

Daily Market News



10th November 2017

DOMESTIC NEWS

The local FX market was quiet yesterday with minimal activity witnessed across counters leaving the home unit unmoved for most of the session.

Fickle foreign currency inflows sufficiently met the trivial dollar appetite from corporates and interbank players, allowing little room for the shilling's movement in either direction. The home unit remained marooned in the now familiar 103.00-104.00 range on the day.

Market chatter alludes to range bound trading in today's session as slowdown in activity continues to typify the local FX scene.

Amounts	Today's		Forward Rate (USD)	
	100,000	Opening	1 month	
	Buy TT	Sell TT	BUY	100.00
USD/KES	99.00	104.50	SELL	105.65
GBP/KES	131.50	137.50	3 Months	
EUR/KES	114.50	121.50	Buy	101.00
JPY/KES	86.50	96.00	SELL	108.65

Money Market Rates	Previous	Current	Change bps
Interbank Rate	8.57%	8.84%	+27.00
91-Day T-bill	8.011%	8.015%	+0.40
182-Day T-bill	10.389%	10.433%	+4.40
364-Day T-bill	10.989%	10.995%	+0.60
Inflation	7.06%	5.72%	-134.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The dollar traded lower against a basket of major currencies on Thursday amid fears the Senate would derail President Donald Trump's tax reform plan after news surfaced that the Senate would delay corporate tax cuts until 2019. Also weighing on the greenback was a report showing weakness in the labor market after initial jobless claims rose more than expected last week. The U.S. Department of Labor reported that initial jobless claims increased to 239,000 for the week ended Nov. 4, above forecasts of an increase to 232,000.

In Europe, the Euro rose sharply against the dollar after the European Commission revised upwards the growth forecast for the Eurozone this year but lowered next year's growth estimates.

Britain's sterling was up against the buck after erasing earlier losses. British Prime Minister Theresa May will restate her desire for a two-year Brexit implementation period when she meets European business organizations on Monday, her office said in a statement.

The USD/JPY made fresh session lows earlier today in Tokyo on the back of news that indeed U.S. Corporate tax cuts will be delayed until 2019.

Indicative Deposit Rates			
Amts > KES 20 million	Amounts > 100,000		
KES	USD	EURO	
Call	7.00%	0.75%	0.00%
1 month	7.25%	1.00%	0.00%
3 months	7.50%	1.25%	0.00%
6 months	7.55%	1.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.1100	1.2100
GBP	1.2500	1.3500
JPY	109.00	117.00
CHF	0.9155	0.9995