



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

November 9, 2018

Interbank Market

The interbank market remained relatively liquid during the week ending November 7, 2018, partly due to increased government payments. Commercial banks average excess reserves stood at Ksh 13.5 billion during the week compared with Ksh 18.1 billion in the week ending October 31, 2018. The average number of interbank deals increased to 35 in the week ending November 7, 2018 from 28 in the previous week, while the average interbank volumes traded increased to KSh 26.2 billion from KSh 22.5 billion. Trading in the interbank market was dominated by large banks. As a result, the average interbank rate was relatively stable at 2.89 percent compared with 2.86 percent in the week ending October 31, 2018 (**Table 1**).

Exchange Rate

The Kenya Shilling remained stable against the US dollar and the Japanese Yen during the week ending November 8, 2018. It, however, weakened against the Euro and the Sterling Pound which were boosted by prospects of a Brexit deal. The Shilling remained stable against all the EAC currencies (**Table 2**).

Government Securities Market

The subscription rate on Government securities declined during the auction of November 8, 2018. The auction achieved a subscription rate of 87.3 percent compared to 106.4 percent in the previous week. The auction received bids totaling KSh 20.9 billion against an advertised amount of KSh 24.0 billion. The 91-day and 182-day tenures were under-subscribed at 49.1 percent and 22.9 percent, respectively. The 364-day tenure achieved a much better performance with a subscription rate of 167.1 percent. All Treasury bill interest rates remained relatively stable during the week (**Table 5**).

Equity Market

In the equities market, activity reduced in the week ending November 8, 2018 as reflected by performance of key market indicators (**Table 3**). The equity turnover, volume of shares traded and market capitalisation declined by 57 percent, 54 percent and 0.7 percent, respectively. The NASI, NSE 25, NSE 20 indices were relatively stable during the week.

Bond Market

The domestic secondary bond market recorded a 29 percent decline in bond turnover during the week ending November 8, 2018. In the international capital markets, yields on Kenya's 5-Year Eurobond declined slightly. However, the yields on the 10-Year (2024), 10-Year (2028) and 30-Year Eurobond increased slightly in the week ending November 8, 2018 (**Table 3**). Yields on the 10-year Eurobonds for selected African countries, like Ghana and Angola were relatively stable (**Chart 1**).

Global Financial Markets

The major U.S. stock indices rose during the week following the outcome of the US midterm elections, raising greater prospect for policy gridlock. The S&P 500, Dow Jones Industrial Average (DJIA) and NASDAQ Composite recorded higher indices of 2,806.8 points, 26,191.2 points and 7,158.6 points, respectively, reflecting gains of 2.4 percent, 3.2 percent and 1.3 percent from the week ending November 1, 2018.

Markets in Europe also rose during the week, supported by solid company earnings. The UK FTSE 100 closed November 8, 2018 at 7,140.7 points, while the German DAX closed at 11,527.3 points. Both indices rose by 0.4 percent and 0.5 percent, respectively during the week ending November 8, 2018.

Table 1: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
25-Oct-18	23	18,350	3.33
26-Oct-18	27	20,800	3.05
29-Oct-18	26	15,350	3.55
30-Oct-18	34	29,880	2.33
31-Oct-18	31	28,130	2.05
October 25 - 31, 2018	28	22,502	2.86
1-Nov-18	26	20,180	2.53
2-Nov-18	29	20,130	2.88
5-Nov-18	40	25,830	3.09
6-Nov-18	42	35,105	2.89
7-Nov-18	38	29,555	3.04
November 1 - 7, 2018	35	26,160	2.89

Source :Central Bank of Kenya

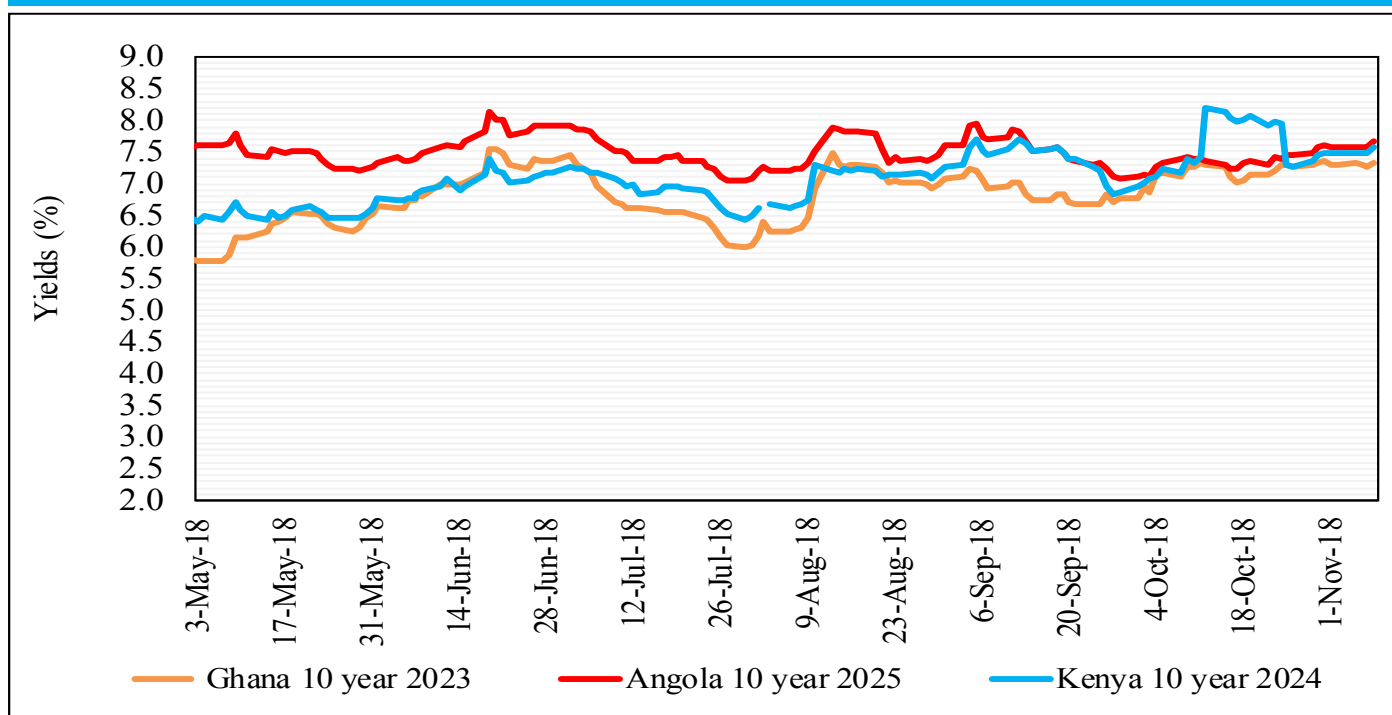
Table 2: Kenya Shilling Exchange Rates (Indicative Mean Rates)

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
26-Oct-18	101.23	130.36	115.38	89.95	37.15	22.67	8.76	17.56
29-Oct-18	101.32	129.90	115.46	90.57	37.09	22.60	8.75	17.55
30-Oct-18	101.70	130.37	115.67	90.37	36.97	22.57	8.72	17.48
31-Oct-18	101.85	129.91	115.61	90.27	36.91	22.53	8.71	17.46
1-Nov-18	102.05	130.21	115.54	90.01	36.75	22.48	8.70	17.42
October 26-November 1, 2018	101.63	130.15	115.53	90.24	36.98	22.57	8.73	17.49
2-Nov-18	101.74	131.39	115.94	90.28	36.76	22.55	8.72	17.48
5-Nov-18	101.46	131.76	115.74	89.84	36.91	22.61	8.75	17.56
6-Nov-18	101.51	132.06	115.47	89.56	36.99	22.59	8.75	17.55
7-Nov-18	101.82	133.66	116.62	90.06	36.88	22.53	8.72	17.50
8-Nov-18	101.78	133.61	116.83	89.83	36.84	22.54	8.73	17.50
November 2 - 8, 2018	101.66	132.49	116.12	89.91	36.88	22.56	8.73	17.52

* Units of currency per Kenya Shilling

Source :Central Bank of Kenya

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



Source: Thomson Reuters

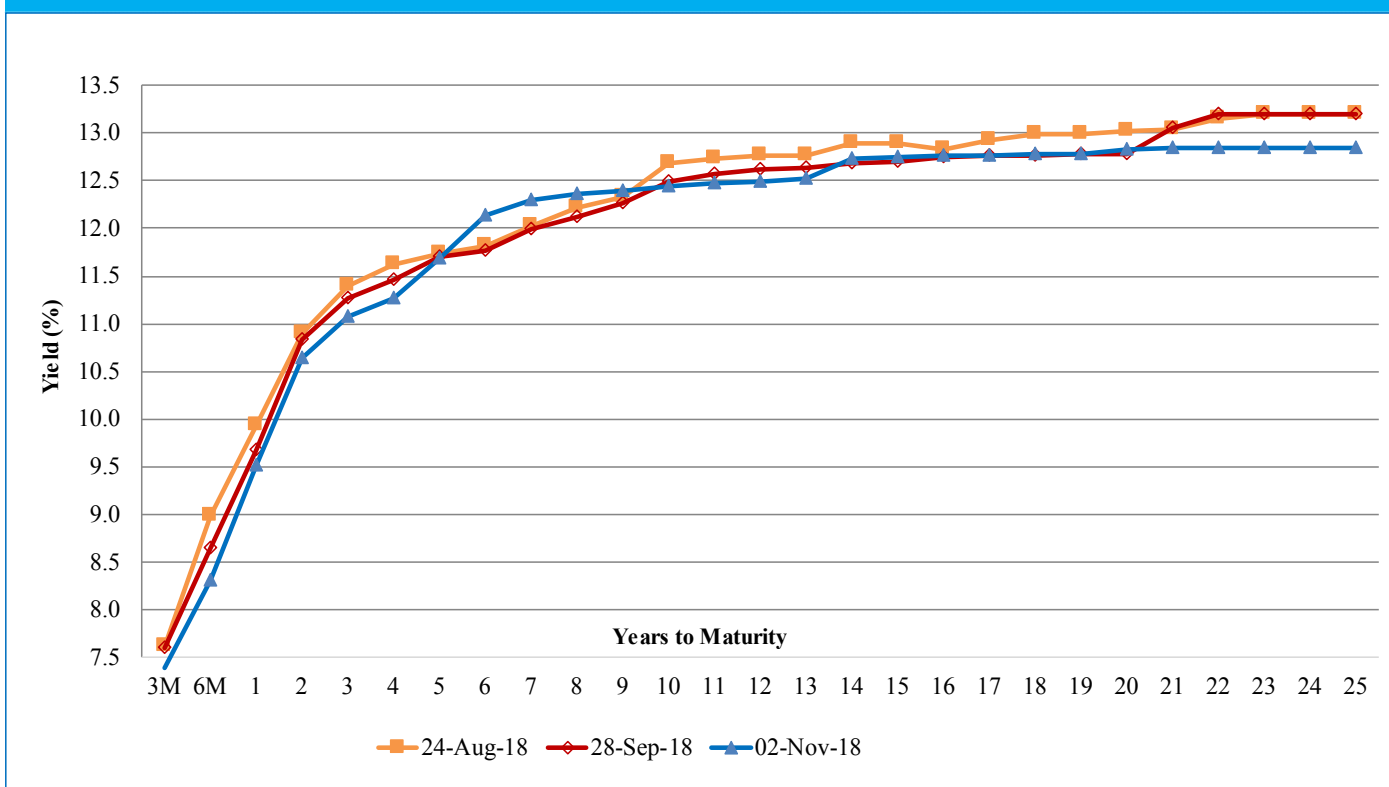
Table 3: Key Weekly Market Indicators

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 (%)
26-Oct-18	145.89	3,719.51	2,820.55	1,046	24.45	672.25	2,155	3,846.99	4.76	7.255	7.979	8.941
29-Oct-18	145.57	3,712.86	2,811.87	1,069	18.45	407.87	2,151	1,872.01	4.99	7.344	7.987	8.992
30-Oct-18	145.21	3,696.93	2,801.22	1,582	33.06	753.82	2,145	3,189.37	5.27	7.45	8.119	9.095
31-Oct-18	144.35	3,680.99	2,810.32	1,131	14.06	331.90	2,133	2,548.79	5.07	7.478	8.131	9.119
1-Nov-18	145.1	3,687.30	2,820.28	1,184	66.53	1,749.00	2,144	2,031.32	5.06	7.524	8.201	9.151
26 Oct - 1 Nov, 2018	145.10	3687.30	2820.28	6,012	156.55	3,914.84	2,143.69	13,488.48	5.055	7.524	8.201	9.151
2-Nov-18	147.89	3,729.90	2,831.10	949	23.89	608.70	2,185	2,953.43	4.85	7.479	8.12	9.121
5-Nov-18	146.23	3,710.54	2,839.35	892	8.25	205.97	2,160	2,322.83	5.05	7.487	8.12	9.135
6-Nov-18	142.95	3,660.79	2,842.00	1,126	10.35	226.19	2,112	2,151.89	5.04	7.494	8.132	9.135
7-Nov-18	142.94	3,649.90	2,837.42	837	12.99	277.36	2,112	886.39	5.04	7.487	8.141	9.135
8-Nov-18	144.14	3,660.41	2,819.78	997	15.90	377.88	2,130	1,266.45	5.03	7.566	8.222	9.194
2 - 8 Nov 2018	144.14	3660.41	2819.78	4,801	71.37	1,696.10	2,129.51	9,580.98	5.027	7.566	8.222	9.194
Weekly Change (%)	-0.66	-0.73	-0.02	-20.14	-54.41	-56.68	-0.66	-28.97	(0.03)*	0.04*	0.02*	0.04*

* Percentage points

Source: Central Bank of Kenya, NSE and Thompson Reuters

Chart 2: Kenya Government Securities Yield Curve



Source: Central Bank of Kenya and NSE

Table 4: Performance of Treasury Bonds Auctions

Date of Auction	20-Jun-18	25-Jul-18	22-Aug-18	19-Sep-18	17-Oct-18	31-Oct-18
				REOPEN	REOPEN	
Tenor	FXD1/2018/25	FXD2/2018/20	FXD1/2018/10	FXD1/2018/10	FXD1/2018/20	FXD2/2018/15
Amount offered (Ksh M)	40,000.0	40,000.0	40,000.0	40,000.0		40,000.0
Bids received (Ksh M)	10,130.7	13,860.3	29,825.3	32,466.5		27,045.4
Amount Accepted (Ksh M)	5,171.8	10,512.4	19,362.2	21,244.6	5,308.4	7,854.1
Maturities (Ksh M)	26,340.1	0.0	0.0	0.0	0.0	0.0
Average interest Rate (%)	13.451	13.371	12.686	12.665	12.931	12.746

Source: Central Bank of Kenya

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

Date of Auction	18-Oct-18	25-Oct-18	01-Nov-18	08-Nov-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	3,829.82	2,438.93	5,137.52	1,964.61
Amount Accepted (Ksh M)	3,780.98	2,437.55	5,137.52	1,964.61
Maturities (Ksh M)	4,304.55	2,036.80	577.10	611.20
Average interest Rate (%) - 91 Days	7.507	7.494	7.387	7.349

182-Day Treasury Bills

Date of Auction	18-Oct-18	25-Oct-18	01-Nov-18	08-Nov-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	3,575.02	3,033.74	5,974.57	2,298.30
Amount Accepted (Ksh M)	3,575.02	3,033.74	5,974.97	2,298.30
Maturities (Ksh M)	16,783.85	9,837.10	8,550.55	13,132.20
Average interest Rate (%) - 182 days	8.450	8.386	8.317	8.302

364-Day Treasury Bills

Date of Auction	18-Oct-18	25-Oct-18	01-Nov-18	08-Nov-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	4,963.97	10,564.40	14,430.30	16,707.13
Amount Accepted (Ksh M)	4,690.80	10,564.40	14,430.30	14,402.01
Maturities (Ksh M)	5,416.35	5,870.10	8,824.00	12,918.35
Average interest Rate (%) - 364 days	9.579	9.524	9.519	9.520

Source: Central Bank of Kenya

Table 6: Government Domestic Debt (KSh Billion)

	21-Sep-18	28-Sep-18	05-Oct-18	12-Oct-18	19-Oct-18	26-Oct-18	02-Nov-18
1. Treasury Bills (Excluding Repos)	931.33	867.51	953.44	962.98	966.37	952.56	952.00
(As % of total securities)	38.27	37.14	38.41	38.65	38.73	38.41	38.39
2. Treasury Bonds	1,502.34	1,468.50	1,528.77	1,528.77	1,528.77	1,527.62	1,527.62
(As % of total securities)	61.73	62.86	61.59	61.35	61.27	61.59	61.61
3. Total Securities (1+2)	2,433.67	2,336.00	2,482.21	2,491.75	2,495.14	2,480.18	2,479.62
4. Overdraft at Central Bank	33.82	36.29	0.00	0.01	4.33	23.44	25.17
5. Other Domestic debt*	31.70	168.54	31.70	31.56	31.59	31.56	31.56
6. Gross Domestic Debt (3+4+5)	2,499.19	2,540.83	2,513.91	2,523.32	2,531.05	2,535.18	2,536.35

* 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)

	21-Sep-18	28-Sep-18	05-Oct-18	12-Oct-18	19-Oct-18	26-Oct-18	02-Nov-18
Treasury bills (Excluding Repos)	37.3	34.1	37.9	38.2	38.2	37.6	37.5
Treasury bonds	60.1	57.8	60.8	60.6	60.4	60.3	60.2
CBK Overdraft to Govt	1.4	1.4	0.0	0.0	0.2	0.9	1.0
Other domestic debt	1.3	6.6	1.3	1.3	1.2	1.2	1.2
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)

	21-Sep-18	28-Sep-18	05-Oct-18	12-Oct-18	19-Oct-18	26-Oct-18	02-Nov-18
Banking Institutions	55.4	55.0	54.2	54.4	54.3	54.7	54.9
Insurance Companies	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Parastatals	7.3	7.3	7.3	7.4	7.4	7.5	7.4
Pension funds	26.6	27.1	27.7	27.5	27.6	27.1	27.1
Other investors	4.5	4.5	4.6	4.6	4.5	4.5	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

	Sep-17	Dec-17	Mar-18	Apr-18	May-18	Jun-18	Sep-18
Domestic debt (KSh Billion)	2,172.84	2,220.35	2,371.65	2,415.25	2,447.58	2,478.84	2,540.70
Public & Publicly Guaranteed External debt (US \$ Billion)	22.4	22.8	24.9	25.5	25.3	25.3	25.8
Public & Publicly Guaranteed External debt (KSh Billion)	2,310.20	2,349.28	2,512.43	2,562.18	2,573.13	2,560.20	2,605.33*
Total public debt (KSh Billion)	4,483.03	4,569.63	4,884.08	4,977.43	5,020.70	5,039.03	5,146.04

*Provisional

Source: National Treasury and Central Bank of Kenya

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

	04-Oct-18	11-Oct-18	18-Oct-18	25-Oct-18	01-Nov-18	08-Nov-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,458	8,445	8,407	8,316	8,221	8,152
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	5.60	5.59	5.57	5.51	5.44	5.40

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya