

# Daily Market News



11<sup>th</sup> September 2017

## DOMESTIC NEWS

It was a calm day at the close of the week in the local foreign exchange market with the shilling trading flat against its U.S. counterpart.

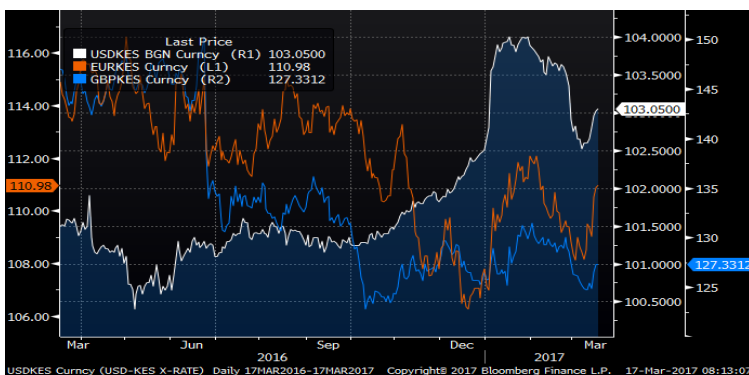
Trifling foreign currency inflows evenly quenched the importer demand for the buck leaving the local currency unmoved for most of the session.

Looking ahead, we see the local unit marooned within the 102.50 – 103.50 ranges, as demand and supply forces continue to balance out.

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	<b>3 Months</b>	
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 trimmed losses but remained at a 32-month low against other majors on Friday, as concerns over the potential impact of Hurricane Irma on the Florida Coast and tensions with North Korea weighed heavily on the greenback.

The Euro was up at 1.2034 that was broadly supported after the European Central Bank left interest rates unchanged as expected on Thursday and signaled that information on the tapering of the central bank's asset-purchase program would be delivered in October.

GBP/USD was up at a five-week high of 1.3184 after data earlier showed that UK Manufacturing production rose more than forecast in July, while Industrial production increased in line with expectations.

In Asia today, the yen lost against the dollar as the impact of Hurricane Irma appears to be less than originally expected though still devastating to infrastructure and initial economic impact with Goldman Sachs shaving 1% off its Q3 GDP view, while data out of Japan provided solid monthly figures for Machinery orders.

### 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