

# Daily Market News



8<sup>th</sup> January 2019

## DOMESTIC NEWS

The Kenya shilling had an ally in the opening session of the week, in the form of weak foreign currency demand, resulting in the local currency edging higher against the U.S. unit.

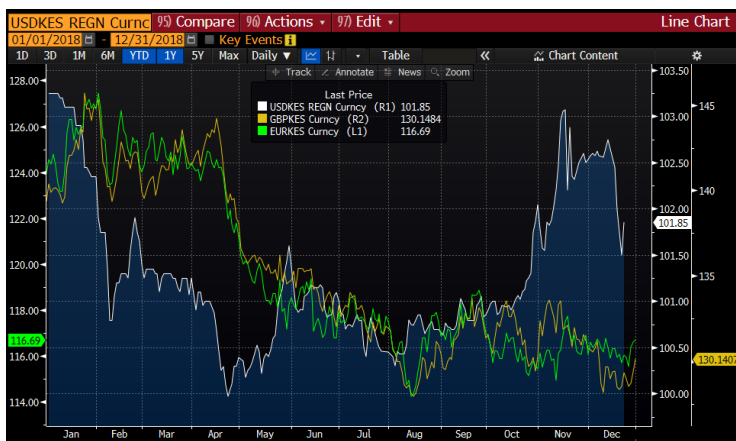
The home unit was up 20 cents on the day, with the USDKES currency pair trading within the 100.30 – 102.90 range at the closing bell, on the back of frivolous dollar demand.

We see competing forces taking centre stage in the local currency market, limiting the movement of the home unit against the greenback within familiar ranges.

Amounts 100,000	Today's Opening	
	Buy TT	Sell TT
USD/KES	97.05	105.05
GBP/KES	124.25	132.25
EUR/KES	109.15	119.15
JPY/KES	86.75	98.20

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	4.80 %	4.70 %	-10.00
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

The U.S. dollar continued its slide against other major currencies on Monday, with more dovish U.S. economic data suppressing the dollar index below the 95.80 level.

U.S. Non-Manufacturing Purchasing Managers Index (PMI) dropped to 57.6 in December, down from 60.7 in November and way below forecasts of 59.6.

The euro rose against a weakening dollar, with the EURUSD posting a fresh daily high of 1.1471 intraday, supported by strong eurozone retail sales released earlier in the week.

The pound edged higher against the dollar, in what was a quiet trading session with no British events on schedule. The cable rose by 0.28% on the day.

Earlier today, the Yen fell against the dollar as the USDJPY gained 0.2% to 108.88. This was after reports that Washington and Beijing may be inching towards a trade deal, lifting dollar sentiment and putting pressure on the safe-haven Yen.

### Indicative Deposit Rates

Amts > KES 20 million	Amounts > 100,000		
KES	USD	EURO	
Call	3.75%	0.75%	0.00%
1 month	6.70%	1.00%	0.00%
3 months	7.00%	1.25%	0.00%
6 months	7.50%	1.50%	0.00%

### Indicative Cross Rates

	Buy	Sell
EUR	1.0920	1.1920
GBP	1.2250	1.3250
JPY	103.50	113.50
CHF	0.9575	0.9999