

Daily Market News



04th August 2017

DOMESTIC NEWS

The recent trading level for shilling against the U.S. dollar remained intact on Thursday on the back of matching flows across the demand and supply counters.

Market activity remained minimal on the day, constraining movements in the currency pair within the a narrow band of 103.70 – 104.10.

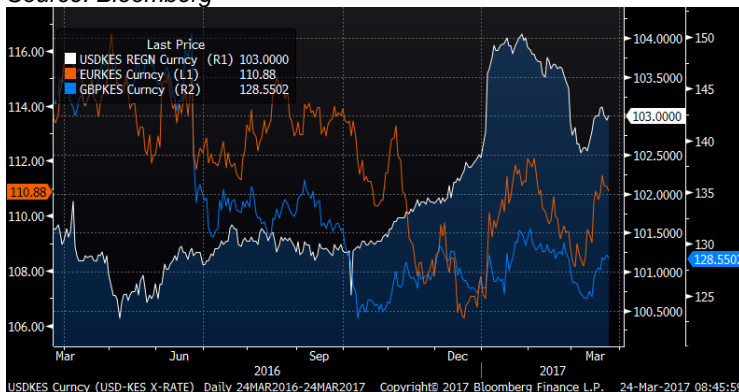
We see the home unit holding out around the 104.00 line line versus the buck as market activity steadily decline across various counters.

Amounts	Today's		Forward Rate (USD)	
	100,000	Opening	1 month	
	Buy TT	Sell TT	BUY	100.00
USD/KES	99.15	105.25	SELL	105.75
GBP/KES	131.50	137.50	3 Months	
EUR/KES	117.50	124.50	BUY	101.00
JPY/KES	89.80	99.80	SELL	108.75

Money Market Rates	Current	Previous	Change bps
Interbank Rate	9.219%	9.219%	+0.00
91-Day T-bill	8.196%	8.202%	-0.60
182-Day T-bill	10.324%	10.321%	-0.30
364-Day T-bill	10.889%	10.894%	-0.50
Inflation	7.47%	9.21%	-174.00

Source: CBK

Source: Bloomberg



INTERNATIONAL NEWS

The dollar hit session lows against a basket of global currencies late in New York, on the back of a report that the special counsel overseeing the Russia investigation, has impaneled a grand jury to investigate Russia interference in the 2016 elections.

This latest development in the Russia saga is likely to add to recent political uncertainty in Washington after The Senate, earlier in July, rejected an amendment to roll back parts of Obamacare.

The euro was buoyant versus the greenback after Euro-zone's seasonally adjusted Retail Sales unexpectedly advanced 0.5% on a monthly basis in June, suggesting that households ramped-up spending amid optimism that the region's economy is on a stronger growth path.

Sterling pound was broadly weaker in London, trading below the \$1.3200 line, after the Bank of England voted 6-2 to keep interest rates at their record lows and lowered its forecasts for growth, inflation and wages.

The yen gained in Asia on Friday despite weak earnings figures out of Tokyo with the dollar under pressure once again on political concerns in Washington.

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