

Daily Market News



09th March 2018

DOMESTIC NEWS

After several days of trading waters, the shilling built on its recovery further in Thursdays trading session gaining a few cents against its American counterpart.

Despite minimal trading activity presiding for most part of the day, the home unit got support from the fickle foreign currency inflows which overwhelmed dollar appetite from corporates, leading the shilling to a stronger close.

On this last trading day of the week, we expect the local FX market to be characterized by range bound trading especially if the uncanny calm that has recently dominated continues.

Amounts	Today's	
	Opening	
100,000	Buy TT	Sell TT
USD/KES	96.75	102.50
GBP/KES	134.50	141.50
EUR/KES	118.00	126.25
JPY/KES	89.00	98.00

Forward Rate (USD)	
1 month	
BUY	100.10
SELL	104.25
3 Months	
Buy	101.00
SELL	105.65

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.57%	4.97%	+40.00
91-Day T-bill	8.032%	8.029%	-0.30
182-Day T-bill	10.395%	10.393%	-0.20
364-Day T-bill	11.131%	11.135%	0.40
Inflation	4.83%	4.46%	-31.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The dollar held on to its gains as U.S. President Donald Trump signed a version of the steel and aluminum tariffs, which was not as severe as some traders had feared and less likely to trigger a global war.

The Euro fell on Thursday as European Central Bank President Mario Draghi, while acknowledging faster growth in Europe, said regional inflation remained subdued and rising protectionism is a risk. The views expressed at his news conference overshadowed the ECB's dropping of a long-standing pledge to increase its bond purchases if needed, a move that briefly spurred buying of the single currency.

GBP/USD broke below 1.3850 and dropped quickly to 1.3812 levels, reaching the lowest since Monday. The Sterling continues to be dragged down by Brexit concerns despite upbeat economic data for the UK and a positive outlook from the Bank of England (BoE).

Against the safe haven yen, the dollar gained earlier today as hopes of a breakthrough in the North Korean nuclear standoff rose after U.S. President Donald Trump showed willingness to accept an invitation to meet North Korean leader Kim Jong Un by May.

Indicative Deposit Rates			
Amts > KES 20 million	Amounts > 100,000		
KES	USD	EURO	
Call	7.00%	0.75%	0.00%
1 month	7.25%	1.00%	0.00%
3 months	7.50%	1.25%	0.00%
6 months	7.55%	1.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.1100	1.2100
GBP	1.2500	1.3500
JPY	109.00	117.00
CHF	0.9155	0.9995