



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

July 13, 2018

Interbank Market

Interbank money market activity decreased during the week ending July 11, 2018, on account of improved liquidity conditions, largely supported by government payments. The average volumes traded decreased to KSh 14.4 billion compared with KSh 25.6 billion in the previous week, while the average number of deals decreased to 21 from 40 in the previous week. Similarly, the weighted average interbank rate decreased to 4.66 percent from 6.39 percent in the previous week (**Table 1**).

Exchange Rate

The Kenya Shilling remained stable against the US Dollar during the week ending July 12, 2018 mainly supported by evenly matched demand for and supply of the Dollar in the forex market. It, however, strengthened against the Japanese Yen but weakened against the Sterling Pound and the Euro. In the EAC region, the Kenya Shilling weakened against the Uganda Shilling but was stable against the other EAC currencies (**Table 2**).

Government Securities Market

The Government Securities market maintained robust performance during the Treasury bills auction of July 12, 2018. The auction received bids totaling KSh 52.53 billion against an advertised amount of KSh 24.0 billion, resulting in a subscription rate of 218.89 percent. The 182-days and 364-days Treasury bills recorded 123.63 percent and 377.29 percent subscription rates, respectively, while the 91-days Treasury bills received less bids than the offered amount. The interest rates on the three Treasury bills declined further during the July 12, 2018 auction. For instance, the 182-days Treasury bill rate declined from 9.499 percent on July 5, 2018 to 9.322 percent at the auction of July 12, 2018.

Similarly, the 91-days Treasury bill rate declined from 7.725 percent on July 5, 2018 to 7.701 percent on July 12, 2018 (**Table 5**).

Equity Market

Activity in the equities market declined during the week ending July 12, 2018, across all leading market indicators. Total shares traded declined by 33.37 percent, signifying cautious investors (**Table 3**). The fall in share prices resulted in a paper loss of Ksh 16.79 billion or 0.66 percent for shareholders (measured by market capitalisation). This less vibrant market activity may be a reflection of dynamics in global markets and profit-taking on some counters. Safaricom, DTB, I&M and Bamburi Cement shares largely explain the decline.

Bond Market

The volume of bonds traded in the secondary market rose by 3.64 percent in the week, compared to the performance of previous week, partially indicating investors balancing between primary and secondary markets (**Table 3**).

The yields on Kenya's 5-year, 10-year (2024), 10-year (2028) and 20-year Eurobonds declined further in the week ending July 12, 2018, reflecting improved liquidity and lower risk perception in global markets. Yields on Kenya's 10-year Eurobond maturing 2024 are lower than the 10-year Eurobonds issued by select African countries, although all experienced declines in yields during the period under review (**Chart 1**).

Table 1: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
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
June 28 - July 4, 2018	40	25,648	6.39
5-Jul-18	34	20,800	5.45
6-Jul-18	24	17,600	4.86
9-Jul-18	18	11,500	4.70
10-Jul-18	13	6,895	4.51
11-Jul-18	16	15,350	3.77
July 5 - 11, 2018	21	14,429	4.66

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*
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
June 29 - 5 July, 2018	100.87	132.61	117.23	91.20	38.33	22.55	8.66	17.48
6-Jul-18	100.76	133.20	117.88	91.09	38.16	22.56	8.67	17.50
9-Jul-18	100.81	133.74	118.56	91.24	37.99	22.56	8.67	17.49
10-Jul-18	100.89	134.64	118.78	91.23	37.76	22.55	8.66	17.47
11-Jul-18	100.91	133.91	118.20	90.71	37.66	22.53	8.66	17.47
12-Jul-18	100.79	133.75	118.42	90.65	37.31	22.56	8.67	17.49
July 6 - 12, 2018	100.83	133.85	118.37	90.98	37.78	22.55	8.67	17.48

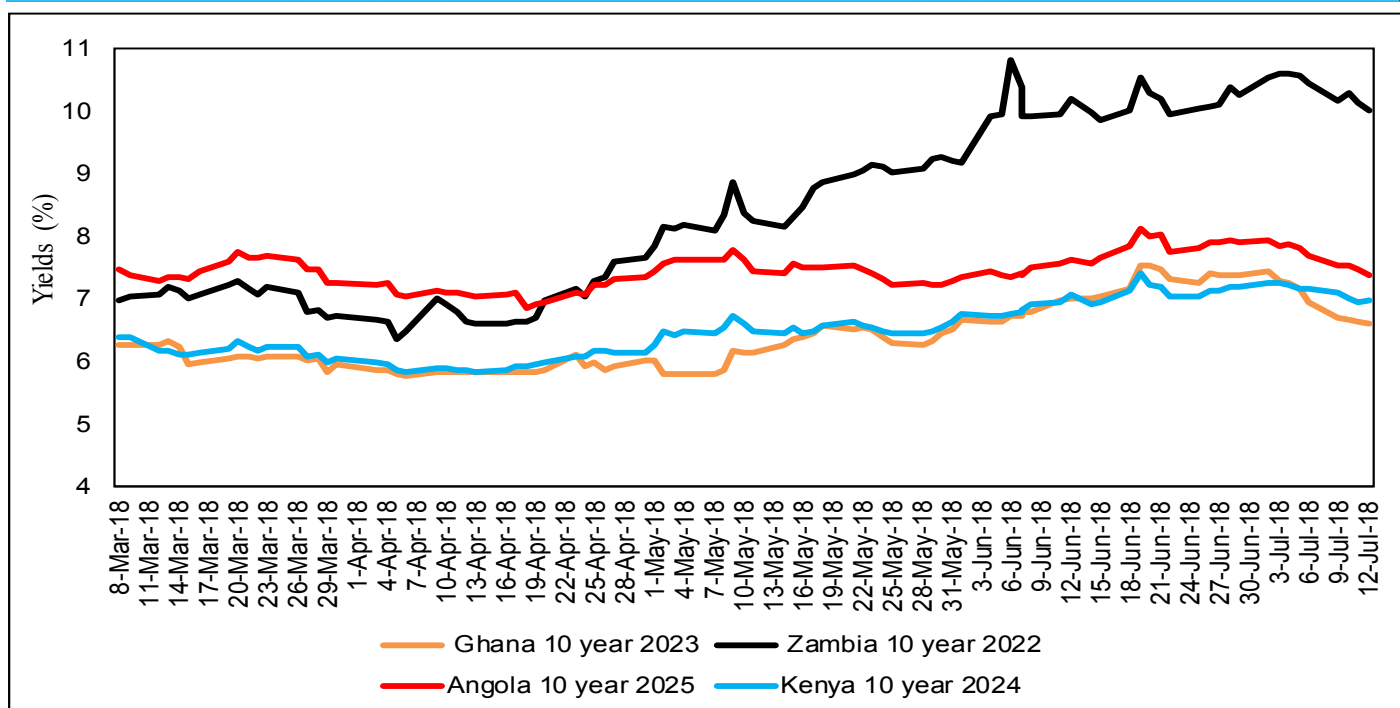
Source: Central Bank of Kenya

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 (%)
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
02-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
03-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
04-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
05-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
29 June - 5 July, 2018	172.99	4428.22	3301.70	5,583	100.51	2,664	2,556.74	10,854	5.060	7.167	7.809	8.822
06-Jul-18	172.95	4441.07	3314.43	970	9.61	294.15	2,556.16	2,085.94	4.923	7.167	7.702	8.742
09-Jul-18	173.92	4441.07	3304.5	1,100	13.03	394.34	2,570.54	2,286.77	4.624	7.083	7.492	8.566
10-Jul-18	174.16	4482.87	3302.3	1,183	14.85	514.82	2,574.03	2,076.97	4.648	7.004	7.488	8.571
11-Jul-18	172.23	4428.52	3308.67	1,090	17.26	525.57	2,545.49	1,854.13	4.915	6.952	7.477	8.552
12-Jul-18	171.86	4415.87	3302.17	873	12.22	338.47	2,539.95	2,945.40	4.442	6.988	7.447	8.561
6 - 12 July, 2018	171.86	4415.87	3302.17	5,216	66.97	2,067	2,539.95	11,249	4.442	6.988	7.447	8.561
Weekly Change (%)	-0.65	-0.28	0.01	-6.57	-33.37	-22.40	-0.66	3.64	-0.62*	-0.18*	-0.36*	-0.26*

* Percentage points

Source: Central Bank of Kenya, NSE and Reuters

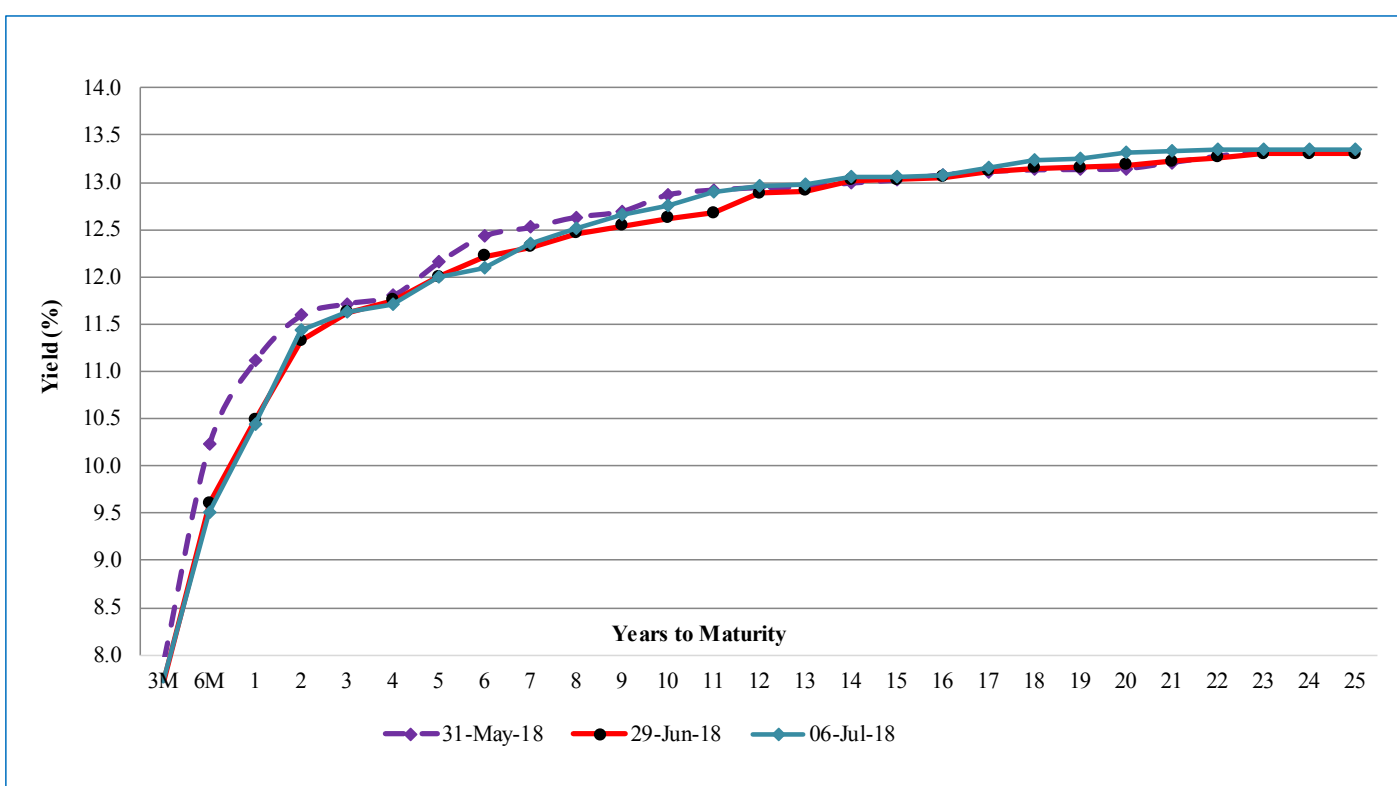
Chart 1: Yields on 10 year Eurobonds in Selected African Countries

Source: Thompson Reuters

Table 4: Performance of Treasury Bonds Auctions

Date of Auction	28-Dec-17		28-Mar-18		25-Apr-18		23-May-18	20-Jun-18	
	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	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 5: Performance of Treasury Bills Auctions**91-Day Treasury Bills**

Date of Auction	31-May-18	28-Jun-18	05-Jul-18	12-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	4,597.83	749.02	2,441.96
Amount Accepted (Ksh M)	5,278.73	3,616.61	744.76	2,441.57
Maturities (Ksh M)	7,393.15	1,791.50	2,989.95	1,765.80
Average interest Rate (%) - 91 Days	7.938	7.733	7.725	7.701

182-Day Treasury Bills

Date of Auction	31-May-18	28-Jun-18	05-Jul-18	12-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	5,754.39	7,709.13	12,362.65
Amount Accepted (Ksh M)	5,650.43	5,746.90	2,935.27	10,013.90
Maturities (Ksh M)	2,763.15	7,964.00	10,207.35	10,962.80
Average interest Rate (%) - 182 days	10.196	9.607	9.499	9.322

364-Day Treasury Bills

Date of Auction	31-May-18	28-Jun-18	05-Jul-18	12-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	19,891.37	26,589.09	37,728.67
Amount Accepted (Ksh M)	8,418.52	17,410.65	21,125.96	19,583.17
Maturities (Ksh M)	12,819.75	5,601.20	6,364.60	1,693.30
Average interest Rate (%) - 364 days	11.083	10.488	10.442	10.381

Source: Central Bank of Kenya

Table 6: Government Domestic Debt (Ksh Billion)

	26-Jan-18	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	06-Jul-18
1. Treasury Bills (Excluding Repos)	711.31	754.54	772.70	782.94	838.73	878.62	892.13
(As % of total securities)	32.93	33.80	33.59	33.95	35.36	36.75	37.11
2. Treasury Bonds	1,448.96	1,477.96	1,527.84	1,523.18	1,533.06	1,511.87	1,511.87
(As % of total securities)	67.07	66.20	66.41	66.05	64.64	63.25	62.89
3. Total Securities (1+2)	2,160.26	2,232.50	2,300.54	2,306.11	2,371.79	2,390.49	2,404.00
4. Overdraft at Central Bank	46.54	42.09	39.65	44.03	44.35	56.85	56.85
5. Other Domestic debt*	32.07	31.45	31.46	31.50	31.48	31.44	31.43
6. Gross Domestic Debt (3+4+5)	2,238.88	2,306.05	2,371.65	2,381.63	2,447.62	2,478.78	2,492.28

* 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)

	26-Jan-18	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	06-Jul-18
Treasury bills (Excluding Repos)	31.8	32.7	32.6	32.9	34.3	35.4	35.8
Treasury bonds	64.7	64.1	64.4	64.0	62.6	61.0	60.7
CBK Overdraft to Govt	2.1	1.8	1.7	1.8	1.8	2.3	2.3
Other domestic debt	1.4	1.4	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)

	26-Jan-18	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	06-Jul-18
Banking Institutions	54.9	55.3	55.3	55.0	55.3	55.2	55.2
Insurance Companies	6.4	6.3	6.4	6.3	6.4	6.2	6.2
Parastatals	6.9	6.7	6.8	7.0	6.9	7.0	7.1
Pension funds	27.5	27.2	27.1	27.3	26.9	27.1	27.0
Other investors	4.5	4.5	4.5	4.5	4.4	4.4	4.4
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

	Sep-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Domestic debt (KSh Billion)	2,172.84	2,220.35	2,247.32	2,338.21	2,371.65	2,372.65	2,373.65
Public & Publicly Guaranteed External debt (US \$ Billion)	22.4	22.8	23.2	25.2	24.9	25.9	26.9
Public & Publicly Guaranteed External debt (KSh Billion)	2,310.20	2,349.28	2,377.52	2,563.07	2,512.43	2,513.43	2,514.43
Total public debt (KSh Billion)	4,483.03	4,569.63	4,624.84	4,901.29	4,884.08	4,886.08	4,888.08

Source: National Treasury and Central Bank of Kenya

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

	07-Jun-18	14-Jun-18	21-Jun-18	28-Jun-18	05-Jul-18	12-Jul-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,988	8,990	8,958	8,668	8,857	8,857
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	6.01	6.01	5.99	5.80	5.92	5.92

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya