



Central Bank of Kenya

# Weekly Statistical Bulletin

Key Monetary and Financial Indicators

August 24, 2018

## Interbank Market

Activity in the interbank market increased during the week ending August 22, 2018, partly reflecting the seasonal pickup in demand for funds to facilitate VAT tax remittances. The average volumes traded increased to KSh 17.90 billion during the week compared to KSh 9.08 billion in the previous week, while the average number of deals increased to 28 from 22. However, the weighted average interbank rate declined to 6.07 percent from 6.99 percent in the previous week, partly due to trading by some banks at lower interest rates (**Table 1**).

## Exchange Rate

The Kenya Shilling remained relatively stable against major international and regional currencies during the week ending August 23, 2018. The stability of the Shilling against the US Dollar reflected balanced demand and supply in the interbank market. In the EAC region, the Kenya Shilling strengthened against the Uganda Shilling, but remained stable against the rest of the currencies (**Table 2**).

## Government Securities Market

The performance of the Government securities market improved during the week ending August 24, 2018 with the Treasury bills auction achieving a subscription rate of 120.35 percent compared to 102.18 percent in the previous week. The auction received bids totaling KSh 28.8 billion against an advertised amount of KSh 24.0 billion. The 364 day, 91 day and 182 day Treasury bill auctions recorded subscriptions of 175.44 percent, 48.36 percent and 94.06 percent, respectively. Interest rates on the three Treasury bill tenors declined further during the week (**Table 5**).

The Government also floated a 10-year fixed Treasury bond on August 22, 2018. The auction received bids amounting to KSh 29.8 billion against the advertised amount of KSh 40.0 billion. The yield curve of Government securities remained stable during the week (**Chart 2**).

## Equity Market

Trading activity in the equity market declined across all leading indicators during the week ending August 23, 2018, largely due to the shorter trading week. Shareholders' wealth as measured by market capitalisation reduced by 0.37 percent over the week, driven in part by decreased share prices. The NASI, NSE 25, and NSE 20 indices fell by 0.37 percent, 1.37 percent and 0.88 percent, respectively during the week. The shares traded declined by 20.01 percent, resulting in a 27.33 percent decline in value of shares traded (**Table 3**).

## Bond Market

The bond market recorded a decline in performance during the week under review. Bond turnover decreased by 47.49 percent, despite a marginal increase in the number of deals from 172 the previous week to 173 during the week.

Yields on Kenya's 5-year, 10-year (2028) and 20-year Eurobonds decreased in the week ending August 23, 2018, reflecting an improvement in investors' risk perceptions. Yield on Kenya's 10-year Eurobond (2024) decreased slightly, depicting a similar trend to yields on similar maturity bonds for select African countries, with the exception of Zambia (**Chart 1**).

**Table 1: Interbank Deals, Volumes and Interest Rates**

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
9-Aug-18	26	11,383	8.21
10-Aug-18	24	13,130	7.77
13-Aug-18	21	6,740	6.04
14-Aug-18	13	2,465	6.70
15-Aug-18	27	11,660	6.20
<b>August 9-15, 2018</b>	<b>22</b>	<b>9,076</b>	<b>6.99</b>
16-Aug-18	21	11,965	6.09
17-Aug-18	27	15,665	6.15
20-Aug-18	30	18,700	6.10
21-Aug-18	<b>Public holiday</b>		
22-Aug-18	34	25,275	5.96
<b>August 16-22, 2018</b>	<b>28</b>	<b>17,901</b>	<b>6.07</b>

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*
10-Aug-18	100.36	129.35	116.34	90.41	36.52	22.74	8.74	17.62
13-Aug-18	100.49	128.43	115.08	91.13	37.02	22.71	8.73	17.60
14-Aug-18	100.73	128.60	115.05	91.35	37.23	22.70	8.71	17.56
15-Aug-18	100.73	128.66	114.72	90.91	37.08	22.70	8.72	17.56
16-Aug-18	100.77	127.78	113.96	91.02	37.26	22.69	8.71	17.55
<b>August 10-16, 2018</b>	<b>100.62</b>	<b>128.56</b>	<b>115.03</b>	<b>90.96</b>	<b>37.02</b>	<b>22.71</b>	<b>8.72</b>	<b>17.58</b>
17-Aug-18	100.79	128.19	114.90	91.14	37.24	22.69	8.71	17.55
20-Aug-18	100.86	128.34	115.05	91.33	37.08	22.64	8.71	17.54
21-Aug-18	<b>Public holiday</b>							
22-Aug-18	100.89	128.81	115.34	91.41	37.29	22.63	8.72	17.53
23-Aug-18	100.64	130.03	116.73	91.14	37.21	22.73	8.74	17.58
<b>August 17-23, 2018</b>	<b>100.79</b>	<b>128.84</b>	<b>115.51</b>	<b>91.25</b>	<b>37.21</b>	<b>22.67</b>	<b>8.72</b>	<b>17.55</b>

\* Units of currency per Kenya Shilling

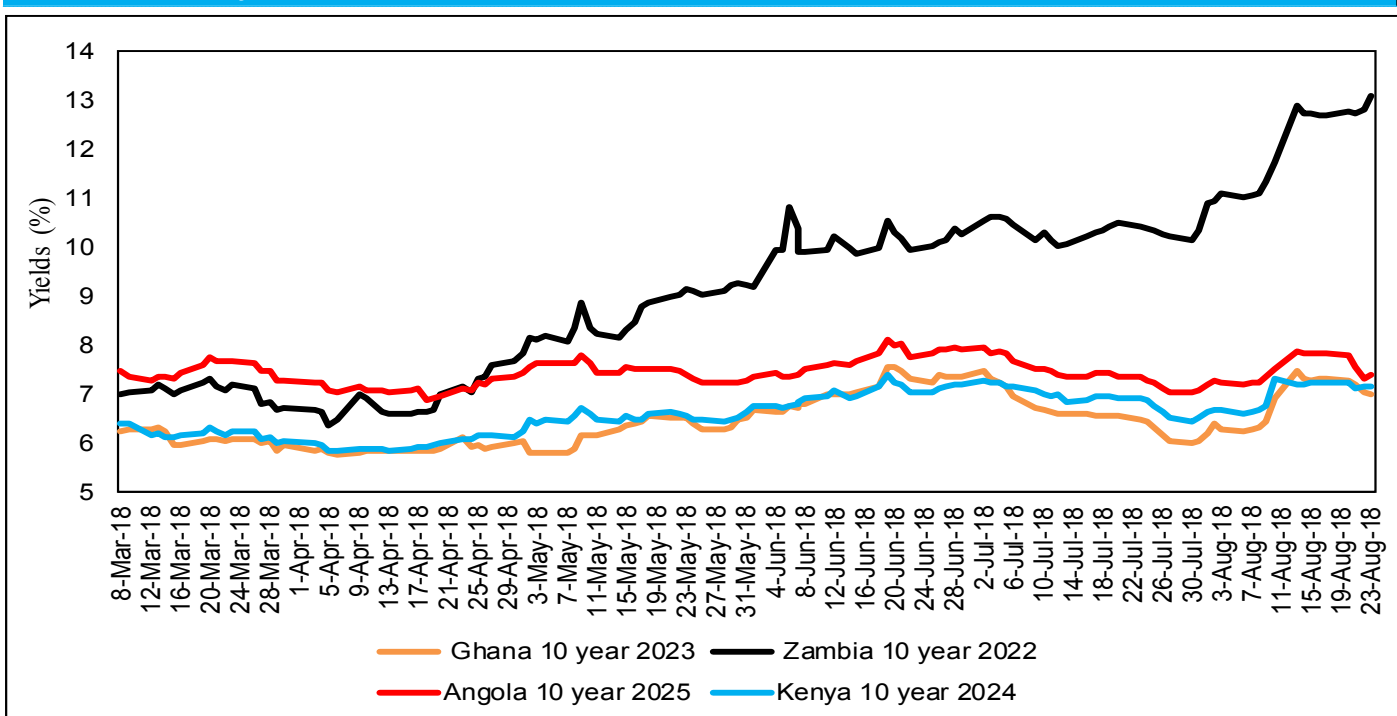
Source :Central Bank of Kenya

**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 (%)
10-Aug-18	172.84	4523.40	3314.92	994	10.06	352.83	2,554.42	2,737.06	4.817	6.946	7.623	8.645
13-Aug-18	173.51	4533.22	3317.35	1,003	10.04	524.70	2,564.39	801.00	6.016	7.325	7.911	8.811
14-Aug-18	174.48	4556.63	3334.47	1,321	20.80	686.82	2,578.82	1,803.47	5.080	7.218	7.776	8.724
15-Aug-18	174.71	4540.10	3323.88	1,052	16.36	567.00	2,582.18	1,620.50	5.379	7.191	7.757	8.711
16-Aug-18	173.95	4508.31	3334.67	1,243	13.93	812.72	2,570.93	2,033.55	5.191	7.223	7.806	8.749
<b>10 - 16 August, 2018</b>	<b>173.95</b>	<b>4508.31</b>	<b>3334.67</b>	<b>5,613.00</b>	<b>71.19</b>	<b>2,944.09</b>	<b>2,570.93</b>	<b>8,995.57</b>	<b>5.191</b>	<b>7.223</b>	<b>7.806</b>	<b>8.749</b>
17-Aug-18	174.59	4517.13	3336.06	1,059	5.02	118.31	2,580.37	259.10	5.250	7.242	7.807	8.744
20-Aug-18	174.31	4495.43	3336.69	1,087	16.24	417.53	2,576.28	2,045.25	5.248	7.218	7.815	8.749
21-Aug-18	<b>Public holiday</b>								5.092	7.114	7.839	8.764
22-Aug-18	173.96	4473.89	3344.94	1,032	19.97	467.94	2,571.11	1,323.90	5.089	7.143	7.824	8.759
23-Aug-18	173.31	4446.74	3305.29	1,312	10.51	345.70	2,561.50	1,095.01	4.616	7.144	7.716	8.660
<b>17 - 23 August, 2018</b>	<b>173.31</b>	<b>4446.74</b>	<b>3305.29</b>	<b>4,490</b>	<b>51.73</b>	<b>1,349.47</b>	<b>2,561.50</b>	<b>4,723.26</b>	<b>4.616</b>	<b>7.144</b>	<b>7.716</b>	<b>8.660</b>
<b>Weekly Change (%)</b>	<b>-0.37</b>	<b>-1.37</b>	<b>-0.88</b>	<b>-20.01</b>	<b>-27.33</b>	<b>-54.16</b>	<b>-0.37</b>	<b>-47.49</b>	<b>-0.575*</b>	<b>-0.079*</b>	<b>-0.090*</b>	<b>-0.089*</b>

\* Percentage points

Source: Central Bank of Kenya, NSE and Thompson Reuters

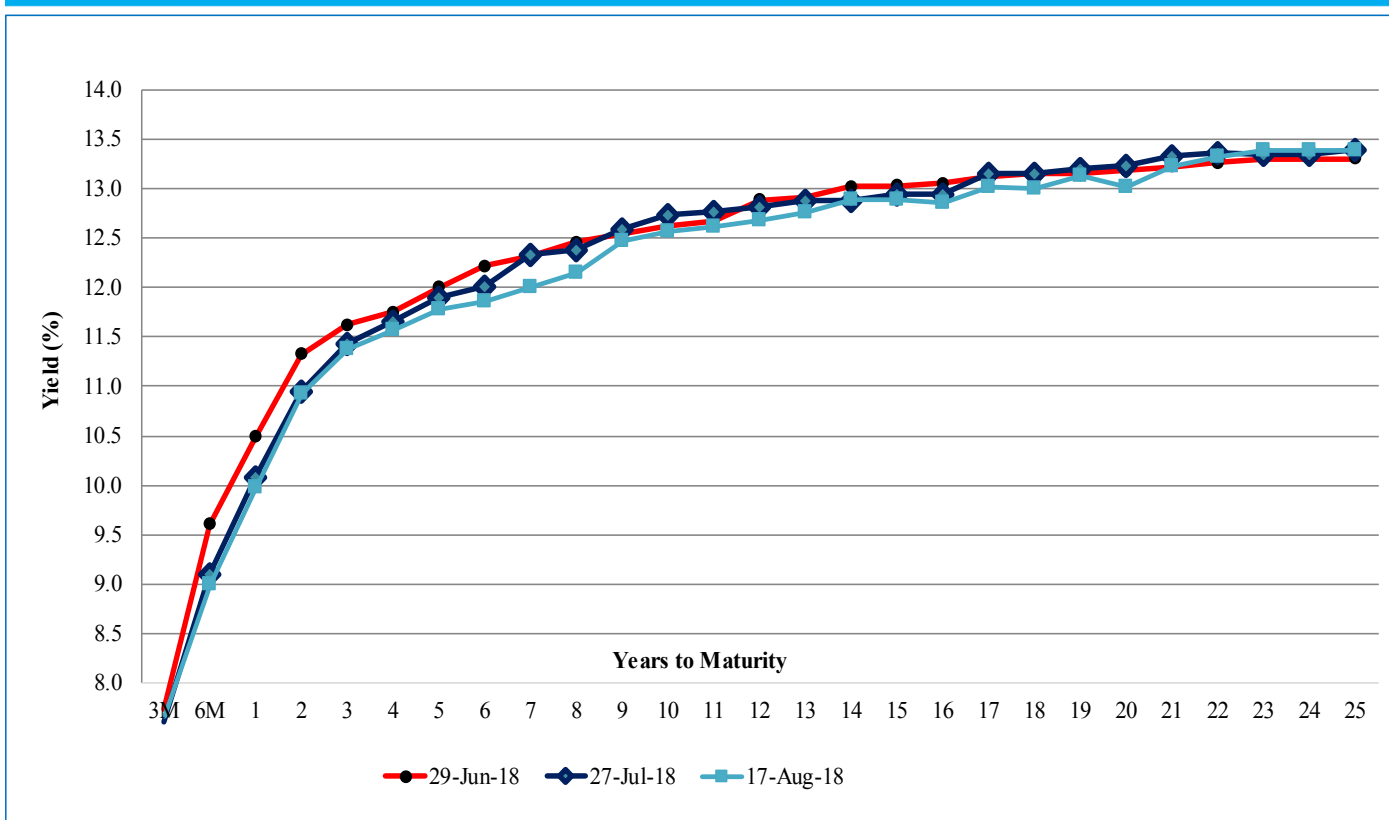
**Chart 1: Yields on 10 year Eurobonds in Selected African Countries**

Source: Thompson Reuters

**Table 4: Performance of Treasury Bonds Auctions**

Date of Auction	28-Mar-18		25-Apr-18		23-May-18	20-Jun-18	25-Jul-18	22-Aug-18
Tenor	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	FXD2/2018/10
Amount offered (Ksh M)	8,500.0		40,000.0		40,000.0	40,000.0	40,000.0	40,000.0
Bids received (Ksh M)	7,739.2	7,769.3	22,864.2	9,904.2	20,217.0	10,130.7	13,860.3	29,825.3
Amount Accepted (Ksh M)	7,739.2	7,769.3	20,152.6	6,786.1	12,863.5	5,171.8	10,512.4	19,362.2
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	26,340.1	0.0	0.0
Average interest Rate (%)	12.299	13.336	12.317	13.327	13.078	13.451	13.371	12.686

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	02-Aug-18	09-Aug-18	16-Aug-18	23-Aug-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	569.78	602.78	6,154.56	1,934.23
Amount Accepted (Ksh M)	569.69	602.78	6,154.56	1,934.23
Maturities (Ksh M)	4,003.40	4,836.35	2,987.00	7,889.70
<b>Average interest Rate (%) - 91 Days</b>	<b>7.611</b>	<b>7.668</b>	<b>7.664</b>	<b>7.614</b>

**182-Day Treasury Bills**

Date of Auction	02-Aug-18	09-Aug-18	16-Aug-18	23-Aug-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	5,145.99	2,049.41	7,283.07	9,405.58
Amount Accepted (Ksh M)	5,145.03	2,049.41	7,256.29	7,191.21
Maturities (Ksh M)	11,347.25	13,109.45	11,251.40	8,841.95
<b>Average interest Rate (%) - 182 days</b>	<b>9.083</b>	<b>9.017</b>	<b>9.005</b>	<b>8.983</b>

**364-Day Treasury Bills**

Date of Auction	02-Aug-18	09-Aug-18	16-Aug-18	23-Aug-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	8,790.67	11,114.43	11,084.78	17,544.05
Amount Accepted (Ksh M)	8,324.37	10,676.17	10,087.52	13,774.85
Maturities (Ksh M)	3,497.20	8,778.70	12,861.60	13,362.30
<b>Average interest Rate (%) - 364 days</b>	<b>10.008</b>	<b>9.990</b>	<b>9.984</b>	<b>9.941</b>

Source: Central Bank of Kenya

**Table 6: Government Domestic Debt (KSh Billion)**

	29-Dec-17	29-Mar-18	29-Jun-18	27-Jul-18	03-Aug-18	10-Aug-18	17-Aug-18
1. Treasury Bills (Excluding Repos)	684.72	772.70	878.62	946.99	946.22	942.44	930.14
<b>(As % of total securities)</b>	<b>31.91</b>	<b>33.59</b>	<b>36.75</b>	<b>38.73</b>	<b>38.54</b>	<b>38.44</b>	<b>38.19</b>
2. Treasury Bonds	1,461.25	1,527.84	1,511.87	1,498.37	1,509.00	1,509.00	1,505.10
<b>(As % of total securities)</b>	<b>68.09</b>	<b>66.41</b>	<b>63.25</b>	<b>61.27</b>	<b>61.46</b>	<b>61.56</b>	<b>61.81</b>
3. Total Securities (1+2)	2,145.97	2,300.54	2,390.49	2,445.36	2,455.22	2,451.44	2,435.24
4. Overdraft at Central Bank	42.32	39.65	56.85	30.24	-	-	3.89
5. Other Domestic debt*	32.58	31.46	31.44	31.49	31.48	31.48	32.08
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>2,220.87</b>	<b>2,371.65</b>	<b>2,478.78</b>	<b>2,507.09</b>	<b>2,486.70</b>	<b>2,482.92</b>	<b>2,471.21</b>

\* 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	29-Jun-18	27-Jul-18	03-Aug-18	10-Aug-18	17-Aug-18
Treasury bills (Excluding Repos)	30.8	32.6	35.4	37.8	38.1	38.0	37.6
Treasury bonds	65.8	64.4	61.0	59.8	60.7	60.8	60.9
CBK Overdraft to Govt	1.9	1.7	2.3	1.2	0.0	0.0	0.2
Other domestic debt	1.5	1.3	1.3	1.3	1.3	1.3	1.3
<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>

Source: Central Bank of Kenya

**Table 8: Composition of Government Domestic Debt by Holder (In Percent)**

	29-Dec-17	29-Mar-18	29-Jun-18	27-Jul-18	03-Aug-18	10-Aug-18	17-Aug-18
Banking Institutions	54.6	55.3	55.2	55.7	55.1	55.1	55.2
Insurance Companies	6.4	6.4	6.2	6.1	6.2	6.2	6.2
Parastatals	6.9	6.8	7.0	7.1	7.2	7.3	7.3
Pension funds	27.5	27.1	27.1	26.6	27.0	26.9	26.9
Other investors	4.5	4.5	4.4	4.4	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>

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
<b>Total public debt (KSh Billion)</b>	<b>4,046.35</b>	<b>4,406.11</b>	<b>4,483.03</b>	<b>4,569.63</b>	<b>4,624.84</b>	<b>4,901.29</b>	<b>4,884.08</b>

Source: National Treasury and Central Bank of Kenya

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

	19-Jul-18	26-Jul-18	02-Aug-18	09-Aug-18	16-Aug-18	23-Aug-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,866	8,832	8,761	8,754	8,689	8,676
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	5.91	5.88	5.84	5.83	5.79	5.78

\*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya