

DOMESTIC NEWS

The USDKES pair continued to trade within a tight range as traders focused on flow matching, unexpectedly the shilling gained albeit marginally against the dollar.

Demand for the greenback was noted in the morning session, causing the shilling to pullback. However, a slight uptick in dollar inflows provided support for the local unit, to gain a paltry 5 cents on the day.

In the new day, we anticipate the home unit to endure within the recent tight but now familiar range.

Amounts "100,000"	Today's 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	3.30%	3.34%	+4.00
91-Day T-bill	6.653%	6.666%	+1.30
182-Day T-bill	7.038%	7.072%	+3.40
364-Day T-bill	7.933%	7.994%	+6.10
Inflation	4.36%	4.20%	-16.00



Source: Bloomberg

INTERNATIONAL NEWS

The U.S dollar was mixed against a basket of currencies, initially gaining ground against safe haven rivals but losing against others after stocks rallied following an announcement by Pfizer on a coronavirus vaccine, which is 90pct effective. This also fuelled the rally in US treasury bonds, boosting the 10-year Treasury note by 13 basis points to 0.95%, with the benchmark rate reaching 0.975%, its highest level since March. However, as markets digested the news and the fact that it may take months before the vaccine is available, profit taking was seen leading the dollar to recoup some losses but continued to trade on the back foot.

The EUR/USD pair halted its four-day rally on Monday on the back of a stronger dollar. Today, ZEW Survey - Economic Sentiment for the Eurozone and Germany will be featured in the European economic docket.

The Sterling pound receded marginally, as Brexit news partially offset dollar strength. UK Finance Minister Rishi Sunak said that significant progress was made in Brexit talks, while announcing a plan to provide stability to the post-Brexit era's financial sector. Meanwhile, EU's chief Brexit negotiator Michel Barnier said they are redoubling their efforts to reach an agreement on the future EU-UK partnership.

Earlier today in Tokyo, the yen edged higher against the dollar, after suffering its biggest loss overnight since March.

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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