

Daily Market News

9th July 2018

DOMESTIC NEWS

An uptick in foreign currency demand saw the Kenya Shilling end the week marginally weaker against the U.S. dollar.

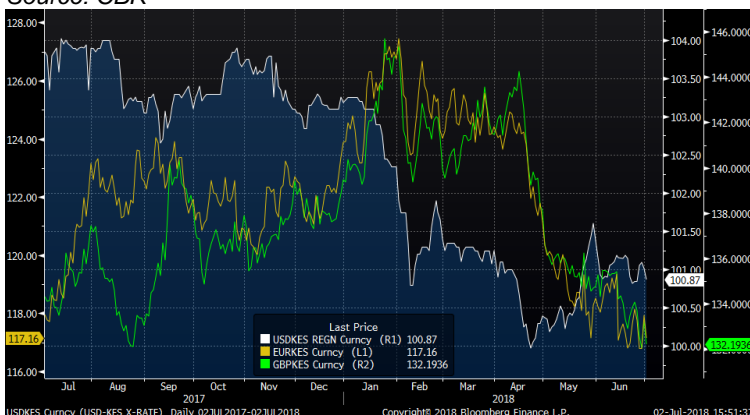
The session saw the domestic unit hold steady versus the greenback on the back of matching flows on both the demand and supply counters for the better part of the day. Corporate sector dollar buyers later took advantage of the low levels, pushing the shilling a tad lower by the closing bell.

Market chatter alludes to range bound trading, with the USDKES currency pair holding within the now familiar 99.80 - 102.00 range.

Amounts	Today's		Forward Rate (USD)	
100,000	Opening		1 month	
	Buy TT	Sell TT	BUY	SELL
USD/KES	96.10	102.00	99.25	103.75
GBP/KES	130.00	136.00	3 Months	
EUR/KES	111.85	119.50	Buy	100.60
JPY/KES	87.00	93.00	SELL	105.25

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.45%	4.86%	-59.00
91-Day T-bill	7.733%	7.725%	-0.80
182-Day T-bill	9.607%	9.499%	-10.80
364-Day T-bill	10.488%	10.442%	-4.60
Inflation	3.73%	3.95%	+22.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar slumped against a basket of major currencies as Friday officially marked the beginning of a trade war between the U.S. and China.

U.S. tariffs on \$34 billion worth of Chinese goods went into effect at 12:01AM ET, with China also retaliating with tariffs on \$34 billion of American goods, according to Xinhua news. U.S. President Donald Trump has given instructions to identify a further \$300 billion in possible Chinese goods.

The euro was flat in the early hours of the session but later increased against the dollar following the release of a mixed U.S. Non-Farm Payrolls (NFP) that diminished sentiment on the greenback. The EURUSD rose above the 1.1740 handle on the day.

The cable closed the week on the front foot, peaking at 1.3275 as Prime Minister Theresa May's cabinet began its one-day summit to discuss Brexit in an attempt to unite her government on its plans for leaving the European Union.

The Yen begun the week trading steady against the dollar as Bank of Japan Governor Haruhiko Kuroda stressed that the central bank would stick to its ultra-accommodative monetary policy until inflation hits its 2% target. The USDJPY oscillated around the 110.40 this morning.

Indicative Deposit Rates			
Amts > KES 20 million	Amounts > 100,000		
KES	USD	EURO	
Call	6.75%	0.75%	0.00%
1 month	7.00%	1.00%	0.00%
3 months	7.25%	1.25%	0.00%
6 months	7.50%	1.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR/USD	1.1250	1.2250
GBP/USD	1.2520	1.3520
USD/JPY	105.50	115.50
USD/CHF	0.9700	0.9999