

Daily Market News



03rd August 2017

DOMESTIC NEWS

The local currency's movement against the dollar was constrained within a narrow band of 103.70 – 104.10 as market activity gradually fizzled ahead of the elections.

Dwindling foreign currency demand balanced out with inflows from a handful of interbank players, trimming their long dollar positions, to leave the currency pair little changed on Wednesday.

With a cloud of possible Central bank's intervention hanging over the local currency market we see the home unit holding out versus the greenback in today's trading.

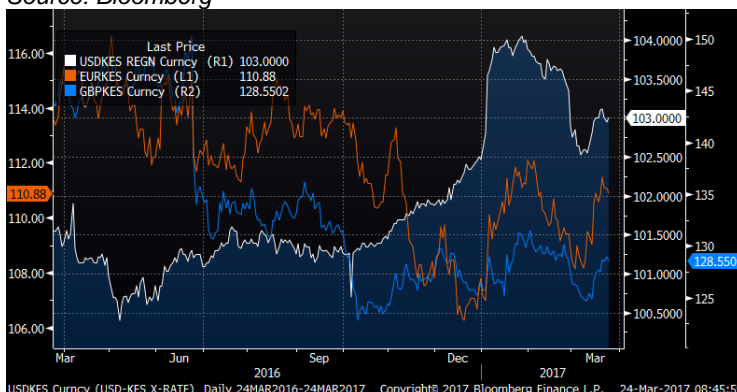
Amounts	Today's	
	Opening	
100,000	Buy TT	Sell TT
USD/KES	99.00	105.00
GBP/KES	132.50	138.50
EUR/KES	116.50	124.00
JPY/KES	89.80	99.80

Forward Rate (USD)	
1 month	
BUY	100.00
SELL	105.75
3 Months	
BUY	101.00
SELL	108.75

Money Market Rates	Current	Previous	Change bps
Interbank Rate	7.215%	7.281%	+06.60
91-Day T-bill	8.205%	8.205%	-0.00
182-Day T-bill	10.323%	10.308%	+1.50
364-Day T-bill	10.893%	10.887%	-0.60
Inflation	11.700%	9.21%	-249.00

Source: CBK

Source: Bloomberg



INTERNATIONAL NEWS

The dollar remained near 15-month lows against other major currencies on Wednesday, after the release of disappointing U.S. jobs data and as tensions in Washington continued to weigh on the greenback.

Payroll processing firm ADP said Non-farm private employment rose by 178,000 last month, just below forecasts for an increase of 185,000. The economy created 191,000 jobs in June, upwardly revised from a previously reported increase of 158,000.

The euro climbed to a fresh 2-1/2 year high against the dollar on Wednesday on doubts about another Federal Reserve interest rate increase this year and expectations for European Central Bank hawkishness.

Having retested multi-month tops near the 1.3245 region in the previous session, the cable retreated few pip to trade just above the 1.3200 handle as action seeped to the currency market ahead of the Bank of England's key rate decision later today.

The yen barely moved against the U.S. unit, trading around the \$110.50 line, early on Thursday as market remained minimal in a session devoid of economic data out of Tokyo.

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	1.0700	1.1700
GBP	1.2650	1.3650
JPY	106.50	113.50
CHF	0.9075	0.9975