



Central Bank of Kenya

# Weekly Statistical Bulletin

## Key Monetary and Financial Indicators

July 28, 2017

*The money market was relatively liquid during the week ending July 26, 2017, largely supported by maturities of Open Market Operations (OMO). The weighted average interbank rate was stable at 7.24 percent in the week ending July 26, 2017 compared with 7.28 percent recorded in the previous week.*

### Monetary Policy Operations

The money market was relatively liquid during the week ending July 26, 2017, with net liquidity injections through open market operations slightly offsetting net withdrawals largely through tax payment to Government (**Table 1**).

Commercial banks' excess reserves above 5.25 percent averaging requirement stood at KSh 7.4 billion during the week ending July 26, 2017, compared to the previous week's average of KSh 10.6 billion (**Chart A**).

### Activity in the Interbank Market

The weighted average interbank rate was stable at 7.24 percent in the week ending July 26, 2017, compared with 7.28 percent recorded in the previous week. The volumes transacted ranged from KSh 15.8 billion to KSh 26.3 billion during the week, giving an average of KSh 21.6 billion compared to an average of KSh 12.9 billion the previous week. The average number of deals, at 37, was higher during the week compared to an average of 31 deals transacted the previous week (**Table 2 and Chart B**).

### Kenya Shilling Exchange Rate

The Kenya Shilling exchange rate recorded mixed performance against major international currencies in the week ending July 27, 2017. The Shilling strengthened against the USD and the Sterling Pound but weakened against the Euro and the Japanese Yen. In the EAC region the Kenya Shilling strengthened against all the currencies (**Table 3**).

### The Capital Market

The capital markets recorded mixed performance during the week ending July 27, 2017.

#### Equity Market

Stock prices showed gains across all counters, as reflected in increases in the NASI, NSE 25 and NSE 20 share price indices of 2.66 percent, 2.64 percent and 2.22 percent, respectively. Similarly, shareholder wealth, measured by market capitalization, increased by 2.66 percent on account of the increased share prices. The market was, however, constrained by supply of stocks, leading to a decline in equity turnover of 7.43 percent on account of a 15.60 percent decline in shares traded during the week ending July 27, 2017 (**Table 4**).

#### FTSE NSE Kenya Index Series, REITS and Most Active Sectors

Performance of the FTSE<sup>1</sup> NSE Kenya 15 Index and FTSE NSE Kenya 25 Index, which measure performance of the 15 largest companies by market capitalization and the 25 most liquid stocks at the Nairobi Securities Exchange (NSE) recorded increases of 2.79 percent and 3.15 percent, respectively, during the week ending July 21, 2017. The Banking, Telecommunication and Technology and Energy sectors were the top three most actively traded sectors, representing 32.68 percent, 28.86 percent and 14.00 percent of the total shares traded, respectively.

<sup>1</sup> FTSE refers to Financial Times Stock Exchange, which is an average of share prices in the 100 largest, most actively traded companies on the London Stock Exchange. The two NSE indices are indexed on FTSE.

Income-Real Estate Investment Trust (I-REIT<sup>2</sup>) turnover declined by 62.17 percent, with number of deals down by 10.71 percent, reflecting less demand for real estate units.

#### *Bond Market*

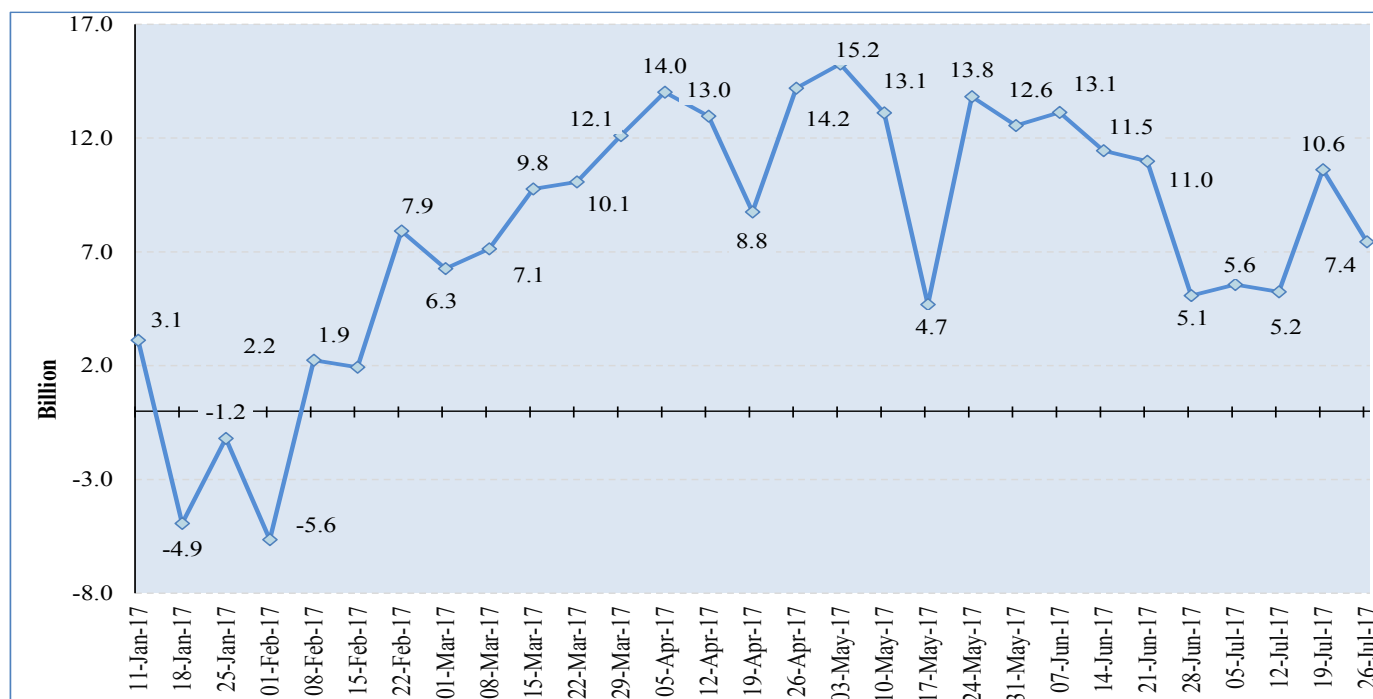
Bond turnover decreased by 13.91 percent during the week ending July 27, 2017, with the number of bond deals staying steady at 175 traded during the week. The FTSE Bond Index declined by 0.04 percent, reflecting an increase in secondary market yields.

---

<sup>2</sup>I-REIT is a collective investment vehicle that allows investors to pool capital, which is then invested in a portfolio of selected properties for a return. Investors gain through capital appreciation and rental income, with the latter being distributed to unit-holders annually.

## LIST OF TABLES AND CHARTS

Chart A: Commercial Banks Excess Reserves



Source: Central Bank of Kenya

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

	20-Jul-17	21-Jul-17	24-Jul-17	25-Jul-17	26-Jul-17	Total
<b>Liquidity Flows</b>						
<b>Total liquidity injection <sup>1</sup></b>	<b>3.6</b>	<b>2.9</b>	<b>36.0</b>	<b>1.4</b>	<b>12.3</b>	<b>56.1</b>
Repos Maturities	2.7	0.0	0.0	0.0	0.0	2.7
Reverse Repo Purchases	0.0	0.0	0.0	1.3	0.4	1.7
Term Auction Deposit maturities	0.0	2.9	10.0	0.0	10.0	22.9
T/bills redemptions	0.0	0.0	16.3	0.0	0.0	16.3
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	5.5	0.0	0.0	5.5
T/bonds rediscounts	0.0	0.0	0.0	0.0	0.0	0.0
Govt payments	0.9	0.1	4.2	0.1	1.9	7.1
<b>Total liquidity reduction <sup>1</sup></b>	<b>4.2</b>	<b>10.1</b>	<b>35.7</b>	<b>3.5</b>	<b>2.0</b>	<b>55.5</b>
T/bills (Primary issues)	0.0	0.0	6.5	0.0	0.0	6.5
Tbonds Sales	0.0	0.0	0.0	0.0	0.0	0.0
T/bills/Tbonds (OMO Tap Sales)	0.0	0.0	0.0	0.0	0.0	0.0
Repos	0.0	0.0	0.0	0.0	0.0	0.0
Reverse Repos maturities	0.0	0.0	0.0	1.3	0.0	1.3
Term Auction Deposit	0.0	0.0	0.0	0.0	0.0	0.0
Transfer from Banks -Taxes	4.2	8.8	23.8	2.2	2.0	41.0
<b>Net liquidity injection (+)/Withdrawal (-)</b>	<b>-0.6</b>	<b>-7.2</b>	<b>0.2</b>	<b>-2.2</b>	<b>10.3</b>	<b>0.6</b>
<b>Reserve Money Position</b>						
Reserve money (actual)	417.4	407.5	407.2	404.6	414.4	

<sup>1</sup> Only main transactions increasing or reducing liquidity are included.

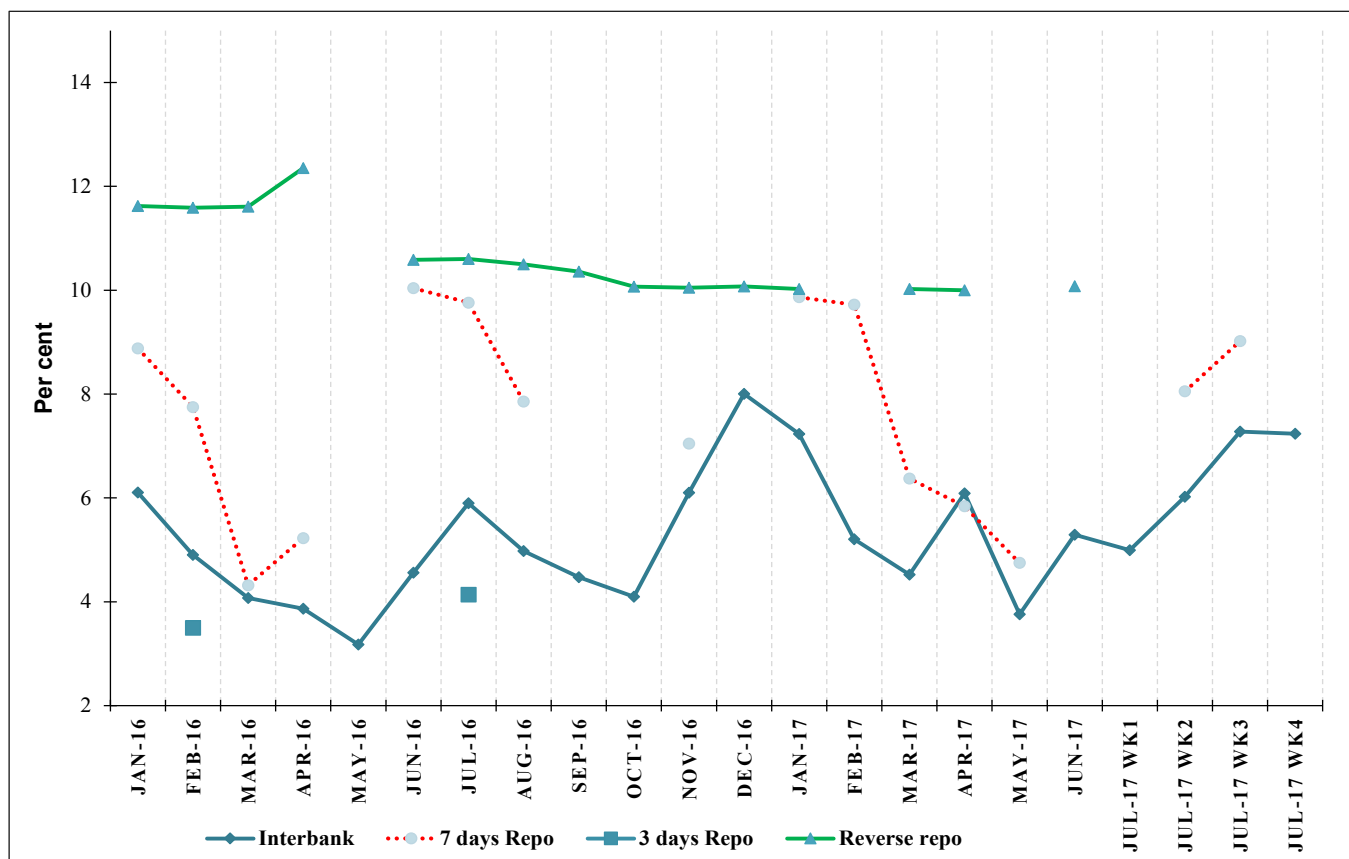
Source: Central Bank of Kenya

Table 2: Open Market Operations (KSh Million)

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)	7 days Average Repo Rate (%)
13-Jul-17	33	14,175	6.87	8.75
14-Jul-17	32	12,630	7.23	8.71
17-Jul-17	27	7,175	7.27	9.23
18-Jul-17	26	13,500	7.60	
19-Jul-17	39	16,865	7.42	9.39
<b>July 13, 2017 - July 19, 2017</b>	<b>31</b>	<b>12,869</b>	<b>7.28</b>	<b>9.02</b>
20-Jul-17	32	17,595	7.38	-
21-Jul-17	40	22,395	7.08	-
24-Jul-17	31	15,845	7.32	-
25-Jul-17	40	25,740	7.18	-
26-Jul-17	43	26,320	7.22	-
<b>July 20, 2017 - July 26, 2017</b>	<b>37</b>	<b>21,579</b>	<b>7.24</b>	<b>-</b>

Source: Central Bank of Kenya

Chart B: 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*
<b>14-Jul-17</b>	<b>103.89</b>	<b>134.41</b>	<b>118.50</b>	<b>91.62</b>	<b>34.65</b>	<b>21.54</b>	<b>7.95</b>	<b>16.66</b>
17-Jul-17	103.91	135.65	118.86	92.41	34.65	21.52	7.95	16.66
18-Jul-17	103.91	135.81	119.13	92.49	34.65	21.53	7.95	16.61
19-Jul-17	103.93	135.52	119.95	92.51	34.64	21.54	7.95	16.66
20-Jul-17	103.95	135.48	119.87	92.52	34.63	21.54	7.95	16.66
<b>14-20 July 2017</b>	<b>103.92</b>	<b>135.37</b>	<b>119.26</b>	<b>92.31</b>	<b>34.64</b>	<b>21.53</b>	<b>7.95</b>	<b>16.65</b>
21-Jul-17	103.84	134.68	120.15	92.85	34.67	21.56	7.96	16.68
24-Jul-17	103.87	134.91	120.96	93.50	34.66	21.55	7.96	16.68
25-Jul-17	103.88	135.44	121.01	93.58	34.65	21.55	7.99	16.68
26-Jul-17	103.91	135.41	120.97	92.87	34.65	21.54	7.96	16.68
27-Jul-17	103.90	135.51	120.94	92.90	34.70	21.54	7.96	16.68
<b>21-27 July 2017</b>	<b>103.88</b>	<b>135.19</b>	<b>120.81</b>	<b>93.14</b>	<b>34.67</b>	<b>21.55</b>	<b>7.96</b>	<b>16.68</b>

\* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

**Table 4: Key Weekly Market Statistics**

INDICATOR	01-Jun-17	08-Jun-17	15-Jun-17	22-Jun-17	29-Jun-17	07-Jul-17	13-Jul-17	20-Jul-17	27-Jul-17	Weekly Change (%)
NASI 100= 2008	148.40	149.30	152.94	154.35	153.22	151.50	152.99	154.30	158.40	2.66
NSE 25 Share Index	3,926.32	3,970.00	4,050.99	4,087.32	4,069.38	3,998.00	4,038.39	4,107.00	4,215.46	2.64
NSE 20 Share Index 100= 1996	3,441.05	3,475.00	3,522.79	3,612.55	3,596.56	3,581.00	3,659.28	3,683.00	3,764.74	2.22
Number of Deals	5,509	7,047.00	6,656.00	7,038.00	4,948.00	6,232.00	5,958.00	6,811.00	5,576.00	-18.13
Total Shares Traded (Million)	105.20	142.80	199.26	276.08	96.88	176.67	296.29	174.07	146.91	-15.60
Equity Turnover (KSh Million)	2,757.59	3,104.07	4,435.70	6,156.12	1,676.56	5,285.45	6,458.15	4,353.84	4,030.47	-7.43
Market Capitalization (KSh Billion)	2,155.36	2,168.19	2,221.37	2,242.12	2,225.64	2,201.00	2,236.24	2,255.51	2,315.43	2.66
I-REIT Turnover in (KSh Million)	0.27	0.94	1.08	1.85	0.89	0.31	0.61	0.47	0.18	-62.17
I-REIT in Units - Total Deals	34.00	53.00	31.00	34.00	25.00	27.00	29.00	28.00	25.00	-10.71
Bonds Turnover (KSh Million)	11,633.99	9,722.09	12,248.72	9,169.56	12,684.80	11,303.78	12,624.13	6,037.61	5,197.72	-13.91
FTSE NSE Kenya 15 Index	182.06	187.70	190.40	190.88	189.83	188.00	190.10	192.30	197.67	2.79
FTSE NSE Kenya 25 Index	186.10	192.70	196.33	195.19	195.93	194.00	195.94	198.90	205.17	3.15
FTSE NSE Bond Index	91.48	91.60	91.58	91.56	91.54	92.00	91.65	91.70	91.66	-0.04

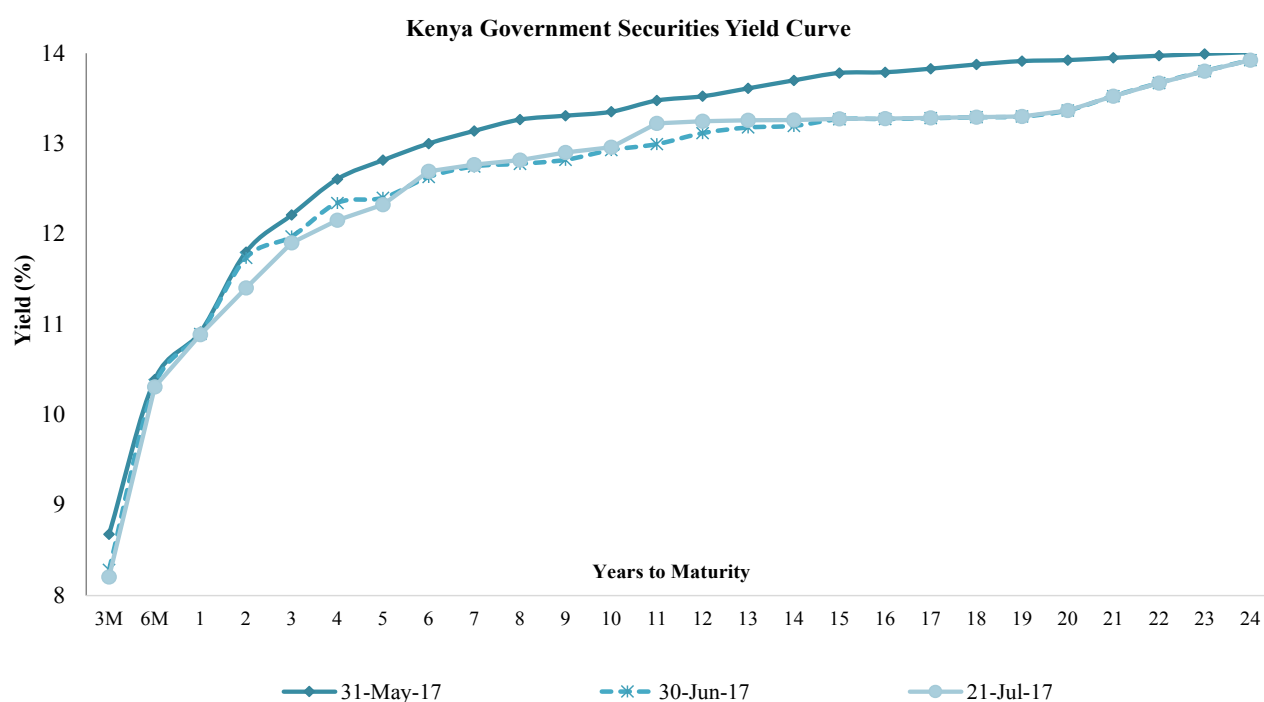
Source: Nairobi Securities Exchange

Table 5: Performance of Government Securities

91-Day Treasury Bills						
Date of Auction	27-Apr-17	25-May-17	29-Jun-17	06-Jul-17	13-Jul-17	20-Jul-17
Amount offered (Ksh M)	10,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	12,373.49	5,171.56	2,307.78	4,245.92	2,241.25	2,224.60
Amount Accepted (Ksh M)	11,239.76	2,645.05	2,307.78	4,215.51	2,241.16	2,224.60
Maturities (Ksh M)	5,657.35	5,910.50	7,201.70	11,574.20	8,879.35	6,835.20
Average interest Rate (%)- 91 Days	8.78	8.61	8.28	8.22	8.21	8.21
182-Day Treasury Bills						
Date of Auction	26-Apr-17	24-May-17	28-Jun-17	06-Jul-17	14-Jul-17	22-Jul-17
Amount offered (Ksh M)		10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)		15,070.38	10,064.50	15,258.51	4,190.65	4,004.42
Amount Accepted (Ksh M)		13,608.16	9,713.05	14,768.06	4,070.86	3,054.54
Maturities (Ksh M)		7,053.20	1,199.70	2,034.40	1,619.55	5,845.20
Average interest Rate (%)- 182 days		10.37	10.33	10.31	10.32	10.31
364-Day Treasury Bills						
Date of Auction	26-Apr-17	24-May-17	28-Jun-17	06-Jul-17	14-Jul-17	22-Jul-17
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)	8,245.61	13,821.28	5,174.05	8,418.59	1,623.54	1,290.26
Amount Accepted (Ksh M)	7,987.54	11,869.87	5,053.19	5,918.12	1,527.56	1,228.56
Maturities (Ksh M)	8,932.50	6,562.55	1,454.50	1,202.00	7,355.00	3,647.80
Average interest Rate (%)- 364 days	10.94	10.91	10.90	10.89	10.89	10.89
Treasury Bonds						
Date of Auction	27-Apr-17					
Tenor	FXD1/2009/11					
Amount offered (Ksh M)	7,000.00					
Bids received (Ksh M)	6,143.05					
Amount Accepted (Ksh M)	4,009.60					
Maturities (Ksh M)	0.00					
Average interest Rate (%)	11.97					

Source: Central Bank of Kenya

Chart C: Structure of Interest Rates



Source: Central Bank of Kenya

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

	31-Mar-17	28-Apr-17	26-May-17	02-Jun-17	30-Jun-17	07-Jul-17	14-Jul-17	21-Jul-17
1. Treasury Bills (Excluding Repos)	615.77	626.90	673.30	684.07	744.15	752.41	763.78	754.13
(As % of total securities)	<b>32.69</b>	<b>32.25</b>	<b>33.96</b>	<b>34.04</b>	<b>35.84</b>	<b>36.10</b>	<b>36.44</b>	<b>36.15</b>
2. Treasury Bonds	1,268.16	1,317.02	1,309.35	1,325.28	1,331.98	1,331.98	1,331.98	1,331.98
(As % of total securities)	<b>67.31</b>	<b>67.75</b>	<b>66.04</b>	<b>65.96</b>	<b>64.16</b>	<b>63.90</b>	<b>63.56</b>	<b>63.85</b>
<b>3. Total Securities (1+2)</b>	<b>1,883.93</b>	<b>1,943.92</b>	<b>1,982.65</b>	<b>2,009.35</b>	<b>2,076.13</b>	<b>2,084.39</b>	<b>2,095.76</b>	<b>2,086.10</b>
4. Overdraft at Central Bank	30.27	-	-	0.03	-	-	-	-
5. Other Domestic debt*	31.06	30.75	35.93	35.94	36.15	36.12	36.11	36.10
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>1,945.25</b>	<b>1,974.67</b>	<b>2,018.58</b>	<b>2,045.33</b>	<b>2,112.28</b>	<b>2,120.51</b>	<b>2,131.87</b>	<b>2,122.21</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 (In Percent)**

	26-May-17	16-Jun-17	23-Jun-17	30-Jun-17	07-Jul-17	14-Jul-17	21-Jul-17
Treasury bills (Excluding Repos)	33.4	34.5	35.1	35.2	35.5	35.8	35.5
Treasury bonds	64.9	63.7	63.1	63.1	62.8	62.5	62.8
CBK Overdraft to Govt	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Other domestic debt	1.8	1.7	1.7	1.7	1.7	1.7	1.7
<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)**

	31-Mar-17	28-Apr-17	26-May-17	23-Jun-17	30-Jun-17	07-Jul-17	14-Jul-17	21-Jul-17
Banking Institutions	54.1	55.1	56.2	56.6	56.2	56.2	56.3	56.1
Insurance Companies	7.1	7.0	6.9	6.7	6.6	6.6	6.5	6.6
Parastatals	6.5	6.5	6.6	6.4	6.4	6.4	6.5	6.6
Pension funds	28.2	27.5	27.9	27.8	28.1	28.1	28.0	28.0
<b>Other investors</b>	<b>4.0</b>	<b>3.9</b>	<b>2.4</b>	<b>2.5</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>
<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>	<b>100.0</b>

Source: Central Bank of Kenya

**TABLE 9: Official Foreign Reserves US\$ Million (Usable)**

	31-May-17	08-Jun-17	15-Jun-17	22-Jun-17	29-Jun-17	06-Jul-17	13-Jul-17	20-Jul-17	27-Jul-17
<b>1. CBK Usable Foreign Exchange Reserves (USD Million)*</b>	8,259	8,197	8,188	8,105	7,964	7,921	7,869	7,781	7,703
<b>2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**</b>	5.48	5.44	5.44	5.38	5.29	5.26	5.23	5.17	5.12

\*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya