

Daily Market News



11th February, 2019

DOMESTIC NEWS

The Kenya shilling gave up some of its gains, on Friday, against its American counterpart closing the day marginally weaker.

For a second straight session, the local unit sailed southwards to hit a weekly low due to a renascent interest in the greenback against dwindling foreign currency inflows.

Looking ahead, the USD/KES pair is likely to trade within a narrow range but a break of key technical level of 100.50 is likely to pave way for further dollar strength.

Amounts “100,000”	Today's Opening	
	Buy TT	Sell TT
USD/KES	94.80	103.50
GBP/KES	123.40	133.60
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 U.S dollar remained dominant on Friday against its peers on account of general weakening of the global economy and evident fears over the progress of the Sino-U.S trade talks, whose 90-day deadline trims on March 1st, prompting demand for safe haven currencies. The dollar index gained 2.1% last week.

The EUR/USD pair fell to a two week low on the back of data showing diffusion of an economic slowdown across Europe whose first casualty was the local bond market. Benchmark German yields were just 10 basis points away from zero percent even as core European government debt yields toyed at two-year low.

The cable experienced its steepest weekly drop since October 2018 as a consequence of the uncertainty surrounding Brexit instigating the Bank of England to cut its growth forecast. The EU had on Friday urged the British Premier to accept a proposal from the Labor opposition in order to end the current standoff between the U.K and E.U.

In early morning Asian trading, the USD/JPY pair progressed by 0.1%. However the moves in the pair will be marginal due to Japanese markets being closed for a public holiday today.

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