

Daily Market News



19th April 2017

DOMESTIC NEWS

After a long Easter weekend, where most markets were closed, the USD/KES currency pair oscillated within recent ranges as trading remained subdued with players remaining on the sidelines awaiting fresh factors to spur directional moves.

Activity was muted in the first hours of the session as the home unit traded around 103.35-103.45 levels. A slight uptick in demand during the afternoon period saw the local unit lose marginally to close the day at 103.40-103.50.

We anticipate the shilling to remain within current ranges as lethargy is expected to prevail throughout the week.

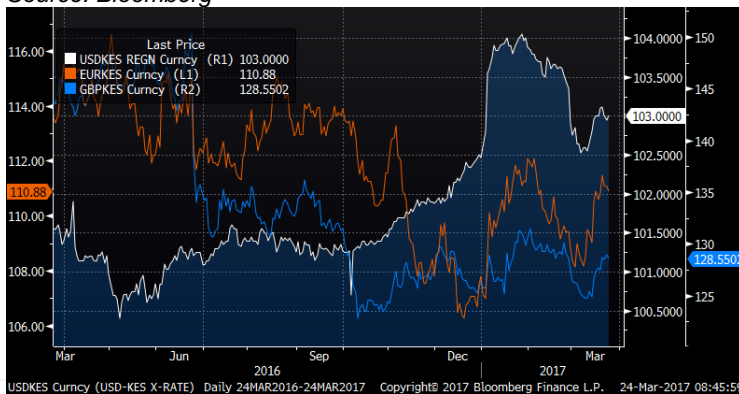
Amounts	Today's	
	Opening	
100,000	Buy TT	Sell TT
USD/KES	99.50	104.6
GBP/KES	125.40	131.40
EUR/KES	105.80	111.90
JPY/KES	89.80	96.80

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	3.7693%	4.4595%	+69.02
91-Day T-bill	8.769%	8.773%	+0.40
182-Day T-bill	10.529%	10.525%	-0.40
364-Day T-bill	10.925%	10.925%	0.00
Inflation	9.04%	10.28%	+124.00

Source: CBK

Source: Bloomberg



INTERNATIONAL NEWS

The Dollar was lower against a basket of other major currencies on Tuesday, weighed down by geopolitical concerns as heightened tensions around North Korea, which has vowed to conduct more missile tests following Sunday's failed missile launch, continued to put pressure on the greenback. Investors also remained wary as trade talks between the U.S. and Japan got underway, with markets awaiting indications of the direction U.S. trade policy could take under President Donald Trump, who campaigned on a protectionist platform.

The single currency moved 0.5% higher against the Dollar at 1.0695 as market players continued to monitor political developments ahead of the upcoming French presidential elections. The race tightened after a surge in polls for far-left candidate Jean-Luc Melenchon who wants a referendum on the country's European Union membership.

The Sterling rose to a more than six-month high against the greenback after British Prime Minister called for an early general election, boosting hopes that a victory could strengthen her party's majority in government ahead of Brexit negotiations.

The Dollar edged up 0.1 percent to 108.57 against the Yen in early Asian trading today as investors continued to monitor U.S.-Japan economic talks for clues to the future direction of U.S. trade policy.

Indicative Deposit Rates			
Amts > KES 20 million	Amounts > 100,000		
KES	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