

# Daily Market News



14<sup>th</sup> November 2017

## DOMESTIC NEWS

Odds were against the shilling on the first trading session of the week with the home unit coming under pressure on the back of increased dollar demand.

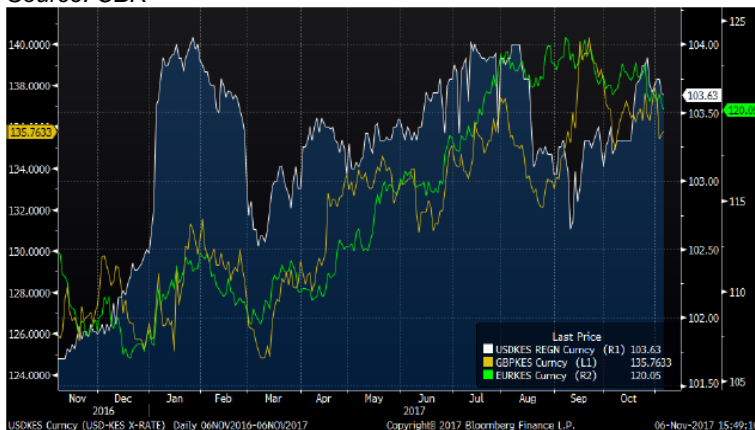
The local unit remained resilient against the buck for most of the session but finally succumbed to pressure in the afternoon after late buyers flocked the market to purchase the greenback, pushing the USD/KES pair to the upper bounds of 103.00-104.00 range.

Further depreciation of the shilling is still on the cards in the short term if the current demand-supply mismatch persists. Players also remain wary of the current political situation which may bring additional pressure against the local currency.

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	131.50	137.50	<b>3 Months</b>	
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	8.94%	9.27%	+33.00
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



## INTERNATIONAL NEWS

The dollar traded higher against a basket of currencies on Monday buoyed by positive comments on tax reform from President Donald Trump which lifted sentiment on the greenback

The Euro drifted lower, consolidating below a one-week high tested in the previous session as investors moved to the sidelines before a central bank conference on Tuesday where central bankers may share their thoughts on the global economy. European Central Bank chief Mario Draghi, Federal Reserve Chair Janet Yellen, Bank of Japan Governor Haruhiko Kuroda and Bank of England head Mark Carney will form a panel at the ECB-hosted conference in Frankfurt

Sterling fell against the dollar as investors worried about Theresa May's ability to stay on as British prime minister and get what they consider to be a good exit deal from the European Union. May's blueprint for Britain's departure from the EU faces a crucial test starting on Tuesday when lawmakers try to win concessions on the government's legislations to server ties.

Against its Japanese counterpart the dollar inched higher in Asia earlier today but remained below its eight month high of 114.735 hit last week. The greenback got support from U.S. yields.

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