

Daily Market News



06th June 2019

DOMESTIC NEWS

A slight uptick in dollar demand propelled the USD/KES pair to march north, forcing the local unit to close the day marginally weaker.

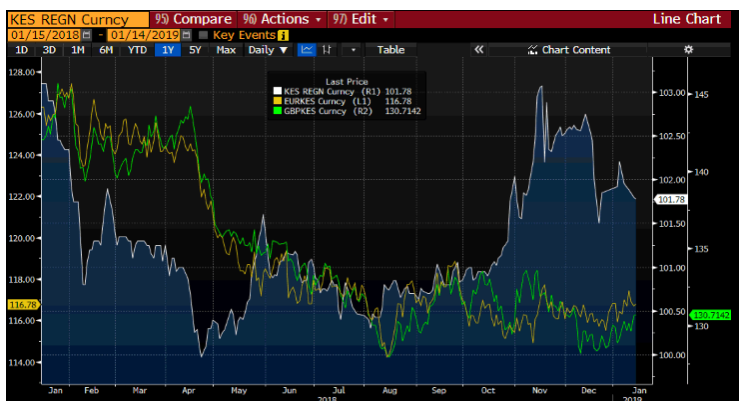
There was little by way of volume from the interbank and corporate counters in Tuesday's trading session. That said, the scale was tipped in favor of the greenback as buyers took advantage of improved liquidity levels to increase their U.S dollar holding.

For today, we expect a pint-size change in the spot price, albeit with a bearish gust, as dollar appetite continues to manifest itself in the local FX market.

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	85.00	99.00

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	4.08%	3.77%	-31.00
91-Day T-bill	7.085%	6.995%	-9.00
182-Day T-bill	7.738%	7.651%	-8.70
364-Day T-bill	9.312%	9.311%	-0.10
Inflation	4.35%	6.58%	+223.00



Source: Bloomberg

INTERNATIONAL NEWS

The U.S dollar rallied upward on Wednesday, against its peers, after a survey from the Institute for Supply Management (ISM) showed that U.S services sector expanded at a sharp pace last month. The May increase in the services industry activity reflected a jump of 1.7 points in the production sub index. The report further revealed that the industry hired more workers offering some relief for an economy that has been recently marred by a raft of weak reports from other sectors suggesting a slump in economic growth.

The EUR/USD pair edged lower yesterday bouncing off the 1.1300 levels after the EU Commission recommended excessive deficit procedure against Italy.

The pound held steady against the dollar even as U.S President Donald Trump concluded his U.K visit urging British companies to step up their competition strategies against Chinese firm, Huawei, even as he remained pro-Brexit.

The safe-haven yen advanced higher against the U.S dollar early Thursday, as progress on the U.S-Mexico talks on immigration and trade tariffs fuelled broader concerns of global trade raising appetite for safe-haven currencies.

Amounts > KES 20 million	Amounts > 100,000	
	USD	EURO
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	1.0670	1.1670
GBP	1.2150	1.3150
JPY	104.00	114.00
CHF	1.0000	1.2000