



Central Bank of Kenya

# Weekly Statistical Bulletin

## Key Monetary and Financial Indicators

August 11, 2017

*The money market was relatively liquid during the week ending August 9, 2017, largely supported by net government payments and the redemption of government securities. The weighted average interbank rate increased to 10.45 percent in the week ending August 9, 2017 from 8.20 percent recorded in the previous week.*

### Monetary Policy Operations

The money market was relatively liquid during the week ending August 9, 2017, largely supported by net government payments and net redemption from the government securities market. The Central Bank's open market operations resulted in net liquidity withdrawal amounting to KSh 5.3 billion (**Table 1**).

Commercial banks' excess reserves above 5.25 percent averaging requirement stood at KSh 6.6 billion during the week ending August 9, 2017 compared to the previous week's average of KSh 6.1 billion (**Chart A**).

### Activity in the Interbank Market

The weighted average interbank rate increased to 10.45 percent in the week ending August 9, 2017 from 8.20 percent recorded in the previous week. The volumes transacted ranged from KSh 26.2 billion to KSh 33.2 billion during the week, giving an average of KSh 29.1 billion compared to an average of KSh 27.5 billion the previous week. The number of deals stood at 46 during the week compared to 38 deals transacted the previous week (**Table 2 and Chart B**).

### Kenya Shilling Exchange Rate

The Kenya Shilling exchange rate remained relatively stable against major international and regional currencies during the week ending August 10, 2017. The Shilling remained unchanged against the USD, strengthened against the Sterling Pound and weakened against the Euro and the Japanese Yen. In the EAC region, the Kenya Shilling marginally strengthened against the Uganda

Shilling, the Rwanda Franc and the Burundi Franc but weakened slightly against the Tanzania Shilling (**Table 3**).

### The Capital Market

The capital markets recorded mixed performance during the week ending August 10, 2017.

#### Equity Market

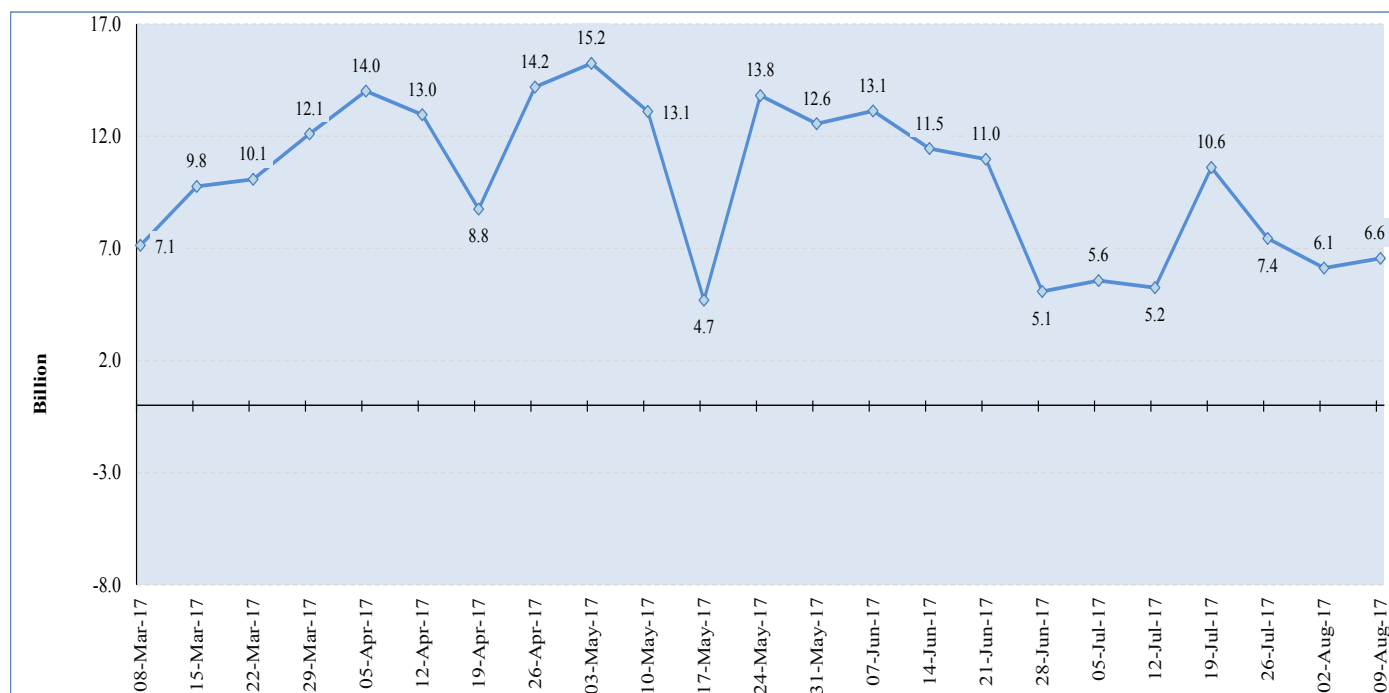
The equities market made gains across most leading indicators, reflecting positive prospects following the just-concluded general elections. Shareholders' wealth, measured by market capitalization, increased by 1.54 percent in the week ending August 10, 2017. Short supply of shares following short trading period, saw equity turnover decline by 70.56 percent, but the impact was muted by increased prices (**Table 4**).

