

Daily Market News



05th February, 2019

DOMESTIC NEWS

The home unit shone on Monday, gaining traction versus the buck in what was an active start to the week.

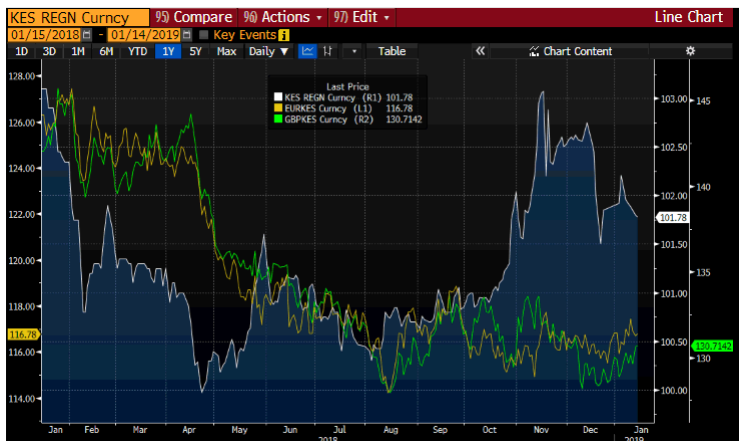
Foreign currency inflows from various sectors of the economy more than sufficiently met the trifling dollar appetite from importers, leaving the local currency well supported, and fast gaining charge to break the next key psychological level.

In the absence of any major market moving factors, the USDKES pair remains at the mercy of broader market flows to determine its near term 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	0.85	0.99

Forward Rate(USD)(1 month)	
BUY	98.25
SELL	103.50
3 Months	
Buy	100.15
SELL	105.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.00%	5.42%	+42.00
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



Source: Bloomberg

INTERNATIONAL NEWS

The dollar advanced against a basket of major currencies on Monday, shrugging off data that showed a slip in U.S. factory orders. Factory goods orders fell 0.6% amid lower demand for machinery, missing economists' forecasts for a rise of 0.3%. The weaker-than-expected factory orders data did little to keep a lid on the greenback.

The Euro started the week on a weak note after failing to hold above the 1.15-mark last week. The pair traded at 1.1425 levels, weighed on by poor data which showed that the Eurozone Producer Price Index in January declined by 0.8% on a monthly basis and dragged the annual rate down to 3.00% from 4.00% recorded in December.

The pound gave up some of its gains against the greenback even as reports emerged that goods shipped to Britain from the EU could be waved through without checks in the event of a no-deal Brexit. The Irish backstop issue remains the overarching factor weighing on the sterling, with the EU showing little signs thus far of flexibility on the issue.

Against the yen, the dollar gained earlier today in Tokyo, trading at 109.99 levels, with the Japanese currency stifled by improved risk sentiments which dented safe-haven demand.

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