



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

March 9, 2018

Activity in the Interbank Market

The interbank market was stable in the week ending March 7, 2018. The volumes traded in the interbank market eased marginally to an average of KSh 13.4 billion during the week ending March 7, 2018 from KSh 13.8 billion the previous week. The number of deals in the interbank market remained relatively stable at an average of 31. The weighted average interbank rate eased marginally to 4.72 percent from 4.95 percent in the previous week due to large banks who dominated the market borrowing at low rates (**Table 1**).

Kenya Shilling Exchange Rate

The Kenya shilling exchange rate remained stable against the US Dollar in the week ending March 8, 2018 supported by low dollar demand and supply. The shilling strengthened against the Sterling Pound and the Euro but weakened against the Japanese Yen. In the EAC region the shilling strengthened against all the currencies (**Table 2**).

Equity Market

In the equity market segment all leading indicators were down in the week ending March 8, 2018, save for NSE 25 Share Index and the number of deals transacted. The largest fall was recorded in the volume of shares traded. The volume decreased by 53.7 percent, which combined with declining prices, supported 32.9 percent decline in equity turnover relative to the previous week. Consequently, shareholders recorded paper loss of KSh 10.5 billion. The poor market performance could be attributed to the less than favourable audited financial results currently being released by listed companies, and global dynamics that signal short term capital outflows from emerging and frontier markets (**Table 3**).

Bond Market and Eurobond Yields

Turnover in the bond market declined further by 22.6 percent in the week ending March 8, 2018, compared to the previous week. This can be attributed to investor preference for short-term securities in the primary market, given the heavy subscription of 155.8 percent in 91-, 182- and 364-day Treasury bills offered to raise KSh 24 billion during the week. The liquidity and term premia conditions explain investors' preference for securities at the short end of the yield curve.

The yields on Kenya's four (4) Eurobonds in the market rose across 3 maturities. The yield on the 5- and 10-year Eurobonds issued in 2014 rose by 0.14 and 0.08 percentage points respectively, while that on the 10-year bond issued in 2018 added 0.04 percentage points (**Table 3**). This general upward trend may reflect investors liquidity perception of the bonds.

LIST OF TABLES AND CHARTS

Table 1: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
22-Feb-18	29	8,960	5.38
23-Feb-18	38	16,085	5.09
26-Feb-18	38	19,945	4.90
27-Feb-18	28	13,095	4.69
28-Feb-18	29	10,915	4.72
February 22 - 28, 2018	32	13,800	4.95
1-Mar-18	32	12,325	4.82
2-Mar-18	28	14,185	4.70
5-Mar-18	32	16,465	4.57
6-Mar-18	34	13,911	4.54
7-Mar-18	30	10,422	4.97
March 1 - 7, 2018	31	13,462	4.72

Source: Central Bank of Kenya

Table 2: Kenya Shilling Exchange Rates

	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
23-Feb-18	101.73	141.55	125.36	95.21	35.93	22.14	8.49	17.30
26-Feb-18	101.83	142.41	125.27	95.35	35.93	22.10	8.47	17.27
27-Feb-18	101.74	142.73	125.35	95.23	35.87	22.13	8.49	17.30
28-Feb-18	101.62	141.58	125.02	94.92	35.92	22.15	8.36	17.43
1-Mar-18	101.38	140.17	123.86	94.69	36.00	22.21	8.39	17.47
23 February -1 March 2018	101.66	141.69	124.97	95.08	35.93	22.15	8.44	17.35
2-Mar-18	101.29	139.23	123.31	94.73	35.99	22.24	8.53	17.38
5-Mar-18	101.32	139.63	124.73	96.12	35.97	22.31	8.53	17.37
6-Mar-18	101.33	139.92	124.77	95.84	36.04	22.24	8.39	17.48
7-Mar-18	101.31	140.89	125.69	95.49	36.00	22.32	8.40	17.49
8-Mar-18	101.29	140.45	125.77	95.66	36.12	22.25	8.53	17.38
March 2 - 8, 2018	101.31	140.02	124.85	95.57	36.02	22.27	8.48	17.42

* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 3: Key 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 Eurobond Yield (2014) (%)	10-Yr Eurobond Yield (2014) (%)	10-Yr Eurobond Yield (2018) (%)	30-Yr Eurobond Yield (2018) (%)
23-Feb-18	180.78	4,508.45	3,710.97	1,357	21.00	808.06	2,663.12	2,819.00	3.839	6.267	7.09	8.02
26-Feb-18	180.64	4,510.28	3,704.02	1,329	66.00	1,376.23	2,661.09	1,251.00	3.796	6.219	7.00	7.96
27-Feb-18	180.68	4,525.47	3,737.00	1,550	25.00	864.33	2,661.67	1,839.00	3.706	6.218	6.99	7.99
28-Feb-18	181.77	4,563.42	3,750.75	1,326	24.00	832.76	2,677.81	2,787.00	3.818	6.266	7.05	8.02
01-Mar-18	181.99	4,590.04	3,774.04	1,424	97.00	1,995.55	2,681.02	2,378.00	3.805	6.289	7.14	8.12
23 Feb - 1 Mar, 2018	181.99	4,590.04	3,774.04	6,986	232.67	5,876.92	2,681.02	11,073.52	3.810	6.290	7.14	8.12
02-Mar-18	181.26	4,587.62	3,755.95	1,281	31.32	722.21	2,670.30	1,550.89	3.879	6.375	7.20	8.15
05-Mar-18	180.91	4,589.05	3,726.74	1,316	45.44	953.41	2,665.12	1,283.27	3.973	6.376	7.16	8.12
06-Mar-18	181.02	4,593.02	3,735.95	1,405	19.41	838.05	2,666.67	1,520.32	3.871	6.310	7.09	8.04
07-Mar-18	182.16	4,626.91	3,740.96	1,530	26.06	916.76	2,683.55	1,894.54	3.965	6.340	7.16	8.06
08-Mar-18	181.27	4,614.33	3,719.86	1,519	29.15	992.67	2,670.48	2,780.31	3.953	6.366	7.18	8.12
March 2 - 8, 2018	181.27	4,614.33	3,719.86	7,051	151.37	4,423.10	2,670.48	9,029.33	3.953	6.366	7.18	8.12
Weekly Change (%)	-0.4%	0.5%	-1.5%	0.9%	-53.7%	-32.9%	-0.4%	-22.6%	0.14*	0.08*	0.04*	0.00*
Weekly Change (%)	4563572.3%	-87150137.1%	25787490.5%	-13895793.8%	5931.3%	219826.6%	67675897.3%	685138.8%	0.14*	0.08*	0.04*	0.00*

* Percentage points

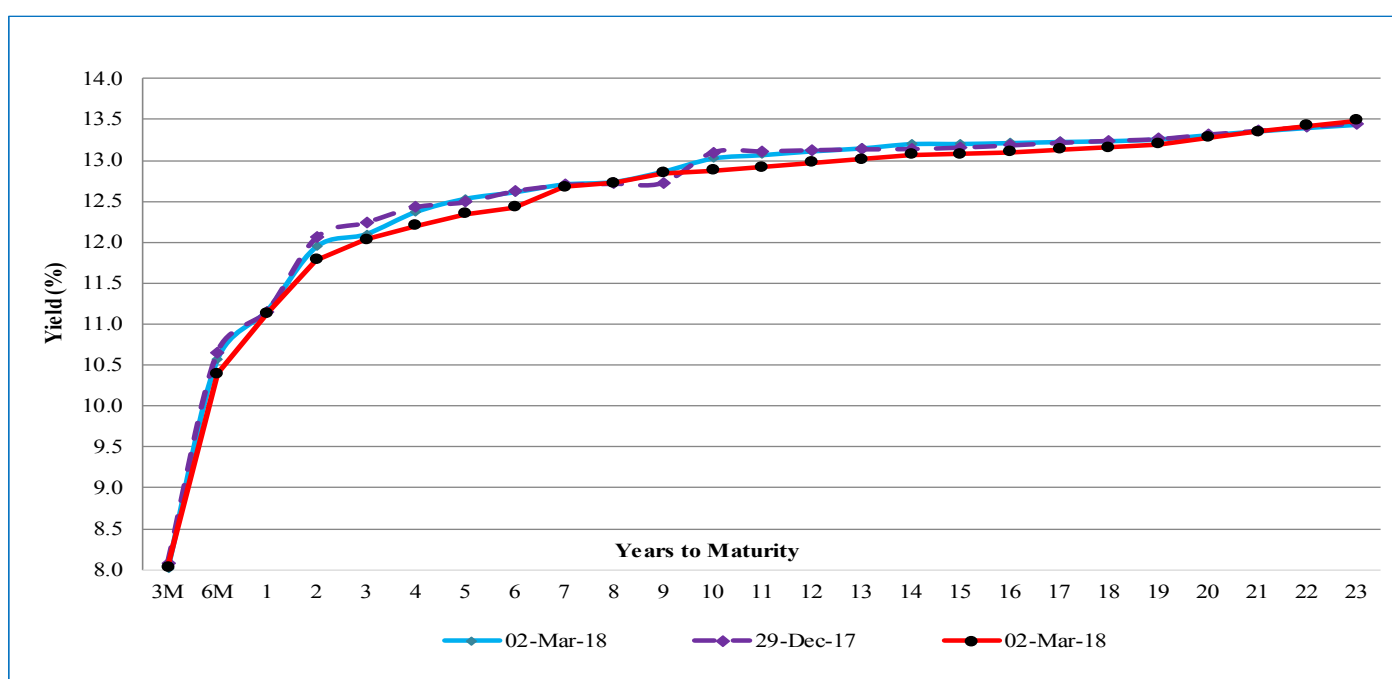
Source: Central Bank of Kenya

Table 4: Performance of Treasury Bonds

Date of Auction	28-Dec-17		25-Jan-18	01-Feb-18	21-Feb-18		01-Mar-18	
Tenor	TAP FXD1/2008/15	TAP FXD1/2017/10	IFB 1/2018/15	IFB 1/2018/15	FXD1/2010/15	FXD2/2013/15	TAP FXD1/2010/15	TAP FXD2/2013/15
Amount offered (Ksh M)	20,000.0		40,000.0	35,000.0	40,000.0		27,000.0	
Bids received (Ksh M)	2,683.6	5,138.9	55,756.5	36,231.2	24,141.6		3,819.4	
Amount Accepted (Ksh M)	2,683.6	5,138.9	5,041.5	36,207.2	4,444.2	8,761.0	318.0	3,501.4
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average interest Rate (%)	13.087	13.087	12.505	12.505	12.676	12.906	12.676	12.906

Source: Central Bank of Kenya

Chart 1: Kenya Government Securities Yield Curve



Source: Central Bank of Kenya

Source: Central Bank of Kenya

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

	24-Nov-17	22-Dec-17	29-Dec-17	26-Jan-18	09-Feb-18	16-Feb-18	23-Feb-18	02-Mar-18
Banking Institutions	54.7	54.3	54.6	54.9	54.6	55.0	55.3	55.4
Insurance Companies	6.3	6.4	6.4	6.4	6.3	6.3	6.3	6.3
Parastatals	7.0	6.9	6.9	6.9	6.8	6.8	6.7	6.8
Pension funds	27.6	27.8	27.5	27.5	27.9	27.5	27.2	27.1
Other investors	4.4	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)

	04-Jan-18	11-Jan-18	18-Jan-18	25-Jan-18	01-Feb-18	08-Feb-18	15-Feb-18	22-Feb-18	01-Mar-18	08-Mar-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	7,081	7,044	6,994	7,056	7,074	7,181	7,240	7,235	7,154	7,155
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.74	4.72	4.69	4.72	4.73	4.80	4.84	4.84	4.78	4.78

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya