



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

March 23, 2018

Activity in the Interbank Market

The volumes traded in the interbank market eased to an average of KSh 15.2 billion during the week ending March 21, 2018 from KSh 16.8 billion the previous week. Banks therefore began the new Cash Reserve Requirement Cycle (March 15 - April 14, 2018) with ample liquidity. The number of deals in the interbank market remained stable at an average of 32. The weighted average interbank rate increased marginally to 4.57 percent from 4.32 percent in the previous week, partly reflecting the seasonal pickup in demand for funds around the 20th of every month to facilitate VAT tax remittances (**Table 1**).

Kenya Shilling Exchange Rate

The Kenya Shilling remained steady against major international currencies during the week ending March 22, 2018. The Shilling remained stable against the US Dollar supported by low interbank activity. It strengthened against the Euro and weakened against the Japanese Yen and the Sterling Pound. In the EAC region the Shilling strengthened against all the currencies (**Table 2**).

Equity Market

The equity market recorded gains across all the leading indicators for the week ending March 22, 2018.

Prices in the equities market improved by 4.8 percent, 4.9 percent and 2.2 percent for NASI, NSE 25 and the NSE 20 share indices respectively. The number of shares traded rose by 52.2 percent, triggering an increase of 64.1 percent in equity turnover. As a result, shareholder wealth, as measured by market capitalization rose by KSh 129.72 billion or 4.8 percent (**Table 3**). The vibrancy in the market may be on account of increased investor interest following

reduction of the Central Bank Rate (CBR).

Bond Market and Eurobond Yields

Turnover in the bond market reduced by KSh 5,134 million, or 36.2 percent in the week ending March 22, 2018. This may be attributed to investors' focus on primary market auction of the FXD1/2018/5 and FXD1/2018/20 Treasury Bonds during the week, that attracted 128.5 percent subscription rate against the KSh 40 billion offered. The yields on Kenya's 5-year, 10-year (2024), 10-year (2028) and 30-year Eurobonds decreased slightly during the week, signalling an increase in bond prices (**Table 3**).



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Table 1: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
8-Mar-18	45	23,345	4.47
9-Mar-18	38	19,240	4.48
12-Mar-18	28	15,730	4.49
13-Mar-18	25	12,585	4.11
14-Mar-18	22	13,250	4.04
March 8 - 14, 2018	32	16,830	4.32
15-Mar-18	28	13,260	4.13
16-Mar-18	29	10,300	4.63
19-Mar-18	30	14,550	4.68
20-Mar-18	40	20,630	4.64
21-Mar-18	35	17,090	4.76
March 15 - 21, 2018	32	15,166	4.57

Source: Central Bank of Kenya

Table 2: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
9-Mar-18	101.20	140.45	125.45	95.58	36.15	22.27	8.54	17.39
12-Mar-18	101.15	139.94	124.36	94.64	36.16	22.29	8.55	17.40
13-Mar-18	101.29	140.67	124.79	95.09	36.04	22.32	8.53	17.38
14-Mar-18	101.27	141.42	124.63	94.72	36.13	22.27	8.40	17.50
15-Mar-18	101.26	140.68	124.87	94.85	36.13	22.27	8.41	17.50
March 9 - 15, 2018	101.23	140.63	124.82	94.98	36.12	22.28	8.49	17.43
16-Mar-18	101.29	141.42	125.06	94.87	36.13	22.27	8.41	17.50
19-Mar-18	101.28	141.20	124.52	95.59	36.14	22.27	8.54	17.50
20-Mar-18	101.27	142.37	124.70	95.43	36.14	22.29	8.54	17.38
21-Mar-18	101.27	141.84	124.19	95.18	36.17	22.30	8.54	17.38
22-Mar-18	101.06	142.16	123.55	95.13	36.24	22.33	8.56	17.42
March 16 - 22, 2018	101.23	141.80	124.40	95.24	36.16	22.29	8.52	17.44

* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 3: Key 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 Eurobond Yield (%)	10-Year Eurobond Yield (%)	Eurobond Yield (%) - 2028	30-Year Eurobond Yield (%)
09-Mar-18	180.60	4,609.43	3,720.21	1,425	29.85	979.54	2,660.51	3,030.68	3.89	6.29	7.04	7.92
12-Mar-18	181.21	4,630.88	3,725.44	1,286	18.79	729.58	2,670.13	3,316.30	3.81	6.17	6.97	7.86
13-Mar-18	182.74	4,669.59	3,745.16	1,437	24.14	944.87	2,692.11	2,001.82	3.94	6.18	6.95	7.85
14-Mar-18	183.57	4,715.74	3,760.87	1,551	28.40	960.31	2,704.34	3,252.34	3.80	6.11	6.80	7.73
15-Mar-18	182.88	4,715.24	3,767.23	1,429	27.35	831.92	2,694.24	2,573.51	3.82	6.10	6.81	7.74
9 Mar-15 Mar, 2018	182.88	4,715.24	3,767.23	7,128	128.53	4,446.22	2,694.24	14,174.65	3.82	6.10	6.81	7.74
16-Mar-18	184.09	4,770.31	3,801.79	1,506	18.75	660.78	2,712.07	3,610.70	3.92	6.12	6.85	7.79
19-Mar-18	186.65	4,848.40	3,840.08	1,562	41.06	1,928.27	2,749.81	931.21	4.02	6.19	6.92	7.88
20-Mar-18	188.61	4,865.95	3,850.56	1,777	29.35	1,098.93	2,778.68	2,194.22	4.01	6.29	7.00	7.98
21-Mar-18	190.45	4,926.39	3,862.27	2,007	51.29	1,893.19	2,805.87	873.96	3.81	6.21	6.88	7.82
22-Mar-18	191.67	4,944.09	3,851.37	2,048	55.12	1,716.98	2,823.96	1,430.62	3.79	6.17	6.79	7.78
16 Mar-22 Mar, 2018	191.67	4,944.09	3,851.37	8,900	195.57	7,298.14	2,823.96	9,040.72	3.79	6.17	6.79	7.78
Weekly Change	4.81%	4.85%	2.23%	24.86%	52.16%	64.14%	4.81%	-36.22%	(0.03)*	(0.07)*	(6.81)*	(0.38)*

* Percentage points

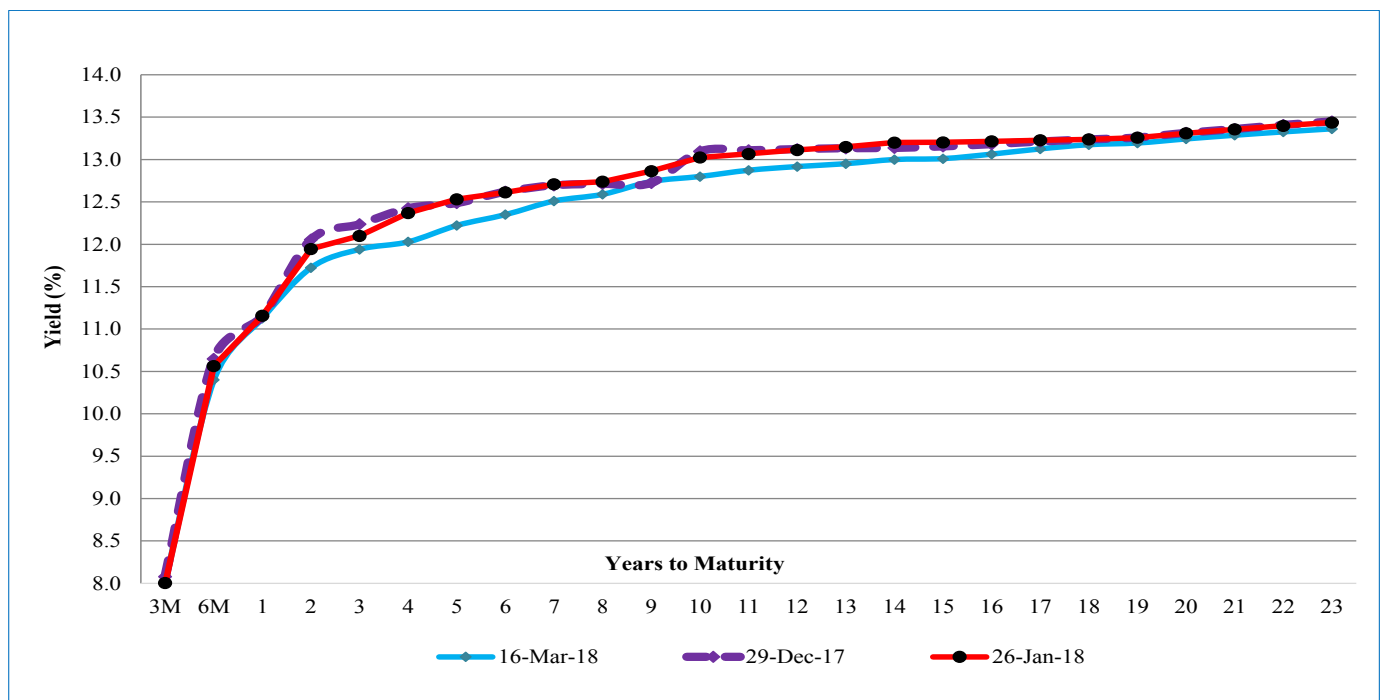
Source: Central Bank of Kenya, Nairobi Stock Exchange, and Reuters

Table 4: Performance of Treasury Bonds

Date of Auction	28-Dec-17		25-Jan-18	01-Feb-18	21-Feb-18		01-Mar-18		21-Mar-18	
Tenor	TAP FXD1/2008/15	TAP FXD1/2017/10	IFB 1/2018/15	TAP IFB 1/2018/15	FXD1/2010/15	FXD2/2013/15	TAP FXD1/2010/15	TAP FXD2/2013/15	FXD1/2018/5	FXD1/2018/20
Amount offered (Ksh M)	20,000.0		40,000.0	35,000.0	40,000.0		27,000.0		40,000.0	
Bids received (Ksh M)	2,683.6	5,138.9	55,756.5	36,231.2	7,965.9	16,175.7	318.0	3,501.4	37,645.9	13,738.8
Amount Accepted (Ksh M)	2,683.6	5,138.9	5,041.5	36,207.2	4,444.2	8,761.0	318.0	3,501.4	23,065.3	8,491.0
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average interest Rate (%)	12.581	13.087	12.505	12.505	12.676	12.906	12.676	12.906	12.299	13.336

Source: Central Bank of Kenya

Chart 1: Kenya Government Securities Yield Curve



Source: Central Bank of Kenya

Table 5: Performance of Government Securities

91-Day Treasury Bills								
Date of Auction	25-Jan-18	01-Feb-18	08-Feb-18	15-Feb-18	22-Feb-18	01-Mar-18	08-Mar-18	15-Mar-18
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)	3,984.00	5,721.37	2,096.56	4,673.73	4,966.78	7,690.98	3,844.72	2,185.28
Amount Accepted (Ksh M)	3,979.10	5,721.37	2,052.78	4,281.26	4,966.78	7,249.82	3,170.17	2,179.40
Maturities (Ksh M)	514.75	3,874.10	6,978.35	1,791.60	4,428.95	8,677.30	5,065.65	673.55
Average interest Rate (%) - 91 Days	8.004	8.005	8.045	8.050	8.032	8.029	8.026	8.005
182-Day Treasury Bills								
Date of Auction	25-Jan-18	01-Feb-18	08-Feb-18	15-Feb-18	22-Feb-18	01-Mar-18	08-Mar-18	15-Mar-18
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)	13,806.67	12,959.45	12,511.30	11,219.01	8,425.54	16,333.90	14,968.11	7,819.00
Amount Accepted (Ksh M)	11,419.50	10,845.65	12,511.30	11,216.78	8,425.54	13,882.04	11,556.17	7,142.53
Maturities (Ksh M)	4,584.45	4,762.65	9,917.50	19,301.50	6,255.45	13,160.00	21,834.70	2,598.55
Average interest Rate (%) - 182	10.564	10.438	10.424	10.403	10.395	10.393	10.385	10.385
364-Day Treasury Bills								
Date of Auction	25-Jan-18	01-Feb-18	08-Feb-18	15-Feb-18	22-Feb-18	01-Mar-18	08-Mar-18	15-Mar-18
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)	10,236.21	14,512.30	17,152.71	17,833.93	11,731.74	13,367.63	18,378.89	17,360.50
Amount Accepted (Ksh M)	10,236.21	11,487.10	17,107.76	11,955.19	10,813.27	9,485.24	17,929.53	13,598.84
Maturities (Ksh M)	1,485.00	6,707.80	6,655.50	10,498.60	1,175.25	3,112.05	17,862.85	17,102.25
Average interest Rate (%) - 364	11.159	11.156	11.159	11.154	11.131	11.135	11.128	11.126

Source :Central Bank of Kenya

Table 6: Government Domestic Debt (KSh Billion)

	24-Nov-17	29-Dec-17	26-Jan-18	16-Feb-18	23-Feb-18	02-Mar-18	09-Mar-18	16-Mar-18
1. Treasury Bills (Excluding Repos)	709.79	684.72	711.31	757.25	754.54	768.34	775.86	766.39
(As % of total securities)	33.49	31.91	32.93	33.74	33.80	33.99	34.15	33.87
2. Treasury Bonds	1,409.71	1,461.25	1,448.96	1,487.15	1,477.96	1,492.15	1,496.20	1,496.20
(As % of total securities)	66.51	68.09	67.07	66.26	66.20	66.01	65.85	66.13
3. Total Securities (1+2)	2,119.51	2,145.97	2,160.26	2,244.40	2,232.50	2,260.49	2,272.06	2,262.59
4. Overdraft at Central Bank	33.88	42.32	46.54	27.92	42.09	46.21	46.21	46.49
5. Other Domestic debt*	32.83	32.58	32.07	32.01	31.45	31.46	31.46	31.45
6. Gross Domestic Debt (3+4+5)	2,186.21	2,220.87	2,238.88	2,304.34	2,306.05	2,338.15	2,349.73	2,340.52

* 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)

	30-Jun-17	24-Nov-17	29-Dec-17	26-Jan-18	16-Feb-18	23-Feb-18	02-Mar-18	09-Mar-18	16-Mar-18
Treasury bills (Excluding Repos)	35.2	32.5	30.8	31.8	32.9	32.7	32.9	33.0	32.7
Treasury bonds	63.1	64.5	65.8	64.7	64.5	64.1	63.8	63.7	63.9
CBK Overdraft to Govt	0.0	1.5	1.9	2.1	1.2	1.8	2.0	2.0	2.0
Other domestic debt	1.7	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.3
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 8: Composition of Government Domestic Debt by Holder (In Percent)

	24-Nov-17	29-Dec-17	26-Jan-18	16-Feb-18	23-Feb-18	02-Mar-18	09-Mar-18	16-Mar-18
Banking Institutions	54.7	54.6	54.9	55.0	55.3	55.4	55.4	55.3
Insurance Companies	6.3	6.4	6.4	6.3	6.3	6.3	6.3	6.3
Parastatals	7.0	6.9	6.9	6.8	6.7	6.8	6.8	6.8
Pension funds	27.6	27.5	27.5	27.5	27.2	27.1	27.1	27.1
Other investors	4.4	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Kenya

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

	04-Jan-18	11-Jan-18	18-Jan-18	25-Jan-18	01-Feb-18	08-Feb-18	15-Feb-18	22-Feb-18	01-Mar-18	08-Mar-18	15-Mar-18	22-Mar-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	7,081	7,044	6,994	7,056	7,074	7,181	7,240	7,235	7,154	7,155	8,831	8,791
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.74	4.72	4.69	4.72	4.73	4.80	4.84	4.84	4.78	4.78	5.90	5.87

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya