

# Daily Market News



08<sup>th</sup> February, 2019

## DOMESTIC NEWS

The home unit ceded ground in yesterday's trading to close the day marginally weaker against the U.S dollar.

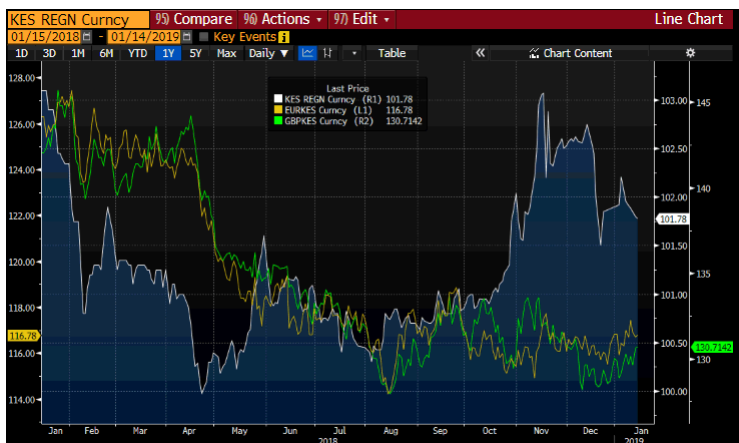
Unlike previous sessions of the week, Thursday's trading session witnessed minimal activity with major corporate and interbank traders opting to remain on the bleachers. That said, the tenacity of greenback consumers outweighed the supply counter and the local unit was unable to hold the previous session's close.

Range bound trading looks set to continue ahead of the weekend for the USD/KES pair barring fresh factors coming into play.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	94.80	103.30
GBP/KES	123.36	133.80
EUR/KES	105.22	121.60
JPY/KES	0.85	0.99

Forward Rate(USD)(1 month)	
BUY	97.50
SELL	103.50
3 Months	
Buy	100.15
SELL	105.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.60	2.17%	-43.00
91-Day T-bill	7.061%	7.040%	-2.00
182-Day T-bill	8.780%	8.567%	-21.30
364-Day T-bill	9.856%	9.644%	-21.20
Inflation	5.71%	4.70%	-101.00



Source: Bloomberg

## INTERNATIONAL NEWS

The greenback sustained its winning momentum on Thursday after investors adopted a risk off approach, following reports of escalating concerns on the U.S-Sino trade talks and broader worries on global growth. The dollar's ascent was further underpinned by positive data emanating from the labor market showing a decline in the number of U.S citizens filing for unemployment benefits.

The EUR/USD pair buckled under pressure after the European Commission cut the euro zone's annual growth expectations owing to rising global trade tensions and domestic challenges that are likely to impact the block's largest economies. This was further aggravated by poor German industrial output which fell for the fourth consecutive month.

Sterling edged slightly higher against the buck after investor optimism buoyed on the hopes that Britain will make milestones in the coming days in its exit strategy with the EU. The pound had earlier taken a slump after the BOE said the country faced its worst economic growth in a decade due to uncertainty surrounding Brexit. The BOE left rates unchanged at 075% as expected.

The safe haven yen was unmoved against the dollar in early Asian trading due to escalating geopolitical tensions.

### 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