

Daily Market News



18th May 2017

DOMESTIC NEWS

Recent volatility seen in the currency market stalled in Wednesday's session as activity cooled off across the various counters.

The limited flows saw the home unit holding steady against the dollar within the narrow 103.25 – 103.55 band as trifling foreign currency supply matched the corporate demand.

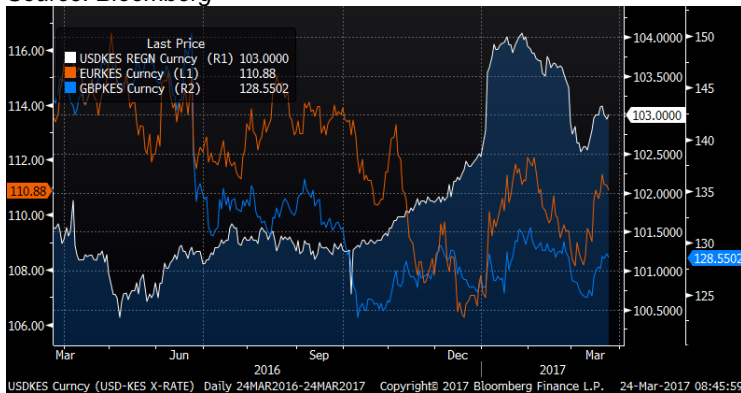
As the dollar inflows from the retail clients continue to ebb out amid gradual uptick in activity on the demand counter, we see the home unit coming under pressure in the short term

Amounts	Today's		Forward Rate (USD)	
	Opening		1 month	
100,000	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 nursed its losses on Wednesday after taking a combination of punches – recent solid eurozone economic data, a fall in U.S. yields on heightened turmoil in Washington and downbeat Housing data that reduced expectations of a Federal Reserve rate hike next month.

The dollar index, which scaled a 14-year peak of 103.82 on Jan. 3 on hopes for tax reform and stimulus measures from the administration of U.S. President Donald Trump, gave back all of its "Trump bump" and wallowed near its lowest levels since Nov. 9.

The euro consolidated its recent momentum, to trade above the \$1.1100, against the greenback in Frankfurt trading on the back of CPI data that climbed 1.9% to match estimate.

Sterling pound was buoyant, trading close to recent highs against the broadly weaker dollar after data showed that the UK Unemployment rate hit a 42-year low in the three months to March.

The yen rose to its highest against the dollar since May 1 as talk that U.S. President Donald Trump could face the threat of impeachment boosted safe-haven assets.

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