#### Bond Market and Eurobond Yields

The volume of Bonds traded declined by 14.62 percent over the week ending August 10, 2017, with corresponding deals at 88 from previous week's 98 deals. This low performance could be attributed to the shorter trading week following the just-concluded general elections. Kenya's 5-year and 10-year Eurobonds trading yields declined by 0.23 percentage points and 0.28 percentage points to close the week ending August 10, 2017 at 4.17 percent and 6.276 percent, respectively. This signals favourable risk rating of credit quality of Kenya's bonds in the international markets.

## LIST OF TABLES AND CHARTS

Chart A: Commercial Banks Excess Reserves



Source: Central Bank of Kenya

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

	3-Aug-17	4-Aug-17	7-Aug-17	9-Aug-17	Total
<b>Liquidity Flows</b>					
<b>Total liquidity injection <sup>1</sup></b>	<b>10.6</b>	<b>19.6</b>	<b>34.9</b>	<b>7.2</b>	<b>72.4</b>
Repos Maturities	5.0	0.0	0.0	0.0	5.0
Reverse Repo Purchases	0.3	0.0	0.1	1.7	2.2
Term Auction Deposit maturities	0.0	0.0	0.0	0.0	0.0
T/bills redemptions	0.0	0.0	26.3	0.0	26.3
T/bills rediscounts	0.2	0.0	0.0	0.0	0.2
T/bonds redemptions	0.0	0.0	0.0	0.0	0.0
T/bonds Interest	0.0	0.0	0.0	0.0	0.0
T/bonds rediscounts	0.0	0.0	0.0	0.0	0.0
Govt payments	5.1	19.6	8.5	5.5	38.7
<b>Total liquidity reduction <sup>1</sup></b>	<b>8.1</b>	<b>4.1</b>	<b>31.1</b>	<b>10.4</b>	<b>53.6</b>
T/bills (Primary issues)	0.0	0.0	9.2	0.0	9.2
Tbonds Sales	0.0	0.0	0.0	0.0	0.0
T/bills/Tbonds (OMO Tap Sales)	0.0	0.0	7.0	0.0	7.0
Repos	0.0	0.0	0.0	0.0	0.0
Reverse Repos maturities	0.3	0.5	0.0	1.7	2.5
Term Auction Deposit	0.0	0.0	10.0	0.0	10.0
Transfer from Banks -Taxes	3.9	3.6	4.9	7.0	19.4
<b>Net liquidity injection (+)/Withdrawal (-)</b>	<b>2.6</b>	<b>15.5</b>	<b>3.9</b>	<b>-3.1</b>	<b>18.8</b>
<b>Open Market Operations Outcome</b>					
<b>Posted Amount</b>	-	-	10.0	-	10.0
<b>Realised Amount - Mop up</b>	0.0	0.0	10.0	0.0	10.0
Repo (-)	-	-	-	-	0.0
Term Auction Deposits (-)	-	-	10.0	-	10.0
<b>Reserve Money Position</b>					
Reserve money (actual)	415.4	430.5	435.3	432.1	

<sup>1</sup> Only main transactions increasing or reducing liquidity are included.

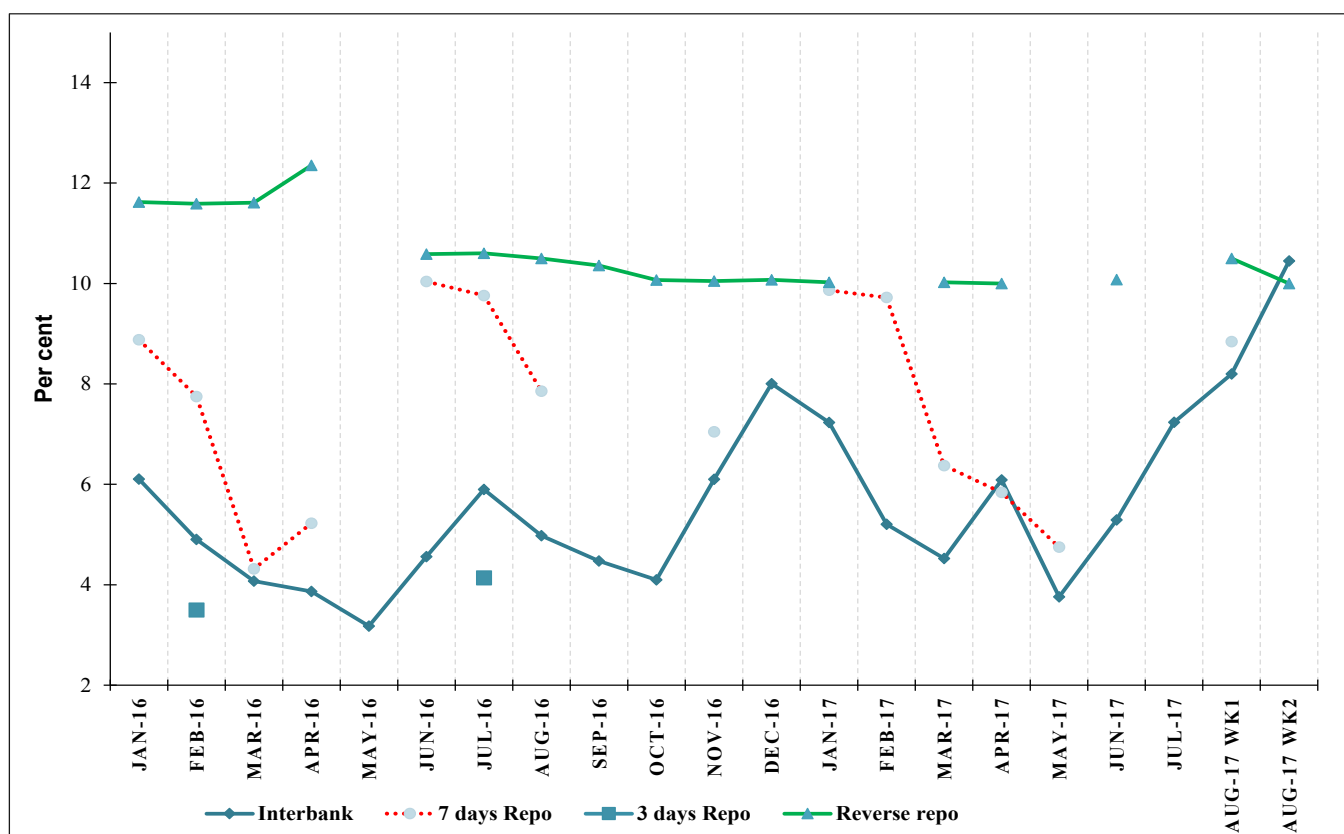
Source: Central Bank of Kenya

Table 2: Open Market Operations (KSh Million)

