Weekly Statistical Bulletin

Key Monetary and Financial Indicators

Central Bank of Kenya

November 17, 2017

The interbank market maintained high activity as the CRR cycle came to close in the week ending November 15, 2017. It continued to trade high volumes, while the weighted average interbank rate increased to 9.36 percent from 8.58 percent in the previous week.

The capital markets recorded mixed performance in the week ending November 16, 2017, with stability in the equities market and a decline in bonds market turnover.

Monetary Policy Operations

Liquidity in the money market was relatively balanced during the week ending November 15, 2017. The transactions during the week injected KSh 1.7 billion, of which KSh 1.1 billion accounted for net government operations (**Table 1**).

Commercial banks' excess reserves above 5.25 percent averaging requirement increased to KSh 4.4 billion in the week ending November 15, 2017 from KSh 2.1 billion in the previous week (**Chart 1**).

The Interbank Market

The interbank market continued trading high volumes during the week ending November 15, 2017, which reflected demand for reserves towards the end of the CRR cycle on November 14, 2017. The market traded KSh 23.2 billion during the week compared to KSh 25.6 billion traded the previous week. The number of deals increased to 58 from 52, while the weighted average interbank rate increased to 9.36 percent from 8.58 percent over the same period (**Table 2 and Chart 2).**

Kenya Shilling Exchange Rate

The Kenya Shilling exchange rate remained relatively stable against major international and regional currencies during the week ending November 16, 2017. It strengthened marginally against the US Dollar and weakened against the Sterling Pound, the Euro and the Yen. In the EAC region, the Kenya Shilling strengthened against the Rwanda Franc, weakened against the Uganda Shilling and remained stable against the Tanzania Shilling and the Burundi Franc (**Table 3**).

Equity Market

Equities market trading increased for NASI, equity turnover and market capitilization. The rise in average share prices (NASI) led to 0.46 percent increase in market capitalization, reversing a 1.05 percent decline in the previous week **(Table 4)**.

Bond Market and Eurobond Yields

The volume of bonds traded declined by 10.06 percent in the week ending November 16, 2017, consistent with recent underperformance in the primary market for Treasury bills and bonds. The yields on the Kenya's 5-year and 10-year Eurobonds declined by 0.02 and 0.12 percentage points, respectively, reflecting market perception of the two maturities **(Table 4)**.

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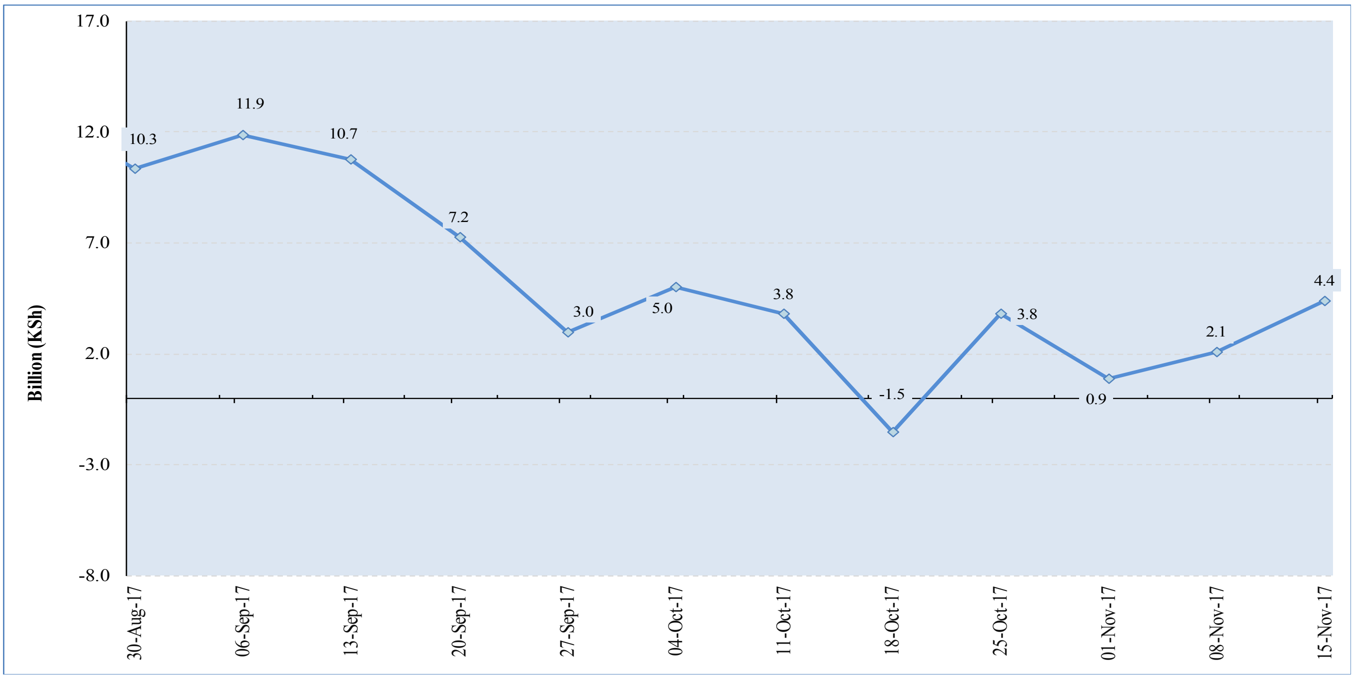
Chart 1: Commercial Banks Excess Reserves



Source: Central Bank of Kenya

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

	9-Nov-17	10-Nov-17	13-Nov-17	14-Nov-17	15-Nov-17	Total
Liquidity Flows						
Total liquidity injection \[1]	**6.6**	**4.3**	**34.9**	**3.6**	**4.9**	**54.3**
Repos Maturities	0.0	0.0	0.7	0.0	0.0	0.7
Reverse Repo Purchases	0.0	0.0	0.3	0.0	1.0	1.3
Term Auction Deposit maturities	0.0	0.0	0.0	0.0	0.0	0.0
T/bills redemptions	0.0	0.0	27.4	0.0	0.0	27.4
T/bills rediscounts	0.0	0.0	2.4	1.3	0.0	3.7
T/bonds redemptions	0.0	0.0	0.0	0.0	0.0	0.0
T/bonds Interest	0.0	0.0	2.4	0.0	0.0	2.4
T/bonds rediscounts	0.0	0.0	0.0	0.0	0.0	0.0
Govt payments	6.6	4.3	1.7	2.3	3.9	18.9
Total liquidity reduction \[1]	**4.7**	**6.5**	**30.2**	**2.8**	**8.3**	**52.6**
T/bills (Primary issues)	0.0	0.0	23.9	0.0	0.0	23.9
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	0.3	0.0	1.0	1.3
Term Auction Deposit	0.0	0.0	0.0	0.0	0.0	0.0
Transfer from Banks -Taxes	4.7	6.5	6.0	2.8	7.3	27.4
Net liquidity injection (+)/Withdrawal (-)	**1.9**	**-2.2**	**4.7**	**0.8**	**-3.4**	**1.7**
Open Market Operations Outcome						
Posted Amount	0.0	0.0	0.3	0.0	1.0	1.3
Realised Amount - Mop up	0.0	0.0	0.3	0.0	1.0	1.3
Repo (-)	0.0	0.0	0.3	0.0	1.0	1.3
Term Auction Deposits (-)	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Money Position						
Reserve money (actual)	**420.6**	**415.9**	**422.8**	**423.1**	**419.4**	

\[1] *Only main transactions increasing or reducing liquidity are included.*

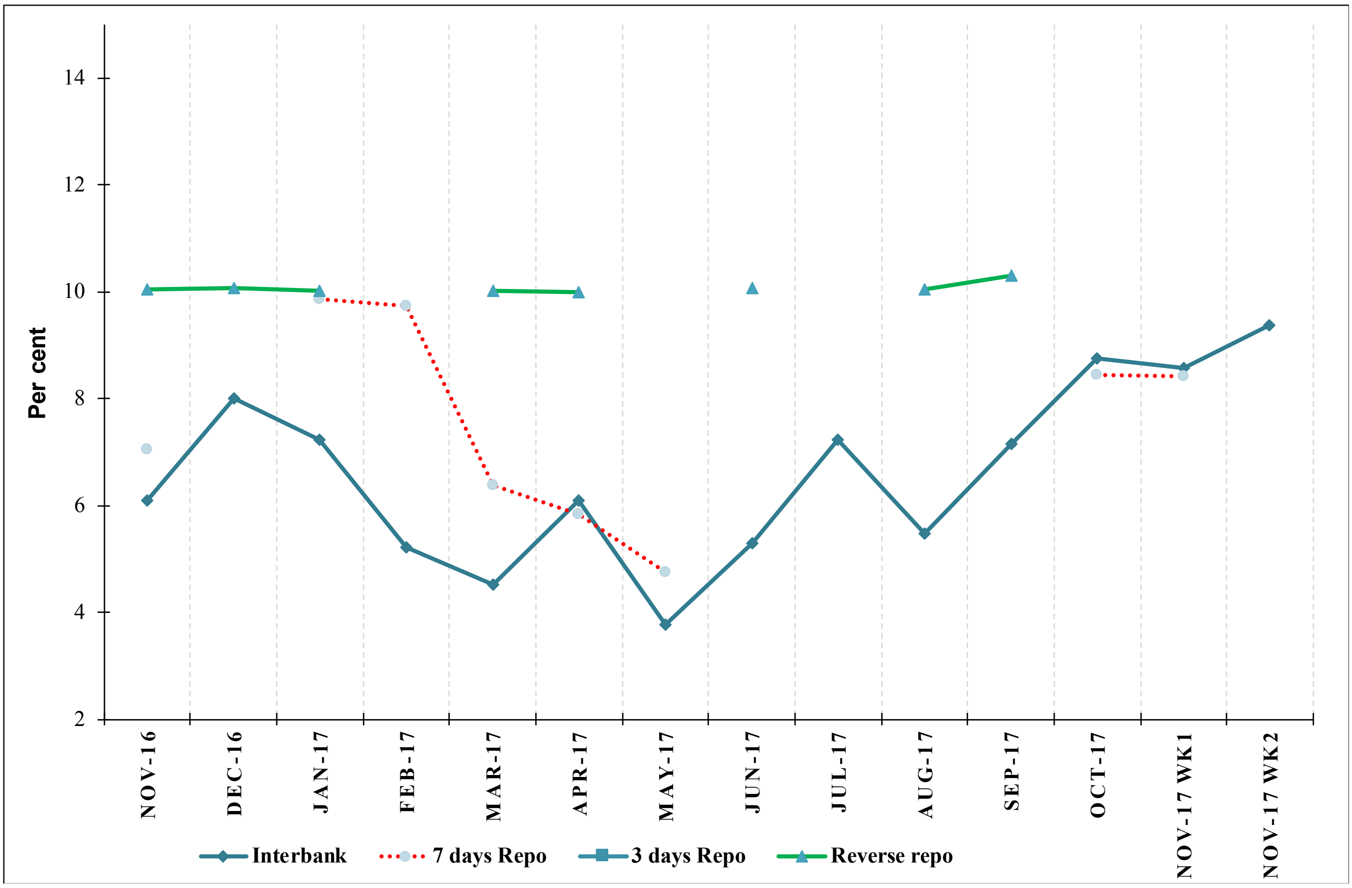
Source: Central Bank of Kenya

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*
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
3 - 9 November 2017	**103.65**	**135.91**	**120.34**	**90.97**	**35.14**	**21.65**	**8.10**	**16.94**
10-Nov-17	103.59	135.79	120.19	91.26	35.12	21.66	8.25	16.92
13-Nov-17	103.58	136.67	120.73	91.42	35.29	21.67	8.08	16.96
14-Nov-17	103.59	135.57	120.77	91.39	35.14	21.66	8.08	16.97
15-Nov-17	103.68	135.84	121.81	91.33	35.06	21.62	8.07	16.95
16-Nov-17	103.74	136.54	122.61	92.00	35.04	21.61	8.24	16.90
10-16 November 2017	**103.63**	**136.08**	**121.22**	**91.48**	**35.13**	**21.65**	**8.14**	**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 (%)
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**
10-Nov-17	160.97	4,232.01	3,752.15	910.00	17.40	509.08	2,358.39	2,216.07	4.329	6.311
13-Nov-17	160.34	4,206.75	3,746.69	1,088.00	30.77	805.14	2,349.17	2,172.57	4.407	6.300
14-Nov-17	160.01	4,195.62	3,719.17	1,176.00	24.06	791.02	2,344.41	1,239.03	4.325	6.299
15-Nov-17	161.64	4,234.93	3,728.16	1,098.00	20.03	741.28	2,368.30	454.67	4.322	6.242
16-Nov-17	162.50	4,245.93	3,743.10	1,032.00	19.80	505.78	2,380.88	903.46	4.234	6.104
10-16 Nov 2017	**162.50**	**4,245.93**	**3,743.10**	**5,304.00**	**112.06**	**3,352.29**	**2,380.88**	**6,985.81**	**4.234**	**6.104**
Weekly Change (%)	**0.46**	**(0.12)**	**(0.51)**	**(15.16)**	**(2.10)**	**17.56**	**0.46**	**(10.06)**	**(0.02)***	**(0.12)***

** 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**	**02-Nov-17**	**09-Nov-17**	**16-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	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	1,766.86
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	1,760.01
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	3,853.55
Average interest Rate (%)- 91 Days	8.202	8.139	8.130	8.129	8.097	8.078	8.015	8.015	8.008
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**	**09-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	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	9,105.56
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	9,094.36
Maturities (Ksh M)	2,297.80	22,446.95	0.00	0.00	0.00	0.00	21,442.35	13,148.30	16,066.95
Average interest Rate (%)- 182 days	10.321	10.316	10.317	10.319	10.316	10.314	10.433	10.488	10.483
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**	**09-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	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	6,556.60
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	6,475.58
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	8,010.75
Average interest Rate (%)- 364 days	10.894	10.922	10.958	10.975	10.989	10.985	10.995	11.000	11.004

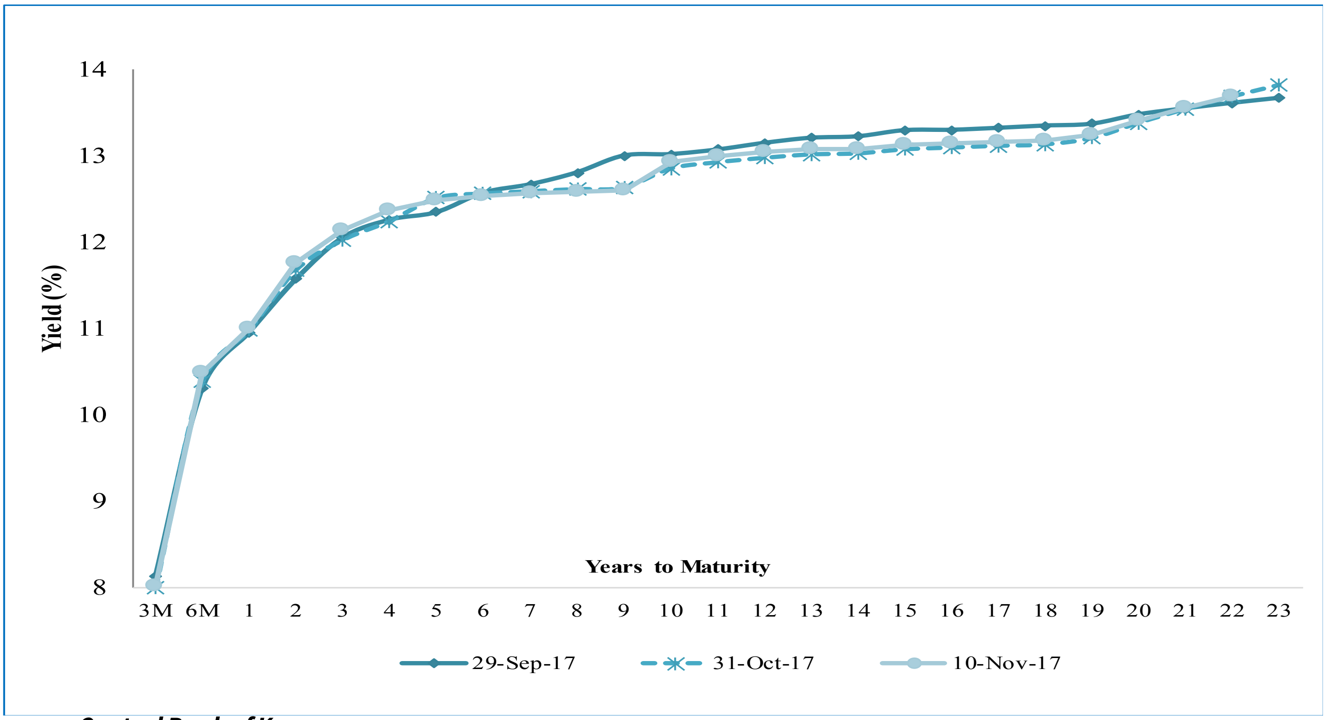
Source: Central Bank of Kenya

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	635.0	20,076.8	7,253.0
Amount Accepted (Ksh	5,190.8	17,530.8	11,137.6	635.0	13,504.6	7,253.0
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0
Average interest Rate	12.966	12.465	11.619	13.072	12.517	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	19-Oct-17	27-Oct-17	03-Nov-17	10-Nov-17
1. Treasury Bills (Excluding Repos)	744.15	744.46	727.40	724.80	730.88	734.84	735.82	721.17
(As % of total securities)	**35.84**	**35.85**	**35.20**	**34.33**	**34.48**	**34.38**	**34.41**	**33.84**
2. Treasury Bonds	1,331.98	1,331.98	1,339.04	1,386.56	1,389.00	1,402.49	1,402.49	1,409.71
(As % of total securities)	**64.16**	**64.15**	**64.80**	**65.67**	**65.52**	**65.62**	**65.59**	**66.16**
3. Total Securities (1+2)	**2,076.13**	**2,076.43**	**2,066.44**	**2,111.36**	**2,119.88**	**2,137.33**	**2,138.31**	**2,130.89**
4. Overdraft at Central Bank	-	-	13.39	24.72	20.87	17.70	17.38	33.19
5. Other Domestic debt*	36.15	35.56	36.71	36.47	40.51	40.50	40.51	40.51
6. Gross Domestic Debt (3+4+5)	**2,112.28**	**2,112.00**	**2,116.54**	**2,172.55**	**2,181.26**	**2,195.53**	**2,196.20**	**2,204.59**

** 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	19-Oct-17	27-Oct-17	03-Nov-17	10-Nov-17
Treasury bills (Excluding Repos)	35.2	35.2	34.4	33.4	33.5	33.5	33.5	32.7
Treasury bonds	63.1	63.1	63.3	63.8	63.7	63.9	63.9	63.9
CBK Overdraft to Govt	0.0	0.0	0.6	1.1	1.0	0.8	0.8	1.5
Other domestic debt	1.7	1.7	1.7	1.7	1.9	1.8	1.8	1.8
TOTAL	**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	19-Oct-17	27-Oct-17	03-Nov-17	10-Nov-17
Banking Institutions	56.2	56.1	55.9	55.9	55.6	55.2	55.2	55.3
Insurance Companies	6.6	6.6	6.2	6.2	6.2	6.2	6.2	6.2
Parastatals	6.4	6.6	6.5	6.3	6.5	6.5	6.5	6.5
Pension funds	28.1	28.0	27.2	27.3	27.4	27.8	27.7	27.6
Other investors	**2.7**	**2.7**	**4.3**	**4.3**	**4.4**	**4.4**	**4.4**	**4.4**
Total	**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	2,176.59
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	4,486.79

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	16-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	7,111
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	4.72

**Excludes Encumbered Reserves*

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

Source: Central Bank of Kenya