

Daily Market News



4th January 2019

DOMESTIC NEWS

It was another day of trading dominated by the recent theme of the shilling's weakness, as the local currency slipped once again against the dollar.

Dollar demand from the corporate sector continued to put pressure on the local unit in the morning session. Some foreign currency supply later in the day helped limit the USDKES currency pair's slide to 5cents by the closing bell.

With persistent dollar demand going into the weekend, we anticipate the local currency will continue losing ground against the greenback in today's trading.

Amounts	Today's	
	Opening	
100,000	Buy TT	Sell TT
USD/KES	97.35	105.35
GBP/KES	123.40	131.40
EUR/KES	109.05	119.05
JPY/KES	87.60	99.05

Forward Rate(USD)(1 month)	
BUY	99.90
SELL	106.75
3 Months	
Buy	100.90
SELL	107.75

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.86%	4.06%	-80.00
91-Day T-bill	7.342%	7.316%	-2.60
182-Day T-bill	9.002%	8.997%	-0.50
364-Day T-bill	9.952%	10.011%	+5.90
Inflation	5.53%	5.58%	+5.00



Source: Bloomberg

INTERNATIONAL NEWS

A variety of factors pointing to a global economic slowdown weighed on the U.S. dollar against other major currencies on Thursday.

Slowing manufacturing growth in the U.S, a global equities crash following Apple's revenue warning, and ongoing anxiety around the U.S-sino trade war all saw the dollar index shed 0.49% on the day.

The EURUSD topped above 1.1400 boosted by a dollar sell-off fuelled by disappointing manufacturing data from the U.S., and with no major releases from the eurozone.

The pound rose against the dollar, with the cable climbing to just below the 1.2650 level, mainly due to the dollar's broad-based weakness. However, the sterling still remains fragile due to uncertainty around a key Brexit vote on 15th January.

The Yen reversed some of its gains against the dollar following a confirmation of U.S.-China trade talks to take place next week, easing market risk-aversion. The USDJPY pair increased to 108.35 intraday.

Indicative Deposit Rates

Amts > KES 20 million	Amounts > 100,000	
	USD	EURO
KES		
Call	3.75%	0.00%
1 month	6.70%	0.00%
3 months	7.00%	0.00%
6 months	7.50%	0.00%

Indicative Cross Rates

	Buy	Sell
EUR	1.0850	1.1850
GBP	1.2150	1.3150
JPY	103.00	113.00
CHF	0.9575	0.9999