

Daily Market News



13th September 2017

DOMESTIC NEWS

The local unit came in second versus the US dollar as the shilling closed weaker in Tuesday's trading Session.

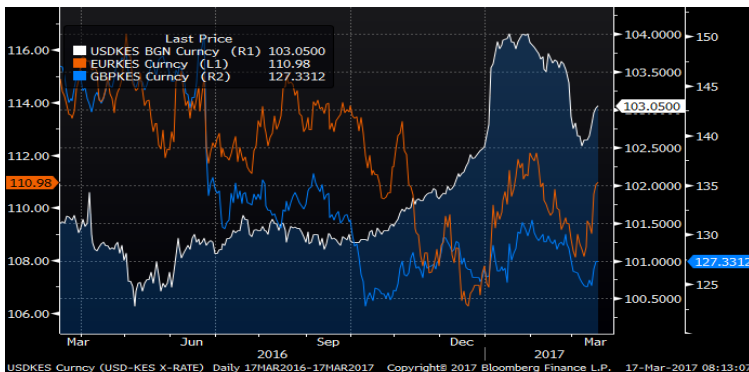
Foreign currency appetite, was more passionate with corporate and interbank players on show which saw the shilling on the backfoot and the greenback on the bellicose.

The shilling is expected to remain under pressure in the short term with importers demand likely to be sustained.

| Amounts | Today's | | Forward Rate (USD) | |
|---------|---------|---------|--------------------|--------|
| | 100,000 | Opening | | |
| | Buy TT | Sell TT | 1 month | |
| USD/KES | 99.00 | 104.50 | BUY | 100.00 |
| GBP/KES | 129.50 | 134.50 | SELL | 105.65 |
| EUR/KES | 115.50 | 122.50 | 3 Months | |
| JPY/KES | 89.80 | 99.80 | Buy | 101.00 |
| | | | SELL | 108.65 |

| Money Market Rates | Previous | Current | Change bps |
|--------------------|----------|---------|------------|
| Interbank Rate | 4.82% | 4.79% | -3.00 |
| 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 was steady against a basket of other major currencies on Tuesday, as concerns over the impact of Hurricane Irma eased. The dollar was boosted by relief that the economic cost of Hurricane Irma will probably be lower than had been feared.

EUR/USD held steady at 1.1961 as British lawmakers voted in favor of a proposed timetable for debating Brexit legislation.

The Sterling surged to one-year highs after data showing that UK inflation jumped in August to 2.9% from a year earlier in August, its joint highest in five years, underlining concerns over a squeeze on living costs.

The Japanese yen gave up early gains in Asia on Wednesday after producer prices came in slightly below expectations. Japan reported producer prices for August as flat on month, compared to a 0.1% gain seen, and up 2.9% on year, just shy of the 3.0% increase expected.

| 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 |