

Daily Market News



06th September 2017

DOMESTIC NEWS

It was a calm day in the local foreign exchange market on Tuesday with the shilling trading flat against its U.S. counterpart.

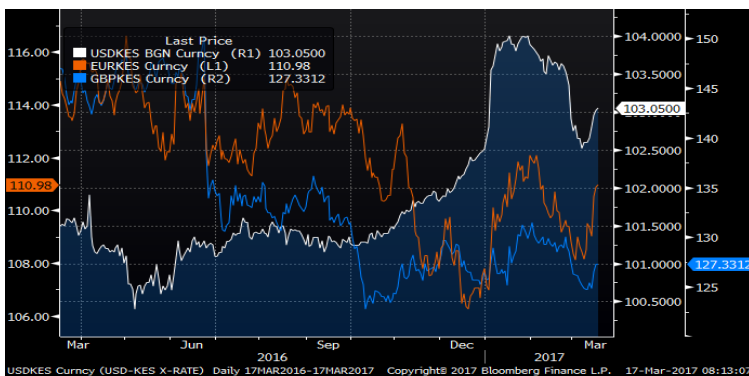
The home unit's movements were restricted to a tight range as both import and export counters reported reduced activity.

In the near term, we see the 103.00 – 104.00 trading ranges continuing to hold for the currency pair as the slowdown in activity prevails in the local currency market.

Amounts	Today's		Forward Rate (USD)	
	Opening		1 month	
	Buy TT	Sell TT	BUY	100.00
USD/KES	99.00	104.50	SELL	105.65
GBP/KES	129.50	134.50	3 Months	
EUR/KES	115.50	122.50	Buy	101.00
JPY/KES	89.80	99.80	SELL	108.65

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.88%	5.25%	+37.00
91-Day T-bill	8.139%	8.148%	+0.90
182-Day T-bill	10.316%	10.314%	-0.20
364-Day T-bill	10.922%	10.909%	-1.30
Inflation	7.47%	8.04%	+57.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The dollar turned broadly lower against other major currencies on Tuesday, after the release of downbeat U.S. Factory orders data and as investors remained cautious amid mounting tensions with North Korea. The greenback was hit after data showed that U.S. Factory orders declined in July, sparking concerns over the strength of the Manufacturing sector.

The Euro benefited from the slump in the greenback ahead of a European Central Bank interest rate decision due on Thursday.

GBP/USD advanced to 1.3017 even after data on Tuesday showed that activity in the UK Service sector dropped more than expected in August, hitting an 11-month low.

In Asia today, the yen gained against the dollar despite disappointing Wages data from Tokyo. Japan reported average cash earnings dropped 0.3%, compared with a gain of 0.5% expected for August on year.

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	1.1100	1.21
GBP	1.2300	1.3300
JPY	105.00	113.00
CHF	0.9085	0.9985