

# Daily Market News



08<sup>th</sup> March 2018

## DOMESTIC NEWS

It was another lackluster trading session in the local FX scene on Wednesday, with the shilling stuck within a narrow trading range, ending the day unchanged against the buck.

The local currency traded sluggishly against the dollar once again, as foreign currency flows from different sectors of the economy sufficiently met the trifling dollar demand.

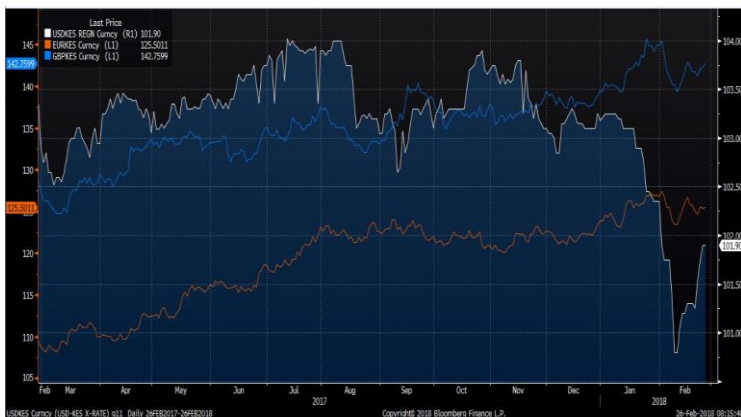
We expect the USDKES pair to continue trading within similar ranges today if the tranquil in the local foreign exchange market persists.

| Amounts | Today's |         |
|---------|---------|---------|
|         | Opening |         |
| 100,000 | 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     | 4.57%    | 4.97%   | +40.00     |
| 91-Day T-bill      | 8.032%   | 8.029%  | -0.30      |
| 182-Day T-bill     | 10.395%  | 10.393% | -0.20      |
| 364-Day T-bill     | 11.131%  | 11.135% | 0.40       |
| Inflation          | 4.83%    | 4.46%   | -31.00     |

Source: CBK



Source: Bloomberg

## INTERNATIONAL NEWS

The dollar held steady against a basket of major currencies as bullish private sector jobs data offset ongoing fears over the prospect of a global trade war. Private payrolls grew by 235,000 in February, according to a report released on Wednesday beating economists' forecast of 195,000, and raised investor expectations for a bullish nonfarm payrolls print due Friday.

EUR/USD fell to \$1.2399 ahead of the European Central Bank meeting on Thursday, when the central bank is expected to stand pat on interest rates. Investor focus, however, is likely to center on comments from ECB governor Mario Draghi amid expectations that he may hint at plans to rein in accommodative monetary policy measures

The GBP/USD pair traded with a mild negative bias in the European session as the pound continued with its struggle to sustain its momentum beyond the 1.3900 handle. Prolonged Brexit uncertainty has lately kept the sterling on the defensive.

Earlier today in Asia, the U.S. currency was steady at 106.040 against the yen after slipping to as low as 105.450 the previous day in reaction to Cohn's departure.

| 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 |