

Daily Market News



11th May 2017

DOMESTIC NEWS

The shilling buckled under pressure in the midweek session, to the close the day trading within the 103.35 – 103.65 band.

Interbank counter remained the key driver in the local currency market as position realignment by interbank players saw the shilling dip by 15 cents against the greenback late on Wednesday.

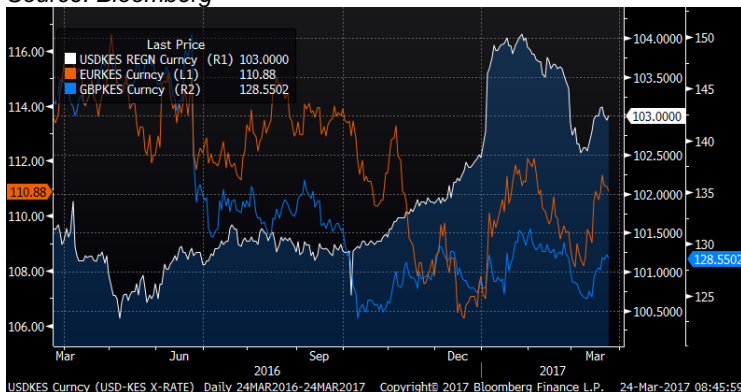
We see a decline in the value of the home unit versus the U.S. unit in the near term barring Central bank's intervention in its favour.

Amounts	Today's		Forward Rate (USD)	
	Opening		1 month	
	Buy TT	Sell TT	BUY	100.00
USD/KES	99.50	104.6	SELL	105.50
GBP/KES	129.50	134.40	3 Months	
EUR/KES	107.80	113.90	BUY	101.00
JPY/KES	89.80	96.80	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 slipped on Wednesday after U.S. President Donald Trump unexpectedly fired FBI Director James Comey, raising questions about whether this latest crisis could impede the implementation of the government's economic agenda.

Earlier, the euro barely moved against its U.S. counterpart as comments from European Central Bank President Mario Draghi failed to have any clear impact on the single currency.

Draghi said it is too early for the European Central Bank to declare victory in its quest to boost euro zone inflation despite signs the bloc's economic recovery is strengthening. He also hinted at potential changes to the ECB's ultra-loose policy message.

Sterling hit a three-week high versus the euro and hovered just below \$1.30 on Wednesday as investors reined in more of the negative bets that have dominated the past year amid a collapse of concerns over global market volatility.

The yen gained against the U.S. currency early on Thursday as current account figures out of Tokyo supported the Japanese unit in an otherwise thin trade.

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	1.2550	1.3350
JPY	109.50	117.50
CHF	0.9475	1.0175