

Daily Market News



12th July 2017

DOMESTIC NEWS

The local unit was flung higher in Tuesdays trading as the greenback continued to assert its dominance in the local market.

Forex currency purchase resumed with both interbank and corporates in the manufacturing sector at fore in a scramble to meet their demands. This saw the USDKES pair close above the 104.00 mark for the first time in six months.

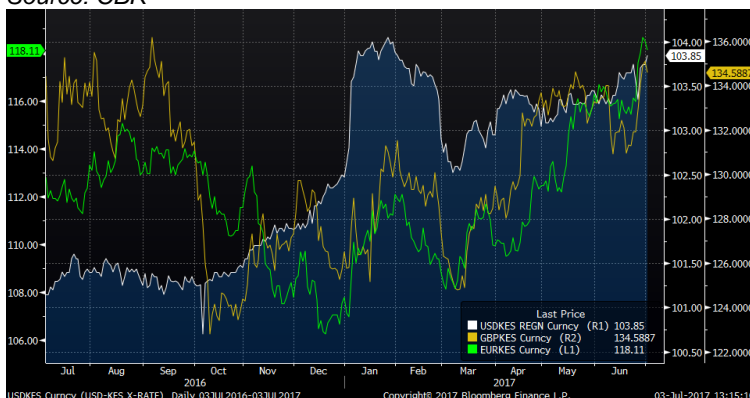
The bull run of the US dollar against the Kenya shilling is likely to remain on course in the coming days as there is still interest by a number of market players to close out on their obligations for the month in advance.

Amounts	Today's	
	Opening	
	Buy TT	Sell TT
USD/KES	99.80	105.00
GBP/KES	129.30	135.20
EUR/KES	114.50	120.70
JPY/KES	88.80	95.90

Forward Rate (USD)	
1 month	
BUY	101.00
SELL	105.60
3 Months	
Buy	102.00
SELL	107.75

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.967%	6.012%	+45.00
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 dollar came under pressure against a basket of global currencies on Tuesday after top Fed official Governor Lael Brainard suggested a caution approach to further interest rate increases may be needed to revive inflation. Further fueling woes for the Dollar was the release of an email chain by the U.S. President Donald Trump's eldest son which cited Russian support for his father before last year's U.S. election.

In the European session, the Euro lingered in a tight range amongst its peers. In a rare comment on the ECB's policy, which the German government frequently stresses is set independently, Merkel said that the European Central Bank's monetary policy is not yet where Germany would like it to be.

The British Pound pummeled following comments by the Bank of England Deputy Governor Ben Broadbent at the Scottish Council for Development. He came out cautious on Brexits impact on trade when he said "a significant curtailment of trade with Europe would force the U.K to shift away from producing the things it's been relatively good at."

The Yen made marginal gains against the US dollar earlier today on the backdrop of the email chain released by president Donald Trump's son.

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