

DOMESTIC NEWS

The domestic unit movement against the U.S. dollar remained constrained within a tight range on Monday.

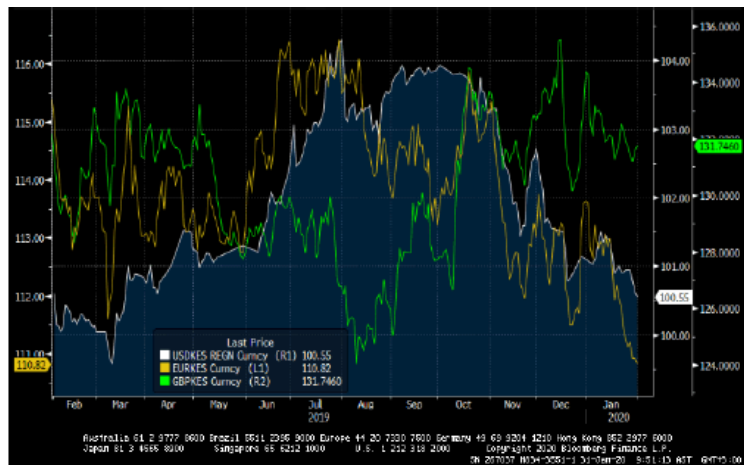
The session saw minimal activity across the counters that just about evened out on the day, with foreign currency supply matching demand to close the day's session unchanged.

Although an expected uptick in market activity this coming week could cause some movement in the USD/KES currency pair, we still see range bound trading within recent levels.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	99.40	109.45
GBP/KES	125.22	137.50
EUR/KES	110.90	124.40
JPY/KES	90.96	107.90

Forward Rate(USD)(1 month)	
BUY	101.65
SELL	109.85
3 Months	
Buy	102.60
SELL	110.90

Money Market Rates	Previous	Current	Change bps
Interbank Rate	4.35%	4.52%	+17.00
91-Day T-bill	7.259%	7.089%	-17.00
182-Day T-bill	8.060%	7.739%	-32.1
364-Day T-bill	9.030%	8.667%	-36.30
Inflation	5.62%	5.47%	-15.00



INTERNATIONAL NEWS

The dollar snapped a four-session winning streak on Monday, driven by a "technical correction" following Friday's rally, led by demand related to option and future expiries according to analysts from Societe General. The dollar also dragged lower by losses against the pound and euro as risk on sentiment kept a lid on safe-haven demand.

The buying pressure around the single currency remained strong with the EUR/USD pair jumping more than 0.70% on Monday to snap a four-day losing streak. The pair may face selling pressure if European stocks decline for the second day. Stocks fell on Monday as an uptick in the German coronavirus infection rate fuelled fears of another lockdown.

Although Cables recent upside momentum fizzled out somewhat, the pair still gained 0.05%, heading towards the London open on Tuesday. BOE Governor's Andrew Bailey said that the central bank would need to reduce its balance sheet before raising rates significantly, indicating that elevated balance sheets could limit the room for maneuver in future emergencies.

Earlier in Asia, the bid tone around the anti-risk Japanese yen strengthened, after White House adviser Peter Navarro reported that President Trump has decided to terminate the China trade deal in light of the growing evidence that the coronavirus originated in a Wuhan laboratory.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
	KES	USD	EURO
Call	3.00%	0.25%	0.00%
1 month	4.70%	0.25%	0.00%
3 months	5.25%	0.35%	0.00%
6 months	5.50%	0.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.0520	1.1520
GBP	1.1800	1.3070
JPY	101.65	114.50

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