

Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

July 21, 2017

The money market was fairly liquid during the week ending July 19, 2017, largely supported by net Government payments and OMO maturities. The weighted average interbank rate increased to 7.28 percent in the week ending July 19, 2017 from 6.02 percent recorded in the previous week.

Monetary Policy Operations

The money market was fairly liquid during the week ending July 19, 2017, largely supported by net Government payments and OMO maturities. The interbank market transactions during the week resulted in a net liquidity injection of KSh 12.5 billion (**Table 1**).

Commercial banks' excess reserves above 5.25 percent averaging requirement stood at KSh 10.0 billion during the week ending July 19, 2017, nearly double the previous week's average of KSh 5.2 billion (**Chart A**).

Activity in the Interbank Market

The weighted average interbank rate increased to 7.28 percent in the week ending July 19, 2017 from 6.02 percent recorded in the previous week. The volumes transacted ranged from KSh 7.2 billion to KSh 16.9 billion during the week, giving an average of KSh 12.9 billion compared to an average of KSh 13.8 billion the previous week. The number of deals increased to 31 from 28 deals transacted the previous week (**Table 2 and Chart B**).

Kenya Shilling Exchange Rate

The Kenya Shilling exchange rate stabilized against the USD but weakened against other major international currencies during the week ending July 20, 2017. In the EAC region, the Kenya Shilling depicted mixed performance with marginal changes against Partner States currencies. (**Table 3**).

The Capital Market

The capital markets recorded mixed performance during the week ending July 20, 2017.

Equity Market

NASI, NSE 25 and NSE 20 share price indices improved during the week by 0.9 percent, 1.7 percent and 0.6 percent, respectively. Shareholder wealth, measured by market capitalization, increased by 0.9 percent on account of increased share prices. Equity turnover, however, decreased by 32.6 percent during the week, on account of a 41.2 percent decline in the volume of shares traded (**Table 4**).

FTSE NSE Kenya Index Series, REITS and Most Active Sectors

Performance of the FTSE¹ NSE Kenya 15 Index and FTSE NSE Kenya 25 Index, which measure performance of the 15 largest companies by market capitalization and the 25 most liquid stocks at the Nairobi Securities Exchange (NSE), increased by 1.2 percent and 1.5 percent, respectively, during the week. The Banking and Telecommunication & Technology sectors dominated trading, accounting for 33 percent and 30.4 percent, respectively, of the total shares traded during the week.

¹ FTSE refers to Financial Times Stock Exchange, which is an average of share prices in the 100 largest, most actively traded companies on the London Stock Exchange. The two NSE indices are indexed on FTSE.

In the real estate market segment, Income-Real Estate Investment Trust (I-REIT²) turn-over decreased by 21.8 percent, on account of 3.5 percent decrease in the number of deals transacted.

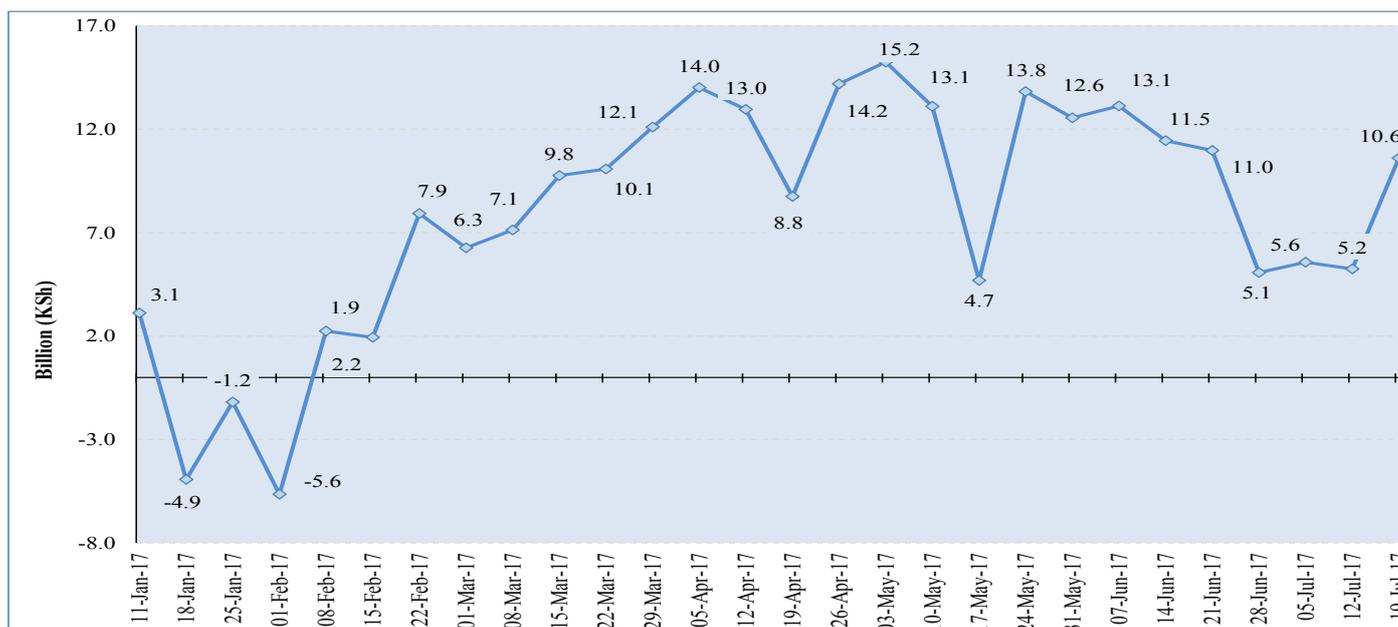
Bond Market

Bond turnover decreased by 52.2 percent during the week ending July 20, 2017, and the number of bond deals declined from 509 to 175. The FTSE Bond Index increased by 0.05 percent, reflecting a marginal decrease in secondary market yields.

²I-REIT is a collective investment vehicle that allows investors to pool capital, which is then invested in a portfolio of selected properties for a return. Investors gain through capital appreciation and rental income, with the latter being distributed to unit-holders annually.

LIST OF TABLES AND CHARTS

Chart A: Commercial Banks Excess Reserves



Source: Central Bank of Kenya

Table 1: Liquidity Flows and Open Market Operations (Ksh billion)

	13-Jul-17	14-Jul-17	17-Jul-17	18-Jul-17	19-Jul-17	Total
Liquidity Flows						
Total liquidity injection ¹	11.1	14.0	18.9	15.3	19.4	78.6
Repos Maturities	0.0	0.0	0.0	5.0	7.0	12.0
Reverse Repo Purchases	0.0	0.0	0.0	8.6	2.3	10.9
Term Auction Deposit maturities	10.0	9.9	0.0	0.0	0.0	19.8
T/bills redemptions	0.0	0.0	17.9	0.0	0.0	17.9
T/bills rediscounts	0.0	0.0	0.0	0.0	0.0	0.0
T/bonds redemptions	0.0	0.0	0.0	0.0	0.0	0.0
T/bonds Interest	0.0	0.0	0.7	0.0	0.0	0.7
T/bonds rediscounts	0.0	0.0	0.0	0.0	0.0	0.0
Govt payments	1.2	4.1	0.3	1.7	10.1	17.4
Total liquidity reduction ¹	4.7	11.2	22.9	11.4	15.9	66.2
T/bills (Primary issues)	0.0	0.0	7.8	0.0	0.0	7.8
Tbonds Sales	0.0	0.0	0.0	0.0	0.0	0.0
T/bills/Tbonds (OMO Tap Sales)	0.0	0.0	0.0	0.0	0.0	0.0
Repos	2.7	0.0	0.0	0.0	0.0	2.7
Reverse Repos maturities	0.0	0.0	0.0	8.6	2.3	10.9
Term Auction Deposit	0.0	2.9	10.0	0.0	10.0	22.9
Transfer from Banks -Taxes	2.0	1.8	2.0	2.8	2.3	10.9
Net liquidity injection (+)/Withdrawal (-)	6.4	2.8	-4.0	3.9	3.5	12.5
Open Market Operations Outcome						
Posted Amount	5.0	5.0	10.0	-	10.0	10.0
Realised Amount - Mop up	0.0	2.9	0.0	0.0	0.0	2.9
Repo (-)	2.7	0.0	0.0	0.0	0.0	2.7
Term Auction Deposits (-)	0.0	2.9	10.0	0.0	10.0	22.9
Reserve Money Position						
Reserve money (actual)	417.2	419.1	412.8	415.8	418.6	

¹ Only main transactions increasing or reducing liquidity are included.

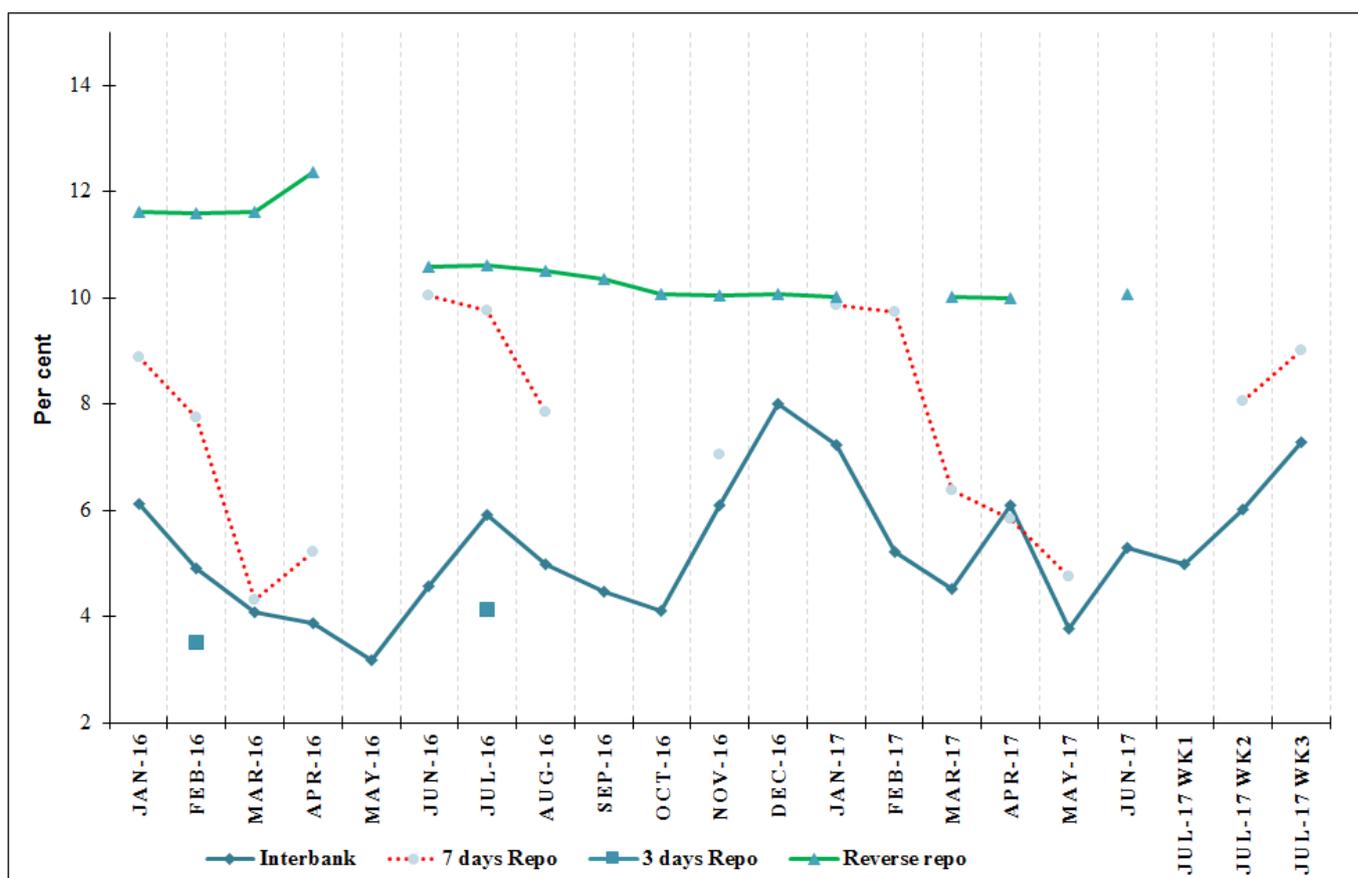
Source: Central Bank of Kenya

Table 2: Open Market Operations (KSh Million)

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
6-Jul-17	28	12,950	5.57
7-Jul-17	30	14,550	5.97
10-Jul-17	24	13,020	6.01
11-Jul-17	27	15,370	6.16
12-Jul-17	29	13,300	6.41
July 6, 2017 - July 12, 2017	28	13,838	6.02
13-Jul-17	33	14,175	6.87
14-Jul-17	32	12,630	7.23
17-Jul-17	27	7,175	7.27
18-Jul-17	26	13,500	7.60
19-Jul-17	39	16,865	7.42
July 13, 2017 - July 19, 2017	31	12,869	7.28

Source: Central Bank of Kenya

Chart B: 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*
7-Jul-17	103.84	134.33	118.33	91.80	34.67	21.55	7.95	16.65
10-Jul-17	103.84	133.78	118.35	90.94	34.72	21.54	8.14	16.65
11-Jul-17	103.92	133.73	118.36	90.87	34.69	21.54	7.95	16.64
12-Jul-17	104.02	133.90	118.61	90.98	34.66	21.52	7.94	16.63
13-Jul-17	103.93	133.71	118.68	91.70	34.69	21.53	7.95	16.64
7 -13 July 2017	103.91	133.89	118.47	91.26	34.68	21.54	7.99	16.64
14-Jul-17	103.89	134.41	118.50	91.62	34.65	21.54	7.95	16.66
17-Jul-17	103.91	135.65	118.86	92.41	34.65	21.52	7.95	16.66
18-Jul-17	103.91	135.81	119.13	92.49	34.65	21.53	7.95	16.61
19-Jul-17	103.93	135.52	119.95	92.51	34.64	21.54	7.95	16.66
20-Jul-17	103.95	135.48	119.87	92.52	34.63	21.54	7.95	16.66
14-20 July 2017	103.92	135.37	119.26	92.31	34.64	21.53	7.95	16.65

* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 4: Key Weekly Market Statistics

INDICATOR	25-May-17	1-Jun-17	8-Jun-17	15-Jun-17	22-Jun-17	29-Jun-17	7-Jul-17	13-Jul-17	20-Jul-17	Weekly Change (%)
NASI 100= 2008	145.55	148.40	149.30	152.94	154.35	153.22	151.50	152.99	154.30	0.86
NSE 25 Share Index	3,883.64	3,926.32	3,970.00	4,050.99	4,087.32	4,069.38	3,998.00	4,038.39	4,107.00	1.70
NSE 20 Share Index 100= 1996	3,410.89	3,441.05	3,475.00	3,522.79	3,612.55	3,596.56	3,581.00	3,659.28	3,683.00	0.65
Number of Deals	6,150	5,509	7,047.00	6,656.00	7,038.00	4,948.00	6,232.00	5,958.00	6,811.00	14.32
Total Shares Traded (Million)	194.23	105.20	142.80	199.26	276.08	96.88	176.67	296.29	174.07	-41.25
Equity Turnover (KSh Million)	4,507.16	2,757.59	3,104.07	4,435.70	6,156.12	1,676.56	5,285.45	6,458.15	4,353.84	-32.58
Market Capitalization (KSh Billion)	2,113.87	2,155.36	2,168.19	2,221.37	2,242.12	2,225.64	2,201.00	2,236.24	2,255.51	0.86
I-REIT Turnover in (KSh Million)	0.08	0.27	0.94	1.08	1.85	0.89	0.31	0.61	0.47	-21.80
I-REIT in Units - Total Deals	10.00	34.00	53.00	31.00	34.00	25.00	27.00	29.00	28.00	-3.45
Bonds Turnover (KSh Million)	16,421.90	11,633.99	9,722.09	12,248.72	9,169.56	12,684.80	11,303.78	12,624.13	6,037.61	-52.17
FTSE NSE Kenya 15 Index	180.97	182.06	187.70	190.40	190.88	189.83	188.00	190.10	192.30	1.16
FTSE NSE Kenya 25 Index	185.31	186.10	192.70	196.33	195.19	195.93	194.00	195.94	198.90	1.51
FTSE NSE Bond Index	91.37	91.48	91.60	91.58	91.56	91.54	92.00	91.65	91.70	0.05
ETF Turnover(KSh Million)	-	-	-	-	-	-	-	-	-	-
ETF -Total Deals	-	-	-	-	-	-	-	-	-	-

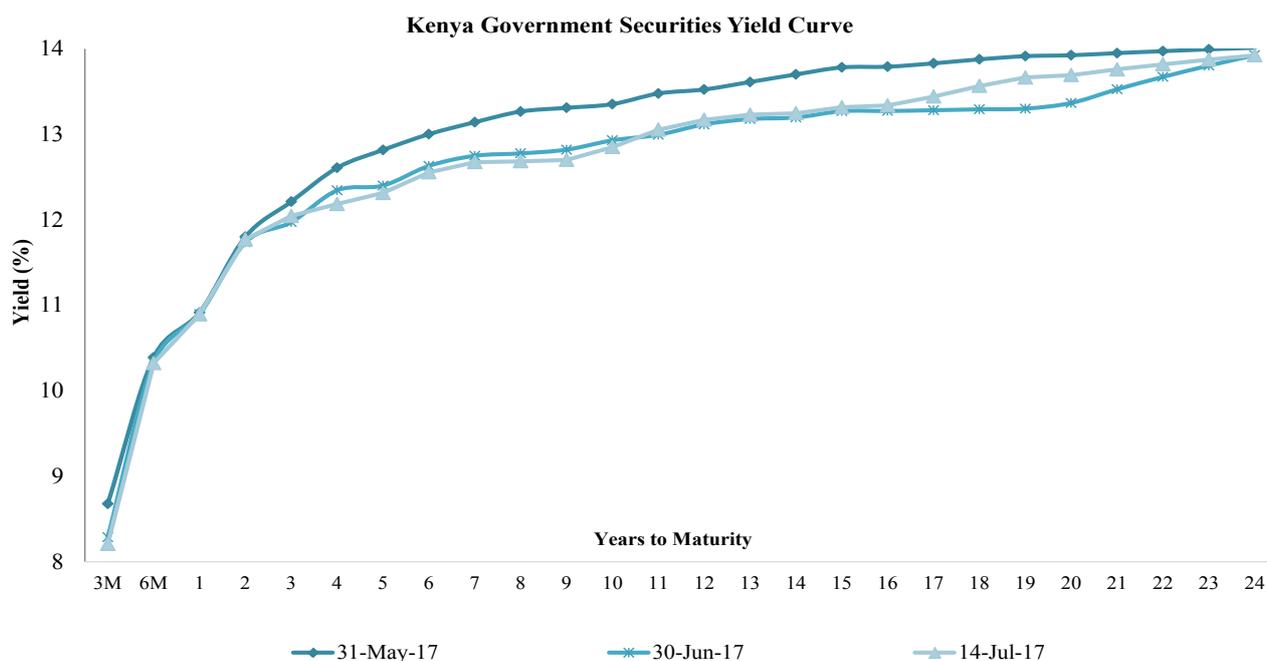
Source: Nairobi Securities Exchange

Table 5: Performance of Government Securities

91-Day Treasury Bills						
Date of Auction	27-Apr-17	25-May-17	29-Jun-17	6-Jul-17	13-Jul-17	20-Jul-17
Amount offered (Ksh M)	10,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	12,373.49	5,171.56	2,307.78	4,245.92	2,241.25	2,224.60
Amount Accepted (Ksh M)	11,239.76	2,645.05	2,307.78	4,215.51	2,241.16	2,224.60
Maturities (Ksh M)	5,657.35	5,910.50	7,201.70	11,574.20	8,879.35	6,835.20
Average interest Rate (%) - 91 Days	8.78	8.61	8.28	8.22	8.21	8.21
182-Day Treasury Bills						
Date of Auction	26-Apr-17	24-May-17	28-Jun-17	6-Jul-17	14-Jul-17	22-Jul-17
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	15,070.38	10,064.50	15,258.51	4,190.65	4,004.42	4,004.42
Amount Accepted (Ksh M)	13,608.16	9,713.05	14,768.06	4,070.86	3,054.54	3,054.54
Maturities (Ksh M)	7,053.20	1,199.70	2,034.40	1,619.55	5,845.20	5,845.20
Average interest Rate (%) - 182 days	10.37	10.33	10.31	10.32	10.31	10.31
364-Day Treasury Bills						
Date of Auction	26-Apr-17	24-May-17	28-Jun-17	6-Jul-17	14-Jul-17	22-Jul-17
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	8,245.61	13,821.28	5,174.05	8,418.59	1,623.54	1,290.26
Amount Accepted (Ksh M)	7,987.54	11,869.87	5,053.19	5,918.12	1,527.56	1,228.56
Maturities (Ksh M)	8,932.50	6,562.55	1,454.50	1,202.00	7,355.00	3,647.80
Average interest Rate (%) - 364 days	10.94	10.91	10.90	10.89	10.89	10.89
Treasury Bonds						
Date of Auction	27-Apr-17					
Tenor	FXD1/2009/11					
Amount offered (Ksh M)	7,000.00					
Bids received (Ksh M)	6,143.05					
Amount Accepted (Ksh M)	4,009.60					
Maturities (Ksh M)	0.00					
Average interest Rate (%)	11.97					

Source: Central Bank of Kenya

Chart C: Structure of Interest Rates



Source: Central Bank of Kenya

Table 6: Government Domestic Debt (KSh Billion)

	31-Mar-17	28-Apr-17	26-May-17	02-Jun-17	30-Jun-17	07-Jul-17	14-Jul-17
1. Treasury Bills (Excluding Repos)	615.77	626.90	673.30	684.07	744.15	752.41	763.78
(As % of total securities)	32.69	32.25	33.96	34.04	35.84	36.10	36.44
2. Treasury Bonds	1,268.16	1,317.02	1,309.35	1,325.28	1,331.98	1,331.98	1,331.98
(As % of total securities)	67.31	67.75	66.04	65.96	64.16	63.90	63.56
3. Total Securities (1+2)	1,883.93	1,943.92	1,982.65	2,009.35	2,076.13	2,084.39	2,095.76
4. Overdraft at Central Bank	30.27	-	-	0.03	-	-	-
5. Other Domestic debt*	31.06	30.75	35.93	35.94	36.15	36.12	36.11
6. Gross Domestic Debt (3+4+5)	1,945.25	1,974.67	2,018.58	2,045.33	2,112.28	2,120.51	2,131.87

* 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 (In Percent)

	26-May-17	16-Jun-17	23-Jun-17	30-Jun-17	7-Jul-17	14-Jul-17
Treasury bills (Excluding Repos)	33.4	34.5	35.1	35.2	35.5	35.8
Treasury bonds	64.9	63.7	63.1	63.1	62.8	62.5
CBK Overdraft to Govt	0.0	0.1	0.0	0.0	0.0	0.0
Other domestic debt	1.8	1.7	1.7	1.7	1.7	1.7
TOTAL	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)

	31-Mar-17	28-Apr-17	26-May-17	23-Jun-17	30-Jun-17	7-Jul-17	14-Jul-17
Banking Institutions	54.1	55.1	56.2	56.6	56.2	56.2	56.3
Insurance Companies	7.1	7.0	6.9	6.7	6.6	6.6	6.5
Parastatals	6.5	6.5	6.6	6.4	6.4	6.4	6.5
Pension funds	28.2	27.5	27.9	27.8	28.1	28.1	28.0
Other investors	4.0	3.9	2.4	2.5	2.7	2.7	2.7
Total	100.0						

Source: Central Bank of Kenya

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

	31-May-17	8-Jun-17	15-Jun-17	22-Jun-17	29-Jun-17	6-Jul-17	13-Jul-17	20-Jul-17
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,259	8,197	8,188	8,105	7,964	7,921	7,869	7,781
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	5.48	5.44	5.44	5.38	5.29	5.26	5.23	5.17

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya