



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

August 17, 2018

Interbank Market

The Interbank market liquidity conditions improved in the week ending August 15, 2018 supported by government payments. The average volumes traded declined to KSh 9.08 billion from KSh 11.43 billion in the previous week, while the average number of deals decreased from 29 to 22. The decline in volumes and the number of deals was partly due to the fact that the banks had attained the average monthly Cash Reserve Requirements threshold towards the end of cycle on August 14, 2018. As a result, the weighted average interbank rate declined to 6.99 percent from 8.29 percent in the previous week. (**Table 1**).

Exchange Rate

The Kenya Shilling exchange rate remained relatively stable against major international and regional currencies during the week ending August 16, 2018. It strengthened against the Sterling Pound and the Euro but weakened against the US Dollar and the Japanese Yen. In the EAC region, the shilling strengthened against the Uganda shilling and remained stable against the Tanzania shilling, the Rwanda Franc and the Burundi Franc (**Table 2**).

Government Securities Market

The performance of the Government securities market improved during the week ending August 17, 2018 with the Treasury bills auction for the week achieving a subscription rate of 102.18 percent compared to 57.36 percent in the previous week. This reflected improved liquidity as government

spending picked up. The auction received bids totaling KSh 24.5 billion against an advertised amount of KSh 24.0 billion. All the three instruments offered were oversubscribed except for the 182-days Treasury bill that received a subscription rate of 72.83 percent. Interest rates on the three Treasury bill tenors declined further during the auction of August 16, 2018 (**Table 5**).

Equity Market

Trading activity in the equities market improved during the week ending August 16, 2018. The value of shares traded increased by 2.66 percent and equity turnover increased by 62.58 percent. The NASI remained unchanged, the NSE 25 share index reduced by 0.42 percent, while the NSE 20 share index increased by 0.37 percent. Shareholders' wealth, as measured by market capitalisation, remained the same as the previous week at KSh 2,570.93 billion (**Table 3**).

Bond Market

The bond market recorded an improved performance as indicated by a 0.41 percent increase in turnover. However, the number of deals fell from 302 in the previous week to 172 in the week ending August 16, 2018.

Yields on Kenya's 5-year, 10-year (2024), 10-year (2028) and 20-year Eurobonds increased in the week ending August 16, 2018, reflecting the general trend in the international bond market (**Table 3 and Chart 1**).

Table 1: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
2-Aug-18	28	10,245	8.35
3-Aug-18	24	7,960	8.45
6-Aug-18	28	12,992	8.37
7-Aug-18	34	14,722	8.14
8-Aug-18	31	11,250	8.11
August 2-8, 2018	29	11,434	8.29
9-Aug-18	26	11,383	8.21
10-Aug-18	24	13,130	7.77
13-Aug-18	21	6,740	6.04
14-Aug-18	13	2,465	6.70
15-Aug-18	27	11,660	6.20
August 9-15, 2018	22	9,076	6.99

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*
3-Aug-18	100.35	131.14	116.59	90.04	36.92	22.79	8.74	17.62
6-Aug-18	100.38	130.46	116.19	90.16	36.87	22.73	8.74	17.61
7-Aug-18	100.47	129.88	115.97	90.10	36.81	22.75	8.73	17.60
8-Aug-18	100.40	130.01	116.42	90.34	36.75	22.77	8.60	17.61
9-Aug-18	100.42	129.32	116.43	90.36	36.55	22.77	8.74	17.61
August 3-9, 2018	100.41	130.16	116.32	90.20	36.78	22.76	8.71	17.61
10-Aug-18	100.36	129.35	116.34	90.41	36.52	22.74	8.74	17.62
13-Aug-18	100.49	128.43	115.08	91.13	37.02	22.71	8.73	17.60
14-Aug-18	100.73	128.60	115.05	91.35	37.23	22.70	8.71	17.56
15-Aug-18	100.73	128.66	114.72	90.91	37.08	22.70	8.72	17.56
16-Aug-18	100.77	127.78	113.96	91.02	37.26	22.69	8.71	17.55
August 10-16, 2018	100.62	128.56	115.03	90.96	37.02	22.71	8.72	17.58

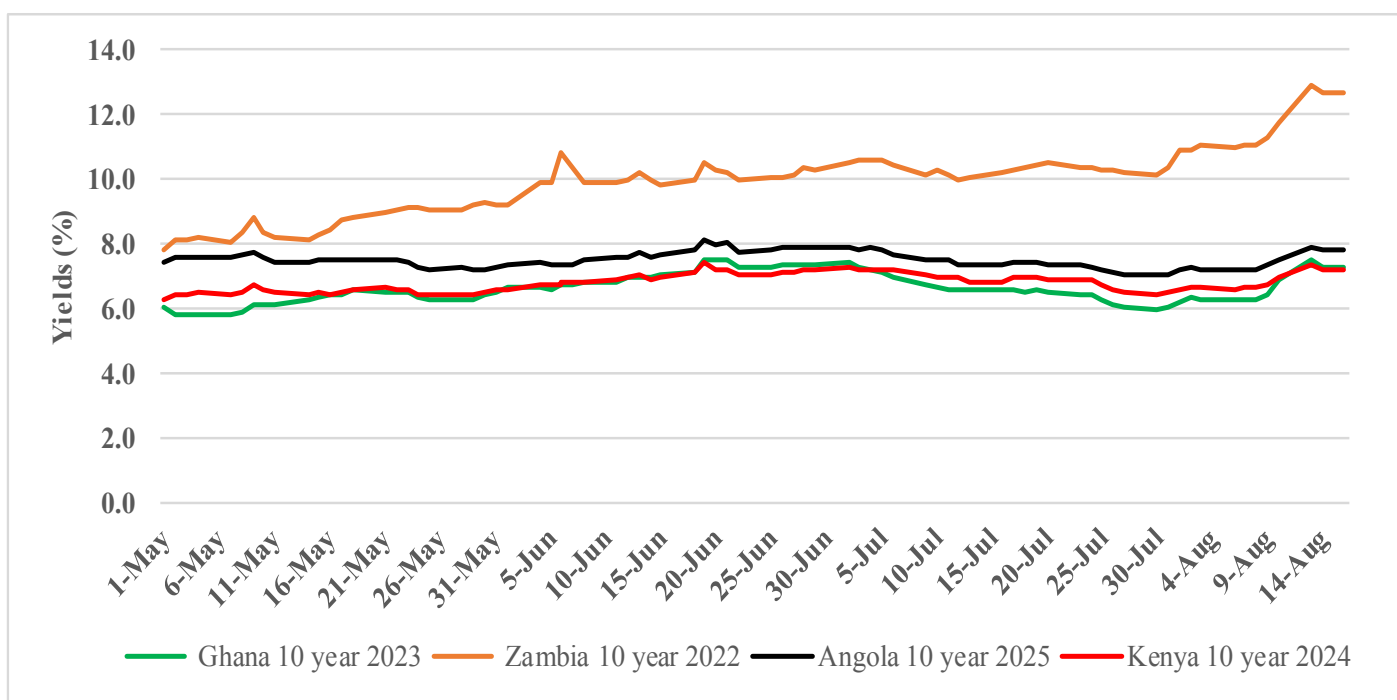
* Units of currency per Kenya Shilling

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 Euro-bond Yield (%)
03-Aug-18	171.17	4473.74	3310.15	1,000	20.66	426.94	2,529.68	796.79	4.550	6.665	7.286	8.352
06-Aug-18	170.76	4457.52	3293.08	1,215	7.61	225.63	3,523.73	3,039.99	4.543	6.602	7.304	8.352
07-Aug-18	171.00	4469.01	3290.04	1,224	14.59	392.73	2,527.30	1,489.48	4.542	6.638	7.286	8.634
08-Aug-18	173.58	4512.16	3321.06	1,206	17.84	477.24	2,565.38	2,335.69	4.567	6.664	7.341	8.376
09-Aug-18	173.95	4527.35	3322.44	1,191	8.64	288.29	2,570.87	1,296.71	4.525	6.742	7.341	8.434
August 3 - 9, 2018	173.95	4527.35	3322.44	5,836	69.34	1,810.82	2,570.87	8,958.67	4.525	6.742	7.341	8.434
10-Aug-18	173.51	4533.22	3317.35	1,003	10.04	524.70	2,564.39	801.00	6.016	7.325	7.911	8.811
13-Aug-18	173.51	4533.22	3317.35	1,003	10.04	524.70	2,564.39	801.00	6.016	7.325	7.911	8.811
14-Aug-18	174.48	4556.63	3334.47	1,321	20.80	686.82	2,578.82	1,803.47	5.080	7.218	7.776	8.724
15-Aug-18	174.71	4540.10	3323.88	1,052	16.36	567.00	2,582.18	1,620.50	5.379	7.191	7.757	8.711
16-Aug-18	173.95	4508.31	3334.67	1,243	13.93	812.72	2,570.93	2,033.55	5.191	7.223	7.806	8.749
August 10 - 16, 2018	173.95	4508.31	3334.67	5,613.00	71.19	2,944.09	2,570.93	8,995.57	5.191	7.223	7.806	8.749
Weekly Change (%)	0.00	-0.42	0.37	-3.82	2.66	62.58	0.00	0.41	0.666*	0.481*	0.465*	0.315*

Source: Central Bank of Kenya, NSE and Thompson Reuters

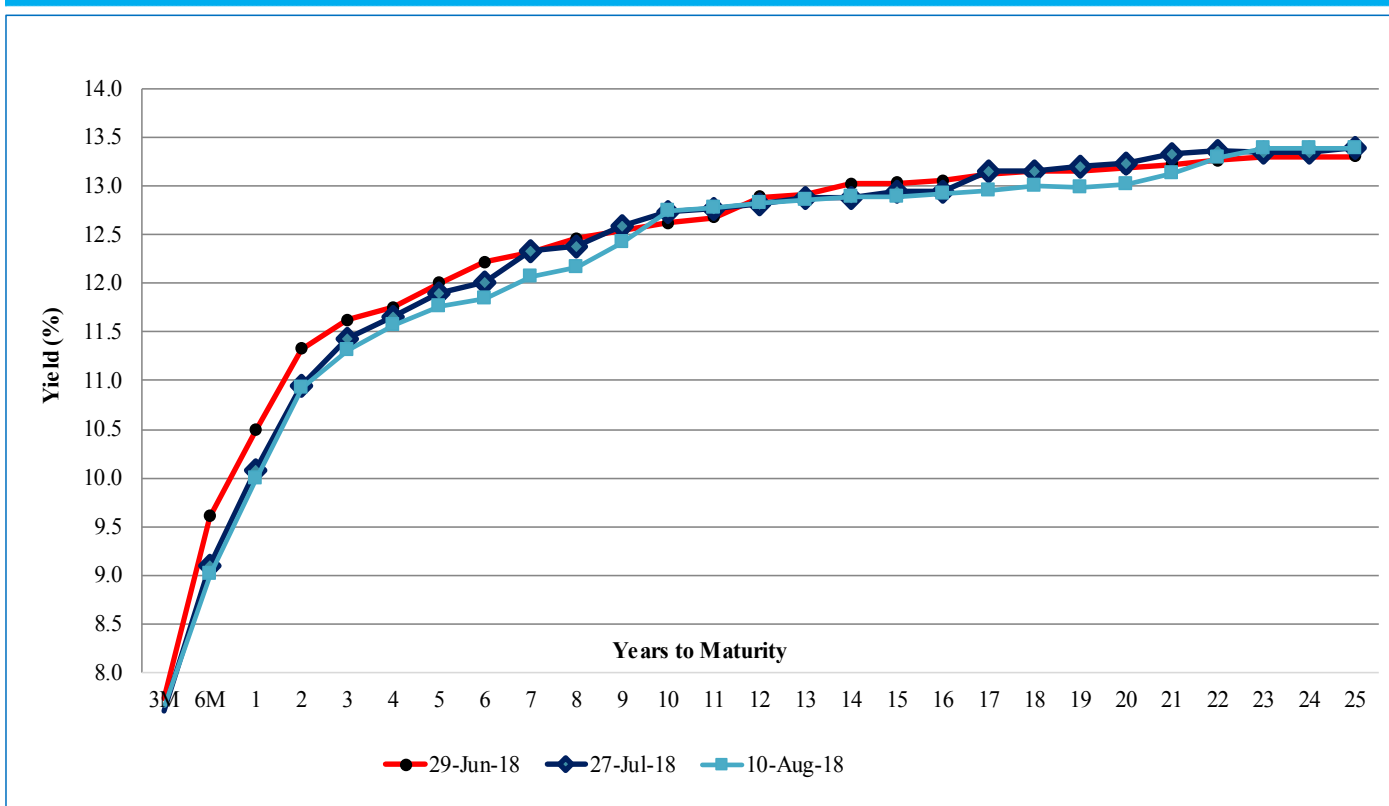
Chart 1: Yields on 10 year Eurobonds in Selected African Countries

