

Daily Market News



10th July 2017

DOMESTIC NEWS

The local unit was unchanged to the dollar to close the week trading at the periphery of 104.00 levels.

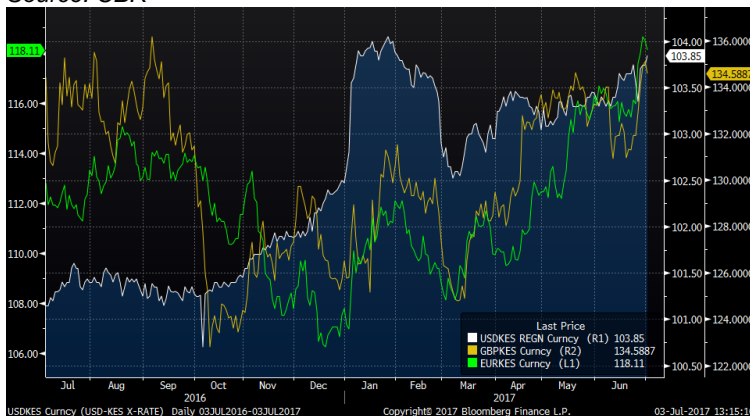
Friday was a quiet session in the local currency markets, with no big tickets from either supply and demand counters. Both corporates and interbank players took to remaining on the sidelines.

In the week ahead, fundamentals continue to favor the US dollar over the Kenya Shilling. However, the shilling may have a lifeline in the form of the Central Bank who have recently shown appetite to absorb shilling liquidity in the money market at attractive rates.

Amounts	Today's		Forward Rate (USD)	
	100,000	Opening	1 month	
	Buy TT	Sell TT	BUY	100.00
USD/KES	99.50	105.00	SELL	105.60
GBP/KES	129.50	135.80	3 Months	
EUR/KES	105.80	111.90	Buy	101.00
JPY/KES	89.80	96.90	SELL	107.75

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.178%	5.565%	+38.70
91-Day T-bill	8.284%	8.221%	-6.30
182-Day T-bill	10.329%	10.312%	-1.70
364-Day T-bill	10.895%	10.889%	-0.60
Inflation	11.70%	9.21%	-249.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The greenback rose against a basket of global currencies on Friday, as investors cheered the release of a mostly upbeat Nonfarm payrolls report, showing a stronger than expected pace of employment growth but an uptick in the unemployment rate. The Bureau of Labor Statistics reported payrolls grew by 222,000 in June, well above expectations of a 179,000 increase, but the unemployment rate fell to 4.4%, a notch above analysts' forecasts of 4.3%.

The Euro remained buoyed against the US dollar by hawkish comments from ECB's Weidmann and Coeure who noted that economic recovery now raises prospect of monetary policy normalization. Coeure further reiterated that if needed the Governing council can adjust its instruments both qualitatively and quantitatively.

Sterling closed the week battered after below-forecast output and trade data capped a run of downbeat readings of Britain's economy, adding to questions over the Bank of England's shifting interest rate stance.

The Yen remained depressed to the greenback early this morning after the encouraging U.S. Non-farm payrolls figures on Friday.

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	1.0800	1.1800
GBP	1.2450	1.3250
JPY	109.00	117.00
CHF	0.9200	1.0200