

Daily Market News



17th May 2017

DOMESTIC NEWS

The continued reemergence of corporate dollar buyers onto the local currency scene coupled with interbank activity saw the shilling slump against its U.S. counterpart.

The home unit was continuously under pressure, to close the day trading within the 103.25 – 103.45 range – having shed 25 cents against the greenback.

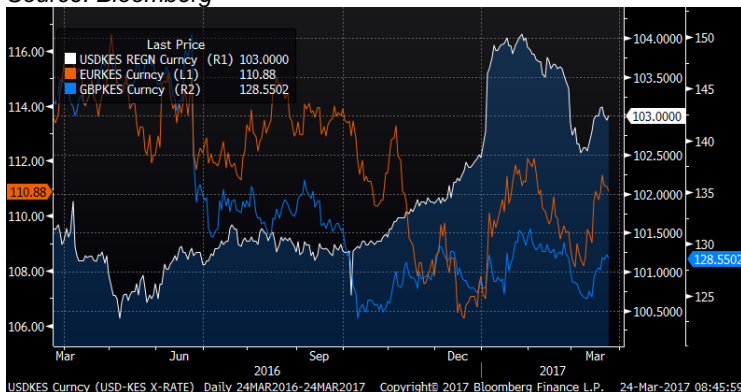
We see a steady uptick in activity in the foreign currency market in the near term with a biased towards the dollar demand counter which is expected to keep the home unit on the back foot.

Amounts	Today's		Forward Rate (USD)	
	100,000	Opening	1 month	
	Buy TT	Sell TT	BUY	100.00
USD/KES	99.70	104.80	SELL	105.50
GBP/KES	129.50	135.40	3 Months	
EUR/KES	109.80	115.90	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 slumped against a basket of major currencies on Tuesday, after reports surfaced that President Donald Trump shared sensitive information with Russia at a meeting last week. The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, fell by 0.71% to 98.11.

The euro surged above \$1.10, climbing 0.8 percent to its highest since Donald Trump was elected U.S. president in November, as the dollar weakened broadly on worries over his handling of a classified information.

Sterling inched back towards the top of its recent range against the greenback on Tuesday, though it again looked short of power to push past \$1.30 ahead of inflation numbers due later on the day.

In Asian trading today, the yen continued to ride higher against a besieged dollar, trading around the 112.50 mark as risk sentiment ticks up.

Indicative Deposit Rates

Amts > KES 20 million	Amounts > 100,000	
	USD	EURO
KES		
Call	7.00%	0.75%
1 month	7.00%	1.00%
3 months	7.10%	1.25%
6 months	7.15%	1.50%

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