

Daily Market News



12th February 2018

DOMESTIC NEWS

The shilling's flight towards the key 100 mark hit turbulence in Friday's volatile session as the home unit closed the day marginally weaker versus the dollar.

The shilling shed 40 cents against the greenback in morning trading as emboldened dollar buyers rushed to the market. However later in the day, the home unit recouped some of its earlier losses as interbank players came to its rescue to close the day 10 cents lower.

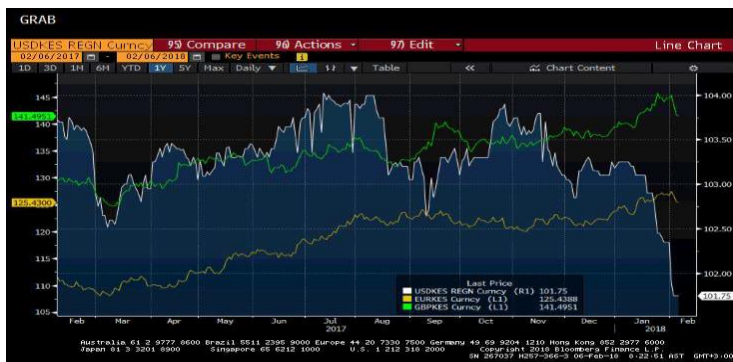
We see the local currency back on a bullish trajectory, with the likelihood of the currency pair drifting towards the 100.00 line as foreign currency inflows continue to hit the market.

Amounts	Today's	
	Opening	
	Buy TT	Sell TT
USD/KES	96.00	102.40
GBP/KES	136.00	141.70
EUR/KES	118.30	125.00
JPY/KES	88.00	96.00

Forward Rate (USD)	
1 month	
BUY	100.10
SELL	105.60
3 Months	
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 dollar rose on Friday for its strongest week against a basket of currencies in nearly fifteen months as some traders piled into the greenback in a week of tremendous swings felt in stock and bond markets around the world.

The EUR/USD reached a low of 1.2205 in Frankfurt on Friday, below the previous daily low of 1.2227. The pair traded at the lowest since January 22nd as investors continued to switch on greenback in the wake of the recent rout of the global equity market.

Sterling erased recent gains and slid against the dollar and the euro after the European Union's Brexit negotiator warned Britain that a post-Brexit transition deal was "not a given".

The pound dropped against the dollar to trade at a session low of \$1.3786, its weakest since Jan. 17, before recovering slightly. Against the euro sterling fell as much as 0.8 percent to trade at 88.79 pence.

The yen edged higher versus the dollar on Monday, but traded below a five-month high as a bounce in U.S. equities late last week dampened demand for traditional safe haven currencies.

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	1.3350	1.4350
JPY	104.50	114.50
CHF	0.8750	0.9750