

Daily Market News



11th May 2018

DOMESTIC NEWS

The shilling was on recovery mode on Thursday as foreign currency inflows from investors continued to hit the local currency market.

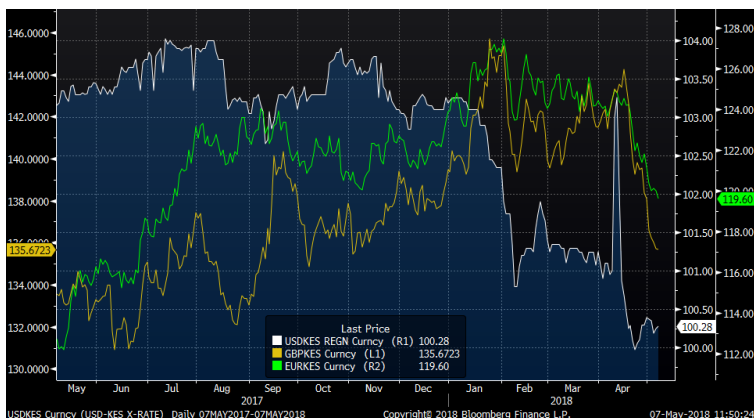
The home unit was quoted within the 100.00 – 100.70 band in late trading, having gained 20 cents against the greenback on a day that saw a decline in foreign currency demand by importers.

Ahead of the weekend, we see the currency pair holding within the current range with market activity balanced out across the demand and supply counters.

Amounts	Today's		Forward Rate (USD)	
	Opening			
	Buy TT	Sell TT	1 month	
USD/KES	95.70	101.70	BUY	99.25
GBP/KES	131.50	138.00	SELL	103.75
EUR/KES	114.00	121.00	3 Months	
JPY/KES	89.50	96.50	Buy	100.60
			SELL	105.25

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.9032%	4.6791%	-22.41
91-Day T-bill	8.000%	7.974%	-2.60
182-Day T-bill	10.268%	10.269%	+0.10
364-Day T-bill	11.143%	11.145%	+0.20
Inflation	4.18%	3.73%	-45.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The dollar hovered below a 4-1/2-month high against a basket of major currencies late on Thursday after tepid U.S. inflation data prompted traders to pare bets of faster rate hikes. U.S. consumer prices rose less than expected in April, which would support gradual, rather than more aggressive, rate increases by the Federal Reserve.

The EUR/USD rebounded sharply as investors took profits on the dollar following the recent sharp rally. The single currency was also supported by an increased possibility that a government of anti-establishment parties in Italy will come into power, which would end weeks of political gridlock.

Sterling pound fell sharply to a fresh four-month low against the dollar after the Bank of England held rates steady as expected but cut its growth and inflation projections for this year and next.

The yen was mildly softer versus the dollar as a poll showed that the Japanese economy is expected to contract for the first time in two years.

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	1.1400	1.2400
GBP/USD	1.3000	1.4000
USD/JPY	104.00	114.00
USD/CHF	0.9600	0.9999