

DOMESTIC NEWS

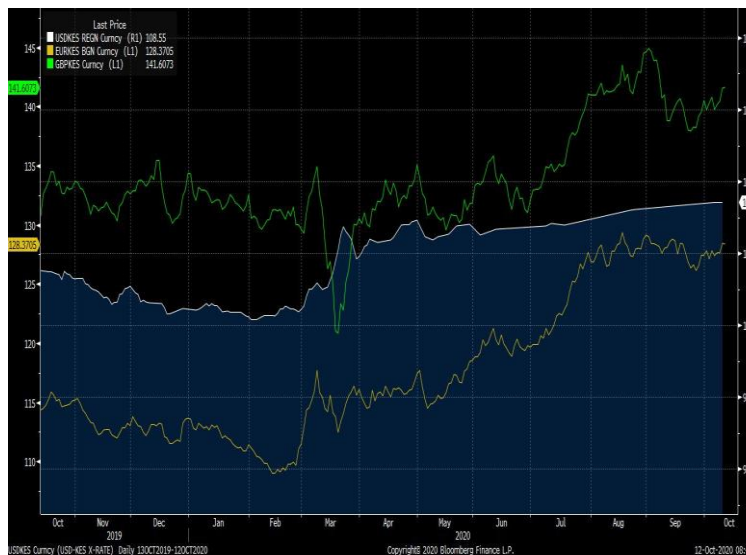
The Kenya shilling extended its losses on Wednesday, closing the day a tad lower from the previous day.

The local currency remained under pressure due to increasing dollar demand and insufficient inflows from the agricultural sector, diaspora remittances and tourism.

The USDKES pair is likely to trade within the latest trading band albeit with a bearish tinge as activity gradually picks up on the foreign currency demand counter.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	103.60	113.60	104.00	114.55
GBP/KES	134.63	147.04		
EUR/KES	120.41	133.44		
JPY/KES	97.77	112.68		

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.05%	2.05%	0.00
91-Day T-bill	6.400%	6.468%	+6.80
182-Day T-bill	6.839%	6.853%	+1.40
364-Day T-bill	7.744%	7.762%	+1.80
Inflation	4.36%	4.20%	-16.00



INTERNATIONAL NEWS

The US dollar fell from its intraday high, closing 0.197% lower against a basket of currencies, as the market remained guarded on fading expectations of a coronavirus vaccine and stalled U.S. fiscal stimulus talks. Johnson & Johnson, one of the companies developing a coronavirus vaccine, put their clinical trials on hold after one of the participants fell ill. Secretary Mnuchin poured cold water on the possibility of a fiscal stimulus package before elections, indicating that they were still far from agreeing on some details. US producer price index increased by 0.4% in September higher than the expected 0.2%, however overall inflation outlook remains on a downward trend.

The Euro traded higher on the back of dollar weakness after its biggest intraday drop on Tuesday in two months. Eurozone production data indicated slowed growth in August as expected. Coronavirus cases in Europe are still on the rise with most nations extending restrictions to curb the spread of the virus.

The British pound plunged to its lowest level in a week in intraday trading before reversing its losses to close 1% higher, as the UK and EU indicated that they had made some progress in the trade talks. Brexit remains the biggest mover for the currency pair with good news causing a rally and vice versa.

The Japanese yen opened at 105.25, slightly lower than overnight high, as risk aversion dominated the early Asian market amid rising global coronavirus cases and negligible progress in the US stimulus talks.

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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