

Daily Market News



14th July 2017

DOMESTIC NEWS

The shilling shook away from the US dollars grip and managed to close just below the 104.00 levels in Thursdays trading session.

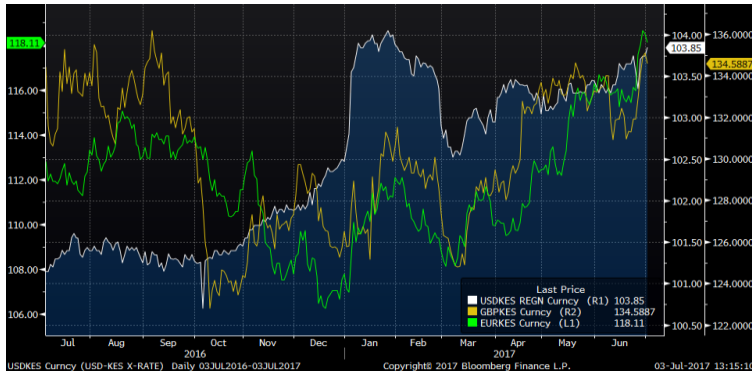
Persistent demand for foreign currency across board continued to be the overriding theme in the local market as the shilling opened trading weaker. The slide prompted the regulator to once again step in to aid the shilling from being hauled further by the greenback. The regulators direct forex sales helped abate the surge and reversed the tide in the afternoon session.

With the Central Bank now proving keen at defending the shilling we expect some hold back from a rapid ascension of the USDKES pair in the coming days.

Amounts	Today's		Forward Rate (USD)	
	Opening		1 month	
100,000	Buy TT	Sell TT	BUY	SELL
USD/KES	99.80	105.00	101.00	105.60
GBP/KES	129.85	135.95		
EUR/KES	113.70	119.90		
JPY/KES	88.10	95.20		
			3 Months	
			Buy	102.00
			SELL	107.75

Money Market Rates	Previous	Current	Change bps
Interbank Rate	6.406%	6.873%	+46.70
91-Day T-bill	8.221%	8.205%	+1.60
182-Day T-bill	10.312%	10.323%	-1.10
364-Day T-bill	10.889%	10.893%	+0.40
Inflation	11.70%	9.21%	-249.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The US dollar was mixed against the majors on Thursday as traders focused on Fed Chair Janet Yellen's second day of testimonies. The Fed Chair in her address to the Senate Banking Committee stuck to the assessment that the US economy is on the mend, by focusing on US employment to prove her point, and once again dismissed low inflation as the result of temporary factors.

The Euro dipped against the greenback after the Wall Street Journal reported on Thursday that the European Central Bank is likely to signal in September that its 2.3 trillion euros bond-buying programme would be gradually wound down next year.

Sterling rose for a second consecutive day against the US Dollar as investors covered some short positions after U.S. Federal Reserve Chair Janet Yellen's testimony knocked the greenback weaker against a broad basket of currencies.

The Yen lost some of the gains made previously against the US dollar in early Asia trading as markets gear up for a report next week from the The Bank of Japan, with sources saying it is set to raise its economic growth forecasts but cut its rosy inflation outlook.

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