



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

May 25, 2018

Interbank Market

Activity in the interbank market was subdued during the week ending May 23, 2018 largely on account of reduced participation by large banks in the interbank market. The volumes traded decreased to an average of KSh 7.9 billion from KSh 12.7 billion in the previous week. The number of deals also decreased to an average of 20 compared to an average of 26 in the previous week. The weighted average interbank, however, increased to 5.70 percent from 4.38 percent the previous week as small and medium banks concluded transactions at higher rates (**Table 1**).

Exchange Rate

The Kenya Shilling strengthened against the Pound Sterling, the Euro and the Japanese Yen but weakened against the US Dollar during the week ending May 24, 2018. The weakening of the Kenya Shilling against the US Dollar reflected increased demand by corporates due to dividend payments. Among the EAC currencies, the Kenya Shilling strengthened against the Uganda Shilling and the Rwanda Franc but weakened against the Tanzania Shilling and the Burundi Franc (**Table 2**).

Government Securities

The Treasury bills auctions continued to be oversubscribed during the week ending May 25, 2018. The Treasury bills auction of May 24, 2018 received bids totaling KSh 44.2 billion against an advertised amount of KSh 24.0 billion, resulting in a subscription of 184.2 percent. All the 3 tenors of Treasury bills on offer were oversubscribed. However, the Treasury bond received lower bids than the offer amount during the week. The government floated a 15 year fixed rate Treasury bond that received bids amounting to KSh 20.2

billion against an advertised amount of KSh 40.0 billion.

The interest rates on the three Treasury bills declined further during the May 24, 2018 auction. For instance, the 91-Day Treasury bill rate declined from 7.95 percent on May 17, 2018 to 7.94 percent at the auction of May 24, 2018.

Equity Market

The equity market recorded mixed performance during the week ending May 24, 2018. Share prices in the equity market were on a decline with the NASI, the NSE 25 and the NSE 20 share indices falling by 1.23 percent, 1.90 percent and 3.21 percent, respectively. Furthermore, equity turnover declined by 12.71 percent. Trading activity at the bourse, however, increased with the total shares traded increasing by 42.25 percent. The fall in equity prices resulted in overall reduction in shareholders' wealth by 0.77 percent as measured by market capitalization (**Table 3**).

Bond Market

The volume of bonds traded increased marginally by 5.9 percent in the week ending May 24, 2018, to 323 deals as compared to 262 the previous week. Turnover in the local secondary bond market declined by 18.05 percent in the week ending May 24, 2018. This could be attributed to the securities available in the primary market.

The international bond market recorded mixed performance in the yields on Kenya's Eurobonds during week ending May 24, 2018. There was a marginal increase in yields of the 10 year, 30 year Eurobonds (2028 and 2048) and the 5 Year Eurobond maturing in 2019. However, the 10 year (2024) Eurobond recorded a decline in the yield (**Table 3**).

Table 1: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
10-May-18	28	16,370	4.22
11-May-18	27	15,700	3.86
14-May-18	27	16,800	3.69
15-May-18	23	5,900	4.85
16-May-18	25	8,950	5.29
May 10 - 16, 2018	26	12,744	4.38
17-May-18	28	10,800	5.64
18-May-18	27	12,515	5.83
21-May-18	15	4,315	5.52
22-May-18	13	4,320	5.80
23-May-18	17	7,340	5.70
May 17 - 23, 2018	20	7,858	5.70

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*
11-May-18	100.44	135.80	119.64	91.66	36.99	22.72	8.65	17.54
14-May-18	100.43	136.31	120.07	91.96	37.03	22.73	8.65	17.54
15-May-18	100.27	136.32	120.25	91.57	37.03	22.75	8.53	17.71
16-May-18	100.45	135.26	118.85	91.03	36.99	22.72	8.65	17.54
17-May-18	100.43	135.57	118.48	91.10	36.97	22.72	8.52	17.54
11 - 17 May 2018	100.40	135.85	119.46	91.46	37.00	22.73	8.60	17.58
18-May-18	100.42	135.61	118.50	90.69	37.01	22.72	8.66	17.54
21-May-18	100.55	135.49	118.36	90.68	37.00	22.68	8.52	17.66
22-May-18	100.60	134.95	118.29	90.45	37.04	22.67	8.64	17.51
23-May-18	100.80	135.42	118.73	90.80	37.02	22.64	8.62	17.48
24-May-18	101.00	134.80	118.30	91.75	36.99	22.59	8.61	17.44
18 - 24 May 2018	100.67	135.25	118.44	90.87	37.01	22.66	8.61	17.53

