



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

November 10, 2017

The week was marked with balanced liquidity in the money market and the commercial banks' excess reserves above 5.25 percent averaging requirement increased as banks prepare for the end of the CRR cycle.

The capital markets recorded mixed performance in the week ending November 9, 2017, with equities market segment largely declining but the bonds market segment gaining.

Monetary Policy Operations

The money market was relatively liquid during the week ending November 8, 2017. This was due to increased government payments which resulted in a liquidity injection of KSh 34.8 billion as well as redemption of government securities (Treasury Bills) which also injected KSh 31.8 billion. The impact of government payments and redemption of government securities on money market liquidity was, however, partly offset by the Central Bank Open Market Operations (OMO) which had a liquidity withdrawal of KSh 16.4 billion, tax remittances which reduced liquidity by KSh 17.7 billion and the issuance of government securities which reduced liquidity by KSh 23.2 billion (**Table 1**).

The commercial banks' excess reserves above 5.25 percent averaging requirement increased to KSh 2.1 billion in the week ending November 8, 2017 from KSh 0.9 billion in the previous week. The increase was a result of banks building their reserves to meet their Cash Reserve Requirement (CRR) as the monthly CRR cycle comes to an end on November 14, 2017 (**Chart 1**).

The Interbank Market

Volumes traded in the interbank market during the week ending November 8, 2017 remained elevated but decreased to an average of KSh 25.6 billion from KSh 31.1 billion the previous week. The high volumes traded was due to the fact that banks sought money to fund their CRR requirement as the monthly CRR cycle comes to an end while also funding PAYE tax remittances to

government. The weighted average interbank rate also decreased slightly to 8.58 percent from 8.75 percent in the previous week (**Table 2 and Chart 2**).

Kenya Shilling Exchange Rate

During the week ending November 9, 2017, the Kenya shilling exchange rate remained steady against major international currencies and those of the EAC Region. The shilling strengthened against all major international currencies. In the EAC region, the shilling strengthened against the Tanzania shilling, the Burundi and Rwanda Franc but weakened marginally against the Uganda shilling (**Table 3**).

Equity Market

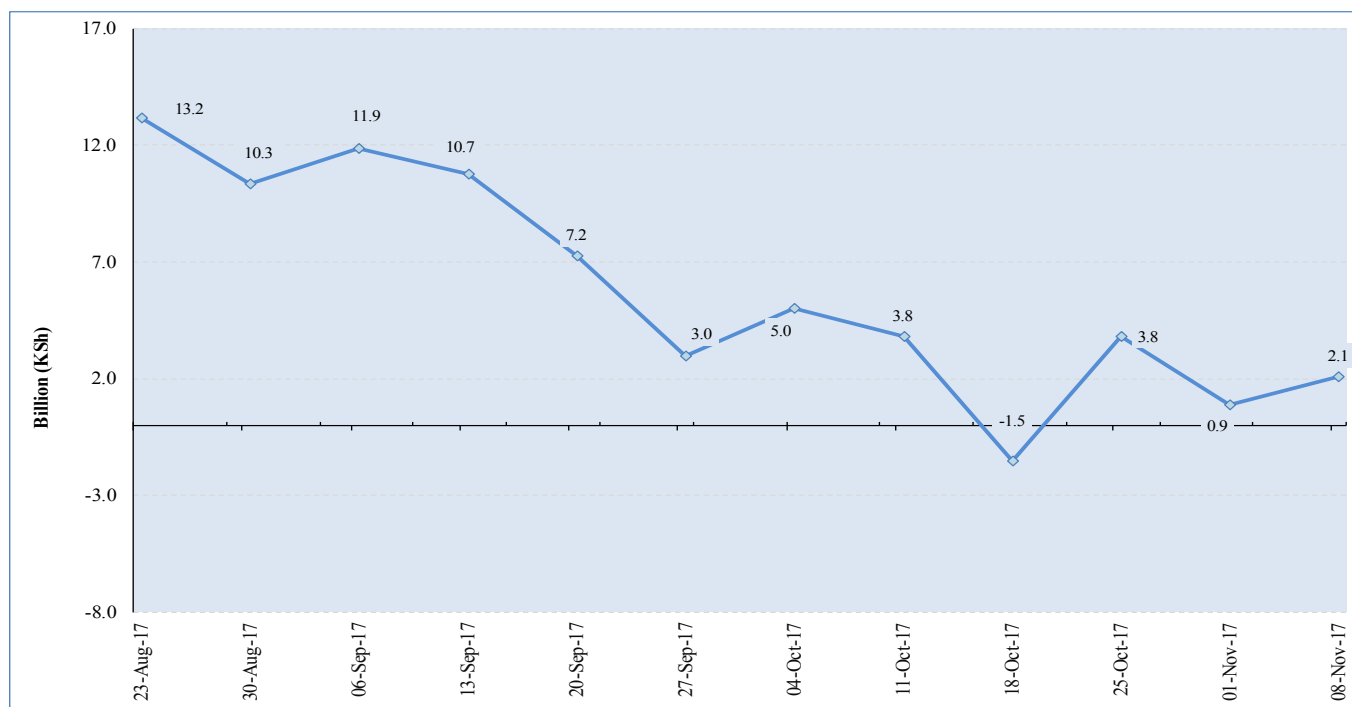
The equities market activity declined across all leading indicators except volume of shares traded. The fall in share prices saw shareholders lose unactualised value of KSh. 25.21 billion or 1.05 percent of market capitalization in the week compared to last week's gain of 3 percent. This was mainly attributed to a price correction of KSh 1 per share of Safaricom shares following release of financial results (**Table 4**).

Bond Market and Eurobond Yields

The volume of bonds traded increased by 51.71 percent in the week ending November 9, 2017 as investors positioned themselves to invest in the bonds offer in the primary market. The yields on Kenya's 5-year and 10-year Eurobond increased by 0.37 and 0.25 percentage points, respectively (**Table 4**).

LIST OF TABLES AND CHARTS

Chart 1: Commercial Banks Excess Reserves



Source: Central Bank of Kenya

Table 1: Liquidity Flows and Open Market Operations (Ksh billion)

	2-Nov-17	3-Nov-17	6-Nov-17	7-Nov-17	8-Nov-17	Total
Liquidity Flows						
Total liquidity injection ¹	4.8	12.9	42.0	12.3	7.2	79.2
Repos Maturities	0.0	0.0	0.0	0.0	0.5	0.5
Reverse Repo Purchases	0.0	0.0	0.0	8.7	3.5	12.2
Term Auction Deposit maturities	0.0	0.0	0.0	0.0	0.0	0.0
T/bills redemptions	0.0	0.0	31.8	0.0	0.0	31.8
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	4.8	12.9	10.3	3.6	3.2	34.8
Total liquidity reduction ¹	3.6	4.0	42.6	13.0	6.9	70.1
T/bills (Primary issues)	0.0	0.0	16.0	0.0	0.0	16.0
Tbonds Sales	0.0	0.0	0.0	0.0	0.0	0.0
T/bills/Tbonds (OMO Tap Sales)	0.0	0.0	7.3	0.0	0.0	7.3
Repos	0.0	0.0	0.7	0.0	0.0	0.7
Reverse Repos maturities	0.0	0.0	16.2	8.7	3.5	28.5
Term Auction Deposit	0.0	0.0	0.0	0.0	0.0	0.0
Transfer from Banks -Taxes	3.6	4.0	2.5	4.2	3.2	17.7
Net liquidity injection (+)/Withdrawal (-)	1.2	8.9	-0.6	-0.7	0.3	9.1
Open Market Operations Outcome						
Posted Amount	0.0	0.0	5.0	0.0	0	5.0
Realised Amount - Mop up	0.0	0.0	0.0	0.0	0.0	0.7
Repo (-)	0.0	0.0	0.7	0.0	0.0	0.7
Term Auction Deposits (-)	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Money Position						
Reserve money (actual)	410.8	419.2	419.7	419.0	418.9	

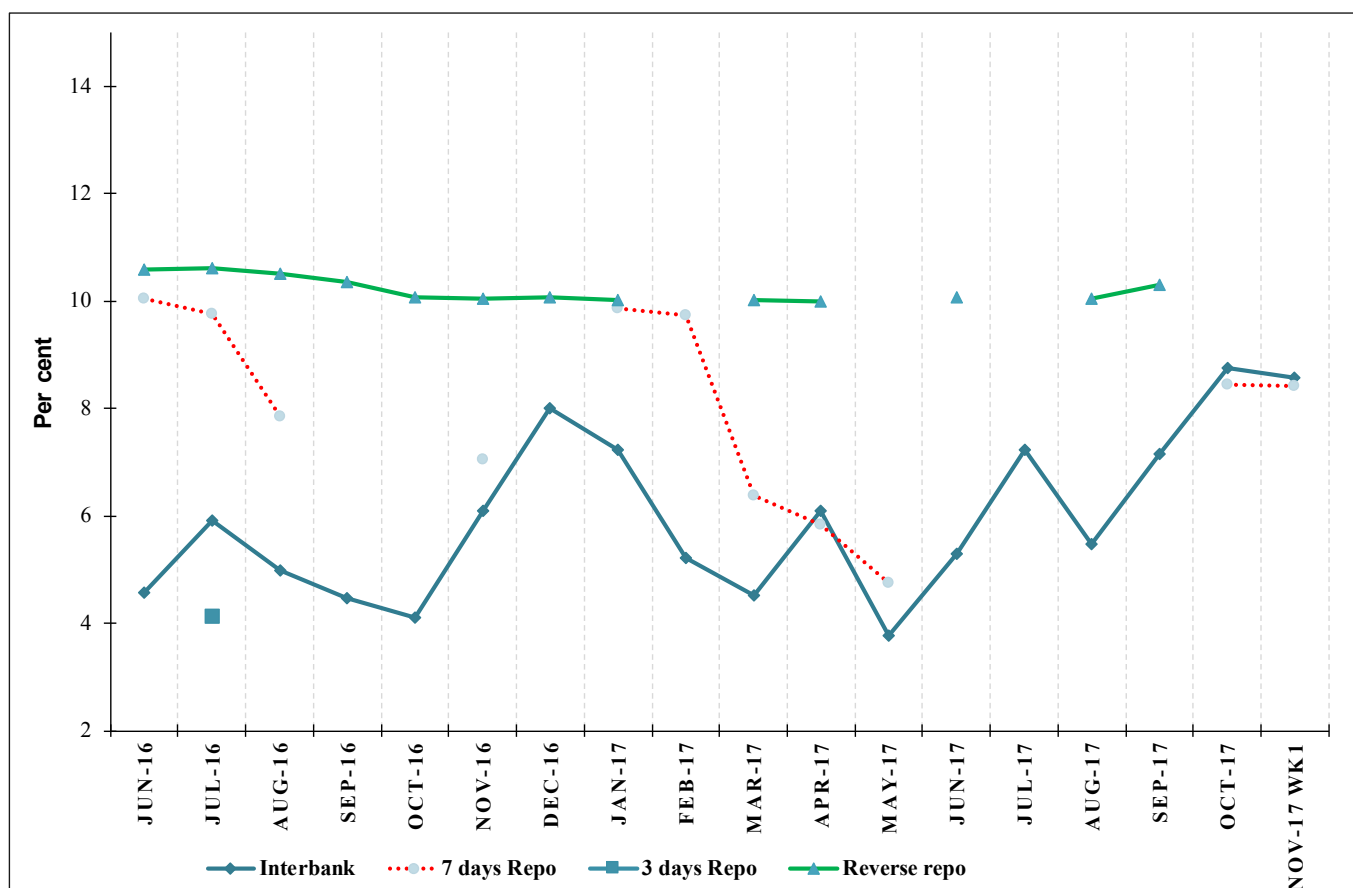
¹ Only main transactions increasing or reducing liquidity are included.

Source: Central Bank of Kenya

Table 2: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)	7 days Average Repo Rate (%)
27-Oct-17	42	24,995	8.77	
30-Oct-17	50	37,870	8.73	
31-Oct-17	48	33,350	8.81	
1-Nov-17	44	28,370	8.69	8.45
Oct 27-Nov 01 , 2017	46	31,146	8.75	8.45
2-Nov-17	41	21,895	8.58	
3-Nov-17	52	26,590	8.51	
6-Nov-17	48	27,296	8.40	8.43
7-Nov-17	54	26,745	8.57	
8-Nov-17	63	25,580	8.85	
Nov 02-Nov 07 , 2017	52	25,621	8.58	8.43

Source: Central Bank of Kenya

Chart 2: Structure of Interest Rates

Source: Central Bank of Kenya

Table 3: Kenya Shilling Exchange Rate

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
27-Oct-17	103.81	136.50	122.16	91.15	35.35	21.63	8.04	16.89
30-Oct-17	103.69	135.67	120.07	90.85	35.20	21.65	8.06	16.92
31-Oct-17	103.69	136.65	120.28	91.69	35.20	21.64	8.06	16.92
1-Nov-17	103.75	137.44	120.76	91.45	35.23	21.64	8.05	16.92
2-Nov-17	103.79	137.73	120.68	91.07	35.17	21.62	8.05	16.91
27 October- 2 November 2017	103.75	136.80	120.79	91.24	35.23	21.64	8.05	16.91
3-Nov-17	103.74	136.05	120.80	91.11	35.21	21.63	8.23	16.89
6-Nov-17	103.66	135.74	120.72	90.93	35.21	21.66	8.06	16.94
7-Nov-17	103.62	135.82	120.12	90.80	35.13	21.67	8.07	16.95
8-Nov-17	103.61	135.97	119.84	90.81	35.09	21.65	8.07	16.95
9-Nov-17	103.60	135.97	120.20	91.21	35.07	21.67	8.07	16.96
1 - 7 November 2017	103.65	135.91	120.34	90.97	35.14	21.65	8.10	16.94

* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 4: Key Weekly Market Statistics

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 (%)
27-Oct-17	159.87	4,114.82	3,648.31	965	10.61	347.28	2,342.26	1,195.18	4.042	6.253
30-Oct-17	160.11	4,155.83	3,674.84	1,142	10.17	291.03	2,345.77	922.00	3.972	6.131
31-Oct-17	161.99	4,202.23	3,729.62	1,376	17.72	760.40	2,373.43	2,102.45	3.891	6.097
1-Nov-17	163.96	4,268.73	3,759.67	1,490	37.23	1,240.60	2,402.38	455.63	3.888	6.018
2-Nov-17	163.48	4,282.91	3,776.83	1,349	37.81	970.13	2,395.30	444.41	3.878	5.972
27 Oct-2 Nov 2017	163.48	4,282.91	3,776.83	6,322	113.53	3,609.44	2,395.30	5,119.67	3.878	5.972
3-Nov-17	164.50	4,302.61	3,800.43	1,366.00	17.52	361.12	2,410.29	1,458.42	3.797	5.987
6-Nov-17	163.09	4,278.63	3,797.96	1,329.00	15.15	542.69	2,389.64	49.15	3.872	6.077
7-Nov-17	161.34	4,243.40	3,788.84	1,298.00	45.83	1,109.71	2,363.88	1,624.39	4.026	6.154
8-Nov-17	161.99	4,253.62	3,768.38	1,283.00	28.68	678.82	2,373.38	1,975.77	4.260	6.251
9-Nov-17	161.76	4,250.97	3,762.11	976.00	7.28	159.16	2,370.09	2,659.28	4.252	6.220
3 -9 Nov 2017	161.76	4,250.97	3,762.11	6,252.00	114.47	2,851.49	2,370.09	7,767.00	4.252	6.220
Weekly Change (%)	(1.05)	(0.75)	(0.39)	(1.11)	0.82	(21.00)	(1.05)	51.71	0.37*	0.25*

* Percentage points

Source: Nairobi Securities Exchange, Thompson Reuters and Central Bank of Kenya

Table 5: Performance of Treasury Bills

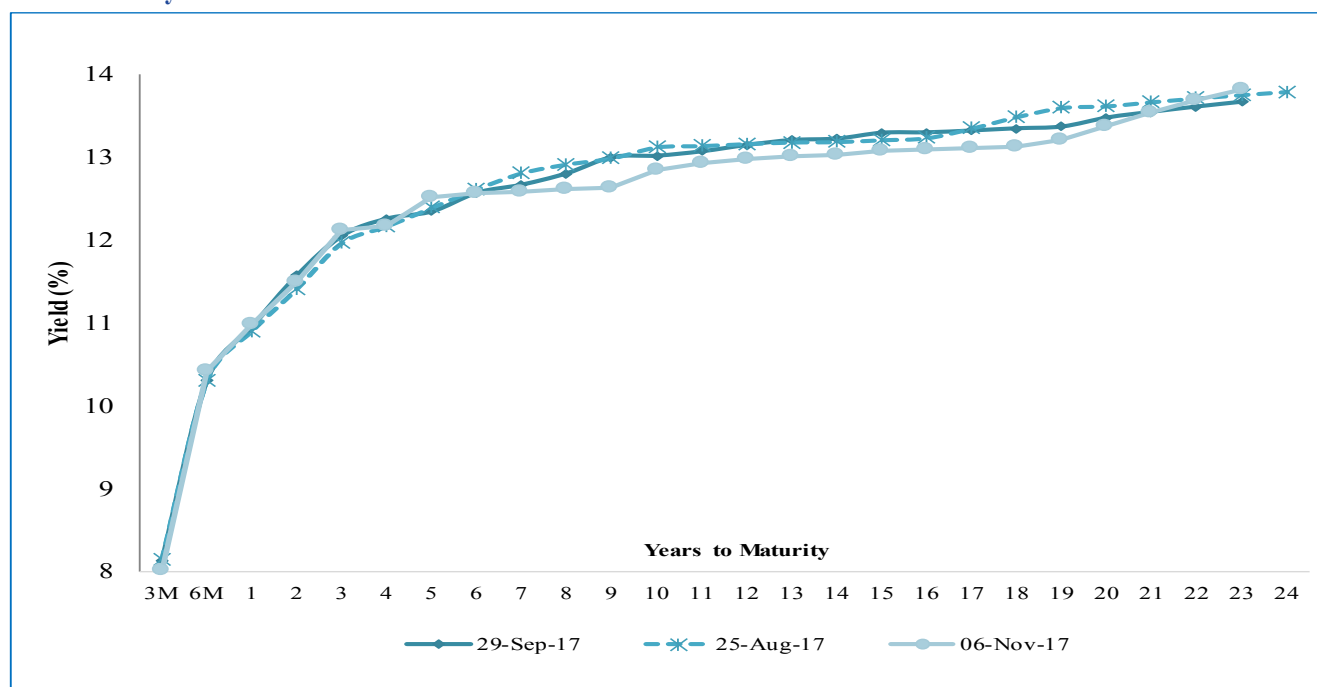
TREASURY BILLS								
91-Day Treasury Bills								
Date of Auction	27-Jul-17	31-Aug-17	28-Sep-17	05-Oct-17	12-Oct-17	19-Oct-17	26-Oct-17	09-Nov-17
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	964.01	2,773.01	4,023.90	4,873.66	2,534.29	1,672.96	4,375.16	6,851.63
Amount Accepted (Ksh M)	857.46	1,577.59	4,023.90	4,336.04	2,534.29	680.10	3,807.72	6,850.65
Maturities (Ksh M)	11,427.00	3,167.80	2,296.35	4,293.85	2,223.95	2,258.60	1,503.65	1,186.95
Average interest Rate (%) - 91 Days	8.202	8.139	8.130	8.129	8.097	8.078	8.015	8.015
182-Day Treasury Bills								
Date of Auction	27-Jul-17	31-Aug-17	28-Sep-17	05-Oct-17	12-Oct-17	19-Oct-17	02-Nov-17	16-Nov-17
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	4,751.78	14,540.81	5,262.62	2,223.64	4,355.04	4,587.85	4,207.27	5,816.37
Amount Accepted (Ksh M)	4,416.32	11,463.28	5,241.99	2,141.98	4,345.77	3,942.07	4,207.27	5,338.00
Maturities (Ksh M)	2,297.80	22,446.95	0.00	0.00	0.00	0.00	21,442.35	13,148.30
Average interest Rate (%) - 182 days	10.321	10.316	10.317	10.319	10.316	10.314	10.433	10.488
364-Day Treasury Bills								
Date of Auction	27-Jul-17	31-Aug-17	28-Sep-17	05-Oct-17	12-Oct-17	19-Oct-17	02-Nov-17	16-Nov-17
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	9,780.73	15,343.16	3,448.87	8,067.79	3,367.24	4,948.24	8,141.46	12,787.61
Amount Accepted (Ksh M)	9,366.10	13,019.38	3,448.87	6,717.29	2,917.07	3,747.03	7,952.35	11,671.38
Maturities (Ksh M)	6,827.91	9,843.80	8,085.20	8,365.30	6,310.95	5,223.25	8,809.90	13,066.65
Average interest Rate (%) - 364 days	10.894	10.922	10.958	10.975	10.989	10.985	10.995	11.000

Source: Central Bank of Kenya

Table 6: Performance of Treasury Bonds

TREASURY BONDS						
Date of Auction	27-Jul-17	31-Aug-17	28-Sep-17		18-Oct-17	02-Nov-17
Tenor	FXD 1/2007/10	FXD 1/2017/5	TAP SALE FXD 1/2017/2	TAP SALE FXD 1/2017/10	FXD 2/2017/5	FXD 2/2017/5
Amount offered (Ksh)	30,000.0	13,000.0	13,000.0		30,000.0	16,500.0
Bids received (Ksh M)	19,043.3	17,490.0	11,137.6		20,076.8	7,253.0
Amount Accepted (Ksh)	5,190.8	17,530.8	11,137.6		13,504.6	7,253.0
Maturities (Ksh M)	0.0	0.0	0.0		0.0	0.0
Average interest Rate	12.966	12.465	11.619		13.072	12.517

Source: Central Bank of Kenya

Chart 3: Kenya Government Securities Yield Curve

Source: Central Bank of Kenya

Table 7: Government Domestic Debt (KSh Billion)

	30-Jun-17	28-Jul-17	25-Aug-17	29-Sep-17	06-Oct-17	13-Oct-17	19-Oct-17	27-Oct-17	04-Nov-17
1. Treasury Bills (Excluding Repos)	744.15	744.46	727.40	724.80	727.78	729.21	730.88	734.84	735.82
(As % of total securities)	35.84	35.85	35.20	34.33	34.23	34.27	34.48	34.38	34.41
2. Treasury Bonds	1,331.98	1,331.98	1,339.04	1,386.56	1,398.31	1,398.31	1,389.00	1,402.49	1,402.49
(As % of total securities)	64.16	64.15	64.80	65.67	65.77	65.73	65.52	65.62	65.59
3. Total Securities (1+2)	2,076.13	2,076.43	2,066.44	2,111.36	2,126.09	2,127.52	2,119.88	2,137.33	2,138.31
4. Overdraft at Central Bank	-	-	13.39	24.72	22.46	21.97	20.87	17.70	17.38
5. Other Domestic debt*	36.15	35.56	36.71	36.47	36.47	40.51	40.51	40.50	40.51
6. Gross Domestic Debt (3+4+5)	2,112.28	2,112.00	2,116.54	2,172.55	2,185.02	2,189.99	2,181.26	2,195.53	2,196.20

* 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 (In Percent)

	30-Jun-17	28-Jul-17	25-Aug-17	29-Sep-17	06-Oct-17	13-Oct-17	19-Oct-17	27-Oct-17	04-Nov-17
Treasury bills (Excluding Repos)	35.2	35.2	34.4	33.4	33.3	33.3	33.5	33.5	33.5
Treasury bonds	63.1	63.1	63.3	63.8	64.0	63.9	63.7	63.9	63.9
CBK Overdraft to Govt	0.0	0.0	0.6	1.1	1.0	1.0	1.0	0.8	0.8
Other domestic debt	1.7	1.7	1.7	1.7	1.7	1.8	1.9	1.8	1.8
TOTAL	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: Composition of Government Domestic Debt by Holder (In Percent)

	30-Jun-17	28-Jul-17	25-Aug-17	29-Sep-17	06-Oct-17	13-Oct-17	19-Oct-17	27-Oct-17	04-Nov-17
Banking Institutions	56.2	56.1	55.9	55.9	55.7	55.8	55.6	55.2	55.2
Insurance Companies	6.6	6.6	6.2	6.2	6.2	6.2	6.2	6.2	6.2
Parastatals	6.4	6.6	6.5	6.3	6.3	6.3	6.5	6.5	6.5
Pension funds	28.1	28.0	27.2	27.3	27.5	27.4	27.4	27.8	27.7
Other investors	2.7	2.7	4.3	4.3	4.3	4.3	4.4	4.4	4.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Kenya

Table 10: Indicators of Total Government Debt

	Jun-15	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Jul-17	Aug-17	Sep-17
Domestic debt (Kshs Bn)	1,420.44	1,815.13	1,854.55	1,930.98	1,944.95	2,111.71	2,123.79	2,135.93	2,172.55
Public & Publicly Guaranteed External debt (US \$ Bn)	14.3	17.8	18.2	18.5	20.4	22.1	22.2	22.4	22.4
Public & Publicly Guaranteed External debt (Ksh Bn)	1,408.61	1,796.20	1,838.42	1,832.45	2,101.39	2,294.40	2,305.54	2,309.78	2,310.20
Total public debt (Ksh Bn)	2,829.06	3,611.33	3,692.97	3,763.43	4,046.35	4,406.11	4,429.33	4,445.71	4,482.75

Source: Central Bank of Kenya & National Treasury

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

	07-Sep-17	14-Sep-17	21-Sep-17	28-Sep-17	05-Oct-17	12-Oct-17	19-Oct-17	24-Oct-17	31-Oct-17	09-Nov-17
1. CBK Usable Foreign Exchange Reserves (USD Million)*	7,482	7,545	7,511	7,482	7,412	7,373	7,311	7,214	7,143	7,108
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.97	5.01	4.98	4.97	4.92	4.90	4.86	4.79	4.74	4.72

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya