

Daily Market News



5th October, 2018

DOMESTIC NEWS

It was a relatively quiet day of trading which left the shilling trading marginally higher against the dollar at market close.

Steady flows from various sectors of the economy on both the supply and demand counter characterized the market for the better part of Thursday. This however changed after increased dollar selling at the close of trading lead the USD/KES pair to close five-cents weaker.

Ahead of the weekend, we expect the domestic unit to continue trading in a light range in the absence of any market moving headlines.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	95.45	102.75
GBP/KES	125.23	133.52
EUR/KES	108.67	118.40
JPY/KES	82.05	95.22

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	5.413%	4.479%	-93.40
91-Day T-bill	7.609%	7.600%	-0.90
182-Day T-bill	8.646%	8.590%	-5.60
364-Day T-bill	9.670%	9.638%	-3.20
Inflation	4.04%	5.70%	166.0



Source: Bloomberg

INTERNATIONAL NEWS

The greenback shed off some gains acquired earlier in the week, on Thursday, as the market halted dollar purchases to appraise the uncharacteristic rise in the U.S 10-year treasury yields which was at a seven-year high. The yield-rise began on Wednesday after Federal Reserve Chair Jerome Powell said that the Central Bank might raise interest rates above expectations in December as the economy was firmly growing as depicted by upbeat U.S economic data.

The EUR/USD pair clawed back some loses due to a weaker dollar, after breaching technical support levels of 1.15 on Wednesday. The single currency's jump was also propelled by Italy's recant of its fiscal stance to keep the public deficit levels at 2.4 percent for the next three years which brought down market anxieties as well as the upswing in Eurozone government bond yields.

The Sterling also printed gains against the buck after reports emerged that the U.K and the European Union were in the final stages of the Brexit negotiations.

The USD/JPY pair rose by 0.1 percent to trade at the 114.04 levels, in early Asian trade, due to improved dollar demand on account of rising treasury yields.

Indicative Deposit Rates

Amounts > KES 20 million	Amounts > 100,000	
	USD	EURO
Call	6.30%	0.00%
1 month	6.70%	0.00%
3 months	7.25%	0.00%
6 months	7.50%	0.00%

Indicative Cross Rates

	Buy	Sell
EUR	1.1150	1.2150
GBP	1.2100	1.3100
JPY	106.20	116.20
CHF	0.9750	0.9999