

DOMESTIC NEWS

The Kenya shilling traded within confined ranges against the U.S. dollar on Thursday as foreign currency flows evened out.

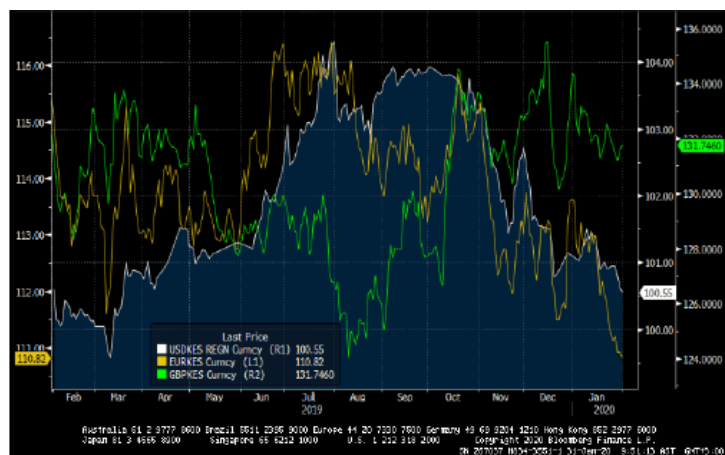
In a rather quiet session, the shilling held steady versus the greenback as flows on both the demand and supply counters matched. Market trading volumes remained minimal with traders covering only for necessary flows.

Ahead of the weekend, we expect the USDKES pair to trade within recent established ranges albeit with a slightly bearish bias for KES if dollar demand for the greenback continues to persist.

Amounts "100,000"	Today's Opening	
	Buy TT	Sell TT
USD/KES	101.80	111.20
GBP/KES	135.50	147.00
EUR/KES	120.50	132.80
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	2.34%	2.08%	-24.00
91-Day T-bill	6.309%	6.400%	+5.70
182-Day T-bill	6.773%	6.839%	+3.90
364-Day T-bill	7.69%	7.774%	-0.90
Inflation	4.59%	4.36%	-23.00



INTERNATIONAL NEWS

The dollar was lower against a basket of currencies on Thursday, while the Chinese yuan soared to a 17-month high. Investors are wagering on a Joe Biden presidency and hopes of increased U.S. stimulus spending, leading to whetting risk appetite for stocks and riskier currencies which weighed on the dollar. Talks with the Congress restarted yesterday on expected fiscal relief, after negotiations were called off earlier this week.

EUR/USD remained within a range but appeared well bid towards late New York trading on broad based dollar weakness. However, gains seem to be capped on widening US-German yield differentials as the 10-year US yield continued to rise amid hopes on increased US stimulus measures.

GBP was slightly higher against the dollar amid a dearth of data at home. Comments from the BOE Governor Andrew Bailey and the statements from the Financial Policy Committee (FPC) meeting yesterday were deemed positive supporting the pound.

USD/JPY was down 0.10% intraday, in the initial hour of Tokyo open today. In doing so, the yen pair parted ways from the previous two day's upside momentum even as the risk-tone remained positive, mainly due to the hopes of the American stimulus.

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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