

Daily Market News



06th February, 2019

DOMESTIC NEWS

The shilling fluttered between gains and losses on Tuesday, ending the day unchanged after failing to commit to either direction.

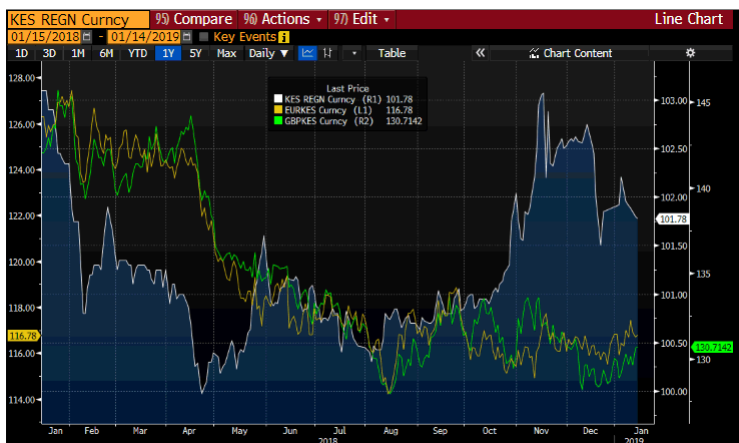
Price action for the USDKES pair was largely flow driven, with dollar appetite witnessed earlier in the day pushing up the pair. This changed in late session after a slight dollar sell off aided the local currency's lift, ending the day at levels similar to previous close.

Looking forward, we see caution running high in the local FX market ahead of the possible break of the 100.00 level hurdle.

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	5.42%	5.46%	+4.00
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 rose modestly against its rivals on Tuesday, as investors awaited Presidents Trump's State of the Union address for a possible update on the U.S-China trade war. In his State of the Union Address, President Trump cited war, politics and ridiculous partisan investigations as obstacles to the US economic growth and criticized China for stealing intellectual property rights. He also reiterated his vow to build a border wall.

The Euro fell to 1.1410 levels on mixed Eurozone economic data showing a decline in retail sales but better-than-expected growth in the bloc's services sector.

The GBPUSD pair fell to 1.2952 levels as the U.K. services PMI index fell to its lowest level since July 2016, raising concerns about the health of the economy with less than two months to go until the U.K. departs from the European Union. Losses in the pound were exacerbated as fresh concerns of a 'no-deal' Brexit rose to the fore.

The USDJPY pair traded at session lows of 109.70 earlier today in Tokyo, having faced rejection at the psychological hurdle of 110.00 for the third consecutive day.

Indicative Deposit Rates

	Amounts > KES 20 million		Amounts > 100,000	
	KES	USD	EUR	EURO
Call	4.00%	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	1.0850	1.2150
GBP	1.2500	1.3700
JPY	107.20	117.20
CHF	0.9750	0.9999