

Daily Market News



11th July 2017

DOMESTIC NEWS

The shilling opened the week under siege from the US currency, as the USDKES pair shot past the 104.00 psychological level, albeit briefly.

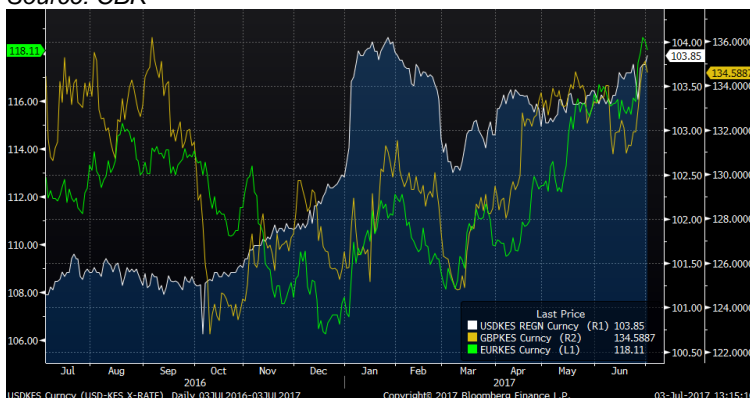
Demand for foreign currency was sustained on Monday with both interbank and corporates on the foray against the greenback from the open bell. However, the regulator was at hand to offer some respite for the beleaguered home unit by intervening through direct forex sales.

Expectations remain for a weaker shilling in the interim. However, possible intervention by the Central Bank may cool market players and stem a rapid advance by the greenback.

Amounts	Today's		Forward Rate (USD)	
	Opening		1 month	
	Buy TT	Sell TT	BUY	101.00
USD/KES	99.50	105.00	SELL	105.60
GBP/KES	129.60	135.60	3 Months	
EUR/KES	113.90	119.90	Buy	102.00
JPY/KES	87.80	94.90	SELL	107.75

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.565%	5.967%	+40.20
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 US Dollar traded slightly lower on Monday, as market participants awaited a raft of economic data due later in the week, expected to provide fresh direction on the greenback. With no top-tier economic data, the dollar drifted lower but losses were capped as investors continue to cheer Friday's bullish jobs report suggesting that U.S. economic growth remained robust.

In European trading, the Euro edged lower on a rather a quiet start to the week, with no major releases out of the eurozone. On the data release front, Germany's trade deficit widened to EUR 20.3 billion, matching the forecast while the Eurozone Sentix Investor Confidence edged up to 28.4, above the estimate of 28.1.

Sterling traded close to a two-week low, with a run of lacklustre data casting doubt over the Bank of England's recent warnings that it is on the verge of raising borrowing costs. Accountancy firm Deloitte said business optimism at large British companies fell sharply in the second quarter, dampened by the inconclusive outcome of last month's national election.

The Yen seesawed in a narrow band on Tuesday morning in Asia, a day after hitting four month lows against the USD.

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