

Daily Market News



11th April 2018

DOMESTIC NEWS

The Kenya shilling traded within confined ranges against the U.S. dollar in Tuesday's session as foreign currency flows evened out.

In a rather quiet session, the local unit held steady versus the greenback on the back of matching flows on both the demand and supply counters, ending the day little changed from previous close.

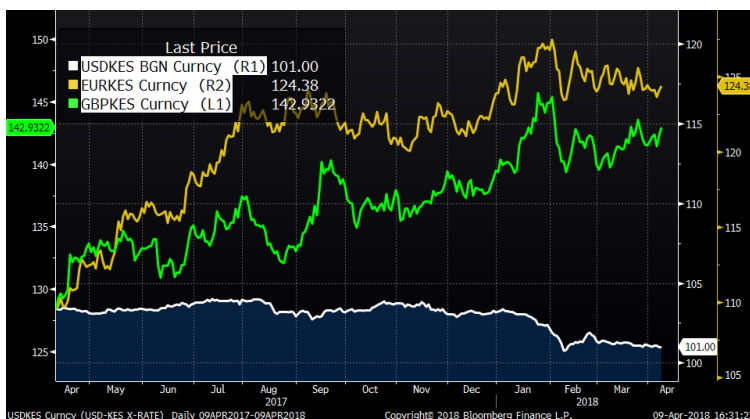
Market chatter alludes to range bound trading, as investors look out for fresh factors to offer price direction.

Amounts	Today's	
	Opening	
100,000	Buy TT	Sell TT
USD/KES	96.50	102.00
GBP/KES	139.50	145.00
EUR/KES	118.80	126.50
JPY/KES	90.00	98.00

Forward Rate (USD)	
1 month	
BUY	99.75
SELL	104.25
3 Months	
Buy	101.00
SELL	105.65

Money Market Rates	Previous	Current	Change bps
Interbank Rate	6.16%	5.97%	-19.00
91-Day T-bill	8.000%	8.006%	+0.60
182-Day T-bill	10.384%	10.318%	-6.60
364-Day T-bill	11.130%	11.120%	-1.00
Inflation	4.46%	4.18%	-28.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar remained subdued against other major currencies on Tuesday despite Chinese President Xi cooling fears of a trade war between the U.S. and China .

Speaking at the Boao Forum for Asia on Monday night, Xi promised to lower import tariffs on vehicles, encourage imports and strengthen the protection of intellectual property. These statements helped pacify investor jitters over a full blown trade war between the world's top two economies.

The EURUSD rose to two-week highs, breaching the 1.2350 level after European Central Bank policymaker Ewald Nowotny said on Tuesday that it was time to "normalize" its monetary policy, starting with lifting the deposit rate from -0.4% to -0.2% .

The pound also increased against the dollar boosted by comments from Bank of England's monetary policy committee member Ian McCafferty who said that the Bank should not delay raising interest rates.

The Yen stayed within a tight range against the dollar earlier today despite Japan's Producer Price Index (PPI) for March coming in at 2.1%, in line with market expectations.

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/USD	1.1800	1.2800
GBP/USD	1.3500	1.4700
USD/JPY	100.00	110.00
USD/CHF	0.9155	0.9995