



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

February 8, 2018

The Interbank Market

The volumes traded in the interbank market increased to an average of KSh 18.80 billion during the week ending February 7, 2018 from KSh 13.56 billion in the previous week, largely reflecting the significant payments for government securities. Similarly, the number of deals in the interbank market increased to an average of 40 from 36. The weighted average interbank rate however, declined to 5.51 percent from 6.26 percent in the previous week largely reflecting skewed trading in a segmented interbank market (**Table 1**).

Kenya Shilling Exchange Rate

The Kenya Shilling exchange rate strengthened against major international and regional currencies during the week ending February 8, 2018. The appreciation was attributed to increased inflows of foreign exchange from the agricultural sector and foreign investors seeking to participate in the primary issuance of Government securities (**Table 2**).

Equity Market

Overall equities market recorded mixed performance in the week ending February 8, 2018. On the decline, are all indices and market capitalization. On the increase however are the number and volume of shares traded, which pushed up Equity turnover by 54.22 percent. The fall in prices partly reflects ripple effects across the globe following the plunge in the U.S stock markets that saw Dow Jones Index lose 4.6 percent value on Monday 5, 2018, the biggest loss since August 2011. Japan's Nikkei index plunged 4 percent in on Tuesday morning trading while the S&P/ASX 200 in Australia dropped 3 percent. Increased supply of shares saw the Equity Turnover rise against declining prices (**Table 3**).

Bond Market and Eurobond Yields

The volume of bonds traded increased significantly in the week ending February 8, 2017, partly reflecting market appetite for fixed income assets following successful Tap sale of IFB1/2018/015. Yields on Kenya's 5-year and 10-year Eurobonds rose marginally by 0.151 and 0.207 percentage points, respectively, reflecting recent risks in the global bond markets (**Table 3**).



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Table 1: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)	Reverse Repo Rate (%)
25-Jan-18	31	9,330	6.34	-
26-Jan-18	38	15,305	6.38	-
29-Jan-18	34	13,255	6.30	-
30-Jan-18	34	13,025	6.20	-
31-Jan-18	43	16,878	6.09	-
Jan 25 , 2018 - Jan 31, 2018	36	13559	6.26	
1-Feb-18	38	17,335	5.67	10.00
2-Feb-18	44	17,385	5.50	10.00
5-Feb-18	41	20,575	5.55	10.00
6-Feb-18	39	19,590	5.52	10.00
7-Feb-18	37	19,135	5.33	10.00
Feb 1, 2018 - Feb 7, 2018	40	18804	5.51	10.00

Source: Central Bank of Kenya

Table 2: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
26-Jan-18	102.37	146.54	128.05	94.00	35.49	21.99	8.23	17.27
29-Jan-18	102.35	145.78	127.43	93.71	35.49	21.96	8.23	17.27
30-Jan-18	102.36	144.08	126.61	94.09	35.41	21.94	8.43	17.18
31-Jan-18	102.36	144.66	127.24	94.24	35.39	22.00	8.43	17.18
1-Feb-18	101.99	144.76	127.16	93.56	35.52	22.03	8.26	17.33
26 Jan-1 Feb 2018	102.29	145.17	127.30	93.92	35.46	21.99	8.31	17.24
2-Feb-18	101.92	144.93	126.88	93.03	35.54	22.06	8.27	17.35
5-Feb-18	101.74	144.19	126.76	92.25	35.68	22.10	8.47	17.28
6-Feb-18	101.36	141.99	125.90	92.01	35.84	22.19	8.51	17.35
7-Feb-18	101.31	140.52	125.01	92.45	35.91	22.17	8.52	17.46
8-Feb-18	101.01	140.50	124.61	92.44	36.01	22.30	8.35	17.51
2 -8 Feb 2018	101.47	142.42	125.83	92.44	35.80	22.16	8.42	17.39

* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 3: Key Market Indicators

INDICATOR	NASI 100= 2008	NSE 25 Share Index	NSE 20 Share Index 100= 1996	Number of Deals (Shares)	Total Shares Traded (Million)	Equity Turnover (KSh Million)	Market Capitalization (KSh Billion)	Bonds Turnover (KSh Million)	5-Year Eurobond Yield (%)	10-Year Eurobond Yield (%)
26-Jan-18	181.69	4514.45	3728.15	1070	36.39	1,026.83	2676.67	551.71	3.654	5.74
29-Jan-18	181.16	4520.28	3739.69	1079	9.59	287.30	2668.79	2,600.54	3.824	5.843
30-Jan-18	181.04	4511.76	3727.73	1065	43.12	1,211.14	2667.01	3,963.47	3.922	5.877
31-Jan-18	180.60	4512.95	3737.27	932	20.14	638.41	2660.47	2,073.50	3.828	5.815
01-Feb-18	181.57	4535.27	3752.48	1094	15.28	497.35	2674.87	3,932.67	3.816	5.806
26 Jan - 1 Feb 2018	181.57	4,535.27	3,752.48	5,240	124.52	3,661.04	2,674.87	13,121.89	3.816	5.806
02-Feb-18	181.69	4544.76	3758.18	938	17.91	480.52	2676.55	4,031.44	3.904	5.944
05-Feb-18	181.91	4550.55	3755.77	1322	30.80	744.42	2679.81	1,538.06	3.992	6.045
06-Feb-18	181.38	4543.65	3759.95	1485	68.06	1,997.67	2672.10	5,489.48	3.988	6.075
07-Feb-18	178.11	4483.43	3729.34	1326	35.91	1,101.00	2623.80	4,790.00	3.984	6.012
08-Feb-18	180.39	4515.15	3746.18	1304	43.67	1,322.36	2657.47	3,978.97	3.967	6.013
2-8 Feb 2018	180.39	4,515.15	3,746.18	6,375	196.35	5,645.97	2,657.47	19,827.95	3.967	6.013
Weekly Change	(0.65)	(0.44)	(0.17)	21.66	57.69	54.22	(0.65)	51.11	0.151*	0.207*

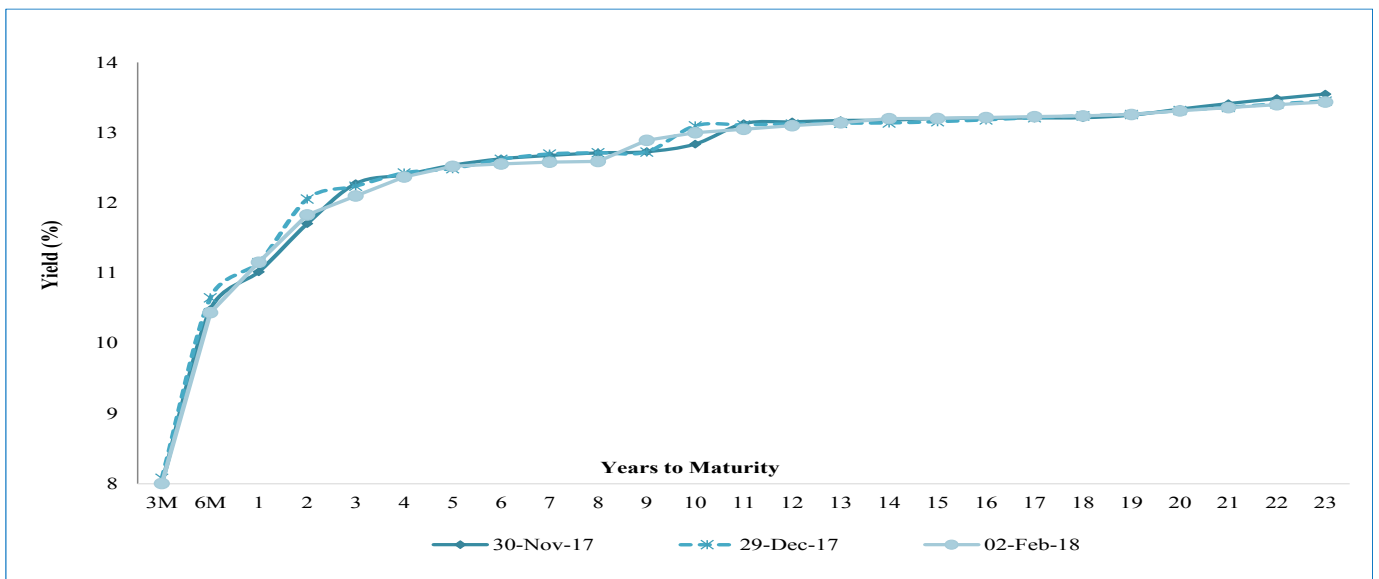
* Percentage points

Source: Central Bank of Kenya

Table 4: Performance of Treasury Bonds

Date of Auction	22-Nov-17	13-Dec-17		28-Dec-17		25-Jan-18	01-Feb-18
Tenor	IFB1/2017/7	FXD1/2008/15	FXD1/2017/10	TAP FXD1/2008/15	TAP FXD1/2017/10	IFB 1/2018/15	IFB 1/2018/15
Amount offered (Ksh)	30,000.0	30,000.0		20,000.0		40,000.0	35,000.0
Bids received (Ksh M)	45,910.9	10,086.3	11,806.1	2,683.6	5,138.9	55,756.5	36,231.2
Amount Accepted (Ksh)	42,020.1	4,679.8	5,366.9	2,683.6	5,138.9	5,041.5	36,207.2
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average interest Rate	12.232	12.581	13.087	13.087	13.087	12.505	12.505

Source: Central Bank of Kenya

Chart 1: Kenya Government Securities Yield Curve

Source: Central Bank of Kenya

Table 5: Government Domestic Debt (KSh Billion)

	27-Oct-17	24-Nov-17	29-Dec-17	19-Jan-18	26-Jan-18	02-Feb-18
1. Treasury Bills (Excluding Repos)	734.84	709.79	684.72	701.05	711.31	732.03
(As % of total securities)	34.38	33.49	31.91	32.30	32.93	33.49
2. Treasury Bonds	1,402.49	1,409.71	1,461.25	1,469.11	1,448.96	1,453.91
(As % of total securities)	65.62	66.51	68.09	67.70	67.07	66.51
3. Total Securities (1+2)	2,137.33	2,119.51	2,145.97	2,170.16	2,160.26	2,185.94
4. Overdraft at Central Bank	17.70	33.88	42.32	29.93	46.54	29.92
5. Other Domestic debt*	40.50	32.83	32.58	32.06	32.07	32.07
6. Gross Domestic Debt (3+4+5)	2,195.53	2,186.21	2,220.87	2,232.14	2,238.88	2,247.92

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

Source :Central Bank of Kenya

Table 6: Composition of Government Domestic Debt by Instrument (In Percent)

	30-Jun-17	27-Oct-17	24-Nov-17	29-Dec-17	19-Jan-18	26-Jan-18	02-Feb-18
Treasury bills (Excluding Repos)	35.2	33.5	32.5	30.8	31.4	31.8	32.6
Treasury bonds	63.1	63.9	64.5	65.8	65.8	64.7	64.7
CBK Overdraft to Govt	0.0	0.8	1.5	1.9	1.3	2.1	1.3
Other domestic debt	1.7	1.8	1.5	1.5	1.4	1.4	1.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Kenya

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

	24-Nov-17	22-Dec-17	29-Dec-17	19-Jan-18	26-Jan-18	02-Feb-18
Banking Institutions	54.7	54.3	54.6	54.6	54.9	54.4
Insurance Companies	6.3	6.4	6.4	6.4	6.4	6.4
Parastatals	7.0	6.9	6.9	6.8	6.9	6.9
Pension funds	27.6	27.8	27.5	27.7	27.5	27.8
Other investors	4.4	4.5	4.5	4.5	4.5	4.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Kenya

Table 8: Official Foreign Reserves US\$ Million (Usable)

	14-Dec-17	21-Dec-17	28-Dec-17	04-Jan-18	11-Jan-18	18-Jan-18	25-Jan-18	01-Feb-18	08-Feb-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	7,091	7,037	7,063	7,081	7,044	6,994	7,056	7,074	7,181
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.75	4.71	4.73	4.74	4.72	4.69	4.72	4.73	4.80

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya