

Daily Market News



12th April 2017

DOMESTIC NEWS

The shilling had mixed fortunes during trade on Tuesday as it recouped losses suffered in previous session in the early part of the day then retracted late afternoon to close at recent lows.

Increased foreign currency supply by players taking advantage of the high rates supported the local currency against the greenback in the morning session but pressure from importer demand saw the home unit retreat once again to close the day little changed.

Barring Monetary Authority's intervention, the home unit's outlook remains bleak in the near term as we anticipate foreign currency demand to persist.

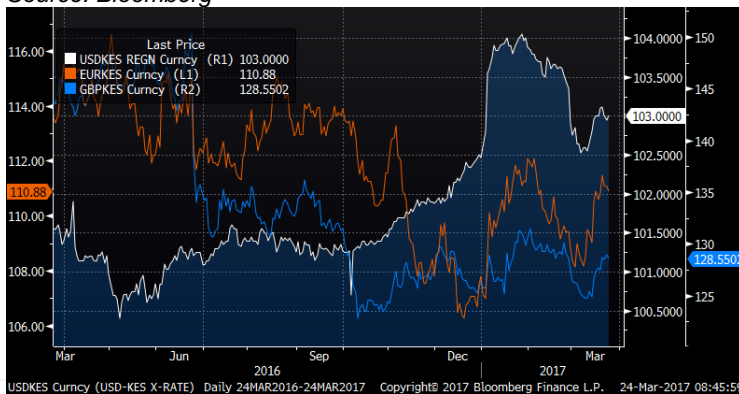
Amounts	Today's	
	Opening	
100,000	Buy TT	Sell TT
USD/KES	99.00	104.5
GBP/KES	125.00	131.00
EUR/KES	105.00	111.00
JPY/KES	89.50	96.50

Forward Rate (USD)	
1 month	
BUY	100.00
SELL	105.50
3 Months	
Buy	101.00
SELL	107.75

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.0051%	3.9256%	-7.95
91-Day T-bill	8.756%	8.769%	+1.30
182-Day T-bill	10.529%	10.525%	-0.40
364-Day T-bill	10.919%	10.925%	+0.60
Inflation	9.04%	10.28%	+124.00

Source: CBK

Source: Bloomberg



INTERNATIONAL NEWS

The Dollar slumped against a basket of major currencies on Tuesday, as the 'flight to safety' sentiment began to set in for investors amid rising geopolitical tensions. In the absence of top-tier market moving economic data on Tuesday, rising geopolitical events remained front and center, as investors poured into safe-haven assets, after expectations grew the U.S. may take military action against North Korea.

The Euro traded at 1.0612 against the Dollar, up 0.14% as investors continued to weigh the possibility of a face-off between far-right candidate Marine Le Pen and left-wing candidate Jean-Luc Melenchon, who has surged in polls recently.

The Great British Pound rallied through trade on Tuesday after annualized CPI showed a 2.3% increase in prices, a print beyond average market participant's expectations. The strong read supports a recent acceleration in price pressures as headline inflation gathers momentum and calls for the BoE to temper quantitative easing programs and tighten monetary policy.

The Yen hit five-month highs against the Dollar, Euro and Sterling in early Asian trading today as simmering geopolitical tensions checked risk appetite and put the safe-haven Japanese currency in favour.

Indicative Deposit Rates			
KES	Amts > KES 20 million	Amounts > 100,000	
		USD	EURO
Call	7.00%	0.75%	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	1.2050	1.3050
JPY	105.50	115.50
CHF	0.9175	1.0175