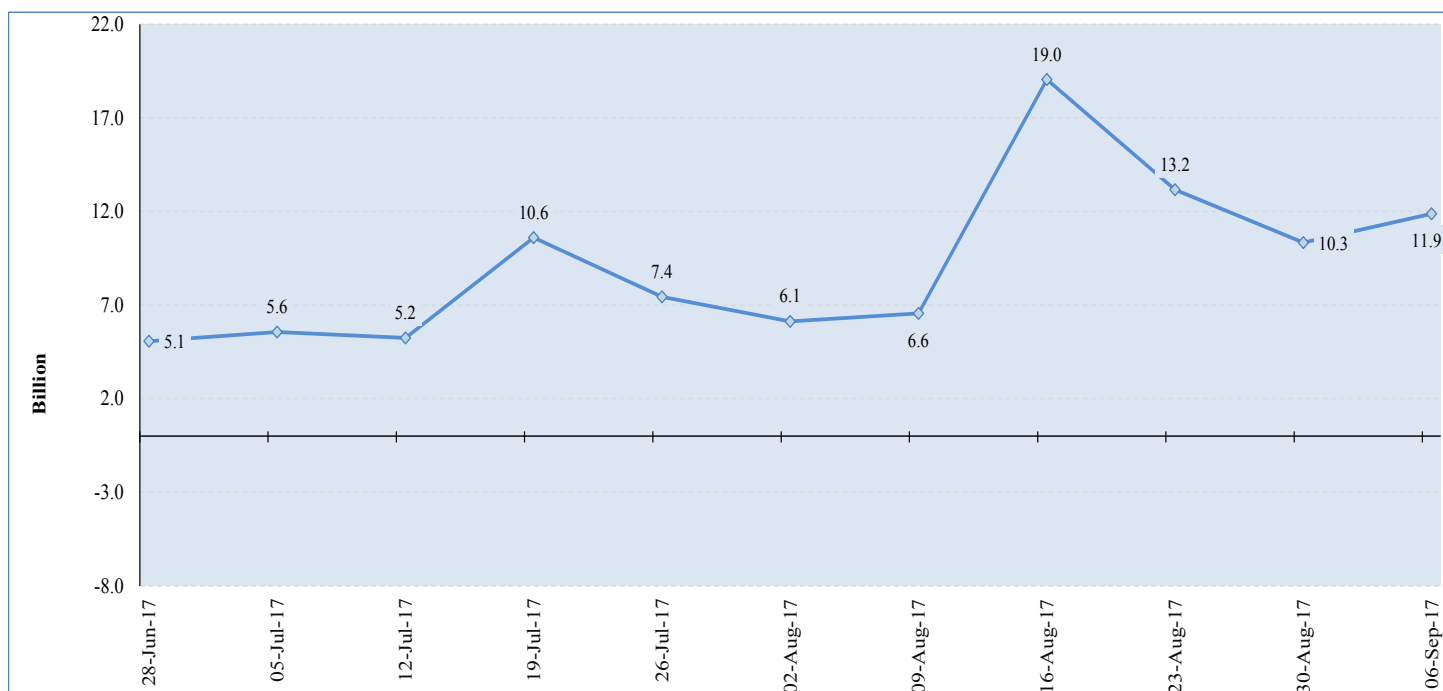
The equities market recorded a decline across share price indices and consequently, market capitalization. Total number of shares traded increased by 110.7 percent, resulting in increased equity turnover by 113.0 percent (Table 4). The performance reflects initial transitory market reaction to uncertainty following nullification of the results of the August 8, 2017 Presidential Elections by the Supreme Court on September 1, 2017.

Bond Market and Eurobond Yields

The volume of bonds traded declined by 40.0 percent during the week ending September 7, 2017, but the number of bonds traded increased to 202 deals from 112 deals in the previous week. The low activity reflects investors' focus on a Tap Sale of FXD1/2017/5 dated September 4, 2017 that raised KSh 17.5 billion. Kenya's 5- and 10- year Eurobonds trading yields increased by 0.27 percentage points and 0.15 percentage points to close the week at 4.18 percent and 6.16 percent, respectively. The marginal increase in the yield, signalled stable outlook on Kenyan bonds in the international markets.

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)

	31-Aug-17	1-Sep-17	4-Sep-17	5-Sep-17	6-Sep-17	Total
Liquidity Flows						
Total liquidity injection ¹	12.9	14.4	47.7	3.9	11.1	90.0
Repos Maturities	0.0	0.0	0.0	0.0	0.0	0.0
Reverse Repo Purchases	0.9	0.0	0.0	0.0	1.7	2.7
Term Auction Deposit maturities	0.0	0.0	0.0	0.0	0.0	0.0
T/bills redemptions	0.0	0.0	35.5	0.0	0.0	35.5
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	11.0	14.4	12.2	3.8	9.4	50.9
Total liquidity reduction ¹	13.2	5.9	59.4	3.6	5.0	87.1
T/bills (Primary issues)	0.0	0.0	29.7	0.0	0.0	29.7
Tbonds Sales	0.0	0.0	0.0	0.0	0.0	0.0
T/bills/Tbonds (OMO Tap Sales)	0.0	0.0	17.5	0.0	0.0	17.5
Repos	10.1	0.0	10.0	0.0	0.0	20.0
Reverse Repos maturities	0.9	0.0	0.0	0.0	1.7	2.7
Term Auction Deposit	0.0	0.0	0.0	0.0	0.0	0.0
Transfer from Banks -Taxes	2.2	5.9	2.2	2.7	2.0	15.0
Net liquidity injection (+)/Withdrawal (-)	-0.3	8.5	-11.7	0.3	6.1	3.0
Open Market Operations Outcome						
Posted Amount	10.0	12.0	10.0	0.0	0.0	32.0
Realised Amount - Mop up	10.1	0.0	10.0	0.0	0.0	20.0
Repo (-)	10.1	0.0	10.0	0.0	0.0	20.0
Term Auction Deposits (-)	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Money Position						
Reserve money (actual)	417.9	427.7	414.4	413.9	420.7	

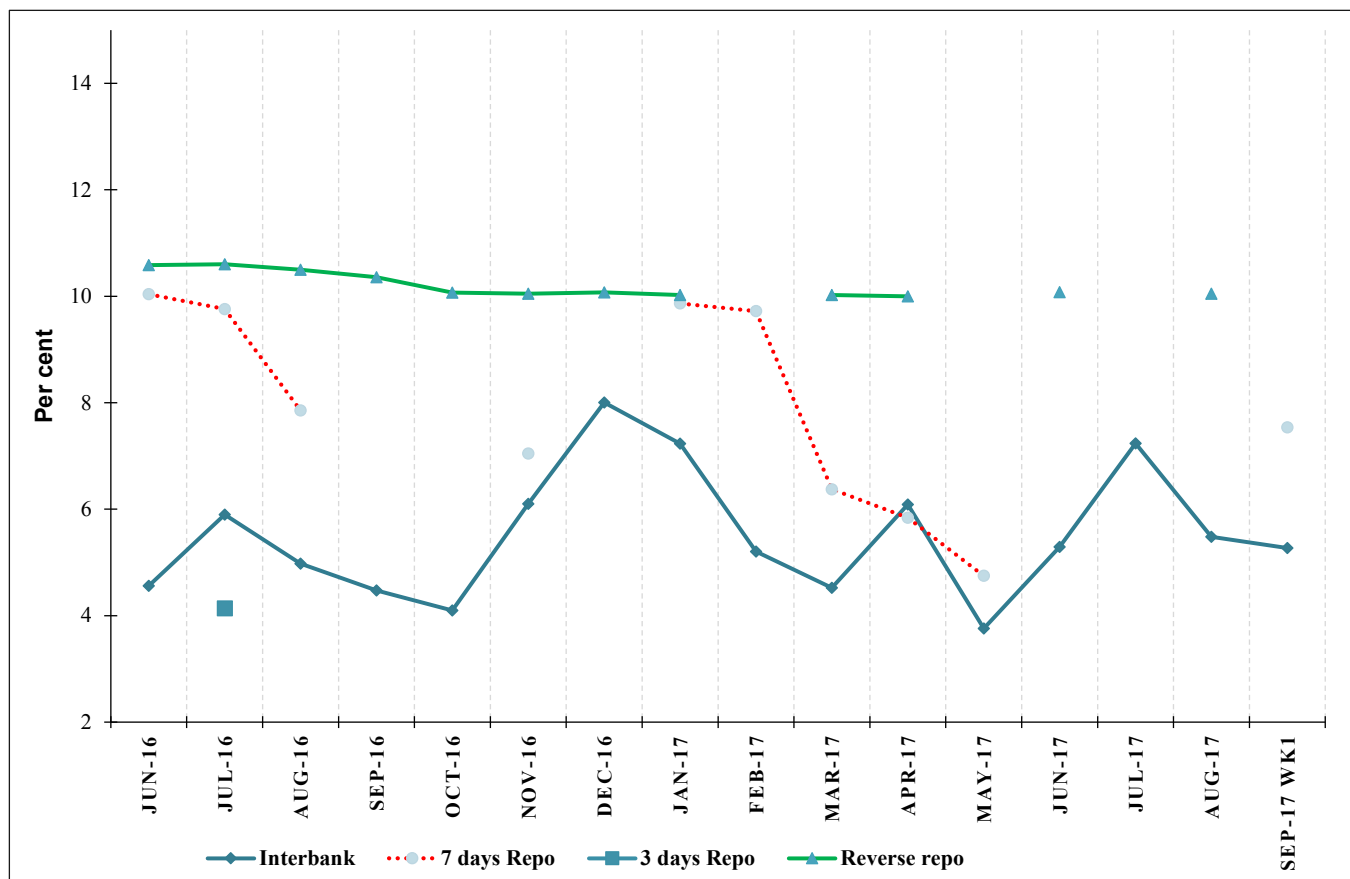
¹ Only main transactions increasing or reducing liquidity are included.

Source: Central Bank of Kenya

Table 2: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)	7 days Average Repo Rate (%)
24-Aug-17	29	12,300	5.83	-
25-Aug-17	48	22,000	5.55	-
28-Aug-17	37	18,150	5.50	-
29-Aug-17	31	15,720	5.43	-
30-Aug-17	30	17,780	5.10	-
Aug 24, 2017-Aug 30, 2017	35	17,190	5.48	-
31-Aug-17	23	13,250	4.83	7.60
1-Sep-17	26	9,850	4.88	-
4-Sep-17	24	8,575	5.25	7.48
5-Sep-17	27	10,620	5.44	-
6-Sep-17	26	8,700	5.96	-
Aug 31, 2017-Sept 06, 2017	25	10,199	5.27	7.54

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*
25-Aug-17	103.25	132.31	121.81	94.17	34.89	21.68	8.03	16.86
28-Aug-17	103.16	132.34	121.82	94.04	34.90	21.71	8.04	16.88
29-Aug-17	103.17	133.19	123.10	94.36	34.89	21.70	8.10	16.88
30-Aug-17	103.18	133.46	124.09	95.01	34.94	21.72	8.04	16.88
31-Aug-17	103.14	133.22	123.01	93.55	34.90	21.73	8.05	16.89
25-31 August 2017	103.18	132.90	122.77	94.23	34.90	21.71	8.05	16.88
1-Sep-17	102.81	132.34	121.83	93.14	35.02	21.80	8.07	16.95
4-Sep-17	103.16	133.87	122.22	93.83	34.88	21.72	8.05	16.89
5-Sep-17	103.23	133.75	122.87	94.22	34.87	21.71	8.04	16.88
6-Sep-17	103.25	134.07	122.80	94.52	34.82	21.70	8.04	16.88
7-Sep-17	103.24	134.70	123.05	94.70	34.87	21.69	8.04	16.89
1-7 September 2017	103.14	133.74	122.55	94.08	34.89	21.72	8.05	16.90

* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 4: Key Weekly Market Statistics

INDICATOR	13-Jul-17	20-Jul-17	27-Jul-17	03-Aug-17	10-Aug-17	17-Aug-17	24-Aug-17	31-Aug-17	07-Sep-17	Weekly Change (%)
NASI 100= 2008	152.99	154.30	158.40	158.90	162.00	166.08	168.69	169.16	164.00	-3.05
NSE 25 Share Index	4,038.39	4,107.00	4,215.46	4,235.00	4,328.42	4,045.89	4,482.63	4,485.10	4,301.00	-4.10
NSE 20 Share Index 100= 1996	3,659.28	3,683.00	3,764.74	3,774.00	3,903.29	4,457.05	4,052.54	4,027.12	3,805.00	-5.52
Number of Deals (Shares)	5,958.00	6,811.00	5,576.00	7,068.00	3,657.00	9,508.00	6,660.00	7,929.00	7,144.00	-9.90
Total Shares Traded (Million)	296.29	174.07	146.91	215.99	55.87	188.13	117.80	110.72	233.35	110.75
Equity Turnover (KSh Million)	6,458.15	4,353.84	4,030.47	5,384.87	1,585.53	4,817.58	3,055.78	3,237.17	6,893.81	112.96
Market Capitalization (KSh Billion)	2,236.24	2,255.51	2,315.43	2,328.66	2,364.42	2,433.42	2,471.91	2,478.62	2,402.90	-3.06
Bonds Turnover (KSh Million)	12,624.13	6,037.61	5,197.72	4,354.16	3,717.46	5,658.65	11,330.59	10,456.25	6,276.37	-39.97
5-Year Eurobond Yield (%)	4.91	4.84	4.48	4.40	4.17	4.09	4.07	3.91	4.18	0.27*
10-Year Eurobond Yield (%)	6.87	6.81	6.47	6.55	6.28	6.09	6.05	6.01	6.16	0.15*

* Percentage points

Source: Nairobi Securities Exchange, Thompson Reuters and Central Bank of Kenya

Table 5 A: Performance of Government Securities

TREASURY BILLS							
91-Day Treasury Bills							
Date of Auction	13-Jul-17	20-Jul-17	27-Jul-17	17-Aug-17	24-Aug-17	31-Aug-17	07-Sep-17
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	2,241.25	2,224.60	964.01	3,780.51	4,201.81	2,773.01	4,042.20
Amount Accepted (Ksh M)	2,241.16	2,224.60	857.46	3,780.41	4,201.81	1,577.59	3,996.05
Maturities (Ksh M)	8,879.35	6,835.20	11,427.00	2,268.60	2,268.60	3,167.80	14,028.70
Average interest Rate (%)- 91 Days	8.21	8.21	8.20	8.15	8.15	8.14	8.13
182-Day Treasury Bills							
Date of Auction	15-Jul-17	22-Jul-17	29-Jul-17	19-Aug-17	26-Aug-17	02-Sep-17	09-Sep-17
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	4,190.65	4,004.42	4,751.78	18,894.82	5,981.63	14,540.81	22,672.85
Amount Accepted (Ksh M)	4,070.86	3,054.54	4,416.32	18,400.69	5,981.63	11,463.28	20,797.68
Maturities (Ksh M)	1,619.55	5,845.20	2,297.80	16,280.10	16,280.10	22,446.95	0.00
Average interest Rate (%)- 182 days	10.32	10.31	10.32	10.32	10.31	10.32	10.31
364-Day Treasury Bills							
Date of Auction	15-Jul-17	22-Jul-17	29-Jul-17	19-Aug-17	26-Aug-17	02-Sep-17	09-Sep-17
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	1,623.54	1,290.26	9,780.73	12,086.62	12,534.86	15,343.16	10,132.67
Amount Accepted (Ksh M)	1,527.56	1,228.56	9,366.10	11,618.02	12,084.28	13,019.38	9,626.96
Maturities (Ksh M)	7,355.00	3,647.80	6,827.91	5,842.45	5,842.45	9843.8	12870.4
Average interest Rate (%)- 364 days	10.89	10.89	10.89	10.91	10.91	10.92	10.92

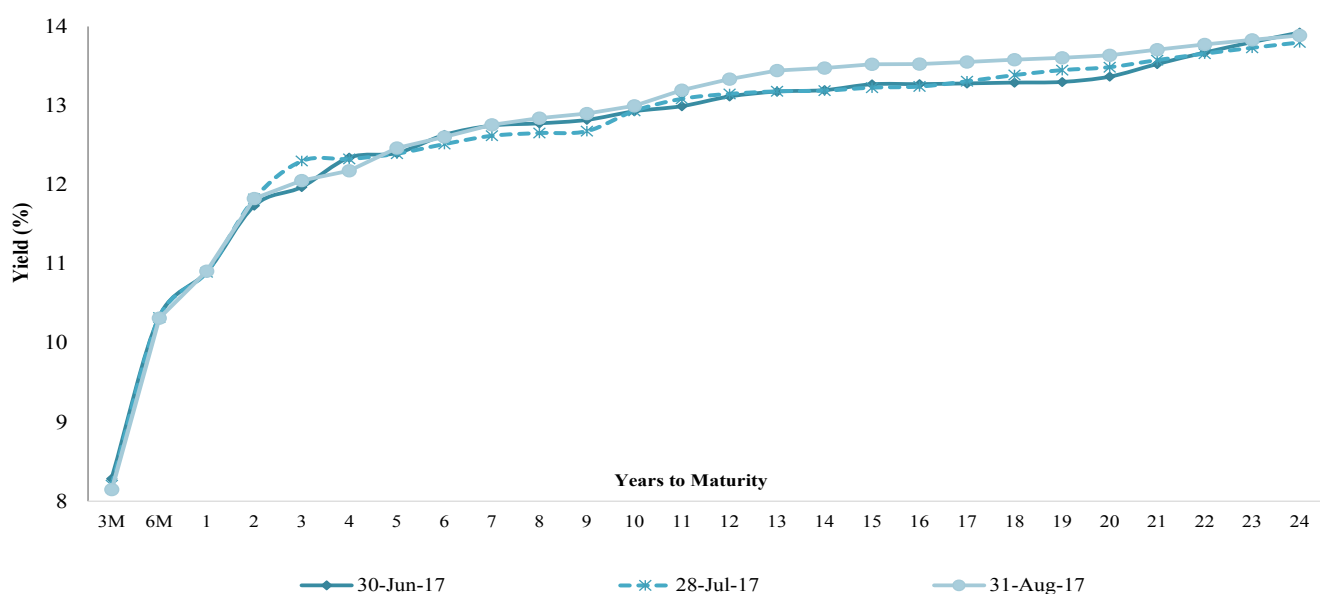
Source: Central Bank of Kenya

Table 5 B: Performance of Government Securities

TREASURY BONDS					
Date of	17-May-17		21-Jun-17	27-Jul-17	31-Aug-17
Tenor	FXD 2/2010/10	FXD 1/2009/15	FXD2/2007/15	FXD 1/2007/10	TAP Sale FXD 1/2017/5
Amount	40,000.0		30,000.0	30,000.0	13,000.0
Bids received	14,494.9	24,354.9	39,073.2	19,043.3	17,490.0
Amount	8,532.8	11,463.4	26,409.9	5,190.8	17,530.8
Maturities	31,079.6		18,746.8	0.0	0.0
Average	12.472	13.141	12.520	12.966	12.465

Source: Central Bank of Kenya

Chart C: Kenya Government Securities Yield Curve



Source: Central Bank of Kenya

Table 6: Government Domestic Debt (KSh Billion)

	30-Jun-17	28-Jul-17	04-Aug-17	11-Aug-17	18-Aug-17	25-Aug-17	01-Sep-17
1. Treasury Bills (Excluding Repos)	744.15	744.46	740.71	724.15	715.78	727.40	721.64
(As % of total securities)	35.84	35.85	35.65	35.01	34.75	35.20	35.02
2. Treasury Bonds	1,331.98	1,331.98	1,337.15	1,344.17	1,344.17	1,339.04	1,339.04
(As % of total securities)	64.16	64.15	64.35	64.99	65.25	64.80	64.98
3. Total Securities (1+2)	2,076.13	2,076.43	2,077.86	2,068.32	2,059.95	2,066.44	2,060.67
4. Overdraft at Central Bank	-	-	-	12.20	22.22	13.39	21.19
5. Other Domestic debt*	36.15	35.56	35.55	35.54	36.70	36.71	36.70
6. Gross Domestic Debt (3+4+5)	2,112.28	2,112.00	2,113.42	2,116.07	2,118.87	2,116.54	2,118.56

* 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)

	30-Jun-17	28-Jul-17	04-Aug-17	11-Aug-17	18-Aug-17	25-Aug-17	01-Sep-17
Treasury bills (Excluding Repos)	35.2	35.2	35.0	34.2	33.8	34.4	34.1
Treasury bonds	63.1	63.1	63.3	63.5	63.4	63.3	63.2
CBK Overdraft to Govt	0.0	0.0	0.0	0.6	1.0	0.6	1.0
Other domestic debt	1.7	1.7	1.7	1.7	1.7	1.7	1.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Kenya

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

	30-Jun-17	28-Jul-17	04-Aug-17	11-Aug-17	18-Aug-17	25-Aug-17	01-Sep-17
Banking Institutions	56.2	56.1	56.1	56.1	56.3	55.9	55.8
Insurance Companies	6.6	6.6	6.7	6.7	6.7	6.2	6.3
Parastatals	6.4	6.6	6.6	6.7	6.7	6.5	6.2
Pension funds	28.1	28.0	27.9	27.7	27.5	27.2	27.4
Other investors	2.7	2.7	2.8	2.8	2.8	4.3	4.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Kenya

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

	13-Jul-17	20-Jul-17	27-Jul-17	03-Aug-17	10-Aug-17	17-Aug-17	24-Aug-17	31-Aug-17	07-Sep-17
1. CBK Usable Foreign Exchange Reserves (USD Million)*	7,869	7,781	7,705	7,524	7,446	7,420	7,464	7,487	7,482
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	5.23	5.17	5.12	5.00	4.94	4.93	4.96	4.97	4.97

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya