

Daily Market News



05th January 2017

DOMESTIC NEWS

The home unit came under immense pressure on the second trading day of the year recording one of the steepest slides in recent times.

Trivial foreign currency inflows were unable to meet the dollar appetite by both corporates and interbank players, seeing the local currency tumble to 14 month lows.

Looking ahead, we expect the shilling to remain subdued against the dollar as the demand-supply mismatch continues.

Amounts	Today's	
	Opening	
100,000	Buy TT	Sell TT
USD/KES	99.00	105.25
GBP/KES	122.15	129.75
EUR/KES	104.00	111.50
JPY/KES	83.50	92.50

Forward Rate (USD)	
1 month	
BUY	98.75
SELL	105.50
3 Months	
Buy	99.25
SELL	107.75

Money Market Rates	Previous	Current	Change bps
Interbank Rate	7.1311%	6.6849%	-44.62
91-Day T-bill	8.359%	8.553%	-0.80
182-Day T-bill	10.475%	10.467%	-0.80
364-Day T-bill	11.024%	11.010%	-1.40
Inflation	6.68%	6.35%	-33.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The dollar retreated from 14-year highs against a basket of currencies on Wednesday as investors waited for minutes from the Federal Reserve's December meeting, when it hiked interest rates for the first time in a year. Traders were also looking ahead to Friday's U.S. Nonfarm Payrolls report for December for indications on solid growth in the labor market which could enable the Fed to keep pushing up interest rates

The Euro gained ground, with EUR/USD climbing to 1.0485, supported by reports showing that business activity in the euro area rose at the fastest pace in more than five years and inflation in the bloc climbed to the highest in over three years.

Sterling also moved higher, with GBP/USD rising to 1.2297, recovering from a two-month low of 1.2197 struck overnight. The Pound was buoyed by data showing the U.K. construction sector enjoyed solid growth in December and another report showing that consumer credit notched up its fastest monthly increase since March 2005 in November.

Earlier today in Tokyo, the Dollar fell against the Yen following the Fed minutes changing hands at 116.44, down 0.69%.

Indicative Deposit Rates

Amts > KES 20 million	Amounts > 100,000	
	USD	EURO
KES		
Call	7.00%	0.25%
1 month	7.00%	0.50%
3 months	7.10%	0.75%
6 months	7.15%	1.00%

Indicative Cross Rates

	Buy	Sell
EUR	1.0200	1.1200
GBP	1.2200	1.2900
JPY	109.00	119.00
CHF	0.9550	1.0550