



Central Bank of Kenya

# Weekly Statistical Bulletin

Key Monetary and Financial Indicators

July 6, 2018

## Real GDP Growth

Economic growth accelerated to 5.7 percent in the first quarter of 2018 compared to 4.8 percent recorded in the first quarter of 2017. Growth was largely supported by strong recovery in agricultural activity following favourable weather conditions experienced in the country compared to a similar quarter last year. The Agriculture sector grew by 5.2 percent in the first quarter of 2018, a notable recovery, compared to 1.4 percent in the previous quarter and 1.0 percent in a similar quarter of 2017. Growth in the Manufacturing sector improved to 2.3 percent in the first quarter of 2018 compared to a contraction of 0.4 percent recorded in the previous quarter, following increased agro-processing as supply of agricultural products increased. Economic growth was also supported by strong performance of service sectors, such as Wholesale and Retail Trade, Accommodation and Restaurant, Transport and Storage, Information and Communication, Real Estate, Education, and Health (**Table 1**).

## Interbank Market

Interbank money market activity increased during the week ending July 4, 2018 as banks sought funds for quarterly tax remittances. The average volumes traded increased to KSh 25.7 billion compared with KSh 20.0 billion in the previous week. However, the average number of deals remained largely unchanged at 40 compared with an average of 42 in the previous week. The weighted average interbank rate increased to 6.39 percent from 6.17 percent in the previous week (**Table 2**).

## Exchange Rate

The Kenya Shilling strengthened against all international currencies during the week ending July 5, 2018. The strengthening of the Kenya Shilling against the US Dollar was supported by increased foreign exchange inflows. In the EAC region, the Kenya Shilling stabilised against the Rwanda Franc, strengthened against the Burundi Franc but weakened against the Uganda and Tanzania Shillings (**Table 3**).

## Government Securities Market

The Treasury bills auction for the week ending July 6, 2018 was oversubscribed at 146.0 percent. The auction received bids worth Ksh 35.1 billion against an advertised amount of Ksh 24.0 billion. The 364 days Treasury bills was oversubscribed at 265.9 percent, while the 91 days and 182 days Treasury bills were undersubscribed at 18.7 percent and 77.1 percent, respectively. The weighted average interest rate on all the three Treasury bills tenors declined (**Table 6**).

## Equity Market

The trading activity in the equity market declined in the week ending July 5, 2018 as reflected across all indicators, except for NSE 20 Share Index. Shareholders recorded a paper loss of Ksh 36.1 billion or 1.4 percent by end of the week compared to the previous week on account of decline in share prices (**Table 4**).

## Bond Market

The volume of bonds traded declined for the fourth week in a row, reaching KSh 10.9 billion in the week ending July 5, 2018 down from KSh 11.4 billion traded in the previous week and KSh 17.2 billion traded in the week ending June 13, 2018. The decline could be partly attributed to investors' inclination towards short term investment as the fiscal year begins (**Table 4**).

The yields on Kenya's 5-year, 10-year (2024), 10-year (2028) and 20-year Eurobonds declined at the end of the week, reflecting increased investors' appetite. Yield on Kenya's 10-year Eurobond remained low and stable compared to 10-year Eurobonds issued by select African countries(**Chart 1**).

