

DOMESTIC NEWS

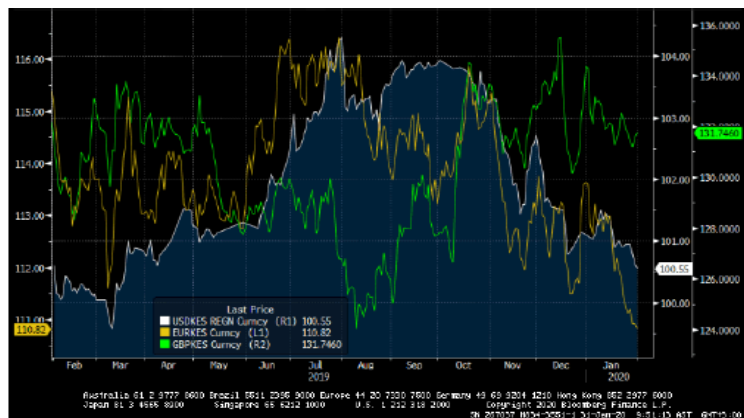
The Kenya shilling succumbed to further pressure, and closed the day a touch lower against the dollar on the backdrop of swelling appetite for the greenback.

The local currency struggled throughout the session to find its footing on the back of mounting demand for the buck by importers, amid waning foreign currency inflows, leaving it 5 cents lower by the day. The regulator was in the market to mop up excess liquidity and this provided some support for the home unit from weakening further.

Market chatter still points to a slightly bearish bias in the value of the home unit versus the dollar in the near term, albeit gradually.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	BUY TT	SELL TT		
USD/KES	99.80	110.05	BUY	101.70
GBP/KES	126.00	137.90	SELL	109.85
EUR/KES	112.00	125.50	3 Months	
JPY/KES	91.11	108.05	BUY	102.60
			SELL	110.90

Money Market Rates	Previous	Current	Change bps
Interbank Rate	1.69%	1.67%	-2.00
91-Day T-bill	6.546%	6.274%	-27.20
182-Day T-bill	7.048%	6.759%	-28.90
364-Day T-bill	7.769%	7.700%	-6.90
Inflation	5.33%	4.59%	-74.00



Source: Bloomberg

INTERNATIONAL NEWS

A market-wide flight to riskier asset saw traders unwinding their long dollar positions, which consequently saw the greenback, wilt to a one-month low, with the dollar index falling below 96.00 for the first time since June. The flight, which also pushed for higher stocks and yields, was because of positive data from the Moderna Inc's experimental COVID-19 vaccine that activated immune responses in all 45 volunteers. However, this was short lived, as late trading saw dollar pare its loses on account of festering U.S.-China tensions and fears of the economic impact of a second wave of coronavirus infections.

The euro was little moved in spite of its glide to a four-month high earlier in the day, close to a euro-dollar's peak hit in March this year, as it basked in the hopes that the EUR 750 billion recovery fund would be approved this weekend.

The GBP/USD currency was marginally lower on Wednesday owing to a gradual change in risk sentiment in late day trading in favor of safe-haven assets. Global tension have been elevated recently, with Britain declaring it will purge China's Huawei from its communications network by 2027, prompting a caveat from Beijing.

Despite trading volumes in Asian morning trade being thin in anticipation of Chinese growth data, the Japanese yen managed to recoup some losses from its American counterpart to trade slightly below the 107.00 levels.

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
CHF	0.9020	1.0650

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