

Daily Market News



08th September 2017

DOMESTIC NEWS

The shilling gained ground against the greenback during Thursday session, testing recent highs, as demand for the buck dissipated.

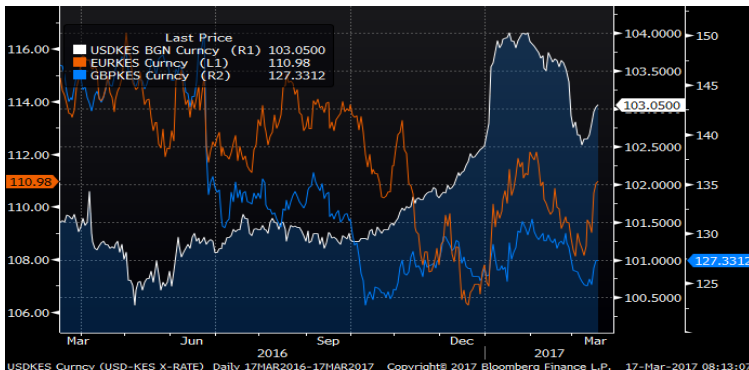
The local currency's upbeat momentum remained sound for most of the session underpinned by the intensifying sentiments favoring the local unit resulting to dollar selloff by interbank and corporate players.

Ahead of the weekend, we expect the unit to continue oscillating within the broader 102.75-103.75 range ahead of the weekend, barring any fresh market moving news.

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	5.96%	5.94%	-2.00
91-Day T-bill	8.139%	8.130%	-0.90
182-Day T-bill	10.316%	10.313%	-0.30
364-Day T-bill	10.922%	10.920%	-0.20
Inflation	7.47%	8.04%	+57.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The dollar dropped to 32-month lows against other major currencies on Thursday, after the release of downbeat U.S. jobless claims data and as remarks by European Central Bank President Mario Draghi sent the euro broadly higher. The greenback weakened after the U.S. Labor Department reported on Thursday that initial jobless claims rose more than expected to 298,000 last week.

The Euro pared some of its gains against the dollar after hitting a nearly two-week high on Thursday following Mario Draghi's comments that policymakers would decide on tapering stimulus in October. Draghi's comments came after the ECB kept interest rates at record lows and confirmed that asset purchases would continue at least until December.

Britain's pound jumped above \$1.31 for the first time since early August on Thursday, pulled up by a euro that was stronger across the board on the view that the head of the European Central Bank had not tried to strongly talk down the euro.

In Asia today, the yen held gains on the dollar after mixed data sets with the market also poised for likely China trade figures later in the day.

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