



Central Bank of Kenya

# Weekly Statistical Bulletin

## Key Monetary and Financial Indicators

September 22, 2017

*The money market was relatively liquid during the week ending September 20, 2017, with commercial banks excess reserves above the 5.25 per cent averaging requirement at KSh 7.2 billion.*

*The capital markets registered mixed performance across the equity and bond market segments during the week ending September 21, 2017.*

### Monetary Policy Operations

The money market was relatively liquid during the week ending September 20, 2017 with commercial banks' excess reserves above the 5.25 per cent averaging requirement at KSh 7.2 billion, lower than KSh 10.7 billion held the previous week (**Table 1 and Chart 1**). The reduction reflects largely net outflows of Ksh 14.1 billion through government payments which fully offset Ksh 10.1 billion injection through net repo operation by the Bank.

### The Interbank Market

The weighted average interbank rate declined to 4.21 per cent in the week ending September 20, 2017 from 4.84 per cent recorded in the previous week. However, on a daily basis, the interbank rate rose during the week, underscoring impact of tax payments on liquidity.

The volumes transacted ranged from KSh 17.7 billion to KSh 28.4 billion during the week, giving an average of KSh 23.6 billion compared to an average of KSh 15.1 billion the previous week. The number of deals stood at 36 during the week compared to 30 deals transacted the previous week (**Table 2 and Chart 2**).

### Kenya Shilling Exchange Rate

The Kenya Shilling exchange rate remained relatively stable against the US Dollar, the Euro and the Japanese Yen but weakened against the Pound Sterling during the week ending September 21, 2017. In the EAC region, the Kenya Shilling weakened against all the EAC currencies.

### Equity Market

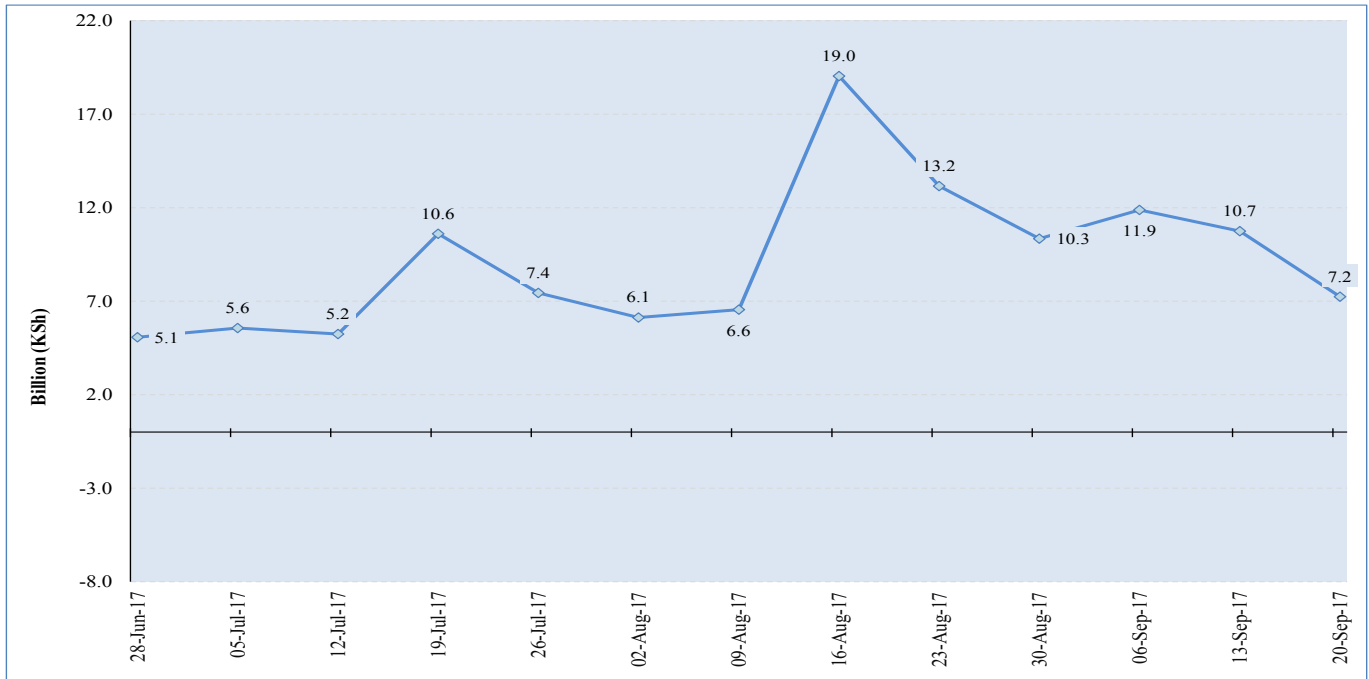
The equities market reported mixed performance with gains of 0.94 percent and 0.56 percent, respectively, in the NASI and NSE 25 share indices. Shareholders' wealth, measured by market capitalization increased by 0.94 percent on account of a general rise in share prices. Equity turnover declined by 18.86 percent on account of a 19.46 percent decline in total shares traded in the equity market (**Table 4**).

### Bond Market and Eurobond Yields

Bond turnover declined by 14.10 percent, while bond deals increased from 233 in the previous week to 247 in the week ending September 21, 2017. Kenya's 5-year Eurobond yield increased by 0.12 percentage points, while the 10-year Eurobond yield increased by 0.14 percentage points.

## 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)

	14-Sep-17	15-Sep-17	18-Sep-17	19-Sep-17	20-Sep-17	Total
<b>Liquidity Flows</b>						
<b>Total liquidity injection <sup>1</sup></b>	<b>11.1</b>	<b>2.0</b>	<b>35.8</b>	<b>2.2</b>	<b>2.1</b>	<b>53.3</b>
Repos Maturities	10.0	0.0	0.0	0.0	0.0	10.0
Reverse Repo Purchases	0.1	0.0	0.3	1.3	0.0	1.7
Term Auction Deposit maturities	0.0	0.0	0.0	0.0	0.0	0.0
T/bills redemptions	0.0	0.0	22.9	0.0	0.0	22.9
T/bills rediscounts	0.0	0.0	0.0	0.0	0.0	0.0
T/bonds redemptions	0.0	0.0	0.0	0.0	0.0	0.0
T/bonds Interest	0.0	0.0	4.3	0.0	0.0	4.3
T/bonds rediscounts	0.0	0.0	0.0	0.0	0.0	0.0
Govt payments	1.0	2.0	8.3	0.9	2.1	14.3
<b>Total liquidity reduction <sup>1</sup></b>	<b>4.7</b>	<b>2.9</b>	<b>23.3</b>	<b>19.2</b>	<b>7.3</b>	<b>57.4</b>
T/bills (Primary issues)	0.0	0.0	20.7	0.0	0.0	20.7
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	0.0	0.0	0.0	0.0	0.0
Reverse Repos maturities	0.0	0.0	0.3	1.3	0.0	1.6
Term Auction Deposit	0.0	0.0	0.0	0.0	0.0	0.0
Transfer from Banks -Taxes	4.6	2.9	2.2	17.9	7.2	34.9
<b>Net liquidity injection (+)/Withdrawal (-)</b>	<b>6.4</b>	<b>-0.9</b>	<b>12.6</b>	<b>-17.0</b>	<b>-5.1</b>	<b>-4.1</b>
<b>Open Market Operations Outcome</b>						
<b>Posted Amount</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>Realised Amount - Mop up</b>	0.0	0.0	0.0	0.0	0.0	0.0
Repo (-)	0.0	0.0	0.0	0.0	0.0	0.0
Term Auction Deposits (-)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Reserve Money Position</b>						
Reserve money (actual)	<b>416.1</b>	<b>414.0</b>	<b>426.5</b>	<b>408.6</b>	<b>404.8</b>	

