

Daily Market News



12th June 2019

DOMESTIC NEWS

The Kenya shilling retreated further after the U.S dollar went on the offensive and managed to pick up some few units.

Corporates and retail consumers sidled in to the local FX market to have a nip at the buck at enticing levels, which gave it a lift by the end of yesterday's trading session. The climb up was however not without resistance as foreign currency inflows overshadowed demand at specific ranges crafting a seesaw crusade as the pair sought to find its final equilibrium.

A further fall for the home unit may be plausible if the foreign currency demand witnessed recently continues to manifest itself, in the absence of opposing dollar flows.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	94.60	104.00
GBP/KES	121.17	132.14
EUR/KES	105.18	119.64
JPY/KES	85.00	99.00

Forward Rate(USD)(1 month)	
BUY	98.25
SELL	103.70
3 Months	
Buy	100.15
SELL	105.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.37%	3.69%	-68.00
91-Day T-bill	6.995%	6.915	-8.00
182-Day T-bill	7.651%	7.606	-4.50
364-Day T-bill	9.311%	9.299	-1.20
Inflation	6.58%	5.49%	-109.00



Source: Bloomberg

INTERNATIONAL NEWS

The dollar was edged marginally lower against its peers after poor economic data released on Tuesday, fuelled investor mindset that the U.S Federal Reserve was likely to cut rates sooner rather than later to stimulate growth. Data released revealed that the U.S Producer Price Index (PPI) for the month of May showed improvement but at a decelerating rate because of tepid price pressures. Increased uncertainty over the U.S-Sino trade war and the prospect of U.S President Donald J trump imposing tariffs in Europe and Japan continue to weigh in on risk sentiment.

The Euro clawed back losses in yesterday's trading following the greenback's weakness as well as better-than-expected Italian industrial output figures, which came in at -0.7%, despite the expected forecast of -0.9%.

The British pound made some slight gains against the dollar yesterday, crossing recently placed resistance levels after the publication of positive UK average earnings numbers which also led to its nomination as the best G10 currency. Further support for the sterling came from the buck's depreciation on account of poor data.

The Japanese yen was little changed against the U.S dollar in early Tokyo trading, but remains supported as a consequence of the deteriorating geopolitical environment.

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	1.0670	1.1670
GBP	1.2150	1.3150
JPY	104.00	114.00
CHF	0.9700	1.2000