

DOMESTIC NEWS

The local currency advanced against the buck as rejuvenated activity on the supply counter outmuscled dollar demand in yesterday's trading session.

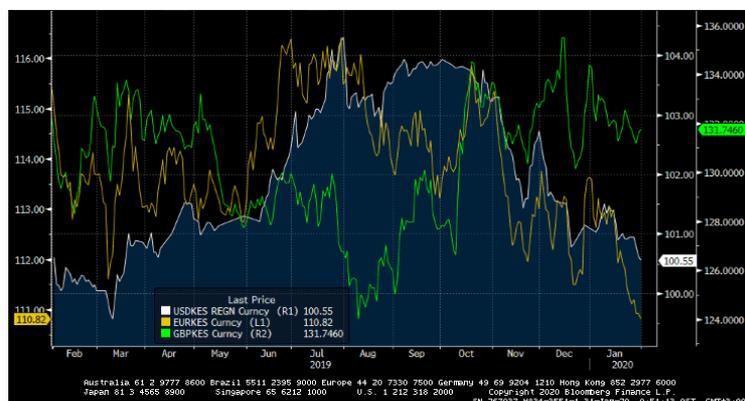
Dollar inflows from traders capitalizing on Monday's opening spot price provided the home unit with the much needed boost, as it shed off losses garnered in previous sessions. This was however short-lived as sustained foreign currency appetite pared the marginal gains made by the shilling.

We anticipate that the currency pair will embrace the recent curved furrow, as heightened activity on both the sides of the counter continue to spur in the short run.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	101.20	108.90
GBP/KES	124.51	132.70
EUR/KES	109.56	120.03
JPY/KES	0.925	1.072

Forward Rate(USD)(1 month)	
BUY	101.75
SELL	109.65
3 Months	
Buy	102.75
SELL	110.85

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.22%	4.34 %	+12.00
91-Day T-bill	7.253%	7.266%	+1.30
182-Day T-bill	8.151%	8.192%	+4.10
364-Day T-bill	9.161%	9.173%	+1.20
Inflation	5.78%	5.62%	-5.00



INTERNATIONAL NEWS

The U.S dollar dampened against a majority of currencies as a consequence of renewed market optimism occasioned by a Franco-German proposal and rising oil prices. Improved economic activity due to the ease of lockdown restrictions and steady output cuts by major oil producers pushed both the U.S and Brent oil benchmarks to record their highest numbers in two months.

The EUR/USD soared on news that France and Germany had agreed to a "EUR 500 billion recovery fund" proposal that would offer grants to EU regions and sectors hard-hit by the coronavirus pandemic. This caused a fall in Italian bond yields and the currency pair advanced to a two-week high.

Cable rebounded from a two-month low, yesterday, on the back of broad-dollar weakness throwing off negative sentiments emanating from talks of negative interest rates by the BOE and the stalemate surrounding the Brexit talks.

The safe-haven yen traded with mild volatility against the greenback, in Tuesday's early trading, owing to a change in risk sentiment following encouraging data from a Covid-19 trial vaccine.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
	KES	USD	EURO
Call	3.00%	0.25%	0.00%
1 month	4.25%	0.25%	0.00%
3 months	4.50%	0.35%	0.00%
6 months	5.00%	0.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.0520	1.1620
GBP	1.180	1.3070
JPY	101.65	114.50
CHF	0.9020	1.0650

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