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

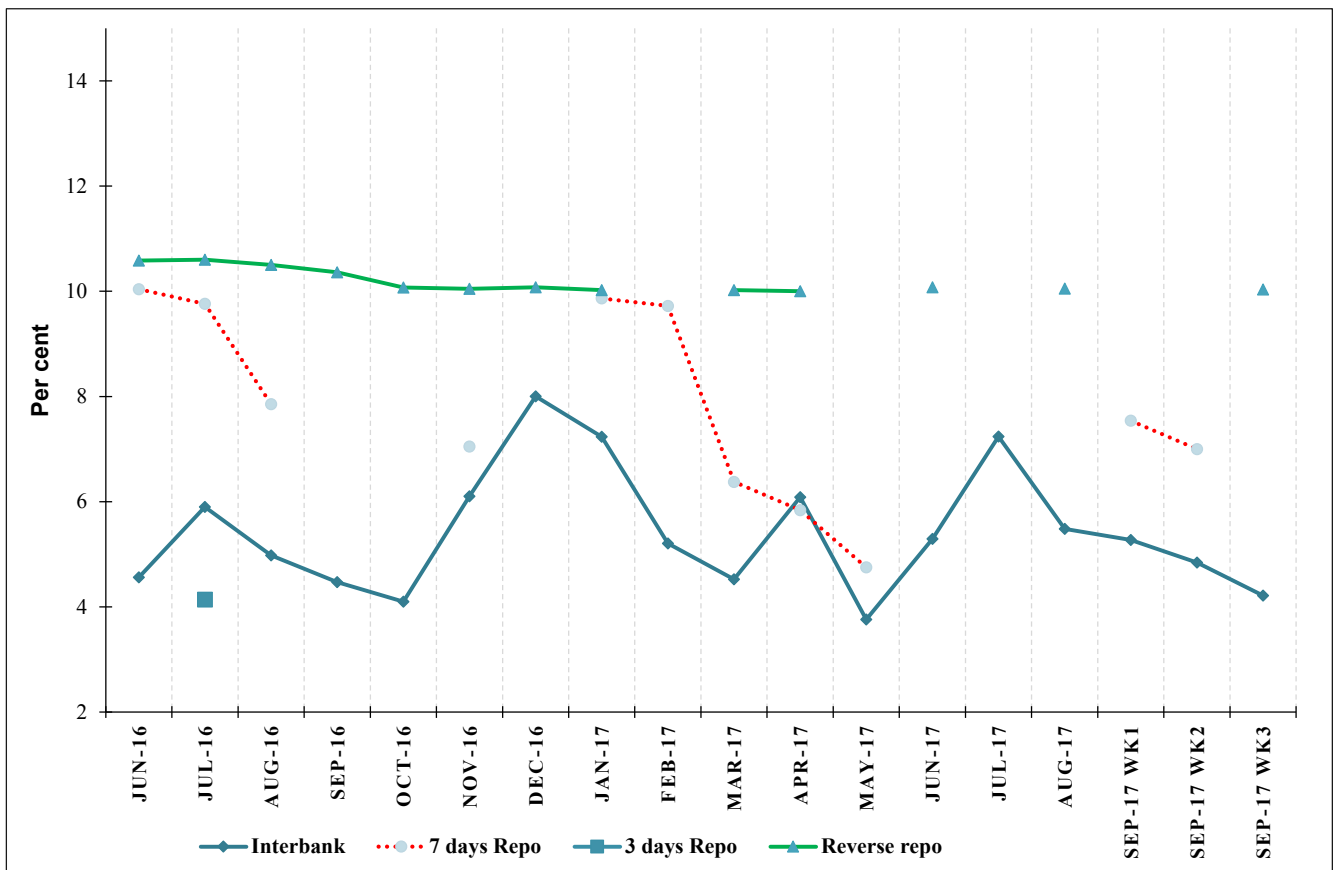
Source: Central Bank of Kenya

Table 2: Interbank Deals, Volumes and Interest Rates

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)	Reverse Repo Rate (%)
7-Sep-17	26	11,100	5.94	-
8-Sep-17	32	17,716	4.47	-
11-Sep-17	30	13,656	4.82	-
12-Sep-17	35	15,830	4.79	-
13-Sep-17	28	17,050	4.19	-
<b>Sept 07-Sept 13, 2017</b>	<b>30</b>	<b>15,070</b>	<b>4.84</b>	-
14-Sep-17	27	17,690	3.56	10.05
15-Sep-17	34	28,400	3.71	-
18-Sep-17	40	26,150	4.34	10.05
19-Sep-17	40	25,380	4.47	10.00
20-Sep-17	39	20,290	4.99	-
<b>Sept 07-Sept 20, 2017</b>	<b>36</b>	<b>23,582</b>	<b>4.21</b>	<b>10.03</b>

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*
8-Sep-17	103.16	134.96	123.87	94.93	34.87	21.72	8.05	16.90
11-Sep-17	102.89	135.85	123.98	94.68	34.99	21.78	8.07	16.95
12-Sep-17	102.70	135.55	123.08	94.43	35.00	21.82	8.09	16.99
13-Sep-17	102.88	136.36	122.88	93.50	34.99	21.78	8.08	16.96
14-Sep-17	102.87	136.41	122.98	93.31	35.00	21.79	8.08	16.96
<b>8-14 September 2017</b>	<b>102.90</b>	<b>135.82</b>	<b>123.36</b>	<b>94.17</b>	<b>34.97</b>	<b>21.78</b>	<b>8.08</b>	<b>16.95</b>
15-Sep-17	102.85	137.34	122.31	93.02	35.00	21.81	8.22	16.97
18-Sep-17	103.03	139.97	123.36	93.19	34.94	21.77	8.07	16.94
19-Sep-17	103.14	139.89	123.32	92.61	34.87	21.75	8.11	16.93
20-Sep-17	103.28	139.62	123.74	92.76	34.84	21.74	8.06	16.91
21-Sep-17	103.32	140.06	123.99	92.75	34.80	21.70	8.05	16.91
<b>15-21 September 2017</b>	<b>103.12</b>	<b>139.38</b>	<b>123.34</b>	<b>92.87</b>	<b>34.89</b>	<b>21.75</b>	<b>8.10</b>	<b>16.93</b>

\* Units of currency per Kenya Shilling

Source: Central Bank of Kenya

**Table 4: Key Weekly Market Statistics**

INDICATOR	10-Aug-17	17-Aug-17	24-Aug-17	31-Aug-17	07-Sep-17	14-Sep-17	21-Sep-17	Weekly Change (%)
NASI 100= 2008	162.00	166.08	168.69	169.16	164.00	164.48	166.02	0.94
NSE 25 Share Index	4,328.42	4045.89	4482.63	4485.10	4301.00	4305.08	4329.00	0.56
NSE 20 Share Index 100= 1996	3,903.29	4457.05	4052.54	4027.12	3805.00	3813.78	3777.09	-0.96
Number of Deals	3,657.00	9508.00	6660.00	7929.00	7144.00	5711.00	5785.00	1.30
Total Shares Traded (Million)	55.87	188.13	117.80	110.72	233.35	115.65	93.15	-19.46
Equity Turnover (KSh Million)	1,585.53	4817.58	3055.78	3237.17	6893.81	3698.95	3001.41	-18.86
Market Capitalization (KSh Billion)	2,364.42	2433.42	2471.91	2478.62	2402.90	2410.03	2432.60	0.94
Bonds Turnover (KSh Million)	3,717.46	5658.65	11330.59	10456.25	6276.37	10093.75	8670.97	-14.10
5-Year Eurobond Yield (%)	4.17	4.09	4.07	3.91	4.18	4.17	4.30	0.12*
10-Year Eurobond Yield (%)	6.28	6.09	6.05	6.01	6.16	6.24	6.38	0.14*

\* Percentage points

Source: Nairobi Securities Exchange and Thompson Reuters

Table 5 A: Performance of Government Securities

TREASURY BILLS							
<b>91-Day Treasury Bills</b>							
Date of Auction	27-Jul-17	17-Aug-17	24-Aug-17	31-Aug-17	07-Sep-17	14-Sep-17	21-Sep-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
Bids received (Ksh M)	964.01	3,780.51	4,201.81	2,773.01	4,042.20	4,121.97	2,580.50
Amount Accepted (Ksh M)	857.46	3,780.41	4,201.81	1,577.59	3,996.05	3,521.74	2,580.50
Maturities (Ksh M)	11,427.00	2,268.60	2,268.60	3,167.80	14,028.70	10,251.80	3,386.80
Average interest Rate (%) - 91 Days	8.20	8.15	8.15	8.14	8.13	8.13	8.13
<b>182-Day Treasury Bills</b>							
Date of Auction	27-Jul-17	17-Aug-17	24-Aug-17	31-Aug-17	07-Sep-17	14-Sep-17	21-Sep-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
Bids received (Ksh M)	4,751.78	18,894.82	5,981.63	14,540.81	22,672.85	9,548.96	3,528.61
Amount Accepted (Ksh M)	4,416.32	18,400.69	5,981.63	11,463.28	20,797.68	8,299.01	2,497.99
Maturities (Ksh M)	2,297.80	16,280.10	16,280.10	22,446.95	0.00	0.00	0.00
Average interest Rate (%) - 182 days	10.32	10.32	10.31	10.32	10.31	10.31	10.32
<b>364-Day Treasury Bills</b>							
Date of Auction	27-Jul-17	17-Aug-17	24-Aug-17	31-Aug-17	07-Sep-17	14-Sep-17	21-Sep-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
Bids received (Ksh M)	9,780.73	12,086.62	12,534.86	15,343.16	10,132.67	8,351.03	3,774.10
Amount Accepted (Ksh M)	9,366.10	11,618.02	12,084.28	13,019.38	9,626.96	6,124.85	3,773.92
Maturities (Ksh M)	6,827.91	5,842.45	5,842.45	9843.8	12870.4	12676.35	8046.45
Average interest Rate (%) - 364 days	10.89	10.91	10.91	10.92	10.92	10.93	10.96

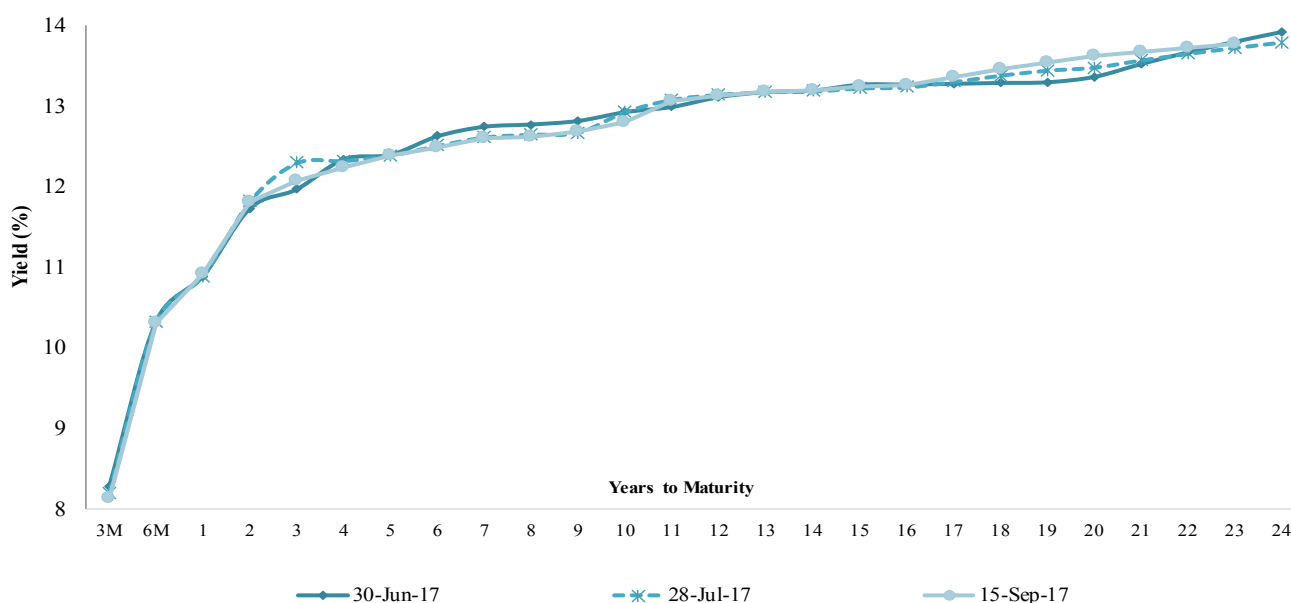
Source: Central Bank of Kenya

Table 5 B: Performance of Government Securities

TREASURY BONDS					
Date of Auction	21-Jun-17	27-Jul-17	31-Aug-17	21-Sep-17	
Tenor	FXD2/2007/15	FXD 1/2007/10	FXD 1/2017/5	FXD 1/2017/2	FXD 1/2017/10
Amount offered (Ksh M)	30,000.0	30,000.0	13,000.0	30,000.0	
Bids received (Ksh M)	39,073.2	19,043.3	17,490.0	34,411.3	9,905.4
Amount Accepted (Ksh)	26,409.9	5,190.8	17,530.8	20,690.0	6,287.6
Maturities (Ksh M)	18,746.8	0.0	0.0	0.0	0.0
Average interest Rate (%)	12.520	12.966	12.465	11.619	13.072

Source: Central Bank of Kenya

Chart C: Kenya Government Securities Yield Curve



Source: Central Bank of Kenya

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

	30-Jun-17	28-Jul-17	18-Aug-17	25-Aug-17	01-Sep-17	08-Sep-17	15-Sep-17
1. Treasury Bills (Excluding Repos)	744.15	744.46	715.78	727.40	721.64	718.22	727.88
<b>(As % of total securities)</b>	<b>35.84</b>	<b>35.85</b>	<b>34.75</b>	<b>35.20</b>	<b>35.02</b>	<b>34.33</b>	<b>34.69</b>
2. Treasury Bonds	1,331.98	1,331.98	1,344.17	1,339.04	1,339.04	1,374.13	1,370.34
<b>(As % of total securities)</b>	<b>64.16</b>	<b>64.15</b>	<b>65.25</b>	<b>64.80</b>	<b>64.98</b>	<b>65.67</b>	<b>65.31</b>
<b>3. Total Securities (1+2)</b>	<b>2,076.13</b>	<b>2,076.43</b>	<b>2,059.95</b>	<b>2,066.44</b>	<b>2,060.67</b>	<b>2,092.34</b>	<b>2,098.23</b>
4. Overdraft at Central Bank	-	-	22.22	13.39	21.19	27.27	19.80
5. Other Domestic debt*	36.15	35.56	36.70	36.71	36.70	36.71	36.47
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>2,112.28</b>	<b>2,112.00</b>	<b>2,118.87</b>	<b>2,116.54</b>	<b>2,118.56</b>	<b>2,156.32</b>	<b>2,154.50</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 (In Percent)**

	30-Jun-17	28-Jul-17	18-Aug-17	25-Aug-17	01-Sep-17	08-Sep-17	15-Sep-17
Treasury bills (Excluding Repos)	35.2	35.2	33.8	34.4	34.1	33.3	33.8
Treasury bonds	63.1	63.1	63.4	63.3	63.2	63.7	63.6
CBK Overdraft to Govt	0.0	0.0	1.0	0.6	1.0	1.3	0.9
Other domestic debt	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>

Source: Central Bank of Kenya

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

	30-Jun-17	28-Jul-17	18-Aug-17	25-Aug-17	01-Sep-17	08-Sep-17	15-Sep-17
Banking Institutions	56.2	56.1	56.3	55.9	55.8	56.1	55.8
Insurance Companies	6.6	6.6	6.7	6.2	6.3	6.2	6.2
Parastatals	6.4	6.6	6.7	6.5	6.2	6.1	6.3
Pension funds	28.1	28.0	27.5	27.2	27.4	27.3	27.5
Other investors	2.7	2.7	2.8	4.3	4.3	4.3	4.2
<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: Official Foreign Reserves US\$ Million (Usable)**

	10-Aug-17	17-Aug-17	24-Aug-17	31-Aug-17	07-Sep-17	14-Sep-17	21-Sep-17
1. CBK Usable Foreign Exchange Reserves (USD Million)*	7,446	7,420	7,464	7,487	7,482	7,545	7,518
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	4.94	4.93	4.96	4.97	4.97	5.01	4.99

\*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya