

### DOMESTIC NEWS

The USD/KES currency pair treaded water on Friday, in another low-key trading session where demand and supply counters were slightly balanced.

Market was relatively calm throughout the day with little activity reported on both the demand and supply counters. Corporate and interbank dollar demand was well matched allowing the pair to remain unchanged by close of business.

In the week ahead, the shilling is likely to continue trading within its recently established ranges albeit with a slightly bearish bias, if the dollar demand seen in recent days still persists.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	101.82	111.22
GBP/KES	135.35	146.20
EUR/KES	120.60	132.95
JPY/KES	96.00	110.00

  

Forward Rate(USD)(1 month)	
BUY	102.00
SELL	111.60
3 Months	
Buy	102.50
SELL	112.40

Money Market Rates	Previous	Current	Change bps
Interbank Rate	3.11%	3.06%	-6.00
91-Day T-bill	6.273%	6.295%	+2.20
182-Day T-bill	6.625%	6.627%	+0.20
364-Day T-bill	7.507%	7.554%	+4.70
Inflation	4.59%	4.36%	-23.00



Source: Bloomberg

### INTERNATIONAL NEWS

The U.S dollar gained slightly on Friday after the release of the U.S jobs data which allowed it to rally briefly before capping gains on account of the recovery of the U.S stock indexes. The U.S Labour Department reported that the jobless rate in August fell to 8.2%, from 10.2% in the previous month but noted that U.S employment growth was arrested and permanent job losses increased due to a cut in government spending.

The EUR/USD pair was relatively flat owing to broad dollar movements. Focus shifts this week on the ECB meeting on Thursday which is expected to give guidance on the inflation trend in the near term.

Cable continued its southward march on Friday owing to fears that the U.K may fail to ink a trading agreement with the European Union before the extended deadline. Without a deal, Britain may have to trade with E.U on WTO rubrics, which may offer huge restrictions to its economy. The Sterling is also being hit by talks that its Monetary Authority is considering cutting rates below zero.

Early trading in Asia saw the Japanese Yen trade marginally lower against the greenback owing to thinned volumes due to the U.S Labor Day holiday and the awaited release of a string of data from Japan, which include household spending, current account and GDP figures.

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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