

# Daily Market News

15<sup>th</sup> May 2018

## DOMESTIC NEWS

The Kenya shilling kicked off the week where it closed last Friday, standing tall against the dollar in what was a choppy trading session.

Corporate dollar sellers raided the local foreign exchange market with large ticket deals. Some dollar demand later in the day helped stem the local unit's surge and limited the USD/KES pair's dip to 10 cents by session's close.

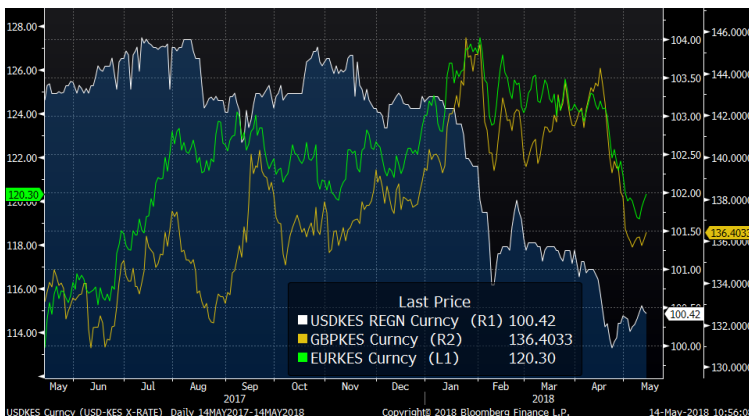
The dividend paying season expected in the coming days could see the home unit come under some pressure due to projected dollar demand. That said, the Shilling may continue to be supported by foreign currency inflows witnessed in the recent past.

Amounts	Today's	
	Opening	
100,000	Buy TT	Sell TT
USD/KES	95.90	101.90
GBP/KES	132.50	138.00
EUR/KES	113.50	121.00
JPY/KES	90.50	96.50

Forward Rate (USD)	
1 month	
BUY	99.25
SELL	103.75
3 Months	
Buy	100.60
SELL	105.25

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.86%	3.67%	-19.00
91-Day T-bill	7.974%	7.967%	-0.70
182-Day T-bill	10.269%	10.265%	-0.40
364-Day T-bill	11.145%	11.141%	-0.40
Inflation	4.18%	3.73%	-45.00

Source: CBK



## INTERNATIONAL NEWS

The U.S. dollar's woes compared to its peers continued in Monday's trading session, with the dollar index slipping by a further 0.21% to 92.25.

The greenback has come under sustained selling pressure in recent days as investors took profits, this coming after some market strategists suggested that the dollar was nearing its peak and its recent rally would soon end.

The euro started the week on a positive note as market kept a close eye on political developments in Italy, where the 5-Star Movement and far-right League have agreed to form a government.

The pound also posted gains against the dollar with the GBPUSD rising to above the 1.3580 handle, mainly due to the dollar's weakness. Market will be looking to U.K.'s jobs data later today for price guidance.

The Yen trended lower against the dollar earlier today, with the USDJPY inching to 109.90 intraday, amid the U.S. 10-year yield holding above 3% for the better part of the day, boosting dollar sentiment.

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	0.9995	1.1000