

Daily Market News



12th March 2018

DOMESTIC NEWS

It was all dead and quiet in the local foreign currency market on Friday with most participants keeping a distance and global trends failing to rattle the market.

The shilling traded flat against the dollar lacking a strong follow through to sustain its recent climb. Unfolding political events later in the day also sidelined the market further. In what was a surprise announcement, President Kenyatta and opposition leader Raila Odinga promised to work together to unite the country.

We expect the home unit to remain mired within its recent ranges, albeit with an upside bias as sentiments of the country's political standing turn positive.

Amounts	Today's	
	Opening	
	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	4.97%	4.47%	-50.00
91-Day T-bill	8.029%	8.026%	-0.30
182-Day T-bill	10.393%	10.385%	-0.80
364-Day T-bill	11.135%	11.128%	-0.70
Inflation	4.83%	4.46%	-31.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The dollar was little changed against a basket of currencies on Friday as the latest U.S. employment report showed that though jobs growth recorded big gains, wage growth remained sluggish, undermining the case for a faster pace of rate hikes this year. The Labor Department reported that the U.S. economy added 313,000 jobs last month, beating economists' forecasts of 200,000. It was the largest monthly increase in one-and-a-half years.

The Euro was little changed against the dollar on Friday. The single currency fell in the previous session after ECB president Mario Draghi downplayed a decision to drop the easing bias from the bank's rate statements.

Sterling pushed higher against the greenback boosted by data showing continued expansion of UK manufacturing production. It was also unaffected by a report mentioning that UK officials don't expect to have a Brexit deal until next January.

The dollar eased versus the yen earlier today in Asia as traders worried that a suspected cronyism scandal in Japan involving the sale of state-owned land could dampen investors' risk appetite.

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