



AFRICAN BANKING CORPORATION LIMITED

Forex and Money Market Update

10th August, 2016.

FOREIGN CURRENCY UPDATE MONEY MARKET UPDATE

| INDICATIVE OPENING RATES | | | | |
|--------------------------|--------|-----------|---------------|---------------|
| | | Yesterday | | Today |
| USD/KES | 101.45 | | 101.10/101.80 | |
| GBP | 1.299 | 131.78 | 1.3020/1.3120 | 131.60/133.60 |
| EUR | 1.108 | 112.40 | 1.1103/1.1203 | 112.25/114.10 |
| JPY | 102.55 | 0.989 | 100.90/101.90 | 0.9921/0.9990 |
| ZAR | 14.50 | 6.99 | 12.85/13.85 | 7.29/7.92 |
| INR | 67.50 | 1.502 | 67.20/68.20 | 1.4824/1.5148 |
| AED | 3.6725 | 27.62 | 3.6700/3.6750 | 27.50/27.71 |
| CHF | 0.972 | 104.37 | 0.9670/0.9780 | 103.27/105.17 |
| UGX | 3375 | 33.26 | 3,325/3,425 | 32.88/33.64 |
| TZS | 2190 | 21.58 | 2,140/2,240 | 21.16/22.00 |

LOCAL MARKET UPDATE.

The **Kenya shilling** remained range bound against the green back on Wednesday morning due to general slowdown in USD demand.

Equity Market: The NSE-20 share index dropped by 4 point to close at 3,459 yesterday.

Fixed income Market in the debt market, bonds worth Kes 0.775 Billion were traded yesterday.

GLOBAL MARKETS UPDATE.

EUR: The Euro fell slightly on Monday on a quiet day of trading, as investors continued to raise their bets on a 2016 interest rate hike from the Federal Reserve following a robust jobs report from the Labor Department at the end of last week.

INR: The Indian rupee on Wednesday hit a two-month high against the US dollar, as foreign institutional investors continued to buy in local equity and debt markets.

GBP: The pound fell against green back, as the Bank of England fell short of its target to buy more than a billion Pounds of long-term debt on Tuesday.

GOLD: Gold prices posted gains in Asia on Wednesday as investors followed an overnight trend in the face of renewed expectations of a Fed rate hike this year and better than expected machinery orders data from Japan.

UGX: The Ugandan shilling came under pressure on Tuesday after Central Bank of Uganda slashed the bench mark rates by 100 basis points to 14% as traders sought to beef up there USD positions.

| | 09.08 | 08.08 | 05.08 | 04.08 | 03.08 | |
|---------------------|---------|----------|------------|---------|-------|-------|
| Interbank Rate | 5.04% | 5.32% | 5.78% | 6.19% | 6.29% | |
| NSE Share index | 3459 | 3463 | 3482 | 3464 | 3479 | |
| T-Bond FXD1/2010/30 | 15% | 15% | 15% | 15% | 15% | |
| T-Bond FXD 2/2013/2 | 13% | 13% | 13% | 13% | 13% | |
| Treasury Bills | | | LIBOR | 1Mth | 3Mth | 6Mth |
| Days | Current | Previous | USD | 0.20% | 0.30% | 0.50% |
| 91 | 8.349% | 8.293% | GBP | 0.50% | 0.58% | 0.75% |
| 182 | 10.696% | 10.474% | EUR | -0.10 % | 0.02% | 0.05% |
| 364 | 11.405% | 11.369% | JPY | 0.05% | 0.09% | 0.13% |

KENYA'S ECONOMIC INDICATORS

| | May | March | Jan | Nov | Sep |
|------------------------------|-------|-------|-------|-------|-------|
| CBR Rate | 10.5% | 11.5% | 11.5% | 11.5% | 11.5% |
| | July | June | May | April | Mar |
| Annual Inflation rate | 6.40% | 5.80% | 5.0% | 5.27% | 6.45% |

WORLD INDICES & COMMODITIES UPDATE

| | 10.08 | 09.08 | 08.08 | 05.08 | 04.08 |
|-----------|--------|--------|--------|--------|--------|
| Gold | 1,349 | 1,331 | 1,342 | 1,369 | 1,357 |
| Crude Oil | \$42 | \$42 | \$42 | \$41 | \$41 |
| Dow Jones | 18,533 | 18,529 | 18,543 | 18,352 | 18,355 |
| S&P 500 | 2,181 | 2,180 | 2,182 | 2,164 | 2,163 |
| FTSE 100 | 6,851 | 6,809 | 6,793 | 6,740 | 6,634 |

TODAY'S MAJOR ECONOMIC DATA & EVENTS

| Time (Local) | Region | Data | Prior | Forecast |
|--------------|--------|--|---------|----------|
| 17.30 | USD | USD DOE US Crude Oil Inventories [AUG 5] | 1413.0K | 0.0K |

For firm prices please call Treasury Team on: Dir. 4263091/2/3/4/5.

Philip Wambua (General Manager, Treasury), John Muli (Spot FX Dealer), Bonnfance Olum [Corporate Dealer] Laura Ng'enda and Elly Ooko (Money Market & FX Dealer). Email: treasury@abcthebank.com.