

DOMESTIC NEWS

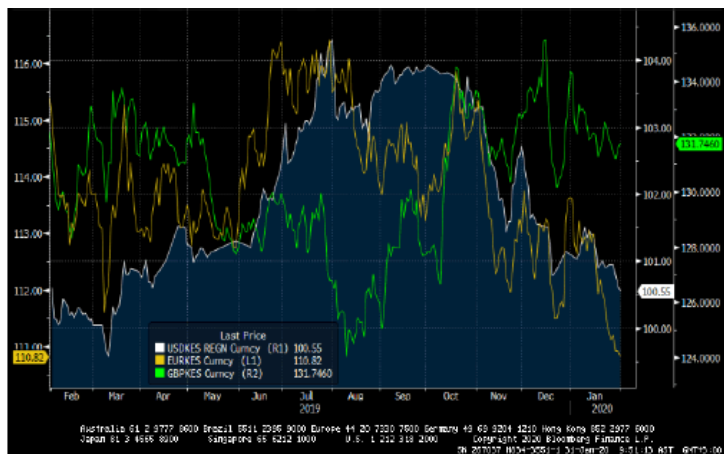
The local unit closed the day a shade weaker against the U.S. dollar at the end of Wednesday's trading session.

Subdued market activity characterized the session for the better part of the day. A pick-up in demand in the late afternoon from corporate players and importers, saw the shilling edge 5 cents lower from the previous days close.

We expect the domestic unit to continue with its range bound theme, albeit with a bearish tinge in the short term.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	101.80	111.20	102.00	111.60
GBP/KES	135.50	147.00		
EUR/KES	120.50	132.80		
JPY/KES	96.00	110.00		
			3 Months	
			Buy	102.50
			SELL	112.40

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.21%	3.12%	-9.00
91-Day T-bill	6.200%	6.257%	+5.70
182-Day T-bill	6.561%	6.600%	+3.90
364-Day T-bill	7.517%	7.508%	-0.90
Inflation	4.59%	4.36%	-23.00



INTERNATIONAL NEWS

The US dollar continued to gain ground against the euro, pound, yen, and also gold but lost some ground to commodity currencies as traders pared bearish bets against the dollar on account of positive data releases in recent days.

The euro fell sharply against the dollar on Wednesday, after comments by ECB chief economist Lane said that EURUSD does matter, which market interpreted as likelihood of ECB stemming the rise of the single currency. The pair fell 0.8% on the day.

GBP/USD dropped 1% on Wednesday. Cable extended the previous day's losses influenced by profit taking on long positions as the greenback managed to gain ground across the board. EU-UK talks resume next week and developments on Brexit talks as well as data from the UK is likely to guide the trading direction.

Earlier in Asia, USD/JPY pair rose for the fourth day in a row. The yen has recently been favoured by the odds of continuous easy money policies for Japan as well as the US dollar gains.

Indicative Deposit Rates			
Amounts > KES 20 million	Amounts > 100,000		
	KES	USD	EURO
Call	2.75%	0.25%	0.00%
1 month	4.70%	0.25%	0.00%
3 months	5.00%	0.35%	0.00%
6 months	5.25%	0.50%	0.00%

Indicative Cross Rates		
	Buy	Sell
EUR	1.1240	1.2640
GBP	1.2520	1.3950
JPY	99.65	114.50
CHF	0.8320	0.9730

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