

# Daily Market News



19<sup>th</sup> May 2017

## DOMESTIC NEWS

Market movements were restricted within a tight range as calm continued to engulf the local FX market in Thursday's session.

The state of equilibrium permeated as the trifling dollar inflows matched importer demand for foreign currency, leaving the pair tucked within the recent narrow band of 103.25 – 103.55.

We see the home unit coming under pressure in coming days as activity in the currency market gradually tilt towards the demand counter.

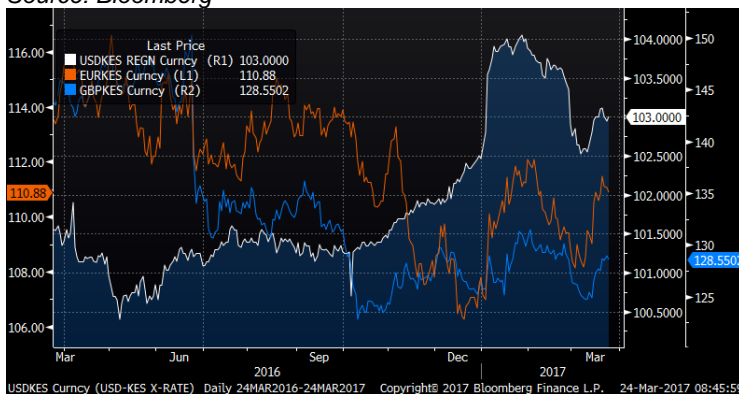
Amounts	Today's	
	Opening	
	Buy TT	Sell TT
USD/KES	99.70	104.80
GBP/KES	129.50	135.40
EUR/KES	109.80	115.90
JPY/KES	89.80	96.80

Forward Rate (USD)	
<b>1 month</b>	
BUY	100.00
SELL	105.50
<b>3 Months</b>	
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 wallowed near six-month lows against a basket of major currencies on Thursday, struggling to recover from its worst losses in almost a year against the yen and the euro as worries over the Trump presidency weighed.

The euro punched past the \$1.1100 line in Frankfurt as recent string of strong data out of the Eurozone economic block continued to lend support to the single currency. On the data release front, Eurozone Flash GDP climbed 0.5%, matching forecast while the block's ZEW Economic Sentiment was better than expected.

The pound rose above the \$1.30 level for the first time since September on Thursday after data showing that UK Retail sales notched up their biggest gain since January 2016. The upbeat data contrasted with weaker economic reports so far this year, as the steep drop in sterling since last year's Brexit vote drove up import costs, leading to rising inflation.

The yen gained in Asia on Friday on safe-haven demand as political turmoil in Brazil hit risk sentiment and markets turned cautious ahead of the weekend.

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	1.0500	1.1500
GBP	1.2550	1.3350
JPY	109.50	117.50
CHF	0.9475	1.0175