



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

March 29, 2018

Activity in the Interbank Market

The volumes traded in the interbank market eased marginally to an average of KSh 14.8 billion during the week ending March 28, 2018 from KSh 15.2 billion the previous week as liquidity pressures particularly for large banks eased in the money market. The weighted average interbank rate however, increased on account of transactions by medium and small tier banks being concluded at high rates. The small and medium tier banks also faced relatively tight liquidity conditions following payments for government securities on March 26, 2018. The number of deals in the interbank market increased to an average of 36 from the previous week's average of 32 (**Table 1**).

Kenya Shilling Exchange Rate

The Kenya Shilling strengthened against the US Dollar, but weakened against the Sterling Pound, the Euro and the Japanese Yen during the week ending March 29, 2018. This reflects weakening of the US Dollar against major international currencies following concerns that escalating trade tensions could hurt global growth. In the EAC region the Shilling strengthened against Uganda and Tanzania Shillings and the Burundi Franc but remained unchanged against the Rwanda Franc (**Table 2**).

Government Securities Market

The government securities market has continued to perform well. Despite the under-subscription in the Treasury bill auctions during the week, the tap sale of the 5 year and the 20 year bond performed well and registered an oversubscription. This showed preference of investors for longer dated securities. The interest rates for government securities remained stable, only registering marginal declines.

The Capital Market

The capital markets recorded reduced performance across the equities and bonds market segments in the week ending March 28, 2018. The yields on the Eurobonds declined at the longer end but rose marginally on 5-year bond.

Equity Market

Trading activities in the equities market declined both in prices and quantity. Decline in share prices across all counters saw the NASI close Wednesday down by 1.22 percent, NSE 20 Share Index lost 0.90 percent and NSE 25 Share index shed 0.47 percent. The total shares traded in the first four days of the week ending March 29, 2018 totaled 89.5 million shares while the equities turnover was KSh 2,978.04 million. The shareholders' wealth measured by market capitalization was KSh 2,789.59 billion by March 28, 2018. The reduced performance could be explained by weak audited financial results being released in by listed firms (**Table 3**).

Bond Market and Eurobond Yields

Bonds turnover in the first four days of the week ending March 29, 2018 was KSh 8,979.6 million. This is a good performance compared to the previous week's turnover of KSh 9,040.7 billion for five trading days. In addition, the government successfully raised KSh 15.5 billion against the target Offer of KSh 8 billion through Tap Sale of FXD1/2018/15 and FXD1/2018/20 in the primary market. The yields on Kenya's 5- year Eurobonds rose marginally, while those on the 10-year (2024), 10-year (2028) and 30-year Eurobonds declined, reflecting investors' mixed perceptions (**Table 3**).

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Table 1: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
15-Mar-18	28	13,260	4.13
16-Mar-18	29	10,300	4.63
19-Mar-18	30	14,550	4.68
20-Mar-18	40	20,630	4.64
21-Mar-18	35	17,090	4.76
March 15 - 21, 2018	32	15,166	4.57
22-Mar-18	30	10,180	5.31
23-Mar-18	23	5,775	6.11
26-Mar-18	38	20,530	5.82
27-Mar-18	38	16,780	5.68
28-Mar-18	52	20,550	5.89
March 22 - 28, 2018	36	14,763	5.76

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*
16-Mar-18	101.29	141.42	125.06	94.87	36.13	22.27	8.41	17.50
19-Mar-18	101.28	141.20	124.52	95.59	36.14	22.27	8.54	17.50
20-Mar-18	101.27	142.37	124.70	95.43	36.14	22.29	8.54	17.38
21-Mar-18	101.27	141.84	124.19	95.18	36.17	22.30	8.54	17.38
22-Mar-18	101.06	142.16	123.55	95.13	36.24	22.33	8.56	17.42
March 16 - 22, 2018	101.23	141.80	124.40	95.24	36.16	22.29	8.52	17.44
23-Mar-18	100.97	142.38	124.29	95.79	36.27	22.41	8.57	17.43
26-Mar-18	100.96	142.77	124.57	96.06	36.27	22.35	8.44	17.56
27-Mar-18	100.91	143.38	125.32	95.93	36.37	22.42	8.45	17.58
28-Mar-18	100.86	142.79	125.18	95.69	36.31	22.43	8.58	17.45
29-Mar-18	100.85	142.31	124.74	94.88	36.52	22.38	8.59	17.46
March 23 - 29, 2018	100.91	142.73	124.82	95.67	36.35	22.40	8.52	17.50

* 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-Yr Euro-bond Yield (%)	10-Yr Euro-bond Yield (%) - 2024	10-Year Euro-bond Yield (%) - 2028	30-Yr Euro-bond Yield (%)
16-Mar-18	184.09	4,770.31	3,801.79	1,506	18.75	660.78	2,712.07	3,610.70	3.92	6.12	6.85	7.79
19-Mar-18	186.65	4,848.40	3,840.08	1,562	41.06	1,928.27	2,749.81	931.21	4.02	6.19	6.92	7.88
20-Mar-18	188.61	4,865.95	3,850.56	1,777	29.35	1,098.93	2,778.68	2,194.22	4.01	6.29	7.00	7.98
21-Mar-18	190.45	4,926.39	3,862.27	2,007	51.29	1,893.19	2,805.87	873.96	3.81	6.21	6.88	7.82
22-Mar-18	191.67	4,944.09	3,851.37	2,048	55.12	1,716.98	2,823.96	1,430.62	3.79	6.17	6.79	7.78
16-22 Mar' 18	191.67	4,944.09	3,851.37	8,900	195.57	7,298.14	2,823.96	9,040.72	3.79	6.17	6.79	7.78
23-Mar-18	192.17	4,957.44	3,847.18	1,542	23.38	842.60	2,831.32	1,656.80	3.83	6.24	6.86	7.81
26-Mar-18	191.44	4,945.31	3,831.16	1,670	20.69	769.25	2,820.53	2,335.12	3.83	6.23	6.86	7.75
27-Mar-18	190.54	4,934.56	3,822.12	1,602	23.94	686.84	2,807.26	3,075.82	3.70	6.07	6.70	7.67
28-Mar-18	189.34	4,920.91	3,816.56	1,566	21.51	679.36	2,789.59	1,911.86	3.80	6.12	6.76	7.71
23-28 Mar' 18	189.34	4,920.91	3,816.56	6,380	89.52	2,978.04	2,789.59	8,979.60	3.80	6.12	6.76	7.71
Weekly Change (%)	-1.22%	-0.47%	-0.90%	-28.31%	-54.23%	-59.19%	-1.22%	-0.68%	*0.009	*-0.048	*-0.027	*-0.065

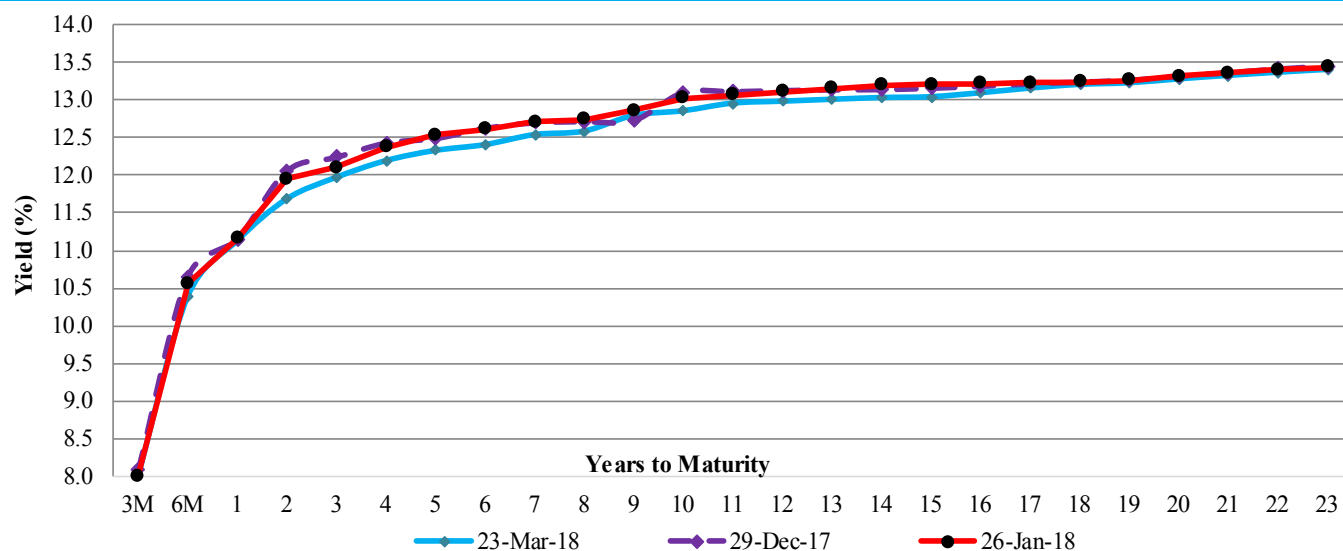
* Percentage points

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

Table 4: Performance of Treasury Bonds

Date of Auction	21-Feb-18		1-Mar-18		21-Mar-18		28-Mar-18	
	FXD1/2010/15	FXD2/2013/15	TAP FXD1/2010/15	TAP FXD2/2013/15	FXD1/2018/5	FXD1/2018/20	TAP FXD 1/2018/5	TAP FXD 2/2018/20
Amount offered (Ksh M)	40,000.0		27,000.0		40,000.0		8,500.0	
Bids received (Ksh M)	7,965.9	16,175.7	318.0	3,501.4	37,645.9	13,738.8	7,739.2	7,769.3
Amount Accepted (Ksh M)	4,444.2	8,761.0	318.0	3,501.4	23,065.3	8,491.0	7,739.2	7,769.3
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average interest Rate (%)	12.676	12.906	12.676	12.906	12.299	13.336	12.299	13.336

Source: Central Bank of Kenya

Chart 1: Kenya Government Securities Yield Curve

Source: Central Bank of Kenya

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

Date of Auction	1-Mar-18	8-Mar-18	15-Mar-18	29-Mar-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	7,690.98	3,844.72	2,185.28	1,762.19
Amount Accepted (Ksh M)	7,249.82	3,170.17	2,179.40	1,761.56
Maturities (Ksh M)	8,677.30	5,065.65	673.55	2,790.30
Average interest Rate (%) - 91 Days	8.029	8.026	8.005	8.000

182-Day Treasury Bills

Date of Auction	1-Mar-18	8-Mar-18	15-Mar-18	29-Mar-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	16,333.90	14,968.11	7,819.00	3,753.17
Amount Accepted (Ksh M)	13,882.04	11,556.17	7,142.53	3,753.17
Maturities (Ksh M)	13,160.00	21,834.70	2,598.55	5,467.05
Average interest Rate (%) - 182 days	10.393	10.385	10.385	10.384

364-Day Treasury Bills

Date of Auction	1-Mar-18	8-Mar-18	15-Mar-18	29-Mar-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	13,367.63	18,378.89	17,360.50	7,149.41
Amount Accepted (Ksh M)	9,485.24	17,929.53	13,598.84	6,249.64
Maturities (Ksh M)	3,112.05	17,862.85	17,102.25	10,287.75
Average interest Rate (%) - 364 days	11.135	11.128	11.126	11.130

Source: Central Bank of Kenya

Table 6: Government Domestic Debt (Ksh Billion)

	26-Jan-18	16-Feb-18	23-Feb-18	02-Mar-18	09-Mar-18	16-Mar-18	23-Mar-18
1. Treasury Bills (Excluding Repos)	711.31	757.25	754.54	768.34	775.86	766.39	768.30
<i>(As % of total securities)</i>	32.93	33.74	33.80	33.99	34.15	33.87	33.93
2. Treasury Bonds	1,448.96	1,487.15	1,477.96	1,492.15	1,496.20	1,496.20	1,496.20
<i>(As % of total securities)</i>	67.07	66.26	66.20	66.01	65.85	66.13	66.07
3. Total Securities (1+2)	2,160.26	2,244.40	2,232.50	2,260.49	2,272.06	2,262.59	2,264.50
4. Overdraft at Central Bank	46.54	27.92	42.09	46.21	46.21	46.49	46.02
5. Other Domestic debt*	32.07	32.01	31.45	31.46	31.46	31.45	31.45
6. Gross Domestic Debt (3+4+5)	2,238.88	2,304.34	2,306.05	2,338.15	2,349.73	2,340.52	2,341.97

* 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	16-Feb-18	23-Feb-18	2-Mar-18	9-Mar-18	16-Mar-18	23-Mar-18
Treasury bills (Excluding Repos)	31.8	32.9	32.7	32.9	33.0	32.7	32.8
Treasury bonds	64.7	64.5	64.1	63.8	63.7	63.9	63.9
CBK Overdraft to Govt	2.1	1.2	1.8	2.0	2.0	2.0	2.0
Other domestic debt	1.4	1.4	1.4	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	26-Jan-18	16-Feb-18	23-Feb-18	2-Mar-18	9-Mar-18	16-Mar-18	23-Mar-18
Banking Institutions	54.6	54.9	55.0	55.3	55.4	55.4	55.3	55.3
Insurance Companies	6.4	6.4	6.3	6.3	6.3	6.3	6.3	6.3
Parastatals	6.9	6.9	6.8	6.7	6.8	6.8	6.8	6.8
Pension funds	27.5	27.5	27.5	27.2	27.1	27.1	27.1	27.1
Other investors	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Kenya

Table 9: Official Foreign Reserves US\$ Million (Usable)

	22-Feb-18	1-Mar-18	8-Mar-18	15-Mar-18	22-Mar-18	29-Mar-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	7,235	7,154	7,155	8,831	8,791	8,846
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.84	4.78	4.78	5.90	5.87	5.91

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya