

# Daily Market News



13<sup>th</sup> April 2018

## DOMESTIC NEWS

The Kenya shilling rose further against the dollar in Thursday's session, a day that saw an uptick in market activity on the foreign currency supply counter.

After holding steady for most of the day, the home unit inched up on the back of corporate and interbank dollar supply in afternoon trading to close the day quoted at the lower bands of 100.55-101.50 level.

We see the local currency range bound in the near term, as foreign currency buyers and sellers continue to battle for dominance in the local FX market.

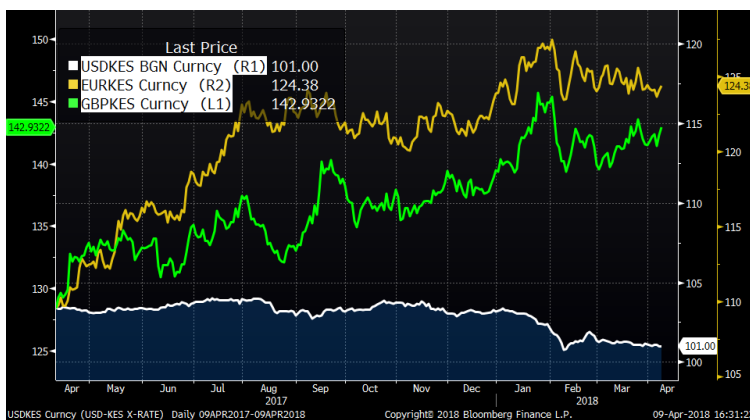
Amounts	Today's	
100,000	Opening	
	Buy TT	Sell TT
USD/KES	96.30	102.00
GBP/KES	140.00	145.50
EUR/KES	119.30	127.00
JPY/KES	90.00	98.00

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	8.006%	8.000%	-0.60
182-Day T-bill	10.318%	10.268%	-5.00
364-Day T-bill	11.120%	11.135%	+1.50
Inflation	4.46%	4.18%	-28.00

Source: CBK



Source: Bloomberg

## INTERNATIONAL NEWS

The U.S. dollar recovered to post gains against a basket of major currencies on Thursday after both U.S. and Russia toned down the possibility of military action in Syria.

U.S. President Donald Trump tweeted that a military strike on Syria could come "very soon, or not soon at all," while Kremlin maintained that further tensions in Syria should be avoided.

The euro dipped against the dollar after the release of dovish European Central Bank's March meeting minutes which highlighted that policymakers were concerned about the risk of a full-blown trade war with the U.S. and the potentially harmful impact of the appreciating euro.

The pound surged against the dollar, with the cable pushing past the 1.4240 handle on the back of hawkishly interpreted U.S. Fed minutes, while U.K. inflation rate remained at around 3%, way above the Bank of England's target of 2%. This appears to support the possibility of a rate hike later in the year.

Earlier today, the USDJPY pair surged past 107.45 as the Yen traded on a weaker footing against the dollar amid an ease in geopolitical tensions that improved investor appetite and pushed U.S. equities and yields higher.

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