

# Daily Market News



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

## DOMESTIC NEWS

A dearth in market activity left the domestic unit unmoved against the buck to close the day same as previous close.

There was little going on in both the local currency and money market in Tuesday's trading session as activity remained lethargic and interbank and corporate players opted to remain on the sidelines.

The currency pair appears well settled and is seen remaining within the present channel for the remainder of the week, barring fresh dynamics coming into play.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	95.45	102.75
GBP/KES	127.33	135.75
EUR/KES	109.25	119.02
JPY/KES	82.72	95.99

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	3.68%	3.68%	0.00
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



## INTERNATIONAL NEWS

The greenback was on the defensive on Wednesday against its peers driven primarily by pressure from advances in the euro and British pound even as the IMF expressed its concerns over global economic growth and trade tensions, which was expected to spur safe-haven dollar demand. Printed monthly increase in Producer Price Index also did little to salvage the dollar's fall as PPI for the 12 months to September rose below the expected levels of 2.8%.

The EUR/USD advanced yesterday after EU's Brexit negotiator Michael Barnier confessed that the negotiating teams had reached consensus on most issues ahead of a summit of the bloc's 28 national leaders scheduled for next week. Commitment from Italy's Economy's minister to do everything possible to win the confidence of the financial market also provided support for the common currency.

The GBP/USD pair similarly made considerable gains to trade at the 1.3200 levels on the back of optimism that Britain will make an exit from the EU amicably on the planned exit date.

In early Thursday trading, the Japanese yen edged higher against the U.S dollar capitalizing on traders' risk aversion stirred by IMF's warning on global growth and financial stability.

### Indicative Deposit Rates

	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	USD	EURO
Call	4.00%	0.75%	0.00%	0.00%
1 month	6.70%	1.00%	0.00%	0.00%
3 months	7.25%	1.25%	0.00%	0.00%
6 months	7.50%	1.50%	0.00%	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