

Daily Market News

12th June 2018

DOMESTIC NEWS

The local FX market was quiet yesterday with minimal activity witnessed across counters leaving the home unit unmoved for most of the session.

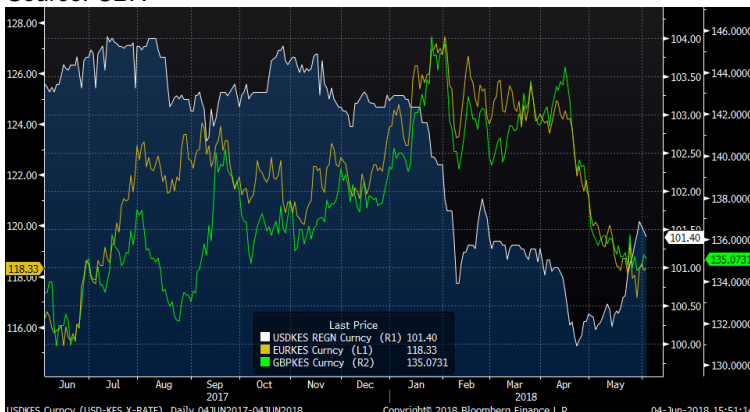
The quiet session saw the local unit holding out within the 100.50–102.20 range as both counters remained well matched.

Looking ahead, we expect the USD/KES currency pair to trade within the recent established ranges as traders look for further impetus.

Amounts	Today's		Forward Rate (USD)	
100,000	Opening		1 month	
	Buy TT	Sell TT	BUY	99.25
USD/KES	96.60	102.50	SELL	103.75
GBP/KES	131.20	137.20	3 Months	
EUR/KES	113.55	121.20	Buy	100.60
JPY/KES	87.20	93.20	SELL	105.25

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.77%	3.63%	-14.00
91-Day T-bill	7.938%	7.850%	-8.80
182-Day T-bill	10.196%	10.061%	-13.50
364-Day T-bill	11.083%	11.949%	+13.40
Inflation	3.73%	3.95%	+22.00

Source: CBK



Source: Bloomberg

INTERNATIONAL NEWS

The greenback was up 0.14 percent against a basket of currencies during Monday's session, despite heightened worries about a global trade war following a spat at the Group of Seven summit in Canada between Trump and other leaders over automobile tariffs and other issues.

The move was muted by uncertainty about the outcome of Trump's meeting with North Korea. He said his historic summit with the North Korean leader could "work out very nicely" as officials from both countries sought to narrow differences on how to end a nuclear stand-off on the Korean peninsula.

The euro pared some of its gains despite expectations the European Central Bank at its meeting later this week will adopt a more hawkish stance on monetary policy tightening.

GBP/USD fell 0.21% to \$1.3379 ahead of a Brexit Withdrawal Bill vote slated for Tuesday and Wednesday.

Earlier today, the dollar edged up to a three-week high against the yen amid hopes that the closely-watched U.S.-North Korea summit can pave the way towards a reduction in tensions between the two old foes.

Indicative Deposit Rates			
Amts > KES 20 million		Amounts > 100,000	
KES	USD	EURO	
Call	6.75%	0.75%	0.00%
1 month	7.00%	1.00%	0.00%
3 months	7.25%	1.25%	0.00%
6 months	7.50%	1.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR/USD	1.1250	1.2250
GBP/USD	1.2900	1.3900
USD/JPY	104.00	114.00
USD/CHF	0.9650	0.9995