

Daily Market News



10th January 2018

DOMESTIC NEWS

The Kenya shilling traded within confined ranges against the U.S. dollar in Tuesday's session as foreign currency flows evened out.

In a rather quiet morning session, the local unit held steady versus the greenback on the back of matching flows on both the demand and supply counters. An uptick in dollar demand later in the day saw the shilling marginally weaken by 5 cents.

Market chatter alludes to range bound trading, as investors look out for fresh factors to offer price direction.

Amounts	Today's	
	Opening	
	Buy TT	Sell TT
USD/KES	98.50	104.00
GBP/KES	135.00	141.00
EUR/KES	117.00	124.50
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	5.62%	4.92%	-70.00
91-Day T-bill	8.080%	8.080%	0.00
182-Day T-bill	10.649%	10.685%	+3.60
364-Day T-bill	11.151%	11.162%	+1.10
Inflation	4.73%	4.50%	-23.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar's bullish run against other major currencies continued for a third consecutive day on Tuesday as investors ignored weak macroeconomic data releases from the U.S.

U.S. Small Business Optimism Index in December dropped to 104.9 from 107.5, while Job Openings came in at 5.9 million against market expectations of 6.04 million.

The euro extended its losses against the dollar, shrugging off upbeat eurozone economic data. Germany's Industrial Production rose sharply by 3.4%, beating estimates of 1.9%, while the country's trade surplus widened to EUR 22.3 billion against a forecast of EUR 20.7 billion.

The pound dipped against the dollar as its movement continued to be underpinned by the greenback's new found strength. The cable dropped to just above the 1.3500 level on the day.

The Yen continued its momentum against the dollar in this morning's trading on account of rising Japanese Government Bond Yields that saw investors lean towards the safe haven currency.

Indicative Deposit Rates

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

Indicative Cross Rates

	Buy	Sell
EUR/USD	1.1400	1.2400
GBP/USD	1.3000	1.4000
USD/JPY	109.00	117.00
USD/CHF	0.9485	0.9995