

Daily Market News



07th August 2017

DOMESTIC NEWS

Steady decline in market activity saw the shilling hold out against the greenback within the 103.75 – 104.25 band in Friday session.

Key market players watched out events from the sidelines on a day that dwindling dollar demand balanced out with supply, limiting movements in the currency pair within the recent range.

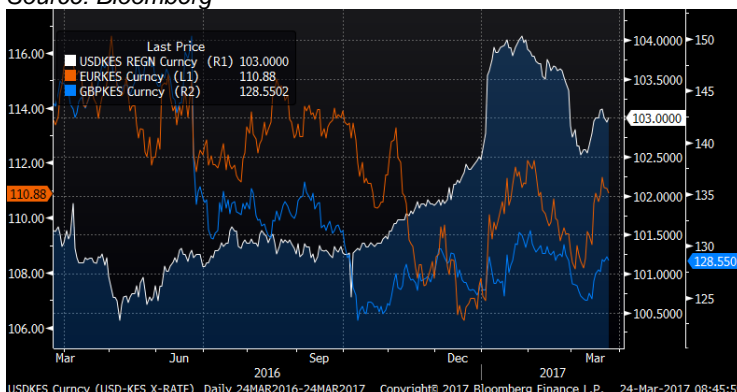
A theme of cautious trading is likely to characterize the markets ahead of the elections that opinion polls have as to close to call.

Amounts	Today's		Forward Rate (USD)	
	100,000	Opening	1 month	
	Buy TT	Sell TT	BUY	100.00
USD/KES	99.00	105.00	SELL	105.75
GBP/KES	132.50	137.50	3 Months	
EUR/KES	116.50	124.00	BUY	101.00
JPY/KES	89.80	99.80	SELL	108.75

Money Market Rates	Current	Previous	Change bps
Interbank Rate	10.51%	9.219%	129.10
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 rallied to one-week highs against other major currencies on Friday, boosted by the release of better-than-expected employment data in the U.S. The U.S. Labor Department said the economy added 209,000 jobs last month, blowing past expectations for an increase of 183,000.

Earlier in Europe the euro inched higher, touching an intraday high of \$1.1880 despite mixed economic data out of the Euro zone. Data out showed that German Factory Orders climbed 1.0%, beating the estimate of 0.6% while the Eurozone Retail PMI slowed to 51.0, marking a 4-month low.

Sterling pound fell late on Friday versus the dollar to post its biggest two-day decline in seven weeks after the strong U.S. July payrolls report prompted investors to cut some of their heavy bets against the dollar versus UK unit.

The yen was on a backfoot early on Monday against a resurgent buck that rode on last Friday's job's data out of the U.S.

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