

Week ending 6th September 2019

Weekly Fixed Income

Key Highlights:

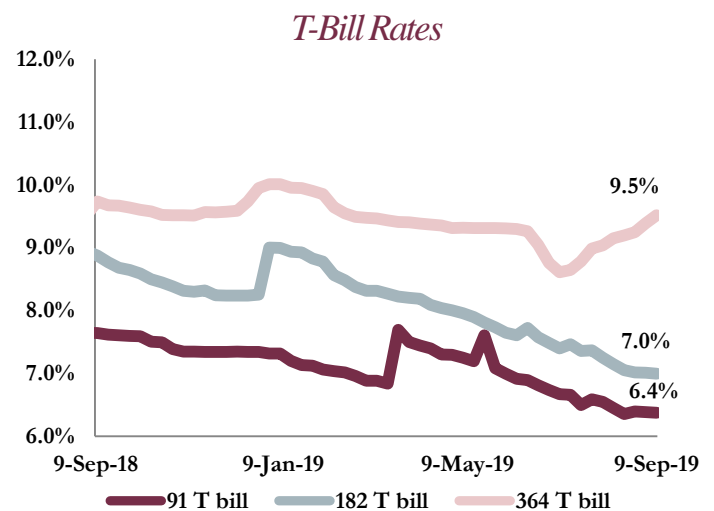
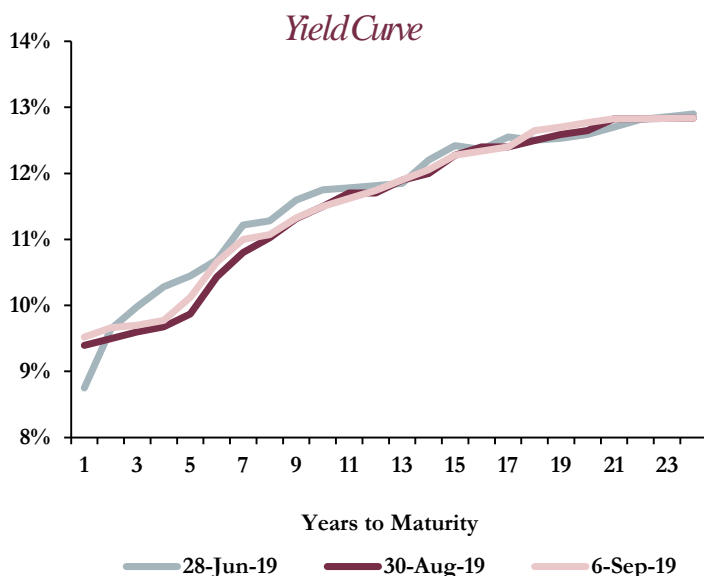
A total of **KES 24.0 Billion** worth of T-bills were on offer during the week. Only the **91-day** T-bill on offer was oversubscribed recording a **125%** subscription rate while the subscription rates on the **182-day** T-bill and **364-day** T-bill stood at **28%** and **72%**. CBK accepted all the bids for the **91-day** T-bill and **182-day** T-bill on offer.

In September, CBK will be auctioning two re-opened **15 year** treasury bonds; **(FXD1/2018/15)** and **(FXD1/2019/15)**, in a bid to raise **KES 50 Bn**. FXD1/2018/15 will have an annual coupon rate of **12.65%** while that on the FXD1/2019/15 will be **12.73%**. The period of sale is from 22/08/2019 to 17/09/2019.

Key Indicators

	Current	Previous	%Change	Macroeconomic data	Current	Previous
91-day	6.38%	6.39%	-0.01%	GDP (1Q19 vs 1Q18)	5.6%	6.5%
182-day	7.00%	7.01%	-0.02%	Inflation (Aug)	5.0%	6.3%
364-day	9.52%	9.39%	0.13%	Private sector credit growth (Jun)	5.2%	4.4%
Interbank	6.11%	5.08%	1.03%	Money Supply (Jun)	9.2%	8.7%

Interest Rates



MACROECONOMIC NEWS

Currency

The Kenyan shilling lost ground against the USD closing the week down **0.32%**. The shilling is likely to remain stable at current levels.

Inflation:

Inflation fell to **5.0%** in August from **6.3%** in July. However, the CPI decreased by **0.90%** mainly due to a **1.89%** decline in the Food and Non-alcoholic beverages index.

GDP growth

Growth slowed to **5.6%** in **1Q19** from **6.5%** in the corresponding period of 2018. This is mainly attributed to a slowdown in the Agricultural sector where growth reduced to **5.3%** from **7.5%** in **1Q18**

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