

Daily Market News



15th April, 2019

DOMESTIC NEWS

The home unit lost a tad against its American counterpart in the dull end week session.

Early trading saw the home unit lose ground on the back of a slight uptick in the demand for foreign currency that outweighed dollar supply. Meanwhile, the money market space remains awash with liquidity, the overnight cost of funding remains little changed, with funds being traded at 1.48%.

In the new week, markets look to flows to determine price action for the USD/KES pair.

| Amounts "100,000" | Today's Opening | |
|----------------------|--------------------|---------|
| | Buy TT | Sell TT |
| USD/KES | 94.50 | 102.20 |
| GBP/KES | 125.00 | 134.00 |
| EUR/KES | 105.50 | 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 | 1.62% | 1.48% | -14.00 |
| 91-Day T-bill | 7.444% | 7.397% | -4.70 |
| 182-Day T-bill | 8.189% | 8.090% | -9.90 |
| 364-Day T-bill | 9.385% | 9.371% | -1.40 |
| Inflation | 4.14% | 4.35% | +21.00 |



Source: Bloomberg

INTERNATIONAL NEWS

The U.S dollar was lower on the back of mixed data, US import prices was better than the market forecast of 0.4%, coming in at 0.6%, while US Consumer Sentiment slightly missed markets expectations printing at 96.9 points. Focus shifts to NY Empire State Manufacturing Activity, forecasted at 6.0 vs. the previous 3.7, and Treasury International Capital flows expected today.

The EUR/USD reversed direction on Friday, after slight losses in the Thursday session, trading at 1.1310 levels, as risk appetite boosted the euro. Further supporting the pair's advance, EU Industrial Production fell by less-than-anticipated, down by 0.2% MoM and by 0.3% YoY while German Wholesale Price Index remained steady in March, with a gain of 0.3%.

Broad dollar weakness helped GBP/USD pair reach 1.3130 levels on Friday, its highest for the week, although, once again, it was unable to retain the 1.3100 mark, ending the week barely up below the figure. In absence of any major market moving economic releases from the UK, the incoming Brexit headlines and the USD price dynamics will continue to influence the pair's momentum.

Earlier today in Tokyo, the USD/JPY pulled back trading at 111.95 levels.

Indicative Deposit Rates

| Amounts > KES 20 million | Amounts > 100,000 | |
|--------------------------|-------------------|-------|
| | USD | EURO |
| KES | | |
| Call | 3.00% | 0.00% |
| 1 month | 4.00% | 0.00% |
| 3 months | 5.25% | 0.00% |
| 6 months | 5.50% | 0.00% |

Indicative Cross Rates

| | Buy | Sell |
|-----|--------|--------|
| EUR | 1.0850 | 1.2150 |
| GBP | 1.2100 | 1.3800 |
| JPY | 107.20 | 117.20 |
| CHF | 0.9750 | 0.9999 |