

## DOMESTIC NEWS

The Kenya shilling's movement against the U.S. dollar was constrained within a narrow range in Friday's trading session

The session saw the home unit little changed versus the greenback on the back of matching flows on both the demand and supply counters.

Ahead of the week, we expect the domestic currency to continue trading within recent ranges, with market activity expected pick up gradually as we approach end month.

Amounts	Today's	
"100,000"	Opening	
	Buy TT	Sell TT
USD/KES	103.80	112.95
GBP/KES	136.88	148.36
EUR/KES	121.65	133.78
JPY/KES	98.62	112.73

  

Forward Rate(USD)(1 month)	
BUY	104.20
SELL	114.60
3 Months	
Buy	104.75
SELL	115.55

Money Market Rates	Previous	Current	Change bps
Interbank Rate	2.49%	2.44%	+5.00
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 dollar fell on Friday and recorded a week-on-week loss, as a disappointment over delayed U.S stimulus diminished investor confidence in the world reserve currency. The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, fell 0.22%.

The common currency shrugged off sluggish Eurozone data and the increase of COVID-19 infections in the continent to remain positive against the US dollar. Despite the larger than expected increase in the manufacturing index, services sector activity contracted further, with Germany and France showing weaker than expected prints, which suggests that the second COVID-19 wave might be affecting the incipient economic recovery.

Broad based dollar weakness enabled the GBP/USD pair to regain some positive traction during the first half of Fridays session, however, persistent Brexit-related uncertainties kept a lid on any further gains, dragging the GBP/USD pair into the negative territory for the second straight session.

USD/JPY's recovery from Wednesday's 0.85% decline continued to be anemic. The pair is currently trading largely unchanged on the day near 104.68

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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