



Central Bank of Kenya

# Weekly Statistical Bulletin

## Key Monetary and Financial Indicators

May 11, 2018

### Interbank Market

Activity in the interbank market increased during the week ending May 9, 2018. The volumes traded increased to an average of KSh 15.5 billion during the week compared to KSh 14.8 billion in the previous week, partly reflecting tighter market conditions as a result of year end tax remittances by banks. The daily volumes traded ranged from Ksh 13.25 billion to Ksh 17.63 billion compared to a range of Ksh 13.63 billion to KSh 16.05 billion the previous week. However, the number of deals in the interbank market was largely unchanged at 33 compared with an average of 34 in the week ending May 2, 2018. Following the increased activity, the weighted average interbank rate increased to an average of 4.96 percent from 4.84 percent in the previous week (**Table 1**).

### Exchange Rate

The Kenya Shilling remained stable against major international currencies during the week ending May 10, 2018. It strengthened against the Euro and the Pound Sterling but weakened marginally against the US Dollar and the Japanese Yen. It was also relatively stable against the EAC currencies (**Table 2**).

### Equity Market

Equity share prices recorded improved performance in the week ending May 10, 2018, as reflected in NASI, the index covering all quoted shares at the NSE. Trading activity, as indicated by the equity turnover, increased by 54.56 percent due to a 28.11 percent increase in the number of shares traded and increased prices during the week under review. Shareholders' wealth, measured by market capitalization, therefore, increased by 1.88 percent

to KSh 2,625.79 billion (**Table 3**). The positive performance was driven by strong rally of KCB bank, Equity bank, Co-operative bank and Kenol Kobil counters, supported by favourable company performances in 2017.

### Bond Market and Eurobond Yields

Turnover in the bond market increased by 201.94 percent during the week under review. This may be due to investors' sale of the old bonds to participate in the new 15-year bond currently on sale in the primary market with a competitive coupon rate and lower withholding tax. Bonds in the primary market are considered cheaper to investors.

In the international market, the yields on Kenya's 5- and 10-year Eurobonds increased during the week ending April 26, 2018, but declined marginally for the 30-year Eurobond (**Table 3**).

### Government Securities

Government securities market registered very good performance in the week ending May 11, 2018 with over subscriptions registered for all tenors of Treasury Bills on offer. The Treasury bills auction of May 10, 2018 received bids totaling KSh 39.75 billion against an advertised amount of KSh 24.0 billion, giving a performance rate of 165.65 percent. This was an improvement from the previous week's equally good performance of 136.83 percent. The investors continued to show preference for the 364-day Treasury bill over the 182-day and 91-day Treasury bills.

All the interest rates on the three Treasury bills declined during the week.

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

Date	Number of Deals	Value (KSh M)	Average Interbank Rate (%)
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26-Apr-18	35	15,225	4.73
27-Apr-18	36	14,165	4.73
30-Apr-18	34	13,628	4.97
2-May-18	31	16,050	4.92
<b>April 26 - May 2, 2018</b>	<b>34</b>	<b>14,767</b>	<b>4.84</b>
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
<b>May 3 - 9, 2018</b>	<b>33</b>	<b>15,530</b>	<b>4.96</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*
27-Apr-18	100.33	140.28	122.20	91.88	36.98	22.76	8.65	17.56
30-Apr-18	100.36	138.31	121.33	91.91	36.98	22.75	8.65	17.55
2-May-18	100.34	137.90	120.47	91.40	37.01	22.76	8.65	17.56
3-May-18	100.19	136.47	119.90	91.15	37.06	22.79	8.66	17.58
<b>April 27 - 3 May 2018</b>	<b>100.30</b>	<b>138.24</b>	<b>120.98</b>	<b>91.58</b>	<b>37.01</b>	<b>22.76</b>	<b>8.65</b>	<b>17.56</b>
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
<b>5 - 10 May 2018</b>	<b>100.37</b>	<b>136.01</b>	<b>119.61</b>	<b>91.79</b>	<b>36.99</b>	<b>22.73</b>	<b>8.65</b>	<b>17.55</b>

