

# Daily Market News



1<sup>st</sup> December 2017

## DOMESTIC NEWS

The Kenya Shilling continued to strengthen against the U.S. dollar on the back of increased foreign currency supply.

An abundance of dollar supply amid fickle foreign currency demand by both the interbank and corporate players pushed the home unit on the front foot for the majority of Thursday's session.

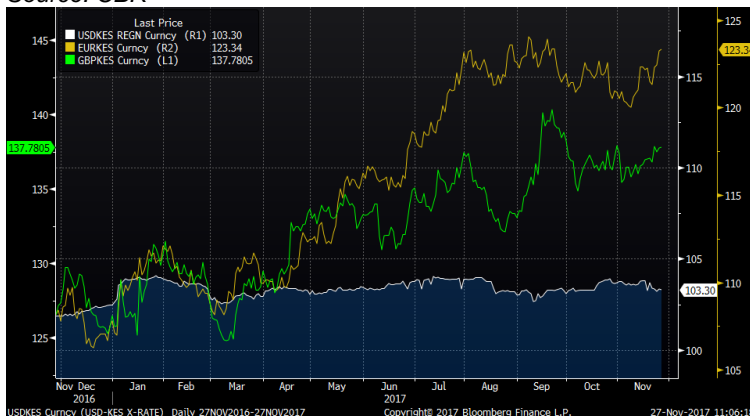
Further appreciation of the local unit is in the offing, at least in the short term, if the recent increased activity on the supply counters persists.

Amounts	Today's	
	Opening	
	Buy TT	Sell TT
USD/KES	98.50	104.00
GBP/KES	134.50	140.50
EUR/KES	116.00	123.50
JPY/KES	86.50	97.50

Forward Rate (USD)	
1 month	
BUY	100.00
SELL	105.65
3 Months	
Buy	101.00
SELL	108.65

Money Market Rates	Previous	Current	Change bps
Interbank Rate	8.40%	8.34%	-60.00
91-Day T-bill	8.011%	8.011%	0.00
182-Day T-bill	10.481%	10.478%	-0.30
364-Day T-bill	11.019%	11.045%	+2.60
Inflation	5.72%	4.73%	-99.00

Source: CBK



Source: Bloomberg

## INTERNATIONAL NEWS

The U.S. dollar was mixed against a basket of major currencies in Thursday's session as market focused on renewed turmoil in the Trump administration.

Investors grew weary of reports that U.S. President Donald Trump was looking to replace State Secretary Rex Tillerson with CIA chief Mike Pompeo.

The euro was initially lower against the dollar on account of mixed Eurozone data. Eurozone inflation hit 1.5% in November, weaker than the 1.6% expected, while unemployment rate fell to 8.8%, its lowest level since 2009. The euro, however, gained strength later in the day on account of increased end-month demand.

The sterling extended its gradual rise against the dollar that started earlier this week. Positive sentiment on an earlier breakthrough on the Brexit divorce bill between the UK and the EU combined with recent greenback woes pushed the GBPUSD currency pair to a high of above 1.3530 level.

The Yen strengthened against the dollar early this morning on account of the U.S tax bill suffering a setback after Senate Republicans withdrew, hours before a planned final vote.

Indicative Deposit Rates			
Amts > KES 20 million		Amounts > 100,000	
KES		USD	EURO
Call	7.00%	0.50%	0.00%
1 month	7.50%	1.00%	0.00%
3 months	8.00%	1.25%	0.00%
6 months	8.50%	1.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR/USD	1.1500	1.2500
GBP/USD	1.3000	1.4000
USD/JPY	108.00	116.00
USD/CHF	0.9085	0.9985