* 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 (%)
11-May-18	176.74	4651.04	3602.33	1280.00	18.48	873.22	2,603.62	3,072.66	4.82	6.49	7.01	8.03
14-May-18	175.34	4632.24	3582.36	1,366.00	13.18	468.46	2,582.84	3,150.05	4.70	6.48	6.96	7.99
15-May-18	174.87	4614.38	3560.73	1,624.00	37.04	1,257.89	2,575.95	2,206.98	4.93	6.55	7.03	8.03
16-May-18	177.62	4642.25	3533.07	1,101.00	14.70	518.48	2,616.50	1,340.83	4.92	6.53	7.01	8.07
17-May-18	178.76	4650.64	3519.78	1,269.00	16.53	559.25	2,633.33	2,407.57	5.04	6.54	7.02	8.12
11 May-17 May-18	178.76	4650.64	3519.78	6,640.00	99.93	3,677.29	2,633.33	12,178.10	5.04	6.54	7.02	8.12
18-May-18	179.25	4648.36	3494.17	1,037.00	16.46	515.31	2,640.55	2,857.63	5.03	6.56	7.11	8.16
21-May-18	177.72	4605.58	3477.08	1,320.00	19.54	560.90	2,622.96	2,290.71	5.15	6.63	7.14	8.28
22-May-18	178.14	4607.33	3445.01	1,328.00	28.28	571.79	2,629.22	1,946.81	5.03	6.58	7.09	8.26
23-May-18	177.04	4587.73	3433.56	1,417.00	50.95	1,068.10	2,612.97	1,418.69	5.15	6.54	7.10	8.23
24-May-18	176.56	4562.29	3406.89	1,502.00	26.93	493.70	2,013.06	1,466.33	5.14	6.51	7.03	8.23
18 May-24 May-18	176.56	4562.29	3406.89	6,604	142.16	3,209.80	2,613.06	9,980.17	5.14	6.51	7.03	8.23
Weekly Change	-1.23%	-1.90%	-3.21%	-0.54%	42.25%	-12.71%	-0.77%	-18.05%	*0.105	*-0.031	*0.012	*0.101

* Percentage points

Source: Central Bank of Kenya, NSE and Reuters

Table 4: Performance of Treasury Bonds

Date of Auction	28-Sep-17		28-Dec-17		28-Mar-18		25-Apr-18		23-May-18
Tenor	TAP FXD 1/2017/2	TAP FXD 1/2017/10	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
Amount offered (Ksh M)	13,000.0		20,000.0		8,500.0		40,000.0		40,000.0
Bids received (Ksh M)	11,137.6	635.0	2,683.6	5,138.9	7,739.2	7,769.3	22,864.2	9,904.2	20,217.0
Amount Accepted (Ksh M)	11,137.6	635.0	2,683.6	5,138.9	7,739.2	7,769.3	20,152.6	6,786.1	12,863.5
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average interest Rate (%)	11.619	13.072	12.581	13.087	12.299	13.336	12.317	13.327	13.078

Source: Central Bank of Kenya

Table 5: Performance of Treasury Bills**91-Day Treasury Bills**

Date of Auction	03-May-18	10-May-18	17-May-18	24-May-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	4,914.98	4,831.47	3,309.55	7,783.58
Amount Accepted (Ksh M)	3,934.58	4,746.57	2,936.99	7,746.91
Maturities (Ksh M)	5,829.15	2,074.55	4,363.25	4,800.05
Average interest Rate (%) - 91 Days	7.974	7.967	7.950	7.939

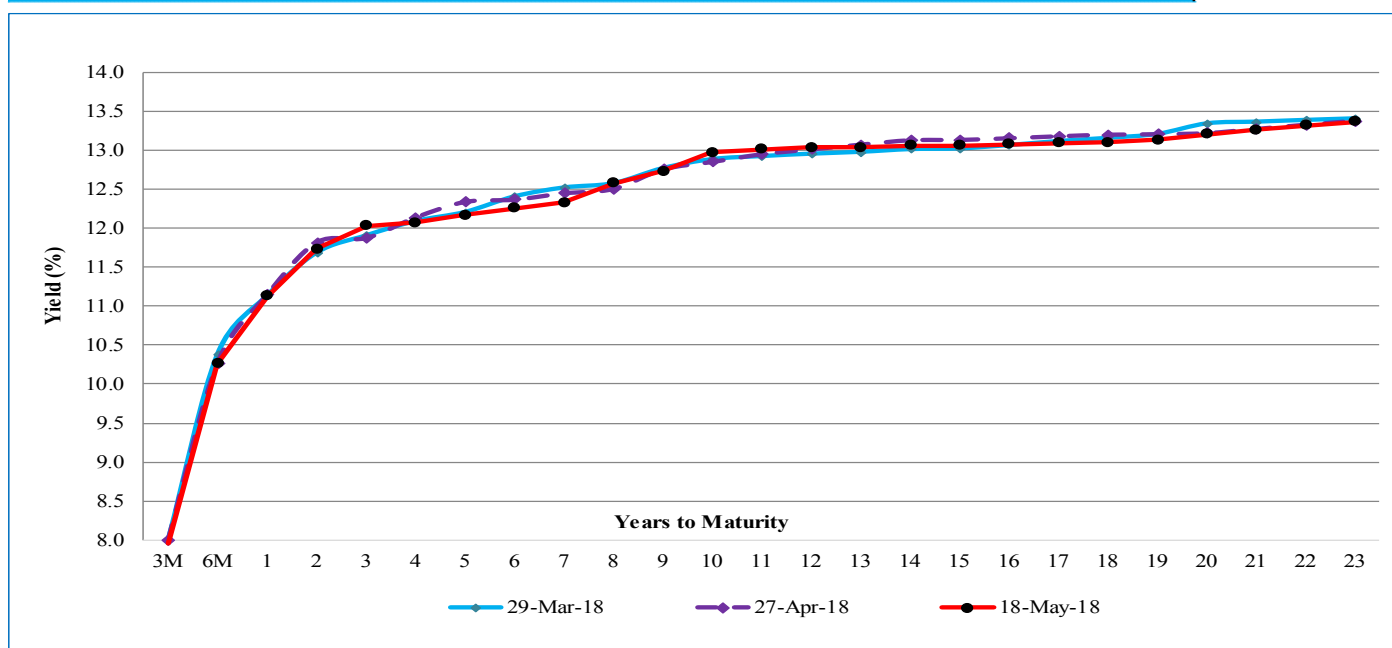
182-Day Treasury Bills

Date of Auction	03-May-18	10-May-18	17-May-18	24-May-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	12,417.06	15,080.22	7,856.79	11,763.09
Amount Accepted (Ksh M)	8,134.53	12,495.55	4,366.81	9,901.04
Maturities (Ksh M)	4,414.10	5,542.05	9,537.35	5,035.85
Average interest Rate (%) - 182 days	10.269	10.265	10.257	10.232

364-Day Treasury Bills

Date of Auction	03-May-18	10-May-18	17-May-18	24-May-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	15,507.04	19,843.20	32,778.14	24,671.66
Amount Accepted (Ksh M)	14,561.47	19,020.24	23,306.84	20,092.92
Maturities (Ksh M)	9,842.95	11,696.00	16,425.40	13,139.70
Average interest Rate (%) - 364 days	11.145	11.141	11.127	11.111

Source: Central Bank of Kenya

Chart 1: Kenya Government Securities Yield Curve

Source: Central Bank of Kenya and NSE

Table 6: Government Domestic Debt (Ksh Billion)

	26-Jan-18	23-Feb-18	29-Mar-18	27-Apr-18	04-May-18	11-May-18	18-May-18
1. Treasury Bills (Excluding Repos)	711.31	754.54	772.70	782.94	789.68	798.32	818.11
(As % of total securities)	32.93	33.80	33.59	33.95	33.75	33.99	34.55
2. Treasury Bonds	1,448.96	1,477.96	1,527.84	1,523.18	1,550.05	1,550.05	1,550.05
(As % of total securities)	67.07	66.20	66.41	66.05	66.25	66.01	65.45
3. Total Securities (1+2)	2,160.26	2,232.50	2,300.54	2,306.11	2,339.74	2,348.38	2,368.17
4. Overdraft at Central Bank	46.54	42.09	39.65	44.03	44.03	23.78	15.13
5. Other Domestic debt*	32.07	31.45	31.46	31.50	31.46	31.46	31.47
6. Gross Domestic Debt (3+4+5)	2,238.88	2,306.05	2,371.65	2,381.63	2,415.22	2,403.62	2,414.78

* 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	04-May-18	11-May-18	18-May-18
Treasury bills (Excluding Repos)	31.8	32.7	32.6	32.9	32.7	33.2	33.9
Treasury bonds	64.7	64.1	64.4	64.0	64.2	64.5	64.2
CBK Overdraft to Govt	2.1	1.8	1.7	1.8	1.8	1.0	0.6
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	04-May-18	11-May-18	18-May-18
Banking Institutions	54.9	55.3	55.3	55.0	55.0	54.7	54.6
Insurance Companies	6.4	6.3	6.4	6.3	6.3	6.4	6.4
Parastatals	6.9	6.7	6.8	7.0	6.9	6.9	6.9
Pension funds	27.5	27.2	27.1	27.3	27.3	27.4	27.5
Other investors	4.5	4.5	4.5	4.5	4.5	4.6	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 Reserves US\$ Million (Usable)

	19-Apr-18	26-Apr-18	03-May-18	10-May-18	17-May-18	24-May-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	9,495	9,509	9,142	9,129	9,135	9,055
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	6.35	6.36	6.17	6.10	6.17	6.11

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya