

Daily Market News



09th January 2017

DOMESTIC NEWS

The shilling traded sideways against its U.S counterpart as the local FX market calmed down ahead of the weekend.

Sustained importer demand continued piling pressure on the local unit as foreign currency inflows remained scanty. The monetary authority's presence in the market to mop up liquidity however offered some much needed reprieve to the local currency, resulting to a softer close.

Looking ahead, shilling bears are still optimistic with a further fall towards the next psychological level well within sight.

Amounts	Today's	
	Opening	
100,000	Buy TT	Sell TT
USD/KES	99.00	105.50
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	8.553%	8.552%	-0.1
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 surged against a basket of other major currencies on Friday after the U.S. nonfarm payrolls report showed a slowdown in hiring in December but the fastest wage growth in over seven years. The Labor Department said the U.S. economy added 156,000 jobs in December from the prior month, while the unemployment rate ticked up to 4.7% from a nine-year low of 4.6% in November.

The Euro fell, with EUR/USD down 0.67% at 1.0532 on Friday. The pick-up in the demand for the greenback kept the EUR/USD pair depressed around daily lows in the 1.0540 area.

Sterling was also sharply lower against the dollar, with GBP/USD falling 1.08% to trade at 1.2283. The pound remains on the back foot as traders await a decision on what part parliament will play in Brexit negotiations.

The dollar mark-timed in Asia earlier today after signs of wage pressure in the December U.S. jobs report proved enough to lift Treasury yields, but with bulls wary of a setback following last week's wave of profit-taking. A holiday in Tokyo is expected to keep trading light.

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