

# Daily Market News



09<sup>th</sup> Sept 2019

## DOMESTIC NEWS

The Kenya Shilling traded higher against the greenback on Friday backed by dollar inflows from corporate players as well as position squaring by traders ahead of the weekend.

Subdued market activity characterized the session for the better part of the day. A late afternoon dollar sell-off by the corporate and interbank sectors saw the shilling close 15 cents higher than previous close.

We expect the home unit to continue with its range bound theme, albeit with a bearish tinge in the short term.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	97.15	106.15
GBP/KES	120.40	127.10
EUR/KES	105.65	119.80
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	5.87%	6.11%	+24.00
91-Day T-bill	6.385%	6.375%	-1.00
182-Day T-bill	7.011%	6.995%	-1.60
364-Day T-bill	9.392%	9.520%	+12.80
Inflation	6.27%	5.00%	-127.00



Source: Bloomberg

## INTERNATIONAL NEWS

The U.S. dollar ended the week slightly lower against the major currency pairs following unconvincing U.S. jobs data.

U.S. Non-Farm Payrolls (NFP) came in lower than expected at 130,000 versus analysts' forecasts of 160,000, pointing to a solid but slowing employment sector, and put more pressure on the U.S. Federal reserve to cut interest rates.

The EURUSD stayed range bound at just above the 1.100 handle due mainly to the weakening greenback. Market now shifts forecast to the upcoming European Central Bank's (ECB) meeting this week, where markets expect new stimulus measures to boost an ailing Eurozone economy.

The pound reversed some of its gains after the London High Court ruled that Prime Minister Boris Johnson's attempt to close parliament next week was legal, increasing the likelihood of a hard Brexit on October 31.

The USDJPY was little changed this morning from Friday's close, unruffled by data that showed Japan's economy grew by 1.3% between April and June, meeting expectations.

### 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	1.0530	1.1530
GBP	1.1750	1.2750
JPY	101.80	111.80
CHF	0.9500	0.9999