



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

May 18, 2018

Interbank Market

Trading in the interbank market slowed during the week ending May 16, 2018 largely due to reduced pressure for liquidity by banks following the conclusion of monthly CRR cycle on May 14, 2018. The volumes traded decreased to an average of KSh 12.7 billion from KSh 15.5 billion in the previous week and the number of deals also decreased to an average of 26 compared to an average of 33 the previous week. As a result of lower participation especially by the small banks, the weighted average interbank rate eased to 4.38 percent from 4.96 percent the previous week (**Table 1**).

Exchange Rate

The Kenya Shilling remained steady during the week ending May 17, 2018. It strengthened against the Pound Sterling, the Euro and the Japanese Yen but weakened marginally against the US Dollar. The slight weakening of the Kenya Shilling against the US Dollar was occasioned by increased Dollar demand from corporates seeking to pay foreign investor dividends. In the EAC, the Kenya Shilling strengthened against the Uganda Shilling and the Burundi Franc, was unchanged against the Tanzania Shilling but depreciated against the Rwanda Franc (**Table 2**).

Equity Market

Trading activity in the equities market declined during the week ending May 17, 2018, with total shares traded falling by 51.21 percent and equity turnover dropping by 32.40 percent. While the NASI showed minimal gains of 0.29 percent, the NSE 20 and NSE 25 Share indices lost 3.22 percent and 0.69 percent, respectively. Shareholders' wealth, as measured by market capitalization, showed marginal gains of 0.29 percent, on account of the

slight gains in share prices during the week ending May 17, 2018 (**Table 3**).

Bond Market

Turnover in the local bond market declined by 10.98 percent in the week ending May 17, 2018. This may be attributed to the opening of the Fifteen Year Fixed Coupon Treasury Bond Issue No. FXD 1/2018/15, which is on sale from May 9 to 22, 2018.

In the international bond market, there were marginal changes in the yields on Kenya's Eurobonds. The yields on Kenya's 5-year and 30-year Eurobonds rose marginally, while those on the 10-year Eurobonds (2024 and 2028) decreased slightly during the week

Government Securities

The primary market for government securities maintained good performance during the week ending May 18, 2018. The bids for Treasury bills increased during the week registering a subscription of 183.10 percent. The subscriptions have been increasing for four straight weeks from 106.12 percent on April 26, 2018 to 136.83 percent in the subsequent week and 165.65 percent on May 10, 2018. The auction of May 17, 2018 received bids totaling KSh 43.94 billion against an advertised amount of KSh 24.0 billion. The most preferred instrument in the market remained the 364 day Treasury bill which recorded a subscription of 327.78 percent. Furthermore, the interest rates on the three Treasury bills edged downwards during the May 17, 2018 auction.

Table 1: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
3-May-18	28	13,250	4.91
4-May-18	35	17,305	5.09
7-May-18	37	17,630	5.22
8-May-18	38	16,020	4.90
9-May-18	29	13,445	4.68
May 3 - 9, 2018	33	15,530	4.96
10-May-18	28	16,370	4.22
11-May-18	27	15,700	3.86
14-May-18	27	16,800	3.69
15-May-18	23	5,900	4.85
16-May-18	25	8,950	5.29
May 10 - 16, 2018	26	12,744	4.38

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*
4-May-18	100.22	136.18	120.03	91.70	37.04	22.77	8.66	17.58
7-May-18	100.26	135.69	119.80	91.85	37.03	22.77	8.66	17.57
8-May-18	100.29	135.86	119.72	91.70	37.02	22.75	8.65	17.57
9-May-18	100.46	135.70	119.11	91.98	36.95	22.71	8.65	17.54
10-May-18	100.60	136.64	119.40	91.69	36.91	22.68	8.64	17.51
4 - 10 May 2018	100.37	136.01	119.61	91.79	36.99	22.73	8.65	17.55
11-May-18	100.44	135.80	119.64	91.66	36.99	22.72	8.65	17.54
14-May-18	100.43	136.31	120.07	91.96	37.03	22.73	8.65	17.54
15-May-18	100.27	136.32	120.25	91.57	37.03	22.75	8.53	17.71
16-May-18	100.45	135.26	118.85	91.03	36.99	22.72	8.65	17.54
17-May-18	100.43	135.57	118.48	91.10	36.97	22.72	8.52	17.54
11 - 17 May 2018	100.40	135.85	119.46	91.46	37.00	22.73	8.60	17.58

* Units of currency per Kenya Shilling

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 (%)
27 Apr-3 May, 2018	174.96	4610.41	3662.98	5,483	113.81	3,519.51	2,577.26	4,530.69	4.72	6.41	7.10	8.15
04-May-18	179.36	4,689.24	3,699.78	1,439.00	51.04	1,517.36	2,642.29	3,659.27	4.72	6.49	7.13	8.16
07-May-18	179.25	4,680.07	3,671.28	1,368.00	31.88	845.20	2,640.67	1,555.06	4.72	6.44	7.12	8.16
08-May-18	178.74	4,681.67	3,658.91	1,230.00	21.43	667.70	2,633.02	2,529.96	4.83	6.55	7.15	8.20
09-May-18	181.18	4,732.43	3,665.63	1,384.00	76.94	1,656.56	2,661.93	2,770.58	4.99	6.72	7.30	8.32
10-May-18	178.25	4,683.01	3,636.76	1,603.00	23.54	752.86	2,625.79	3,165.33	4.84	6.64	7.14	8.13
4 May-10 May, 2018	178.25	4683.01	3636.76	7,024	204.83	5,439.68	2,625.79	13,680.19	4.84	6.64	7.14	8.13
11-May-18	176.74	4,651.04	3,602.33	1,280.00	18.48	873.22	2,603.62	3,072.66	4.82	6.49	7.01	8.04
14-May-18	175.34	4,632.24	3,582.36	1,366.00	13.18	468.46	2,582.84	3,150.05	4.70	6.48	6.96	7.98
15-May-18	174.87	4,614.38	3,560.73	1,624.00	37.04	1,257.89	2,575.95	2,206.98	4.93	6.55	7.03	8.11
16-May-18	177.62	4,642.25	3,533.07	1,101.00	14.70	518.48	2,616.50	1,340.83	4.92	6.53	7.01	8.07
17-May-18	178.76	4,650.64	3,519.78	1,269.00	16.53	559.25	2,633.33	2,407.57	4.92	6.55	7.01	8.15
11May-17 May, 2018	178.76	4650.64	3519.78	6,640	99.93	3,677.29	2,633.33	12,178.10	4.92	6.55	7.01	8.15
Weekly Change (%)	0.29	-0.69	-3.22	-5.47	-51.21	-32.40	0.29	-10.98	0.08*	(0.09)*	(0.14)*	0.02*

* Percentage points

Source: Central Bank of Kenya, NSE and Reuters

Table 4: Performance of Treasury Bonds

Date of Auction	01-Mar-18		21-Mar-18		28-Mar-18		25-Apr-18	
Tenor	TAP FXD1/2010/15	TAP FXD2/2013/15	FXD1/2018/5	FXD1/2018/20	TAP FXD 1/2018/5	TAP FXD 1/2018/20	REOPEN FXD 1/2008/15	REOPEN FXD 1/2018/20
Amount offered (Ksh M)	27,000.0		40,000.0		8,500.0		40,000.0	
Bids received (Ksh M)	318.0	3,501.4	37,645.9	13,738.8	7,739.2	7,769.3	22,864.2	9,904.2
Amount Accepted (Ksh M)	318.0	3,501.4	23,065.3	8,491.0	7,739.2	7,769.3	20,152.6	6,786.1
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average interest Rate (%)	12.676	12.906	12.299	13.336	12.299	13.336	12.317	13.327

Source: Central Bank of Kenya

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

Date of Auction	26-Apr-18	03-May-18	10-May-18	17-May-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	1,069.85	4,914.98	4,831.47	3,309.55
Amount Accepted (Ksh M)	1,036.04	3,934.58	4,746.57	2,936.99
Maturities (Ksh M)	3,936.00	5,829.15	2,074.55	4,363.25
Average interest Rate (%) - 91 Days	8.000	7.974	7.967	7.950

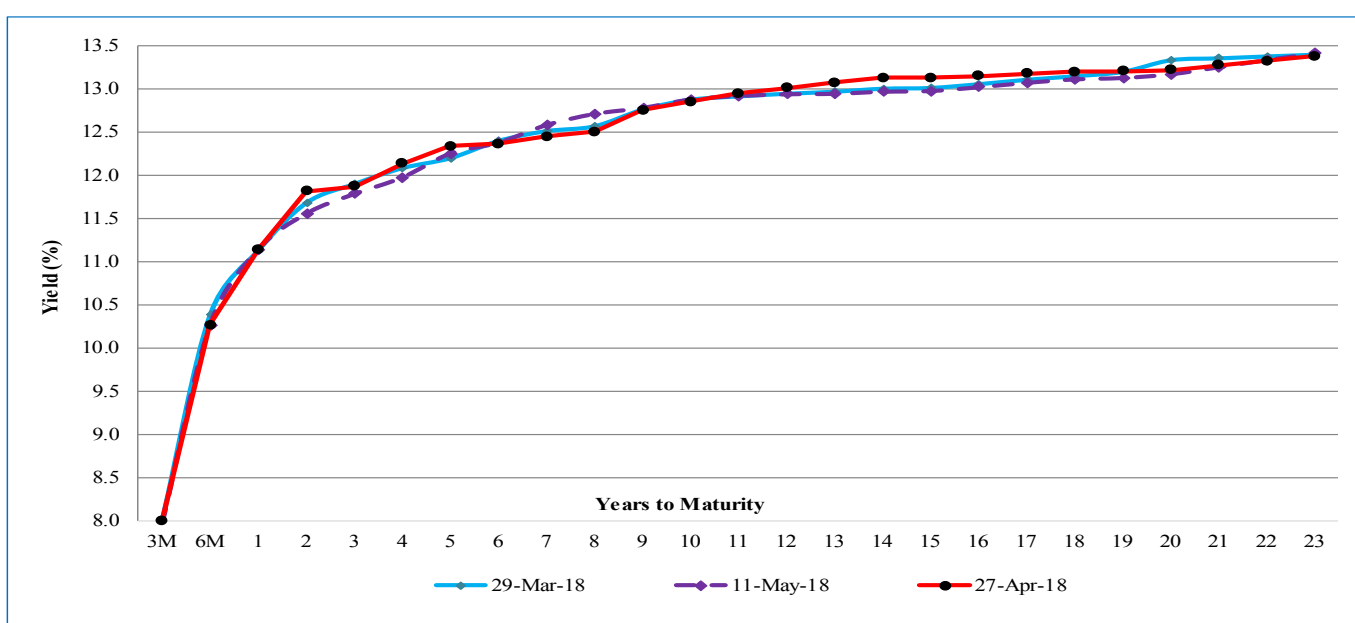
182-Day Treasury Bills

Date of Auction	26-Apr-18	03-May-18	10-May-18	17-May-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	11,556.79	12,417.06	15,080.22	7,856.79
Amount Accepted (Ksh M)	9,369.59	8,134.53	12,495.55	4,366.81
Maturities (Ksh M)	1,425.20	4,414.10	5,542.05	9,537.35
Average interest Rate (%) - 182 days	10.268	10.269	10.265	10.257

364-Day Treasury Bills

Date of Auction	26-Apr-18	03-May-18	10-May-18	17-May-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	12,843.13	15,507.04	19,843.20	32,778.14
Amount Accepted (Ksh M)	9,124.17	14,561.47	19,020.24	23,306.84
Maturities (Ksh M)	8,849.45	9,842.95	11,696.00	16,425.40
Average interest Rate (%) - 364 days	11.143	11.145	11.141	11.127

Source: Central Bank of Kenya

Chart 1: Kenya Government Securities Yield Curve

Source: Central Bank of Kenya and NSE

Table 6: Government Domestic Debt (Ksh Billion)

	29-Dec-17	26-Jan-18	23-Feb-18	29-Mar-18	27-Apr-18	04-May-18	11-May-18
1. Treasury Bills (Excluding Repos)	684.72	711.31	754.54	772.70	782.94	789.68	798.32
(As % of total securities)	31.91	32.93	33.80	33.59	33.95	33.75	33.99
2. Treasury Bonds	1,461.25	1,448.96	1,477.96	1,527.84	1,523.18	1,550.05	1,550.05
(As % of total securities)	68.09	67.07	66.20	66.41	66.05	66.25	66.01
3. Total Securities (1+2)	2,145.97	2,160.26	2,232.50	2,300.54	2,306.11	2,339.74	2,348.38
4. Overdraft at Central Bank	42.32	46.54	42.09	39.65	44.03	44.03	23.78
5. Other Domestic debt*	32.58	32.07	31.45	31.46	31.50	31.46	31.46
6. Gross Domestic Debt (3+4+5)	2,220.87	2,238.88	2,306.05	2,371.65	2,381.63	2,415.22	2,403.62

* 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)

	29-Dec-17	26-Jan-18	23-Feb-18	29-Mar-18	27-Apr-18	04-May-18	11-May-18
Treasury bills (Excluding Repos)	30.8	31.8	32.7	32.6	32.9	32.7	33.2
Treasury bonds	65.8	64.7	64.1	64.4	64.0	64.2	64.5
CBK Overdraft to Govt	1.9	2.1	1.8	1.7	1.8	1.8	1.0
Other domestic debt	1.5	1.4	1.4	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)

	29-Dec-17	26-Jan-18	23-Feb-18	29-Mar-18	27-Apr-18	04-May-18	11-May-18
Banking Institutions	54.6	54.9	55.3	55.3	55.0	55.0	54.7
Insurance Companies	6.4	6.4	6.3	6.4	6.3	6.3	6.4
Parastatals	6.9	6.9	6.7	6.8	7.0	6.9	6.9
Pension funds	27.5	27.5	27.2	27.1	27.3	27.3	27.4
Other investors	4.5	4.5	4.5	4.5	4.5	4.5	4.6
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 (Kshs Bn)	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 \$ Bn)	20.4	22.1	22.4	22.8	23.2	25.2	24.9
Public & Publicly Guaranteed External debt (Ksh Bn)	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 Bn)	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 Reserves US\$ Million (Usable)

	12-Apr-18	19-Apr-18	26-Apr-18	03-May-18	10-May-18	17-May-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,833	9,495	9,509	9,142	9,129	9,135
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	5.90	6.35	6.36	6.17	6.10	6.17

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya