

Daily Market News



07th September 2017

DOMESTIC NEWS

The shilling held its ground against the US dollar during the midweek trading session as activity in the local FX market picked up.

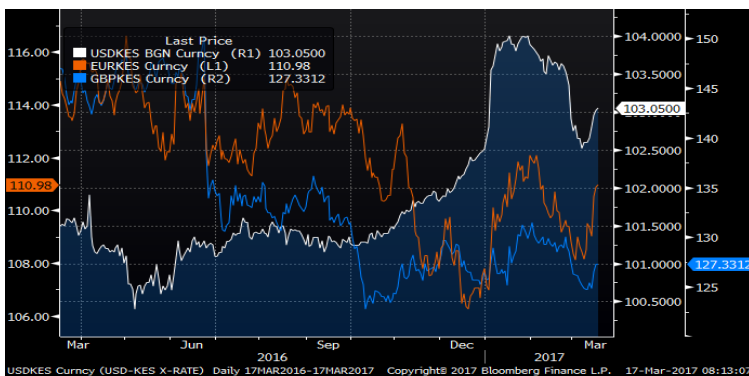
The home unit stumbled in early session on account of resurgent demand for the buck, but recovered later as foreign currency inflows increased to neutralize the dollar appetite, resulting to a softer close.

Looking ahead, we foresee the shilling trading within the current ranges in the absence of any major shift in market fundamentals.

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	5.25%	5.44%	+19.00
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 remained broadly lower against the other major currencies on Wednesday, after the release of disappointing U.S. data and as uncertainty over the future path of U.S. interest rates weighed. The Institute of Supply Management reported on Wednesday that U.S. service sector activity increased slightly less than expected in August.

The Euro held firm on Wednesday ahead of a European Central Bank policy decision, with the focus on what the ECB might say about the currency's recent strength and how that may influence the policy outlook.

Sterling hit its highest in a month against the dollar on Wednesday, a day after its biggest rise in nearly two months, as investors trimmed some bearish bets before parliament discusses the European Union repeal bill.

In Asia today, the yen slightly gained against the dollar as talks to raise the U.S. debt ceiling drag on and investors worry about getting tax cuts through the U.S. Congress.

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