



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

August 10, 2018

Interbank Market

Interbank market liquidity conditions remained relatively tight during the week ending August 08, 2018, partly reflecting the seasonal low government spending at the beginning of the fiscal year. The weighted average interbank rate increased to 8.29 percent from 7.23 percent in the previous week. The average volumes traded declined to KSh 11.43 billion from KSh 12.38 billion in the previous week, while the average number of deals decreased to 29 from 36 in the previous week (**Table 1**).

Exchange Rate

The Kenya Shilling remained relatively stable against major international and regional currencies during the week ending August 9, 2018. The Shilling strengthened against the Sterling Pound and the Euro, but remained stable against the US Dollar and the Japanese Yen. In the EAC region, the Kenya Shilling remained stable against all currencies except the Uganda Shilling (**Table 2**).

Government Securities Market

During the week ending August 10, 2018, the Treasury bill auctions continued to record subdued performance with a subscription rate of 57.36 percent. This reflected tight liquidity conditions due to the seasonal low government spending at the beginning of the fiscal year. The auction received bids totaling KSh 13.8 billion against an advertised amount of KSh 24.0 billion. All the tenures of Treasury bills offered were undersubscribed except for the 364 days Treasury bill that received a subscription rate of 111.14 percent. Treasury bills interest rates declined further during the week, except those for the 91 days that increased marginally from 7.61 percent on August 2, 2018 to 7.67 percent on August 10, 2018.

Equity Market

Equity prices increased during the week ending August 9, 2018, with NASI, NSE 25 and NSE 20 share indices rising by 1.86 percent, 1.59 percent and 0.72 percent, respectively. Despite a drop in the equity turnover, shareholders' wealth which is measured by market capitalisation, increased by 1.86 percent from KSh 2,523.94 billion to KSh 2,570.87 billion reflecting higher share prices (**Table 3**).

Bond Market

The bond market recorded subdued performance during the week with turnover declining by 17.28 percent. However, the number of deals traded increased from 235 in the previous week to 302 in the week ending August 9, 2018.

Yields on Kenya's 5-year, 10-year (2028) and 20-year Eurobonds increased in the week ending August 9, 2018, reflecting adjustments of global yields to normalisation of monetary policies in the advanced economies (**Table 3**). Yields on Kenya's 10-year Eurobond (2024) depicted a similar upward trend to those of select African countries (**Chart 1**).

Table 1: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
26-Jul-18	43	16,005	5.54
27-Jul-18	40	16,950	6.45
30-Jul-18	36	14,125	7.52
31-Jul-18	28	6,730	8.11
1-Aug-18	33	8,065	8.53
July 26 - August 1, 2018	36	12,375	7.23
2-Aug-18	28	10,245	8.35
3-Aug-18	24	7,960	8.45
6-Aug-18	28	12,992	8.37
7-Aug-18	34	14,722	8.14
8-Aug-18	31	11,250	8.11
August 2-8, 2018	29	11,434	8.29

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*
27-Jul-18	100.46	132.09	117.39	90.47	36.93	22.68	8.74	17.56
30-Jul-18	100.34	131.58	116.91	90.41	36.93	22.72	8.74	17.62
31-Jul-18	100.41	131.83	117.48	90.45	36.90	22.71	8.73	17.61
1-Aug-18	100.48	131.92	117.66	89.80	36.78	22.70	8.73	17.60
2-Aug-18	100.46	131.84	117.38	89.72	36.83	22.76	8.73	17.60
27 July - 2 August, 2018	100.43	131.85	117.37	90.17	36.87	22.72	8.73	17.60
3-Aug-18	100.35	131.14	116.59	90.04	36.92	22.79	8.74	17.62
6-Aug-18	100.38	130.46	116.19	90.16	36.87	22.73	8.74	17.61
7-Aug-18	100.47	129.88	115.97	90.10	36.81	22.75	8.73	17.60
8-Aug-18	100.40	130.01	116.42	90.34	36.75	22.77	8.60	17.61
9-Aug-18	100.42	129.32	116.43	90.36	36.55	22.77	8.74	17.61
August 3-9, 2018	100.41	130.16	116.32	90.20	36.78	22.76	8.71	17.61

