

Daily Market News



16th May 2017

DOMESTIC NEWS

The shilling swung within a broader 102.95 – 103.65 range at the start of the week as competing players battled out in the local currency market.

The local currency was off to a bearish start versus the greenback, drifting beyond the 103.50 line in early trading, as corporate dollar buyers emerged onto the local currency scene. However, late in the session a tide of foreign currency inflow from the retail clients nudged the shilling higher, recouping its earlier losses.

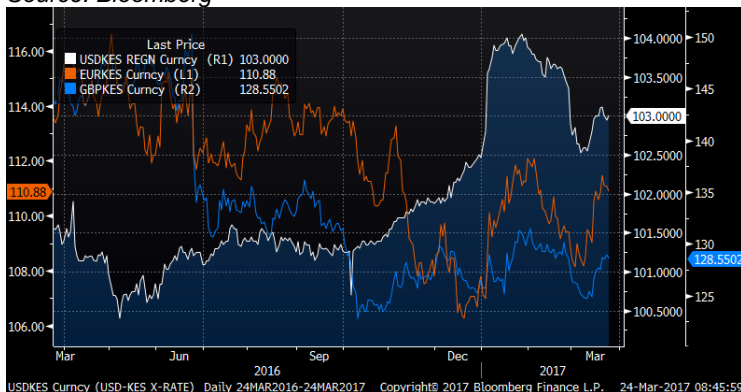
We see the home unit weakening against the dollar although in a steady manner as dollar demand gradually ticks up.

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 started the week on the defensive on Monday, after U.S. economic data came in shy of expectations and another missile test by North Korea over the weekend underpinned the perceived safe-haven yen. The dollar index, which tracks the greenback against a basket of six major rivals, was slightly lower on the day at 99.226

The euro started the European session on a positive footing as the single currency gradually moved higher against the U.S. currency. The euro zone currency was up against a broadly weaker dollar, closing the session shy of the 1.10 mark.

Sterling pound rose towards \$1.30 again on Monday, with figures showing that speculators have cut bearish bets on the currency by the most in more than a year and the third most on record. The overwhelmingly negative view on the pound dominating foreign exchange markets since the Brexit referendum in June last year has abated since British prime minister Theresa May called a snap general election a month ago.

The yen benefitted from the U.S. units troubles to trade slightly higher around the \$113.50 line in light trading in Tokyo early today.

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