

# Daily Market News



15<sup>th</sup> March 2017

## DOMESTIC NEWS

The local unit came in second versus the US dollar as the shilling closed weaker at close of business.

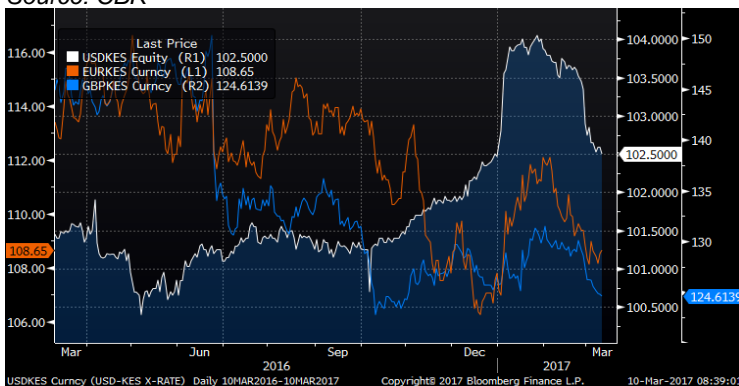
Foreign currency demand, which has largely been demure in the recent weeks, was more profound with corporate and interbank players on show in Tuesdays' trading session. This saw the shilling on the backfoot and the greenback on the offensive.

With foreign currency demand now at fore, prospects for the shilling against the US dollar are dim in the coming days. Worth mentioning also is the prevailing relatively high liquidity levels in the money market which has resulted to depressed overnight interest rates.

Amounts	Today's		Forward Rate (USD)	
	Opening		1 month	
	Buy TT	Sell TT	BUY	99.50
USD/KES	98.70	103.80	SELL	104.60
GBP/KES	120.50	126.10	3 Months	
EUR/KES	103.10	109.70	Buy	100.50
JPY/KES	86.30	93.80	SELL	106.55

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.024%	3.609%	-41.50
91-Day T-bill	8.628%	8.686%	+5.80
182-Day T-bill	10.529%	10.525%	-0.40
364-Day T-bill	10.895%	10.901%	+0.60
Inflation	6.99%	9.04%	+205.00

Source: CBK



Source: Bloomberg

## INTERNATIONAL NEWS

The greenback trimmed back gains against a basket of the other major currencies as markets hold their breath awaiting the highly anticipated FOMC meeting where Investors have largely priced in a rate hike of 25 basis points. The focus now has shifts to the FOMC statement, new economic projection, and Fed chair Janet Yellen's press conference.

In the single currency region, there was general weakness in the Euro as the common currency pared back post gains made after the European Central Bank meeting late last week.

Sterling fell to an eight-week low against the dollar, hit by fears of prolonged political jousting over the terms of Britain's exit from the European Union. This came after the British Prime Minister Theresa May won parliamentary backing on Monday to begin the process of leaving the EU and start two years of talks that will shape the future of Britain and Europe.

The Yen traded on the sidelines against its main peers as it tries to sober out of its slump following the US jobs report on Friday.

### Indicative Deposit Rates

	Amounts > KES 20 million		
	USD	EURO	
KES			
Call	7.00%	0.50%	0.00%
1 month	7.00%	1.00%	0.00%
3 months	7.10%	1.25%	0.00%
6 months	7.15%	1.50%	0.00%

### Indicative Cross Rates

	Buy	Sell
EUR	1.0200	1.1200
GBP	1.1700	1.2700
JPY	110.00	117.00
CHF	0.9500	1.0500