



Central Bank of Kenya

Weekly Statistical Bulletin

Key Monetary and Financial Indicators

JUNE 8, 2018

Interbank Market

Activity in the interbank market increased during the week ending June 06, 2018. The volumes traded increased to an average of KSh 21.8 billion from KSh 16.2 billion in the previous week, partly reflecting higher participation of large banks in the interbank market. The number of deals also increased marginally to an average of 29 from an average of 28. However, the weighted average interbank rate decreased to 4.10 percent from 5.37 percent in the previous week as large banks concluded transactions at lower rates (**Table 1**).

Exchange Rate

The Kenya Shilling strengthened against the USD Dollar and the Japanese Yen but weakened against the Sterling Pound and the Euro during the week ending June 7, 2018. In the EAC region, the Kenya Shilling remained relatively stable against all the currencies (**Table 2**).

Remittance Inflows

Remittance inflows remained resilient despite a 2.3 percent decline in April 2018. The 12-month cumulative inflows increased by 28.7 percent to USD 2,234 million in April 2018 compared to USD 1,736 million recorded in April 2017. The improved performance reflects increased uptake of financial products by the Diaspora and new partnerships between commercial banks and international money remittance providers (**Chart 1**).

Equity Market

The equity market recorded improved performance in the week ending June 7, 2018. Overall equity prices

increased across counters as reflected in the gains in NASI and the NSE 25 share indices. The volume and number of shares traded rose significantly, pushing the equity turnover up by 46.82 percent and shareholders' wealth by 2.21 percent as measured by market capitalization. The bullish performance indicate profit-taking as companies pay dividends and most stocks are traded ex-dividend (**Table 3**).

Bond Market

The volume of bonds traded rose by 45.98 percent in the week ending June 8, 2018, compared to the previous week. This improvement reflects continued appetite for safe assets (fixed income) by investors, and sale of old bond holding by investors for liquidity to invest in the new bond, FXD1/2018/25 on offer in the primary market until June 25, 2018 (**Table 3**).

The yields on Kenyan Eurobonds increased across all the four tranches compared to last week's decline, reflecting market dynamics. Compared to 10-year Eurobonds issued by select African countries, however, yields on Kenya's 10 year Eurobond remain lower and stable (**Chart 2**).

Government Securities

The Treasury bills auctions were oversubscribed for the week ending June 8, 2018, in all tenors except the 91 days Treasury bills. Interest rate on the three Treasury bills tenors declined further during the auctions (**Table 5**).

Table 1: Interbank Deals, Volumes and Interest Rates

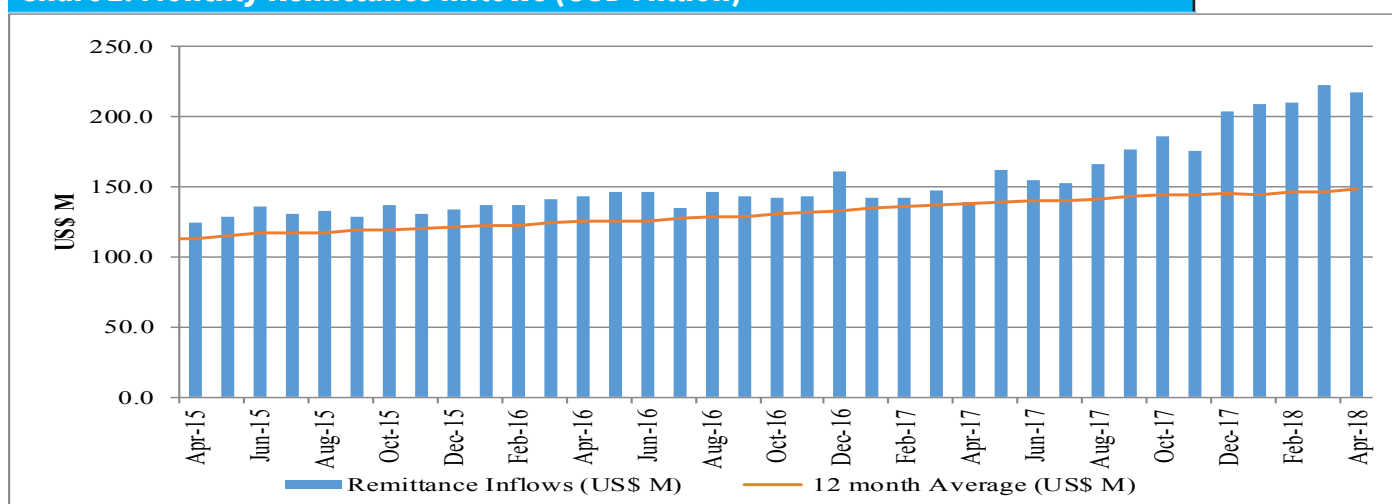
Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
24-May-18	26	10,190	5.83
25-May-18	29	16,290	5.70
28-May-18	29	19,500	5.43
29-May-18	23	14,740	5.17
30-May-18	31	20,140	4.74
May 24 - 30, 2018	28	16,172	5.37
31-May-18	42	30,635	4.33
4-Jun-18	26	23,580	4.11
5-Jun-18	21	14,790	3.95
6-Jun-18	26	18,250	4.01
May 31 - June 06, 2018	29	21,814	4.10

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*
25-May-18	101.07	135.32	118.50	92.32	36.97	22.58	8.60	17.53
28-May-18	101.18	134.95	117.96	92.65	37.00	22.55	8.60	17.42
29-May-18	101.54	135.14	117.76	93.06	36.96	22.47	8.57	17.35
30-May-18	101.57	134.65	117.21	93.51	37.02	22.46	8.57	17.35
31-May-18	101.48	134.87	117.84	93.19	37.08	22.48	8.58	17.36
May 25-31, 2018	101.37	134.98	117.86	92.94	37.00	22.51	8.58	17.40
4-Jun-18	101.39	134.82	118.15	93.47	37.23	22.51	8.58	17.38
5-Jun-18	100.91	134.87	118.19	92.12	37.52	22.59	8.63	17.46
6-Jun-18	101.00	134.93	117.84	92.00	37.52	22.58	8.62	17.45
7-Jun-18	100.83	135.49	118.84	91.70	37.70	22.60	8.64	17.48
June 4-7, 2018	101.03	135.03	118.26	92.32	37.50	22.57	8.62	17.44

* Units of currency per Kenya Shilling

Chart 1: Monthly Remittance Inflows (USD Million)

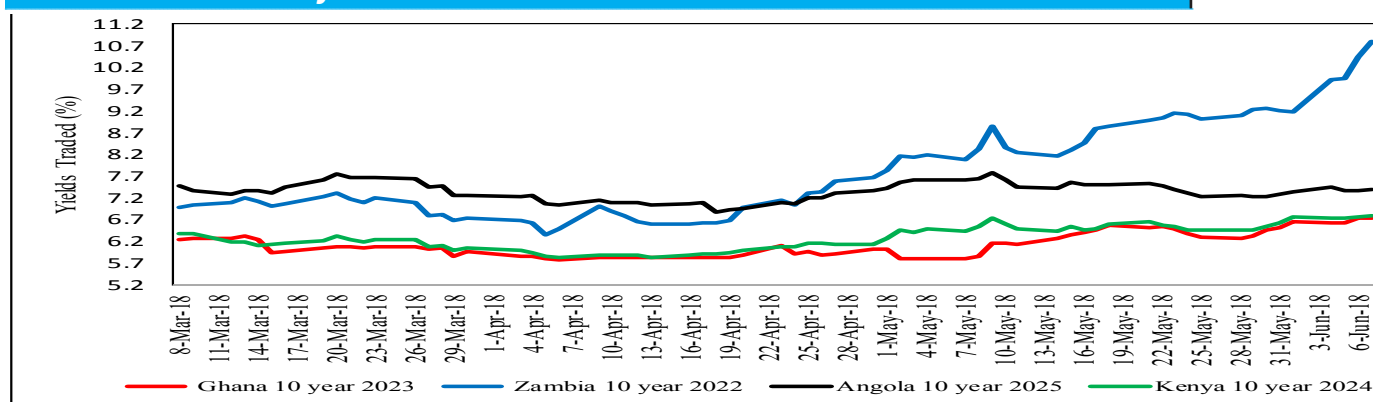
Source: Central Bank of Kenya

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 Eurobond Yield (%)
25-May-18	175.37	4517.36	3364.58	1,178	41.80	687.45	2,595.53	1,466.33	5.042	6.460	6.969	8.118
28-May-18	174.73	4515.35	3344.88	1,323	34.55	738.01	2,588.16	2,942.95	5.139	6.450	7.004	8.127
29-May-18	174.09	4514.10	3358.69	1,428	27.16	804.87	2,572.17	4,141.26	5.188	6.470	7.025	8.172
30-May-18	173.20	4496.41	3353.08	1,694	25.58	652.33	2,559.05	1,956.89	5.137	6.454	6.997	8.158
25May-30 May, 2018	173.20	4496.41	3353.08	5,623	129.10	2,882.67	2,559.05	10,507.42	5.137	6.454	6.997	8.158
31-May-18	172.53	4470.07	3333.36	1,480	30.42	1,116.17	2,549.15	4,010.49	5.279	6.620	7.194	8.305
4-Jun-18	172.36	4454.13	3273.22	1,247	25.18	664.07	2,546.53	2,410.84	5.425	6.741	7.262	8.386
5-Jun-18	173.82	4504.91	3308.88	1,377	17.37	641.06	2,568.24	2,455.06	5.374	6.731	7.266	8.386
6-Jun-18	176.65	4562.21	3334.20	1,271	25.15	858.88	2,610.04	2,849.34	5.572	6.772	7.302	8.400
7-Jun-18	177.03	4576.03	3349.77	1,182	32.14	952.20	2,615.68	3,613.22	5.621	6.782	7.342	8.409
31 May-7 June, 2018	177.03	4576.03	3349.77	6,557	130.27	4,232.38	2615.68	15,338.95	5.621	6.782	7.342	8.409
Weekly Change (%)	2.21	1.77	-0.10	16.61	0.90	46.82	2.21	45.98	0.484*	0.328*	0.345*	0.251*

* Percentage points

Source: Central Bank of Kenya, NSE and Reuters

Chart 2: Yields on 10 year Eurobonds in Selected African Countries

Source: Central Bank of Kenya computation based on Thompson Reuters

Table 4: Performance of Treasury Bonds

Date of Auction	28-Sep-17		28-Dec-17		28-Mar-18		25-Apr-18		23-May-18	
Tenor	TAP FXD 1/2017/2	TAP FXD 1/2017/10	TAP FXD1/2008/15	TAP FXD1/2017/10	TAP FXD 1/2018/5	TAP FXD 1/2018/20	REOPEN FXD 1/2008/15	REOPEN FXD 1/2018/20	FXD1/2018/15	
Amount offered (Ksh M)	13,000.0		20,000.0		8,500.0		40,000.0		40,000.0	
Bids received (Ksh M)	11,137.6	635.0	2,683.6	5,138.9	7,739.2	7,769.3	22,864.2	9,904.2	20,217.0	
Amount Accepted (Ksh M)	11,137.6	635.0	2,683.6	5,138.9	7,739.2	7,769.3	20,152.6	6,786.1	12,863.5	
Maturities (Ksh M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

Source: Central Bank of Kenya

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

Date of Auction	25-Jan-18	22-Feb-18	29-Mar-18	26-Apr-18	31-May-18	7-Jun-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	3,984.00	4,966.78	1,762.19	1,069.85	9,201.07	875.02
Amount Accepted (Ksh M)	3,979.10	4,966.78	1,761.56	1,036.04	5,278.73	875.02
Maturities (Ksh M)	514.75	4,428.95	2,790.30	3,936.00	7,393.15	3,227.80
Average interest Rate (%) - 91 Days	8.004	8.032	8.000	8.000	7.900	7.850

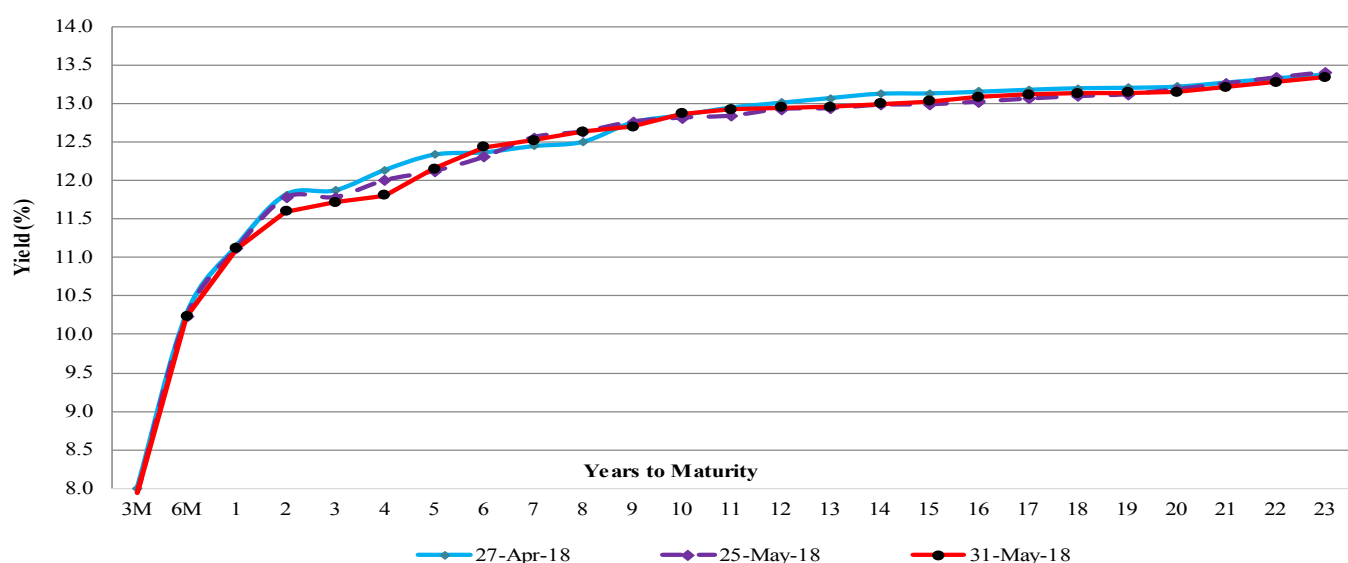
182-Day Treasury Bills

Date of Auction	25-Jan-18	22-Feb-18	29-Mar-18	26-Apr-18	31-May-18	7-Jun-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	13,806.67	8,425.54	3,753.17	11,556.79	11,705.88	17,345.27
Amount Accepted (Ksh M)	11,419.50	8,425.54	3,753.17	9,369.59	5,650.43	11,750.60
Maturities (Ksh M)	4,584.45	6,255.45	5,467.05	1,425.20	2,763.15	6,214.40
Average interest Rate (%) - 182 days	10.564	10.395	10.384	10.268	10.196	10.061

364-Day Treasury Bills

Date of Auction	25-Jan-18	22-Feb-18	29-Mar-18	26-Apr-18	31-May-18	7-Jun-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	10,236.21	11,731.74	7,149.41	12,843.13	23,759.30	32,289.38
Amount Accepted (Ksh M)	10,236.21	10,813.27	6,249.64	9,124.17	8,418.52	7,828.84
Maturities (Ksh M)	1,485.00	1,175.25	10,287.75	8,849.45	12,819.75	8,744.70
Average interest Rate (%) - 364 days	11.159	11.131	11.130	11.143	11.083	10.949

Source: Central Bank of Kenya

Chart 3: 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	25-May-18	31-May-18
1. Treasury Bills (Excluding Repos)	684.72	711.31	754.54	772.70	782.94	821.14	838.73
(As % of total securities)	31.91	32.93	33.80	33.59	33.95	35.08	35.36
2. Treasury Bonds	1,461.25	1,448.96	1,477.96	1,527.84	1,523.18	1,519.84	1,533.06
(As % of total securities)	68.09	67.07	66.20	66.41	66.05	64.92	64.64
3. Total Securities (1+2)	2,145.97	2,160.26	2,232.50	2,300.54	2,306.11	2,340.97	2,371.79
4. Overdraft at Central Bank	42.32	46.54	42.09	39.65	44.03	39.02	44.35
5. Other Domestic debt*	32.58	32.07	31.45	31.46	31.50	31.48	31.48
6. Gross Domestic Debt (3+4+5)	2,220.87	2,238.88	2,306.05	2,371.65	2,381.63	2,411.47	2,447.62

* 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	25-May-18	31-May-18
Treasury bills (Excluding Repos)	30.8	31.8	32.7	32.6	32.9	34.1	34.3
Treasury bonds	65.8	64.7	64.1	64.4	64.0	63.0	62.6
CBK Overdraft to Govt	1.9	2.1	1.8	1.7	1.8	1.6	1.8
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	25-May-18	31-May-18
Banking Institutions	54.6	54.9	55.3	55.3	55.0	55.2	55.3
Insurance Companies	6.4	6.4	6.3	6.4	6.3	6.4	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	27.1	26.9
Other investors	4.5	4.5	4.5	4.5	4.5	4.5	4.4
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 Reserves US\$ Million (Usable)

	3-May-18	10-May-18	17-May-18	24-May-18	31-May-18	7-Jun-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	9,142	9,129	9,135	9,055	8,955	8,988
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	6.17	6.10	6.17	6.11	6.05	6.01

*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya