



APRIL 7, 2017

Highlights

The money market was relatively liquid in the week ending April 5, 2017. The average interbank rate was stable at 4.11 percent compared to 4.52 percent recorded in the previous week.

The capital markets recorded mixed performance during the week ending April 6, 2017.

Monetary Policy Operations

The money market was relatively liquid in the week ending April 5, 2017. The Central Bank's open market operations resulted in KSh 5.1 billion injections largely through Term Auction Deposits (TAD) maturities (**Table 1**).

Commercial banks' excess reserves above 5.25 per cent averaging requirement stood at KSh 14.0 billion, 15.7 per cent higher than the previous weeks' level of KSh 12.1 billion (**Chart A**).

CBK Weekly Statistical Bulletin of Key Monetary and Financial Indicators

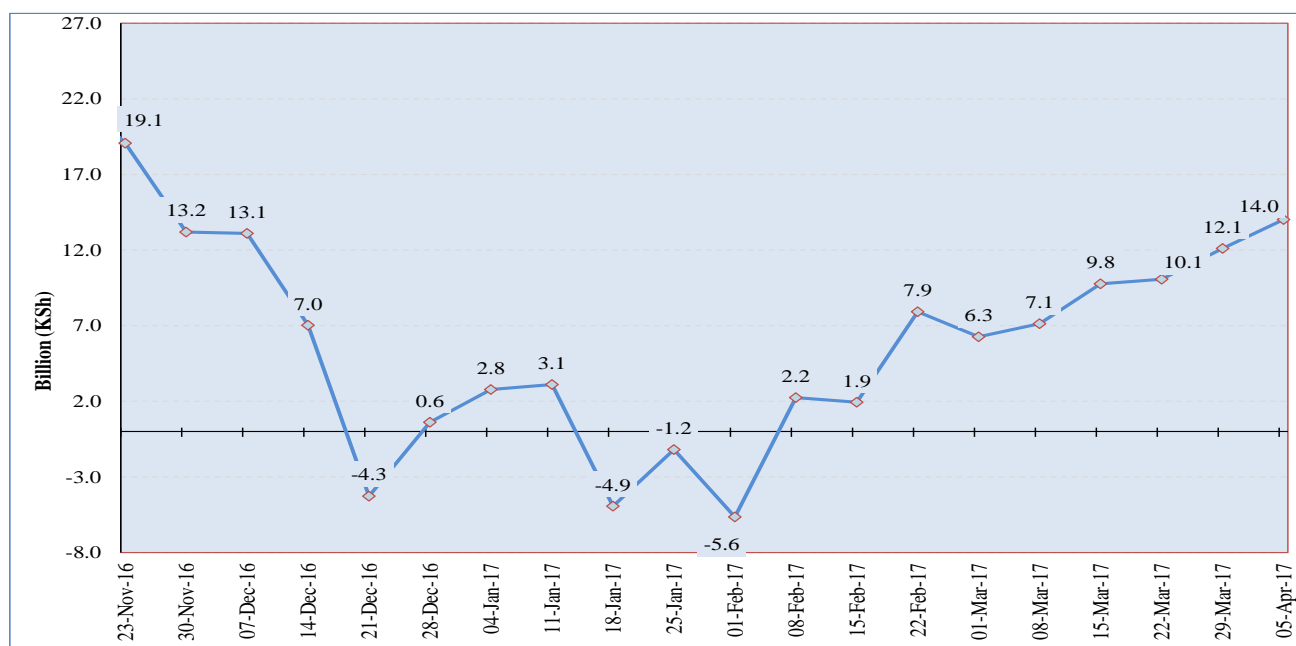
TABLE 1: INTERBANK LIQUIDITY FLOWS AND OPEN MARKET OPERATIONS (KSH BILLION)

