

# Daily Market News



20<sup>th</sup> March 2017

## DOMESTIC NEWS

The shillings fortunes continued to diminish on the last trading of the week that saw the home unit loose further against the US currency.

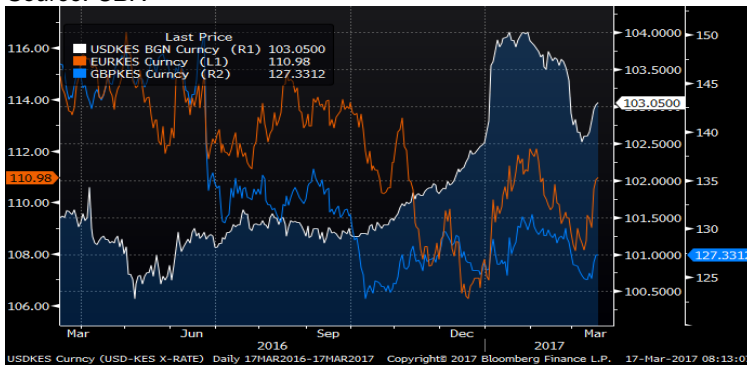
Incessant demand from both interbank and corporate players continued to fuel the rally of the greenback against the shilling. Sedate dollar supply and relatively high liquidity levels in the overnight market were also seen as sparks for shilling weakness.

The local unit is expected to trade on the back foot in the interim until the heavy demand fizzles out. However, the CBK is expected to keep a hawk eye on the latest developments and possibly mitigate any rapid slide of the home unit.

Amounts	Today's		Forward Rate (USD)	
	Opening		1 month	
	Buy TT	Sell TT	BUY	99.50
USD/KES	99.10	104.50	SELL	104.60
GBP/KES	122.20	129.10	3 Months	
EUR/KES	104.10	112.40	Buy	100.50
JPY/KES	86.30	93.80	SELL	106.55

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.404%	5.573%	+116.90
91-Day T-bill	8.686%	8.742%	+5.60
182-Day T-bill	10.529%	10.525%	-0.40
364-Day T-bill	10.901%	10.909%	+0.80
Inflation	6.99%	9.04%	+205.00

Source: CBK



Source: Bloomberg

## INTERNATIONAL NEWS

The dollar traded higher against a basket of major currencies on Friday, amid mostly upbeat economic data as industrial production slowed in February while consumer sentiment topped expectations. In a preliminary report, the University of Michigan said its consumer sentiment index rose to 97.6 in March from 95.7 the previous month while manufacturing output rose for a sixth straight month.

The Euro fell against the dollar after a poll showed far-right anti-EU leader Marine Le Pen extending her lead over centrist Emmanuel Macron in the first round of France's presidential elections. The euro had been rising since European Central Bank President Mario Draghi said the bank saw less urgency in taking steps to prop up Eurozone growth and inflation, encouraging speculation the bank was on the verge of reining in ultra-loose monetary policy that has undermined the currency.

The pound hit a two-week high against the dollar on Friday, drawing confidence from signs that some at the Bank of England may be leaning towards a rise in interest rates to support the currency.

The Yen continues to hold on to its gains against the greenback, little fluttered, since the U.S. Federal Reserve's raised their Fed Funds rate last week.

### Indicative Deposit Rates

	Amts > KES 20 million		Amounts > 100,000	
	KES	USD	USD	EURO
Call	7.00%	0.50%	0.00%	0.00%
1 month	7.00%	1.00%	0.00%	0.00%
3 months	7.10%	1.25%	0.00%	0.00%
6 months	7.15%	1.50%	0.00%	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