

Thursday, April 30, 2015





Local Market

The shilling closed at 2010/2020 to the dollar on Wednesday compared to the opening of 2005/2015 levels.





The shilling continues to lose its ground against the greenback as consumption of dollars persist in the market by various clients.

Finance Minister Saada Mkuya Salum said yesterday that the Bank of Tanzania (BOT) has intervened in the foreign exchange market by issuing US dollars to commercial banks a way of increasing the amount of the vehicle currency in circulation. This will also help to check against speculators.

On money-market side, a total of TZS 5.5 billion exchanged hands in overnight market at the weighted average rate of 5.00% compared to previous day's 6.19%.

Indicative Opening Corporate Forex Rates				
CURRENCY	Against TZS		Cross Rates against USD	
	BUY	SELL	BUY	SELL
USD 	2010	2040		
GBP 	3010	3110	1.52	1.56
EUR 	2150	2250	1.09	1.13
KES 	20.3	22.3	93.5	95.5

Money Market Rates		
	Current	Previous
Inter-Bank Overnight rates	5%	6.19%
35-day Treasury Bill	2.55%	2.28%
91-day Treasury Bill	6.85%	6.86%
182-day Treasury Bill	9.74%	9.78%
364-day Treasury Bill	10.20%	10.37%

INDICATIVE INTEREST RATES:				
CURRENCY	1 Month	3 Month	6 Month	1 Year
TZS 	3.00%	6.00%	7.00%	9.00%
USD 	0.75%	2.50%	2.30%	3.00%
GBP 	0.75%	2.00%	2.30%	2.80%
EUR 	0.75%	2.00%	2.30%	2.80%

Regional Inflation rates		
	Feb-2015	March-2015
Tanzania	4.2%	4.3%
Kenya	5.6%	6.3%
Uganda	1.6%	1.9%

International & Regional Markets

EURO:

The EUR/USD towards 1.1286 in the near-term if the pair sustains above 1.11 resistance area. Euro (1.1116) has shot up strongly breaking all immediate resistances in the 1.10-1.11 levels. If this rise sustains it may target 1.1286 in the near term. The currency has also got some boost by a sharp rise in the German Bund yields. EURJPY (132.03) has also risen sharply from levels of 130.68 but may come down from 132.6 in the near term.

STERLING POUND:

The GBP/USD ran into offers close to 1.5450 in the Asian session on Thursday, after having seen the longest winning streak since 2012.

The pair traded higher on Wednesday for 12 out of the last 13 trading days. UK data released in the previous session was mixed with house prices rising strongly, but retail sales growth slowing significantly according to the Confederation of British Industry.

The weakness seen today is a result of the markets buying USD after the Fed statement released yesterday. With no major UK data due for release today, the market's appetite for the US dollars would continue to guide the pair throughout the European session.


KENYA SHILLING:

Kenya's shilling weakened to a new three-year low on Wednesday, hurt by dollar demand by importers and scarce hard currency inflows.

At the close of trading the shilling was quoted at 94.50/70 to the dollar, a level last seen in Nov. 2011. The shilling is under pressure from traditional end month dollar demand, with manufacturing, telecoms and energy companies buying dollars to pay routine obligations.

The local currency has also been hit by falling foreign exchange revenues from tourism after a number of militant attacks that kept visitors away and by a decline in horticulture earnings blamed on uneven rain.

In the debt market, bonds worth 714.6 million Kenyan shillings (\$7.55 million) were traded, down from 1.1 billion the previous day.

USD Libor 3-months	USD 	0.27575%
UK Libor 3-months	GBP 	0.56845%
EU Libor 3-months	EUR 	0.00500%

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