	30-Mar-17	31-Mar-17	3-Apr-17	4-Apr-17	5-Apr-17	Total
Liquidity Flows						
Total liquidity injection \¹	14.7	31.1	20.8	35.0	4.4	105.9
Repos Maturities	8.2	0.0	0.0	0.0	0.0	8.2
Reverse Repo Purchases	0.5	0.2	5.5	1.3	0.0	7.5
Term Auction Deposit maturities	2.0	15.0	0.0	25.0	0.0	42.0
T/bills redemptions	0.0	0.0	11.9	0.0	0.0	11.9
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	4.0	15.9	3.5	8.7	4.4	36.4
Total liquidity reduction \¹	12.5	16.7	40.5	26.3	1.8	97.7
T/bills (Primary issues)	0.0	0.0	16.4	0.0	0.0	16.4
Tbonds Sales	0.0	0.0	15.4	0.0	0.0	15.4
T/bills/Tbonds (OMO Tap Sales)	0.0	0.0	0.0	0.0	0.0	0.0
Repos	0.0	14.2	0.0	0.0	0.0	14.2
Reverse Repos maturities	0.5	0.2	6.5	1.3	0.0	8.5
Term Auction Deposit	9.9	0.0	0.0	20.0	0.0	29.9
Transfer from Banks -Taxes	2.1	2.3	2.1	5.0	1.7	13.3
Net liquidity injection (+)/Withdrawal (-)	2.2	14.4	-19.6	8.6	2.6	8.2
Open Market Operations Outcome						
Posted Amount	10.0	15.0	0.0	20.0	0.0	45.0
Realised Amount - Mop up	9.9	14.2	0.0	20.0	0.0	44.1
Repo (-)	0.0	14.2	0.0	0.0	0.0	14.2
Term Auction Deposits (-)	9.9	0.0	0.0	20.0	0.0	29.9
Reserve Money Position						
Reserve money (actual)	395.2	409.8	388.1	399.5	402.7	399.1

\¹ Only main transactions increasing or reducing liquidity are included.

Source: Central Bank of Kenya

CHART A: COMMERCIAL BANKS EXCESS RESERVES



Source: Central Bank of Kenya

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Activity in the Interbank Market

The volumes transacted in the interbank market increased marginally to 14.7 billion during the week under review from KSh 13.2 billion in the previous week. The average number of deals declined to 23 from 27 the previous week. The average interbank rate was relatively stable at 4.11 percent in the

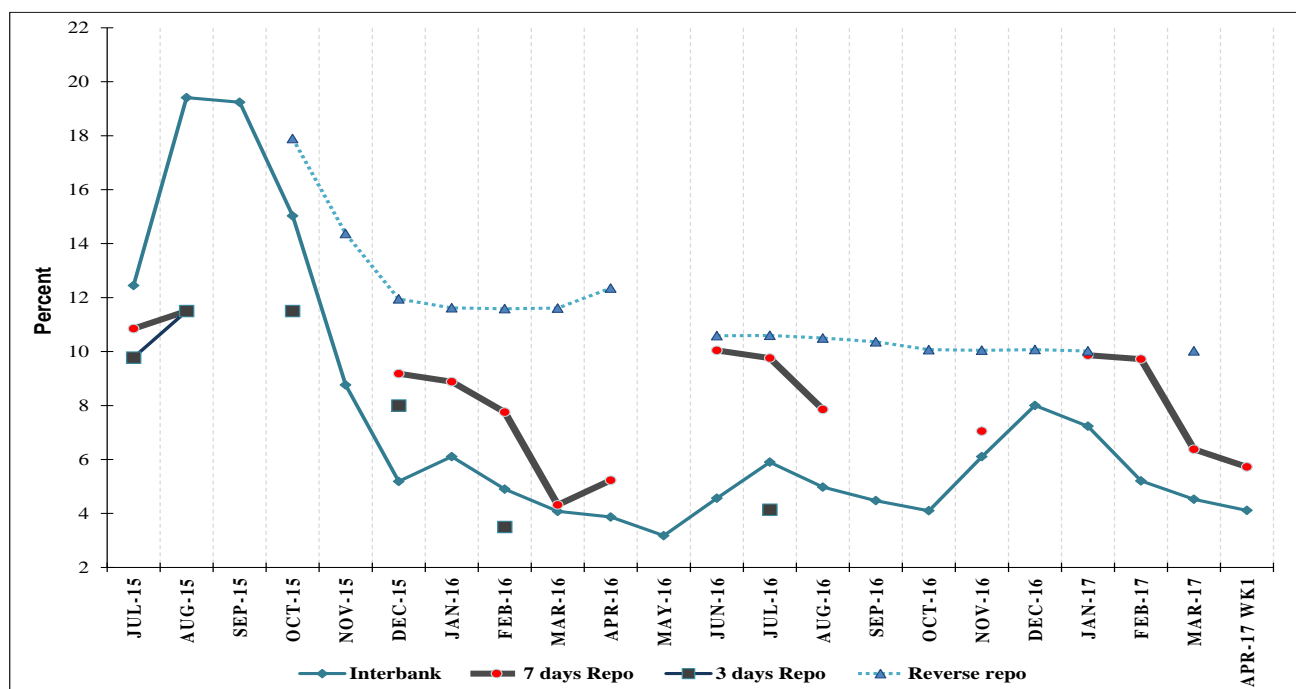
ending April 5, 2017 compared to 4.52 percent recorded in the previous week. Meanwhile, repo sales traded at a lower average rate of 5.72 percent in the week ending April 5, 2017 compared to 6.38 percent in the previous week **Chart B**).

TABLE 2: OPEN MARKET OPERATIONS (KSH MILLION)

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)	7 days Average Repo Rate (%)
23-Mar-17	24	8,450	4.74	6.58
24-Mar-17	25	10,950	4.67	6.55
27-Mar-17	34	15,550	4.98	-
28-Mar-17	29	16,920	4.42	6.00
29-Mar-17	23	14,200	3.80	-
Mar 23, 2017 - Mar 29, 2017	27	13,214	4.52	6.38
30-Mar-17	31	16,400	4.34	5.68
31-Mar-17	21	14,235	3.95	5.76
3-Apr-17	14	9,430	4.02	-
4-Apr-17	23	16,015	4.06	-
5-Apr-17	26	17,300	4.19	-
Mar 30, 2017 -April 5, 2017	23	14,676	4.11	5.72

Source: Central Bank of Kenya

CHART B: STRUCTURE OF INTEREST RATES



Source: Central Bank of Kenya

Kenya Shilling Exchange Rate

The Kenya Shilling exchange rate depicted mixed performance against major international and regional currencies in the week ending April 6, 2017. It strengthened against the Euro but weakened against the USD, the Sterling Pound and the Japanese Yen. In the EAC region, the Kenya Shilling strengthened against the Uganda Shilling and Burundi Franc but weakened against the Tanzania Shilling and Rwanda Franc.

TABLE 3: KENYA SHILLING EXCHANGE RATE

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
24-Mar-17	102.95	128.72	111.01	92.87	34.90	21.72	7.97	16.56
27-Mar-17	102.91	128.35	111.07	92.49	34.89	21.70	8.15	16.43
28-Mar-17	102.81	129.13	111.70	92.92	35.07	21.74	8.16	16.45
29-Mar-17	102.95	127.60	111.26	92.64	35.04	21.71	8.15	16.43
30-Mar-17	103.02	128.08	110.74	92.65	35.07	21.69	8.15	16.42
24-30 March 2017	102.93	128.38	111.15	92.71	34.99	21.71	8.12	16.46
31-Mar-17	103.00	128.83	110.56	92.62	35.08	21.67	7.98	16.57
3-Apr-17	103.10	129.33	110.11	92.57	35.02	21.66	8.13	16.41
4-Apr-17	103.19	128.35	110.00	93.39	35.03	21.64	8.13	16.40
5-Apr-17	103.24	128.57	109.94	93.27	35.00	21.63	7.96	16.54
6-Apr-17	103.28	128.85	110.14	92.73	34.98	21.61	7.99	16.64
31 Mar-6 April 2017	103.16	128.79	110.15	92.92	35.02	21.64	8.04	16.51

* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

The Capital Market

The capital markets recorded mixed performance during the week ending April 6, 2017.

Equity Market

Overall, share prices increased in the week ending April 6, 2017 as reflected by a 1.69 percent gain in

NASI and 1.23 percent gain in NSE 25 Share index. However, firms in the the NSE 20 share index recorded a 0.68 percent decline in prices. While the total number of shares traded declined by 0.15 per cent, equity turnover and shareholders' wealth, rose by 0.15 per cent and 1.69 per cent respectively on account of higher share prices. (Table 4).

TABLE 4: KEY WEEKLY MARKET STATISTICS

INDICATOR	23-Feb-17	2-Mar-17	9-Mar-17	16-Mar-17	23-Mar-17	30-Mar-17	6-Apr-17	Weekly Change (Percent)
NASI 100= 2008	125.93	122.33	119.85	124.76	129.90	130.43	132.63	1.69
NSE 25 Share Index	3,279.56	3,208.62	3,192.55	3,278.25	3,427.14	3,481.32	3,524.12	1.23
NSE 20 Share Index 100= 1996	3,009.19	2,969.12	2,951.15	2,965.31	3,082.85	3,122.51	3,101.19	-0.68
Number of Deals	5,006	4,847	4,561	5,583	5,049	5,074	4,937	-2.70
Total Shares Traded (Million)	133.04	102.39	113.03	212.74	132.79	116.38	116.21	-0.15
Equity Turnover (KSh Million)	2,387.68	2,027.90	2,200.28	4,227.18	2,354.20	2,339.75	2,442.60	4.40
Market Capitalization (KSh Billion)	1,825.55	1,773.25	1,737.20	1,808.54	1,883.31	1,893.11	1,925.17	1.69
I-REIT Turnover in (KSh Million)	11.13	0.13	0.09	1.76	1.70	3.43	0.79	-77.03
I-REIT in Units - Total Deals	27.00	18.00	11.00	33.00	29.00	19.00	30.00	57.89
Bonds Turnover (KSh Million)	4,915.45	6,587.00	11,708.54	13,597.39	7,284.40	15,127.23	8,183.45	-45.90
FTSE NSE Kenya 15 Index	150.07	146.23	145.56	151.34	157.72	161.43	164.38	1.83
FTSE NSE Kenya 25 Index	153.82	149.01	147.12	154.78	160.52	164.02	167.43	2.08
FTSE NSE Bond Index	89.80	89.64	89.66	89.68	89.66	89.73	89.71	-0.02

Source: Nairobi Securities Exchange

FTSE NSE Kenya Index Series, REITS and Most Active Sectors

FTSE¹ NSE Kenya 15 Index and FTSE NSE Kenya 25 Index, which measure performance of 15 largest companies by market capitalization and 25 most liquid stocks at the Nairobi Securities Exchange (NSE) rose by 1.83 percent and 2.08 percent respectively over the week ending April 7, 2017. The Telecommunication and Technology and Banking sectors dominated trading at 78 percent of the total shares traded.

The Income-Real Estate Investment Trust (I-REIT²) turnover declined by 77.08 percent, despite a 57.89 percent increase in the number of deals, signalling reduced investor appetite for asset class.

Bond Market

The volume of bonds traded declined by 45.90 percent with deals transacted down to 103 from last

week's 226. The reduced activity reflect investors' interest in short term (Treasury bills) that received 149.5 percent subscription rate on KSh 20 billion offered. The FTSE Bond Index declined marginally by 0.02 percent, reflecting marginal increase in secondary market yields consistent with the primary market.

¹ 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.

² 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.

TABLE 5: PERFORMANCE OF GOVERNMENT SECURITIES

91-Day Treasury Bills				
Date of Auction	2-Mar-17	23-Mar-17	30-Mar-17	6-Apr-17
Amount offered (Ksh M)	4,000.0	10,000.0	10,000.0	10,000.0
Bids received (Ksh M)	5,897.0	8,806.8	11,223.1	12,485.5
Amount Accepted (Ksh M)	5,848.0	2,158.4	7,084.8	11,330.0
Maturities (Ksh M)	5,721.5	3,750.1	1,393.8	3,525.0
Average interest Rate (%)- 91 Days	8.6	8.7	8.8	8.8
182-Day Treasury Bills				
Date of Auction	1-Mar-17	22-Mar-17	29-Mar-17	5-Apr-17
Amount offered (Ksh M)	6,000.0			
Bids received (Ksh M)	24,178.7			
Amount Accepted (Ksh M)	21,332.7			
Maturities (Ksh M)	6,885.4			
Average interest Rate (%)- 182 days	10.5			
364-Day Treasury Bills				
Date of Auction	1-Mar-17	22-Mar-17	29-Mar-17	5-Apr-17
Amount offered (Ksh M)	6,000.0	10,000.0	10,000.0	10,000.0
Bids received (Ksh M)	3,443.9	20,305.3	13,275.7	17,394.3
Amount Accepted (Ksh M)	2,812.5	15,444.6	9,287.4	12,302.6
Maturities (Ksh M)	10,033.1	13,918.9	4,883.3	7,322.2
Average interest Rate (%)- 364 days	10.9	10.9	10.9	10.9
Treasury Bonds				
Date of Auction	22-Mar-17		29-Mar-17	
Tenor	FXD 3/2013/5 (re-open)	FXD 2/2014/5 (re-open)	FXD 3/2013/5 (re-open)	
Amount offered (Ksh M)	30,000.0	15,000.0		
Bids received (Ksh M)	64,248.4	14,463.7	12,109.4	
Amount Accepted (Ksh M)	24,864.0	7,582.7	7,842.8	
Maturities (Ksh M)	0.0	0.0		
Average interest Rate (%)	11.817	11.817	12.404	

Source: Central Bank of Kenya

TABLE 6: GOVERNMENT DOMESTIC DEBT (KSH BILLION)

	27-Jan-17	17-Feb-17	24-Feb-17	03-Mar-17	10-Mar-17	17-Mar-17	24-Mar-17	31-Mar-17
1. Treasury Bills (Excluding Repos)	598.48	600.42	607.90	609.60	618.43	617.91	619.59	615.77
(As % of total securities)	32.36	32.51	33.21	33.16	33.33	33.31	33.37	34.21
2. Treasury Bonds	1,250.70	1,246.20	1,222.61	1,228.90	1,236.94	1,236.94	1,236.94	1,184.23
(As % of total securities)	67.64	67.49	66.79	66.84	66.67	66.69	66.63	65.79
3. Total Securities (1+2)	1,849.17	1,846.62	1,830.51	1,838.49	1,855.36	1,854.85	1,856.52	1,799.99
4. Overdraft at Central Bank	13.58	9.54	25.13	26.00	22.57	23.12	21.20	30.27
5. Other Domestic debt*	32.10	30.95	30.97	30.96	31.05	31.05	31.05	31.06
6. Gross Domestic Debt (3+4+5)	1,894.85	1,887.11	1,886.61	1,895.46	1,908.99	1,909.02	1,908.77	1,861.32

Source: Central Bank of Kenya

TABLE 7: COMPOSITION OF GOVERNMENT DEBT BY INSTRUMENT (IN PERCENT)

	24-Jun-16	29-Jul-16	27-Jan-17	17-Feb-17	24-Feb-17	03-Mar-17	10-Mar-17	17-Mar-17	24-Mar-17	31-Mar-17
Treasury bills (Excluding Repos)	32.1	31.9	31.6	31.8	32.2	32.2	32.4	32.4	32.5	33.1
Treasury bonds	64.1	65.6	66.0	66.0	64.8	64.8	64.8	64.8	64.8	63.6
CBK Overdraft to Govt	2.1	0.8	0.7	0.5	1.3	1.4	1.2	1.2	1.1	1.6
Other domestic debt	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Kenya

TABLE 8: COMPOSITION OF GOVERNMENT DEBT BY HOLDER (IN PERCENT)

	29-Jul-16	26-Aug-16	30-Sep-16	25-Nov-16	30-Dec-16	27-Jan-17	17-Feb-17	24-Feb-17	3-Mar-17	10-Mar-17	17-Mar-17	24-Mar-17	31-Mar-17
Banking Institutions	54.8	54.4	55.0	53.3	52.5	51.6	51.2	51.0	51.1	51.3	51.1	51.2	51.8
Insurance Companies	7.6	7.3	7.4	7.1	7.3	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Parastatals	5.1	5.6	5.5	5.8	5.6	5.7	5.8	5.8	6.1	6.0	6.1	6.1	6.3
Pension funds	26.8	27.0	26.6	27.3	28.0	28.6	28.8	29.0	28.6	28.8	28.9	28.8	28.7
Other investors	5.7	5.6	5.6	6.5	6.5	6.7	6.7	6.7	6.8	6.4	6.4	6.4	5.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	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)

	16-Feb-17	23-Feb-17	2-Mar-17	9-Mar-17	16-Mar-17	23-Mar-17	30-Mar-17	6-Apr-17
1. CBK Usable Foreign Exchange Reserves (USD Million)*	6,949	6,948	6,994	7,027	6,973	7,777	7,731	8,026
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.59	4.59	4.62	4.64	4.61	5.14	5.11	5.30

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya