

Daily Market News



13th November 2017

DOMESTIC NEWS

It was a nonchalant close to the week in the local FX scene on Friday with the USDKES pair stuck within the 103.00 – 104.40 farrow.

Markets remained eerily calm throughout the day with dismal activity reported on both the demand and supply counters as market focus started to shift to this week's Supreme Court hearing of the presidential petition.

Looking ahead we expect the shilling to tread water as politics returns as the dominant driver of market direction. The Supreme Court hearing is the last hurdle to the President's second term.

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

Money Market Rates	Previous	Current	Change bps
Interbank Rate	8.85%	8.94%	+9.00
91-Day T-bill	8.015%	8.015%	0.00
182-Day T-bill	10.433%	10.488%	+5.50
364-Day T-bill	10.995%	11.000%	+0.50
Inflation	7.06%	5.72%	-134.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The dollar traded lower against a basket of currencies on Friday as consumer confidence data fell short of expectations while ongoing fears over delays to corporate tax cuts continued to weigh on sentiment. The University of Michigan's consumer sentiment index, showed consumer confidence in the economy cooled, with the reading missing expectations of 100.7.

Meanwhile in Europe, the EUR/USD pair edged up trading at 1.1660 levels. Investors will be focusing on the Central Bank Communications Conference hosted by the ECB, with a panel discussion including the heads of the European, U.S., British and Japanese central banks in the spotlight.

Sterling climbed to its highest since last week's Bank of England interest rate hike after Brexit secretary David Davis and his European Union counterpart Michel Barnier said they would work with the goal of moving talks on to trade next month. The currency was also supported on Friday by positive data on manufacturing and industrial production.

Earlier today in Tokyo, USD/JPY pair struggled to build a tepid rebound from the 113.00 neighborhood and was seen oscillating within a narrow trading band, just below mid-113.00s.

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