



Central Bank of Kenya

# Weekly Statistical Bulletin

## Key Monetary and Financial Indicators

June 29, 2018

### Inflation

The overall inflation increased marginally in June 2018 but remained below the mid-point of the Government medium term target of 5 percent. It increased to 4.3 percent in June from 4.0 percent in May 2018 mainly on account of domestic energy prices and a few food items whose prices increased.

The non-food non-fuel inflation declined to 3.6 percent in June 2018 from 3.9 percent in April 2018 reflecting low demand pressures in the economy (**Chart 1**).

### Interbank Market

The interbank money market experienced tight liquidity during the week ending June 27, 2018 due to remittance of Value Added Taxes and quarterly corporate taxes through commercial banks. Consequently, the average volumes traded increased to KSh 19.9 billion compared with KSh 14.1 billion in the previous week. The number of deals also increased to an average of 42 from an average of 29 in the week ending June 20, 2018. The weighted average interbank rate increased to 6.17 percent from 4.05 percent in the previous week (**Table 1**).

### Exchange Rate

The Kenya Shilling strengthened against the US Dollar and the Sterling Pound but weakened marginally against the Japanese Yen and the Euro during the week ending June 28, 2018. In the EAC region the Kenya Shilling strengthened against all the currencies (**Table 2**).

### Remittance Inflows

Remittance inflows to Kenya increased by 16.9 percent to USD 254 million in May 2018 from USD 217 million in April 2018. The improved performance continues to reflect increased uptake of financial products by the Diaspora and new partnerships between commercial banks and international money remittance providers. Inflows in May 2018 were much higher than in May 2017. The 12-month average inflows to May 2018 also sustained an upward trend to USD 193.9 million from USD 145.9 million over the same period in 2017 (**Chart 2**).

### Equity Market

The equity market recorded improved performance on prices but reduced performance on the supply of shares during the week ending June 28, 2018. The NASI, NSE 25 share price index and market capitalization increased while the NSE 20 Share index, equity turnover, volume and deals of shares traded declined. This mixed performance reflects investors' portfolio readjustments factoring in global and domestic dynamics in the market (**Table 3**).

### Bond Market

The volume of bonds traded declined further by 22.05 percent in the week ending June 28, 2018, compared to the previous week. The bond turnover declined from KSh 14.66 billion in the week ending June 20, 2018 to KSh 11.42 billion during the week ending June 28, 2018 (**Table 3**).

The yields on Kenya's 5-year and 10-year (2024)

Eurobonds reduced, while those on 10-year (2028) and 20-year Eurobonds increased during the week ending June 28, 2018. In comparison with select African countries, yields on Kenya's 10 year Eurobond remained lower and maintained stability during the week despite the USA raising its policy rate that led to tighter financial conditions for developed countries in the week ending June 20, 2018 (**Chart 3**).

**Table 1: Interbank Deals, Volumes and Interest Rates**

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
14-Jun-18	26	11,850	3.75
18-Jun-18	31	17,950	4.05
19-Jun-18	31	16,700	3.92
20-Jun-18	26	9,850	4.48
<b>June 14 - 20, 2018</b>	<b>29</b>	<b>14,088</b>	<b>4.05</b>
21-Jun-18	33	12,950	4.95
22-Jun-18	37	12,200	6.18
25-Jun-18	42	19,310	6.40
26-Jun-18	46	26,580	6.66
27-Jun-18	51	28,775	6.68
<b>June 21 - 27, 2018</b>	<b>42</b>	<b>19,963</b>	<b>6.17</b>

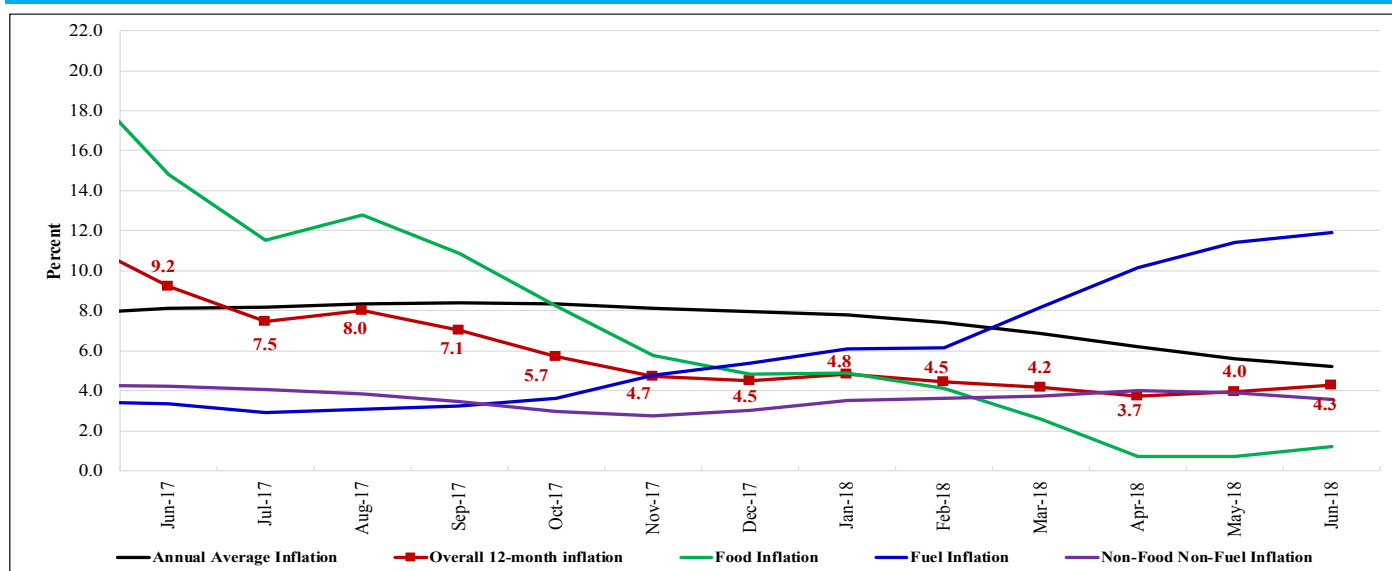
Source: Central Bank of Kenya

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

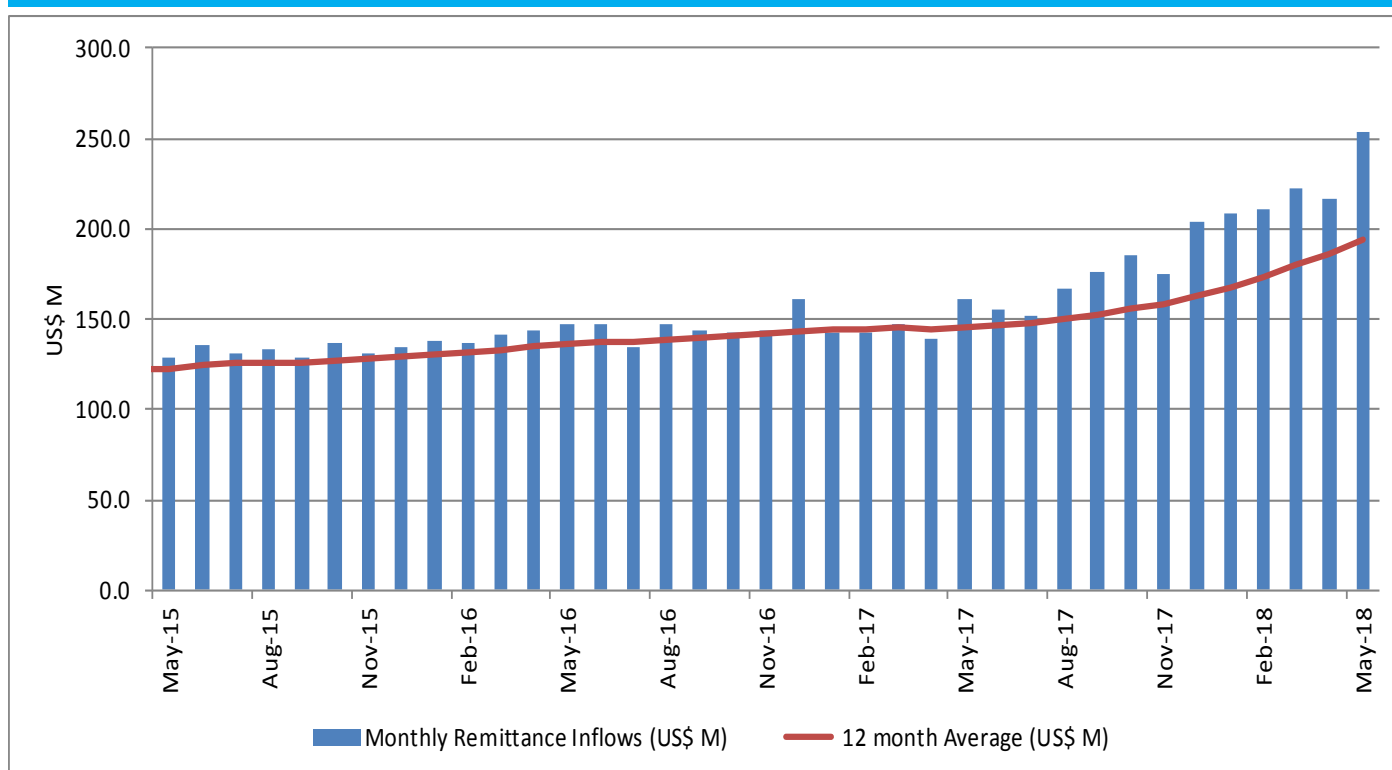
	USD	Sterling Pound	Euro	100 Japanese Yen	USHS*	TSHS*	RWF*	BIF*
18-Jun-18	101.11	134.83	118.10	91.68	38.00	22.50	8.49	17.43
19-Jun-18	101.13	133.83	117.31	91.54	38.12	22.51	8.62	17.43
20-Jun-18	101.12	133.20	116.88	91.75	38.15	22.50	8.62	17.43
21-Jun-18	100.96	133.02	116.88	91.64	38.38	22.53	8.64	17.46
<b>June 18-21, 2018</b>	<b>101.08</b>	<b>133.72</b>	<b>117.29</b>	<b>91.65</b>	<b>38.16</b>	<b>22.51</b>	<b>8.59</b>	<b>17.44</b>
22-Jun-18	100.83	133.68	117.11	91.68	38.62	22.56	8.66	17.48
25-Jun-18	100.76	133.95	117.46	92.11	38.39	22.58	8.67	17.49
26-Jun-18	100.83	133.88	117.86	91.95	38.43	22.58	8.66	17.48
27-Jun-18	100.94	133.41	117.63	91.83	38.59	22.55	8.65	17.46
28-Jun-18	101.05	133.00	117.29	91.57	38.35	22.51	8.65	17.44
<b>June 22-28, 2018</b>	<b>100.88</b>	<b>133.58</b>	<b>117.47</b>	<b>91.83</b>	<b>38.47</b>	<b>22.56</b>	<b>8.66</b>	<b>17.47</b>

\* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

**Chart 1: Inflation Development**

Source: KNBS and CBK staff calculations

**Chart 2: Monthly Remittance Inflows**

Source: Central Bank of Kenya

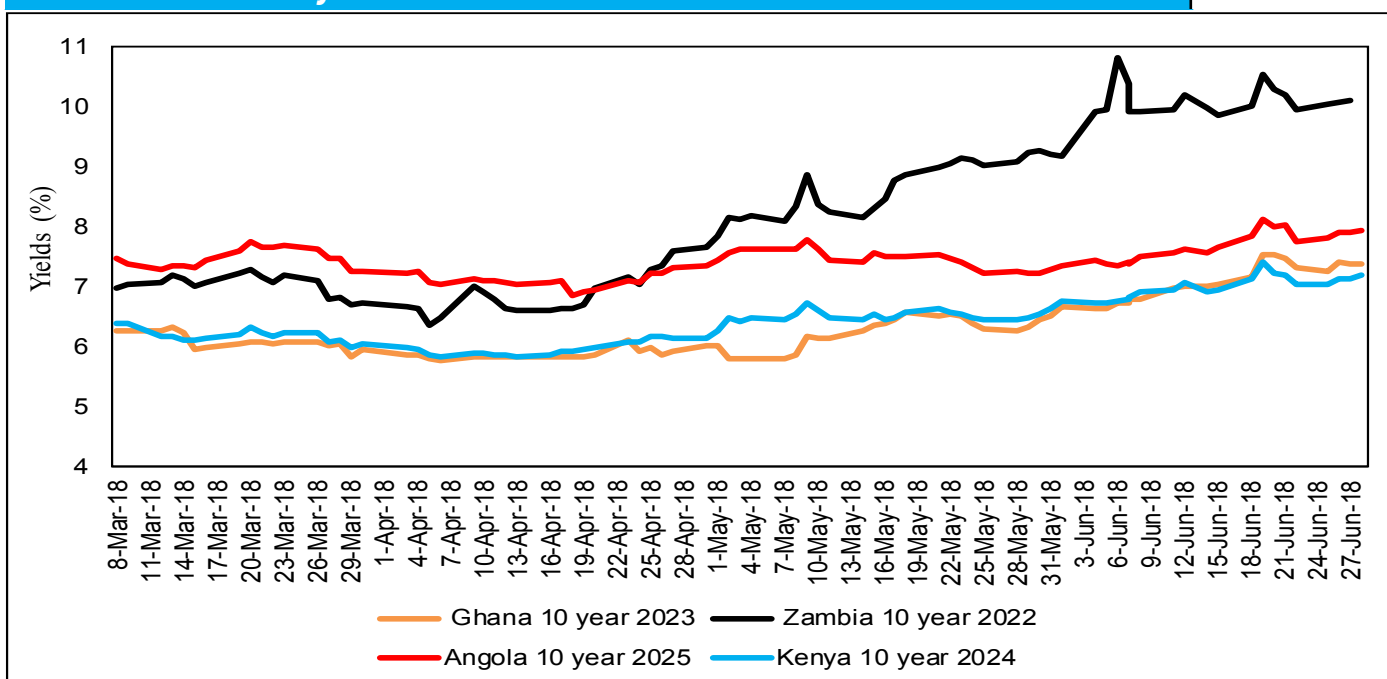
**Table 3: Key Weekly Market Indicators**

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 (%)
14-Jun-18	178.10	4555.04	3349.66	1,275	41.21	1,316.21	2,632.80	6,074.46	5.617	6.900	7.505	8.480
18-Jun-18	177.73	4101.67	3373.55	1,292	9.33	257.59	2,626.05	1,743.20	5.668	7.134	7.776	8.791
19-Jun-18	173.48	4489.13	3348.05	1,541	16.81	725.06	2,563.09	2,417.32	6.290	7.398	8.061	9.006
20-Jun-18	170.14	4426.30	3320.35	1,313	27.29	853.65	2,513.70	2,148.71	6.004	7.213	7.864	8.859
21-Jun-18	170.19	4427.53	3309.43	1,332	34.00	864.61	2,514.47	2,272.05	5.718	7.135	7.815	8.872
<b>15-20 June, 2018</b>	<b>170.19</b>	<b>4427.53</b>	<b>3309.43</b>	<b>6,753</b>	<b>129</b>	<b>4,017</b>	<b>2,513.70</b>	<b>14,656</b>	<b>6.004</b>	<b>7.213</b>	<b>7.864</b>	<b>8.859</b>
22-Jun-18	172.74	4465.21	3299.9	1,291	27.89	626.15	2,552.19	1,280.46	5.743	7.030	7.712	8.771
25-Jun-18	172.96	4466.02	3303.54	1,106	9.10	223.17	2,555.37	3,411.52	5.612	7.041	7.761	8.822
26-Jun-18	174.10	4476.67	3287.76	1,380	28.36	880.15	2,572.28	2,597.03	5.716	7.114	7.827	8.906
27-Jun-18	175.53	4502.94	3298.14	1,342	28.78	1,067.87	2,593.49	1,787.51	6.139	7.135	7.846	8.898
28-Jun-18	175.5	4487.05	3289.31	1,255	32.51	988.98	2,592.98	2,347.02	5.607	7.177	7.916	8.898
<b>22-28 June, 2018</b>	<b>175.50</b>	<b>4487.05</b>	<b>3289.31</b>	<b>6,374</b>	<b>126.65</b>	<b>3,786</b>	<b>2,592.98</b>	<b>11,424</b>	<b>5.607</b>	<b>7.177</b>	<b>7.916</b>	<b>8.898</b>
<b>Weekly Change (%)</b>	<b>3.12</b>	<b>1.34</b>	<b>-0.61</b>	<b>-5.61</b>	<b>-1.54</b>	<b>-5.75</b>	<b>3.15</b>	<b>-22.05</b>	<b>-0.397*</b>	<b>-0.036*</b>	<b>0.052*</b>	<b>0.039*</b>

\* Percentage points

Source: Central Bank of Kenya, NSE and Reuters

**Chart 3: Yields on 10 year Eurobonds in Selected African Countries**



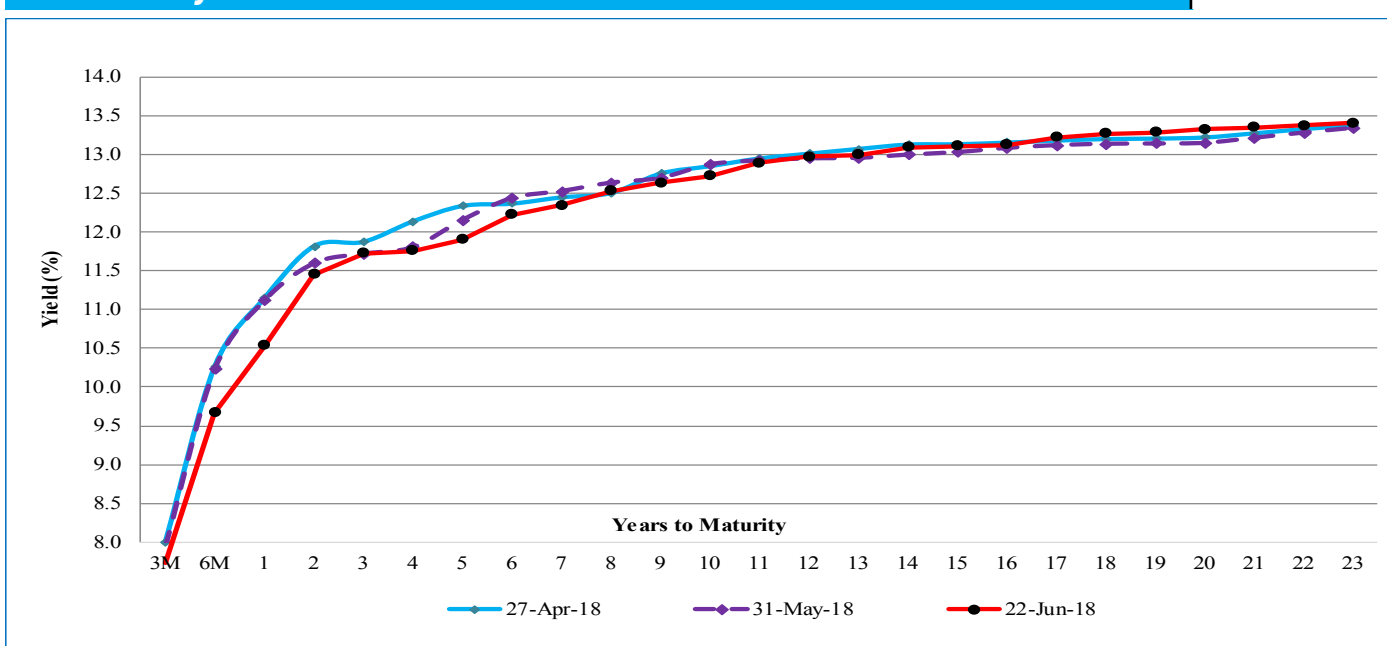
Source: Thompson Reuters

**Table 4: Performance of Treasury Bonds**

Date of Auction	28-Dec-17		28-Mar-18		25-Apr-18		23-May-18	20-Jun-18	
Tenor	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	FXD1/2018/25
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 4: Kenya Government Securities Yield Curve**



Source: Central Bank of Kenya and NSE

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

Date of Auction	26-Apr-18	31-May-18	21-Jun-18	28-Jun-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	1,069.85	9,201.07	5,461.80	4,597.83
Amount Accepted (Ksh M)	1,036.04	5,278.73	5,457.48	3,616.61
Maturities (Ksh M)	3,936.00	7,393.15	2,197.60	1,791.50
<b>Average interest Rate (%) - 91 Days</b>	<b>8.000</b>	<b>7.900</b>	<b>7.725</b>	<b>7.733</b>

**182-Day Treasury Bills**

Date of Auction	26-Apr-18	31-May-18	21-Jun-18	28-Jun-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	11,556.79	11,705.88	17,146.07	5,754.39
Amount Accepted (Ksh M)	9,369.59	5,650.43	17,074.71	5,746.90
Maturities (Ksh M)	1,425.20	2,763.15	8,650.00	7,964.00
<b>Average interest Rate (%) - 182 days</b>	<b>10.268</b>	<b>10.196</b>	<b>9.666</b>	<b>9.607</b>

**364-Day Treasury Bills**

Date of Auction	26-Apr-18	31-May-18	21-Jun-18	28-Jun-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	12,843.13	23,759.30	28,921.75	19,891.37
Amount Accepted (Ksh M)	9,124.17	8,418.52	28,358.83	17,410.65
Maturities (Ksh M)	8,849.45	12,819.75	10,029.15	5,601.20
<b>Average interest Rate (%) - 364 days</b>	<b>11.143</b>	<b>11.083</b>	<b>10.537</b>	<b>10.488</b>

Source: Central Bank of Kenya

**Table 6: Government Domestic Debt (Ksh Billion)**

	26-Jan-18	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	14-Jun-18	22-Jun-18
1. Treasury Bills (Excluding Repos)	711.31	754.54	772.70	782.94	838.73	842.05	844.72
<b>(As % of total securities)</b>	<b>32.93</b>	<b>33.80</b>	<b>33.59</b>	<b>33.95</b>	<b>35.36</b>	<b>35.45</b>	<b>35.53</b>
2. Treasury Bonds	1,448.96	1,477.96	1,527.84	1,523.18	1,533.06	1,533.06	1,533.06
<b>(As % of total securities)</b>	<b>67.07</b>	<b>66.20</b>	<b>66.41</b>	<b>66.05</b>	<b>64.64</b>	<b>64.55</b>	<b>64.47</b>
3. Total Securities (1+2)	2,160.26	2,232.50	2,300.54	2,306.11	2,371.79	2,375.11	2,377.78
4. Overdraft at Central Bank	46.54	42.09	39.65	44.03	44.35	17.72	24.55
5. Other Domestic debt*	32.07	31.45	31.46	31.50	31.48	31.47	31.44
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>2,238.88</b>	<b>2,306.05</b>	<b>2,371.65</b>	<b>2,381.63</b>	<b>2,447.62</b>	<b>2,424.30</b>	<b>2,433.77</b>

\* 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)**

	26-Jan-18	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	16-Jun-18	22-Jun-18
Treasury bills (Excluding Repos)	31.8	32.7	32.6	32.9	34.3	34.7	34.7
Treasury bonds	64.7	64.1	64.4	64.0	62.6	63.2	63.0
CBK Overdraft to Govt	2.1	1.8	1.7	1.8	1.8	0.7	1.0
Other domestic debt	1.4	1.4	1.3	1.3	1.3	1.3	1.3
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Central Bank of Kenya

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

	26-Jan-18	23-Feb-18	29-Mar-18	27-Apr-18	31-May-18	14-Jun-18	22-Jun-18
Banking Institutions	54.9	55.3	55.3	55.0	55.3	54.9	55.0
Insurance Companies	6.4	6.3	6.4	6.3	6.4	6.4	6.3
Parastatals	6.9	6.7	6.8	7.0	6.9	7.1	7.1
Pension funds	27.5	27.2	27.1	27.3	26.9	27.2	27.1
Other investors	4.5	4.5	4.5	4.5	4.4	4.5	4.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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

Source: National Treasury and Central Bank of Kenya

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

	24-May-18	31-May-18	07-Jun-18	14-Jun-18	21-Jun-18	28-Jun-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	9,055	8,955	8,988	8,990	8,958	8,666
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	6.11	6.05	6.01	6.01	5.99	5.79

\*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya