

Central Bank of Kenya

# Weekly Statistical Bulletin

## Key Monetary and Financial Indicators

December 29, 2017

*Liquidity in the money market tightened during the week ending December 27, 2017, owing to increased tax remittances by commercial banks. In the interbank market, reduced activity following the festive season resulted in reduced traded volumes.*

*The Kenya Shilling exchange rate remained stable against the US Dollar during the week ending December 28, 2017.*

*The capital market recorded a decline in performance in the week ending December 29, 2017 which may be attributed to a short trading week due to Christmas holiday.*

### Monetary Policy Operations

Liquidity in the money market tightened during the week ending December 27, 2017, owing to increased tax remittances by commercial banks. Government payments, redemption of government securities, and reverse repo purchases resulted in a liquidity injection of KSh 74.5 billion. However, the liquidity injections were offset by tax remittances amounting to KSh 59.9 billion, and issuances of government securities worth KSh 18.5 billion (**Table 1**).

The commercial banks' excess reserves above 5.25 per cent averaging requirement decreased to 6.0 billion from KSh 7.8 billion the previous week (**Chart 1**).

### The Interbank Market

Activity in the interbank market slowed during the week ending December 27, 2017, as trading reduced on account of the festive season. The volumes traded in the interbank market decreased to an average of KSh 13.7 billion from KSh 22.5 billion the previous week, while the number of deals also decreased to an average of 40 from the previous week's average of 46. The weighted average interbank rate, however, ticked upwards to 7.63 per cent from 6.62 per cent in the previous week (**Table 2 and Chart 2**).

### Kenya Shilling Exchange Rate

The Kenya Shilling remained stable against major

international currencies as well as regional currencies during the week ending December 28, 2017. The Shilling stabilized against the US Dollar on account of reduced corporate demand. It strengthened against the Sterling Pound and the Japanese Yen but weakened against the Euro. In the EAC region, the Shilling remained largely stable (**Table 3**).

### Equity Market

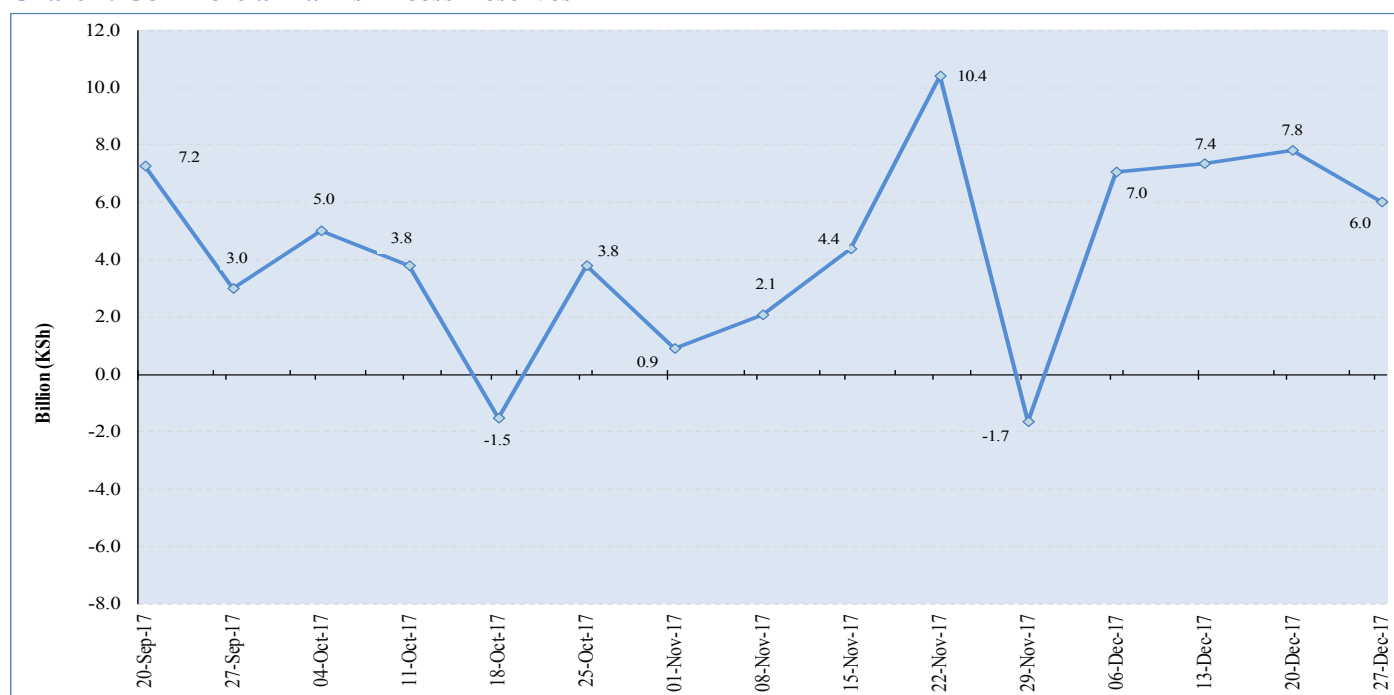
Trading activity in the equities market declined, with the NASI and NSE 25 losing 1.00 per cent and 1.40 per cent, respectively. However, NSE 20 Share Index increased by 0.44 per cent during the week ending December 28, 2017. Equity turnover and the shareholders' wealth, as measured by market capitalization, declined by 71.28 per cent and 2.59 per cent, respectively, on account of depressed overall share prices (**Table 4**).

### Bond Market and Eurobond Yields

The volume of bonds traded declined by 39.99 per cent in the week ending December 28, 2017. The yields on Kenya's 5-year Eurobonds rose marginally by 0.06 percentage points while, the yields on 10-year Eurobond declined marginally by 0.01 percentage points, reflecting investors' mixed perception about the two maturities (**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)

	21-Dec-17	22-Dec-17	27-Dec-17	Total
<b>Liquidity Flows</b>				
<b>Total liquidity injection <sup>1</sup></b>	<b>17.1</b>	<b>19.3</b>	<b>38.0</b>	<b>74.5</b>
Repos Maturities	0.0	0.0	0.0	0.0
Reverse Repo Purchases	11.5	13.5	2.0	27.0
Term Auction Deposit maturities	0.0	0.0	0.0	0.0
T/bills redemptions	0.0	0.0	16.1	16.1
T/bills rediscounts	0.0	0.0	0.0	0.0
T/bonds redemptions	0.0	0.0	0.0	0.0
T/bonds Interest	0.0	0.0	6.0	6.0
T/bonds rediscounts	0.0	0.0	0.0	0.0
Govt payments	5.6	5.8	14.1	25.5
<b>Total liquidity reduction <sup>1</sup></b>	<b>15.3</b>	<b>37.9</b>	<b>27.5</b>	<b>80.7</b>
T/bills (Primary issues)	0.0	0.0	18.5	18.5
Tbonds Sales	0.0	0.0	0.0	0.0
T/bills/Tbonds (OMO Tap Sales)	0.0	0.0	0.0	0.0
Repos	0.0	0.0	0.0	0.0
Reverse Repos maturities	0.0	0.0	2.2	2.2
Term Auction Deposit	0.0	0.0	0.0	0.0
Transfer from Banks -Taxes	15.3	37.8	6.7	59.9
<b>Net liquidity injection (+)/Withdrawal (-)</b>	<b>1.8</b>	<b>-18.5</b>	<b>10.6</b>	<b>-6.2</b>
<b>Open Market Operations Outcome</b>				
<b>Posted Amount</b>	0.0	0.0	0.0	0.0
<b>Realised Amount - Mop up</b>	0.0	0.0	0.0	0.0
Repo (-)	0.0	0.0	0.0	0.0
Term Auction Deposits (-)	0.0	0.0	0.0	0.0
<b>Reserve Money Position</b>				
Reserve money (actual)	<b>440.4</b>	<b>421.8</b>	<b>436.3</b>	

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

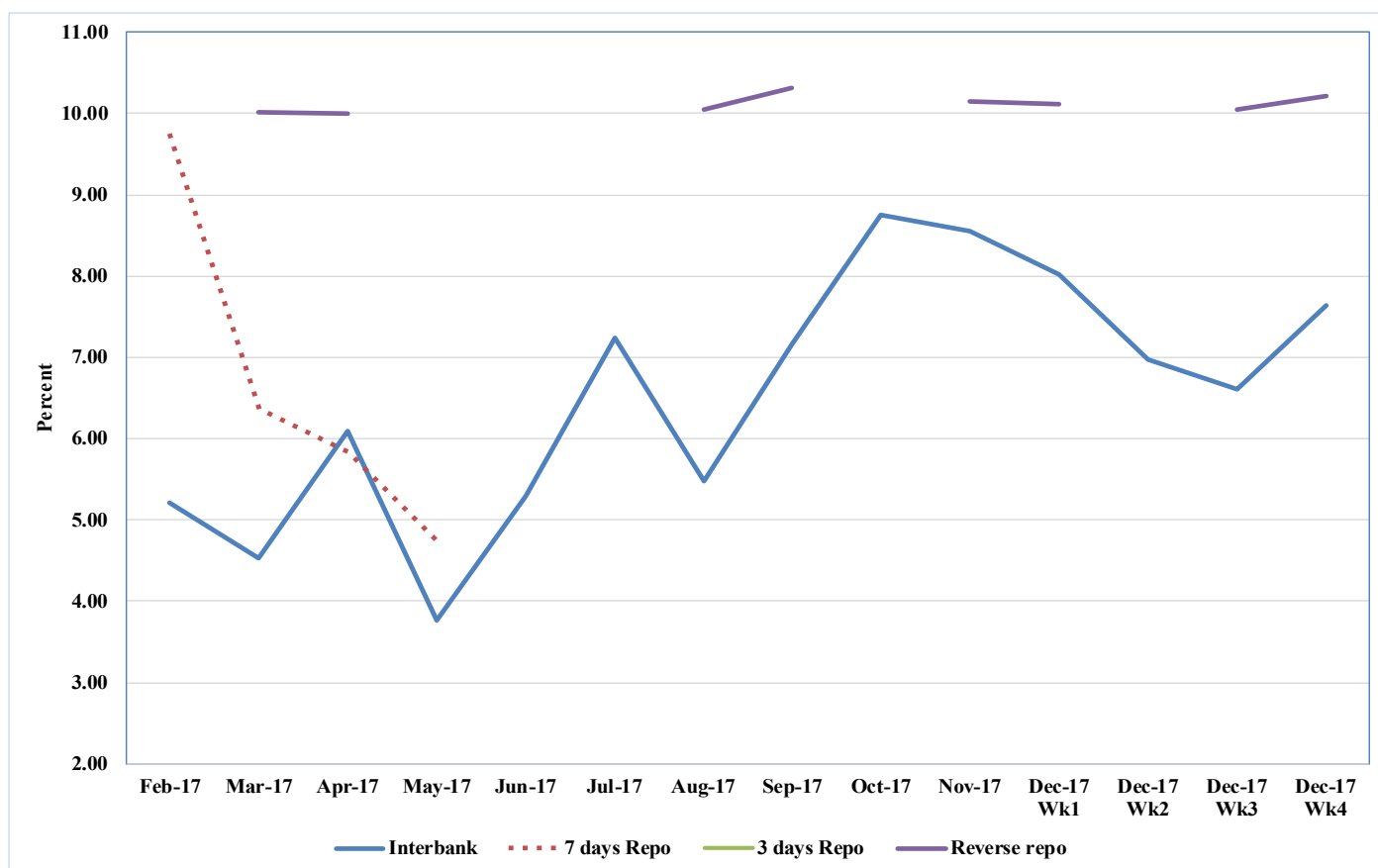
Source: Central Bank of Kenya

Table 2: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)	Reverse Repo Rate (%)
14-Dec-17	44	23,650	6.24	
15-Dec-17	45	21,185	6.85	
18-Dec-17	47	20,025	6.98	
19-Dec-17	50	23,975	6.56	10.05
20-Dec-17	43	23,650	6.45	
<b>Dec 14 - Dec 20, 2017</b>	<b>46</b>	<b>22,497</b>	<b>6.62</b>	<b>10.05</b>
21-Dec-17	43	10,996	7.06	10.12
22-Dec-17	40	13,515	7.77	10.51
27-Dec-17	36	16,575	8.08	10.00
<b>Dec 21 - Dec 27, 2017</b>	<b>40</b>	<b>13,695</b>	<b>7.63</b>	<b>10.21</b>

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*
15-Dec-17	103.22	138.55	122.05	91.88	35.07	21.70	8.13	17.08
18-Dec-17	103.20	137.97	121.78	91.95	35.07	21.71	8.26	17.13
19-Dec-17	103.16	138.51	121.68	91.66	35.01	21.70	8.25	17.10
20-Dec-17	103.13	137.72	121.84	91.43	35.03	21.71	8.14	17.10
21-Dec-17	103.09	138.22	122.06	91.02	35.09	21.73	8.33	17.04
<b>15-21 December 2017</b>	<b>103.16</b>	<b>138.20</b>	<b>121.88</b>	<b>91.59</b>	<b>35.06</b>	<b>21.71</b>	<b>8.22</b>	<b>17.09</b>
22-Dec-17	103.08	137.68	122.25	90.84	35.09	21.73	8.15	17.12
27-Dec-17	103.08	137.93	122.16	90.92	35.11	21.70	8.15	17.12
28-Dec-17	103.15	138.49	122.74	91.11	35.14	21.72	8.26	17.03
<b>22-28 December 2017</b>	<b>103.10</b>	<b>138.03</b>	<b>122.38</b>	<b>90.95</b>	<b>35.11</b>	<b>21.72</b>	<b>8.19</b>	<b>17.09</b>

\* 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 (%)
15-Dec-17	172.15	4,306.91	3,707.76	1,296.00	38.03	1,110.44	2,535.85	2,390.21	3.732	5.668
18-Dec-17	170.59	4,284.66	3,690.50	1,058.00	13.44	315.14	2,512.81	1,587.75	3.813	5.645
19-Dec-17	170.16	4,279.60	3,696.13	1,360.00	34.75	894.72	2,506.44	902.05	3.725	5.655
20-Dec-17	169.99	4,284.38	3,696.15	1,047.00	35.51	924.17	2,503.88	1,304.82	3.721	5.666
21-Dec-17	171.36	4,302.57	3,695.41	1,129.00	20.09	558.28	2,524.08	1,521.89	3.706	5.687
<b>15-21 Dec 2017</b>	<b>171.36</b>	<b>4,302.57</b>	<b>3,695.41</b>	<b>5,890.00</b>	<b>141.81</b>	<b>3,802.75</b>	<b>2,524.08</b>	<b>7,706.73</b>	<b>3.706</b>	<b>5.687</b>
22-Dec-17	171.62	4,307.40	3,719.38	954.00	16.36	450.38	2,527.91	1,556.21	3.70	5.69
25-Dec-17	Public Holiday									
26-Dec-17	Public Holiday									
27-Dec-17	170.00	4,243.88	3,714.15	832.00	12.12	284.71	2,504.06	1,512.50	3.78	5.68
28-Dec-17	169.64	4,242.38	3,711.64	730.00	14.58	356.93	2,458.80	1,556.21	3.77	5.68
<b>22-28 Dec 2017</b>	<b>169.64</b>	<b>4,242.38</b>	<b>3,711.64</b>	<b>2,516.00</b>	<b>43.06</b>	<b>1,092.02</b>	<b>2,458.80</b>	<b>4,624.91</b>	<b>3.77</b>	<b>5.68</b>
<b>Weekly Change (%)</b>	<b>(1.00)</b>	<b>(1.40)</b>	<b>0.44</b>	<b>(57.28)</b>	<b>(69.64)</b>	<b>(71.28)</b>	<b>(2.59)</b>	<b>(39.99)</b>	<b>0.06*</b>	<b>(0.01)*</b>

\* Percentage points

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

Table 5: Performance of Treasury Bills

91-Day Treasury Bills									
Date of Auction	27-Jul-17	31-Aug-17	28-Sep-17	19-Oct-17	30-Nov-17	07-Dec-17	14-Dec-17	21-Dec-17	28-Dec-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	1,672.96	8,509.05	5,020.34	1,468.50	907.63	5,207.84
Amount Accepted (Ksh M)	857.46	1,577.59	4,023.90	680.10	8,509.05	4,978.81	1,468.50	662.82	2,757.46
Maturities (Ksh M)	11,427.00	3,167.80	2,296.35	2,258.60	2,364.45	4,060.20	4,096.95	2,622.55	4,090.65
Average interest Rate (%) - 91 Days	8.202	8.139	8.130	8.078	8.011	8.011	8.001	8.005	8.080
182-Day Treasury Bills									
Date of Auction	27-Jul-17	31-Aug-17	28-Sep-17	19-Oct-17	30-Nov-17	07-Dec-17	14-Dec-17	21-Dec-17	28-Dec-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	4,587.85	2,926.48	6,420.79	7,784.30	8,908.24	8,037.18
Amount Accepted (Ksh M)	4,416.32	11,463.28	5,241.99	3,942.07	2,648.09	5,945.89	5,117.68	8,227.94	7,562.55
Maturities (Ksh M)	2,297.80	22,446.95	0.00	0.00	14,627.80	22,399.90	16,482.45	11,272.00	10,213.40
Average interest Rate (%) - 182 days	10.321	10.316	10.317	10.314	10.478	10.522	10.529	10.583	10.649
364-Day Treasury Bills									
Date of Auction	27-Jul-17	31-Aug-17	28-Sep-17	19-Oct-17	30-Nov-17	07-Dec-17	14-Dec-17	21-Dec-17	28-Dec-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	4,948.24	6,637.67	7,635.14	8,432.09	10,547.93	6,154.09
Amount Accepted (Ksh M)	9,366.10	13,019.38	3,448.87	3,747.03	6,187.90	7,180.88	7,968.18	9,600.54	4,804.81
Maturities (Ksh M)	6,827.91	9,843.80	8,085.20	5,223.25	4,847.90	5,570.85	1,768.95	2,163.05	0.00
Average interest Rate (%) - 364 days	10.894	10.922	10.958	10.985	11.045	11.076	11.087	11.128	11.151

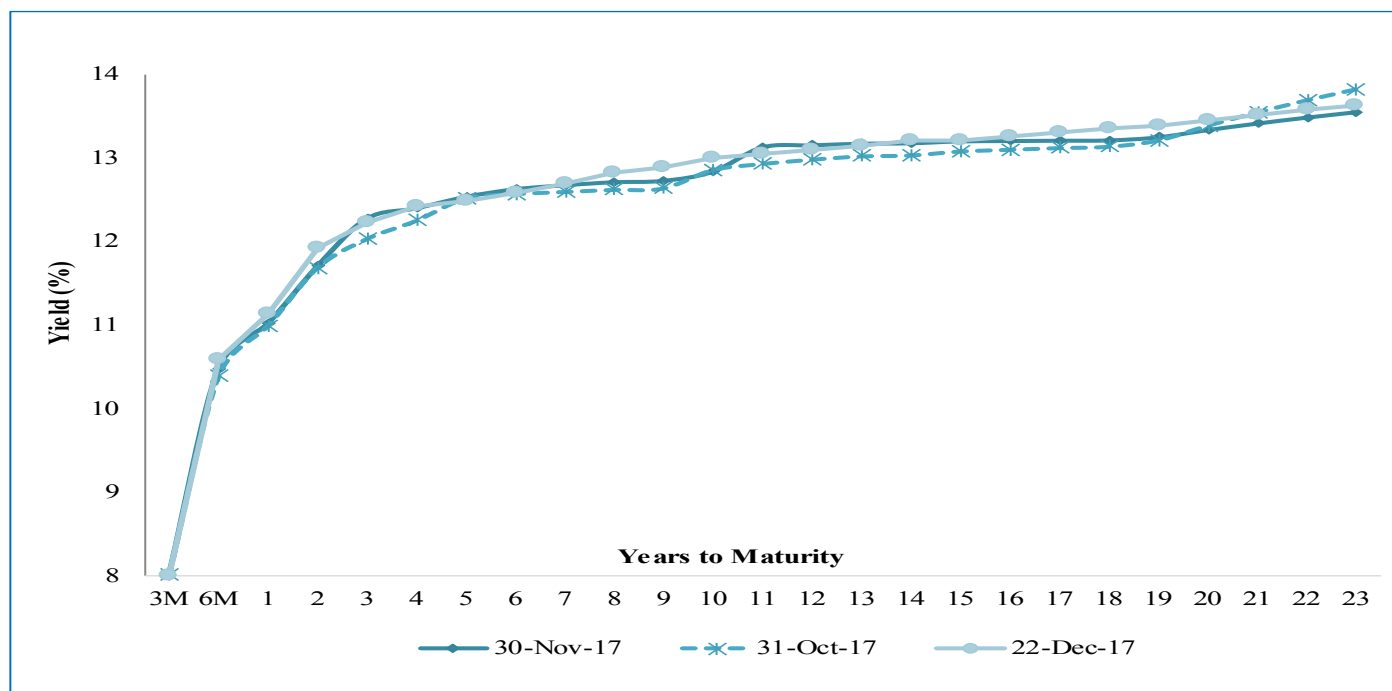
Source: Central Bank of Kenya

Table 6: Performance of Treasury Bonds

Date of Auction	18-Oct-17	02-Nov-17	22-Nov-17	13-Dec-17		28-Dec-17	
Tenor	FXD 2/2017/5	FXD 2/2017/5	IFB1/2017/7	FXD1/2008/15	FXD1/2017/10	TAP FXD1/2008/15	TAP FXD1/2017/10
Amount offered (Ksh)	30,000.0	16,500.0	30,000.0	30,000.0		20,000.0	
Bids received (Ksh M)	20,076.8	7,253.0	45,910.9	10,086.3	11,806.1	2,683.6	5,138.9
Amount Accepted (Ksh)	13,504.6	7,253.0	42,020.1	4,679.8	5,366.9	2,683.6	5,138.9
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average interest Rate	12.517	12.517	12.232	12.581	13.087	13.087	13.087

Source: Central Bank of Kenya

Chart 3: Kenya Government Securities Yield Curve



Source: Central Bank of Kenya

Table 7: Government Domestic Debt (KSh Billion)

	25-Aug-17	29-Sep-17	27-Oct-17	17-Nov-17	24-Nov-17	01-Dec-17	08-Dec-17	15-Dec-17	22-Dec-17
1. Treasury Bills (Excluding Repos)	727.40	724.80	734.84	719.21	709.79	704.02	700.44	687.54	680.79
(As % of total securities)	35.20	34.33	34.38	33.78	33.49	32.67	32.55	32.15	31.78
2. Treasury Bonds	1,339.04	1,386.56	1,402.49	1,409.71	1,409.71	1,451.16	1,451.16	1,451.16	1,461.25
(As % of total securities)	64.80	65.67	65.62	66.22	66.51	67.33	67.45	67.85	68.22
3. Total Securities (1+2)	2,066.44	2,111.36	2,137.33	2,128.92	2,119.51	2,155.19	2,151.60	2,138.70	2,142.04
4. Overdraft at Central Bank	13.39	24.72	17.70	23.24	33.88	40.66	28.00	36.82	44.74
5. Other Domestic debt*	36.71	36.47	40.50	32.82	32.83	32.81	32.82	32.59	32.59
6. Gross Domestic Debt (3+4+5)	2,116.54	2,172.55	2,195.53	2,184.98	2,186.21	2,228.66	2,212.42	2,208.11	2,219.36

\* 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	25-Aug-17	29-Sep-17	27-Oct-17	24-Nov-17	01-Dec-17	08-Dec-17	15-Dec-17	22-Dec-17
Treasury bills (Excluding Repos)	35.2	34.4	33.4	33.5	32.5	31.6	31.7	31.1	30.7
Treasury bonds	63.1	63.3	63.8	63.9	64.5	65.1	65.6	65.7	65.8
CBK Overdraft to Govt	0.0	0.6	1.1	0.8	1.5	1.8	1.3	1.7	2.0
Other domestic debt	1.7	1.7	1.7	1.8	1.5	1.5	1.4	1.5	1.5
<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>	<b>100.0</b>

Source: Central Bank of Kenya

**Table 9: Composition of Government Domestic Debt by Holder (In Percent)**

	25-Aug-17	29-Sep-17	27-Oct-17	17-Nov-17	24-Nov-17	01-Dec-17	08-Dec-17	15-Dec-17	22-Dec-17
Banking Institutions	55.9	55.9	55.2	54.8	54.7	54.7	54.2	54.2	54.3
Insurance Companies	6.2	6.2	6.2	6.3	6.3	6.3	6.3	6.4	6.4
Parastatals	6.5	6.3	6.5	6.7	7.0	6.9	6.9	7.0	6.9
Pension funds	27.2	27.3	27.8	27.7	27.6	27.6	28.0	27.9	27.8
Other investors	4.3	4.3	4.4	4.4	4.4	4.5	4.5	4.5	4.5
<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>	<b>100.0</b>

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
<b>Total public debt (Ksh Bn)</b>	<b>2,829.06</b>	<b>3,611.33</b>	<b>3,692.97</b>	<b>3,763.43</b>	<b>4,046.35</b>	<b>4,406.11</b>	<b>4,429.33</b>	<b>4,445.71</b>	<b>4,486.79</b>

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	23-Nov-17	30-Nov-17	07-Dec-17	14-Dec-17	21-Dec-17	28-Dec-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	7,081	7,099	7,128	7,091	7,037	7,063
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	4.70	4.71	4.78	4.75	4.71	4.73

\*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya