



Central Bank of Kenya

# Weekly Statistical Bulletin

Key Monetary and Financial Indicators

JUNE 22, 2018

## Interbank Market

Trading in the interbank market was largely stable during the week ending June 20, 2018 as the average volumes traded stood at KSh 14.09 billion compared with KSh 14.43 billion in the previous week. However, the number of deals traded increased to an average of 29 from an average of 24 as banks sought funds to remit Value Added Taxes. Similarly, the weighted average interbank rate increased to 4.05 percent from 3.59 percent in the previous week (Table 1).

## Exchange Rate

The Kenya Shilling remained stable during the week ending June 21, 2018. Against the major international currencies, it was stable against the US Dollar and strengthened against the Sterling Pound, the Euro and the Japanese Yen. In the EAC region, the Kenya Shilling strengthened against the Uganda Shilling and remained stable against the Tanzania Shilling, Rwanda Franc and the Burundi Franc (Table 2).

## Government Securities

The Government securities market has maintained robust performance with Treasury bill auctions continuing to be highly oversubscribed and the interest rates sustaining a downward trend. The Treasury bill auction of June 21, 2018 had a subscription of 214.71 percent. The auction received bids totaling KSh 51.53 billion against an advertised amount of KSh 24.0 billion. All the tenors of Treasury bills on offer were oversubscribed. Interest rate on the three Treasury bills declined further during the June 21, 2018 auction, with the 91-Day Treasury bill interest rate falling to its lowest level in the year at 7.7 percent (Table 5). However, the 25-year Treasury bond offered during the week did not attract as much interest as the Treasury bills. The Treasury bond received bids totaling KSh

10.13 billion compared to an offer of KSh 40 billion (Table 4).

## Equity Market

The trading activity in the equity market recorded mixed performance during the week ending June 21, 2018 compared to the previous week. The NASI, NSE 25 share index, NSE 20 Share index and Market capitalization all declined. However, the number of shares traded, total deals and total equity turnover increased. Shareholders incurred a paper loss of KSh 118.7 billion as measured by decline in market capitalisation. The low performance could be a reflection of trends in global markets in reaction to tensions in global trade that may impact global economy. For instance, all the U.S major indices fell significantly in the week. In Europe, a possible rate hike by Bank of England saw the FTSE 100 index also decline in the week (Table 3).

## Bond Market

The volume of bonds traded declined by 14.99 percent in the week ending June 21, 2018, compared to the previous week (Table 3). This low performance in the secondary market mirrors the 25.33 percent subscription to a Ksh 40 billion 25-year bond sold in the primary market value dated June 25, 2018.

In the international bond market, the yields on Kenyan Eurobonds increased across all the four tranches as was the previous week, reflecting the general trend in the global market for bonds (Chart 1). However, yields on Kenya's 10-year Eurobond remain lower compared to the 10-year Eurobonds issued by other African countries. The yields are increasing in the global market due to the increase in interest rate in the USA and the tightening financial conditions in the developed countries.

**Table 1: Interbank Deals, Volumes and Interest Rates**

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
7-Jun-18	25	17,689	3.78
8-Jun-18	24	18,901	3.63
11-Jun-18	22	12,150	3.64
12-Jun-18	25	14,490	3.37
13-Jun-18	24	8,900	3.53
<b>June 07 - 13, 2018</b>	<b>24</b>	<b>14,426</b>	<b>3.59</b>
14-Jun-18	26	11,850	3.75
18-Jun-18	31	17,950	4.05
19-Jun-18	31	16,700	3.92
20-Jun-18	26	9,850	4.48
<b>June 14 - 20, 2018</b>	<b>29</b>	<b>14,088</b>	<b>4.05</b>

Source: Central Bank of Kenya

**Table 2: Kenya Shilling Exchange Rates (Indicative Mean Rates)**

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
8-Jun-18	100.84	135.11	119.17	91.96	37.91	22.56	8.64	17.48
11-Jun-18	101.00	135.23	118.44	92.28	37.84	22.52	8.63	17.45
12-Jun-18	101.05	135.20	119.20	91.97	37.84	22.51	8.62	17.44
13-Jun-18	101.13	135.11	119.24	91.74	37.90	22.50	8.62	17.43
14-Jun-18	101.14	134.96	119.06	91.58	38.00	22.49	8.62	17.43
<b>June 8-14, 2018</b>	<b>101.03</b>	<b>135.12</b>	<b>119.02</b>	<b>91.90</b>	<b>37.90</b>	<b>22.52</b>	<b>8.63</b>	<b>17.44</b>
18-Jun-18	101.11	134.83	118.10	91.68	38.00	22.50	8.49	17.43
19-Jun-18	101.13	133.83	117.31	91.54	38.12	22.51	8.62	17.43
20-Jun-18	101.12	133.20	116.88	91.75	38.15	22.50	8.62	17.43
21-Jun-18	100.96	133.02	116.88	91.64	38.38	22.53	8.64	17.46
<b>June 18-21, 2018</b>	<b>101.08</b>	<b>133.72</b>	<b>117.29</b>	<b>91.65</b>	<b>38.16</b>	<b>22.51</b>	<b>8.59</b>	<b>17.44</b>

\* Units of currency per Kenya Shilling

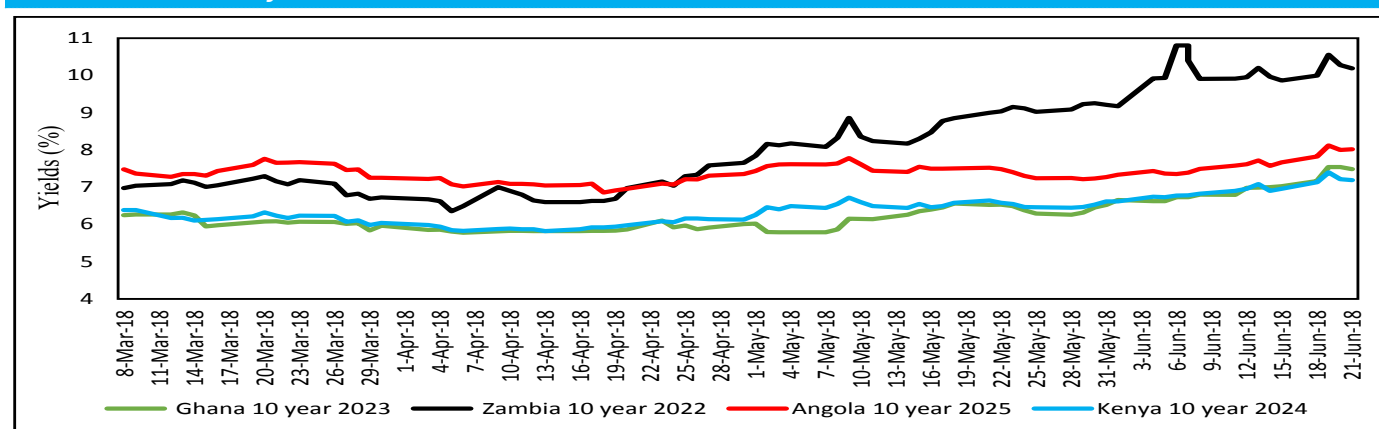
Source :Central Bank of Kenya

**Table 3: Key Weekly 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 Euro-bond Yield (%)	10-Year Euro-bond Yield (%) - 2024	10-Year Euro-bond Yield (%) - 2028	30-Year Eurobond Yield (%)
08-Jun-18	176.67	4559.31	3352.85	1,281	10.08	283.12	2,610.43	5,496.75	5.721	6.823	7.394	8.456
11-Jun-18	178.29	4582.62	3335.85	1,064	23.34	386.65	2,634.36	2,010.10	5.620	6.900	7.475	8.527
12-Jun-18	178.32	4587.61	3357.28	1,516	34.56	994.34	2,634.73	5,498.73	5.771	6.957	7.579	8.566
13-Jun-18	178.21	4564.15	3343.76	1,447	19.35	565.45	2,633.17	4,234.26	5.746	7.081	7.673	8.672
<b>8-13 June, 2018</b>	<b>178.21</b>	<b>4564.15</b>	<b>3343.76</b>	<b>5,308</b>	<b>87.33</b>	<b>2,229.56</b>	<b>2,633.17</b>	<b>17,239.83</b>	<b>5.746</b>	<b>7.081</b>	<b>7.673</b>	<b>8.672</b>
14-Jun-18	178.10	4555.04	3349.66	1,275	41.21	1,316.21	2,632.80	6,074.46	5.617	6.900	7.505	8.480
18-Jun-18	177.73	4101.67	3373.55	1,292	9.33	257.59	2,626.05	1,743.20	5.668	7.134	7.776	8.791
19-Jun-18	173.48	4489.13	3348.05	1,541	16.81	725.06	2,563.09	2,417.32	6.290	7.398	8.061	9.006
20-Jun-18	170.14	4426.30	3320.35	1,313	27.29	853.65	2,513.70	2,148.71	6.004	7.213	7.864	8.859
21-Jun-18	170.19	4427.53	3309.43	1,332	26.40	864.61	2,514.47	2,272.05	5.875	7.187	7.874	8.885
<b>14-21 June, 2018</b>	<b>170.19</b>	<b>4427.53</b>	<b>3309.43</b>	<b>6,753</b>	<b>121</b>	<b>4,017.11</b>	<b>2,514.47</b>	<b>14,655.72</b>	<b>5.875</b>	<b>7.187</b>	<b>7.874</b>	<b>8.885</b>
<b>Weekly Change (%)</b>	<b>-4.50</b>	<b>-2.99</b>	<b>-1.03</b>	<b>27.22</b>	<b>38.59</b>	<b>80.18</b>	<b>-4.51</b>	<b>-14.99</b>	<b>0.129*</b>	<b>0.106*</b>	<b>0.201*</b>	<b>0.213*</b>

\* Percentage points

Source: Central Bank of Kenya, NSE and Reuters

**Chart 1: Yields on 10 year Eurobonds in Selected African Countries**

Source: Central Bank of Kenya computation based on Thompson Reuters

**Table 4: Performance of Treasury Bonds**

Date of Auction	28-Dec-17		28-Mar-18		25-Apr-18		23-May-18		20-Jun-18	
Tenor	TAP FXD1/2008/15	TAP FXD1/2017/10	TAP FXD 1/2018/5	TAP FXD 1/2018/20	REOPEN FXD 1/2008/15	REOPEN FXD 1/2018/20	FXD1/2018/15	FXD1/2018/25	FXD1/2018/15	FXD1/2018/25
Amount offered (Ksh M)	20,000.0		8,500.0		40,000.0		40,000.0		40,000.0	
Bids received (Ksh M)	2,683.6	5,138.9	7,739.2	7,769.3	22,864.2	9,904.2	20,217.0	10,130.7	20,217.0	10,130.7
Amount Accepted (Ksh M)	2,683.6	5,138.9	7,739.2	7,769.3	20,152.6	6,786.1	12,863.5	5,171.8	12,863.5	5,171.8
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26,340.1	0.0	26,340.1
Average interest Rate (%)	12.581	13.087	12.299	13.336	12.317	13.327	13.078	13.451	13.078	13.451

Source: Central Bank of Kenya

**Table 5: Performance of Treasury Bills****91-Day Treasury Bills**

Date of Auction	29-Mar-18	26-Apr-18	31-May-18	07-Jun-18	14-Jun-18	21-Jun-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	1,762.19	1,069.85	9,201.07	875.02	5,517.68	5,461.80
Amount Accepted (Ksh M)	1,761.56	1,036.04	5,278.73	875.02	3,556.05	5,457.48
Maturities (Ksh M)	2,790.30	3,936.00	7,393.15	3,227.80	1,899.45	2,197.60
<b>Average interest Rate (%) - 91 Days</b>	<b>8.000</b>	<b>8.000</b>	<b>7.900</b>	<b>7.850</b>	<b>7.821</b>	<b>7.725</b>

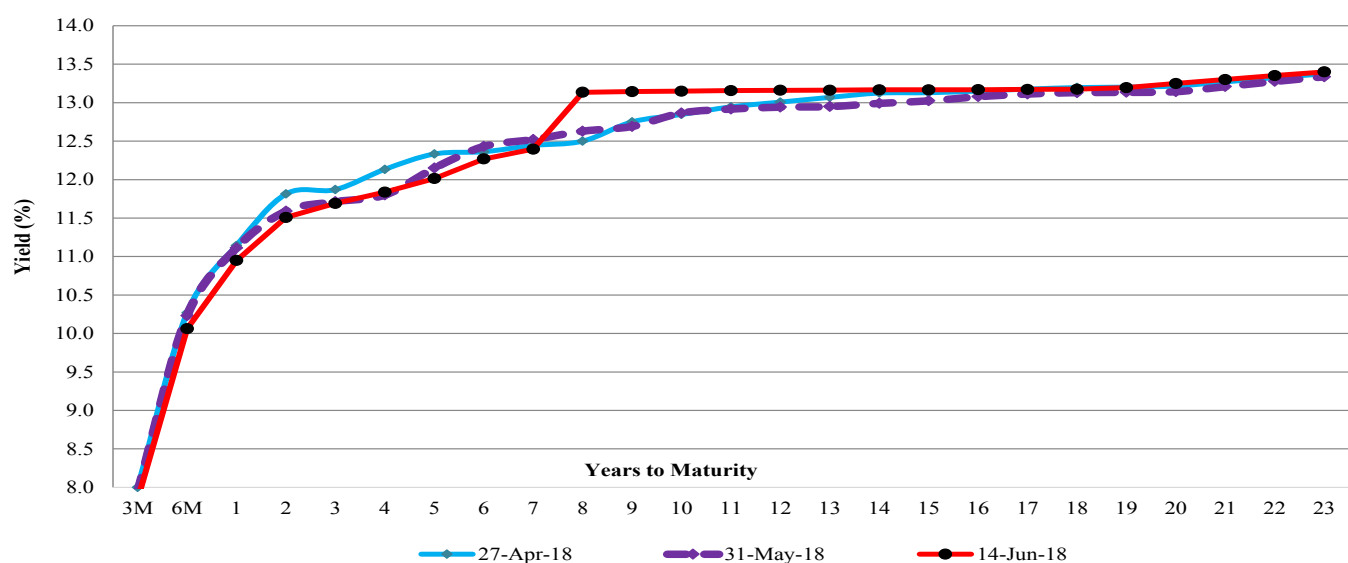
**182-Day Treasury Bills**

Date of Auction	29-Mar-18	26-Apr-18	31-May-18	07-Jun-18	14-Jun-18	21-Jun-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	3,753.17	11,556.79	11,705.88	17,345.27	22,163.97	17,146.07
Amount Accepted (Ksh M)	3,753.17	9,369.59	5,650.43	11,750.60	3,985.87	17,074.71
Maturities (Ksh M)	5,467.05	1,425.20	2,763.15	6,214.40	5,299.10	8,650.00
<b>Average interest Rate (%) - 182 days</b>	<b>10.384</b>	<b>10.268</b>	<b>10.196</b>	<b>10.061</b>	<b>9.800</b>	<b>9.666</b>

**364-Day Treasury Bills**

Date of Auction	29-Mar-18	26-Apr-18	31-May-18	07-Jun-18	14-Jun-18	21-Jun-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	7,149.41	12,843.13	23,759.30	32,289.38	34,586.94	28,921.75
Amount Accepted (Ksh M)	6,249.64	9,124.17	8,418.52	7,828.84	10,803.80	28,358.83
Maturities (Ksh M)	10,287.75	8,849.45	12,819.75	8,744.70	9,844.35	10,029.15
<b>Average interest Rate (%) - 364 days</b>	<b>11.130</b>	<b>11.143</b>	<b>11.083</b>	<b>10.949</b>	<b>10.706</b>	<b>10.537</b>

Source: Central Bank of Kenya

**Chart 2: Kenya Government Securities Yield Curve**

Source: Central Bank of Kenya and NSE

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

	23-Feb-18	29-Mar-18	27-Apr-18	25-May-18	31-May-18	08-Jun-18	14-Jun-18
1. Treasury Bills (Excluding Repos)	754.54	772.70	782.94	821.14	838.73	838.35	842.05
<b>(As % of total securities)</b>	<b>33.80</b>	<b>33.59</b>	<b>33.95</b>	<b>35.08</b>	<b>35.36</b>	<b>35.35</b>	<b>35.45</b>
2. Treasury Bonds	1,477.96	1,527.84	1,523.18	1,519.84	1,533.06	1,533.06	1,533.06
<b>(As % of total securities)</b>	<b>66.20</b>	<b>66.41</b>	<b>66.05</b>	<b>64.92</b>	<b>64.64</b>	<b>64.65</b>	<b>64.55</b>
3. Total Securities (1+2)	2,232.50	2,300.54	2,306.11	2,340.97	2,371.79	2,371.41	2,375.11
4. Overdraft at Central Bank	42.09	39.65	44.03	39.02	44.35	14.13	17.72
5. Other Domestic debt*	31.45	31.46	31.50	31.48	31.48	31.47	31.47
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>2,306.05</b>	<b>2,371.65</b>	<b>2,381.63</b>	<b>2,411.47</b>	<b>2,447.62</b>	<b>2,417.01</b>	<b>2,424.30</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 (Percent)**

	23-Feb-18	29-Mar-18	27-Apr-18	25-May-18	31-May-18	8-Jun-18	14-Jun-18
Treasury bills (Excluding Repos)	32.7	32.6	32.9	34.1	34.3	34.7	34.7
Treasury bonds	64.1	64.4	64.0	63.0	62.6	63.4	63.2
CBK Overdraft to Govt	1.8	1.7	1.8	1.6	1.8	0.6	0.7
Other domestic debt	1.4	1.3	1.3	1.3	1.3	1.3	1.3
<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)**

	23-Feb-18	29-Mar-18	27-Apr-18	25-May-18	31-May-18	8-Jun-18	14-Jun-18
Banking Institutions	55.3	55.3	55.0	55.2	55.3	54.7	54.9
Insurance Companies	6.3	6.4	6.3	6.4	6.4	6.5	6.4
Parastatals	6.7	6.8	7.0	6.9	6.9	7.1	7.1
Pension funds	27.2	27.1	27.3	27.1	26.9	27.2	27.2
Other investors	4.5	4.5	4.5	4.5	4.4	4.5	4.5
<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

<b>Table 9: Indicators of Total Government Debt</b>						
	<b>Jun-17</b>	<b>Sep-17</b>	<b>Dec-17</b>	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>
Domestic debt (KSh Billion)	2,111.71	2,172.84	2,220.35	2,247.32	2,338.21	2,371.65
Public & Publicly Guaranteed External debt (US \$ Billion)	22.1	22.4	22.8	23.2	25.2	24.9
Public & Publicly Guaranteed External debt (KSh Billion)	2,294.40	2,310.20	2,349.28	2,377.52	2,563.07	2,512.43
<b>Total public debt (KSh Billion)</b>	<b>4,406.11</b>	<b>4,483.03</b>	<b>4,569.63</b>	<b>4,624.84</b>	<b>4,901.29</b>	<b>4,884.08</b>

Source: National Treasury and Central Bank of Kenya

<b>Table 10: Official Foreign Reserves US\$ Million (Usable)</b>						
	<b>17-May-18</b>	<b>24-May-18</b>	<b>31-May-18</b>	<b>7-Jun-18</b>	<b>14-Jun-18</b>	<b>21-Jun-18</b>
1. CBK Usable Foreign Exchange Reserves (USD Million)*	9,135	9,055	8,955	8,988	8,990	8,958
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	6.17	6.11	6.05	6.01	6.01	5.99

\*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya