



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

July 20, 2018

Interbank Market

Interbank money market activity during the week ending July 18, 2018, remained at the levels witnessed the previous week, partly reflecting the balanced liquidity in the market. Volumes traded ranged from KSh 9.67 billion to KSh 18.85 billion giving an average of KSh 14.97 billion compared with an average of KSh 14.43 billion in the previous week when the volumes traded ranged from KSh 6.89 billion to KSh 20.80 billion. The average number of deals increased from 21 in the week ending July 11, 2018 to 24 in the week ending July 18, 2018 while the weighted average interbank rate decreased to 3.18 percent from 4.66 percent in the previous week (**Table 1**).

Exchange Rate

The Kenya Shilling strengthened against major international currencies during the week ending July 19, 2018. It strengthened against the US Dollar on the back of Dollar inflows from the tea sector as well as from off shore banks. In the EAC region, the Kenya Shilling strengthened marginally against all currencies, except the Uganda Shilling (**Table 2**).

Government Securities Market

During the week ending July 20, 2018, the government securities market maintained good performance, with oversubscriptions recorded in all the tenors of Treasury bills on offer. The auction received bids totaling KSh 49.8 billion against an advertised amount of KSh 24.0 billion, giving a subscription rate of 207.63 percent. The 364-days Treasury bill received the highest subscription rate of 318.08 percent. The interest rates continued to decline with the 364-days Treasury bill rate edging downwards from 10.381 percent on July 12, 2018 to 10.238 percent on July 19, 2018 and the 91- days

Treasury bill rate falling from 7.701 percent to 7.656 percent (**Table 5**).

Equity Market

Activity in the equity market increased during the week ending July 19, 2018, with investors taking advantage of increase in share prices. The NASI, NSE 25 and NSE 20 share indices rose by 1.31 percent, 1.3 percent and 0.03 percent, respectively in the period under review. Compared to the previous week, the total shares traded increased by 12.35 percent. As a result of increase in share prices and increased shares traded, the shareholders' wealth, as measured by market capitalisation, increased from KSh 2,540 billion to KSh 2,573 billion, a 1.31 percent increase (**Table 3**).

Bond Market

The secondary bond market recorded subdued performance as indicated by a 10.68 percent decrease in bond turnover despite an increase in the number of deals traded from 226 in the previous week to 262 in the week ending July 19, 2018 (**Table 3**).

The yields on Kenya's 5-year, 10-year (2028) and 20-year Eurobonds increased marginally during the week ending July 19, 2018, reflecting the general trend in the international bond market. However, yields on Kenya's 10-year Eurobond maturing in 2024 declined, just like the other African countries' 10-year Eurobonds (**Chart 1**).

Table 1: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
5-Jul-18	34	20,800	5.45
6-Jul-18	24	17,600	4.86
9-Jul-18	18	11,500	4.70
10-Jul-18	13	6,895	4.51
11-Jul-18	16	15,350	3.77
July 5 - 11	21	14,429	4.66
12-Jul-18	17	9,675	3.30
13-Jul-18	18	11,050	2.78
16-Jul-18	25	18,850	3.11
17-Jul-18	32	17,475	3.31
18-Jul-18	29	17,785	3.42
July 12 - 18, 2018	24	14,967	3.18

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*
6-Jul-18	100.76	133.20	117.88	91.09	38.16	22.56	8.67	17.50
9-Jul-18	100.81	133.74	118.56	91.24	37.99	22.56	8.67	17.49
10-Jul-18	100.89	134.64	118.78	91.23	37.76	22.55	8.66	17.47
11-Jul-18	100.91	133.91	118.20	90.71	37.66	22.53	8.66	17.47
12-Jul-18	100.79	133.75	118.42	90.65	37.31	22.56	8.67	17.49
July, 6 - 12, 2018	100.83	133.85	118.37	90.98	37.78	22.55	8.67	17.48
13-Jul-18	100.79	133.30	117.70	89.64	37.20	22.56	8.67	17.49
16-Jul-18	100.66	132.58	117.20	89.45	36.91	22.60	8.69	17.51
17-Jul-18	100.39	133.08	117.55	89.35	36.80	22.67	8.71	17.56
18-Jul-18	100.62	131.66	117.00	88.96	37.22	22.64	8.69	17.52
19-Jul-18	100.63	131.66	117.02	89.25	37.16	22.65	8.69	17.52
July, 13 - 19, 2018	100.62	132.46	117.29	89.33	37.06	22.62	8.69	17.52

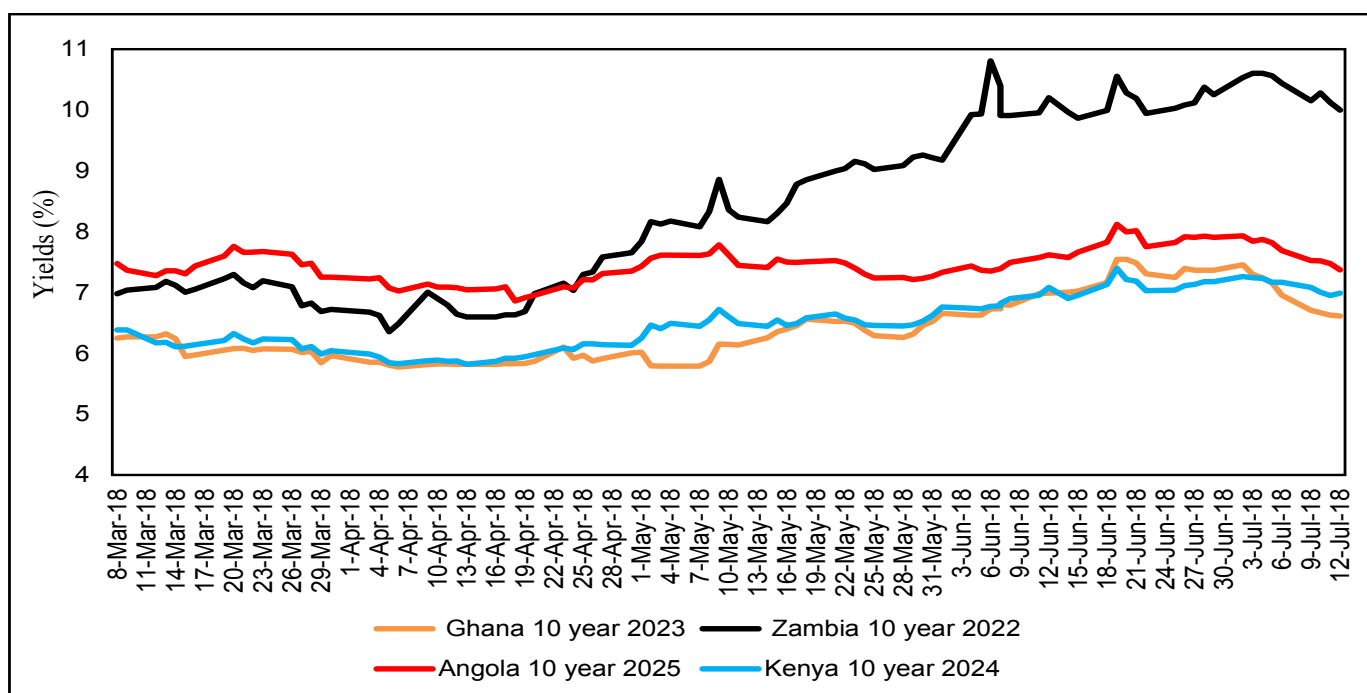
Source :Central Bank of Kenya

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 (%)
06-Jul-18	172.95	4441.07	3314.43	970	9.61	294.15	2,556.16	2,085.94	4.923	7.167	7.702	8.742
09-Jul-18	173.92	4441.07	3304.5	1,100	13.03	394.34	2,570.54	2,286.77	4.624	7.083	7.492	8.566
10-Jul-18	174.16	4482.87	3302.3	1,183	14.85	514.82	2,574.03	2,076.97	4.648	7.004	7.488	8.571
11-Jul-18	172.23	4428.52	3308.67	1,090	17.26	525.57	2,545.49	1,854.13	4.915	6.952	7.477	8.552
12-Jul-18	171.86	4415.87	3302.17	873	12.22	338.47	2,539.95	2,945.40	4.442	6.988	7.447	8.561
6 July - 12 July, 2018	171.86	4415.87	3302.17	5,216	66.97	2,067	2,539.95	11,249	4.442	6.988	7.447	8.561
13-Jul-18	171.27	4409.63	3334.21	1,032	9.99	199.97	2,531.19	2,276.06	4.492	6.843	7.396	8.509
16-Jul-18	171.06	4406	3326.76	1,247	23.56	601.45	2,528.08	2,047.30	4.625	6.853	7.451	8.540
17-Jul-18	172.22	4413.31	3290.4	1,467	13.17	418.19	2,543.23	1,500.43	4.759	6.952	7.537	8.590
18-Jul-18	173.14	4440.42	3285.27	1,125	12.10	332.89	2,558.89	2,962.94	4.618	6.952	7.545	8.612
19-Jul-18	174.11	4473.25	3303.22	1,157	16.43	427.76	2,573.34	1,260.54	4.606	6.957	7.545	8.612
13 - 19 July, 2018	174.11	4473.25	3303.22	6,028	75.25	1,980	2,573.34	10,047	4.606	6.957	7.545	8.612
Weekly Change (%)	1.31	1.30	0.03	15.57	12.35	-4.21	1.31	-10.68	0.16*	-0.03*	0.10*	0.05*

* Percentage points

Source: Central Bank of Kenya, NSE and Reuters

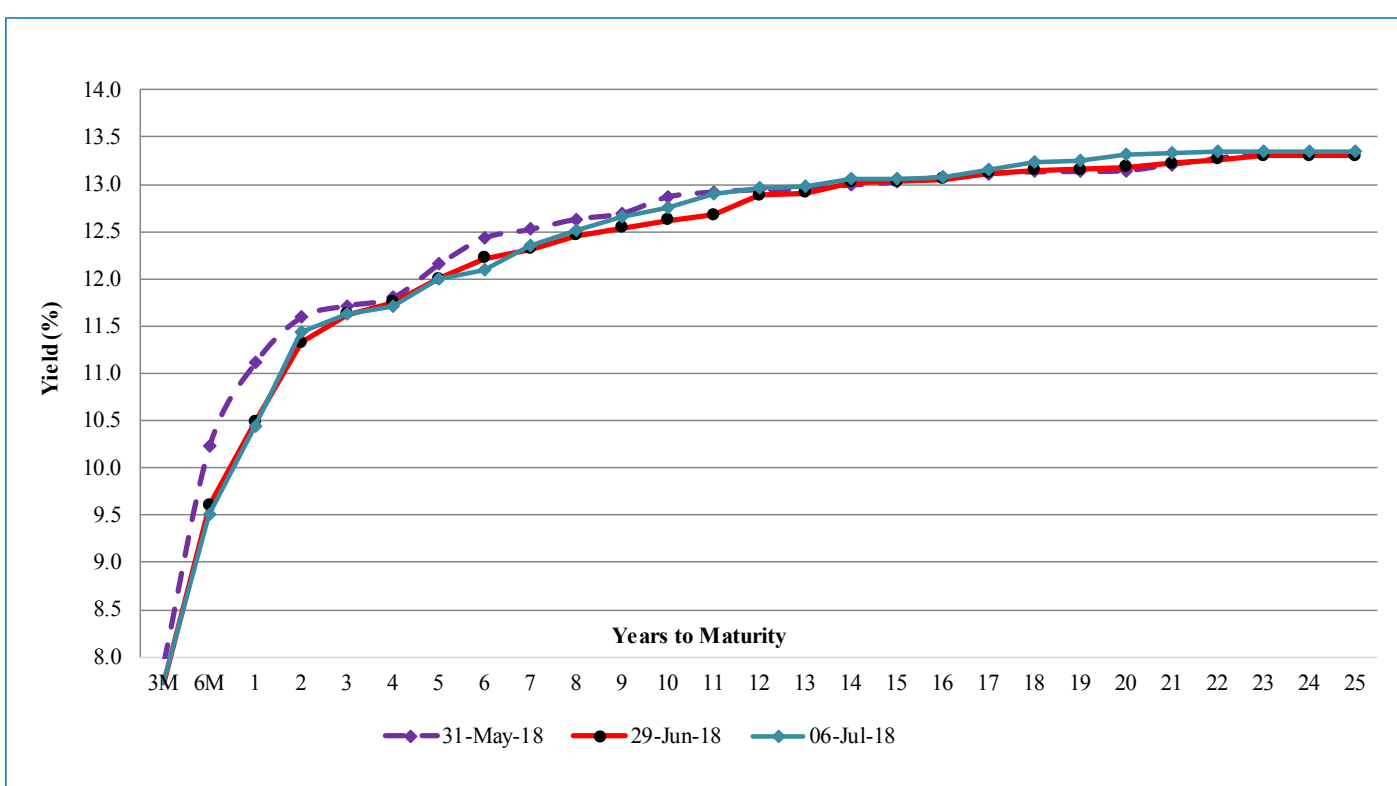
Chart 1: Yields on 10 year Eurobonds in Selected African Countries

Source: Thompson Reuters

Table 4: Performance of Treasury Bonds Auctions

Date of Auction	28-Dec-17		28-Mar-18		25-Apr-18		23-May-18	20-Jun-18
	TAP FXD1/2008/15	TAP FXD1/2017/10	TAP FXD 1/2018/5	TAP FXD 1/2018/20	REOPEN 1/2008/15	FXD	REOPEN FXD 1/2018/20	FXD1/2018/15
Amount offered (Ksh M)	20,000.0		8,500.0		40,000.0		40,000.0	40,000.0
Bids received (Ksh M)	2,683.6	5,138.9	7,739.2	7,769.3	22,864.2	9,904.2	20,217.0	10,130.7
Amount Accepted (Ksh M)	2,683.6	5,138.9	7,739.2	7,769.3	20,152.6	6,786.1	12,863.5	5,171.8
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26,340.1
Average interest Rate (%)	12.581	13.087	12.299	13.336	12.317	13.327	13.078	13.451

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	28-Jun-18	05-Jul-18	12-Jul-18	19-Jul-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	4,597.83	749.02	2,441.96	4,235.41
Amount Accepted (Ksh M)	3,616.61	744.76	2,441.57	4,235.41
Maturities (Ksh M)	1,791.50	2,989.95	1,765.80	2,122.25
Average interest Rate (%) - 91 Days	7.733	7.725	7.701	7.656

182-Day Treasury Bills

Date of Auction	28-Jun-18	05-Jul-18	12-Jul-18	19-Jul-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	5,754.39	7,709.13	12,362.65	13,789.37
Amount Accepted (Ksh M)	5,746.90	2,935.27	10,013.90	10,215.72
Maturities (Ksh M)	7,964.00	10,207.35	10,962.80	7,604.50
Average interest Rate (%) - 182 days	9.607	9.499	9.322	9.194

364-Day Treasury Bills

Date of Auction	28-Jun-18	05-Jul-18	12-Jul-18	19-Jul-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	19,891.37	26,589.09	37,728.67	31,807.50
Amount Accepted (Ksh M)	17,410.65	21,125.96	19,583.17	21,337.25
Maturities (Ksh M)	5,601.20	6,364.60	1,693.30	1,338.30
Average interest Rate (%) - 364 days	10.488	10.442	10.381	10.238

Source: Central Bank of Kenya

Table 6: Government Domestic Debt (Ksh Billion)

	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	06-Jul-18	13-Jul-18
1. Treasury Bills (Excluding Repos)	754.54	772.70	782.94	838.73	878.62	892.13	899.68
(As % of total securities)	33.80	33.59	33.95	35.36	36.75	37.11	37.31
2. Treasury Bonds	1,477.96	1,527.84	1,523.18	1,533.06	1,511.87	1,511.87	1,511.87
(As % of total securities)	66.20	66.41	66.05	64.64	63.25	62.89	62.69
3. Total Securities (1+2)	2,232.50	2,300.54	2,306.11	2,371.79	2,390.49	2,404.00	2,411.55
4. Overdraft at Central Bank	42.09	39.65	44.03	44.35	56.85	56.85	36.56
5. Other Domestic debt*	31.45	31.46	31.50	31.48	31.44	31.43	31.68
6. Gross Domestic Debt (3+4+5)	2,306.05	2,371.65	2,381.63	2,447.62	2,478.78	2,492.28	2,479.78

* 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)

	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	06-Jul-18	13-Jul-18
Treasury bills (Excluding Repos)	32.7	32.6	32.9	34.3	35.4	35.8	36.3
Treasury bonds	64.1	64.4	64.0	62.6	61.0	60.7	61.0
CBK Overdraft to Govt	1.8	1.7	1.8	1.8	2.3	2.3	1.5
Other domestic debt	1.4	1.3	1.3	1.3	1.3	1.3	1.3
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)

	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	29-Jun-18	06-Jul-18	13-Jul-18
Banking Institutions	55.3	55.3	55.0	55.3	55.2	55.2	55.1
Insurance Companies	6.3	6.4	6.3	6.4	6.2	6.2	6.2
Parastatals	6.7	6.8	7.0	6.9	7.0	7.1	7.1
Pension funds	27.2	27.1	27.3	26.9	27.1	27.0	27.1
Other investors	4.5	4.5	4.5	4.4	4.4	4.4	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

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

Source: National Treasury and Central Bank of Kenya

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

	14-Jun-18	21-Jun-18	28-Jun-18	05-Jul-18	12-Jul-18	19-Jul-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,990	8,958	8,668	8,857	8,857	8,866
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	6.01	5.99	5.80	5.92	5.92	5.92

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya