



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

November 24, 2017

Liquidity in the money market was flat with liquidity injections evenly matching withdrawals during the week ending November 22, 2017.

The capital markets ended the week with strong performance reflecting investor confidence after the Supreme Court ruling on presidential election as indicated by gains across all leading indicators.

Monetary Policy Operations

The money market had balanced liquidity injections and withdrawals during the week ending November 22, 2017. The redemption of government securities and government payments injected a combined total of KSh 61.6 billion in liquidity, but this was partly offset by tax payments and issuance of government securities which resulted in a net liquidity withdrawal of KSh 50.1 billion. The Central Bank Open Market Operations (OMO) had a net liquidity withdrawal of KSh 9.2 billion (**Table 1**).

The commercial banks' excess reserves above 5.25 percent averaging requirement increased to KSh 10.4 billion in the week ending November 22, 2017 from KSh 4.4 billion in the previous week (**Chart 1**). This may be attributable to the fact that banks were accumulating liquidity to meet tax payment obligations that were due on November 20, 2017.

The Interbank Market

The interbank market traded volumes averaging KSh 18.7 billion during the week ending November 22, 2017, a decline from the average of KSh 23.7 billion traded the previous week. The number of deals dropped to an average of 37 from an average of 58 recorded in the previous week. The weighted average interbank rate also declined to 9.04 percent in the week under review, from 9.36 percent in the previous week (**Table 2 and Chart 2**).

Kenya Shilling Exchange Rate

The Kenya Shilling exchange rate remained relatively stable against major international and regional currencies

in the week ending November 23, 2017. The Shilling strengthened against the US Dollar but lost some ground to the Sterling Pound, the Euro and the Japanese Yen. In the EAC region the Kenya Shilling strengthened against the Rwanda Franc, remained unchanged against the Tanzania Shilling and the Burundi Franc and weakened marginally against the Uganda Shilling (**Table 3**).

Equity Market

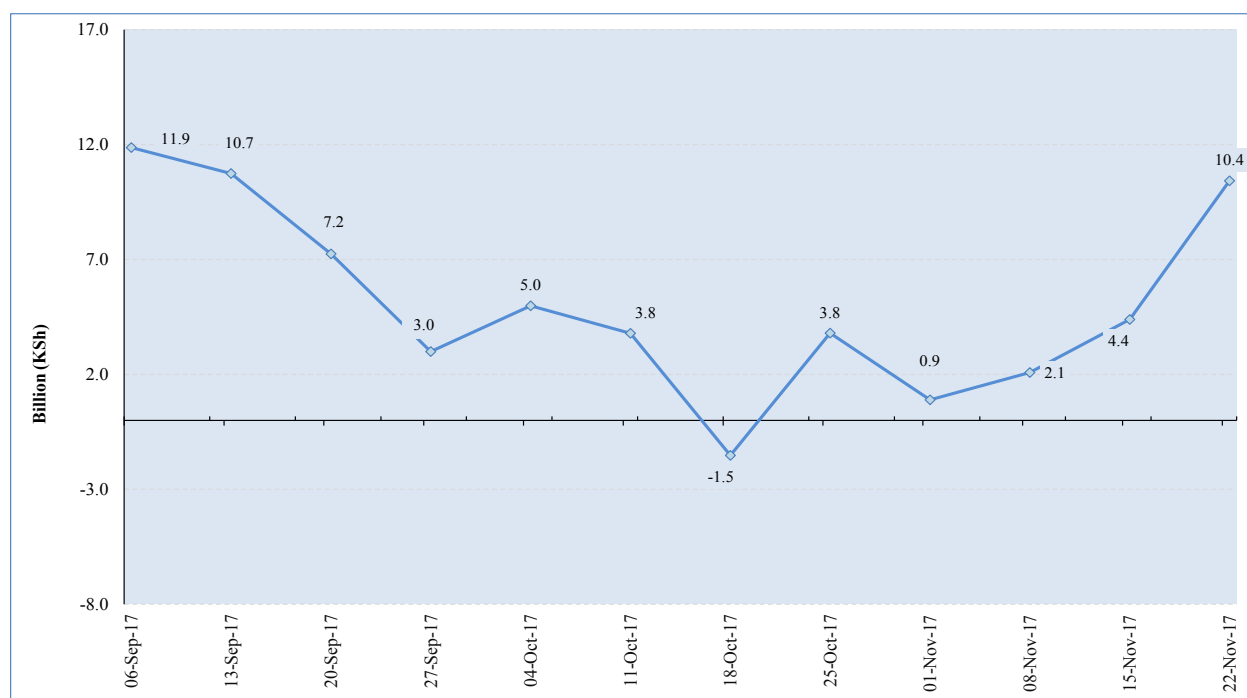
Equities market activity improved across all the leading indicators. Consequently, shareholders' wealth measured by market capitalization grew by KSh 79.35 billion or 3.33 percent by end of the week compared to the week ending November 16, 2017 (**Table 4**).

Bond Market and Eurobond Yields

The volume of bonds traded increased by 0.08 percent in the week ending November 23, 2017 while a 7-year Infrastructure Bond (IFB1/2017/7) auctioned on November 22, 2017 to raise KSh 30 billion, attracted bids worth KSh 45.91 billion or 153.04 percent subscription, a reflection of strong appetite from investors. The yields on Kenya's 5-year and 10-year Eurobonds declined by 0.18 and 0.33 percentage points, respectively, reflecting positive investor perception of the two maturities (**Table 4**).

LIST OF TABLES AND CHARTS

Chart 1: Commercial Banks Excess Reserves



Source: Central Bank of Kenya

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

	16-Nov-17	17-Nov-17	20-Nov-17	21-Nov-17	22-Nov-17	Total
Liquidity Flows						
Total liquidity injection ¹	6.7	4.0	48.3	4.1	1.6	64.6
Repos Maturities	0.0	0.0	0.0	0.0	0.0	0.0
Reverse Repo Purchases	0.0	0.0	2.4	0.7	0.0	3.1
Term Auction Deposit maturities	0.0	0.0	0.0	0.0	0.0	0.0
T/bills redemptions	0.0	0.0	0.0	0.0	0.0	0.0
T/bills rediscounts	0.0	0.0	0.0	0.0	0.0	0.0
T/bonds redemptions	0.0	0.0	27.9	0.0	0.0	27.9
T/bonds Interest	0.0	0.4	9.3	0.0	0.0	9.7
T/bonds rediscounts	0.0	0.0	0.0	0.0	0.0	0.0
Govt payments	6.7	3.5	8.7	3.4	1.6	23.9
Total liquidity reduction ¹	2.1	3.4	29.1	13.1	17.0	64.6
T/bills (Primary issues)	0.0	0.0	17.3	0.0	0.0	17.3
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	0.0	1.1	2.5	5.0	0.0	8.6
Reverse Repos maturities	0.0	0.0	3.0	0.7	0.0	3.7
Term Auction Deposit	0.0	0.0	0.0	0.0	0.0	0.0
Transfer from Banks -Taxes	2.1	2.2	4.7	6.7	17.0	32.8
Net liquidity injection (+)/Withdrawal (-)	4.6	0.6	19.3	-9.0	-15.5	0.0
Open Market Operations Outcome						
Posted Amount	0.0	10.0	15.0	5.0	0.0	30.0
Realised Amount - Mop up	0.0	1.1	2.5	5.0	0.0	8.6
Repo (-)	0.0	1.1	2.5	5.0	0.0	8.6
Term Auction Deposits (-)	0.0	0.0	0.0	0.0	0.0	0.0
Reserve Money Position						
Reserve money (actual)	422.9	422.6	441.9	430.5	414.2	

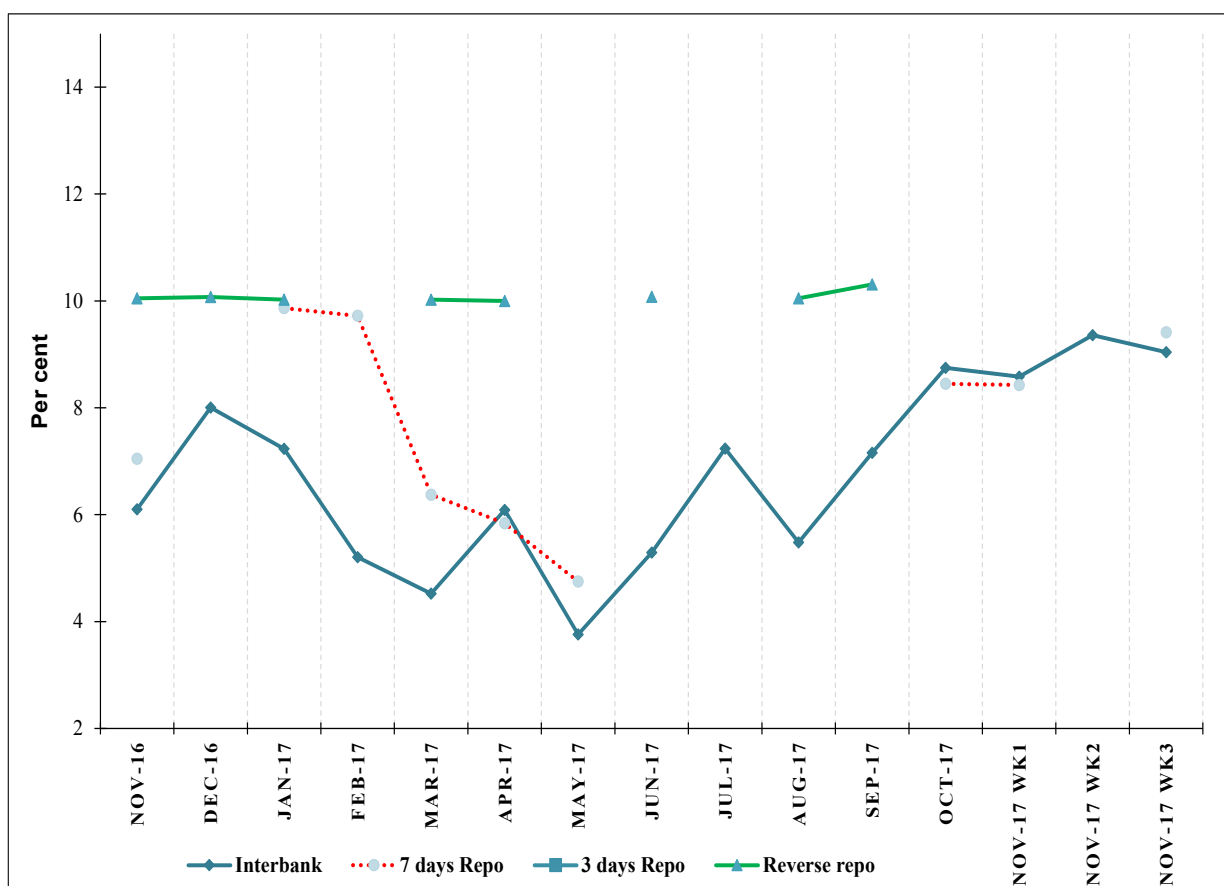
¹ Only main transactions increasing or reducing liquidity are included.

Source: Central Bank of Kenya

Table 2: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)	7 days Average Repo Rate (%)
9-Nov-17	60	25,390	8.94	
10-Nov-17	60	24,975	9.27	
13-Nov-17	58	24,545	9.20	
14-Nov-17	60	22,950	9.72	
15-Nov-17	50	17,995	9.67	
Nov 09-Nov 15 , 2017	58	23,171	9.36	
16-Nov-17	39	12,875	9.43	-
17-Nov-17	39	15,960	9.28	9.39
20-Nov-17	31	20,470	8.89	9.85
21-Nov-17	36	23,330	8.79	9.00
22-Nov-17	41	21,090	8.83	-
Nov 16-Nov 22 , 2017	37	18,745	9.04	9.41

Source: Central Bank of Kenya

Chart 2: 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*
10-Nov-17	103.59	135.79	120.19	91.26	35.12	21.66	8.25	16.92
13-Nov-17	103.58	136.67	120.73	91.42	35.29	21.67	8.08	16.96
14-Nov-17	103.59	135.57	120.77	91.39	35.14	21.66	8.08	16.97
15-Nov-17	103.68	135.84	121.81	91.33	35.06	21.62	8.07	16.95
16-Nov-17	103.74	136.54	122.61	92.00	35.04	21.61	8.24	16.90
10-16 November 2017	103.63	136.08	121.22	91.48	35.13	21.65	8.14	16.94
17-Nov-17	103.69	136.84	122.03	91.96	35.03	21.65	8.24	16.91
20-Nov-17	103.79	136.89	122.40	92.28	35.02	21.59	8.24	16.89
21-Nov-17	103.60	137.19	121.97	92.30	35.08	21.63	8.08	16.98
22-Nov-17	103.37	136.99	121.31	92.03	35.15	21.70	8.27	16.97
23-Nov-17	103.39	137.50	121.76	92.89	35.21	21.68	8.29	16.96
17-23 November 2017	103.57	137.08	121.89	92.29	35.10	21.65	8.23	16.94

* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

Table 4: Key Weekly Market Statistics

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 Eurobond Yield (%)	10-Year Eurobond Yield (%)
10-Nov-17	160.97	4232.01	3752.15	910	17.40	509.08	2,358.39	2,216.07	4.329	6.311
13-Nov-17	160.34	4206.75	3746.69	1088	30.77	805.14	2,349.17	2,172.57	4.407	6.300
14-Nov-17	160.01	4195.62	3719.17	1176	24.06	791.02	2,344.41	1,239.03	4.325	6.299
15-Nov-17	161.64	4234.93	3728.16	1098	20.03	741.28	2,368.30	454.67	4.322	6.242
16-Nov-17	162.50	4245.93	3743.10	1032	19.80	505.78	2,380.88	903.46	4.234	6.104
10-16 Nov 2017	162.50	4245.93	3743.10	5304	112.06	3,352.29	2,380.88	6,985.81	4.234	6.104
17-Nov-17	163.13	4251.32	3730.15	1070	18.81	627.04	2,390.20	1,141.53	4.151	6.070
20-Nov-17	164.82	4296.32	3779.16	1177	16.87	555.50	2,414.91	84.92	4.067	5.979
21-Nov-17	168.27	4378.65	3817.77	1233	27.23	657.05	2,465.66	1,428.64	4.061	5.855
22-Nov-17	172.17	4445.28	3839.46	1732	34.61	1,025.49	2,522.91	2,301.09	3.971	5.787
23-Nov-17	167.90	4380.00	3826.76	1499	34.47	839.29	2,460.23	2,034.94	4.053	5.776
17-23 Nov 2017	167.90	4380.00	3826.76	6711	131.98	3,704.38	2,460.23	6,991.11	4.053	5.776
Weekly Change (%)	3.32	3.16	2.24	26.53	17.78	10.50	3.33	0.08	(0.18)*	(0.33)*

* Percentage points

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

Table 5: Performance of Treasury Bills

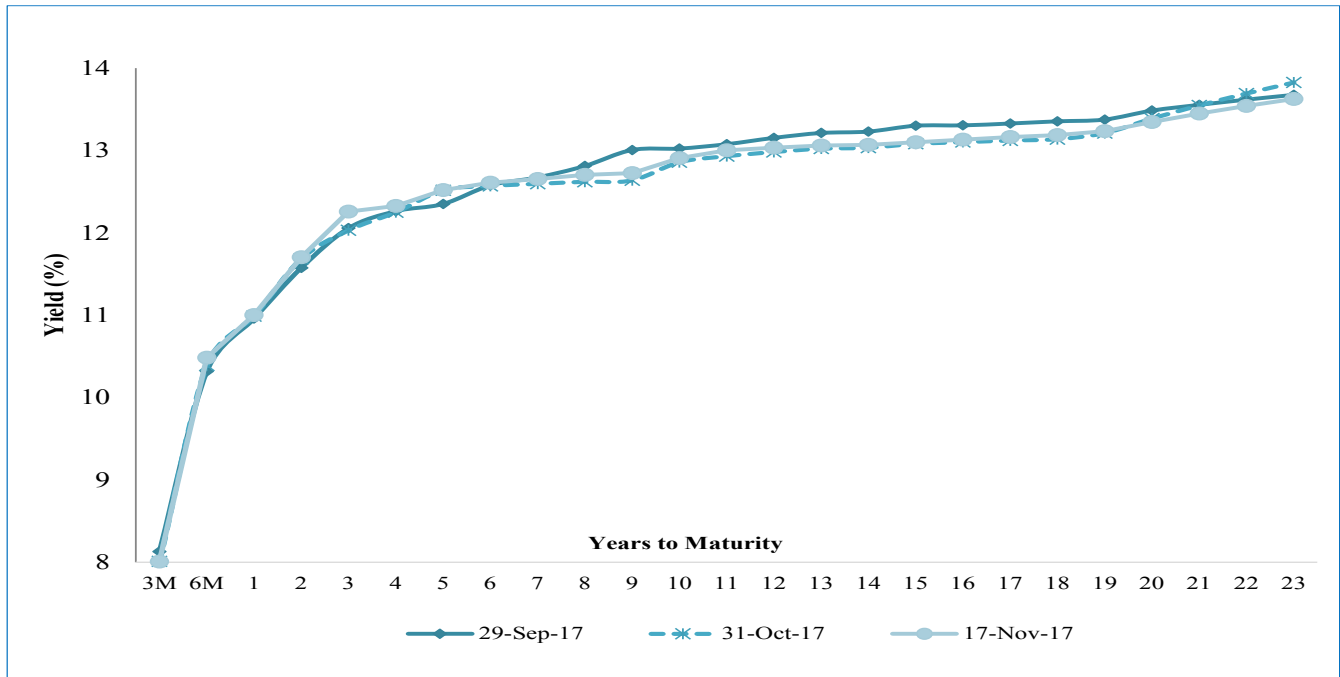
91-Day Treasury Bills								
Date of Auction	27-Jul-17	31-Aug-17	28-Sep-17	19-Oct-17	02-Nov-17	09-Nov-17	16-Nov-17	23-Nov-17
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	964.01	2,773.01	4,023.90	1,672.96	4,375.16	6,851.63	1,766.86	4,337.92
Amount Accepted (Ksh M)	857.46	1,577.59	4,023.90	680.10	3,807.72	6,850.65	1,760.01	4,337.92
Maturities (Ksh M)	11,427.00	3,167.80	2,296.35	2,258.60	1,503.65	1,186.95	3,853.55	4,281.45
Average interest Rate (%) - 91 Days	8.202	8.139	8.130	8.078	8.015	8.015	8.008	8.011
182-Day Treasury Bills								
Date of Auction	27-Jul-17	31-Aug-17	28-Sep-17	19-Oct-17	02-Nov-17	09-Nov-17	16-Nov-17	23-Nov-17
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	4,751.78	14,540.81	5,262.62	4,587.85	4,207.27	5,816.37	9,105.56	4,859.31
Amount Accepted (Ksh M)	4,416.32	11,463.28	5,241.99	3,942.07	4,207.27	5,338.00	9,094.36	4,806.21
Maturities (Ksh M)	2,297.80	22,446.95	0.00	0.00	21,442.35	13,148.30	16,066.95	14,210.90
Average interest Rate (%) - 182 days	10.321	10.316	10.317	10.314	10.433	10.488	10.483	10.481
364-Day Treasury Bills								
Date of Auction	27-Jul-17	31-Aug-17	28-Sep-17	19-Oct-17	02-Nov-17	09-Nov-17	16-Nov-17	23-Nov-17
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	9,780.73	15,343.16	3,448.87	4,948.24	8,141.46	12,787.61	6,556.60	6,654.32
Amount Accepted (Ksh M)	9,366.10	13,019.38	3,448.87	3,747.03	7,952.35	11,671.38	6,475.58	6,167.68
Maturities (Ksh M)	6,827.91	9,843.80	8,085.20	5,223.25	8,809.90	13,066.65	8,010.75	3,582.15
Average interest Rate (%) - 364 days	10.894	10.922	10.958	10.985	10.995	11.000	11.004	11.019

Source: Central Bank of Kenya

Table 6: Performance of Treasury Bonds

Date of Auction	31-Aug-17	28-Sep-17		18-Oct-17	02-Nov-17	22-Nov-17
Tenor	FXD 1/2017/5	TAP SALE FXD 1/2017/2	TAP SALE FXD 1/2017/10	FXD 2/2017/5	FXD 2/2017/5	IFB1/2017/7
Amount offered (Ksh)	13,000.0	13,000.0		30,000.0	16,500.0	30,000.0
Bids received (Ksh M)	17,490.0	11,137.6	635.0	20,076.8	7,253.0	45,910.9
Amount Accepted (Ksh)	17,530.8	11,137.6	635.0	13,504.6	7,253.0	42,020.1
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0
Average interest Rate	12.465	11.619	13.072	12.517	12.517	12.232

Source: Central Bank of Kenya

Chart 3: Kenya Government Securities Yield Curve

Source: Central Bank of Kenya

Table 7: Government Domestic Debt (KSh Billion)

	28-Jul-17	25-Aug-17	29-Sep-17	27-Oct-17	03-Nov-17	10-Nov-17	17-Nov-17
1. Treasury Bills (Excluding Repos)	744.46	727.40	724.80	734.84	735.82	721.17	719.21
(As % of total securities)	35.85	35.20	34.33	34.38	34.41	33.84	33.78
2. Treasury Bonds	1,331.98	1,339.04	1,386.56	1,402.49	1,402.49	1,409.71	1,409.71
(As % of total securities)	64.15	64.80	65.67	65.62	65.59	66.16	66.22
3. Total Securities (1+2)	2,076.43	2,066.44	2,111.36	2,137.33	2,138.31	2,130.89	2,128.92
4. Overdraft at Central Bank	-	13.39	24.72	17.70	17.38	33.19	23.24
5. Other Domestic debt*	35.56	36.71	36.47	40.50	40.51	40.51	32.82
6. Gross Domestic Debt (3+4+5)	2,112.00	2,116.54	2,172.55	2,195.53	2,196.20	2,204.59	2,184.98

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

	30-Jun-17	28-Jul-17	25-Aug-17	29-Sep-17	27-Oct-17	03-Nov-17	10-Nov-17	17-Nov-17
Treasury bills (Excluding Repos)	35.2	35.2	34.4	33.4	33.5	33.5	32.7	32.9
Treasury bonds	63.1	63.1	63.3	63.8	63.9	63.9	63.9	64.5
CBK Overdraft to Govt	0.0	0.0	0.6	1.1	0.8	0.8	1.5	1.1
Other domestic debt	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Kenya

Table 9: Composition of Government Domestic Debt by Holder (In Percent)

	28-Jul-17	25-Aug-17	29-Sep-17	27-Oct-17	03-Nov-17	10-Nov-17	17-Nov-17
Banking Institutions	56.1	55.9	55.9	55.2	55.2	55.3	54.8
Insurance Companies	6.6	6.2	6.2	6.2	6.2	6.2	6.3
Parastatals	6.6	6.5	6.3	6.5	6.5	6.5	6.7
Pension funds	28.0	27.2	27.3	27.8	27.7	27.6	27.7
Other investors	2.7	4.3	4.3	4.4	4.4	4.4	4.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Bank of Kenya

Table 10: Indicators of Total Government Debt

	Jun-15	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Jul-17	Aug-17	Sep-17
Domestic debt (Kshs Bn)	1,420.44	1,815.13	1,854.55	1,930.98	1,944.95	2,111.71	2,123.79	2,135.93	2,176.59
Public & Publicly Guaranteed External debt (US \$ Bn)	14.3	17.8	18.2	18.5	20.4	22.1	22.2	22.4	22.4
Public & Publicly Guaranteed External debt (Ksh Bn)	1,408.61	1,796.20	1,838.42	1,832.45	2,101.39	2,294.40	2,305.54	2,309.78	2,310.20
Total public debt (Ksh Bn)	2,829.06	3,611.33	3,692.97	3,763.43	4,046.35	4,406.11	4,429.33	4,445.71	4,486.79

Source: Central Bank of Kenya & National Treasury

Table 11: Official Foreign Reserves US\$ Million (Usable)

	07-Sep-17	14-Sep-17	21-Sep-17	28-Sep-17	05-Oct-17	12-Oct-17	19-Oct-17	24-Oct-17	31-Oct-17	09-Nov-17	16-Nov-17	23-Nov-17
1. CBK Usable Foreign Exchange Reserves (USD Million)*	7,482	7,545	7,511	7,482	7,412	7,373	7,311	7,214	7,143	7,108	7,111	7,081
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.97	5.01	4.98	4.97	4.92	4.90	4.86	4.79	4.74	4.72	4.72	4.70

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya