

### DOMESTIC NEWS

The first trading day of the year saw the USDKES currency pair glide a tad higher on the back of improved dollar demand.

Despite an obvious lull in market activity, there was increased interest for the greenback, from various sectors of the economy, which marginally subjugated the dollar inflows and nudged the local currency to close on the back foot.

The USDKES pair may drift further south, albeit gradually, as resurgence of foreign currency appetite begins to manifest in the local FX market.

Amounts "100,000"	Today's Opening		Forward Rate(USD)(1 month)	
	Buy TT	Sell TT	BUY	SELL
USD/KES	104.00	112.50	105.65	115.65
GBP/KES	143.35	155.53		
EUR/KES	125.00	138.25		
JPY/KES	98.65	111.59		
			3 Months	
			Buy	106.05
			SELL	117.00

Money Market Rates	Previous	Current	Change bps
Interbank Rate	6.046%	6.188%	+14.00
91-Day T-bill	6.929%	6.906%	-2.30
182-Day T-bill	7.403%	7.400%	-0.300
364-Day T-bill	8.338%	8.348%	+1.00
Inflation	5.30%	5.60%	+0.30



Source: Bloomberg

### INTERNATIONAL NEWS

The greenback recouped loses on the first day of trading this year, as rising COVID-19 cases challenged the bullish sentiment that had struck the global markets and pushed investors into riskier currencies. Risk-appetite dampened shortly after the opening of trading for U.S. equity markets, with major indexes down more than 1% on concerns over the rollout of coronavirus vaccines.

The euro was a touch higher after rising to its highest peak since April 2018, bolstered by end-year positive data from Germany's manufacturing industry. IHS Markit reported that the PMI rose to 55.2 in December from November's 53.8.

Cable closed the day lower despite steadily rising to an acme of 31 months following reports of M&A related activities. Further support for the sterling came from printed PMI data for December, which rose to 57.5 from November's 55.6; it's highest since November 2017. However, the gains were erased after the Prime Minister ordered a nation-wide lockdown amid rising cases of the corona virus.

The safe-haven Japanese yen treaded water in Tokyo's early trading, after advancing on Monday on news that Japan's government is considering a state of emergency for Tokyo amid a surge in coronavirus cases.

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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