

Daily Market News



7th December 2017

DOMESTIC NEWS

The Kenya Shilling remained on a bullish path on Wednesday as wave after wave of foreign currency supply hit markets.

Earlier in the day, the home unit received a boost as the corporate counter continued to sell U.S. dollars, pushing the USD/KES currency pair to near 3-month lows of 102.50 – 103.80.

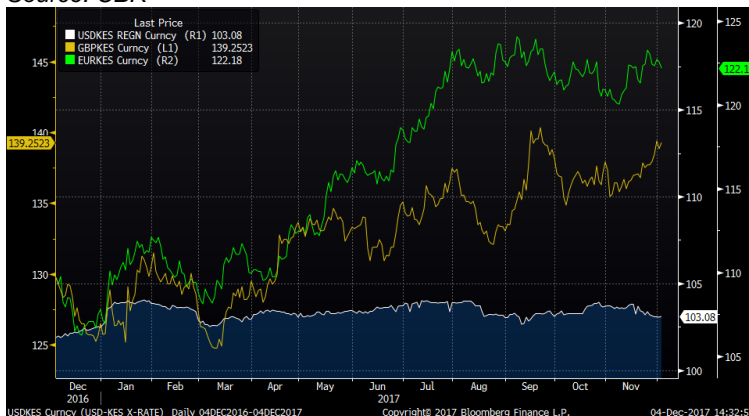
A continued rise in the value of the local unit versus the dollar seems to be a plausible scenario in the near term as persistent dollar supply outmuscles demand.

Amounts	Today's	
	Opening	
	Buy TT	Sell TT
USD/KES	98.50	104.00
GBP/KES	132.50	138.50
EUR/KES	115.00	122.50
JPY/KES	86.50	97.00

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	7.91%	7.88%	-3.00
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 rose against a basket of major currencies amid easing concerns about a possible U.S. government shutdown due to a Friday midnight deadline to pass fresh spending legislation.

President Donald Trump's comments earlier on Wednesday that a government shutdown "could happen" worried market participants. Later in the day, a bill extending current federal funding by 2 weeks was introduced in the House of Representatives, downplaying the likelihood of a shutdown.

The euro decreased against the dollar despite stronger than expected German factory orders, that increased by 0.5% in October, better than the 0.3% decline forecasted by economists.

The pound suffered further losses against the dollar as Brexit negotiation concerns surrounding the Irish border and post-Brexit regulatory arrangements dominated the market.

Earlier this morning, the Yen begun to lose momentum against the dollar, reversing earlier gains after President Donald Trump recognized Jerusalem as the capital of Israel late Wednesday.

Indicative Deposit Rates

Amts > KES 20 million	Amounts > 100,000	
	USD	EURO
Call	7.00%	0.00%
1 month	7.50%	0.00%
3 months	8.00%	0.00%
6 months	8.50%	0.00%

Indicative Cross Rates

	Buy	Sell
EUR/USD	1.1200	1.2200
GBP/USD	1.2700	1.3700
USD/JPY	108.00	116.00
USD/CHF	0.9285	0.9995