

Daily Market News



12th January 2018

DOMESTIC NEWS

The Kenya shilling saw little movement against the U.S. dollar in what was a seesaw session with increased activity across the counters.

Dollar sellers made forays into the market earlier in the day resulting in the home unit picking some momentum. Late demand by corporates that sought to take advantage of the declining greenback pushed the USDKES currency pair back to previous day's close.

Given the current trading levels for the domestic unit, we still see a range bound theme dominating trading as market players look out for a shift in market dynamics.

Amounts	Today's	
	Opening	
100,000	Buy TT	Sell TT
USD/KES	98.50	104.00
GBP/KES	135.00	141.00
EUR/KES	118.00	125.50
JPY/KES	87.50	98.00

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	4.92%	4.89%	-3.00
91-Day T-bill	8.080%	8.049%	-3.10
182-Day T-bill	10.685%	10.661%	-2.40
364-Day T-bill	11.162%	11.170%	+0.80
Inflation	4.73%	4.50%	-23.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar closed Thursday's session on the backfoot against other major currencies in what was a choppy trading day.

The greenback was steady earlier in the day after China dismissed a report that it is cutting or even ending completely its purchases of U.S. Government debt, but was later knocked back by reports that showed U.S. producer prices surprisingly fell in December, while initial jobless claims unexpectedly rose last week to 261,000 from 250,000.

The euro got a boost against the dollar after minutes of the European Central Bank (ECB) Policy meeting in December revealed that the committee may look at updating its forward guidance in early 2018, ahead of market expectations, which was seen by investors as an indication that the bank is preparing to start winding down its stimulus program.

The pound rose against the dollar despite a lack of any positive data from the U.K. this week, but driven by a weakening dollar as it touched above the 1.3540 level intraday.

The Yen held steady against the dollar earlier today despite underwhelming economic data where December Trade Surplus came in at JPY181 billion, well below the JPY310.6 billion expected.

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	1.1500	1.2500
GBP/USD	1.3000	1.4000
USD/JPY	108.00	116.00
USD/CHF	0.9485	0.9995