

Daily Market News



11th January 2017

DOMESTIC NEWS

The shilling traded south against the dollar on Tuesday as turbulence continued to prevail in the local FX market.

The home unit staged a minor recovery early in the session, but this was short lived as importer demand crept back in and left the local currency playing nervously on the back foot for the rest of the day.

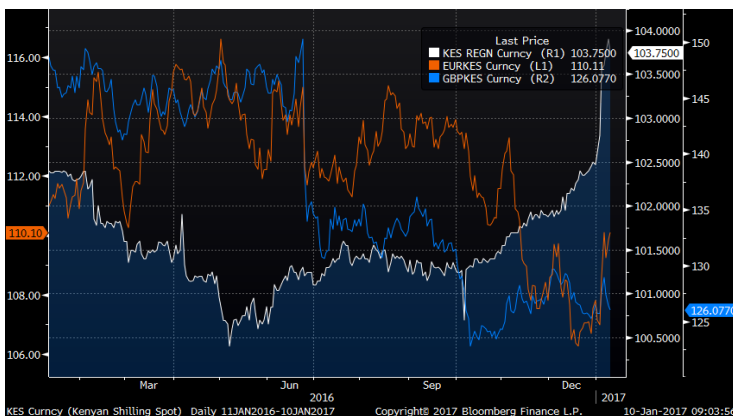
Perspective for the shilling in the near term points to a further decline, and more so with relentless foreign currency demand against negligible inflows.

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	8.5479%	7.5758%	+78.35
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 was little changed against a basket of major currencies on Tuesday on nervousness ahead of U.S. President-elect Donald Trump's first news conference set for Wednesday. Investors are concerned that Trump may roil world markets by taking a tough stance on China, trade policy, and Mexico.

The Euro inched higher against the softer dollar, with EUR/USD edging up 0.1% to 1.0585. The Eurozone jobless rate held at the lowest level in seven years in November as a modest economic upturn continues, official data showed on Monday.

GBP/USD touched lows of 1.2106 on Tuesday, the lowest level since October 25. Sterling was on track for its worst three day run since October after British Prime Minister Theresa May said Sunday that the country would not be keeping "bits" of European Union membership. The remarks were seen as an indication that the UK won't try to negotiate continued full access to the European single market when it leaves the EU.

The Dollar gained against the Yen in Asia earlier today ahead of the widely anticipated press conference by President-elect Donald Trump. USD/JPY changed hands at 115.94, up 0.15%.

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	117.75
CHF	0.9550	1.0550