

Daily Market News



08th March 2019

DOMESTIC NEWS

The shilling was on the front foot on Thursday as foreign currency inflows from investors continued to offer support.

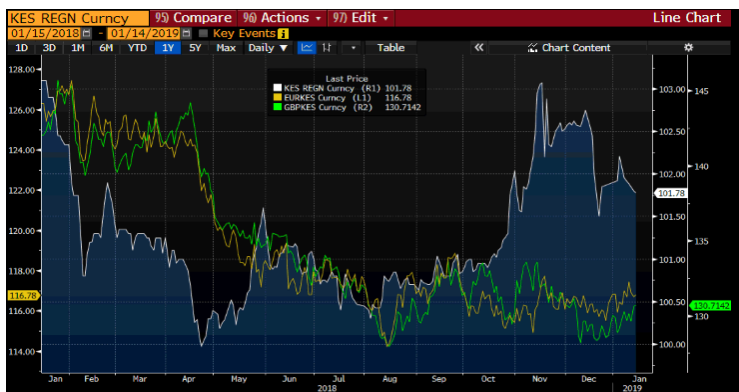
The local currency market maintained a sense of calm in early trading but this changed later in the session a bout of dollar selling from players overwhelmed demand for the greenback, lifting the home unit to a multi-month high by close of business.

Ahead of the weekend, it remains to be seen whether the home unit will hold on to its recent shine. That said, trading for the USDKES pair is expected to remain flow driven in the near term.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	94.50	102.20
GBP/KES	125.00	134.00
EUR/KES	105.00	117.00
JPY/KES	0.83	0.98

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	1.83%	3.08%	125.00
91-Day T-bill	6.886%	6.886%	-0.00
182-Day T-bill	8.317%	8.316%	-0.10
364-Day T-bill	9.476%	9.469%	-0.70
Inflation	4.70%	4.14%	-56.00



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar extended its gains against its rivals on Thursday after jobless claims data that fell more than expected. The number of people who filed for unemployment assistance in the U.S. fell by 3,000 last week to a seasonally adjusted 223,000.

The euro fell to its lowest levels of the year against the dollar after the ECB pushed back its expectations for a rate hike to at least the end of the year, slashed its growth target for 2019 to 1.1% from 1.7% and detailed new stimulus measures. In the press conference that followed the ECB's unchanged decision on rates, President Mario Draghi delivered a downbeat of assessment of the euro area economy, saying a "sizeable moderation" in growth would continue into the current year.

GBP/USD slumped to \$1.3089 amid fears that the Brexit deadlock will continue after the EU rejected the U.K.'s latest proposals on the Irish backstop.

Earlier today in Asia, the dollar traded at 111.63 levels versus the Yen amid risk aversion in broader markets. The Yen, a perceived safe haven, attracts demand in times of political tensions and market turmoil.

Indicative Deposit Rates

Amounts > KES 20 million	Amounts > 100,000	
KES	USD	EURO
Call	4.00%	0.75%
1 month	6.70%	1.00%
3 months	7.00%	1.25%
6 months	7.50%	1.50%

Indicative Cross Rates

	Buy	Sell
EUR	1.0850	1.2150
GBP	1.2500	1.3700
JPY	107.20	117.20
CHF	0.9750	1.0100