

# Daily Market News



8<sup>th</sup> October, 2018

## DOMESTIC NEWS

The domestic unit continued to firm up against the U.S dollar allowing it close the week with its right foot forward.

The USD/KES pair closed the day 10-cents weaker from Thursday's close after amplified foreign currency supply from various sectors over powered the fickle demand available in the market.

In the new week, we expect a repeat in the lull market activity experienced last week caging the movements of the local currency within the now familiar trading ranges.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	95.35	102.65
GBP/KES	125.75	133.45
EUR/KES	108.65	118.38
JPY/KES	82.04	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	4.22%	3.85%	-37.00
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 U.S dollar edged lower against its peers on Friday due to lower than expected jobs report even as treasury yields rose to a seven-year high. Printed data for non-farm payrolls showed jobs created for September was at 134,000 compared to the projected value of 185,000 even as unemployment levels dropped to a 48-year low. Average hourly earnings, a vital measure for inflation, rose by 2.8 percent in contrast to 2.9 percent in August easing apprehensions of a run-up in inflation.

The euro advanced against the dollar drawing its strength from headlines that the single market's divorce with Britain was very close. European Union negotiators in Brussels were very optimistic with the ongoing negotiations but admitted that Britain was yet to furnish them with a fresh proposal on the Irish Border question.

The GBP/USD pair also marginally grew on the back of the positive reports from Brussels that the Brexit negotiations are at their final stage.

In early Morning Sydney Trade, the USD/JPY pair rose to the 113.90 levels due to augmented dollar demand after the People's Bank of China stimulated an expansionary monetary policy.

### Indicative Deposit Rates

Amounts > KES 20 million	Amounts > 100,000	
KES	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