* Units of currency per Kenya Shilling

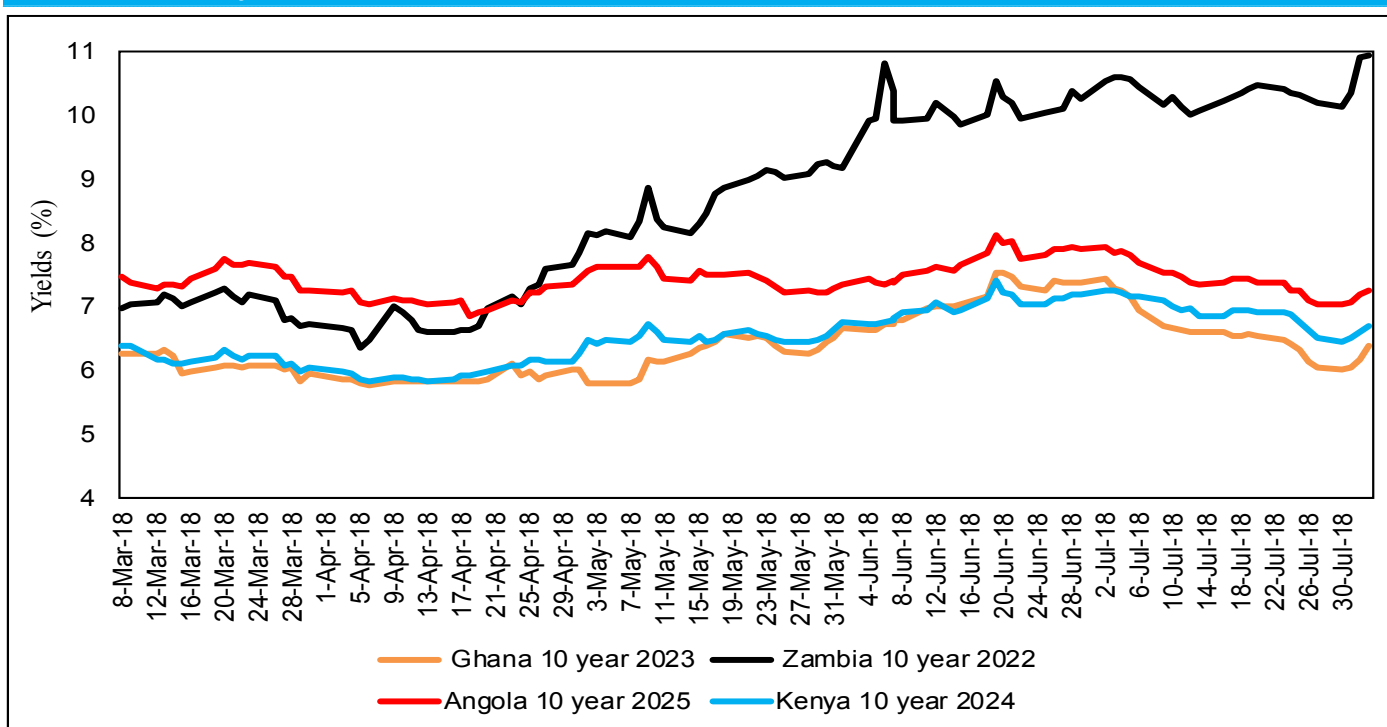
Source :Central Bank of Kenya

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 (%)
27-Jul-18	172.47	4477.29	3320.44	1,012	10.19	272.66	2,549.07	1,993.04	4.410	6.511	7.157	8.170
30-Jul-18	172.28	4471.16	3308.75	1,122	22.12	1,128.48	2,546.22	858.20	4.567	6.435	7.074	8.117
31-Jul-18	170.46	4428.65	3296.68	1,031	11.42	373.86	2,519.17	2,416.33	4.286	6.501	7.121	8.159
01-Aug-18	169.93	4433.92	3304.84	953	14.28	436.25	2,511.44	2,515.18	4.291	6.613	7.231	8.283
02-Aug-18	170.78	4456.71	3298.63	1,109	24.41	734.72	2,523.94	3,047.72	4.437	6.685	7.330	8.375
27 July - 2 August, 2018	170.78	4456.71	3298.63	5,227	82.42	2,945.98	2,523.94	10,830.47	4.437	6.685	7.33	8.375
03-Aug-18	171.17	4,473.74	3,310.15	1,000	20.66	426.94	2,529.68	796.79	4.550	6.665	7.286	8.352
06-Aug-18	170.76	4,457.52	3,293.08	1,215	7.61	225.63	3,523.73	3,039.99	4.543	6.602	7.304	8.352
07-Aug-18	171.00	4,469.01	3,290.04	1,224	14.59	392.73	2,527.30	1,489.48	4.542	6.638	7.286	8.634
08-Aug-18	173.58	4,512.16	3,321.06	1,206	17.84	477.24	2,565.38	2,335.69	4.567	6.664	7.341	8.376
09-Aug-18	173.95	4,527.35	3,322.44	1,191	8.64	288.29	2,570.87	1,296.71	4.525	6.742	7.341	8.434
August 3 - 9, 2018	173.95	4527.35	3322.44	5,836	69.34	1,810.82	2,570.87	8,958.67	4.525	6.742	7.341	8.434
Weekly Change (%)	1.86	1.59	0.72	11.65	-15.86	-38.53	1.86	-17.28	0.088*	0.057*	0.011*	0.059*

* Percentage points

Source: Central Bank of Kenya, NSE and Thompson Reuters

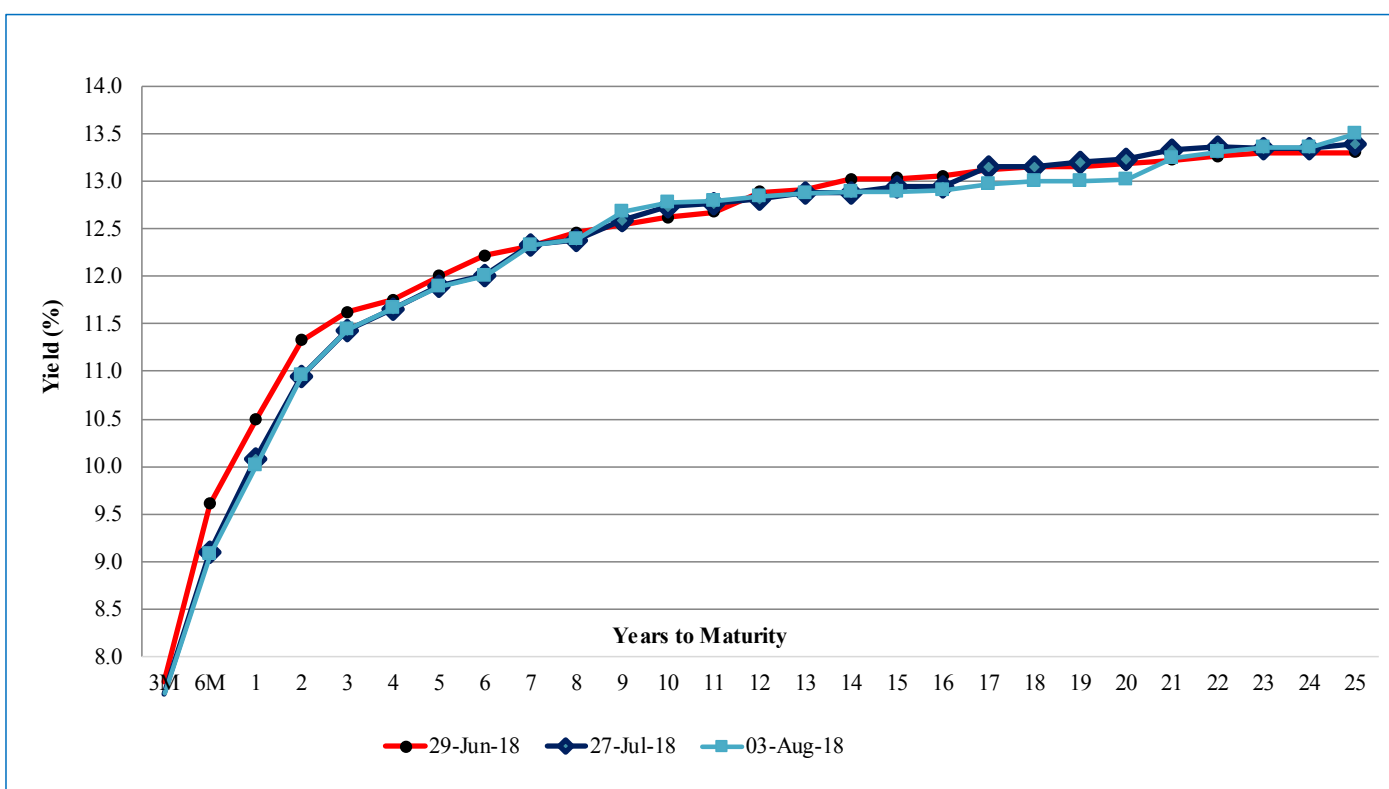
Chart 1: Yields on 10 year Eurobonds in Selected African Countries

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	25-Jul-18
Tenor	TAP FXD1/2008/15	TAP FXD1/2017/10	TAP FXD 1/2018/5	TAP FXD 1/2018/20	REOPEN FXD 1/2008/15	REOPEN FXD 1/2018/20	FXD1/2018/15	FXD1/2018/25	FXD2/2018/20
Amount offered (Ksh M)	20,000.0		8,500.0		40,000.0		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	13,860.3
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	10,512.4
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26,340.1	0.0
Average interest Rate (%)	12.581	13.087	12.299	13.336	12.317	13.327	13.078	13.451	13.371

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	28-Jun-18	26-Jul-18	02-Aug-18	09-Aug-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	4,597.83	2,024.39	569.78	602.78
Amount Accepted (Ksh M)	3,616.61	2,024.39	569.69	602.78
Maturities (Ksh M)	1,791.50	1,040.90	4,003.40	4,836.35
Average interest Rate (%) - 91 Days	7.733	7.608	7.611	7.668

182-Day Treasury Bills

Date of Auction	28-Jun-18	26-Jul-18	02-Aug-18	09-Aug-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	5,754.39	5,857.68	5,145.99	2,049.41
Amount Accepted (Ksh M)	5,746.90	5,791.06	5,145.03	2,049.41
Maturities (Ksh M)	7,964.00	12,000.00	11,347.25	13,109.45
Average interest Rate (%) - 182 days	9.607	9.111	9.083	9.017

364-Day Treasury Bills

Date of Auction	28-Jun-18	26-Jul-18	02-Aug-18	09-Aug-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	19,891.37	13,294.83	8,790.67	11,114.43
Amount Accepted (Ksh M)	17,410.65	13,206.31	8,324.37	10,676.17
Maturities (Ksh M)	5,601.20	10,344.15	3,497.20	8,778.70
Average interest Rate (%) - 364 days	10.488	10.088	10.008	9.990

Source: Central Bank of Kenya

Table 6: Government Domestic Debt (KSh Billion)

	29-Dec-17	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	27-Jul-18	03-Aug-18
1. Treasury Bills (Excluding Repos)	684.72	772.70	782.94	838.73	878.62	946.99	946.22
(As % of total securities)	31.91	33.59	33.95	35.36	36.75	38.73	38.54
2. Treasury Bonds	1,461.25	1,527.84	1,523.18	1,533.06	1,511.87	1,498.37	1,509.00
(As % of total securities)	68.09	66.41	66.05	64.64	63.25	61.27	61.46
3. Total Securities (1+2)	2,145.97	2,300.54	2,306.11	2,371.79	2,390.49	2,445.36	2,455.22
4. Overdraft at Central Bank	42.32	39.65	44.03	44.35	56.85	30.24	-
5. Other Domestic debt*	32.58	31.46	31.50	31.48	31.44	31.49	31.48
6. Gross Domestic Debt (3+4+5)	2,220.87	2,371.65	2,381.63	2,447.62	2,478.78	2,507.09	2,486.70

* 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)

	29-Dec-17	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	27-Jul-18	03-Aug-18
Treasury bills (Excluding Repos)	30.8	32.6	32.9	34.3	35.4	37.8	38.1
Treasury bonds	65.8	64.4	64.0	62.6	61.0	59.8	60.7
CBK Overdraft to Govt	1.9	1.7	1.8	1.8	2.3	1.2	0.0
Other domestic debt	1.5	1.3	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)

	29-Dec-17	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	27-Jul-18	03-Aug-18
Banking Institutions	54.6	55.3	55.0	55.3	55.2	55.7	55.1
Insurance Companies	6.4	6.4	6.3	6.4	6.2	6.1	6.2
Parastatals	6.9	6.8	7.0	6.9	7.0	7.1	7.2
Pension funds	27.5	27.1	27.3	26.9	27.1	26.6	27.0
Other investors	4.5	4.5	4.5	4.4	4.4	4.4	4.5
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

	Mar-17	Jun-17	Sep-17	Dec-17	Jan-18	Feb-18	Mar-18
Domestic debt (KSh Billion)	1,944.95	2,111.71	2,172.84	2,220.35	2,247.32	2,338.21	2,371.65
Public & Publicly Guaranteed External debt (US \$ Billion)	20.4	22.1	22.4	22.8	23.2	25.2	24.9
Public & Publicly Guaranteed External debt (KSh Billion)	2,101.39	2,294.40	2,310.20	2,349.28	2,377.52	2,563.07	2,512.43
Total public debt (KSh Billion)	4,046.35	4,406.11	4,483.03	4,569.63	4,624.84	4,901.29	4,884.08

Source: National Treasury and Central Bank of Kenya

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

	05-Jul-18	12-Jul-18	19-Jul-18	26-Jul-18	02-Aug-18	09-Aug-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,857	8,857	8,866	8,832	8,761	8,754
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	5.90	5.90	5.91	5.88	5.84	5.83

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya