

# Daily Market News



12<sup>th</sup> April 2018

## DOMESTIC NEWS

The local FX market continued to be typified by minimal activity across the counters, leaving the domestic unit little changed against the dollar in Wednesday's session.

Subdued demand for the greenback from corporate and interbank players was adequately met by ample foreign currency inflows leaving the shilling 5 cents stronger at the end of the session.

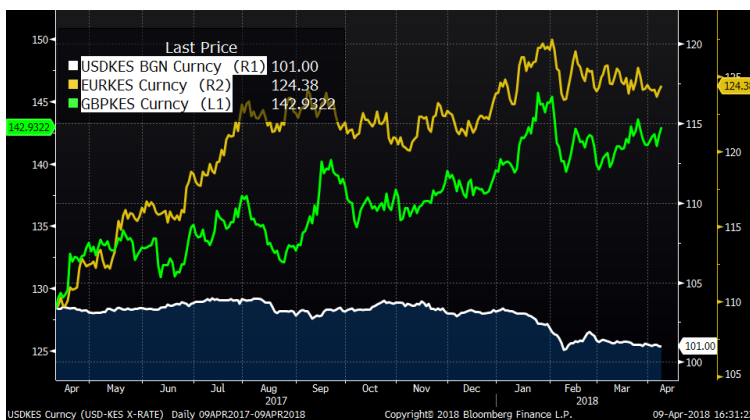
With a slowdown in activity characterizing the local currency scene, we see the shilling trading within the 100.65-101.50 range against the dollar in the interim.

Amounts	Today's	
100,000	Opening	
	Buy TT	Sell TT
USD/KES	96.50	102.00
GBP/KES	139.50	145.00
EUR/KES	119.30	127.00
JPY/KES	90.00	98.00

Forward Rate (USD)	
1 month	
BUY	99.75
SELL	104.25
3 Months	
Buy	101.00
SELL	105.65

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.97%	5.66%	-31.00
91-Day T-bill	8.000%	8.006%	+0.60
182-Day T-bill	10.384%	10.318%	-6.60
364-Day T-bill	11.130%	11.120%	-1.00
Inflation	4.46%	4.18%	-28.00

Source: CBK



Source: Bloomberg

## INTERNATIONAL NEWS

The U.S. dollar slipped to 2-week lows against the major currencies on Wednesday amid uncertainty over possible Western military action against Syria, that seemed to have overshadowed easing trade tensions between the U.S. and China.

A suspected poison gas attack by Syria led to U.S. President Donald Trump warning of imminent military action, tweeting that missiles "will be coming," while berating Russian President Vladimir Putin for standing by Syrian President Bashar al-Assad.

An earlier rise in the EURUSD followed by a dip caused by the release of U.S. Fed minutes ensured the euro oscillated within a range in Wednesday's session.

The pound slipped against the dollar weighed down by data that showed U.K. manufacturing output had declined by 0.2% compared to expectations of a 0.2% increase, the first decline since March 2017.

Earlier this morning, geopolitical tensions surrounding U.S. threat of military action in Syria boosted the safe haven Yen as it rose against the dollar. But later in the day, Trump's indecision on a plan of action somewhat improved market sentiment and pushed the Yen lower.

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	1.1800	1.2800
GBP/USD	1.3500	1.4700
USD/JPY	100.00	110.00
USD/CHF	0.9155	0.9995