

Daily Market News



09th February 2018

DOMESTIC NEWS

Shilling bulls were enveloped in bliss on Thursday as the home unit steady march towards the double digits remained unfettered.

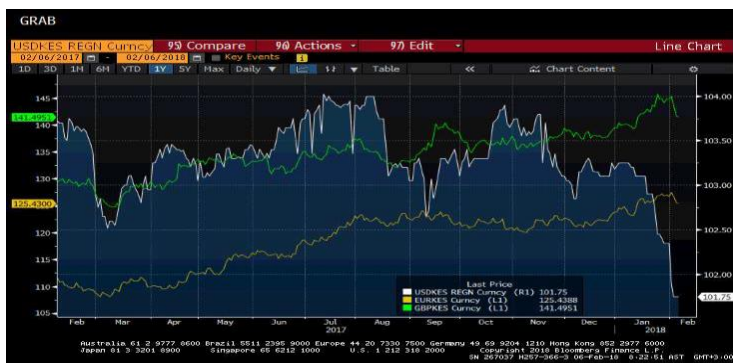
The home unit was elevated on the back of interbank dollar flows to trade within the 100.50 - 100.90 band in a volatile early morning trading. Even as market activities cooled off in the afternoon, the shilling consolidated its gains versus the greenback to garner 50 cents on the day.

Further gains for the local currency seem imminent in the near term as foreign currency demand-supply imbalance continues to persist.

Amounts	Today's		Forward Rate (USD)	
	100,000	Opening		
	Buy TT	Sell TT	1 month	
USD/KES	97.00	102.40	BUY	100.10
GBP/KES	137.00	141.70	SELL	105.60
EUR/KES	118.30	125.00	3 Months	
JPY/KES	88.00	96.00	BUY	101.00
			SELL	108.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.496%	5.546%	+5.00
91-Day T-bill	8.004%	8.005%	+0.01
182-Day T-bill	10.564%	10.438%	-12.60
364-Day T-bill	11.159%	11.156%	-0.03
Inflation	4.50%	4.83%	+33.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. Dollar Index struck a 2-week peak as investors sought out the greenback's relative safety on the wake of the rout on key equity markets around the globe.

The euro rebounded from 1.2211, its lowest level in three weeks against the U.S. currency to trade just shy of the 1.2300 line. The single currency has closed down against its U.S. counterpart three of the last four trading days, with volatility increasing.

Sterling pound strengthened against the dollar after the Bank of England said interest rates probably needed to rise sooner and by a bit more than it had previously thought because of the strength of the global economy.

The BoE voted unanimously to keep rates on hold at 0.5 percent but Governor Mark Carney and colleagues saw a growing need to move faster on raising rates to keep a grip on inflation.

The yen neared a four-month high against the dollar on Friday as global stock markets plunged again, triggering a rush into traditional safe-haven currencies.

Indicative Deposit Rates			
Amts > KES 20 million	Amounts > 100,000		
KES	USD	EURO	
Call	7.00%	0.50%	0.00%
1 month	7.25%	1.00%	0.00%
3 months	7.50%	1.25%	0.00%
6 months	8.00%	1.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.1900	1.2900
GBP	1.3550	1.4550
JPY	104.50	114.50
CHF	0.8750	0.9750