

# Daily Market News



11<sup>th</sup> January 2019

## DOMESTIC NEWS

The tide continued to turn in the Kenya Shilling's favor during Thursday's trading session as a result of increased foreign currency supply.

An uptick in corporate activity on the supply counter outweighed dollar buyers, thereby exerting downward pressure on the USDKES currency pair to close 10 cents lower.

Ahead of the weekend, we expect a drop in market activity that could see the domestic unit stay range bound within recent levels.

Amounts 100,000	Today's Opening	
	Buy TT	Sell TT
USD/KES	97.00	105.00
GBP/KES	124.05	132.15
EUR/KES	109.85	119.85
JPY/KES	87.10	98.55

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	2.82 %	2.26 %	-56.00
91-Day T-bill	7.316%	7.200%	-11.60
182-Day T-bill	8.997%	8.935%	-6.20
364-Day T-bill	10.011%	9.958%	-5.30
Inflation	5.53%	5.58%	+5.00



Source: Bloomberg

## INTERNATIONAL NEWS

The U.S. dollar traded sideways against a basket of major currencies on Thursday after the release of dovish Fed minutes weighed on sentiment.

The dollar index hovered around the 94.60 level as minutes from the Fed's December meeting showed that many committee members are in favor of rates staying steady this year, increasing expectations that there will be no rate hikes in 2019.

The EURUSD dropped to 1.1501 intraday mainly due to a stronger dollar, after posting strong gains a session earlier. Focus now shifts to the release of minutes of the European Central Bank's (ECB) December meeting later today.

The pound slipped against the dollar, amid Brexit woes that continued to dampen investor sentiment, with the cable reducing below the 1.2750 handle.

Earlier today, the yen was up against the dollar after U.S. Fed Chairman Jerome Powell emphasised that the central bank could afford to be patient on monetary policy. The USDJPY slipped to 108.29 this morning.

## 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	1.1020	1.2020
GBP	1.2250	1.3250
JPY	103.50	113.50
CHF	0.9585	0.9999