

Daily Market News



04th February, 2019

DOMESTIC NEWS

The shilling's winning streak continued on Friday, with the USDKES pair touching multi-month lows buttressed by foreign currency inflows.

Dollar appetite from importers was trivial, supporting the local unit's upbeat move momentum to see it gain 30 cents on the day. The home currency, however, bounced off the session's highs reached in early trading, giving away some of its gains right before session close.

In the new week we see the movement of the USDKES pair driven by flows, with traders keeping watch for a breakout of key technical levels in either direction.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	94.75	103.20
GBP/KES	125.00	134.00
EUR/KES	107.00	122.00
JPY/KES	85.00	99.00

Forward Rate(USD)(1 month)	
BUY	99.25
SELL	105.75
3 Months	
Buy	100.90
SELL	107.75

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.89%	4.98%	+109.00
91-Day T-bill	7.122%	7.061%	-6.10
182-Day T-bill	8.833%	8.780%	-5.30
364-Day T-bill	9.905%	9.856%	-4.90
Inflation	5.71%	4.70%	-101.00



INTERNATIONAL NEWS

The U.S. dollar was little changed on Friday, despite an initial move higher, after the U.S. non-farm payrolls report for January showed sluggish wage inflation, underlining the case for the Fed's patient stance on further rate increases. The report showed the U.S. economy created 304,000 new jobs, the highest in 11 months, beating forecasts for 165,000 jobs. The unemployment rate, however, rose to a seven-month peak of 4% and average hourly earnings rose just 0.1%, compared with expectations for a 0.3% increase.

The EURUSD pair kept the daily range intact around the 1.1460 levels. The Manufacturing PMI for the Eurozone came in at 50.5 in January's final reading as expected while the same data slumped to 49.7 in Germany. Despite the disappointing data, however, the euro remained supported by broad-based USD weakness.

Meanwhile, the GBPUSD pair failed to hold on top of 1.3100 levels pulling back to the 1.3070 area as Brexit uncertainty continues to be the key driver. Of interest this week will be the Bank of England meeting on Thursday.

Against the yen, the dollar hovered near one week highs earlier today in Asia, buoyed improved risk sentiments.

Indicative Deposit Rates

Amounts > KES 20 million	Amounts > 100,000	
	USD	EURO
KES		
Call	4.00%	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	1.2150
GBP	1.2500	1.3700
JPY	107.20	117.20
CHF	0.9750	0.9999