**Table 1: Real GDP Growth by Sector (Percent)**

	Annual		Quarterly				
	2016	2017	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1
<b>1. Agriculture</b>	<b>4.7</b>	<b>1.6</b>	<b>1.1</b>	<b>0.9</b>	<b>3.7</b>	<b>1.2</b>	<b>5.2</b>
<b>2. Non-Agriculture (o/w)</b>	<b>6.2</b>	<b>5.8</b>	<b>6.2</b>	<b>6.0</b>	<b>4.9</b>	<b>6.2</b>	<b>5.9</b>
<b>2.1 Industry</b>	<b>5.7</b>	<b>3.6</b>	<b>4.0</b>	<b>3.6</b>	<b>2.5</b>	<b>4.3</b>	<b>4.1</b>
Mining & Quarrying	9.5	6.1	6.2	4.8	5.0	8.4	4.5
Manufacturing	2.7	0.2	1.3	-0.2	0.0	-0.4	2.3
Construction	8.3	5.6	8.2	9.5	5.6	10.9	7.2
Electricity & water supply	9.8	8.6	6.1	6.0	4.5	5.8	5.1
<b>2.2 Services</b>	<b>6.5</b>	<b>6.2</b>	<b>7.3</b>	<b>7.0</b>	<b>6.1</b>	<b>7.0</b>	<b>6.7</b>
Wholesale & Retail Trade	3.4	5.7	4.8	5.4	6.2	6.2	6.3
Accommodation & restaurant	13.3	14.7	25.1	13.0	12.4	8.8	13.5
Transport & Storage	7.8	7.3	9.4	8.0	5.2	7.0	7.1
Information & Communication	9.7	11.0	12.5	10.8	10.7	10.1	12.0
Financial & Insurance	6.7	3.1	5.3	3.5	1.4	2.3	2.6
Public administration	4.8	5.3	4.4	5.3	5.1	6.3	4.7
Professional, Administration & Support Services	5.0	4.0	3.5	5.9	2.6	4.2	5.4
Real estate	8.8	6.1	6.3	6.2	6.1	6.0	6.8
Education	5.4	6.1	5.3	5.7	5.8	7.5	6.7
Health	4.8	6.0	4.7	6.7	6.1	6.2	5.7
Other services	4.1	5.0	6.6	5.2	4.5	3.7	2.4
FISIM	2.1	-5.7	-1.3	-7.2	-6.3	-8.3	1.2
<b>2.3 Taxes on products</b>	<b>4.8</b>	<b>5.1</b>	<b>5.0</b>	<b>6.0</b>	<b>3.8</b>	<b>5.9</b>	<b>5.4</b>
<b>Real GDP Growth</b>	<b>5.9</b>	<b>4.9</b>	<b>4.8</b>	<b>4.7</b>	<b>4.7</b>	<b>5.3</b>	<b>5.7</b>

Source: KNBS

**Table 2: Interbank Deals, Volumes and Interest Rates**

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
21-Jun-18	33	12,950	4.95
22-Jun-18	37	12,200	6.18
25-Jun-18	42	19,310	6.40
26-Jun-18	46	26,580	6.66
27-Jun-18	51	28,775	6.68
<b>June 21 - 27, 2018</b>	<b>42</b>	<b>19,963</b>	<b>6.17</b>
28-Jun-18	44	23,855	6.64
29-Jun-18	47	31,940	6.53
2-Jul-18	44	26,295	6.59
3-Jul-18	38	25,950	6.32
4-Jul-18	28	20,200	5.84
<b>June 28 - July 4, 2018</b>	<b>40</b>	<b>25,648</b>	<b>6.39</b>

Source: Central Bank of Kenya

**Table 3: Kenya Shilling Exchange Rates (Indicative Mean Rates)**

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
22-Jun-18	100.83	133.68	117.11	91.68	38.62	22.56	8.66	17.48
25-Jun-18	100.76	133.95	117.46	92.11	38.39	22.58	8.67	17.49
26-Jun-18	100.83	133.88	117.86	91.95	38.43	22.58	8.66	17.48
27-Jun-18	100.94	133.41	117.63	91.83	38.59	22.55	8.65	17.46
28-Jun-18	101.05	133.00	117.29	91.57	38.35	22.51	8.65	17.44
<b>June 22-28,2018</b>	<b>100.88</b>	<b>133.58</b>	<b>117.47</b>	<b>91.83</b>	<b>38.47</b>	<b>22.56</b>	<b>8.66</b>	<b>17.47</b>
29-Jun-18	101.05	132.10	116.86	91.64	38.38	22.51	8.65	17.44
2-Jul-18	100.89	132.69	117.41	91.11	38.46	22.56	8.66	17.47
3-Jul-18	100.84	132.41	117.11	91.02	38.38	22.56	8.67	17.48
4-Jul-18	100.84	132.80	117.47	91.09	38.28	22.55	8.67	17.48
5-Jul-18	100.73	133.05	117.28	91.14	38.17	22.58	8.68	17.50
<b>June 29-5 July,2018</b>	<b>100.87</b>	<b>132.61</b>	<b>117.23</b>	<b>91.20</b>	<b>38.33</b>	<b>22.55</b>	<b>8.66</b>	<b>17.48</b>

Source :Central Bank of Kenya

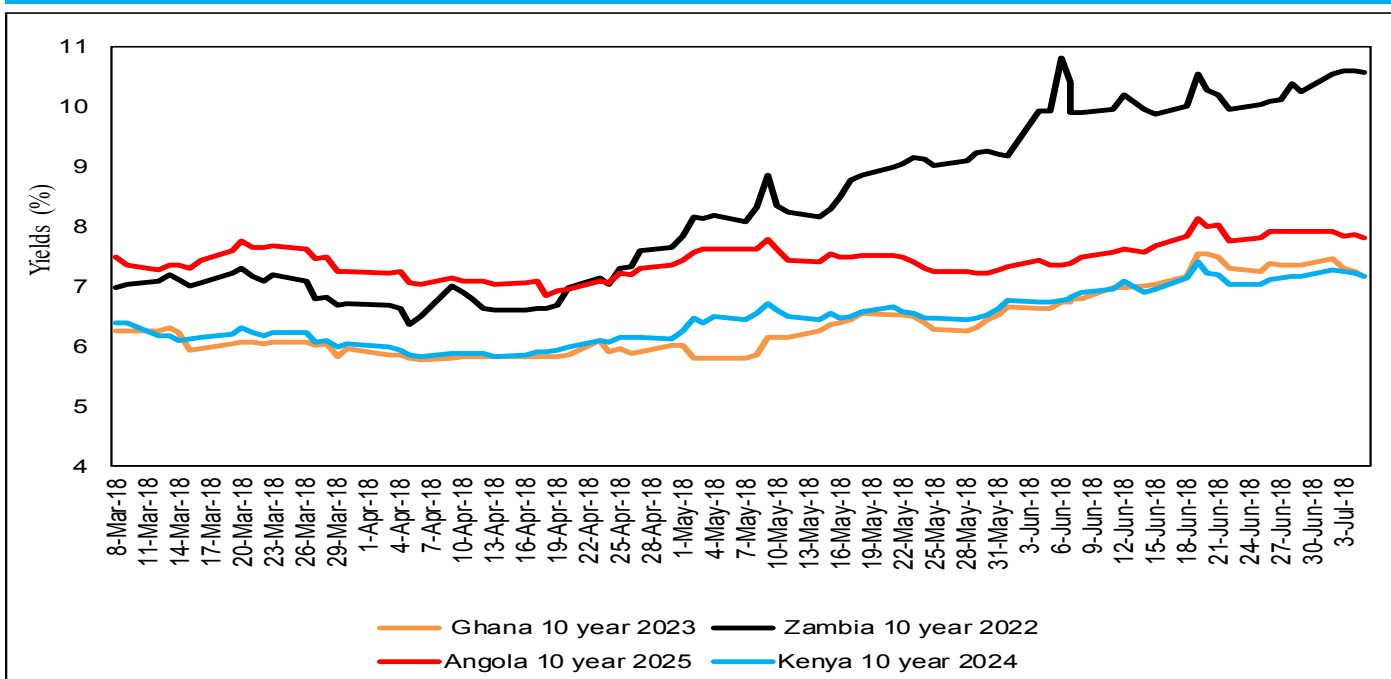
**Table 4: Key Weekly Market Indicators**

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 (%)
22-Jun-18	172.74	4465.21	3299.9	1,291	27.89	626.15	2,552.19	1,280.46	5.743	7.030	7.712	8.771
25-Jun-18	172.96	4466.02	3303.54	1,106	9.10	223.17	2,555.37	3,411.52	5.612	7.041	7.761	8.822
26-Jun-18	174.10	4476.67	3287.76	1,380	28.36	880.15	2,572.28	2,597.03	5.716	7.114	7.827	8.906
27-Jun-18	175.53	4502.94	3298.14	1,342	28.78	1,067.87	2,593.49	1,787.51	6.139	7.135	7.846	8.898
28-Jun-18	175.5	4487.05	3289.31	1,255	32.51	988.98	2,592.98	2,347.02	5.607	7.177	7.916	8.898
<b>22-28 June, 2018</b>	<b>175.50</b>	<b>4487.05</b>	<b>3289.31</b>	<b>6,374</b>	<b>126.65</b>	<b>3,786</b>	<b>2,592.98</b>	<b>11,424</b>	<b>5.607</b>	<b>7.177</b>	<b>7.916</b>	<b>8.898</b>
29-Jun-18	174.36	4456.78	3285.73	1,147	17.93	532.26	2,576.23	1,660.75	5.739	7.177	7.885	8.898
2-Jul-18	172.71	4427.44	3273.98	1,167	42.00	681.81	2,551.76	2,382.48	5.711	7.262	7.916	8.929
3-Jul-18	169.80	4371.88	3280.46	1,191	17.44	670.43	2,509.70	1,536.53	5.281	7.241	7.878	8.898
4-Jul-18	171.37	4394.31	3276.27	1,105	9.26	282.20	2,532.75	2,982.97	5.281	7.230	7.885	8.893
5-Jul-18	172.99	4428.22	3301.7	973	13.88	497.37	2,556.74	2,291.20	5.060	7.167	7.809	8.822
<b>29 June-5 July, 2018</b>	<b>172.99</b>	<b>4428.22</b>	<b>3301.70</b>	<b>5,583</b>	<b>100.51</b>	<b>2,664</b>	<b>2,556.74</b>	<b>10,854</b>	<b>5.060</b>	<b>7.167</b>	<b>7.809</b>	<b>8.822</b>
<b>Weekly Change (%)</b>	<b>-1.43</b>	<b>-1.31</b>	<b>0.38</b>	<b>-12.41</b>	<b>-20.64</b>	<b>-29.64</b>	<b>-1.40</b>	<b>-4.99</b>	<b>-0.55*</b>	<b>-0.01*</b>	<b>-0.11*</b>	<b>-0.08*</b>

\* Percentage points

Source: Central Bank of Kenya, NSE and Reuters

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



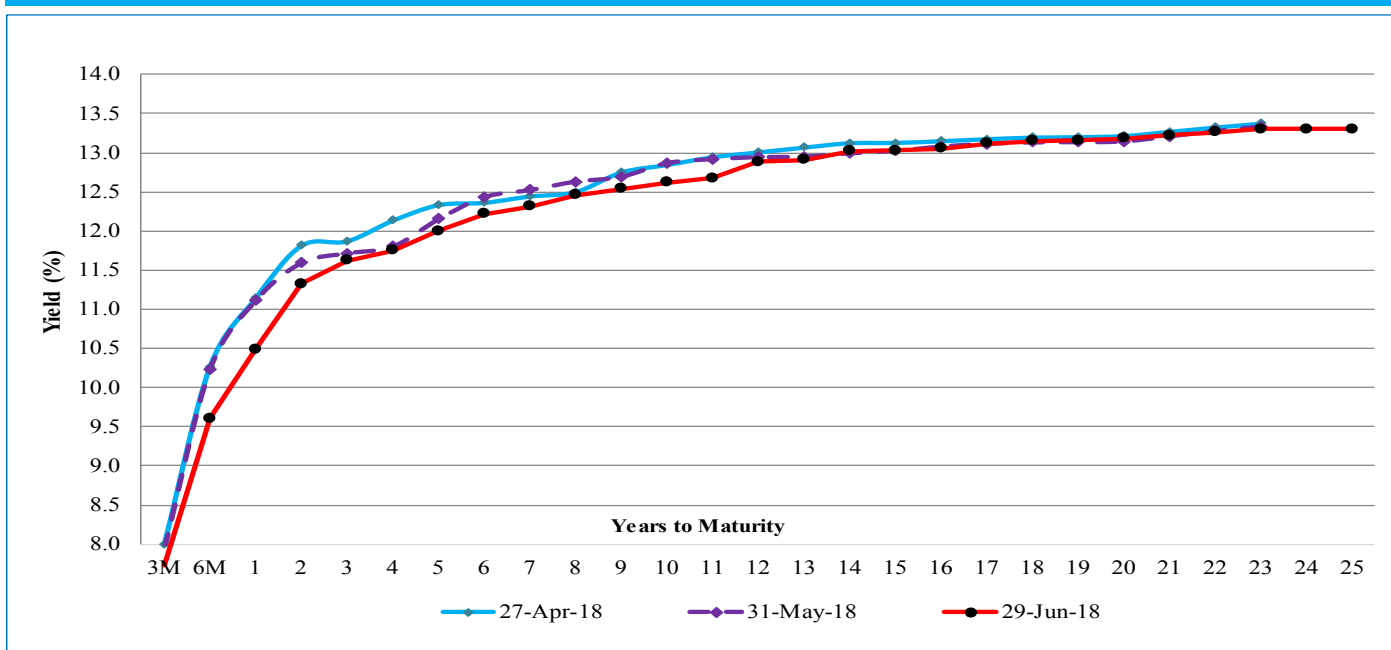
Source: Thompson Reuters

**Table 5: Performance of Treasury Bonds Auctions**

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 1/2008/15	FXD	REOPEN FXD 1/2018/20	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
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
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0		0.0	0.0	26,340.1
Average interest Rate (%)	12.581	13.087	12.299	13.336	12.317		13.327	13.078	13.451

Source: Central Bank of Kenya

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



Source: Central Bank of Kenya and NSE

**Table 6: Performance of Treasury Bills Auctions****91-Day Treasury Bills**

Date of Auction	31-May-18	21-Jun-18	28-Jun-18	5-Jul-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	9,200.59	5,461.80	4,597.83	749.02
Amount Accepted (Ksh M)	5,278.73	5,457.48	3,616.61	744.76
Maturities (Ksh M)	7,393.15	2,197.60	1,791.50	2,989.95
<b>Average interest Rate (%) - 91 Days</b>	<b>7.900</b>	<b>7.725</b>	<b>7.733</b>	<b>7.725</b>

**182-Day Treasury Bills**

Date of Auction	31-May-18	21-Jun-18	28-Jun-18	5-Jul-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	11,705.88	17,146.07	5,754.39	7,709.13
Amount Accepted (Ksh M)	5,650.43	17,074.71	5,746.90	2,935.27
Maturities (Ksh M)	2,763.15	8,650.00	7,964.00	10,207.35
<b>Average interest Rate (%) - 182 days</b>	<b>10.196</b>	<b>9.666</b>	<b>9.607</b>	<b>9.499</b>

**364-Day Treasury Bills**

Date of Auction	31-May-18	21-Jun-18	28-Jun-18	5-Jul-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	23,759.30	28,921.75	19,891.37	26,589.09
Amount Accepted (Ksh M)	8,418.52	28,358.83	17,410.65	21,125.96
Maturities (Ksh M)	12,819.75	10,029.15	5,601.20	6,364.60
<b>Average interest Rate (%) - 364 days</b>	<b>11.083</b>	<b>10.537</b>	<b>10.488</b>	<b>10.442</b>

Source: Central Bank of Kenya

**Table 7: Government Domestic Debt (Ksh Billion)**

	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	14-Jun-18	22-Jun-18	29-Jun-18
1. Treasury Bills (Excluding Repos)	754.54	772.70	782.94	838.73	842.05	844.72	878.62
<b>(As % of total securities)</b>	<b>33.80</b>	<b>33.59</b>	<b>33.95</b>	<b>35.36</b>	<b>35.45</b>	<b>35.53</b>	<b>36.75</b>
2. Treasury Bonds	1,477.96	1,527.84	1,523.18	1,533.06	1,533.06	1,533.06	1,511.87
<b>(As % of total securities)</b>	<b>66.20</b>	<b>66.41</b>	<b>66.05</b>	<b>64.64</b>	<b>64.55</b>	<b>64.47</b>	<b>63.25</b>
3. Total Securities (1+2)	2,232.50	2,300.54	2,306.11	2,371.79	2,375.11	2,377.78	2,390.49
4. Overdraft at Central Bank	42.09	39.65	44.03	44.35	17.72	24.55	56.85
5. Other Domestic debt*	31.45	31.46	31.50	31.48	31.47	31.44	31.44
<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>2,447.62</b>	<b>2,424.30</b>	<b>2,433.77</b>	<b>2,478.78</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 8: Composition of Government Domestic Debt by Instrument (Percent)**

	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	16-Jun-18	22-Jun-18	29-Jun-18
Treasury bills (Excluding Repos)	32.7	32.6	32.9	34.3	34.7	34.7	35.4
Treasury bonds	64.1	64.4	64.0	62.6	63.2	63.0	61.0
CBK Overdraft to Govt	1.8	1.7	1.8	1.8	0.7	1.0	2.3
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 9: Composition of Government Domestic Debt by Holder (In Percent)**

	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	14-Jun-18	22-Jun-18	29-Jun-18
Banking Institutions	55.3	55.3	55.0	55.3	54.9	55.0	55.2
Insurance Companies	6.3	6.4	6.3	6.4	6.4	6.3	6.2
Parastatals	6.7	6.8	7.0	6.9	7.1	7.1	7.0
Pension funds	27.2	27.1	27.3	26.9	27.2	27.1	27.1
Other investors	4.5	4.5	4.5	4.4	4.5	4.4	4.4
<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 10: Indicators of Total Government Debt**

	Mar-17	Jun-17	Sep-17	Dec-17	Jan-18	Feb-18	Mar-18
Domestic debt (KSh Billion)	1,944.95	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)	20.4	22.1	22.4	22.8	23.2	25.2	24.9
Public & Publicly Guaranteed External debt (KSh Billion)	2,101.39	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>4,046.35</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

**Table 11: Official Foreign Exchange Reserves in US\$ Million (Usable)**

	31-May-18	7-Jun-18	14-Jun-18	21-Jun-18	28-Jun-18	5-Jul-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,955	8,988	8,990	8,958	8,668	8,855
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	6.05	6.01	6.01	5.99	5.80	5.92

\*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya