

Daily Market News



10th August 2017

DOMESTIC NEWS

Caution prevailed in the local currency market in midweek session with Central bank standing guard.

The quiet session saw the local unit holding out within the 103.70 – 104.10 range as corporate dollar demand was matched by both the interbank supply and inflows on the back of regulator's interventionist action.

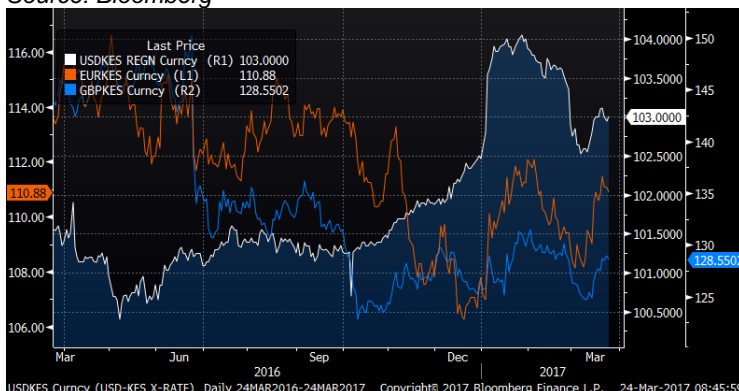
The trading range for the pair is likely to be preserved in today's trading as local unit is poised to continue enjoying the support of the Monetary authorities.

Amounts	Today's		Forward Rate (USD)	
	100,000	Opening	1 month	
	Buy TT	Sell TT	BUY	100.00
			SELL	105.75
			3 Months	
USD/KES	99.00	105.00	BUY	101.00
GBP/KES	131.50	136.50	SELL	108.75
EUR/KES	115.50	124.00		
JPY/KES	89.80	99.80		

Money Market Rates	Current	Previous	Change bps
Interbank Rate	10.51%	9.219%	+06.60
91-Day T-bill	8.192%	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 held onto modest gains against its peers in quiet session on Wednesday, as optimism over the U.S. job market continued to support the U.S. unit even as global geopolitical tensions dominated investors' attention. The greenback was buoyant as the recent strong U.S. Job Openings and Nonfarm payrolls data fueled expectations the Federal Reserve will stick to its plans for a third interest rate hike this year.

A selling bias for the euro versus the greenback resumed in European trading early on Wednesday, dragging single currency to test a low of 1.1720. The price action around the currency pair was driven by USD-dynamics against a backdrop of absent significant releases in Euroland.

Sterling pound slipped back below \$1.30 in quiet trade on Wednesday, nearing a 2-1/2-week low, as investors looked to key data due next week for clues on the health of the British economy as the country prepares to leave the European Union.

The yen rebounded in Asia from an early dip on Thursday amid continued geopolitical tensions on the Korean peninsula. Geopolitical tensions deepened, after Pyongyang said it was "carefully examining" a plan to strike Guam, where a U.S. military base is located.

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	1.2550	1.3550
JPY	106.50	113.50
CHF	0.9075	0.9975