

Daily Market News

13th June 2018

DOMESTIC NEWS

The local unit was wedged within a tight range on Tuesday in what was a calm trading day in the local foreign currency market.

Foreign currency demand from importers outweighed dollar inflows from a couple of interbank players to leave to the home unit 5 cents softer versus the U.S. unit.

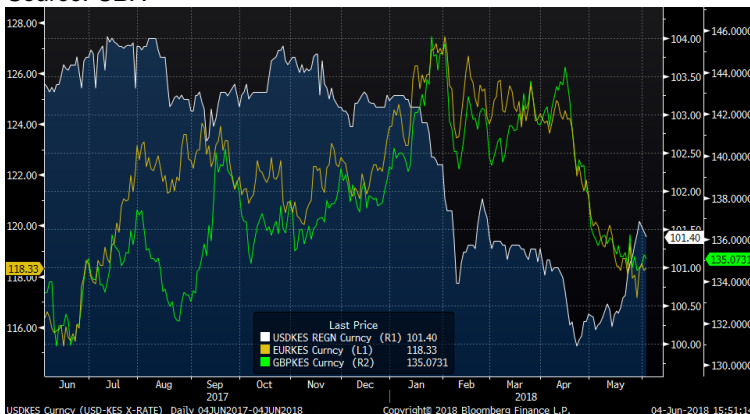
The local currency will likely hold within the 100.50 – 102.20 band in today's trading as competing players take centre stage in the local currency market.

Amounts	Today's	
100,000	Opening	
	Buy TT	Sell TT
USD/KES	96.60	102.50
GBP/KES	131.20	137.20
EUR/KES	113.55	121.20
JPY/KES	87.20	93.20

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	3.63%	3.64%	+1.00
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 U.S. dollar edged higher against its rivals on Tuesday as upbeat U.S. inflation data reaffirmed price pressure were building as the Federal Reserve got its two-day meeting underway.

In other news, US President Trump scored a huge international policy win by meeting with North Korean Leader Kim that ended in bilateral promises to end US military exercises in exchange for denuclearization of NK's arsenal.

The euro fell against the dollar amid weaker Eurozone economic data but losses were limited somewhat by expectations that the European Central Bank (ECB) on Thursday could announce an exit to its massive bond buying programme.

GBP/USD came under pressure after several UK cabinet members reportedly stepped down as the Brexit Withdrawal Bill vote got underway.

The USD/JPY pair jumped 0.28% to 110.68, the highest since May 23. As a safe-haven currency, the yen often rises in times of political tensions and market turmoil.

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