

Daily Market News



10th May 2018

DOMESTIC NEWS

The shilling steadied within the 100.20 – 101.00 band against the greenback as competing forces took centre stage in the local currency market.

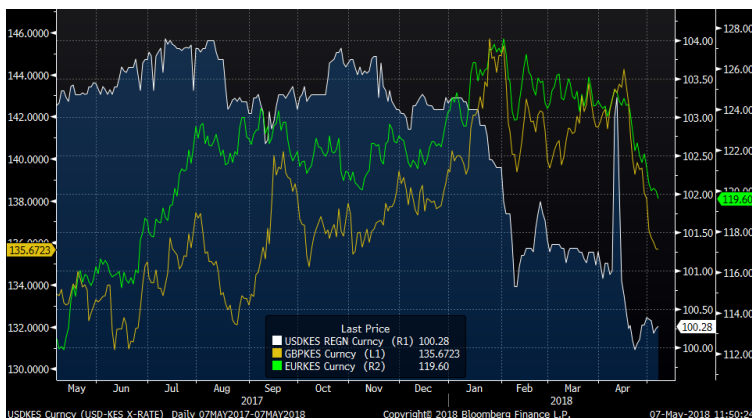
Rife demand for the U.S. unit by the energy sector in early trading was cooled off in the afternoon by foreign currency flows from investors, leaving the pair unchanged on the day.

The local currency is likely to regain some of its recent shine as foreign investors' flows continue to hit the local currency market.

Amounts	Today's		Forward Rate (USD)	
100,000	Opening		1 month	
	Buy TT	Sell TT	BUY	99.25
USD/KES	95.70	101.70	SELL	103.75
GBP/KES	131.50	138.00	3 Months	
EUR/KES	114.50	122.00	Buy	100.60
JPY/KES	89.50	96.50	SELL	105.25

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.09%	5.22%	+13.00
91-Day T-bill	8.000%	7.974%	-2.60
182-Day T-bill	10.268%	10.269%	+0.10
364-Day T-bill	11.143%	11.145%	+0.20
Inflation	4.18%	3.73%	-45.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The dollar remained steady at a recent high against other major currencies as U.S. 10-Year Treasury yields climbed above 3%. On the economic data front, the U.S. Producer Price Index (PPI) rose 0.2% in April following an increase of 0.3% in March, in line with market expectation.

The euro was flat against U.S. dollar on Wednesday as the European market remained quiet pondering the withdrawal of U.S. from a nuclear deal with Iran.

Sterling held near a four-month low on Wednesday before a Bank of England meeting where interest rates are expected to be left unchanged. Weak UK economic data and renewed worries about Brexit have hurt the pound in recent weeks and led markets to almost discount the possibility of interest rates rising later today.

The greenback remained buoyant against the Yen, trading above the 109.00 handle even as the Bank of Japan's (BoJ) Summary of Opinions showed nothing new for the island nation currency.

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	1.1400	1.2400
GBP/USD	1.3000	1.4000
USD/JPY	104.00	114.00
USD/CHF	0.9600	0.9999