

# Daily Market News



6<sup>th</sup> December 2017

## DOMESTIC NEWS

The Kenya shilling regained momentum against the U.S. dollar on Tuesday in an attempt to break through a key psychological barrier.

The home unit started the day on a high, boosted by dollar inflows from corporate players that were unmatched by muted foreign currency demand. The USDKES currency pair closed the day at the lower bounds of 102.60 – 103.80 levels.

We expect the local unit to continue on a bullish trend in the short term as long as the supply side continues to be supported.

Amounts	Today's		Forward Rate (USD)	
	Opening		1 month	
	Buy TT	Sell TT	BUY	100.00
USD/KES	98.50	104.00	SELL	105.65
GBP/KES	133.50	139.50	3 Months	
EUR/KES	115.50	123.00	Buy	101.00
JPY/KES	86.50	97.00	SELL	108.65

Money Market Rates	Previous	Current	Change bps
Interbank Rate	7.96%	7.91%	-5.00
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

Euphoria surrounding a major tax overhaul in the U.S. continued to boost the greenback against a basket of major currencies in Tuesday's trading session.

The U.S. Senate and House of Representatives are set to start deliberations aimed at reconciling their respective bills this week, with optimism that a final bill will reach President Donald Trump for approval before year-end.

The euro decreased against the dollar on account of disappointing Germany Services Purchasing Managers Index (PMI) data with November's reading coming in at 54.3 against estimates of 54.9.

The pound continued to wobble against the dollar as disappointment over Prime Minister Theresa May's inability to secure a Brexit deal on Monday weighed on investors. Talks ended after Northern Irish politicians rejected proposals on their border with Ireland.

Earlier today, the Yen opened steady against the dollar as positive investor sentiment on the greenback decreased demand for the Japanese unit.

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	1.1300	1.2300
GBP/USD	1.2900	1.3900
USD/JPY	108.00	116.00
USD/CHF	0.9085	0.9985