

Daily Market News



13th March 2018

DOMESTIC NEWS

After a period of resilience, the shilling failed to preserve last week's gains versus the greenback on account of increased dollar appetite.

The local currency held steady for most of the morning but finally succumbed to pressure in late trading weighed down by corporates taking advantage of the relatively cheap dollar prices.

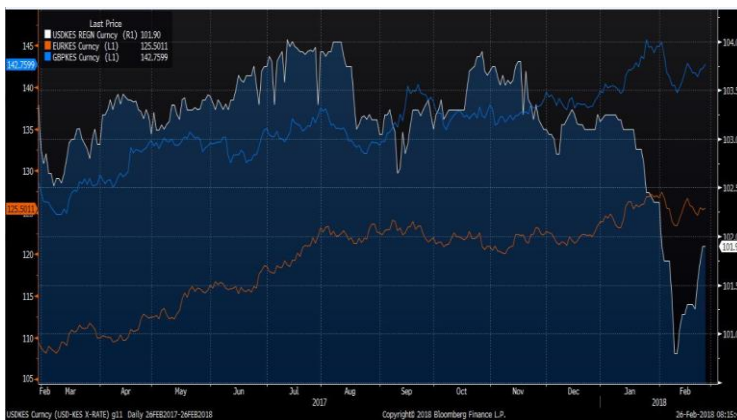
In the day ahead, we see the range bound trading dominating the local foreign currency scene as investors digest the impact of the recent political developments.

Amounts	Today's	
	Opening	
	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	4.48%	4.49%	-1.00
91-Day T-bill	8.029%	8.026%	-0.30
182-Day T-bill	10.393%	10.385%	-0.80
364-Day T-bill	11.135%	11.128%	-0.70
Inflation	4.83%	4.46%	-31.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The dollar fell against a basket of major currencies Monday pressured by data showing persistently low wages that will likely constrain the U.S. Federal Reserve from raising interest rates more than three times this year. The buck also struggled amid uncertainty about U.S. trade protectionism, analysts said, after President Trump imposed tariffs on steel and aluminum imports, except those from Mexico and Canada.

The Euro rose against the dollar to 1.2335 levels. After a strong start to the year, the single currency remains below the three-year peak hit in February. A more dovish than expected central bank meeting last week continued to weigh on the single currency.

Cable continued to move sideways around the 1.3900 area. The pair rose earlier on the back of a modest decline of the US dollar but later pulled back. There are no major data releases scheduled for the UK this week, leaving markets prone to range trading and sudden lurches in response to headline news especially on Brexit.

The Yen held firm against the dollar earlier today in Asia as a political scandal engulfing Japanese Prime Minister Shinzo Abe's government raised doubts about his ability to pursue his economic policies, including monetary easing.

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