

Daily Market News



08th February 2018

DOMESTIC NEWS

The local unit's robustness remained the overriding theme in the domestic currency market on Wednesday as the shilling glided towards the key 101.00 mark.

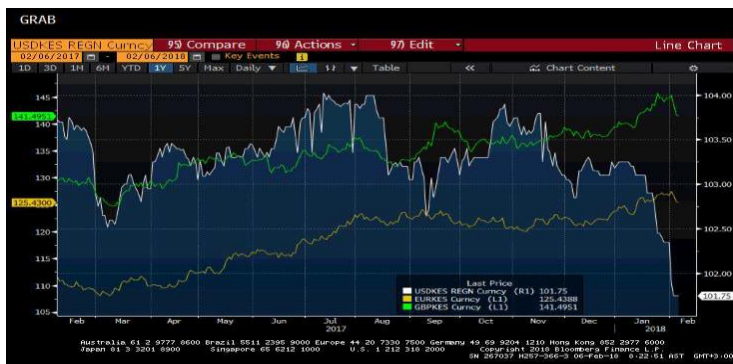
Lethargy on the foreign currency demand counter combined well with dollar inflows from a couple of interbank players to elevate the home unit close to seventeen months highs of 100.80 – 101.20 versus the dollar at the closing bell.

With foreign currency still trickling into the market, we see the shilling consolidating its recent gains against the greenback in today's session.

Amounts	Today's		Forward Rate (USD)	
	Opening			
	Buy TT	Sell TT	1 month	
USD/KES	97.00	102.40	BUY	100.10
GBP/KES	137.00	141.70	SELL	105.60
EUR/KES	118.30	125.00	3 Months	
JPY/KES	88.00	96.00	BUY	101.00
			SELL	108.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.496%	5.546%	+5.00
91-Day T-bill	8.004%	8.005%	+0.01
182-Day T-bill	10.564%	10.438%	-12.60
364-Day T-bill	11.159%	11.156%	-0.03
Inflation	4.50%	4.83%	+33.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The greenback hovered above its recent lows against major rivals late on Wednesday, benefiting from the euro's weakness and higher U.S. yields but capped by concerns about recent equity market volatility. Against a basket of six major rival currencies, the dollar index was steady on the day just below the 90.40 mark, highest in two weeks.

In Europe, the euro gave up some of its recent gains against the U.S. unit, tumbling towards the 1.23 line as investors switched to dollar dominated assets after the recent global equity market sell-off.

Sterling pound edged lower, heading back towards a 2-1/2 week low hit in the previous session as a central bank meeting later today kept investors wary of adding positions aggressively amid a broad dollar bounce.

Pound bulls have been hit by a drip feed of weak economic data since the UK unit scaled a post Brexit referendum vote high above \$1.43 in late January.

A recovering greenback was slightly higher on the day against its Japanese counterpart at 109.37 in early Asian trading on Thursday.

Indicative Deposit Rates			
Amts > KES 20 million	Amounts > 100,000		
KES	USD	EURO	
Call	7.00%	0.50%	0.00%
1 month	7.25%	1.00%	0.00%
3 months	7.50%	1.25%	0.00%
6 months	8.00%	1.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.1900	1.2900
GBP	1.3550	1.4550
JPY	104.50	114.50
CHF	0.8750	0.9750