

Daily Market News



18th April 2017

DOMESTIC NEWS

The local unit held fort against the US dollar to close the week at the same levels from Wednesday's trading session.

The shilling started off on a strong note against the US dollar after corporate flows from various sectors moved the USDKES currency pair lower towards 103.20 levels. However, a surge in demand in the late afternoon session helped the greenback recoup earlier losses.

In the coming week, expectations remain largely for consolidation of the USDKES currency pair within the 103.20-70 ranges. That said the regulator continues to keep a keen eye on market developments.

Amounts	Today's		Forward Rate (USD)	
	Opening		1 month	
	Buy TT	Sell TT	BUY	100.00
USD/KES	99.50	104.60	SELL	105.50
GBP/KES	125.40	131.40	3 Months	
EUR/KES	105.80	111.90	Buy	101.00
JPY/KES	89.80	96.90	SELL	107.75

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.115%	4.034%	-8.10
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	6.99%	9.04%	+205.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The dollar fell sharply against a basket of major currencies on Monday, as investors fled the greenback amid rising tensions over North Korea. Also, weaker than expected economic data weighed on sentiment, after New York area manufacturing slowed by more than expected in April to a reading of 5.2 April, well below consensus expectations for a reading of 15.

The Euro traded in the peripheries against its major peers amid rising tensions over North Korea. In other developments, the first stage of presidential elections in France set on April 23rd, opinion polls now show that the race has tightened with a surge by far-left candidate Jean-Luc Melenchon, which has put him neck-and-neck with conservative Francois Fillon whose ratings are now close to those of Le Pen and Macron.

Sterling hit a six-week high against the euro on Thursday as jitters ahead of the first round of the French presidential election and a week of upbeat data in the UK gave the British currency some respite from Brexit worries.

The Yen slid against the US dollar following comments from U.S. Treasury Secretary Steven Mnuchin who agreed with U.S. President Donald Trump's view that the dollar's strength in the short term was hurting exports.

Indicative Deposit Rates			
Amts > KES 20 million		Amounts > 100,000	
KES	USD	EURO	
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	1.1900	1.2900
JPY	105.00	113.00
CHF	0.9500	1.0500