Source: Thompson Reuters

Table 4: Performance of Treasury Bonds Auctions

Date of Auction	28-Dec-17		28-Mar-18		25-Apr-18		23-May-18	20-Jun-18	25-Jul-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	FXD2/2018/20
Amount offered (Ksh M)	20,000.0		8,500.0		40,000.0		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	13,860.3
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	10,512.4
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26,340.1	0.0
Average interest Rate (%)	12.581	13.087	12.299	13.336	12.317	13.327	13.078	13.451	13.371

Source: Central Bank of Kenya

Chart 2: Kenya Government Securities Yield Curve

Source: Central Bank of Kenya and NSE

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

Date of Auction	26-Jul-18	02-Aug-18	09-Aug-18	16-Aug-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	2,024.39	569.78	602.78	6,154.56
Amount Accepted (Ksh M)	2,024.39	569.69	602.78	6,154.56
Maturities (Ksh M)	1,040.90	4,003.40	4,836.35	2,987.00
Average interest Rate (%) - 91 Days	7.608	7.611	7.668	7.664

182-Day Treasury Bills

Date of Auction	26-Jul-18	02-Aug-18	09-Aug-18	16-Aug-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	5,857.68	5,145.99	2,049.41	7,283.07
Amount Accepted (Ksh M)	5,791.06	5,145.03	2,049.41	7,256.29
Maturities (Ksh M)	12,000.00	11,347.25	13,109.45	11,251.40
Average interest Rate (%) - 182 days	9.111	9.083	9.017	9.005

364-Day Treasury Bills

Date of Auction	26-Jul-18	02-Aug-18	09-Aug-18	16-Aug-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	13,294.83	8,790.67	11,114.43	11,084.78
Amount Accepted (Ksh M)	13,206.31	8,324.37	10,676.17	10,087.52
Maturities (Ksh M)	10,344.15	3,497.20	8,778.70	12,861.60
Average interest Rate (%) - 364 days	10.088	10.008	9.990	9.984

Source: Central Bank of Kenya

Table 6: Government Domestic Debt (KSh Billion)

	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	27-Jul-18	03-Aug-18	10-Aug-18
1. Treasury Bills (Excluding Repos)	772.70	782.94	838.73	878.62	946.99	946.22	942.44
(As % of total securities)	33.59	33.95	35.36	36.75	38.73	38.54	38.44
2. Treasury Bonds	1,527.84	1,523.18	1,533.06	1,511.87	1,498.37	1,509.00	1,509.00
(As % of total securities)	66.41	66.05	64.64	63.25	61.27	61.46	61.56
3. Total Securities (1+2)	2,300.54	2,306.11	2,371.79	2,390.49	2,445.36	2,455.22	2,451.44
4. Overdraft at Central Bank	39.65	44.03	44.35	56.85	30.24	-	-
5. Other Domestic debt*	31.46	31.50	31.48	31.44	31.49	31.48	31.48
6. Gross Domestic Debt (3+4+5)	2,371.65	2,381.63	2,447.62	2,478.78	2,507.09	2,486.70	2,482.92

* 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)

	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	27-Jul-18	03-Aug-18	10-Aug-18
Treasury bills (Excluding Repos)	32.6	32.9	34.3	35.4	37.8	38.1	38.0
Treasury bonds	64.4	64.0	62.6	61.0	59.8	60.7	60.8
CBK Overdraft to Govt	1.7	1.8	1.8	2.3	1.2	0.0	0.0
Other domestic debt	1.3	1.3	1.3	1.3	1.3	1.3	1.3
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)

	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	27-Jul-18	03-Aug-18	10-Aug-18
Banking Institutions	55.3	55.0	55.3	55.2	55.7	55.1	55.1
Insurance Companies	6.4	6.3	6.4	6.2	6.1	6.2	6.2
Parastatals	6.8	7.0	6.9	7.0	7.1	7.2	7.3
Pension funds	27.1	27.3	26.9	27.1	26.6	27.0	26.9
Other investors	4.5	4.5	4.4	4.4	4.4	4.5	4.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Kenya

Table 9: 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
Total public debt (KSh Billion)	4,046.35	4,406.11	4,483.03	4,569.63	4,624.84	4,901.29	4,884.08

Source: National Treasury and Central Bank of Kenya

Table 10: Official Foreign Exchange Reserves in US\$ Million (Usable)

	12-Jul-18	19-Jul-18	26-Jul-18	02-Aug-18	09-Aug-18	16-Aug-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,857	8,866	8,832	8,761	8,754	8,689
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	5.90	5.91	5.88	5.84	5.83	5.79

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya