

Daily Market News



05th Sept 2019

DOMESTIC NEWS

The Kenya shilling erased some of its previous day's losses in Wednesday's trading session to close a tad stronger versus the dollar.

The recovery of the home unit was evident in the late session after demand for the buck by interbank and corporate players subsided and pushed the USDKES currency pair marginal lower.

In today's trading, the USDKES pair is likely to keep within a narrow band as market looks out for headlines to tip the range either way.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	97.10	106.20
GBP/KES	119.90	128.60
EUR/KES	105.70	119.85
JPY/KES	0.89	0.99

Forward Rate(USD)(1 month)	
BUY	98.25
SELL	106.50
3 Months	
Buy	100.15
SELL	107.35

Money Market Rates	Previous	Current	Change bps
Interbank Rate	5.38%	5.57%	+19.00
91-Day T-bill	6.398%	6.385%	-1.30
182-Day T-bill	7.020%	7.011%	-0.90
364-Day T-bill	9.248%	9.392%	+14.40
Inflation	6.27%	5.00%	-127.00



Source: Bloomberg

INTERNATIONAL NEWS

The U.S. dollar fell against its peers on Wednesday on dovish comments by New York Federal Reserve President John Williams.

A first U.S. Manufacturing sector contraction since 2016 led to William's assertion that the U.S. economy is "weaker than previously thought." The U.S. dollar index fell to a low of 98.415 as a result.

The EURUSD crept higher helped by a weakening dollar and easing political uncertainty in Italy, where Prime Minister Giuseppe Conte unveiled a new coalition cabinet that united the anti-establishment 5-Star Movement and the Centre-left Democratic Party.

Sterling rallied against the dollar as investors grew more optimistic of a Brexit delay after U.K. lawmakers took control of Parliament and introduced legislation intended to stop a no-deal Brexit. Cable surged above 1.22 level on the day.

Easing global trade tensions and political uncertainty saw the Yen edged lower against the dollar earlier this morning. Confirmation that trade talks will resume between China and the U.S. boosted market risk appetite, while Hong Kong leader Carrie Lam fully withdrew a highly controversial extradition bill.

Indicative Deposit Rates

Amounts > KES 20 million	Amounts > 100,000	
	USD	EURO
KES		
Call	3.00%	0.00%
1 month	4.70%	0.00%
3 months	5.25%	0.00%
6 months	5.50%	0.00%

Indicative Cross Rates

	Buy	Sell
EUR	1.0550	1.1550
GBP	1.1750	1.2750
JPY	102.50	112.50
CHF	0.9450	0.9999