\* 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-18	179.48	4,693.87	3,723.30	1,465.00	21.41	735.03	2,644.04	408.98	4.47	6.14	6.81	7.97
30-Apr-18	179.53	4,700.38	3,735.06	1,315.00	22.79	746.49	2,644.69	879.48	4.46	6.13	6.85	7.99
01-May-18	PUBLIC HOLIDAY											
02-May-18	175.84	4,619.20	3,689.59	1,370.00	29.90	827.67	2,590.33	1,420.12	4.77	6.46	7.14	8.24
03-May-18	174.96	4,610.41	3,662.98	1,333.00	39.71	1,210.32	2,577.26	1,822.12	4.72	6.41	7.10	8.15
<b>27 Apr-3 May, 2018</b>	<b>174.96</b>	<b>4610.41</b>	<b>3662.98</b>	<b>5,483</b>	<b>113.81</b>	<b>3,519.51</b>	<b>2,577.26</b>	<b>4,530.69</b>	<b>4.72</b>	<b>6.41</b>	<b>7.10</b>	<b>8.15</b>
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
<b>4 May-10 May, 2018</b>	<b>178.25</b>	<b>4683.01</b>	<b>3636.76</b>	<b>7,024</b>	<b>204.83</b>	<b>5,439.68</b>	<b>2,625.79</b>	<b>13,680.19</b>	<b>4.84</b>	<b>6.64</b>	<b>7.14</b>	<b>8.13</b>
<b>Weekly Change (%)</b>	<b>1.88</b>	<b>1.57</b>	<b>-0.72</b>	<b>28.11</b>	<b>79.98</b>	<b>54.56</b>	<b>1.88</b>	<b>201.94</b>	<b>0.12*</b>	<b>0.23*</b>	<b>0.04*</b>	<b>-0.02*</b>

\* 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	19-Apr-18	26-Apr-18	03-May-18	10-May-18
Amount offered (Ksh M)	4,000.00	4,000.00	4,000.00	4,000.00
Bids received (Ksh M)	5,173.57	1,069.85	4,914.98	4,831.47
Amount Accepted (Ksh M)	2,147.76	1,036.04	3,934.58	4,746.57
Maturities (Ksh M)	1,722.90	3,936.00	5,829.15	2,074.55
<b>Average interest Rate (%) - 91 Days</b>	<b>8.000</b>	<b>8.000</b>	<b>7.974</b>	<b>7.967</b>

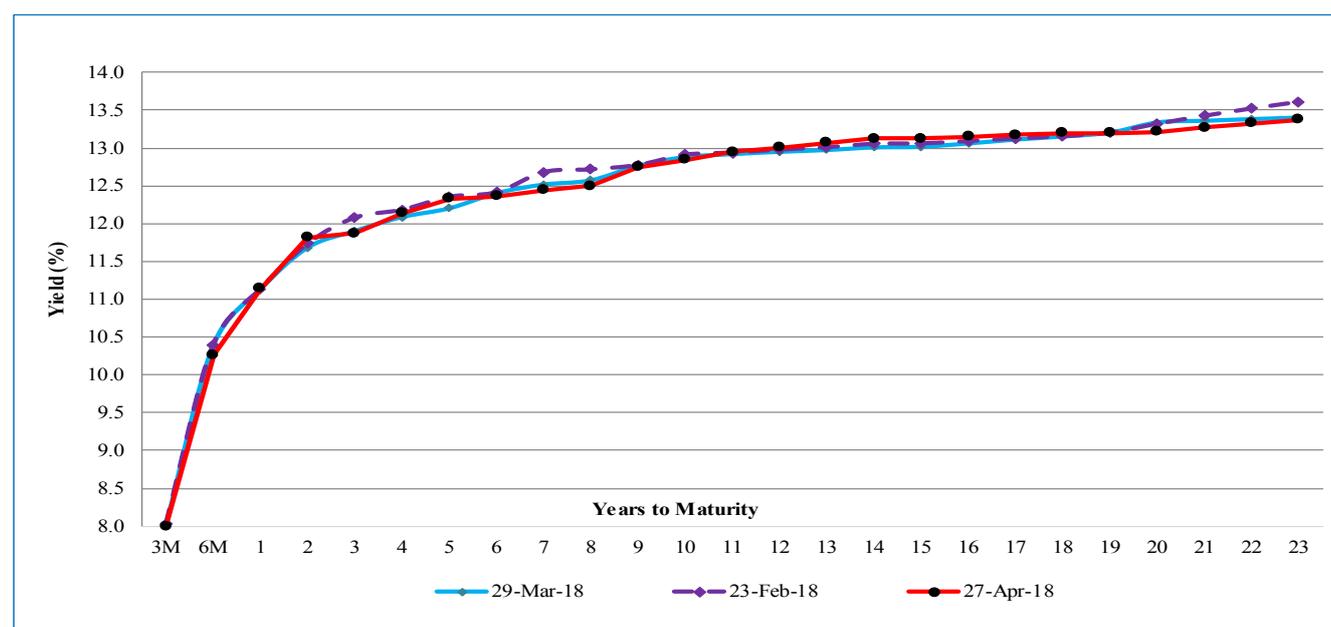
**182-Day Treasury Bills**

Date of Auction	19-Apr-18	26-Apr-18	03-May-18	10-May-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	17,953.91	11,556.79	12,417.06	15,080.22
Amount Accepted (Ksh M)	15,985.32	9,369.59	8,134.53	12,495.55
Maturities (Ksh M)	4,580.10	1,425.20	4,414.10	5,542.05
<b>Average interest Rate (%) - 182 days</b>	<b>10.266</b>	<b>10.268</b>	<b>10.269</b>	<b>10.265</b>

**364-Day Treasury Bills**

Date of Auction	19-Apr-18	26-Apr-18	03-May-18	10-May-18
Amount offered (Ksh M)	10,000.00	10,000.00	10,000.00	10,000.00
Bids received (Ksh M)	15,863.25	12,843.13	15,507.04	19,843.20
Amount Accepted (Ksh M)	13,613.80	9,124.17	14,561.47	19,020.24
Maturities (Ksh M)	21,531.30	8,849.45	9,842.95	11,696.00
<b>Average interest Rate (%) - 364 days</b>	<b>11.137</b>	<b>11.143</b>	<b>11.145</b>	<b>11.141</b>

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)**

	23-Mar-18	29-Mar-18	06-Apr-18	13-Apr-18	20-Apr-18	27-Apr-18	04-May-18
1. Treasury Bills (Excluding Repos)	768.30	772.70	766.78	775.30	776.90	782.94	789.68
<b>(As % of total securities)</b>	<b>33.93</b>	<b>33.59</b>	<b>33.19</b>	<b>33.44</b>	<b>33.48</b>	<b>33.95</b>	<b>33.75</b>
2. Treasury Bonds	1,496.20	1,527.84	1,543.42	1,543.42	1,543.42	1,523.18	1,550.05
<b>(As % of total securities)</b>	<b>66.07</b>	<b>66.41</b>	<b>66.81</b>	<b>66.56</b>	<b>66.52</b>	<b>66.05</b>	<b>66.25</b>
3. Total Securities (1+2)	2,264.50	2,300.54	2,310.19	2,318.71	2,320.32	2,306.11	2,339.74
4. Overdraft at Central Bank	46.02	39.65	39.65	35.33	10.08	44.03	44.03
5. Other Domestic debt*	31.45	31.46	31.51	31.45	31.46	31.50	31.46
<b>6. Gross Domestic Debt (3+4+5)</b>	<b>2,341.97</b>	<b>2,371.65</b>	<b>2,381.36</b>	<b>2,385.50</b>	<b>2,361.86</b>	<b>2,381.63</b>	<b>2,415.22</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)**

	23-Mar-18	29-Mar-18	06-Apr-18	13-Apr-18	20-Apr-18	27-Apr-18	04-May-18
Treasury bills (Excluding Repos)	32.8	32.6	32.2	32.5	32.9	32.9	32.7
Treasury bonds	63.9	64.4	64.8	64.7	65.3	64.0	64.2
CBK Overdraft to Govt	2.0	1.7	1.7	1.5	0.4	1.8	1.8
Other domestic debt	1.3	1.3	1.3	1.3	1.3	1.3	1.3
<b>TOTAL</b>	<b>100.0</b>						

Source: Central Bank of Kenya

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

	23-Mar-18	29-Mar-18	06-Apr-18	13-Apr-18	20-Apr-18	27-Apr-18	04-May-18
Banking Institutions	55.3	55.3	55.4	55.1	54.8	55.0	55.0
Insurance Companies	6.3	6.4	6.4	6.4	6.4	6.3	6.3
Parastatals	6.8	6.8	6.8	6.9	6.9	7.0	6.9
Pension funds	27.1	27.1	26.9	27.2	27.3	27.3	27.3
Other investors	4.5	4.5	4.5	4.5	4.5	4.5	4.5
<b>Total</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 (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
<b>Total public debt (Ksh Bn)</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 Reserves US\$ Million (Usable)**

	05-Apr-18	12-Apr-18	19-Apr-18	26-Apr-18	03-May-18	10-May-18
1. CBK Usable Foreign Exchange Reserves (USD Million)*	8,816	8,833	9,495	9,509	9,142	9,129
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)**	5.89	5.90	6.35	6.36	6.11	6.10

\*Excludes Encumbered Reserves

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

Source: Central Bank of Kenya