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)	Reverse Repo Rate (%)
27-Jul-17	43	29,995	7.28	-
28-Jul-17	39	26,220	7.29	-
31-Jul-17	37	30,595	8.54	-
1-Aug-17	32	25,573	8.67	-
2-Aug-17	38	25,225	9.22	-
<b>July 27, 2017 - Aug 02, 2017</b>	<b>38</b>	<b>27,522</b>	<b>8.20</b>	
3-Aug-17	50	28,685	9.93	-
4-Aug-17	57	33,220	10.51	-
7-Aug-17	41	28,425	10.58	-
9-Aug-17	37	26,160	10.76	10.00
<b>Aug 03, 2017-Aug 09,2017</b>	<b>46</b>	<b>29,123</b>	<b>10.45</b>	<b>10.00</b>

Source: Central Bank of Kenya

Chart B: 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*
28-Jul-17	103.91	136.50	121.55	93.20	34.74	21.55	8.00	16.70
31-Jul-17	103.91	136.20	121.80	94.03	34.74	21.54	7.96	16.69
1-Aug-17	103.92	137.33	122.89	94.29	34.76	21.55	7.96	16.69
2-Aug-17	103.87	137.12	122.79	93.72	34.75	21.56	7.97	16.70
3-Aug-17	103.86	137.34	123.04	93.84	34.78	21.55	7.97	16.71
<b>28 July -3 August 2017</b>	<b>103.89</b>	<b>136.90</b>	<b>122.41</b>	<b>93.82</b>	<b>34.75</b>	<b>21.55</b>	<b>7.97</b>	<b>16.70</b>
4-Aug-17	103.87	136.28	123.01	94.04	34.80	21.55	7.97	16.71
7-Aug-17	103.89	135.86	122.94	93.90	34.81	21.54	8.00	16.71
9-Aug-17	103.90	135.24	122.47	94.49	34.79	21.55	7.97	16.72
10-Aug-17	103.90	134.85	121.90	94.45	34.74	21.54	7.97	16.72
<b>4 - 10 August 2017</b>	<b>103.89</b>	<b>135.56</b>	<b>122.58</b>	<b>94.22</b>	<b>34.79</b>	<b>21.54</b>	<b>7.98</b>	<b>16.72</b>

\* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

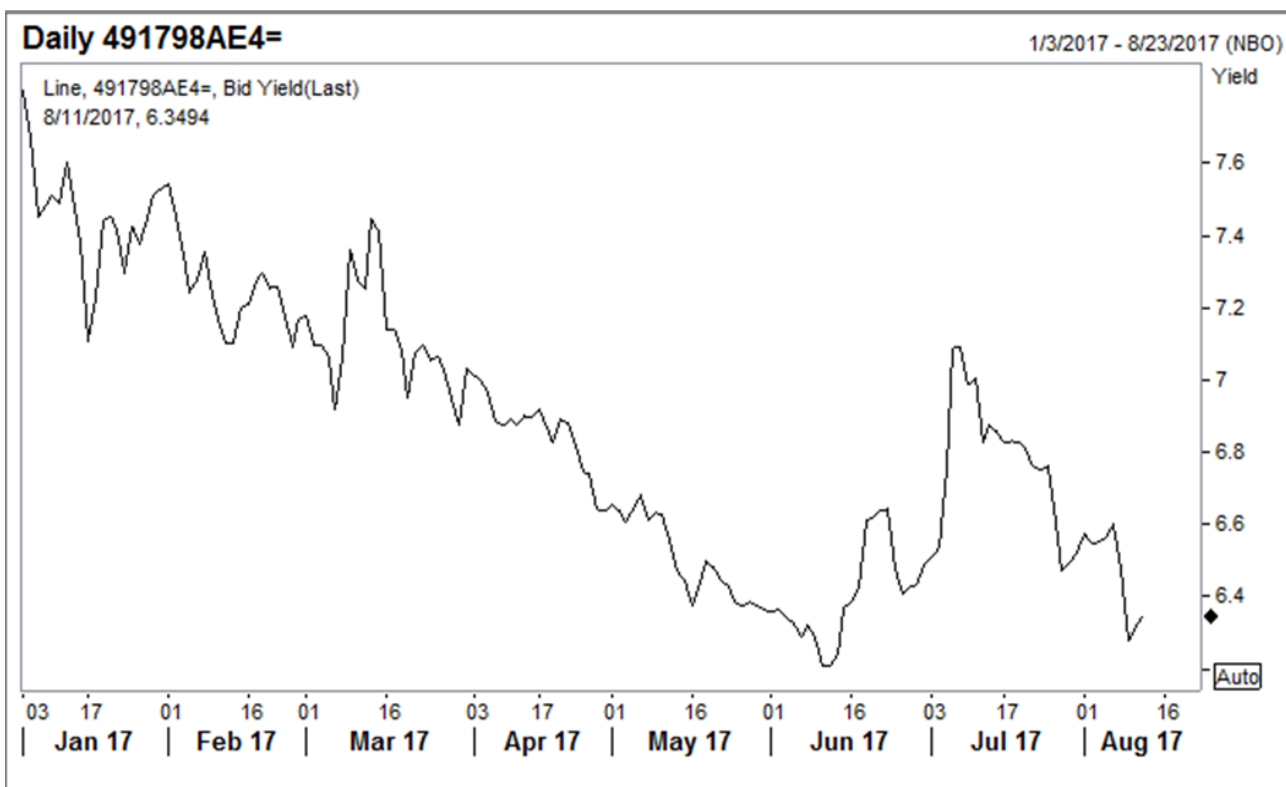
**Table 4: Key Weekly Market Statistics**

INDICATOR	22-Jun-17	29-Jun-17	07-Jul-17	13-Jul-17	20-Jul-17	27-Jul-17	03-Aug-17	10-Aug-17	Weekly Change (%)
NASI 100= 2008	154.35	153.22	151.50	152.99	154.30	158.40	158.90	162.00	2.42
NSE 25 Share Index	4,087.32	4,069.38	3,998.00	4,038.39	4,107.00	4,215.46	4,235.00	4,328.42	2.21
NSE 20 Share Index 100= 1996	3,612.55	3,596.56	3,581.00	3,659.28	3,683.00	3,764.74	3,774.00	3,903.29	3.43
Number of Deals	7,038.00	4,948.00	6,232.00	5,958.00	6,811.00	5,576.00	7,068.00	3,657.00	-48.26
Total Shares Traded (Million)	276.08	96.88	176.67	296.29	174.07	146.91	215.99	55.87	-74.14
Equity Turnover (KSh Million)	6,156.12	1,676.56	5,285.45	6,458.15	4,353.84	4,030.47	5,384.87	1,585.53	-70.56
Market Capitalization (KSh Billion)	2,242.12	2,225.64	2,201.00	2,236.24	2,255.51	2,315.43	2,328.66	2,364.42	1.54
Bonds Turnover (KSh Million)	9,169.56	12,684.80	11,303.78	12,624.13	6,037.61	5,197.72	4,354.16	3,717.46	-14.62
5-Year Eurobond Yield (%)	4.35	4.40	4.99	4.91	4.84	4.48	4.40	4.17	-0.23
10-Year Eurobond Yield (%)	6.64	6.43	7.09	6.87	6.81	6.47	6.55	6.28	-0.28

Source: Nairobi Securities Exchange

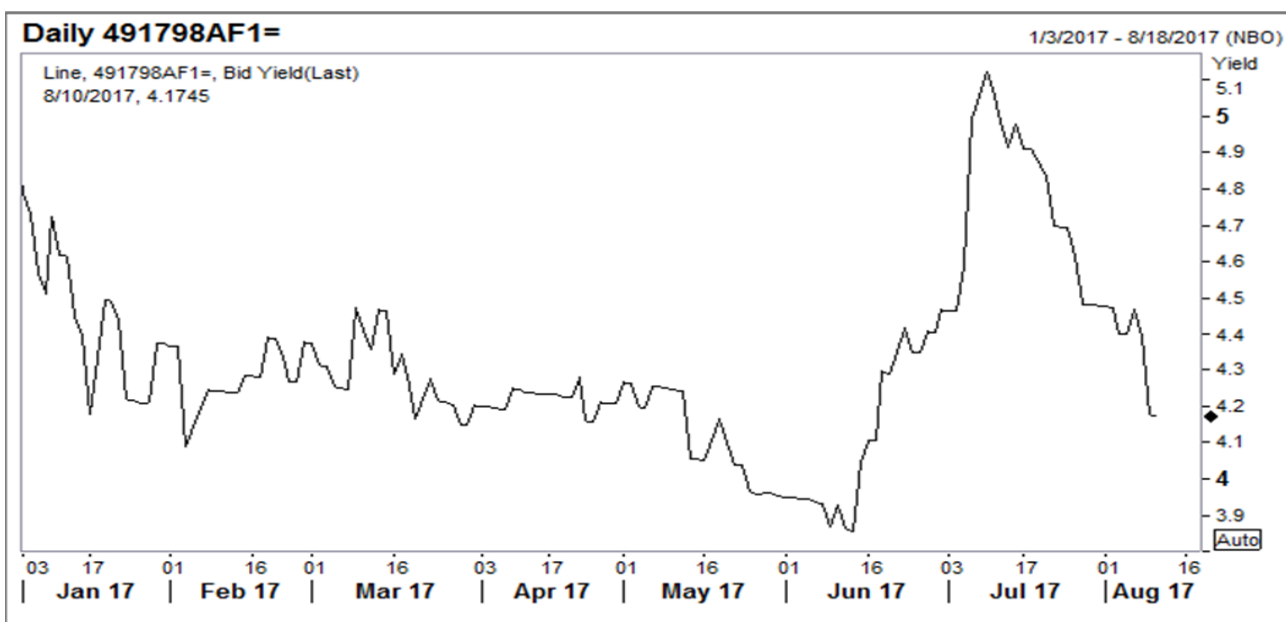
### Chart D1: Current Yield on Kenya Government Eurobonds

1. Tenure: 10 years (7 years remaining); Coupon: 6.875%; Current Yield: 6.5566%



### Chart D2: Current Yield on Kenya Government Eurobonds

2. Tenure: 5 years (2 years remaining); Coupon : 5.875%; Current Yield : 4.3999%



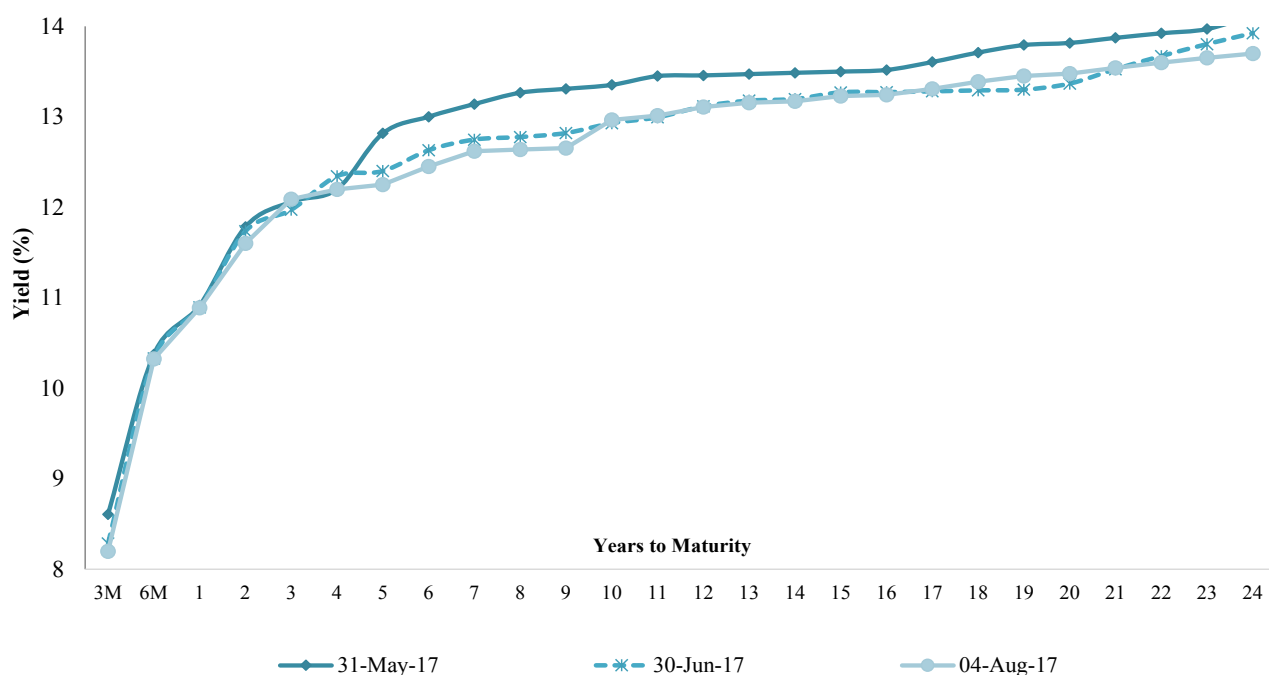
Source: Reuters

Table 5: Performance of Government Securities

91-Day Treasury Bills								
Date of Auction	25-May-17	29-Jun-17	06-Jul-17	13-Jul-17	20-Jul-17	27-Jul-17	03-Aug-17	10-Aug-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)	5,171.56	2,307.78	4,245.92	2,241.25	2,224.60	964.01	9,724.34	1,167.78
Amount Accepted (Ksh M)	2,645.05	2,307.78	4,215.51	2,241.16	2,224.60	857.46	1,474.52	1,167.78
Maturities (Ksh M)	5,910.50	7,201.70	11,574.20	8,879.35	6,835.20	11,427.00	3,655.30	6,829.30
Average interest Rate (%) - 91 Days	8.61	8.28	8.22	8.21	8.21	8.20	8.20	8.20
182-Day Treasury Bills								
Date of Auction	24-May-17	28-Jun-17	05-Jul-17	13-Jul-17	20-Jul-17	27-Jul-17	03-Aug-17	10-Aug-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)	15,070.38	10,064.50	15,258.51	4,190.65	4,004.42	4,751.78	15,082.94	9,509.28
Amount Accepted (Ksh M)	13,608.16	9,713.05	14,768.06	4,070.86	3,054.54	4,416.32	4,541.27	9,433.22
Maturities (Ksh M)	7,053.20	1,199.70	2,034.40	1,619.55	5,845.20	2,297.80	15,876.50	16,298.75
Average interest Rate (%) - 182 days	10.37	10.33	10.31	10.32	10.31	10.32	10.32	10.32
364-Day Treasury Bills								
Date of Auction	24-May-17	28-Jun-17	05-Jul-17	13-Jul-17	20-Jul-17	27-Jul-17	03-Aug-17	10-Aug-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)	13,821.28	5,174.05	8,418.59	1,623.54	1,290.26	9,780.73	3,432.04	7,921.26
Amount Accepted (Ksh M)	11,869.87	5,053.19	5,918.12	1,527.56	1,228.56	9,366.10	3,155.54	7,921.26
Maturities (Ksh M)	6,562.55	1,454.50	1,202.00	7,355.00	3,647.80	6,827.91	6,793.65	5,125.55
Average interest Rate (%) - 364 days	10.91	10.90	10.89	10.89	10.89	10.89	10.89	10.91
Treasury Bonds								
Date of Auction								
Tenor						FXD 1/2007/10	TAP Sale FXD 1/2007/11	
Amount offered (Ksh M)						30,000.0	25,000.0	
Bids received (Ksh M)						19,043.3	7,015.9	
Amount Accepted (Ksh M)						5,190.8	7,015.4	
Maturities (Ksh M)						0.0	0.0	
Average interest Rate (%)						12.966	12.966	

Source: Central Bank of Kenya

Chart C: Kenya Government Securities Yield Curve



Source: Central Bank of Kenya

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

	28-Apr-17	26-May-17	02-Jun-17	30-Jun-17	07-Jul-17	14-Jul-17	21-Jul-17	28-Jul-17	04-Aug-17
1. Treasury Bills (Excluding Repos)	626.90	673.30	684.07	744.15	752.41	763.78	754.13	744.46	740.71
(As % of total securities)	32.25	33.96	34.04	35.84	36.10	36.44	36.15	35.85	35.65
2. Treasury Bonds	1,317.02	1,309.35	1,325.28	1,331.98	1,331.98	1,331.98	1,331.98	1,331.98	1,337.15
(As % of total securities)	67.75	66.04	65.96	64.16	63.90	63.56	63.85	64.15	64.35
3. Total Securities (1+2)	1,943.92	1,982.65	2,009.35	2,076.13	2,084.39	2,095.76	2,086.10	2,076.43	2,077.86
4. Overdraft at Central Bank	-	-	0.03	-	-	-	-	-	-
5. Other Domestic debt*	30.75	35.93	35.94	36.15	36.12	36.11	36.10	35.56	35.55
6. Gross Domestic Debt (3+4+5)	1,974.67	2,018.58	2,045.33	2,112.28	2,120.51	2,131.87	2,122.21	2,112.00	2,113.42

\* 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 (In Percent)**

	16-Jun-17	23-Jun-17	30-Jun-17	07-Jul-17	14-Jul-17	21-Jul-17	28-Jul-17	04-Aug-17
Treasury bills (Excluding Repos)	34.5	35.1	35.2	35.5	35.8	35.5	35.2	35.0
Treasury bonds	63.7	63.1	63.1	62.8	62.5	62.8	63.1	63.3
CBK Overdraft to Govt	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other domestic debt	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
<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>	<b>100.0</b>

Source: Central Bank of Kenya

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

	28-Apr-17	26-May-17	23-Jun-17	30-Jun-17	07-Jul-17	14-Jul-17	21-Jul-17	28-Jul-17	04-Aug-17
Banking Institutions	55.1	56.2	56.6	56.2	56.2	56.3	56.1	56.1	56.1
Insurance Companies	7.0	6.9	6.7	6.6	6.6	6.5	6.6	6.6	6.7
Parastatals	6.5	6.6	6.4	6.4	6.4	6.5	6.6	6.6	6.6
Pension funds	27.5	27.9	27.8	28.1	28.1	28.0	28.0	28.0	27.9
Other investors	3.9	2.4	2.5	2.7	2.7	2.7	2.7	2.7	2.8
<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>	<b>100.0</b>	<b>100.0</b>

Source: Central Bank of Kenya

**Table 9: Official Foreign Reserves US\$ Million (Usable)**

	31-May-17	08-Jun-17	15-Jun-17	22-Jun-17	29-Jun-17	06-Jul-17	13-Jul-17	20-Jul-17	27-Jul-17	03-Aug-17	10-Aug-17
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,259	8,197	8,188	8,105	7,964	7,920	7,869	7,781	7,705	7,524	7,446
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	5.48	5.44	5.44	5.38	5.29	5.26	5.23	5.17	5.12	5.00	4.94

\*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya